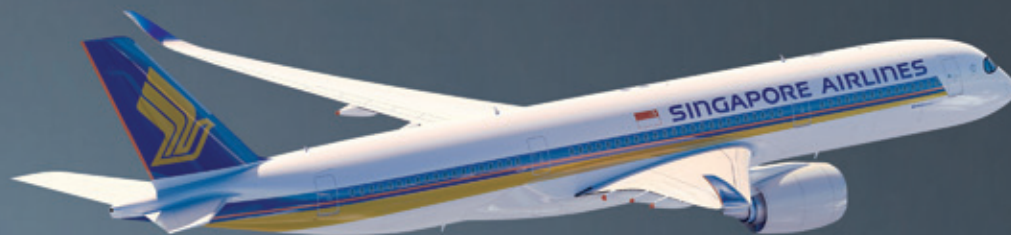






Mission Statement

Singapore Airlines is a global company dedicated to providing air transportation services of the highest quality and to maximising returns for the benefit of its shareholders and employees.



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3-YEAR FINANCIAL HIGHLIGHTS

TOTAL GROUP REVENUE

(\$ million)

2018/19 16,323

2017/18 15,806

2016/17 14,869

NET ASSET VALUE PER SHARE:

\$11.22

Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares.

GROUP OPERATING PROFIT

(\$ million)

2018/19 1,067

2017/18* 1,549

2016/17 623

TOTAL DIVIDEND PER SHARE:

30 cents

The final dividend of 22 cents per share will be paid on 16 August 2019 to shareholders as at 2 August 2019. Including the interim dividend of 8 cents per share paid on 4 December 2018, the total dividend for the 2018/19 financial year will be 30 cents per share.

GROUP NET PROFIT

(\$ million)

2018/19 683

2017/18* 1,302

2016/17 360

EARNINGS PER SHARE:

57.7 cents

Earnings per share is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares.

*Restated due to the adoption of IFRS

SIA GROUP PORTFOLIO

During the year in review, the Singapore Airlines Group continued to expand its global network, bringing greater convenience to customers and further reinforcing its position as a global leader in key markets.



20,738,001
passengers carried
in FY2018/19

121
aircraft in
operating fleet

1
new destination
introduced

63
destinations served



4,901,796
passengers carried
in FY2018/19

27
aircraft in
operating fleet*

49
destinations served



10,455,202
passengers carried
in FY2018/19

47
aircraft in
operating fleet

3
new destinations
introduced

66
destinations served

TOTAL:

36,094,999
passengers carried in
FY2018/19

195
passenger aircraft in
operating fleet*

138
destinations served

*Excludes six Boeing 737 MAX 8 aircraft which are currently not in service



STATISTICAL HIGHLIGHTS

Financial Statistics^{R1}

	2018/19	2017/18 ^{R2}	% Change	
The Group				
Financial Results (\$ million)				
Total revenue	16,323.2	15,806.1	+	3.3
Total expenditure	15,256.1	14,257.3	+	7.0
Operating profit	1,067.1	1,548.8	-	31.1
Profit before taxation	868.6	1,593.2	-	45.5
Profit attributable to owners of the Company	682.7	1,301.6	-	47.5
Financial Position (\$ million)				
Share capital	1,856.1	1,856.1	-	-
Treasury shares	(171.5)	(183.5)	+	6.5
Capital reserve	(124.3)	(139.4)	+	10.8
Foreign currency translation reserve	(33.2)	(52.4)	+	36.6
Share-based compensation reserve	24.9	79.5	-	68.7
Fair value reserve	459.7	313.5	+	46.6
General reserve	11,275.1	10,986.5	+	2.6
Equity attributable to owners of the Company	13,286.8	12,860.3	+	3.3
Return on equity holders' funds (%) ^{R3}	5.2	10.8	-	5.6 points
Total assets	30,505.2	25,892.5	+	17.8
Total debt	6,654.4	3,127.3	+	112.8
Total debt : equity ratio (times) ^{R4}	0.50	0.24	+	0.26 times
Value added	5,314.3	5,615.5	-	5.4
Per Share Data				
Earnings - basic (cents) ^{R5}	57.7	110.1	-	47.6
Earnings - diluted (cents) ^{R6}	57.4	109.7	-	47.7
Net asset value (\$) ^{R7}	11.22	10.88	+	3.1
Dividends				
Interim dividend (cents per share)	8.0	10.0	-	2.0 cents
Final dividend (cents per share)	22.0	30.0	-	8.0 cents
Dividend cover (times) ^{R8}	1.9	2.8	-	0.9 times
The Company^{R9}				
Financial Results (\$ million)				
Total revenue	13,144.2	12,807.5	+	2.6
Total expenditure	12,153.7	11,469.4	+	6.0
Operating profit	990.5	1,338.1	-	26.0
Profit before taxation	938.8	1,529.0	-	38.6
Profit after taxation	779.1	1,324.6	-	41.2
Value added	4,123.4	4,475.6	-	7.9

^{R1} Singapore Airlines' financial year is from 1 April to 31 March. Throughout this report, all figures are in Singapore Dollars, unless otherwise stated.

^{R2} As required by the Singapore Exchange listing rules, the Group has adopted International Financial Reporting Standards ("IFRS") with effect from 1 April 2018. In accordance to the transition requirements, FY2017/18 comparatives and balances as at 31 March 2018 have been restated.

^{R3} Return on equity holders' funds is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

^{R4} Total debt : equity ratio is total debt divided by equity attributable to owners of the Company as at 31 March.

^{R5} Earnings per share (basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares.

^{R6} Earnings per share (diluted) is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares, adjusted for the dilutive effect of outstanding share awards granted to employees.

^{R7} Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares at 31 March.

^{R8} Dividend cover is profit attributable to owners of the Company divided by total dividends.

^{R9} With the re-integration of SIA Cargo as a division under the Company, prior year comparatives have been restated as if the integration had taken place last year.

Operating Statistics

	2018/19	2017/18 ^{R1}		% Change	
Singapore Airlines^{R2}					
Passenger Operations					
Passengers carried (thousand)	20,738	19,505	+	6.3	
Revenue passenger-km (million)	102,571.9	95,855.0	+	7.0	
Available seat-km (million)	123,486.2	118,126.7	+	4.5	
Passenger load factor (%)	83.1	81.1	+	2.0	points
Passenger yield (cents/pkm)	10.1	10.2	-	1.0	
Revenue per available seat-km (cents/ask)	8.4	8.3	+	1.2	
Passenger unit cost (cents/ask)	8.3	8.1	+	2.5	
Cargo Operations					
Cargo and mail carried (million kg)	1,298.3	1,301.2	-	0.2	
Cargo load (million tonne-km)	7,006.5	7,260.3	-	3.5	
Gross capacity (million tonne-km)	11,210.4	11,126.7	+	0.8	
Cargo load factor (%)	62.5	65.3	-	2.8	points
Cargo yield (cents/ltk)	31.7	30.0	+	5.7	
Cargo unit cost (cents/ctk)	16.5	16.2	+	1.9	
Overall Operations					
Overall load (million tonne-km)	16,520.2	16,150.8	+	2.3	
Overall capacity (million tonne-km)	23,694.6	23,043.3	+	2.8	
Overall load factor (%)	69.7	70.1	-	0.4	point
Overall yield (cents/ltk)	76.3	74.3	+	2.7	
Overall unit cost (cents/ctk)	50.9	49.1	+	3.7	
SilkAir					
Passengers carried (thousand)	4,902	4,687	+	4.6	
Revenue passenger-km (million)	8,940.3	8,343.5	+	7.2	
Available seat-km (million)	11,731.8	11,365.9	+	3.2	
Passenger load factor (%)	76.2	73.4	+	2.8	points
Passenger yield (cents/pkm)	10.9	11.5	-	5.2	
Revenue per available seat-km (cents/ask)	8.3	8.4	-	1.2	
Passenger unit cost (cents/ask)	8.5	8.4	+	1.2	
Scoot					
Passengers carried (thousand)	10,455	9,467	+	10.4	
Revenue passenger-km (million)	29,325.9	25,599.8	+	14.6	
Available seat-km (million)	34,388.6	29,888.4	+	15.1	
Passenger load factor (%)	85.3	85.7	-	0.4	point
Revenue per revenue seat-km (cents/pkm)	5.7	5.8	-	1.7	
Revenue per available seat-km (cents/ask)	4.9	5.0	-	2.0	
Cost per available seat-km (cents/ask)	5.2	4.9	+	6.1	
Group Airlines (Passenger)					
Passengers carried (thousand)	36,095	33,659	+	7.2	
Revenue passenger-km (million)	140,838.1	129,798.3	+	8.5	
Available seat-km (million)	169,606.6	159,381.0	+	6.4	
Passenger load factor (%)	83.0	81.4	+	1.6	points
Passenger yield (cents/pkm)	9.2	9.4	-	2.1	
Revenue per available seat-km (cents/ask)	7.7	7.7	-	-	
Employee Productivity (Average) - The Company^{R2}					
Average number of employees	15,943	15,620	+	2.1	
Capacity per employee (tonne-km)	1,486,207	1,475,242	+	0.7	
Revenue per employee (\$)	824,450	819,942	+	0.5	
Value added per employee (\$)	258,634	286,530	-	9.7	
Employee Productivity (Average) - The Group					
Average number of employees	26,534	25,901	+	2.4	
Revenue per employee (\$)	615,181	610,251	+	0.8	
Value added per employee (\$)	200,283	216,806	-	7.6	

^{R1} Operating statistics for FY2017/18 have been adjusted for adoption of IFRS.

^{R2} With the re-integration of SIA Cargo as a division under the Company, prior year comparatives have been restated as if the integration had taken place last year.

Glossary

Singapore Airlines

Passenger Operations

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Passenger unit cost	=	Passenger operating expenditure divided by available seat-km

Cargo Operations

Cargo load	=	Cargo and mail load carried (in tonnes) x distance flown (in km)
Gross capacity	=	Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	=	Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
Cargo yield	=	Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
Cargo unit cost	=	Cargo operating expenditure divided by gross capacity (in tonne-km)

Overall Operations

Overall load	=	Passenger, cargo and mail load carried (in tonnes) x distance flown (in km)
Overall capacity	=	Passenger and cargo capacity production (in tonnes) x distance flown (in km)
Overall load factor	=	Overall load (in tonne-km) expressed as a percentage of overall capacity (in tonne-km)
Overall yield	=	Passenger, cargo and mail flown revenue from scheduled services divided by overall load (in tonne-km)
Overall unit cost	=	Operating expenditure divided by overall capacity

SilkAir

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Passenger unit cost	=	Operating expenditure (less cargo and mail revenue) divided by available seat-km

Scoot

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Revenue per revenue seat-km	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Cost per available seat-km	=	Operating expenditure divided by available seat-km

Group Airlines (Passenger)

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km

SIGNIFICANT EVENTS

2018

Q1

APR

MAY

JUN

Q2

JUL

AUG

SEP

24 APRIL

SIA announces partnership with Plug & Play to promote innovation via startups



2 MAY

Scoot joins SIA's HighFlyer programme

18 MAY

SilkAir announces it will merge with SIA and reveals plans to undergo major cabin upgrades

24 MAY

SIA partners SG Enable and Autism Resource Centre to feature designs by artists with special needs on SIA's in-flight products



28 MAY

SIA launches first New Distribution Capability connection, with Skyscanner

29 JUNE

SIA offers refreshed Chinese dining concept in Business Class

18 JULY

SIA and CAE announce commencement of operations of new Singapore CAE Flight Training centre for pilot training

24 JULY

SIA's KrisFlyer programme launches KrisPay, a miles-based digital wallet

15 AUGUST

SIA and Canyon Ranch partner to enhance customer experience and well-being on the world's longest flights

21 AUGUST

SIA and Alibaba Group unveil strategic partnership to collaborate on multiple fronts

6 SEPTEMBER

SIA debuts new A350-900 medium haul aircraft to Adelaide

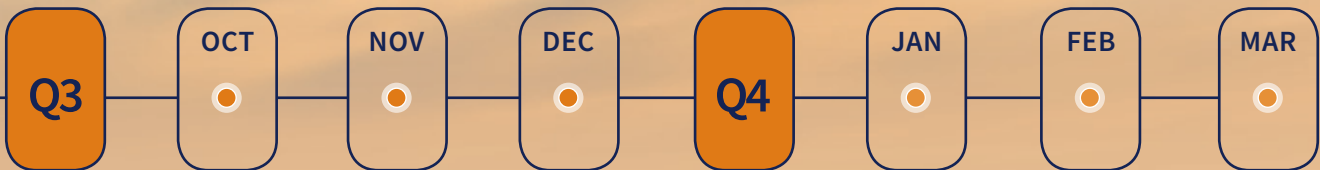
20 SEPTEMBER

SIA Cargo launches THRU-COOL, a new service to transport high-value, time-sensitive and temperature-controlled pharmaceutical cargo with speed and reliability





2019



12 OCTOBER

SIA launches world's longest flight with A350-900ULR to Newark

22 OCTOBER

SIA launches KrisConnect programme to enhance customer experience on partner platforms

1 NOVEMBER

SIA announces plans to launch non-stop flights to Seattle



30 NOVEMBER

SIA, 3Sixty and SATS finalise agreement to establish a travel retail joint venture



14 DECEMBER

SilkAir boosts Singapore-Cairns services to daily

20 DECEMBER

SIA becomes first airline to introduce network-wide pre-ordering for premium class customers

29 JANUARY

SIA's digital innovation lab, KrisLab, officially opens its doors

12 FEBRUARY

SIA announces plans to add third daily flight to Osaka

18 FEBRUARY

SilkAir announces plans to launch non-stop flights to Busan

14 MARCH

SIA partners COMO Shambhala to enhance wellness in travel

21 MARCH

SIA steps up in-flight sustainability efforts



TRANSFORMATION UPDATE

During the second year of its three-year Transformation Programme, Singapore Airlines has been working on a range of business initiatives and operational enhancements to ensure that it remains competitive and is primed to tackle the challenges of a changing operating environment.

SIA's transformation efforts have been driven by the need to review its business strategies and operational efficacy to improve and enhance the overall customer experience. However, it is also worthwhile to understand that at the core of this transformation initiative, it is also exploring new ways to empower staff with upskilling and giving them the tools to develop the workplace of the future for the SIA Group.

The following are some of the developments that the Transformation Office has been working on over the past year to meet our objectives.

KrisLab

Officially launched on 29 January 2019, Singapore Airlines' digital innovation lab, KrisLab, serves as a collaborative workspace that offers a conducive environment to advance innovative ideas internally and with external partners, enabling the Airline to fully embrace digitalisation and technology in all aspects of its business operations. The Digital Innovation Lab team undertakes a programmatic approach to innovation, which includes clear prototype development, as well as acceleration and incubation models to engage start-ups to achieve greater speed to market. Through KrisLab and the Airline's Digital Innovation Blueprint, Singapore Airlines supports Singapore's open innovation ecosystem to catalyse digital opportunities that drive Singapore's development as a travel and aviation hub in the region. KrisLab was designed in a competition as part of SIA's partnership with LASALLE College of the Arts.

Driving Staff Innovation

KrisLab strives to inspire our employees and to enable them to contribute new ideas through a programmatic approach. It is crucial for staff to take ownership over their ideas and be fully involved throughout the innovation process. KrisLab provides the necessary infrastructure and support through funding, development resources and mentoring.

Out of 315 digitally driven ideas received during FY2018/19, 50 prototypes were developed and 10 of them have progressed to the production stage and will be adopted into current operations. Technology such as blockchain, mixed reality devices, artificial intelligence and data analytics, among others, are used and explored by the KrisLab team as digital initiatives are being developed into viable prototypes.





Pioneering Aviation Innovative Research and Development

As part of SIA Group's digital transformation, KrisLab aims to work with external communities through collaboration and engagement with industry partners, government bodies and Institutes of Higher Learning (IHLs) to address both short-term and long-term business challenges. Bilateral partnerships with the Agency for Science, Technology and Research (A*STAR), Civil Aviation Authority of Singapore (CAAS), Economic Development Board (EDB) and the National University of Singapore (NUS) were signed to create the framework needed to foster a vibrant and innovative network and catalyse the development of a vibrant R&D ecosystem, allowing SIA to enhance the aviation sector's capabilities.

With A*STAR, SIA is collaborating through the SIA-I2R Joint Lab that includes research into predictive maintenance using data analytics, amongst many other digital solutions. With NUS, SIA is partnering NUS Enterprise in working with suitable startups, through curated accelerator programmes and co-innovation events. SIA is also exploring opportunities with NUS Research, into potential areas of deep academic & research collaborations, that may be relevant to SIA's strategic goals and objectives. In addition, SIA is greatly supported by CAAS in trying out innovative and interesting projects that benefit both the Airline and the Singapore Air Hub.

Working with Students and Global Startup Community

The KrisLab team hosted the fourth annual SIA AppChallenge in 2018, where teams from around the world competed in an innovation challenge to develop digital solutions that address concrete business challenges and which can prove beneficial to SIA customers, operations and employees. The event has grown from strength to strength and is now a huge hit with the tech community, with more than 1,500 participants from over 70 countries taking part. It is one of the largest innovation challenges of its kind in Asia, as well as one of the largest in the global aviation and travel space. Winning teams are then enrolled in the SIA Accelerator Programme to further develop their prototypes.

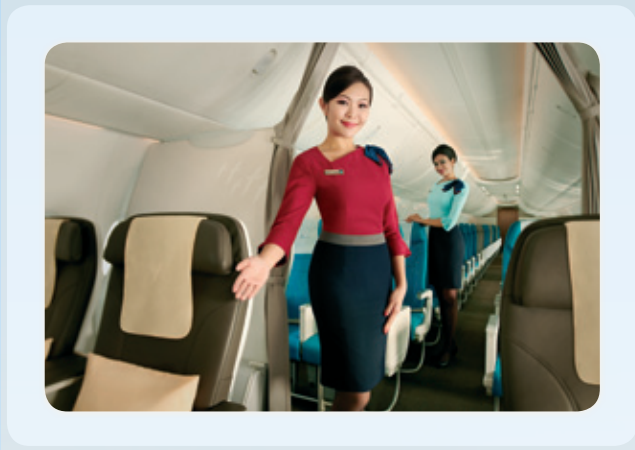
The SIA Accelerator Programme was launched in February 2019 in collaboration with NUS Enterprise. Five teams were carefully curated and selected to come on board this programme to build solutions with SIA as a partner. These startups have developed solutions ranging from smart tracking for on-board inventory, optimisation of revenue and capacity, omnichannel retailing for e-commerce and more.



TRANSFORMATION UPDATE

Continued Investment in Enhancing Products and Services

SIA invests heavily in enhancing its products and services to ensure that it continues to lead the industry across short-, medium- and long-haul routes.



Upgrade of SilkAir Cabin Products and Merger into SIA

It was announced in May 2018 that SilkAir will undergo a significant product upgrade to more closely align its products and services to those of SIA, as part of a multi-year programme which will ultimately see it merged into SIA. The merger will eventually encompass a full re-branding of SilkAir as SIA, with the repainting of aircraft and adoption of SIA's service delivery. The decision to upgrade SilkAir's cabin products and eventually merge it with SIA will help strengthen and enlarge the SIA Group's short-haul offerings, enhancing benefits to our customers.

As part of the planned integration, it was announced in November 2018 that a number of routes will be transferred from SilkAir to Scoot, subject to regulatory approvals. Scoot's operations to a handful of existing SIA and SilkAir destinations will also be transferred to SIA and SilkAir. The planned route transfers are the result of a detailed review to identify which airlines in the SIA Group portfolio are best suited to meet changing customer demand. This will help strengthen the Group for the long term, with the right vehicles in our portfolio of airlines deployed to the right markets.

Personalisation

An important aspect in enhancing the customer experience is in making each and every journey memorable for our customers. To do this, we have explored various ways to personalise the customer experience at every touchpoint.

Personalising e-Commerce beyond SIA's Traditional Channels

In May 2018, SIA established its first New Distribution Capability (NDC) connection, with travel search and booking site Skyscanner. NDC is an industry-supported standard introduced by the International Air Transport Association (IATA) which addresses some of the industry's current inventory distribution limitations. It makes use of Application Program Interface (API) technology to create a more agile and efficient distribution system by supplementing the capabilities of third party channels to match those of the airline's websites, thereby improving offerings for customers making bookings on such sites.



To accelerate the growth of NDC and API-driven partnerships, the KrisConnect programme was also introduced in October 2018 to facilitate distribution of information and functionalities on SIA's digital platforms to external SIA partners. Through KrisConnect, SIA can now provide personalised offers beyond our traditionally owned channels.

NDC and API facilitate easy integration and seamless direct exchange of content between SIA and synergistic partners, allowing all parties to tap into each other's network and strengths to co-sell and co-create products which benefit both SIA and our customers. Through technology enablers like NDC and APIs, we are now able to expand personalised offers to other channels and partners.

Greater Flexibility on In-flight Offerings on Board

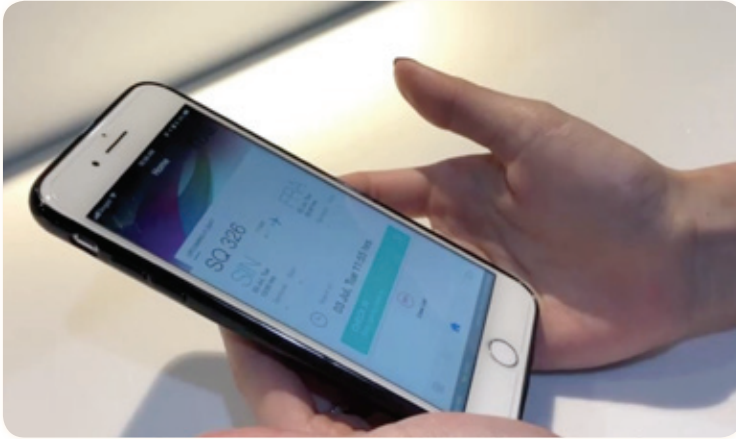
With the launch of SIA's ultra-long-range flights to the US, our teams from the In-flight Services and Cabin Crew Departments have been working together to enhance the in-flight dining experience for customers to ensure that they arrive at their destination refreshed and rejuvenated.

On these flights, we have introduced more flexible meal timings that provide our Business Class customers the freedom to choose when they would like to have their meals served. This is a change from other flights, which have fixed times for meal services. This new meal service concept, together with a larger variety of meal options, and more substantial food selection in between main meal services, enhances the overall in-flight dining experience for our customers.

Every aspect of the meal service was scrutinised and refined by the team so that customers intuitively know what they can order to suit their rest patterns during their flights.



TRANSFORMATION UPDATE



Operational Excellence and Efficiency

On the operational front, Singapore Airlines is taking steps as part of its transformation efforts to improve its operational excellence and enhance organisational efficiencies.

Improved Customer Care Unit

During flight disruptions, it is of utmost importance to ensure that alternative arrangements are made for our customers as quickly as possible. A new Customer Care Unit is part of our Operations Control Centre (OCC) to drive positive customer outcomes efficiently. Previously, our overseas stations had to handle flight delays while simultaneously rebooking affected customers on alternative flights. By establishing a Customer Care Unit in OCC, stations are now relieved of this task, allowing them to concentrate on our customers' needs during the delay.

Improving Operational Efficacies Through Apps

Over the past year, we have introduced a number of mobile apps for our staff to streamline work processes and allow them to be on the move while going about their daily tasks. One such example is APEX™, an app which allows our station managers and airport staff to retrieve pertinent information such as customer and flight information, as well as details such as passenger seat maps, baggage loading and boarding, all at the tips of their fingers. This helps them to better perform their tasks while focusing on creating more seamless customer interactions.

Our pilots are also stepping up their efforts to utilise technology through the World @ Your Fingertips (W@YF) initiative. Available for download onto our pilots' secured iPads is a wide range of apps that enable pilots to retrieve operational information, keep track of their licences and qualifications, and plan their lifestyles around their flight assignments. New and exciting apps - such as the Pilot Insights, which tracks fuel consumption and helps pilots in flight planning with data-driven insights – are also in the works.

These are just a few examples of what SIA is working on as part of an overarching goal to enable our workforce digitally. Other mobile applications have also been developed for other business units to support our colleagues in their daily work.

OUR STRATEGY FOR THE FUTURE

STRATEGIC DEVELOPMENTS

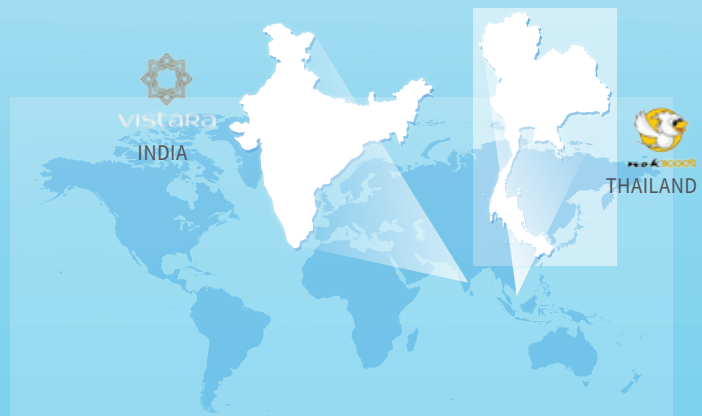
1. PORTFOLIO

The SIA Group is committed to a portfolio approach in which it has investments in both full-service and low-cost airlines. To present more growth opportunities and prepare the Group for an even stronger future, it was announced during the year in review that significant investments will be made to upgrade SilkAir's cabin products as part of a multi-year programme that will eventually see it being merged into SIA. By streamlining the Group's portfolio of airlines and various business initiatives, we are ensuring that our products and services continue to lead the industry across short-, medium- and long-haul routes.



2. MULTI-HUB STRATEGY

Investments in Vistara in India and NokScoot in Thailand enable the SIA Group to expand in new hubs across growth markets. This has helped the Group to spread its wings further across various regions, tapping into new traffic flows.



4. STRENGTHENING PREMIUM POSITIONING

SIA remains steadfast in its commitment to the constant enhancement of the three main pillars of its brand promise: Service Excellence, Product Leadership and Network Connectivity.

Service Excellence

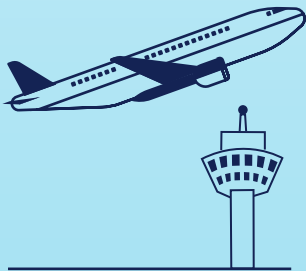


SIA stepped up its service offerings during the year in review by improving its customer experience on board and through various digital initiatives.

In December 2018, SIA became the first airline in the world to enable customers travelling in Suites, First Class and Business Class from anywhere in its global network to pre-order main courses from their flight's menus. This was also introduced for Premium Economy Class travel from 1 May 2019. This enables customers to select their choice of meal anytime from three weeks before travel up to 24 hours before flight departure.

The SIA Group's KrisFlyer frequent flyer programme also launched KrisPay, a miles-based digital wallet which enables members to convert KrisFlyer miles into KrisPay miles instantly for everyday spending at partner merchants located across Singapore. KrisPay is the world's first blockchain-based airline loyalty digital wallet and it presents a novel way for our KrisFlyer members to digitally access their miles at their fingertips, at any time.

Product Leadership



In September 2018, SIA took delivery of the world's first Airbus A350-900ULR aircraft. It entered service in October, operating the world's longest commercial flight between Singapore and Newark Liberty International Airport. Configured with 161 seats in two classes, the A350-900ULR features 67 Business Class and 94 Premium Economy Class seats.

SIA also debuted its A350-900 medium haul aircraft during the year, initially on services to Adelaide. The aircraft is fitted with 303 seats across two classes, with 40 seats in Business Class and 263 seats in Economy Class. Equipped with the Airline's new regional Business Class and Economy Class cabin products, the Business Class cabin boasts a 1-2-1 seat arrangement, providing every customer direct aisle access, while the Economy Class cabin is arranged in a 3-3-3 configuration.

Network Connectivity



During the year in review, the Airline expanded its reach in the US with the delivery of its A350-900ULR. After reclaiming the title of operating the world's longest commercial flight to Newark, new non-stop services were also launched to Los Angeles, while frequency of non-stop flights between Singapore and San Francisco was increased. Non-stop Singapore-Seattle flights are also due to be introduced in September 2019.

SIA also boosted services to Japan by adding a fourth daily service to Tokyo's Haneda Airport in December 2018. In the same month, it was announced that SilkAir will be increasing its flight frequency to Cairns, Australia with effect from 2 June 2019. Cairns will be served with a daily flight, up from the previous five flights per week.

It was also announced in February that SIA will add a third daily service to Osaka's Kansai International Airport to meet growing demand for travel between Singapore and Japan. In addition, SilkAir announced in February that it would be introducing non-stop flights between Singapore and Busan, South Korea's second largest city. Commencing from 1 May 2019, SilkAir is now operating four weekly flights to Busan.

CHAIRMAN'S LETTER TO SHAREHOLDERS



In support of SIA's drive to be world's leading digital airline, significant progress was made during the year on the digital front. Our multi-phased digital transformation includes huge investments in both people and systems. A big development was in January 2019 when we opened our digital innovation lab, KrisLab, in line with our Digital Innovation Blueprint which was launched a year earlier.

Dear Shareholders,

During the second year of our three-year organisation-wide Transformation, major developments were seen in all key aspects of the programme, encompassing revenue generation, sharpening of our cost base and enhancement of organisational structure. Solid progress was made on the revenue-generation front in particular, with a record-high \$16.3 billion achieved for the financial year. Passenger load factor also reached a record full-year high. The Group's underlying performance was strong overall, against the backdrop of a \$1 billion increase in fuel cost.

We continued to boost our portfolio through our investments in both full-service and low-cost operations, and in strengthening our multi-hub proposition through growth in overseas joint venture airlines Vistara and NokScoot. Our new business initiatives, such as in pilot training, also saw developments during the year, for example with the start of operations of our Singapore-CAE Flight Training joint venture.

Enhancing customer experience remains at the heart of our brand promise. A big headline during the year was the launch of the world's longest commercial flights, between Singapore and New York, using the world's first Airbus A350-900ULR (Ultra Long Range) aircraft. The launch strengthened our network reach and competitiveness, improving connectivity by reducing travel times between two of the world's major financial centres.

There were many other product and service enhancements during the year, such as in F&B offerings and in the rollout of new regional cabin products on our new Airbus A350-900 medium haul aircraft fleet. With personalisation being a priority, network-wide meal pre-ordering for premium class customers - another one of our many industry firsts - was introduced.

A multi-year investment programme was also unveiled during the year for regional wing SilkAir. Ahead of its eventual merger into SIA, new lie-flat seats will be fitted in Business Class and seat-back in-flight entertainment systems will be fitted in both Business Class and Economy Class on SilkAir's aircraft. This will strengthen the Group's regional full-service offerings, ensuring closer product and service consistency across our widebody and narrowbody aircraft operations.

On the low-cost front, Scoot saw challenges during the year, in part as a result of an unusual level of operational disruptions that were largely related to Boeing 787 engine issues. However, Scoot has continued to lay the foundations to benefit over the medium and long term from growth in the budget travel segment.

SIA has also faced operational challenges in recent months as a result of issues with the Rolls-Royce Trent 1000 TEN engines that power its Boeing 787-10 aircraft, while SilkAir has faced challenges related to the worldwide grounding of the Boeing 737 MAX 8 fleet. We wish to assure customers that the safety of our passengers and crew will always be the SIA Group's top priority.

In support of SIA's drive to be world's leading digital airline, significant progress was made during the year on the digital front. Our multi-phased digital transformation includes huge investments in both people and systems. A big development was in January 2019 when we opened our digital innovation lab, KrisLab, in line with our Digital Innovation Blueprint which was launched a year earlier. Under the Blueprint, we are working to develop and nurture the digital aviation and travel technology community in Singapore. KrisLab serves as a collaborative workspace for SIA Group staff to develop innovative ideas and co-

innovate with external partners, startups, established incubators and accelerators, enabling the SIA Group to fully embrace digitalisation and technology in all aspects of our business operations.

These, and our many other transformative developments, are better positioning the SIA Group for the future, in an industry which gets more competitive each year. Our shareholders can rest assured that we have been forward looking in our approach, to address genuine structural change that has been taking place in our part of the world.

I would like to express thanks to my fellow Board members for their dedication during the financial year, including our two newest directors, David John Gledhill and Goh Swee Chen. My sincere appreciation as well to Dr Helmut Panke, who retired from the Board after serving as a Director for nine years.

On behalf of the Board, Management and the more than 27,000 employees of the SIA Group all around the world, allow me to also express my thanks to our partners and shareholders for the ongoing support and confidence. The progress made in FY2018/19 has given the Group even more positive momentum, which we will be building on in the year ahead.



Peter Seah
Chairman

BOARD OF DIRECTORS



PETER SEAH LIM HUAT

Chairman

Mr Seah is the Chairman of DBS Bank Ltd, DBS Group Holdings Ltd, Singapore Health Services Ltd and LaSalle College of the Arts Limited. A banker for more than 30 years, Mr Seah was with the former Overseas Union Bank between 1977 and 2001, retiring as Vice-Chairman and CEO. Prior to that, he was with Citibank N.A. Between December 2001 and December 2004, Mr Seah served as President & CEO of Singapore Technologies Pte Ltd. Mr Seah was awarded the Distinguished Service Order in 2012 and the Public Service Star (Bintang Bakti Masyarakat) in 1999, and made a Justice of the Peace in 2003.



GOH CHOON PHONG

Director and Chief Executive Officer

Mr Goh joined the Company in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions and also served as President of Singapore Airlines Cargo Pte Ltd, from 2006 to 2010, Senior Vice President Finance, from 2004 to 2006, and Senior Vice President Information Technology, from 2003 to 2004. Mr Goh's other directorships and appointments include Chairman of Budget Aviation Holdings Pte Ltd, which owns and manages Scoot, Director of SIA Engineering Company Limited and Mastercard Incorporated. Mr Goh is also a Member of the Board of Governors of the International Air Transport Association and was its Chairman between June 2017 and 2018, Executive Committee of the Association of Asia Pacific Airlines, National University of Singapore Board of Trustees and the MIT Presidential CEO Advisory Board, made up of CEOs from leading companies in a variety of industries around the world. He was a Board Member of Mount Alvernia Hospital, from 2006 to 2015, and Virgin Australia Holdings Limited, from 2014 to 2015. Mr Goh was the 2015 recipient of the Centre for Aviation's 'Asia-Pacific Airline CEO of the Year Award'. In 2016, he received the 'CEO Lifetime Achievement Award' from the Airline Passenger Experience Association as well as the 'Eisenhower Global Innovation Award' from the Business Council for International Understanding. He was also named the 'Outstanding Chief Executive Officer of the Year' in the Singapore Business Awards 2017, and in 2018 was named 'Person of the Year' by Orient Aviation magazine.



GAUTAM BANERJEE

Director

Mr Banerjee is a Senior Managing Director of Blackstone Group and the Chairman of Blackstone Singapore. He was with professional services firm, PricewaterhouseCoopers ("PwC") Singapore for over 30 years, including as its Executive Chairman for Singapore and in various leadership positions within the firm in India and the Asia Pacific region. Mr Banerjee retired from PwC Singapore on 31 December 2012. Apart from his executive role in Blackstone, he serves as Chairman of raiSE and Listings Advisory Committee of the Singapore Exchange, and is a Board Member of Piramal Enterprises Limited, India, The Indian Hotels Company Limited, Singapore Telecommunications Limited and GIC Private Limited. He served on the Singapore Business Federation Council, Corporate Governance Council of the Monetary Authority of Singapore, Companies Act Reform Steering Committee and the Economic Strategies Committee chaired by the Finance Minister of Singapore from 2009 to 2010. Mr Banerjee was a Nominated Member of Parliament in Singapore between 2007 and 2009. In 2014, Mr Banerjee was awarded the Public Service Medal by the Singapore Government and an Honorary Doctor of Laws by the University of Warwick, England.



SIMON CHEONG SAE PENG

Director

Mr Cheong is the Founder and Chairman of SC Global Developments Pte Ltd, a leading luxury high-end residential developer in Singapore. He has more than 35 years of experience in real estate, banking and international finance. Mr Cheong established SC Global in 1996 as a real estate and hotel advisory and direct investment group, specialising in structuring large and complex transactions worldwide. He took SC Global Developments Ltd public in 1999 and built it into a leading high-end residential developer in Singapore with a market capitalisation of more than USD1 billion. He took it private through a general offer in 2013. Mr Cheong previously was with Citibank (Singapore) as Head of Real Estate Finance for Singapore and with Credit Suisse First Boston as a Director and Regional Real Estate Head for Asia, excluding Japan. Mr Cheong previously served as a Board Member of Republic Polytechnic, Singapore Turf Club, Singapore Dance Theatre and Raffles Girls' Secondary School. He was also a Council Member of the Singapore Business Federation, and served two terms as President of the Real Estate Developers' Association of Singapore.



DAVID JOHN GLEDHILL

Director

Mr Gledhill is the Group Chief Information Officer as well as Head of Group Technology & Operations at DBS Bank, which he joined in 2008. Prior to that, he was with JP Morgan for more than 20 years, holding senior regional positions in Technology & Operations in Singapore, Tokyo and London. His last role at JP Morgan was as Managing Director and Head of Investment Bank Operations Asia. Before joining JP Morgan, Mr Gledhill was with British Telecom in the UK holding various roles in software and hardware design. Mr Gledhill is a Director of Singapore Clearing House Pte Ltd and a member of the IBM Advisory Board, as well as a member of the National Super Computing Centre Steering Committee. He is also a Board member of National University of Singapore Institute of Systems Science, and Board Advisor to Singapore Management University School of Information Systems and NUS School of Computing. In 2017, Mr Gledhill was the recipient of the Massachusetts Institute of Technology ("MIT") Sloan CIO Leadership Award, becoming the first CIO from an Asian company to have won.



GOH SWEE CHEN

Director

Ms Goh is the former Chairman of Shell Companies in Singapore. She retired from Shell in January 2019 after 16 years of service. She held senior roles with Shell since 2003 in Singapore, China and the Netherlands. Prior to joining Shell, Ms Goh was with Procter & Gamble for 14 years, in Malaysia, Japan and Singapore, and before that with IBM Australia and USA. A Justice of the Peace, Ms Goh is on the Board of Trustees of the Singapore University of Technology and Design, Chairman for the Institute for Human Resource Professionals, President of Global Compact Network Singapore, Council Member of National Arts Council and Director with the Human Capital Leadership Institute Pte Ltd and CapitalLand Ltd. Ms Goh was conferred the Chicago Booth Distinguished Alumni Award in 2018 from the University of Chicago Booth School of Business.



DOMINIC HO CHIU FAI

Director

Mr Ho is the Chairman of DBS Bank (China) Limited. He began his career as an auditor with KPMG in 1975 in the US city of Houston, covering a wide range of industries. He retired in 2007 as Co-Chairman of KPMG, China and Hong Kong. During his career with KPMG, Mr Ho was regarded as its China business specialist. He advised on China's offshore oil industry, participated in the formation of China's taxation system, was involved in initial public offerings (IPOs) of Chinese companies and assisted foreign companies with their investments in China. In the 1990s, he was commissioned by the Chinese Government to lead a team to perform a feasibility study of the Chinese aviation industry aimed at restructuring it ahead of the launch of airline IPOs. Mr Ho is currently a Director of DBS Bank (Hong Kong) Limited, Hang Lung Properties Limited and Underwriters Laboratories Inc. He is also a past Member of the Corruption Prevention Advisory Committee of Hong Kong's Independent Commission Against Corruption, and a past Member of Hong Kong's Insurance Advisory Committee.



HSIEH TSUN-YAN

Director

Mr Hsieh is the Chairman and Lead Counselor of LinHart Group, a leadership solutions firm founded by Mr Hsieh in 2008. Mr Hsieh has extensive experience in business strategy, leadership development and corporate transformation. He was with the management consulting firm, McKinsey & Company, for 28 years and held posts in Singapore, Toronto and Copenhagen. He holds a joint appointment as Provost Chair Professor (Practice) at the National University of Singapore Business School and the Lee Kuan Yew School of Public Policy. His past Board roles include Bharti Airtel Limited, India, Sony Corporation, Japan, the Singapore International Foundation, the Singapore Symphony Orchestra, Covenant House Canada and the University Health Network Foundation in Toronto.



LEE KIM SHIN

Director

Mr Lee is a lawyer and the Managing Partner of Allen & Gledhill LLP. He has been with Allen & Gledhill for more than 30 years, with a year spent serving as a Judicial Commissioner of the Singapore High Court in 2014. Mr Lee was appointed Senior Counsel in January 2015. He is a Member of the Governing Board of Duke-NUS Medical School Singapore and a Member of the main committee of the Yellow Ribbon Fund. Mr Lee is currently a Director of Allen & Gledhill Regulatory & Compliance Pte Ltd, Eastern Development Holdings Pte Ltd, Eastern Development Private Limited and Epimetheus Limited.

OPERATING REVIEW

THE YEAR IN REVIEW

The Singapore Airlines Group reported a net profit of \$683 million for the 2018/19 financial year, a decrease of \$619 million, or 47.5 per cent, from the previous financial year. The Group also earned an operating profit of \$1,067 million for the financial year ended 31 March 2019, a 31.1 per cent decrease from last year. The Group saw a \$517 million increase year-on-year in Group revenue to a record-high \$16,323 million. Passenger revenue was \$784 million higher. Group expenditure also increased \$999 million from the last financial year, with a \$688 million increase in net fuel cost.

Operating Performance

During the year in review, passenger carriage (in revenue passenger-kilometres) for the Parent Airline Company increased 7.0 per cent, while yield declined 1.0 per cent. Passenger load factor for the Parent Airline Company increased 2.0 percentage points to 83.1 per cent. The cargo segment, on the other hand, saw a decline of 3.5 per cent in freight carriage (in load tonne-kilometres), a reflection of weak air cargo demand. Load factor therefore decreased 2.8 percentage points to 62.5 per cent.



\$1,067

million

Group Operating Profit



202

aircraft in SIA Group's fleet



Passenger carriage for SilkAir increased 7.2 per cent, outpacing the 3.2 per cent growth in capacity. Consequently, passenger load factor for SilkAir increased 2.8 percentage points to 76.2 per cent.

Scoot reported a 14.6 per cent increase in passenger carriage, while its capacity grew by 15.1 per cent. Passenger load factor, in turn, declined by 0.4 percentage points to 85.3 per cent.





Outlook

The SIA Group is expected to see growth in forward passenger bookings in the coming months amidst competition in key operating markets. Costs remain under pressure, especially from higher fuel prices. Cargo demand in the near term is steady despite concerns over global trade tensions, the escalation of which could potentially have a longer-term impact on air cargo demand.

Notwithstanding the current demand picture, ongoing trade disputes and slowing economic growth in key markets pose uncertainty to the operating environment. Efforts will be made to capture opportunities and mitigate any arising weaknesses in both cargo and passenger segments.

Good progress was achieved in the first two years of the SIA Group's three-year transformation programme. The Group will continue to focus its efforts on initiatives to grow revenue,

enhance customer experience and improve operational efficiency. The recent announcement on the significant investments to improve SilkAir's product offering, and its ultimate full merger with SIA, is another key initiative of the transformation programme. At the same time, the Group will continue to leverage its portfolio of airlines in Singapore to expand its network. Our joint venture airline in India, Vistara, recently announced the purchase and lease of 56 narrowbody and widebody aircraft to drive its route expansion plan, including international operations.

As part of the Group's digital blueprint, we have launched KrisPay, the world's first blockchain-based airline loyalty digital wallet. The digital blueprint also includes collaborations with research institutions and companies in the startup community, and creating a more innovative and digital culture within SIA through staff training and involvement in digital projects.

The establishment of adjacent businesses such as the Singapore CAE Flight Training pilot training joint venture, as well as development of new e-commerce channels through KrisShop, are well on track.

These initiatives will further strengthen the SIA Group's leadership position and bolster its competitive edge, amid continuing challenges in the operating environment.

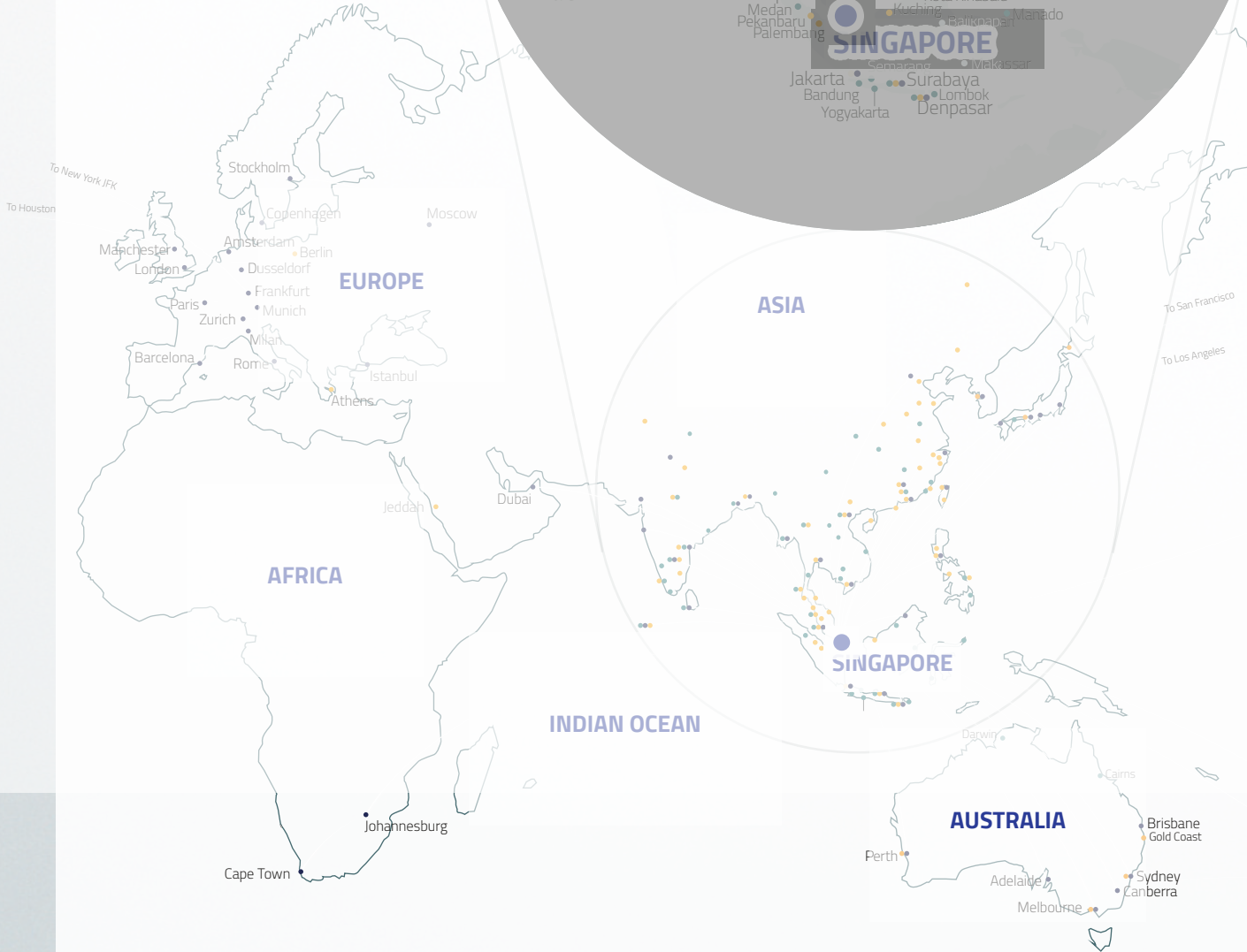
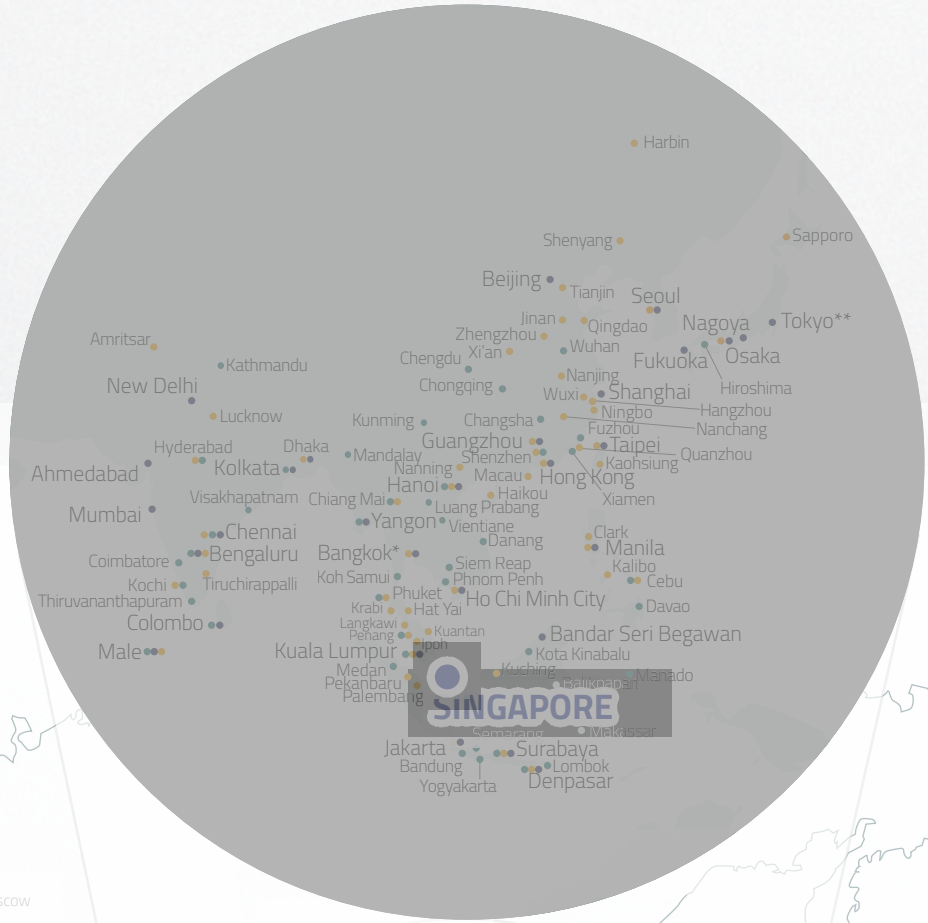
The Board of Directors recommends a final dividend of 22 cents per share for FY2018/19. Including the interim dividend of 8 cents per share paid on 4 December 2018, the total dividend for FY2018/19 will be 30 cents per share. The final dividend (tax exempt, one-tier) is to be paid on 16 August 2019 to shareholders as at 2 August 2019.

OPERATING REVIEW

NETWORK

LEGEND

- Singapore Airlines Destinations
- SilkAir Destinations
- Scoot Destinations
- Singapore Airlines Route Map



* Suvarnabhumi Airport (SIA and Scoot) and Don Mueang International Airport (Scoot)
 ** Haneda International Airport (SIA) and Narita International Airport (SIA and Scoot)

After a five-year hiatus, Singapore Airlines reintroduced non-stop services to Newark and Los Angeles in October 2018 and November 2018 respectively with the new Airbus A350-900ULR aircraft. SIA also increased the number of non-stop flights to San Francisco from seven to 10 per week in November 2018. The Airline currently operates a total of 53 flights per week to the US.

Flight frequency to Germany, Vietnam and Japan was also increased. In March 2018, SIA increased Dusseldorf flight frequency to four per week from three, while in June 2018 frequency to Hanoi increased to 10 per week from daily flights. A new daily service to Tokyo was launched in December 2018, bringing total weekly frequency to Tokyo (both Haneda and Narita airports) to 42.

In the South West Pacific Region, SIA restructured its four-times-weekly Singapore-Canberra-Wellington services into daily Singapore-Sydney-Canberra-Singapore and four-times-weekly Singapore-Melbourne-Wellington services, from May 2018. In addition, the Airline added a third daily flight to Auckland, jointly operated with Air New Zealand, from October 2018. This brings the region's total flight frequency to 151 weekly services.

SilkAir introduced frequency increases to Bandung, Coimbatore, Colombo, Darwin, Kochi, Surabaya and Yogyakarta. In March 2019, SilkAir ceased services to Luang Prabang and Vientiane, which were transferred to Scoot to begin operations in April 2019. As of 31 March 2019, SilkAir's network spans 49 destinations.

During the year in review, Scoot also added three new destinations, namely Berlin, Nanchang and Pekanbaru, bringing its total destination count to 66 around the world. Changsha, Coimbatore, Fuzhou, Kota Bahru, Kota Kinabalu, Kunming, Trivandrum, Visakhapatnam and Wuhan will join the network in the upcoming financial year.



Singapore Airlines covers

63

Destinations

Our Subsidiaries

SilkAir

49

Destinations

Scoot

66

Destinations

as at 31 March 2019

OPERATING REVIEW

FLEET MANAGEMENT

Singapore Airlines is committed to operating a modern fleet. In FY2018/19, the Airline saw the delivery of 11 Airbus A350-900s, three A380-800s and eight Boeing 787-10s. The SIA passenger aircraft fleet in operation, as at 31 March 2019, comprised 121 aircraft with an average age of six years and seven months, including 17 A330-300s, 32 A350-900s, 19 A380-800s, nine 787-10s and 44 777s. In addition, SIA has 93 aircraft on firm order, including 35 A350-900s, 20 777-9s and 38 787-10s. The Airline is expecting the delivery of its first

777-9s from FY2021/22. The fleet of SIA's cargo unit comprised seven Boeing 747-400 freighters as at 31 March 2019, with an average age of 15 years and four months.

SilkAir's operating fleet as of 31 March 2019 had an average age of five years and seven months, consisting of two Airbus A319s, eight A320s and 17 Boeing 737-800s. This excludes six 737 MAX 8s which were grounded as at the end of the financial year. SilkAir has 31 more 737 MAX 8s on firm order.

Scoot's operating fleet as of 31 March 2019 had an average age of five years and one month, comprising 47 aircraft, including one A319, 28 A320s (of which two are A320neos), 10 787-8s and eight 787-9s. Scoot has 41 aircraft on firm order, comprising 37 A320neos, two 787-8s and two 787-9s.

The combined average fleet age of the Group is six years, five months.

As at 31 March 2019	Fleet Age (average age)		Aircraft in Fleet
	6 Years	7 Months	121
	5 Years	7 Months	27
	5 Years	1 Month	47
	15 Years	4 Months	7
COMBINED TOTAL	6 Years	5 Months	202

*Excludes six Boeing 737 MAX 8 aircraft which are currently not in service

PRODUCTS AND SERVICES

KrisFlyer

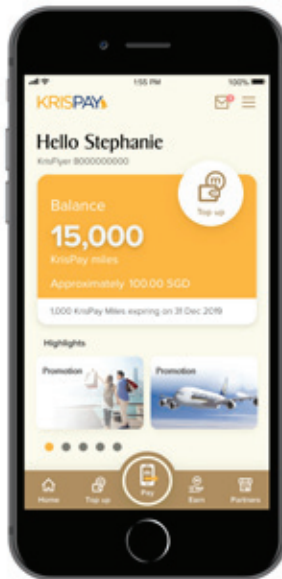
KrisFlyer, the frequent flyer programme of the Singapore Airlines Group, continued its expansion globally during the year in review. As of 31 March 2019, the programme has more than four million members – an increase of 14 per cent from the previous year – with more than 42 billion KrisFlyer miles redeemed by members in FY2018/19. On SIA and SilkAir flights, redemption grew by 18 per cent and doubled on Scoot flights. Redemption on non-airline related partners also saw an increase of 42 per cent with the introduction of KrisPay, the revamped KrisShop, and KrisFlyer vRooms, a dedicated platform for KrisFlyer members to redeem hotel and car rental services.



A suite of programme enhancements was introduced during the year in review. KrisFlyer members now have the flexibility to opt for two-class redemption upgrades from Economy Class to Business Class for flights with a Premium Economy Class cabin. Elite Gold Rewards, a selection of benefits to make travel more rewarding, were also added for KrisFlyer Gold Members. In addition, the PPS Rewards programme was further enhanced during the year in review.

KrisFlyer also donned a new look with the launch of its brand campaign, centred on the new tagline “Experiences are Miles Better”.

To enable members to “Earn Easier, Redeem Faster, Travel Better”, KrisFlyer continues to actively work with new partners on a global scale to offer better and more lucrative opportunities for members to earn and use their miles.



KrisPay, the world’s first blockchain-based airline loyalty digital wallet, was launched in July 2018, allowing KrisFlyer members to earn and redeem their miles instantly for everyday purchases made at KrisPay partner outlets. KrisPay’s seamless interface allows a two-way conversion between KrisFlyer account and KrisPay wallet, giving members greater flexibility on how and when they would like to earn and utilise their miles.

During the year in review, seamless accrual and redemption on Scoot flights were also introduced, further establishing KrisFlyer as the frequent flyer programme of the SIA Group. KrisFlyer members can earn their miles on Scoot flights, mix miles and cash to pay for fares and selected ancillaries, as well as enjoy member-exclusive discounts on Scoot fares.

KrisFlyer members can enjoy exclusive fare discounts as well as discounts on seat selection and excess baggage charges. In addition, KrisFlyer members can gain access to exclusive in-flight content on myKrisWorld, making their in-flight experience even more enjoyable.

Greater focus was also placed on expanding KrisFlyer’s membership base beyond Singapore, such as through a partnership with Fliggy, Alibaba Group’s online travel platform, to allow two-way points conversion and status match between the two reward programmes. With many strategic partnerships and exciting initiatives across key markets in the pipeline, KrisFlyer is well on its way to becoming a key reward and lifestyle programme globally.

Key Facts



More than **42 billion**
KrisFlyer miles redeemed in
FY2018/19



More than **4 million**
KrisFlyer members globally

OPERATING REVIEW

PRODUCTS AND SERVICES

Airport Operations

In October 2018, Singapore Airlines successfully implemented biometrics-enabled automated boarding for selected flights departing Los Angeles. The automated boarding gates utilise facial recognition technology to verify customers' identities, eliminating the need for them to present their passport and boarding pass for verification by ground staff. Customers who have used the automated boarding gates have provided positive feedback about the convenience and efficiency of the new boarding process.

SIA continues to seek opportunities to work with airports and technology partners to adopt new and relevant technologies with the aim of delivering seamless travel experiences for customers.

Key Facts



14 SilverKris Lounges worldwide.



51% of customers checked in to their flights via check-in counters.



49% of customers completed self-service check-in via the Singapore Airlines website, SingaporeAir mobile app and self-service kiosks.



Customer Experience

The Customer Experience Department (CExD) was formed in February 2016 to further improve Singapore Airlines' emphasis on delivering exceptional customer experiences worldwide. The team is composed of customer insight, business analytics and experience design experts, who leverage data, human-centred design and journey mapping to identify new ways to better serve our customers. The team also supports SIA's Customer Experience Management (CEM) system, which pushes key data to our customer-facing interfaces enabling staff to provide precisely personalised experiences for customers.

Using a human-centric agile design approach, the team works with the larger organisation to discover, design and deliver customer-driven products and services. Collaboration between divisions is driven by mapping transversal journeys, which highlight how we can better deliver seamless end-to-end customer experiences with SIA. Our design approach ensures our products, services, processes and policies are aligned with our customers' desires, ultimately improving customer satisfaction and loyalty, and strengthening the SIA brand.

In the financial year in review, CExD conducted several internal and external focus groups which resulted in the creation of a comprehensive customer journey map and blueprint. This provides the organisation with a deeper understanding of customer expectations at key moments that matter as well as the various pain points encountered across the entire customer journey.



In addition, CExD has introduced Net Promoter Score (NPS) to management's Key Performance Indicators (KPIs) to create a greater emphasis on customer advocacy for the Airline. With the launch of Voice of Customer (VoC), an online customer survey that measures Net Promoter Score (NPS) and customer satisfaction, SIA is now able to collect and analyse at least seven times more feedback every month than with the previous system. VoC also provides near real-time reporting that enables us to more quickly pin-point and respond to customer issues.

The team has also completed research into the key value drivers of our customers, which will help further customise and prioritise initiatives around target customer groups.

The team will continually refine SIA's customer database to help the organisation better target customers based on their trip intents, preferences and inclinations. This data will also be used to feed predictive algorithms to serve customers with specific products and services that best meet their needs. Finally, in order to ensure we respond to our customers' concerns in a speedy manner, CExD will be creating a customer insights portal to gather customer feedback on a single platform. This initiative is targeted for a soft launch in June 2019 and will allow SIA to gain better insight and control over its feedback management process.

OPERATING REVIEW

PRODUCTS AND SERVICES

In-flight Services

Launch of Shi Quan Wei Mei (食全味美)

In July 2018, Singapore Airlines introduced a new Chinese dining concept, Shi Quan Wei Mei (食全味美), for Business Class customers travelling between Singapore and China. Created by renowned Chef Zhu Jun from the Airline's International Culinary Panel, Shi Quan Wei Mei uses traditional and modern cooking methods with seasonal produce to present an authentic in-flight Chinese meal experience.

This three-course menu is part of the Airline's Authentically Asian Programme and builds upon the well-acclaimed Shi Quan Shi Mei (食全时美) Chinese fine dining concept which was launched in 2015 to Suites and First Class customers on selected flights between Singapore and China.

Chef Zhu Jun's Shi Quan Wei Mei menu features an innovative use of the freshest seasonal ingredients to showcase the essence of Chinese food culture and offer customers a dining experience that is both wholesome and flavourful.



Personalisation in In-flight Dining

Network-wide Pre-ordering for Premium Class Customers

In FY2018/19, SIA became the first Airline to offer worldwide pre-ordering of meals for customers travelling in Suites, First and Business Class. With this new initiative, customers may pre-select their meal choices via the Airline's website or mobile app anytime from three weeks before travel up to 24 hours before flight departure, assuring them of their preferred meal choice from the in-flight menu or 'Book the Cook' service.

SIA extended this systemwide pre-ordering service to Premium Economy Class from 1 May 2019, in what is another industry first.

Enhancements to Special Meals

In another industry first, SIA will be enhancing its Child Meal programme to enable parents to pre-order specific meals for their children from three different cuisine categories – Asian, Western and Vegetarian. This will give parents greater visibility and choices over the child meals in advance of travel.

Parents will be able to pre-order specific meals for their children on all cabin classes from June 2019 for flights departing Singapore, and this will be extended progressively to flights departing from overseas destinations from August 2019.

A focus group session and targeted surveys were also conducted for the Airline's most popular special meal – the Indian Vegetarian Meal. Feedback received enabled the Airline to improve these meals by reviewing the ingredients and serviceware used. For flights departing Singapore, the frequency of menu rotation has also been increased to provide greater variety for customers.

Apart from focus groups and targeted surveys, the Airline is leveraging more and more on data analytics to better track meal preferences and customers' needs to further improve customers' in-flight dining experiences.



New Wine Sourcing Approach

In FY2018/19, SIA unveiled a new wine sourcing approach in a move to diversify its wine programme and provide greater variety for customers. In this new approach, SIA's Wine Consultants personally visit vineyards and wineries across different wine regions to taste and source for quality small-batch wines. This approach complements the traditional way of procuring wines through tender requests and increases the variety of labels on rotation, including high-quality small-batch wines previously unavailable in-flight.

This led to the overhaul of Business Class Bordeaux offerings and the introduction of the largest Burgundy cellar in the skies, with 47 labels planned for rotation over a period of 18 months – a six-fold increase from 2018. Some of the labels include exclusive Grand Cru and Premier Cru labels currently unavailable on other airlines.



Partnerships with Wellness Brands

Canyon Ranch

In FY2018/19, SIA forged a partnership with premiere integrative wellness brand Canyon Ranch to enhance customer experience and well-being through wellness strategies on its ultra-long-haul flights.

The Canyon Ranch team of experts from integrative medicine, exercise, nutrition and other disciplines – collectively known as Canyon Ranch Wellness Architects™ - developed science-based strategies for improved sleep, exercise and stretching, as well as new, nutrition-focused menus, for SIA's ultra-long-haul US flights.

Wellness cuisines were developed by Canyon Ranch chefs and nutritionists, focusing on nutrition and hydration (taking into consideration the longer flight duration), combined with bold flavours and textures.

To enhance customers' rest and relaxation, Canyon Ranch also provided recommendations on sleep strategies, made available through the e-library app, to help customers reduce the effects of jetlag. This is available for download in all cabin classes on all flights. In addition, specific lighting settings were introduced to promote relaxation or wakefulness at the appropriate flight periods.

Guided stretching exercises, customised for air travel and led by Canyon Ranch exercise physiologists, are made available for customers via the Airline's personal seatback entertainment systems.

COMO Shambhala

Following the positive reception of wellness dishes and beverages co-created with Canyon Ranch for SIA's non-stop US flights, SIA signed a Memorandum of Understanding with Singapore-based lifestyle hospitality brand, COMO Shambhala, to introduce wellness cuisine on selected flights out of Singapore from September 2019.

In-flight Offerings on SIA's A350-900ULR Flights

In October 2018, SIA reclaimed the title of operating the world's longest commercial flight with non-stop services between Singapore and New York on the new Airbus A350-900ULR.

In-flight offerings on the ultra-long-range flights have been enhanced to provide a comfortable and relaxing travel experience for customers.

Customers also have greater control over their in-flight entertainment (IFE) experience with myKrisWorld – a world-first IFE personalisation offering that provides content recommendations based on customer preferences and viewing history. In addition, high-speed in-flight WiFi service is available for customers on board the A350-900ULR aircraft.

For Business Class customers, an additional mattress topper and a firmer pillow are provided for greater travel comfort. Premium Economy customers on the ultra-long-range flights are provided eyeshades in addition to the Premium Economy amenity kit.



OPERATING REVIEW

SIA CARGO



In its first financial year since being reintegrated as a division within SIA, SIA Cargo posted a creditable operating performance. It achieved revenue growth of 2.1 per cent which outpaced the 0.8 per cent growth in overall cargo capacity (measured in capacity tonne-kilometres). This was accomplished by capitalising on strong demand from key product segments as well as maintaining healthy yields.

Capacity growth was driven by the expansion of bellyhold capacity from the passenger aircraft fleet operated by SIA, Scoot and SilkAir. SIA Cargo's freighter fleet size remained unchanged from the prior financial year at seven Boeing 747-400F aircraft.

SIA Cargo continues to develop and hone capabilities in key industry verticals, while forging and strengthening partnerships within each vertical. In the Aerospace segment, for example, SIA Cargo has been working with engine manufacturers such as Rolls-Royce, among others, as well as major Maintenance, Repair and Overhaul (MRO) service providers, to transport aviation products worldwide.

In the Live Animals segment, SIA Cargo continues to play an important role in moving prized racehorses and livestock across its network, while also doing its part for conservation. In October 2018, five koalas from Adelaide, Australia were specially flown to London, United Kingdom on one of SIA Cargo's freighters as part of a pioneering conservation project in Longleat Safari Park to help protect this vulnerable species.

With a dedicated freighter fleet, SIA Cargo had the flexibility to operate numerous charter flights in FY2018/19 to provide tailor-made logistics solutions for various special cargo movements. Some of these included the carriage of racing equipment for sporting events such as Formula One and MotoGP to various destinations including Baku in Azerbaijan, Sochi in Russia, and Austin in the USA. SIA Cargo also transported concert equipment for several high-profile music artists embarking on their world tours.

In September 2018, SIA Cargo introduced THRU-COOL, a new product that offers dedicated cold chain services to safeguard the integrity of high-value, time-sensitive and temperature-controlled

pharmaceutical shipments during air transportation. These include priority uplift and handling, quick ramp transfers at airports and cold room facilities, as well as thermal blankets and covers for crucial insulation from external elements. At the same time, SIA Cargo launched a pharmaceutical 'quality corridor' along the Zurich-Singapore-Sydney route. It is currently working to expand the number of such corridors to include other key pharmaceutical lanes across its network.

In line with SIA's digital transformation, SIA Cargo also implemented several digital initiatives to enhance customer experience. Robotic Process Automation was rolled out in January 2019 to automate the processing of selected cargo bookings, thereby enabling SIA Cargo stations to respond to customers even more promptly.

A new Cargo Operations Control Tower was launched the following month in February 2019, offering a single view of cargo shipment statuses as well as providing real-time alerts to staff, flagging shipments which are potentially affected by flight disruptions.

Keeping the spirit of innovation alive, SIA Cargo continues to explore ways to digitalise operations and modernise cargo services. It is progressively rolling out digital checklists to replace paper-based processes and facilitate data capture, while collaborating with technology partners to find a sustainable solution for the tracking of Unit Load Devices. It has also embarked on revamping its core cargo systems.

In March 2019, SIA hosted the IATA World Cargo Symposium, which is the marquee event in IATA's annual conference calendar for air cargo. The event, which was held in Singapore, attracted a record turnout of more than 1,200 key stakeholders in the air cargo industry. SIA Cargo, Changi Airport Group and SATS took the opportunity to set up an exhibition booth at the Symposium. It showcased the three partners' commitment to making Changi Airport the air cargo hub of choice, particularly through leveraging technology to ensure operational excellence and meet customers' evolving requirements.

SIA Cargo was awarded "Best Air Cargo Carrier – Asia" at the 2018 Asian Freight, Logistics and Supply Chain Awards ceremony.



In its continued collaboration with Singapore's National Heritage Board (NHB), SIA Cargo supported the freighting of precious museum artefacts. One example was Asian Civilisation Museum's *Raffles in Southeast Asia: Revisiting the Scholar and the Statesman* exhibition, which was held in conjunction with the Singapore Bicentennial celebrations. In 2018, SIA Cargo was honoured with NHB's Patron of Heritage Awards.

As part of SIA Cargo's efforts to give back to society, SIA Cargo continues to support Singapore Children's Society. During the past financial year, excursions were organised for children from Henderson Student Care Centre with the help of employee volunteers. Notable outings included trips to a media digital edutainment centre, a rock-climbing facility and a trampoline park.

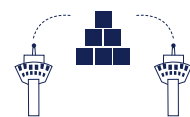
Key Facts



SIA Cargo officially reintegrated as a division within SIA



Launched THRU COOL offering dedicated cold chain services to safeguard the integrity of pharmaceutical shipments



Launched new Cargo Operations Control Tower

OPERATING REVIEW

PEOPLE DEVELOPMENT



Inspiring Passion In People

Under an 'Inspiring Passion In People' banner, we continue to focus our priorities on attracting talent and developing our employees. This includes increasing opportunities for personal growth and career development, building capabilities necessary for a future-ready workforce, and enhancing overall employee experience and engaging all.

Personal Growth and Career Development

SIA embarked on a company-wide organisation design effort in January 2019, which is a key enabler in our Transformation journey. We conducted a deep review of the organisation's structures, processes and job designs with the aim of building an agile and future-ready organisation and workforce.

Arising from the organisation design, we added 300 new roles and developed new capabilities to support business and organisational needs. Another 300 roles throughout the organisation have been elevated to perform higher value-added work, effectively contributing toward the

future-proofing of our workforce. Where roles have changed, we upskill, train and develop our staff where possible to enable them to prepare for and transit into new roles.

Our S.P.I.R.I.T leadership competency framework has been revamped with additional proficiencies for senior leadership levels. This will provide better focus and clarity on the competencies required of our future leaders.

Building Capabilities for a Future-Ready Workforce

In line with national initiatives, the 'Future @ Work' suite of courses aims to create a future-ready workforce by equipping employees with future-economy skills such as innovation with design thinking,

agile methodology and data analytics. The suite of courses covers a broad range, from basic introduction of concepts to advanced job-role-specific knowledge. Employees who completed these courses undertook on-the-job projects, applying the new skills to tackle and overcome business challenges.

Together with the launch of KrisLab, Corporate Learning Centre (CLC) organised the 'Learning & Innovation for Everyone' (LIFE) event in January 2019 with the aim of engaging and inspiring employees. Over 1,300 staff attended the three-day learning event, which showcased the application of ideas and new technologies across the SIA Group. Showcases included in-house-developed mobile apps, machine learning and machine vision solutions, and proof-of-concepts utilising virtual reality.



Guest speakers from renowned innovative companies were also invited to share their respective business transformation journeys, inspiring our employees to contribute to SIA's own transformation journey.

Enhancing Employee Experience

To enhance employee experience at critical touchpoints of our employee journey, we adopted an employee-centric approach in reviewing and redesigning HR processes such as recruitment, onboarding, learning, performance management and total reward.

The 1SQ employee app was launched in early 2018 as a "one-stop" mobile platform, providing staff with news and employee self-service tools on-the-go, that can be used anytime and anywhere. As the number of app features increased from the initial six to more than 40 within a short span of one year, adoption of the 1SQ app grew significantly. Polls were conducted frequently for employees, allowing them to vote for potential new 1SQ features. This reinforced our emphasis on enhancing employee experience by making 1SQ truly an app that is created by employees, for employees.

The Total Reward framework consists of various levers to create a differentiated Employee Value Proposition, going beyond salary and incentives. Goal setting and market alignment as the basis for performance differentiation provides a



clear line of sight for reward decisions. A more competitive and aligned reward framework will enable us to better attract, retain and incentivise employees, and drive sustainable business performance.

Engaging All

The 37th SIA Group Athletics Meet 2018 was held over two weekends in May 2018 at Serangoon Stadium and saw active participation from SIA Group staff including SIA Engineering, SilkAir, Scoot



Photo: Suresh R

and Tradewinds. Another SIA Group event, SIA Group Road Run 2019, was organised in March 2019 at the Punggol Waterway Park to foster the spirit of camaraderie in a friendly running competition.

The SIA Wellness and Health Programme (WHP) continues to promote a healthy lifestyle and workplace for staff through a series of activities such as annual basic health screening, fitness exercises, as well as talks and workshops covering topics on general health, healthy eating and cooking.



OPERATING REVIEW

ENVIRONMENT

Singapore Airlines remains steadfast in our long-term responsibility to protect the environment while providing air transportation services of the highest quality. The SIA Group has in place various programmes to implement sustainable practices across our operations in a responsible manner to manage issues such as carbon emissions, waste, noise and the consumption of energy and resources. We also continue to explore new sustainable practices in all areas of our operations, be it on our flights or in our ground operations.

Sustainable Aviation Fuel Users Group (SAFUG)

SIA has since 2011 been an active member of SAFUG, which was established to accelerate the development and commercialisation of Sustainable Aviation Fuels. Compared to traditional jet fuels, Sustainable Aviation Fuels can reduce up to 80 per cent of carbon emissions based on a full carbon life cycle. SIA believes that carbon reduction is key to the aviation industry's carbon-neutral growth goal beyond 2020.

Singapore Airlines' 'Green Package' Flights

In line with our commitment to reduce international aviation emissions, SIA partnered the Civil Aviation Authority of Singapore (CAAS) and operated a series of 12 'green package' flights over a three-month period in May 2017 on its non-stop San Francisco-Singapore route. These flights featured SIA's latest-generation and most fuel-efficient aircraft – the Airbus A350-900 – together with Sustainable Aviation Fuels, and optimised air traffic management's best practices.

All 12 'green package' flights were powered by a combination of Hydro-processed Esters and Fatty Acids (HEFA), a sustainable biofuel produced from used cooking oils and conventional jet fuel with a life cycle potential reduction of 80

per cent carbon emissions as compared to traditional jet fuel. The biofuel was produced by AltAir Fuels (now known as World Energy), and was supplied and delivered to San Francisco by SkyNRG in collaboration with North American Fuel Corporation (NAFCO), a wholly-owned subsidiary of China Aviation Oil (Singapore) and EPIC Fuels.

Aircraft Emissions

The International Civil Aviation Organization (ICAO) sets the international standards for NO_x, CO₂, hydrocarbons and exhaust levels from aircraft engine emissions under ICAO Annex 16, Volume III. This standard is applicable to new aircraft designs as of 2020, as well as new deliveries of current in-production aircraft types from 2023. SIA supports the new CO₂ standard set by ICAO so as to meet the aviation industry's long-term commitment to reduce CO₂ emissions.

The current NO_x standard, endorsed in 2004 and applicable to new engines manufactured from 2008, is 12 per cent stricter than previous standards. SIA's passenger and freighter fleet, together with SilkAir and Scoot aircraft, meet the stringent 2004 ICAO CAEP/6 Emissions Standards for NO_x.

Sustainable Food Sourcing

Expanding on the Airline's 'From Farm to Plane' concept introduced in 2017, which promotes environmental sustainability and supports local farming communities, SIA will be embarking on a new collaboration with AeroFarms, the world's largest indoor vertical farm of its kind based in Newark, United States. Produce at AeroFarms is grown indoors without soil, pesticides or sunlight, using AeroFarms' award-winning aeroponic technology. AeroFarms will provide a customised blend of fresh produce for SIA's Newark to Singapore flights from September 2019.

Cutting Down on In-flight Wastage and Plastic Use

SIA currently employs customer surveys, data analytics and staff feedback, and works with its caterers to reduce food wastage after flights. The Airline plans to automate data collection and leverage technologies such as artificial intelligence and machine learning to better predict customers' consumption patterns and further reduce cabin food waste. Through an improved monitoring system of customers' consumption patterns and data analytics, SIA will be able to better adjust the quantities of certain food items uplifted to minimise wastage without compromising the customer experience.

In a bid to reduce the amount of paper used on board our flights, SIA increased the number of publications available on its e-Library, a feature available in the SingaporeAir mobile application. Customers are able to download their preferred reading materials before their flight, thereby reducing the amount of newspapers and magazines uplifted.

SIA is committed to reducing the use of single-use plastics with alternative sustainable materials for more in-flight items. We aim to be entirely plastic straw-free by September 2019 and they will be substituted with environmentally-friendly paper straws. This change will reduce the use of about 820,000 plastic straws annually. SIA also plans to replace its current plastic swizzle sticks with wood-based ones by September 2019.

From May 2019, polybags for children's toys will be replaced with recyclable paper packaging. Our paper products such as menu cards, tissue paper and toilet rolls are made with FSC-certified paper, sourced in an environmentally and socially responsible manner. Other upcoming green initiatives include the printing of children's colouring books and activity kits using eco-friendly soy-based ink.

COMMUNITY ENGAGEMENT

Singapore Airlines believes in fostering strong relationships not only with our customers and business partners, but also with the many communities we serve. Support is extended to community groups through corporate donations, sponsorships and staff volunteerism, among others. SIA actively supports initiatives which promote education and sports excellence, the arts, as well as the environment and conservation.

With a longstanding commitment to help grow the Singapore arts scene, SIA continues to support the National Arts Council, Singapore Chinese Orchestra, Singapore Dance Theatre, Singapore Lyric Opera and Singapore Symphony Orchestra. In 2018, Singapore Airlines was named 'Friend of the Arts' by the National Arts Council, for our ongoing contribution to Singapore's arts scene.

In the educational sector, SIA continues to provide opportunities for students to help realise their full academic potential. Cash and air ticket sponsorships were given during the year to organisations such as LASALLE College of the Arts, as well as NTUC Education and Training Fund to encourage students and working adults to upgrade their skillsets.

In August 2018, SIA's Cabin Crew Club for Community Care collaborated with YWCA to organise a day camp for 60 children from Twinkles Club, a club for children from low-income families. Staff also showed their spirit of giving through Community Chest's Fu Dai event in January 2019, where volunteers helped pack Fu Dai bags with festive goodies and deliver them to the less fortunate.

The SIA Group also supported relief efforts conducted by the Singapore Red Cross in several disaster-hit regions in 2018. Relief for people affected by earthquakes on the Indonesian island of Lombok and floods in the Indian state of Kerala was provided through a contribution of \$50,000, as well

as donations of blankets and other relief supplies. SilkAir contributed to the efforts by ferrying relief materials to the affected areas, while staff volunteers distributed relief supplies in Lombok.

Beyond Singapore, our overseas stations are equally passionate and committed in reaching out to their local communities. In India, SIA partnered with Mellow Circle to develop an English-language teaching programme for Prathyasha, a home for HIV-affected children, with the goal of improving the children's literacy rate and reading, writing and speaking skills in preparation for higher education and future careers. SIA continues to be the national sponsor of The Smith Family in Australia, providing support to disadvantaged students through financial assistance and ticket sponsorship for fundraising efforts. To prepare the students for their future careers, Singapore Airlines partnered with Flight Centre, a travel agency group, to host a two-day career preparation workshop for a group of students under The Smith Family's 'Work Inspirations' programme.

The SIA Group also actively supports various charitable causes. As part of SilkAir's 30th anniversary celebrations in FY2018/19, SilkAir supported Child's Dream Foundation with a donation to fund a three-year scholarship for two students in Cambodia. Together with the provision of travel assistance for Child's Dream staff, SilkAir staff took part in a career fair at Pich Chenda High School in Siem Reap province, sharing their aviation industry experiences with over 200 students and inspiring them to plan for their careers after graduation.

To encourage employees to give back to the community, Scoot started a volunteer group called 'Painting Hearts Yellow' in June 2018 which has since facilitated two staff-initiated beach clean-ups and blood donation drives, with plans to increase their community involvement in

FY2019/20. Scoot provided students from Xi'an with travel assistance to Singapore to attend the 12th Hwa Chong Asia-Pacific Young Leaders Summit 2018 held in Singapore, to support the development of young leaders. Scoot also supported Singapore's arts scene by providing the Asian Civilisations Museum with return flights from Honolulu for two speakers to attend the 'Angkor: Exploring Cambodia's Sacred City' exhibition.

Since August 2010, SIA has been the exclusive airline partner for the Harapan Rainforest (also known as Hutan Harapan) Initiative, a large-scale green project aimed at protecting one of the world's most threatened and bio-diverse ecosystems in Sumatra, Indonesia. In FY2018/19, major developments of this initiative included efforts to actively promote agroforestry in Hutan Harapan to increase farming in the community, research on the ecosystem's amphibian species that have been identified as threatened or endangered, efforts to prevent encroachment and illegal logging and protect the endangered Sumatran tiger, and an education camp to educate participants about forest restoration and increase their understanding of the environment.



SUBSIDIARIES

SIA ENGINEERING COMPANY



The SIA Engineering Company (SIAEC) Group posted a profit attributable to owners of the parent of \$160.9 million. Profit for the previous financial year (FY2017/18) included a \$15.0 million gain from the sale of the Group's shares in an associated company, Asian Compressor Technology Services Company Limited. Revenue at \$1,020.9 million was 6.8 per cent or \$74.0 million lower. Share of profits of associated and joint venture companies increased by \$4.1 million or 3.7 per cent to \$113.9 million.

SIAEC's international line maintenance network, which covers 34 airports, handles more than 1,000 daily flights around the clock for more than 90 airline customers. SIAEC continues to expand this global network of line maintenance stations at strategic overseas locations. SIAEC announced plans to extend its line maintenance network to Thailand, in partnership with NokScoot Airlines Co., Ltd through a joint venture company. It will commence operations at Don Mueang International Airport and will subsequently expand to other key airports in Thailand.

Changi Airport continues to grow as a hub for full-service and low-cost carriers. With the increasing number of flights operating via Singapore, SIAEC continues to be the leading line maintenance service provider at its home base. During the year in review, SIAEC handled 153,006 flights at Changi Airport, an increase of 4.3 per cent from the preceding year. Increasingly, light checks are also performed at the apron during transits, thereby reducing maintenance downtime for airline customers.

SIAEC continuously works to improve its services to enhance the engineering reliability and operating efficiencies of its airline customers. As a trusted partner in aircraft maintenance, repair and overhaul (MRO) in Asia Pacific, SIAEC's one-stop maintenance facility in Singapore offers integrated MRO solutions to an international client base of airlines. The maintenance facility in Singapore comprises six hangars, including one of the world's first purpose-built hangars to handle the Airbus A380. Another three hangars are located in Clark, Philippines, allowing the company to extend its reach to airline customers in the region.

As a major fleet management service provider, SIAEC managed a fleet of 82 aircraft for eight airlines in FY2018/19. SIAEC's fleet management business offers an attractive, integrated total-care solution to an increasing number of airlines around the world by bundling its comprehensive range of MRO services with 24/7 fleet and inventory management support.

Forging strategic partnerships and synergistic joint venture collaborations with leading aviation players in the MRO space continues to be one of the key drivers for SIAEC's sustained growth in the long term. With access to new markets, products and technologies, these partnerships enhance SIAEC's capabilities on new-generation aircraft and diversified service offerings.

During the year in review, SIAEC's associated company, Eagle Services Asia Pte Ltd, commenced maintenance for the PW1100G engine, which is one of the engines that power the new-generation A320neo aircraft. Additive Flight Solutions Pte Ltd, the joint venture with Stratasys Ltd, was incorporated. Its additive manufacturing centre commenced operations to provide 3D-printed plastic aircraft cabin interior parts for airlines. Joint venture companies (JVs) formed previously, namely Heavy Maintenance Singapore Services Pte Ltd and Moog Aircraft Services Asia Pte Ltd, also commenced operations during the year in review. These JVs are in their gestation periods and are not expected to be accretive in the near term.

In line with the overall strategy to streamline and rationalise its line maintenance international operations, and to focus on areas of high growth potential and competitive advantage, SIAEC divested its 100 per cent stake in Aircraft Maintenance Services Australia Pty Ltd. It also sold its entire 20 per cent stake in Jamco Singapore Pte Ltd, which is in the business of manufacturing aircraft galleys, seats and cabin parts. SIAEC acquired the remaining 20 per cent stake in Singapore Aero Support Services Pte Ltd (formerly known as Singapore Jamco Services Pte Ltd), which will contribute to the growth of its aircraft and cabin maintenance business.

Key Facts



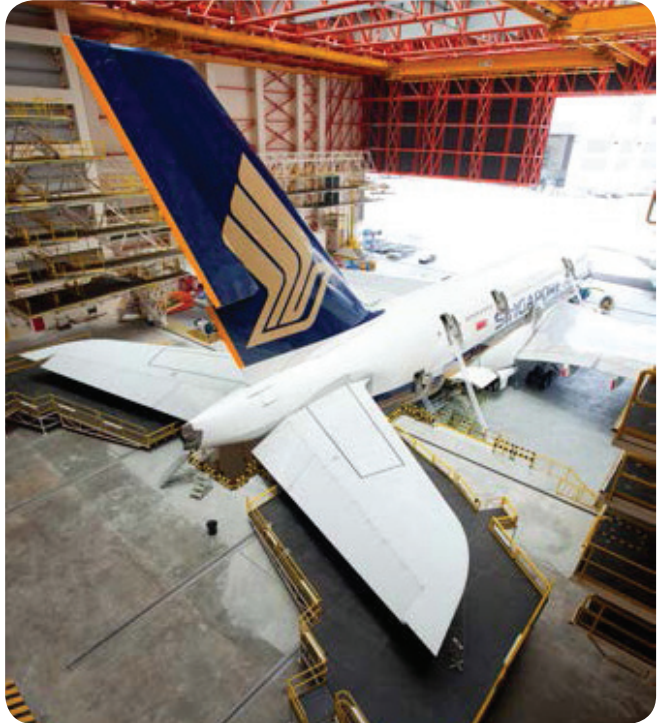
Network of line maintenance stations covers **34** airports



Handles over **1,000** flights daily around the clock for more than **90** airline customers



Handled **153,006** flights at Changi Airport in FY2018/19



SIAEC embarked on its own Transformation journey to explore new avenues of growth, enhance productivity and streamline processes. Some initiatives are generating productivity gains and creating capacity for growth, and more initiatives will be progressively implemented over the next three years. Complementing this is SIAEC's continued drive to innovate and adopt technologies, especially in the areas of digitalisation, additive manufacturing, robotics and automation, and data analytics. These initiatives are aimed at spurring new avenues of growth, build new capabilities, enhance productivity and safety, and increase the Group's overall competitiveness.



SUBSIDIARIES

SILKAIR



During the financial year in review, Singapore Airlines announced that SilkAir will undergo a significant product upgrade to more closely align its products and services to those of SIA, as part of a multi-year programme which will ultimately see it merged into SIA. The merger will eventually encompass a full re-branding of SilkAir as SIA, with the repainting of aircraft and adoption of SIA's service delivery.

The upgrades will commence in May 2020 and will feature new lie-flat seats in Business Class and the installation of seat-back in-flight entertainment systems in both Business Class and Economy Class in SilkAir's aircraft.

In addition, a detailed review was carried out to determine which routes will be best served by which airlines in the SIA Group portfolio, and in November 2018 it was announced that a number of routes will be transferred from SilkAir to Scoot ahead of the planned integration.

As of 31 March 2019, SilkAir's operating fleet of 27 aircraft comprised two Airbus A319s, eight A320s and 17 Boeing 737-800s. This excludes six 737 MAX 8s which

were grounded. On the network front, SilkAir transferred Langkawi, Pekanbaru and Kalibo services to Scoot in April, May and June 2018, respectively. As of 31 March 2019, SilkAir's network spans 49 destinations.

SilkAir also embarked on a series of enhancements to its product offerings. In May 2018, it significantly increased the

number of programmes available on its wireless in-flight entertainment system, SilkAir Studio. As of March 2019, SilkAir offers a selection of more than 400 movies and TV shows for customers. In addition to several enhancements on the in-flight dining front, SilkAir introduced Charles de Cazanove Tradition Brut Champagne in August 2018, which was crafted by an award-winning wine producer.



As part of its commitment to corporate social responsibility, SilkAir continued to support its adopted charity, Child's Dream Foundation, by providing sponsored air tickets for the Foundation's staff. SilkAir staff also took part in volunteering opportunities with Child's Dream Foundation during FY2018/19. In May 2018, SilkAir staff participated in a career fair at Pich Chenda High School in Siem Reap, speaking with over 200 students about their experiences in the aviation industry and inspiring the students to plan for their careers after graduation. As part of SilkAir's 30th anniversary celebrations in FY2018/19, SilkAir also supported Child's Dream Foundation with a donation to fund a three-year scholarship for two students in Cambodia.

SilkAir continues to be awarded in the region for its excellence in product and service quality. In 2019, SilkAir was honoured with a Five Star Rating in the APEX Official Airline Ratings 2019.

SilkAir was named the Indonesia Leading Regional Airline by the Indonesia Travel Tourism Award (ITTA) in 2018. In India, SilkAir attained the best regional Airline Award at TODAY's Traveler Awards 2018, the India Travel Award (South) 2018, and Travelscapes Veta Award 2018 (for Asia). Additionally, SilkAir was named the Best International Airline at the East India Travel Awards 2018.

In FY2018/19, SilkAir also received several accolades in China, achieving the Best Promising Airlines (Asia Pacific) Award by Phoenix Weekly Magazine, Best Airlines by Readers' Choice Award by Xiamen News Daily, the Recommended Airlines Award by Travel + Leisure China and Most Popular Airline Award by the Chengdu Economic Times.



Key Facts

SilkAir to undergo cabin upgrades ahead of its merger with SIA.



SilkAir offers a selection of more than 400 movies and TV shows.



49 destinations



SUBSIDIARIES

SCOOT



Network and Growth

In FY2018/19, Scoot added three new destinations, namely Berlin, Nanchang and Pekanbaru, bringing its total network count to 66 destinations. In November 2018, it was announced that Scoot would take over 17 destinations from SilkAir, with changes expected to take place between April 2019 and the second half of 2020. These destinations are Luang Prabang and Vientiane in Laos; Coimbatore, Trivandrum and Visakhapatnam in India; Changsha, Fuzhou, Kunming and Wuhan in China; Kota Kinabalu in Malaysia; and Balikpapan, Lombok, Makassar, Manado, Semarang and Yogyakarta in Indonesia. At the same time, Scoot will be transferring its services to Bengaluru, Chennai, Kochi and Shenzhen to Singapore Airlines and SilkAir.

Scoot's first Airbus A320neo made its debut on the Bangkok route in October 2018. Powered by Pratt & Whitney Geared Turbo Fan engines, the A320neo aircraft is the most fuel efficient of its type and emits approximately 50 per cent less NOx emissions and noise footprint compared

to the previous generation. The new A320neo has a total of 186 leather seats in an all-Economy Class configuration. As of 31 March 2019, with the entrance of the A320neo, Scoot's fleet comprises 47 aircraft, including 18 Boeing 787 Dreamliners and 29 Airbus A320-family aircraft. Scoot has 41 aircraft on firm order, comprising 37 A320neos, two 787-8s and two 787-9s.

Commercial and Product Development

Over the course of the year, Scoot has worked on increasing the in-market payment options for our customers.

Scoot partnered payments platform Adyen to offer WeChat Pay in China in April 2018, and Dragonpay payment options in the Philippines in December 2018, to make payment for flight bookings and ancillary add-ons, in addition to existing payment modes via credit card transactions and PayPal. With Dragonpay, customers in the Philippines can make payment through online banking with most major local commercial banks, physical ATM

payments, over-the-counter cash at banks and retail establishments, and GCash credits. With WeChat Pay (in CNY currency only), WeChat users can search for and book Scoot flights and complete their purchases via the FlyScoot website and Scoot's official WeChat account in China. Featuring faster loading speeds and a more seamless user experience, guests can book, pay for and review their entire Scoot journey on the same WeChat platform.

Earlier in March 2019, Scoot became the first airline in Singapore to offer PayNow, an interbank funds transfer service enabling customers to book and pay for flights via the FlyScoot website, directly from their bank accounts. A collaboration made possible through a partnership with United Overseas Bank, PayNow is in addition to other modes of payment that Scoot's Singapore-based customers can use. With the aim of allowing greater convenience and extending our reach to more customers, various in-market payment options are also planned to be rolled out in the time to come.

In July 2018, Scoot became the first airline in Asia to launch a transactional chatbot, named M.A.R.V.I.E. (Most Awesome and Resourceful Virtual Intern Ever). Since its soft launch on 2 July 2018, M.A.R.V.I.E. has serviced an average of 2,500 unique visitors per week, and successfully resolved 79.25 per cent of the queries that come through Facebook. This resolution rate is expected to rise as M.A.R.V.I.E. is in constant learning mode and its capabilities will improve over time as more customers interact with it. As of 31 March 2019, the transactional chatbot is available on all of Scoot's English-language Facebook pages via Facebook Messenger.

Scoot recently launched a new release of the Scoot mobile application in March 2019, which features new functionalities such as more fare bundle choices, seat and meal selection, and the use of promotion codes. The redesigned app also offers a refreshed mobile experience based on three key principles: clarity, simplicity of use and responsiveness. Traditionally in English, the app now supports Bahasa Indonesian, Japanese, Korean, Simplified Chinese, Thai and Traditional Chinese.

Scoot also partnered AXA Travel Insurance to introduce Scooturance, a comprehensive travel insurance currently available to customers departing from Indonesia, Malaysia and Singapore. Scooturance aims to provide customers with hassle-free travel and peace of mind, and can be conveniently purchased anytime from the FlyScoot website. An electronic visa (e-visa) application platform has also been integrated within the FlyScoot website to offer e-visa options during the flight booking process, depending on customers' nationality and booked destinations. This saves customers the hassle of having to identify whether they require a visa for their travel, and provides a streamlined, user-friendly option for visa travel requirements.

Last but not least, Scoot has enabled seamless in-flight to ground connectivity on selected flights. Customers who make their bookings on the FlyScoot website will have complimentary access to Flexiroam X Microchip with 1GB of data that can be used in 64 Scoot destinations. Customers will be able to top up as required to enjoy data use in over 150 destinations with Flexiroam coverage. As of December 2018, existing Flexiroam customers

will also be able to exchange Flexiroam data for in-flight Wi-Fi data sessions on selected Scoot flights operated on Boeing 787 Dreamliners, allowing them greater ease when transitioning from air to ground.

Customer Service

Since July 2018, Scoot has established a dedicated Customer Service department, which has almost doubled in staff strength from 12 to 22. The team, which previously focused on managing call centre operations and overseeing policies and procedures, has expanded the range of servicing platforms available to customers to improve the overall customer experience. This includes a new dedicated in-house social media customer servicing team which monitors Scoot's Facebook, Instagram and Twitter accounts, to better facilitate communication of time-sensitive travel information, as well as customer servicing that requires quick responses and on-the-spot service recovery. The team strives to leverage on technology and automation to enhance existing disruption management communications with affected customers to minimise mishandling and recover good-will. An online customer self-service portal has also been implemented, which allows customers to view and make schedule changes based on options available. This does away with the need to call into the contact centre, and coupled with other upcoming self-service options, will reduce processing time.

Since July 2018, Scoot has partnered with Qualtrics to launch a Net Promoter Score (NPS) survey, gathering post-flight feedback from customers across various touchpoints to determine where improvements in customer experience should be made. A monthly performance report that consolidates feedback from the survey and all customer servicing channels is prepared, to enable business units to track and refine their service performance.

Since March 2019, Scoot has also introduced a new mobile-friendly online portal, for customers affected by flight disruptions. Customers can log in to the platform to access real-time information about their delayed flight. This was introduced to address the need for regular communication to customers during flight disruptions.

Key Facts



47 aircraft in operating fleet



Launched three new destinations:
Berlin, Nanchang and Pekanbaru



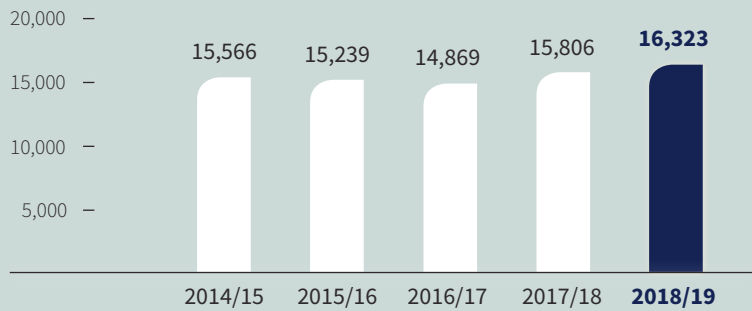
66 destinations served

FINANCIAL REVIEW

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

REVENUE

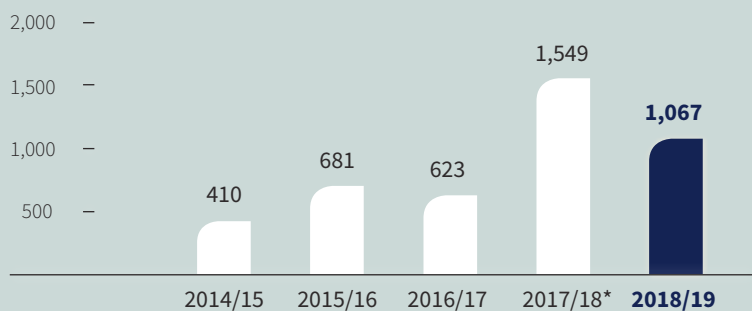
(\$ million)



\$16,323 million
(+\$517 million, +3.3%)

OPERATING PROFIT

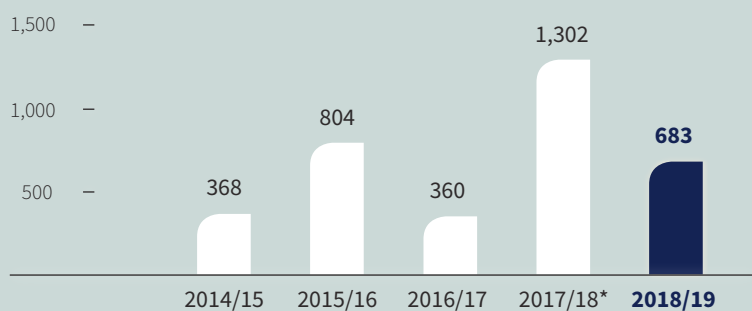
(\$ million)



\$1,067 million
(-\$482 million, -31.1%)

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

(\$ million)



\$683 million
(-\$619 million, -47.5%)

*Restated due to the adoption of IFRS (See next page)

PERFORMANCE OF THE GROUP

Key Financial Highlights

As required by the Singapore Exchange listing rules, the Group has adopted International Financial Reporting Standards (“IFRS”) with effect from 1 April 2018. In accordance to the transition requirements, FY2017/18 comparatives used in the following discussion on the Group and Company financial performance have been restated, unless otherwise stated.

	2018/19	2017/18	% Change	
Earnings For The Year (\$ million)				
Revenue	16,323.2	15,806.1	+	3.3
Expenditure	15,256.1	14,257.3	+	7.0
Operating profit	1,067.1	1,548.8	-	31.1
Profit attributable to owners of the Company	682.7	1,301.6	-	47.5
Per Share Data (cents)				
Earnings per share – basic	57.7	110.1	-	47.6
Ordinary dividend per share	30.0	40.0	-	25.0
Ratios (%)				
Return on equity holders’ funds	5.2	10.8	-	5.6 points
Return on total assets	2.6	5.6	-	3.0 points

Group Earnings

For the financial year, the Group recorded a 31.1 per cent decline in operating profit, as expenditure outweighed revenue growth. The Group experienced significant cost pressures due to higher fuel prices, partly mitigated by fuel hedging gains. This was exacerbated by an absence of \$243 million of non-recurring revenue items recorded last year.

Group revenue rose \$517 million (+3.3 per cent) year-on-year to \$16,323 million, largely contributed by Singapore Airlines (the “Parent Airline Company” or the “Company”) and Scoot.

The Parent Airline Company saw a robust gain in flown revenues (+\$613 million), led by the passenger segment. All route regions reported healthy passenger flown revenue gains, with Europe, West Asia and Africa, and Americas in particular, benefitting from strong demand, more agile commercial practices and in the latter’s case, the introduction of new non-stop services. Cargo revenue rose \$45 million, as higher yields (+5.7 per cent) sufficiently mitigated lower loads (-3.5 per cent) on weaker trade conditions in the latter half of the fiscal year.

However, the revenue growth was tapered by the absence of non-recurring incidental income, which pertained to changes in estimated breakage rates and member benefits for the KrisFlyer programme (\$178 million), and compensation for changes in aircraft delivery slots (\$65 million).

Scoot’s revenue growth was driven by higher passenger flown revenue, lifted by a 14.6 per cent increase in passenger traffic from expanded operations. However, there was some dilution in yields (-1.7 per cent), given the significant growth in capacity (+15.1 per cent).

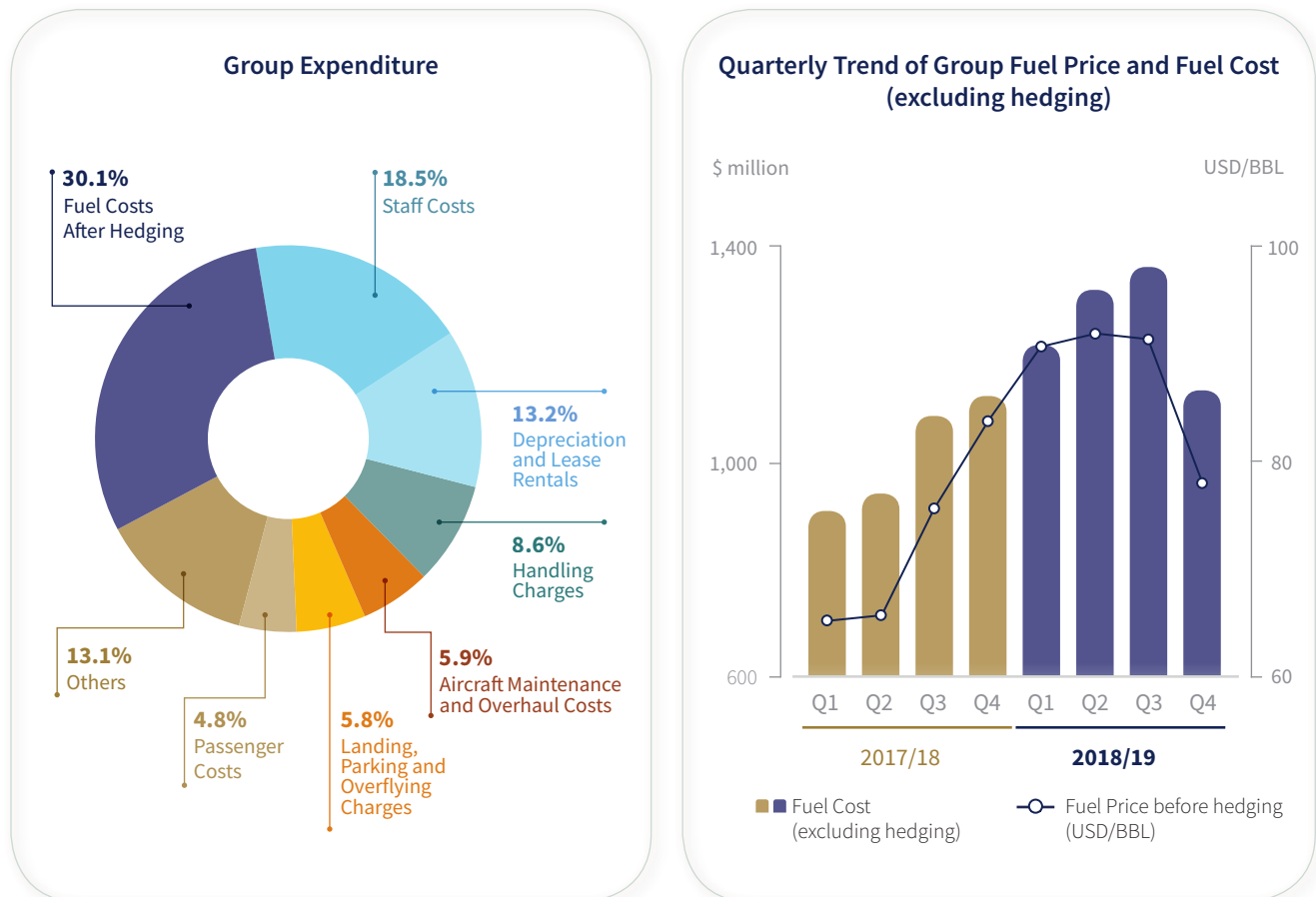
	2018/19 \$ million	2017/18 \$ million	% Change	
Singapore Airlines	13,054.2	12,760.6	+	2.3
SilkAir	1,011.1	998.9	+	1.2
Scoot	1,710.8	1,533.8	+	11.5
SIA Engineering	485.7	480.9	+	1.0
Others	61.4	31.9	+	92.5
Total revenue	16,323.2	15,806.1	+	3.3

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

Group Earnings (continued)

Group expenditure rose \$999 million (+7.0 per cent) year-on-year to \$15,256 million. Fuel cost before hedging rose by \$1,002 million, largely led by a US\$16 per barrel (+21.6%) increase in average jet fuel price, partially offset by a higher fuel hedging gain against last year (+\$314 million), resulting in an increase of \$688 million in net fuel cost (+17.6 per cent). Non-fuel costs increased \$311 million (+3.0 per cent), mainly attributable to double-digit capacity expansion at Scoot and the induction of ultra-long haul flights at the Parent Airline Company.



The Group's operating profit declined \$482 million to \$1,067 million (-31.1 per cent) for the financial year ended 31 March 2019. All major companies in the Group recorded weaker operating performance over last year. Singapore Airlines earned an operating profit of \$991 million in the financial year, a \$347 million reduction compared to last year. Scoot recorded an operating loss of \$15 million for the fiscal year, a reversal from last year's operating profit of \$78 million, as the cost of expansion outweighed revenue growth. Please refer to the review of the Company and subsidiary companies for further details.

Net profit for the Group fell \$619 million (-47.5 per cent) to \$683 million, largely driven by the weaker operating profit from higher fuel prices, and absence of non-recurring revenue recorded last year pertaining to KrisFlyer breakage rate and member benefit adjustments (\$178 million), and compensation for changes in aircraft delivery slots (\$65 million). Net profit was further impacted by non-operating items recorded in the year, including a \$116 million share of losses of Virgin Australia, an associated company for the Group, whose results were impacted by a major non-cash accounting adjustments. The Group also took a \$60 million charge in relation to SilkAir's re-fleeting costs for its transition from an Airbus to Boeing fleet, and restructuring costs incurred in preparation for the carrier's integration into SIA.

PERFORMANCE OF THE GROUP (CONTINUED)

Financial Position

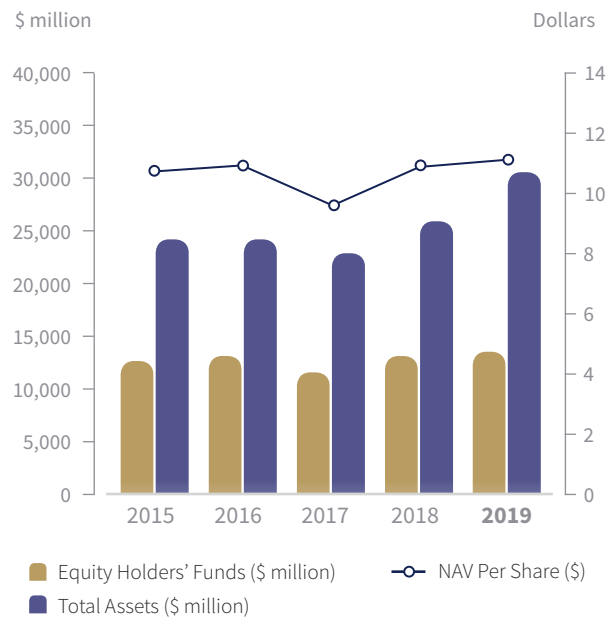
Equity attributable to owners of the parent increased by \$427 million (+3.3 per cent) to \$13,287 million as at 31 March 2019, largely due to net profit for the financial year (+\$683 million), fair value movement on cash flow hedges (+\$146 million) and lapse of employee share options (+\$62 million), partially offset by payment of dividends (-\$450 million). The fair value movement on cash flow hedges of \$146 million was primarily attributable to the swing from fair value losses to gains in foreign exchange hedges, partially offset by fair value movements on outstanding fuel hedges.

Total Group assets increased \$4,613 million (+17.8 per cent) to \$30,505 million. The increase was mainly due to an increase in property, plant and equipment (+\$4,007 million), cash balances (+\$376 million) and trade debtors (+\$126 million). Property, plant and equipment increased largely due to asset acquisitions with the delivery of aircraft during the year as well as pre-delivery payments for aircraft on order. Cash balances rose primarily due to proceeds from borrowings, net of transactions costs (+\$3,619 million), cash generated from operations (+\$2,801 million) and proceeds from disposal and maturity of investments, net of additional acquisitions (+\$52 million), offset by capital expenditure (-\$5,562 million) and payment of dividends (-\$450 million).

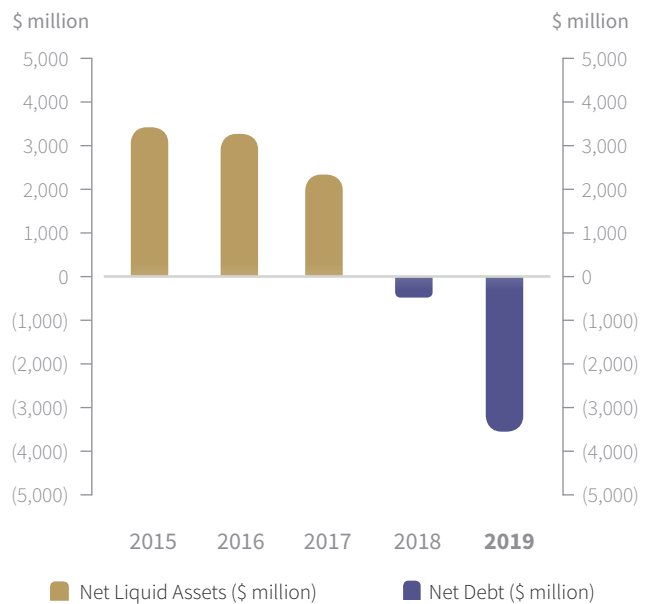
Total Group liabilities increased by \$4,158 million (+32.8 per cent) to \$16,822 million as at 31 March 2019, primarily arising from the increase in borrowings and issuance of bonds (+\$3,527 million), trade creditors (+\$347 million) and sales in advance of carriage (+\$273 million). Borrowings were higher largely due to loans drawn down by the Group (\$2,280 million) and issuance of two million medium term notes (\$1,350 million in aggregate).

The Group's net debt^{RI} rose to \$3,594 million as at 31 March 2019, \$3,193 million higher than the prior year, attributable to an increase in total debt from the issuance of medium term notes (+\$1,350 million) and loans drawn down (+\$2,280 million) by the Group, partially offset by an increase in cash balances (-\$376 million). Total debt to equity ratio increased from 0.24 times to 0.50 times as at 31 March 2019.

Group Equity Holders' Funds, Total Assets and Net Asset Value (NAV) per Share



Group Net Liquid Assets and Net Debt

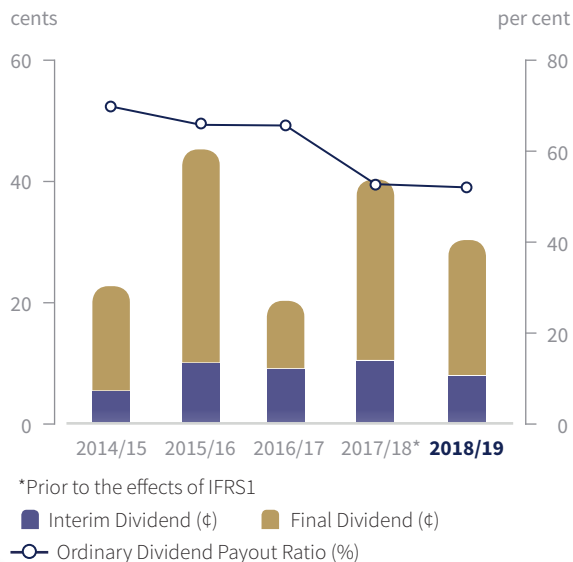


^{RI} Net debt is defined as the loans and bonds issued, net of the sum of cash and bank balances and short-term investments.

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

Dividend Payout



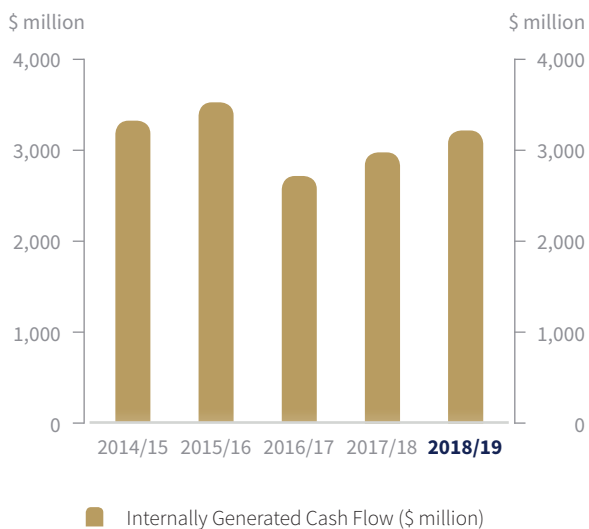
Dividends

For the financial year ended 31 March 2019, the Board recommends a final dividend of 22 cents per share. Including the interim dividend of 8 cents per share paid on 4 December 2018, the total dividend for the 2018/19 financial year will be 30 cents per share. This amounts to a payout of approximately \$355 million based on the number of issued shares as at 31 March 2019.

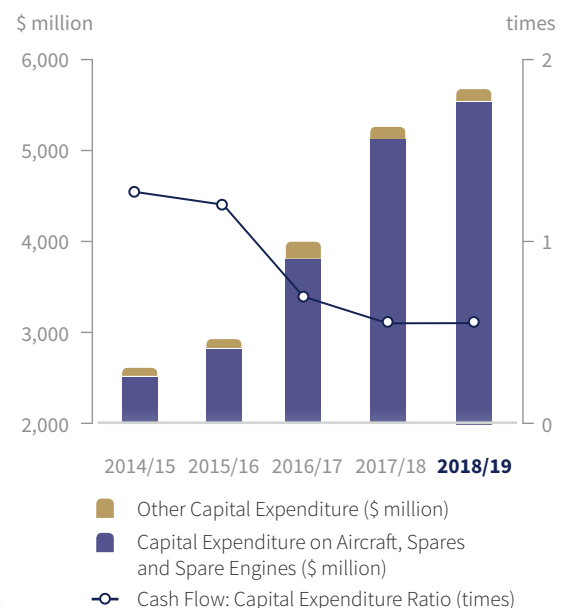
Capital Expenditure and Cash Flow of the Group

Capital expenditure was \$5,562 million, 6.8 per cent higher than last year. Approximately 98 per cent of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of \$3,116 million (+5.3 per cent) was approximately 56 per cent of capital expenditure. The increase in internally generated cash flow was mainly attributable to higher cash flow from operations, as well as higher proceeds from the disposal of aircraft, spares and spare engines.

Internally Generated Cash Flow



Group Capital Expenditure



PERFORMANCE OF THE GROUP (CONTINUED)

Group Staff Strength and Productivity

The Group's staff strength as at 31 March 2019 was as follows:

	31 March		
	2019	2018	% Change
Singapore Airlines	16,316	15,570	+ 4.8
SIA Engineering	6,673	6,614	+ 0.9
SilkAir	1,484	1,574	- 5.7
Scoot	2,334	2,051	+ 13.8
Others	271	180	+ 50.6
	27,078	25,989	+ 4.2

Average staff productivity was as follows:

	2018/19	2017/18	% Change
Revenue per employee (\$)	615,181	610,251	+ 0.8
Value added per employee (\$)	200,283	216,806	- 7.6

Statements of Value Added and its Distribution

Value added is a measure of wealth created. The statement below shows the Group's value added and its distribution by way of payments to employees, government, and to those who have provided capital. It also indicates the portion retained in the business for future capital requirements.

	2018/19 \$ million	2017/18 \$ million
Total revenue	16,323.2	15,806.1
Less: Purchase of goods and services	(11,049.4)	(10,325.6)
	5,273.8	5,480.5
Add:		
Interest income	41.9	60.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(5.8)	16.1
Dividends from long-term investments	3.1	6.2
Other non-operating items	(47.4)	19.3
Share of profits of joint venture companies	26.5	43.6
Share of profits/(losses) of associated companies	22.2	(11.1)
Total value added for distribution	5,314.3	5,615.5
Applied as follows:		
To employees:		
- Salaries and other staff cost	2,816.9	2,709.0
To government:		
- Corporation taxes	269.9	248.5
To suppliers of capital:		
- Interim and proposed dividends	355.1	473.0
- Finance charges	116.1	89.8
- Non-controlling interests	38.9	43.9
Retained for future capital requirements:		
- Depreciation and amortisation	1,389.8	1,222.7
- Retained profit	327.6	828.6
Total value added	5,314.3	5,615.5
Value added per \$ revenue (\$)	0.33	0.36
Value added per \$ employment cost (\$)	1.89	2.07
Value added per \$ investment in property, plant and equipment (\$)	0.20	0.25

FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY

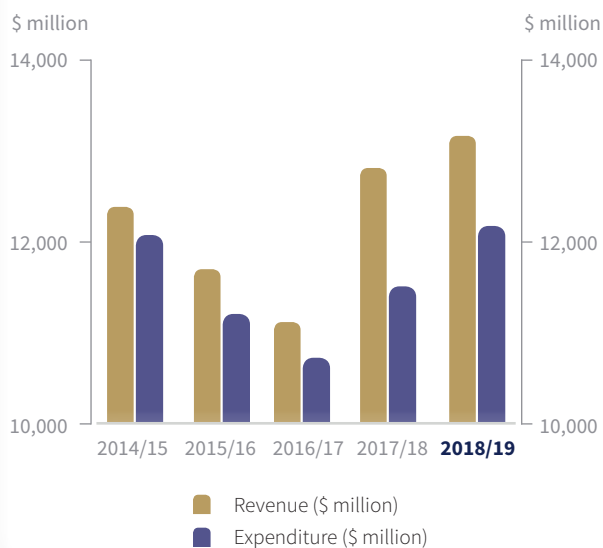
SIA Cargo is a division within the Parent Airline Company with effect from 1 April 2018. Prior year comparatives have been adjusted to account for its re-integration.

Earnings

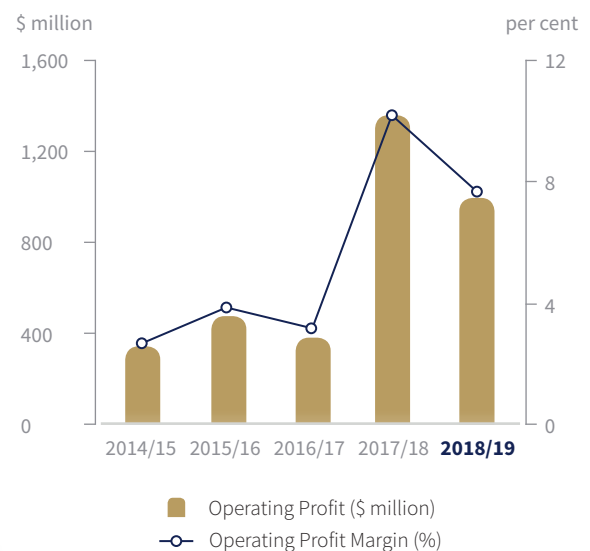
	2018/19 \$ million	2017/18 \$ million	% Change	
Revenue	13,144.2	12,807.5	+	2.6
Expenditure	12,153.7	11,469.4	+	6.0
Operating profit	990.5	1,338.1	-	26.0
Finance charges	(114.0)	(94.8)	-	20.3
Interest income	74.6	89.1	-	16.3
Surplus on disposal of aircraft, spares and spare engines	4.1	15.4	-	73.4
Dividends from subsidiary and associated companies	173.9	162.4	+	7.1
Dividends from long-term investments	3.1	6.2	-	50.0
Other non-operating items	(193.4)	12.6		n.m.
Profit before taxation	938.8	1,529.0	-	38.6
Taxation	(159.7)	(204.4)	+	21.9
Profit after taxation	779.1	1,324.6	-	41.2

n.m. not meaningful

Company Revenue and Expenditure



Operating Profit and Operating Profit Margin



PERFORMANCE OF THE COMPANY (CONTINUED)

Revenue

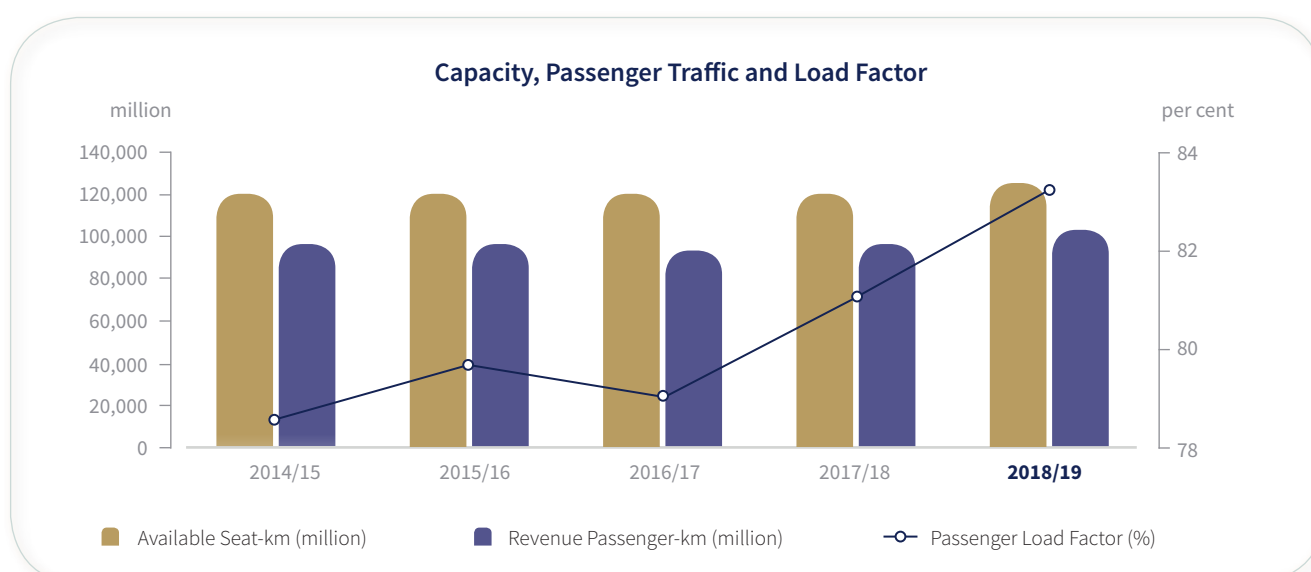
	2018/19	2017/18	Change			
	\$ million	\$ million	\$ million			%
Passenger flown revenue	10,384.3	9,816.6	+ 567.7	+		5.8
Cargo & mail revenue	2,220.5	2,175.5	+ 45.0	+		2.1
Others	539.4	815.4	- 276.0	-		33.8
Total operating revenue	13,144.2	12,807.5	+ 336.7	+		2.6

The Company's revenue rose 2.6 per cent to \$13,144 million, led largely by higher passenger flown revenue. This was partly offset by lower other revenue, due to the absence of non-recurring items pertaining to changes in estimated breakage rates and member benefits for the KrisFlyer programme, and compensation for aircraft delivery slots recorded in the last financial year.

Operating Performance – Passenger Segment

	2018/19	2017/18	% Change	
Passengers carried (thousand)	20,738	19,505	+ 6.3	
Revenue passenger-km (million)	102,571.9	95,855.0	+ 7.0	
Available seat-km (million)	123,486.2	118,126.7	+ 4.5	
Passenger load factor (%)	83.1	81.1	+ 2.0	points
Passenger yield (¢/pkm)	10.1	10.2	- 1.0	
Revenue per available seat-km (¢/ask)	8.4	8.3	+ 1.2	
Passenger unit cost (¢/ask)	8.3	8.1	+ 2.5	

For the year, the Company recorded a 7.0 per cent growth in passenger carriage, significantly outpacing capacity growth of 4.5 per cent contributed largely by the launch of ultra-long haul routes to the Americas. This led to a 2.0 percentage point increase in passenger load factor to 83.1 per cent, the highest on record. Despite adverse currency movements and an unprecedented capacity growth in recent years, revenue per available seat-km rose 1.2 per cent.



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

Operating Performance – Passenger Segment (Continued)

A review of the Company's passenger segment operations by route region is as follows:

	By Route Region ^{R2} (2018/19 against 2017/18)			
	Passengers Carried Change (thousand)	Revenue Passenger-KM % Change	Available Seat-KM % Change	
East Asia	+ 608	+ 6.5	+ 4.6	
Americas	+ 59	+ 7.7	+ 5.6	
Europe	+ 173	+ 7.3	+ 4.5	
South West Pacific	+ 206	+ 6.1	+ 4.6	
West Asia and Africa	+ 187	+ 9.0	+ 2.9	
Systemwide	+ 1,233	+ 7.0	+ 4.5	

Passenger load factor by route region was as follows:

	Passenger Load Factor (%)		
	2018/19	2017/18	% Change points
East Asia	82.2	80.8	+ 1.4
Americas	83.2	81.6	+ 1.6
Europe	83.1	80.9	+ 2.2
South West Pacific	84.6	83.4	+ 1.2
West Asia and Africa	81.4	76.9	+ 4.5
Systemwide	83.1	81.1	+ 2.0

A breakdown of passenger revenue by route region and area of original sale is shown below:

	By Route Region (\$ million)				By Area of Original Sale ^{R3} (\$ million)			
	2018/19	2017/18	%	Change	2018/19	2017/18	%	Change
East Asia	3,404.1	3,291.2	+	3.4	5,483.5	5,256.3	+	4.3
Americas	1,548.2	1,384.7	+	11.8	748.7	659.9	+	13.5
Europe	2,425.4	2,249.0	+	7.8	1,774.4	1,607.9	+	10.4
South West Pacific	2,050.7	1,969.6	+	4.1	1,711.2	1,676.0	+	2.1
West Asia and Africa	955.9	922.1	+	3.7	666.5	616.5	+	8.1
Systemwide	10,384.3	9,816.6	+	5.8	10,384.3	9,816.6	+	5.8

^{R2} Each route region comprises routes originating from Singapore to final destinations within the region concerned and vice versa. For example, Singapore-Hong Kong-San Francisco-Hong Kong-Singapore route is classified under Americas region. East Asia covers Brunei, Hong Kong SAR, Indonesia, Japan, South Korea, Malaysia, People's Republic of China, Myanmar, Philippines, Thailand, Taiwan and Vietnam. Americas denotes USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Sweden, Switzerland, The Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, India, Maldives, South Africa, Sri Lanka and United Arab Emirates.

^{R3} Each area of original sale comprises countries within a region from which the sale is made.

PERFORMANCE OF THE COMPANY (CONTINUED)

The Company's passenger flown revenue increased in 2018/19, as a result of:

	\$ million		\$ million	
7.0% increase in passenger traffic:			+	687.9
1.0% decrease in passenger yield (including fuel surcharge):				
Change in passenger mix	+	321.9		
Lower local currency yields	-	254.0		
Foreign exchange	-	188.1	-	120.2
Increase in passenger revenue			+	567.7

The sensitivity of passenger revenue to a one percentage point change in passenger load factor and a one percentage change in passenger yield is as follows:

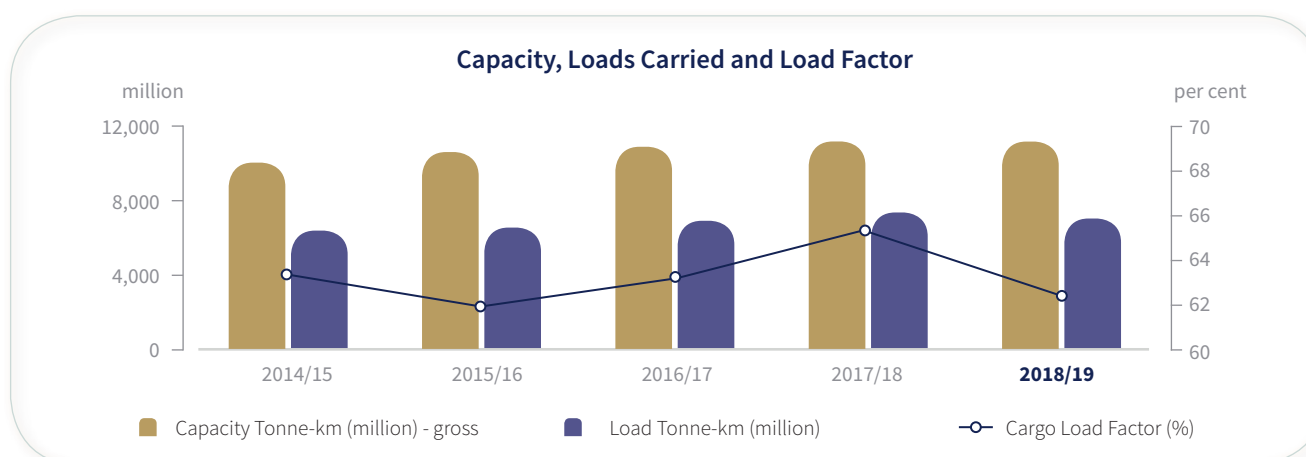
	\$ million
1.0%-point change in passenger load factor, if yield and seat capacity remain constant	125.0
1.0% change in passenger yield, if passenger traffic remains constant	103.8

Operating Performance – Cargo Segment

	2018/19	2017/18	% Change
Cargo and mail carried (million kg)	1,298.3	1,301.2	- 0.2
Cargo load tonne-km (million)	7,006.5	7,260.3	- 3.5
Cargo capacity tonne-km (million) - gross	11,210.4	11,126.7	+ 0.8
Cargo load factor (%)	62.5	65.3	- 2.8 points
Cargo yield (¢/tk)	31.7	30.0	+ 5.7
Cargo unit cost (¢/ask)	16.5	16.2	+ 1.9

While the first half of the financial year saw strong cargo demand, this momentum did not carry through to the later part of the year as ongoing economic uncertainty took its toll. Higher cargo rates and more high yield shipments boosted yield by 5.7 per cent from a year ago, although loads carried declined 3.5 per cent.

Cargo load factor fell 2.8 percentage points year-on-year, as loads carried fell by 3.5 per cent, despite the increase in cargo capacity of 0.8 per cent.



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

Operating Performance – Cargo Segment (Continued)

A review of the cargo segment's operating performance by route region is as follows:

By Route Region (2018/19 against 2017/18)						
		Loads Carried KG Change (million)		Load Tonne-KM % Change		Capacity Tonne-KM % Change
East Asia	+	16.7	+	0.8	+	5.4
Americas	-	12.6	-	10.9	-	8.0
Europe	-	9.7	-	5.9	-	3.4
South West Pacific	-	0.9		-	+	7.9
West Asia and Africa	+	3.6	+	0.9	+	1.8
Systemwide	-	2.9	-	3.5	+	0.8

Cargo load factor by route region was as follows:

Cargo Load Factor (%)				
	2018/19	2017/18	% Change points	
East Asia	55.6	58.1	-	2.5
Americas	61.2	63.2	-	2.0
Europe	73.8	75.7	-	1.9
South West Pacific	57.4	61.9	-	4.5
West Asia and Africa	70.7	71.3	-	0.6
Systemwide	62.5	65.3	-	2.8

The Company's cargo and mail revenue increased in 2018/19, as a result of:

	\$ million	\$ million
3.5% decrease in loads carried:		- 76.1
5.7% increase in cargo yield:		
Higher local currency yields	+ 147.9	
Foreign exchange	- 26.8	+ 121.1
Increase in cargo and mail revenue		+ 45.0

The sensitivity of cargo and mail revenue to a one percentage point change in cargo load factor and a one percentage change in cargo yield is as follows:

	\$ million
1.0%-point change in cargo load factor, if yield and capacity remain constant	35.5
1.0% change in cargo yield, if loads carried remains constant	22.2

PERFORMANCE OF THE COMPANY (CONTINUED)

A breakdown of cargo and mail revenue by route region and area of original sale is shown below:

	By Route Region (\$ million)				By Area of Original Sale ^{R4} (\$ million)			
	2018/19	2017/18	%	Change	2018/19	2017/18	%	Change
East Asia	622.5	575.5	+	8.2	1,386.0	1,331.3	+	4.1
Americas	386.5	404.5	-	4.4	102.3	99.5	+	2.8
Europe	540.4	542.5	-	0.4	403.2	412.0	-	2.1
South West Pacific	445.0	440.3	+	1.1	174.1	178.4	-	2.4
West Asia and Africa	226.1	212.7	+	6.3	154.9	154.3	+	0.4
Systemwide	2,220.5	2,175.5	+	2.1	2,220.5	2,175.5	+	2.1

Expenditure

The Company's expenditure increased 6.0 per cent to \$12,154 million in 2018/19.

	2018/19		2017/18		% Change
	\$ million	%	\$ million	%	
Fuel costs	3,763.1	31.0	3,227.9	28.1	+ 16.6
Staff costs	1,968.3	16.2	1,881.3	16.4	+ 4.6
Depreciation	1,102.3	9.1	970.5	8.5	+ 13.6
Handling charges	1,182.9	9.7	1,190.7	10.4	- 0.7
Aircraft maintenance and overhaul costs	723.6	5.9	807.2	7.0	- 10.4
Inflight meals and other passenger costs	668.7	5.5	644.4	5.6	+ 3.8
Rentals on leased aircraft	445.0	3.7	585.2	5.1	- 24.0
Airport and overflying charges	688.1	5.7	677.8	5.9	+ 1.5
Sales costs	695.4	5.7	625.0	5.5	+ 11.3
Communication and information technology costs	119.7	1.0	101.0	0.9	+ 18.5
Other costs	796.6	6.5	758.4	6.6	+ 5.0
Total	12,153.7	100.0	11,469.4	100.0	+ 6.0

A breakdown of fuel costs is shown below:

	2018/19 \$ million	2017/18 \$ million	Change \$ million
Fuel costs (before hedging)	4,094.6	3,306.2	+ 788.4
Fuel hedging gain	(331.5)	(78.3)	- 253.2
	3,763.1	3,227.9	+ 535.2

Expenditure on fuel before hedging was \$788 million higher because of:

	\$ million
21.9% increase in weighted average fuel price from 72.1 USD/BBL to 87.9 USD/BBL	+ 737.0
2.1% increase in volume uplifted from 33.6 million BBL to 34.3 million BBL	+ 59.8
Weaker USD against SGD	- 8.4
	+ 788.4

^{R4} Each area of original sale comprises countries within a region from which the sale is made.

FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

Expenditure (Continued)

Staff costs rose \$87 million (+4.6 per cent), largely attributable to an increase in staff strength and crew allowances from an expansion in operations and introduction of ultra-long haul flights.

Depreciation was \$132 million (+13.6 per cent) higher, mainly due to the addition of new aircraft.

Aircraft maintenance and overhaul costs fell by \$84 million (-10.4 per cent) on lower airframe maintenance costs and lower provision for redelivery check costs primarily from the expiry of aircraft leases.

Rentals on leased aircraft were \$140 million (-24.0 per cent) lower than last year, largely due to fewer aircraft on operating lease.

Inflight meals and other passenger costs rose \$24 million (+3.8 per cent), mainly due to the increase in number of passengers carried during the year.

Sales costs increased \$70 million (+11.3 per cent), primarily due to higher commissions and incentives payable on passenger traffic growth, and increased advertising spend.

Communication and information technology costs were \$19 million higher (+18.5 per cent) from a year ago, led by an increase in information technology projects arising from the ongoing transformation programme.

Other costs rose \$38 million (+5.0 per cent), primarily due to higher equipment fees and more expenses incurred to mount non-scheduled services.

Fuel Productivity and Sensitivity Analysis

Fuel productivity of the passenger fleet, measured by load tonne-km per barrel (ltk/BBL), increased 1.3 per cent from 445ltk/BBL to 451ltk/BBL, mainly due to the increase in load factor and number of fuel efficient aircraft.

A change in fuel productivity of 1.0 per cent would impact the Company's annual fuel costs before hedging by about \$38 million, before accounting for changes in fuel price, USD exchange rate and flying operations.

A change in the price of fuel before hedging of one US dollar per barrel affects the Company's annual fuel cost for passenger fleet by about \$43 million, before accounting for USD exchange rate movements, and changes in volume of fuel consumed.

Fuel Productivity of Passenger Fleet



PERFORMANCE OF THE COMPANY (CONTINUED)

Net Finance Charges

Net finance charges rose \$34 million, mainly due to issuance of debt to finance capital expenditure. The Company raised \$1,800 million of bank loans and \$1,350 million of bonds during the fiscal year, at rates ranging from 2.62% to 3.16% per annum.

Disposal of Aircraft, Spares and Spare Engines

The decline in surplus on disposal was primarily attributable to a lower gain on sale of four aircraft.

Taxation

Tax expense was \$45 million lower (-21.9 per cent) against last year, in line with the lower profitability of the Company.

Staff Strength and Productivity

The Company's staff strength as at 31 March 2019 was 16,316, an increase of 746 over the previous year. The distribution of employee strength by category and location is as follows:

Category	31 March		
	2019	2018	% Change
Senior staff (executives and higher ranking officers)	1,849	1,658	+ 11.5
Technical crew	2,261	2,226	+ 1.6
Cabin crew	8,744	8,207	+ 6.5
Other ground staff	3,462	3,479	- 0.5
	16,316	15,570	+ 4.8
Location			
Singapore	13,874	13,102	+ 5.9
East Asia	1,037	1,049	- 1.1
Europe	514	526	- 2.3
South West Pacific	391	402	- 2.7
West Asia and Africa	341	342	- 0.3
Americas	159	149	+ 6.7
	16,316	15,570	+ 4.8

The Company's average staff productivity ratios^{RS} are shown below:

	2018/19	2017/18	% Change
Capacity per employee (tonne-km)	1,486,207	1,475,242	+ 0.7
Revenue per employee (\$)	824,450	819,942	+ 0.5
Value added per employee (\$)	258,634	286,530	- 9.7

^{RS} The Company's staff productivity ratios were computed based on average staff strength of 15,943 in 2018/19 (2017/18: 15,620).

FINANCIAL REVIEW

PERFORMANCE OF THE SUBSIDIARY COMPANIES

The major subsidiary companies are SIA Engineering, SilkAir and Scoot. The following performance review includes intra-group transactions, and restatements to FY2017/18 figures due to the adoption of IFRS.

SIA Engineering

	2018/19 \$ million	2017/18 \$ million	% Change	
Total revenue	1,020.9	1,094.9	-	6.8
Total expenditure	964.1	1,016.1	-	5.1
Operating profit	56.8	78.8	-	27.9
Net profit	160.9	186.8	-	13.9

SIAEC Group recorded revenue of \$1,021 million for the financial year, a decrease of \$74 million or 6.8 per cent, mainly due to a decline in airframe and fleet management revenue. Expenditure fell \$52 million (-5.1 per cent) on lower material and subcontract costs, in line with the lower workload. Together, operating profit contracted \$22 million (-27.9 per cent) from a year ago.

Net profit for the year was \$161 million, a decrease of \$26 million or 13.9 per cent. The decline was partly due to the lower operating profit, as well as an absence of a \$15 million gain on the sale of shares in an associated company, Asian Compressor Technology Services Company Limited.

Share of profits of associated and joint venture companies increased by \$4 million or 3.7 per cent to \$114 million, largely contributed by the engine and component segment.

Basic earnings per share was 14.4 cents for the current financial year.

SilkAir

	2018/19 \$ million	2017/18 \$ million	% Change	
Total revenue	1,030.9	1,020.3	+	1.0
Total expenditure	1,015.7	976.4	+	4.0
Operating profit	15.2	43.9	-	65.4
(Loss)/Profit after taxation	(52.3)	29.7		n.m.

SilkAir's revenue increased by \$11 million (+1.0 per cent) to \$1,031 million, lifted by passenger flown revenue on a 7.2 per cent improvement in carriage. Load factor rose 2.8 percentage points to 76.2 per cent, as traffic growth outpaced capacity injection (+3.2 per cent). However, RASK contracted 1.2 per cent to 8.3¢/ask, led by lower yields (-5.2 per cent) on intense competition in the region.

Operating expenses were 4.0 per cent higher, primarily due to an increase in net fuel costs (+\$30 million). Ex-fuel expenditure rose \$10 million, attributable to capacity growth. As a result, operating profit narrowed \$29 million (-65.4 per cent) to \$15 million.

The carrier recorded a net loss after taxation of \$52 million for the fiscal year, a reversal from last year's net profit. The deterioration was driven by non-operating items, largely due to a \$60 million charge in relation to re-fleeting costs for its transition from an Airbus to Boeing fleet, and restructuring costs incurred in preparation for the carrier's integration into the Parent Airline Company.

For the fiscal year, SilkAir transferred its Langkawi (Malaysia), Pekanbaru (Indonesia) and Kalibo (Philippines) services to Scoot. The carrier ended the year with a route network spanning 49 destinations.

PERFORMANCE OF THE SUBSIDIARY COMPANIES (CONTINUED)

Scot

	2018/19 \$ million	2017/18 \$ million	% Change	
Total revenue	1,780.1	1,581.1	+	12.6
Total expenditure	1,795.5	1,503.4	+	19.4
Operating (loss)/profit	(15.4)	77.7		n.m.
(Loss)/Profit after taxation	(40.8)	16.0		n.m.

Scot recorded an operating loss of \$15 million, compared to an operating profit of \$78 million last year, as the costs of expansion outweighed revenue growth.

Revenue increased 12.6 per cent, mainly attributed to higher passenger traffic (+14.6 per cent). However, capacity expansion was slightly ahead at 15.1 per cent, which led to a marginal decline (-0.4 percentage point) in passenger load factor to 85.3 per cent. Coupled with a 1.7 per cent reduction in yield, RASK fell 2.0 per cent to 4.9¢/ask. Expenditure increased \$292 million (+19.4 per cent), contributed by a higher net fuel bill (+\$123 million) and expansion costs.

During the year, Scot took over Pekanbaru (Indonesia) services from SilkAir, and added Berlin (Germany) and Nanchang (China) to its network. Following a network review, services to Dalian (China) were discontinued. Scot's route network encompasses 66 destinations as at 31 March 2019.

AWARDS

Singapore Airlines is the world's most awarded airline. These are some of the awards that were won in FY2018/19:

2018

Q1

APR

Business Traveller Middle East Award
Best Asian Airline Serving the Middle East
(17th consecutive year)

TripAdvisor Travellers' Choice 2018 Awards (US)

Best Airline in the World
Best Airline – Asia
Best International First Class – World
Best Economy Class – World
Best International First Class – Asia
Best Economy Class – Asia
Travellers' Choice Business Class – Asia
Travellers' Choice Premium Economy Class – Asia

MetroPop Popular Brands Awards 2018 (Hong Kong)
Most Popular Airline

MAY

Changi Airline Awards
Top 5 Airlines and Airline Groups by Passenger Carriage
Partner of the Year

JUN

Hong Kong Economic Journal
The Distinguished SME Partners Awards 2018
Distinguished Airline

Q2

JUL

National Travel Industry Awards (Australia)
Best International Airline

GMR-IGI Awards (India)
Airline of the Year – Asia Pacific

KAYAK Travel Awards Singapore 2018
Favourite Airline (Short-haul)
Favourite Airline (Long-haul)
Favourite Airline Crew
Favourite In-flight Food & Beverage
Favourite Airline Loyalty Program - KrisFlyer

Skytrax World Airline Awards 2018 (UK)
Airline of the Year (4th time)
World's Best First Class
Best Airline in Asia
Best First Class Airline Seat

Reise & Preise Travel Magazine (Germany)
Best Business Class
Best Economy Class

Flight Airline Business (UK)
The Airline Strategy Awards
Network Strategy

SmartTravelAsia.Com (Hong Kong)
Favourite Airline Poll Results, 2018
Best Cabin Service Worldwide

Travel & Leisure Magazine (USA)
World's Best International Airline
(23rd consecutive year)

Business Traveller (Germany)
Best Airline for Business Travellers Worldwide
(18th time)

Next Magazine (Hong Kong)
Top Service Awards
Top Airline

AUG

Condé Nast Traveler China The Gold List
Top 10 Airlines

SEPT

APEX Award (USA)
Five Star Global Airline 2019
Best Personalisation Innovation award (for the world-first IFE personalisation system, my KrisWorld)

TTG Annual Travel Awards (Asia Pacific)
Travel Hall of Fame (16th consecutive year)
Best Full Service Carrier

Global Air Passenger Summit 2018 (China)
Best Product Innovation Award

China Travel & Meetings Industry Awards 2018
By Travel Weekly China
Airline of the Year

Red Coral Award for Asia Tourism (China)
Most Popular Airline 2018

Business Traveller (Asia Pacific) 2018
Best Airline (27th consecutive year)
Best Asia-Pacific Airline
Best Airline First Class
Best Airline Business Class
Best Airline Economy Class

Q3

OCT

Clever Reisen (Germany)
Best Airline to Asia

City Traveller Magazine (China)
The Best Airline in 2018 (2nd time)

Travel Inside Magazine (Switzerland)
Best Airline for Long Haul Flights

Business Traveller (UK based) 2018
Best Airline
Best Asian Airline
Best Economy Class
Best Cabin Staff

Condé Nast Traveler (USA)
2018 Readers' Choice Awards
Best Airline in the World (29 out of 31 years)

Travel Weekly Asia Readers' Choice Awards (Singapore)
Best Airline Asia Pacific (2nd time)
Best Airline Service Excellence (4th time)

Reader's Digest (Australia)
Quality Service Awards 2018
Airline Category - Gold Award

NOV

Airlinebarometer (Germany)
by Australien-Info.de
Most Popular Airline on routes from Germany to Australia

Titanium Travel Club (Mauritius)
Airline of the Year 2018 Awards
Best Asian Airline

Telegraph 'Ultras' Travel Awards (UK)
Best Asian Airline

FTE Asia Awards (UK)
Best Passenger Experience Initiative – Southeast Asia

Business Traveller (China)
Best Airline in the World (13th year)
Best Asian Airline serving China
Best Airline First class
Best Airline Business class

Travel Magazine (Belgium)
Best Carrier for Long Haul Airline
Offline

Robb Report China
11th Annual "Best of the Best" Awards
Best Airline (7th consecutive year)

Travel + Leisure India
Best Airline in the World

www.airlineratings.com (Australia)
Airline of the Year for 2019
Best First Class 2018

Inflight Asia-Pacific Awards (Singapore)
Inflight Airline of the Year 2018
Commercial Airline Cabin 2018

Prime Traveller magazine (Russia)
Prime Traveller Awards
Best Aircompany

Business Traveller (Russia)
Best Asian Airline in Russia (3rd time)

U Magazine (Hong Kong)
My Favourite Cabin Seat Design (First Class)
My Favourite Cabin Crew Uniform

DEC

Telegraph Travel Awards (UK)
Best Long Haul Airline

Business Traveler USA 2018
Best Overall Airline in the World (28th time)
Best Business Class to Asia
Best Business Class Service in the World
Best Economy Class Service in the World

Global Traveller (USA)
Best Overall Airline in the World 2018 (14th time, 4th consecutive year)

The Designair (Global)
Best Design Airline Australasia
Best New Business Class (B787-10)

Buying Business Travel Magazine (Russia)
The Most Customer-Oriented Airline in the Corporate Segment

China Travel Agent Magazine
Annual Cabin Service Award

China Society of Aeronautics and Shanghai Airport Authority
3rd Gold Wing Awards
Best Digital Transformation Award of the Year 2018

2019

Q4

JAN

Fortune Magazine (USA)
Top 50 World's Most Admired Companies (Ranked 18)

Sina Weibo 2018 (China)
Most Influential Foreign Airline Award

Beijing Daily Media Group
Beijing Daily Media Festival
Best Comfort Airline award in 2018-2019

National Tourism magazine (China)
National Tourism Fashion Awards
Top 10 Airlines at 2018 National Tourism Fashion Awards
Best First Class 2018

Hurun Report 2019 (China)
"Best of the Best" ranking
Best International First & Business Class Award (8th consecutive year)

Economic Digest (Hong Kong)
Outstanding e-Commerce Excellence Award
Winner in the Airline category

Expat Living Reader Awards 2019 (Singapore)
Gold winner in the Best Airline Category

Roy Morgan Research 2018 (Australia)
International Airline of the Year (5th time)

FEB

DestinAsian (Indonesia)
Readers' Choice Awards (14th time running)
Best Airline – Overall (14th consecutive year)
Best Airline Premium class
Best Airline in Economy Class
Best In-flight Entertainment
Best Frequent Flyer Programme - KrisFlyer

TTG Luxury Travel Awards (UK)
Premium Airline of the Year (2nd year)

MAR

FlyerTalk Awards
8th Annual Best Rewards Program
Singapore Airlines KrisFlyer

Traveller's World Magazine (Germany)
Best Airline (9th consecutive year)

APEX Asia (USA)
Passenger Choice Award
Five Star Global Airline 2019
Best Entertainment in Asia & South Pacific

Italian Mission Awards
Best Airline for Business Travel

Metro Daily (Hong Kong)
Metro Awards for Brand Excellence 2018
Brand Excellence, Top Airline Brand

STATEMENT ON RISK MANAGEMENT

1. SIA GROUP ENTERPRISE RISK MANAGEMENT FRAMEWORK

Since 2002, a formalised Risk Management Framework has been implemented across SIA Group under which risks are identified, evaluated and controlled on a coordinated and integrated basis. Details of the key elements of this Framework can be found on SIA's Website¹.

2. RISK APPETITE

The Board has approved risk appetite statements for SIA Group under the following key areas:

(i) Strategic

The Group pursues diversified network growth between its Singapore hub and key markets for both the full-service and low-cost passenger segments, as well as for the air cargo business, to avoid over-reliance on any single market. In terms of fleet management, the Group strives to maintain a balanced portfolio of aircraft and engine types to mitigate technology risks, while meeting network needs.

To complement growth in the Singapore hub, the Group is also pursuing other opportunities that are deemed value-accretive, which include investments in airlines outside of Singapore and in new businesses, while adopting a prudent approach in managing the associated risks.

The Group is committed to offering the best experience for our customers, optimising operations, broadening revenue sources and creating a digital-savvy workforce through training and skillset development.

(ii) Safety

Safety is our top priority and the core of the Group's operations and success. The Group treats all safety breaches and lapses seriously. All incidents are investigated. We work constantly to inculcate a strong safety mindset and culture among all staff, which includes ensuring an environment that encourages active reporting of safety matters, and continuous learning and improvement. External and internal audits are conducted regularly, providing independent oversight.

(iii) Operational

The Group is committed to ensuring resilience on all operational fronts, as we strive to consistently deliver a quality experience to our customers, while enhancing operational efficiency through innovation and regular process reviews, with safety and security being the top priority at all times.

(iv) Information Technology

We recognise the strategic importance of technology in maintaining the Group's leadership position in the industry. The Group is committed to ensuring availability, reliability and security of our systems, as well as the integrity and protection of our data, and compliance with applicable regulations.

(v) Environmental

The Group strives to protect the environment while providing air transportation services of the highest quality. Various programmes are in place to drive and implement sustainable practices across our operations to manage issues such as carbon emissions, waste, noise, and the consumption of energy and resources. We continually explore new sustainable practices in all areas of our business and operations, and invest to maintain a modern and fuel-efficient fleet.

(vi) Financial

The Group's airline operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of our financial investments, as well as credit risks. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures. In terms of liquidity risk, the Group's approach is moderately conservative and seeks to ensure access to diverse sources of funding and instruments at all times.

(vii) Regulatory

The Group is committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty.

¹ <https://www.singaporeair.com/saar5/pdf/corporate-info/riskmanagementframework.pdf>

3. HIGHLIGHTS OF SIGNIFICANT RISK MANAGEMENT ACTIVITIES

Over the course of the period under review, the following were significant risk management activities carried out:

(a) Simulation of Crisis Response Plan and Tests of On-going Risk Responses

Tests of business continuity plans and other integrated risk response plans, both internal and external, were conducted through the year and independently verified in order to ensure the Group's efficiency in operational continuity and safety. Full scale multi-agency airport emergency exercises provided all participants with realistic scenarios to ensure coordination and effective communication, and to test the responses and capability to manage crisis events.

(b) Review of Cyber Security Risks

Regular reviews of cyber security risk exposures were carried out to analyse the effectiveness of measures and initiatives put in place to address evolving IT security threats and organised cyber crime. Responses to cyber-related scenarios were tested through both internal and external exercises. In addition, regular disaster recovery drills were conducted to ensure the recovery readiness of critical IT systems. Other cyber security activities were also regularly conducted to assess potential vulnerabilities and identify areas to further strengthen the Group's cyber security infrastructure.

(c) Review of Enterprise Risk Management Framework

The SIA Group Enterprise Risk Management Framework is subject to continual review and update to ensure practices remain relevant and effective. A review against the latest version of the Singapore Code of Corporate Governance (2018) confirmed the Group's compliance with the stipulated guidance. Improvements were also made to the practices implemented under the Group's framework to streamline current processes for better efficiency and to further enhance the effectiveness of the existing Risk Management system, while ensuring regulatory compliance.

(d) On-going Risk Committee Activities and Risk Reviews

Business units are required by policy to apply risk management principles and processes, which include reviewing risks and risk controls in their respective areas of operations on an on-going basis. In addition, the annual Group-wide Risk Management Review Exercise was carried out and included a review of the Group's strategic risks. The Board Safety & Risk Committee (BSRC) reviewed the top risks and corresponding controls, and ensured that relevant risks were distributed to other Board Committees and the SIA Board for oversight. The SIA Group Risk & Compliance Management Committee (GRCCM) supported the BSRC in ensuring that risks were effectively surfaced and reviewed, and risk responses across the Group were coordinated and integrated. Correspondingly, Company Risk Management committees ensured that risks were surfaced by their various business divisions, for the GRCCM's and BSRC's review. Company Risk Management committees also reviewed risk controls and responses to ensure adequacy and effectiveness. As part of on-going Risk Committee activities, presentations by risk owners of selected top risks were also scheduled throughout the year for more in-depth review by the various Risk Committees at Company, Group and Board levels.

(e) Written Assurances on Risk Management Processes

As part of risk governance and assurance, Business Unit Heads provided written assurances on the identification and management of risks to the Company. Corresponding written assurances were also provided by CEO and Senior Vice President Finance to the BSRC.

CORPORATE GOVERNANCE REPORT

The Board and Management are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

This Report sets out the Company's corporate governance processes, with specific reference to the guidelines of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in May 2012 ("the Code"). The Code is applicable to this Report for the financial year ended 31 March 2019. In addition, the Company has taken note of the updated principles and guidelines in the revised Code of Corporate Governance 2018.

BOARD'S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1 – EFFECTIVE BOARD TO LEAD AND CONTROL THE COMPANY)

Board's Role

The Board oversees the business performance and affairs of the Company and provides general guidance to Management. Its principal functions include charting the Group's strategic direction, guiding Management on digitalization, technology and innovation, reviewing and approving annual budgets, financial plans and monitoring the Group's performance, approving major acquisitions and fund-raising exercises, and ensuring the Group's compliance with all laws and regulations as may be relevant to the business.

Delegation by the Board

To provide more focus on enhancing the Company's customer experience, a sixth board committee was formed in January 2019, known as the Customer Experience and Technology Committee. This committee has its own written terms of reference, which are to provide advice and guidance on strategies and means, including the harnessing of technology, in order to enhance the customer experience of the Company and the Group.

The Customer Experience and Technology Committee complements the existing five board committees, namely the Executive Committee, Audit Committee, Nominating Committee, Safety and Risk Committee, and Compensation and Industrial Relations Committee, all of which have been constituted with written terms of reference. These five board committees continue to play an important role in ensuring good corporate governance in the Company as well as the Group. All six board committees assist the Board in the discharge of its oversight function and are actively engaged, with the Chairmen of each committee reporting significant matters discussed or approved by the committee to the Board.

Board Meetings

The Board held four scheduled meetings in the financial year but will hold ad hoc meetings as and when warranted by particular circumstances. The Board also holds separate Strategy Sessions to further guide Management in developing its plans and strategies for the future. Schedules of Board meetings are circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead for their attendance at the meetings. Board and board committee meeting attendance via telephone and video conferencing are allowed under the Company's Constitution. The Board also meets the Company's key partners (such as the SATS Group) to develop stronger business relationships. The non-executive Directors also set aside time, at least once a year, to meet without the presence of Management to review the latter's performance in meeting goals and objectives, or to discuss any other relevant matters.

Newly-appointed Directors

Management briefs new Directors on the Company's business and strategic directions, as well as governance practices. The Company conducts orientation programmes, including site visits to the Company's main operations centres such as the hangars, cabin crew and flight operations training facilities. New Directors are also updated on new laws and regulations, as well as changing commercial risks and industry developments, as deemed appropriate. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and obligations as Directors. The Directors are subject to the requirements of the Code.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2 – STRONG AND INDEPENDENT ELEMENT ON THE BOARD)

The Board currently comprises nine Directors as follows:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Peter Seah Lim Huat	Chairman	1 September 2015	29 July 2016	Non-executive/Independent
Goh Choon Phong	Director	1 October 2010	27 July 2018	Executive/Non-Independent
Gautam Banerjee	Director	1 January 2013	27 July 2018	Non-executive/Independent
Simon Cheong Sae Peng	Director	1 June 2017	28 July 2017	Non-executive/Independent
Dominic Ho Chiu Fai	Director	1 May 2017	28 July 2017	Non-executive/Independent
Hsieh Tsun-yan	Director	1 September 2012	27 July 2018	Non-executive/Independent
Lee Kim Shin	Director	1 September 2016	28 July 2017	Non-executive/Independent
David John Gledhill	Director	1 September 2018	-	Non-executive/Independent
Goh Swee Chen	Director	1 January 2019	-	Non-executive/Independent

Note: Dr Helmut Gunter Wilhelm Panke retired from the Board with effect from 1 September 2018.

Board Size and Composition

The size and composition of the Board are reviewed from time to time, taking into account the scope and nature of operations of the Company, to ensure that the size of the Board is adequate to provide for a diversity of views, facilitate effective decision-making, and that the Board has an appropriate balance of executive, independent and non-independent Directors. The Directors come from diverse backgrounds with varied expertise in finance, legal, business, marketing and management fields. Their profiles are found on pages 18 to 19 and 78 to 81.

Board Independence

There is a strong independent element in the Board, with the Board considering, taking into account the views of the Nominating Committee, eight out of nine Directors to be independent from Management and the Company's substantial shareholder, Temasek Holdings (Private) Limited ("Temasek"). The sole non-independent Director is Mr Goh Choon Phong, who is the Chief Executive Officer ("CEO") of the Company. Currently, no Director has served on the Board beyond nine years from the date of his first appointment. All Directors have demonstrated objectivity in their deliberations in the interests of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3 - CLEAR DIVISION OF RESPONSIBILITIES BETWEEN CHAIRMAN AND CEO)

The Chairman, Mr Peter Seah, and the CEO, Mr Goh Choon Phong, are not related to each other. There is appropriate division of responsibilities between the Chairman and the CEO, which ensures a balance of power and authority within the Company. The Chairman leads the Board and is responsible for its workings and proceedings. He plays a crucial role in fostering constructive dialogue amongst the shareholders, the Board and Management at the Company's Annual General Meetings. The Chairman leads the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Management and Company Secretary.

The CEO, assisted by the Management Committee, makes strategic proposals to the Board and oversees the execution of the Board's decisions. He also oversees the execution of the Company's corporate and business strategies and policies, and the conduct of its business.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP AND PERFORMANCE

**(PRINCIPLE 4 - FORMAL AND TRANSPARENT PROCESS FOR THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS TO THE BOARD)
(PRINCIPLE 5 - ASSESSMENT OF THE EFFECTIVENESS OF THE BOARD)**

Board Committees

The six board committees formed to assist the Board in the execution of its responsibilities are:

- the Board Executive Committee;
- the Board Audit Committee;
- the Board Compensation and Industrial Relations Committee;
- the Board Nominating Committee;
- the Board Safety and Risk Committee; and
- the Customer Experience and Technology Committee.

These committees have written terms of reference (which clearly set out their authorities and duties) and operating procedures as set out in their respective Charters, which are reviewed periodically. These Charters and the committees' work thereunder are described briefly below. A table setting out the Board Members, their memberships of the six board committees and attendance at Board and committee meetings is found on page 77.

(A) Board Executive Committee ("ExCo")

The members of the ExCo are Mr Peter Seah (Chairman), Mr Goh Choon Phong, Mr Gautam Banerjee and Mr Hsieh Tsun-yan. Under its Charter, the ExCo oversees the execution by Management of the overall strategy, policies, directions and guidelines set by the Board for the SIA Group. The ExCo also reviews and makes recommendations to the Board on the annual operating and capital budgets and matters relating to the Group's wholly-owned subsidiaries. The ExCo is authorised to approve transactions beyond a designated materiality threshold and to make decisions on routine financial, operational and administrative matters. The ExCo also functions as the Share Buy Back Committee of the Company.

(B) Board Audit Committee ("AC")

The AC comprises Mr Gautam Banerjee (Chairman), Mr Dominic Ho, Mr Hsieh Tsun-yan and Ms Goh Swee Chen (with effect from 1 January 2019). All the AC members are independent Directors. The role and responsibilities of the AC under its Charter are described in the section on "Audit Committee" (Principle 12) as shown on pages 73 to 75.

(C) Board Safety and Risk Committee ("BSRC")

The members of the BSRC are Mr Dominic Ho (Chairman with effect from 1 September 2018), Dr Helmut Panke (Chairman until 31 August 2018), Mr Lee Kim Shin, Mr Peter Seah and Mr David Gledhill (with effect from 1 January 2019). The functions of the BSRC include ensuring that systems and programmes in the Group comply with regulatory requirements and in accordance with the best practices of the aviation industry; reviewing regular reports on safety performances; reviewing accident investigation findings and recommendations; and advising Management and reporting to the Board on safety issues.

The BSRC also oversees the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management.

(D) Board Nominating Committee ("NC")

The members of the NC are Mr Peter Seah (Chairman), Mr Lee Kim Shin, Mr Goh Choon Phong (until 14 February 2019) and Ms Goh Swee Chen (with effect from 14 February 2019).

(D1) Appointment and Re-election of Directors

Under its Charter, the NC's responsibilities and duties include considering and making recommendations to the Board concerning the appointment and re-election of Directors, and determining the independence of the Directors. The NC's recommendations are based on a review of the range of expertise, skills and attributes of current Board members and the needs of the Board, taking into account the Company's future business direction, the tenure of service, contribution and commitment of each Board member. Board rejuvenation is a guiding principle in determining the need for new appointees to the Board.

With regard to the selection of new Directors, the NC evaluates the balance of skills, knowledge and experience on the Board and, arising from such evaluation, determines the role and the desirable competencies for a particular appointment to enhance the existing Board composition. At least one member of the NC meets with the short-listed Board candidates to assess their suitability and availability. The NC then makes recommendations to the Board for approval.

Newly appointed Directors serve an initial term of three years, after which they may be considered for nomination for re-election for another term(s). Their nominations are subject to the recommendations of the NC.

The Company's Constitution provides that at each Annual General Meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third are required to retire from office and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election, failing which they shall be selected by agreement. The CEO is also subject to retirement and re-election in accordance with the Constitution of the Company.

New Directors appointed in the year are subject to retirement and re-election by shareholders at the next Annual General Meeting after their appointment. All new appointments and re-elections require the approval of the Special Member, the Minister for Finance.

(D2) Evaluation of Board Performance

For FY2018/19, the NC had engaged an independent global executive search firm not affiliated to the Company or any of its Directors, to assist them in conducting a formal evaluation of the Board and its board committees. The process involved one-on-one interviews with the Directors and questionnaires for additional feedback from the Directors. The evaluation confirmed that the Board and its board committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed by the Chairman and the NC, while the Chairman's performance was reviewed by the rest of the Board.

(D3) Directors' Commitment

The NC has reviewed the contribution by the Directors individually, taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director should have is not meaningful, as the contribution of each Director would depend on the Director's individual circumstances, including whether he or she has a full-time vocation or other responsibilities. Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that they were able to devote sufficient time and attention to the affairs of the Company.

(D4) Directors' Training

The NC's terms of reference also include the responsibility for reviewing the training and professional development programmes for the Board. Board meetings may include presentations by senior executives, external experts and industry leaders on strategic issues relating to specific business areas. For FY2018/19, Board members attended briefings on the challenges facing the airline industry, digital technology relevant to the Group's transformation strategy as well as other related topics. A Director without prior experience as a director of an issuer listed on The Singapore Exchange Securities Trading Limited ("SGX-ST") is also required to attend training programmes conducted by the Singapore Institute of Directors on the roles and responsibilities of directors, as prescribed by SGX-ST.

(E) Board Compensation and Industrial Relations Committee ("BCIRC")

The BCIRC is chaired by Mr Peter Seah, and comprises Mr Simon Cheong, Mr Hsieh Tsun-yan and Dr Helmut Panke (until 31 August 2018). All members of the Committee are non-executive Directors.

In accordance with its responsibilities and duties under its Charter, the BCIRC reviews and recommends for the Board's approval the general framework of remuneration for the Board and Relevant Key Management Personnel¹. The BCIRC also recommends the specific remuneration packages for each Director and Relevant Key Management Personnel and administers the Company's Profit-Sharing Bonus ("PSB"), EVA-based Incentive Plan ("EBIP"), Strategic & Transformational Initiatives Incentive Plan ("STIP"), Performance Share Plan ("PSP"), Restricted Share Plan ("RSP") and Transformation Share Award ("TSA") for Senior Management. The award of shares to Senior Management is based on organisational and individual performance. The BCIRC retains and may exercise discretion when determining the link amongst remuneration, performance and value creation. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company's Senior Management. For FY2018/19, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company.

Leadership development and succession planning in the Company remains a key focus for the BCIRC. The Company has in place an annual review of high potential executives, to ensure an adequate pipeline for succession planning in key management positions. Such high potential executives will be given exposure to key jobs in the organisation, as part of their career development.

¹ Relevant Key Management Personnel are employees holding the rank of Executive Vice President and above. For FY2018/19, they comprised the CEO and two Executive Vice Presidents.

CORPORATE GOVERNANCE REPORT

The Company continues to put much emphasis in maintaining harmonious industrial relations and the BCIRC plays an important role in providing appropriate guidance to Management in this regard. The Company's three unions, namely, AESU representing the Executives, ALPA-S representing the Pilots, and SIASU representing the Associates and Cabin Crew, hold regular meetings with Management and Chairman of BCIRC.

(F) Customer Experience and Technology Committee ("CETC")

The members of the CETC are Mr Simon Cheong (Chairman), Mr David Gledhill, Mr Goh Choon Phong and Ms Goh Swee Chen. With the exception of Mr Goh, all the members of the Committee are non-executive Directors.

Under its Charter, the CETC provides advice and guidance to enhance the customer experience of the Company and the Group by focusing on the development of products, policies, processes and people skills. Digitalization, technology and innovation may also be explored to drive the customer experience enhancement.

ACCESS TO INFORMATION

(PRINCIPLE 6 - DIRECTORS PROVIDED WITH COMPLETE, ADEQUATE AND TIMELY INFORMATION)

The Directors are provided with Board Papers in advance before each Board Meeting, to enable them to be properly informed of matters to be discussed and/or approved. Board and board committees papers are provided electronically and can be accessed via tablet devices. Board Papers contain both regular items such as reports on the Company and its subsidiaries and associated companies, updates on business development, monthly management accounts, and productivity and performance indicators, as well as matters for the decision or information of the Board.

Directors have separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary attends the Board meetings and prepares minutes of the Board proceedings. He assists with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. He ensures that all material information is provided to the Board in a timely manner. The Company Secretary is legally trained and experienced in company secretarial practices. The appointment and removal of the Company Secretary is subject to the Board's approval.

Directors can seek independent professional advice if required. Such costs will be borne by the Company.

REMUNERATION MATTERS

(PRINCIPLE 7 - PROCEDURES FOR DEVELOPING REMUNERATION POLICIES)

(PRINCIPLE 8 - LEVEL AND MIX OF REMUNERATION)

(PRINCIPLE 9 - DISCLOSURE ON REMUNERATION)

Remuneration Philosophy and Principles

SIA's Remuneration Policies for Senior Management are based on the following principles:

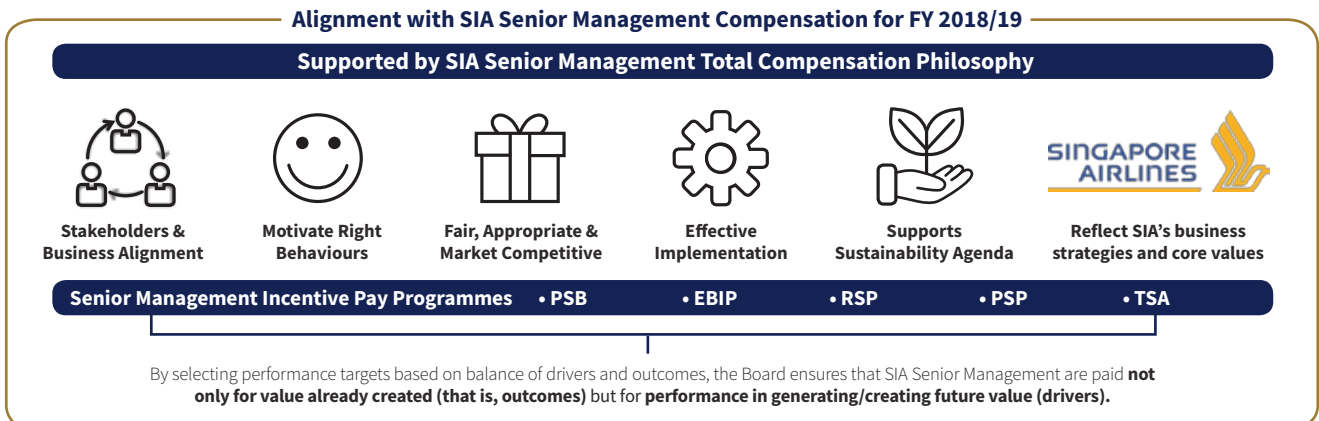
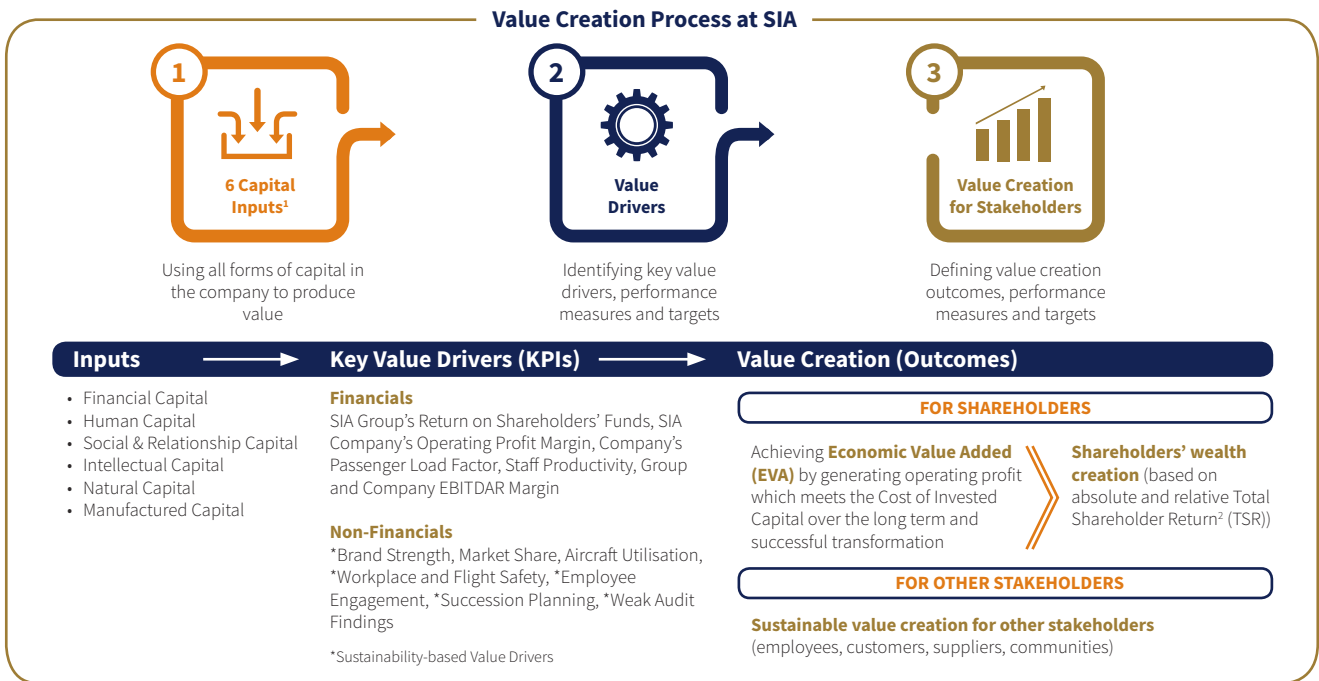
Philosophy	Principles
Shareholder & Business Alignment	<ul style="list-style-type: none"> Build sustainable value creation and unlock wealth creation to align with shareholder interests Enhance retention of Senior Management Provide sound and structured funding to ensure affordability and cost-effectiveness of compensation system in line with value and wealth-added goals
Motivate Right Behaviours	<ul style="list-style-type: none"> Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance Strengthen line-of-sight linking rewards and performance goals Robust target setting taking into account shareholder expectations over foreseeable performance horizon and commensurate with reward levels Motivating for right level of risk taking and executive behavior in age of disruptive technology and business transformation
Fair & Appropriate	<ul style="list-style-type: none"> Ensure remuneration is competitive relative to the appropriate talent markets Manage internal equity so that remuneration system is perceived as fair across the Group Defensible to both internal and external stakeholders Provide for BCIRC and Board discretion to reward reasonably (both up and down) in the event of unintended outcomes

Philosophy	Principles
Effective Implementation	<ul style="list-style-type: none"> Maintain rigorous corporate governance standards Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations Facilitate employee understanding to maximise the value of the remuneration programmes
Support Sustainability Agenda	<ul style="list-style-type: none"> Align performance-related remuneration with the interests of shareholders and other stakeholders Promote the long-term success of the Company Disclose relationships amongst remuneration, performance and value creation for shareholders and other stakeholders

In the event of any misstatement of financial results or of misconduct resulting in financial loss to the Company as deemed by the BCIRC, the BCIRC may, in its absolute discretion reclaim unvested incentive components of remuneration from Senior Management.

Relationship amongst Remuneration, Performance and Value Creation for Shareholders and Other Stakeholders

The relationship amongst remuneration, performance and value creation at SIA is shown below:



¹ As per the International Integrated Reporting (IR) Framework

² Includes share price change and dividend yield

CORPORATE GOVERNANCE REPORT

Remuneration Mix

SIA's remuneration mix for Senior Management² comprises salary, variable components and benefits. Variable components comprise short-term and long-term incentives, which are dependent on Group, Company and individual performance. The remuneration mix aims to provide a good balance between competitiveness with the market, as well as rewards for short-term and long-term objectives.

Salary Component for Senior Management ("Salary")

The fixed component comprises base salary and the Annual Wage Supplement ("AWS"). The fixed components are benchmarked to comparable positions in the market, and reflect the market worth of the positions.

Variable Components for Senior Management

(A) Cash Incentive Plans ("Bonuses")

This comprises the following components:

(A1) Profit-Sharing Bonus ("PSB")

The PSB targets are designed to achieve a good balance of both Group financial objectives and the Company's operating performance. Payment of the variable bonus is based on the Group and the Company achieving the target levels set for each of the Key Performance Indicators ("KPIs") stated below and taking into account individual performance:

- SIA Group's Return on Shareholders' Funds
- SIA Company's Operating Profit Margin
- SIA Company's Passenger Load Factor

Individual performance objectives aligned to the overall strategic, financial and operational goals of the Company are set at the beginning of each financial year and are cascaded down to a select group of key Senior Management staff using Individual Performance Scorecards, creating alignment amongst the performance of the Group, Company and the individual. While these performance objectives and weightages are different for each executive, they are assessed on the same principles across the following four broad categories of targets:

- Financial & Business
- Customer & Operations
- People & Organisational Development
- Transformation & Strategic Projects

The PSB Payout is capped at three times of monthly base salary based on SIA Group and Company Performance in respect of the CEO and Senior Management. After the assessment of the Individual Performance Scorecards at the end of a performance year, an Individual Performance Rating is determined and is subsequently used to modify the PSB Payout within the range of 0-150%.

The resulting annual payout under the PSB for each incumbent was adjusted accordingly based on the BCIRC's assessment to reflect the actual individual performance level achieved in FY2017/18 and paid in FY2018/19.

(A2) Economic Value Added ("EVA")-based Incentive Plan ("EBIP")

The EBIP rewards for sustainable shareholder value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of an airline business. A portion of the annual performance-related bonus of key Senior Management is tied to the EVA achieved by the Group in the year. Under the plan, one-third of the accumulated EBIP bonus, comprising the EBIP bonus declared in the financial year and the balance of such bonus brought forward from preceding years (which comprises multiple years of incentive dollars retained in the EVA bank), is paid out in cash each year. The remaining two-thirds are carried forward in the individual executive's EBIP account. Amounts in the EBIP account are at risk because negative EVA will result in a retraction of EBIP bonus earned in preceding years. This mechanism encourages key Senior Management to work for sustainable EVA generation and to adopt strategies that are aligned with the long-term interests of the Group.

In determining the final EBIP payouts, the BCIRC considers overall Group performance and relevant market remuneration benchmarks.

The rules of the EBIP are subject to review by the BCIRC, which has the discretion, under authority of the Board, to amend the rules where appropriate and relevant to the business conditions.

Based on the BCIRC's assessment of the actual performance of the Group in FY2017/18, the resulting annual payout under the EBIP was adjusted accordingly to reflect the performance level achieved and paid during the financial year under consideration.

² Senior Management are employees holding the rank of Senior Vice President and above. For FY2018/19, they comprised the CEO, two Executive Vice Presidents and fourteen Senior Vice Presidents.

(A3) Strategic & Transformational Initiatives Incentive Plan (“STIP”)

The STIP is an incentive scheme established with the objective of rewarding, motivating, and retaining a select group of key Senior Management staff who shoulder the responsibility for divisional-focused strategic initiatives and future-oriented growth-based transformational initiatives.

Under the FY2017/18 STIP, a target bonus is pre-determined for each level of the Senior Management staff. At the end of the financial year, the target bonus is modified by the incumbent’s performance on the execution of the strategic and transformational initiatives as assessed by the BCIRC. The resultant payout varies between 0-150% of the STIP target bonus with settlement of 70% in cash and 30% in shares under the Deferred Share Award (“DSA”).

The resulting annual payout under the STIP for each incumbent was adjusted accordingly based on the BCIRC’s assessment to reflect the actual individual performance level achieved in FY2017/18, with 70% paid in cash in FY2018/19 and the balance granted in the form of share awards under the DSA.

(B) Share Incentive Plans (“Shares”)

This comprises the following components:

(B1) The SIA Performance Share Plan 2014 (“PSP 2014”)

The PSP 2014 is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining a select group of key Senior Management staff who shoulder the responsibility for the Group’s performance and who are able to drive the growth of the Group through innovation, creativity and superior performance. Awards under the PSP 2014 are performance-based, with stretched targets.

Under the PSP 2014, an initial award is made in the form of rights to shares, provided performance targets are met. Annual awards are made based on strategic contribution and individual performance of Senior Management staff. The final award, which can vary between 0-200% of the initial award, depends on stretched value-aligned performance targets. They are based on absolute and relative Total Shareholder Return (“TSR”) targets to be met over the performance period of three financial years (with equal weightage). The absolute TSR is based on outperformance against the Cost of Equity. The relative TSR is based on outperformance of a selected peer group of leading full service carriers. The above performance measures are selected as key measurements of wealth creation for shareholders.

The final award will cliff vest after completion of the performance period.

An initial award of FY2018/19 PSP was granted during the financial year under consideration in July 2018.

The Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY2016/17 PSP awards granted based on the performance period from FY2016/17 to FY2018/19 and shares will cliff vest accordingly.

(B2) The SIA Restricted Share Plan 2014 (“RSP 2014”)

The RSP 2014 is targeted at a broader base of senior executives and enhances the Company’s ability to recruit and retain talented senior executives, as well as to reward for Group, Company and individual performance. To retain key executives, an extended vesting period of a further two years is imposed beyond the initial one-year performance period.

Under the RSP 2014, an initial award is made in the form of rights to shares, provided performance conditions are met in future. Annual grants are made based on position level and individual performance of the key executives selected to participate in the RSP 2014. Final awards may vary between 0-150% of the initial award, depending on the extent to which targets based on Group and Company EBITDAR Margin and Group and Company Staff Productivity (with equal weightages) are met. The performance measures are selected as they are key drivers of shareholder value and are aligned to the Group’s and the Company’s business objectives. The final award is subject to extended vesting, with one-third of the final award vesting at the end of the one-year performance period, and the balance to be vested equally over the next two years.

An initial award of FY2018/19 RSP was granted during the financial year under consideration in July 2018.

The Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY2018/19 RSP awards granted based on the performance period of FY2018/19 only and shares will commence vesting accordingly. Previous final awards of RSP continued to vest during the financial year.

CORPORATE GOVERNANCE REPORT

(B3) The SIA Deferred Share Award (“DSA”)

As part of the STIP, the DSA is a share award established with the objective of rewarding, motivating and retaining Senior Management who are responsible for strategic initiatives. The DSA is granted as a contingent share award under the RSP 2014. The final award, which includes the Accumulated Dividend Yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period), will cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition, and provided that individual performance remains satisfactory.

An initial award of DSA was granted during the financial year under consideration in September 2018. Previous awards of DSA continued to vest during the financial year.

(B4) Transformation Share Award (“TSA”)

The Transformation Share Award is a two-year share-based incentive scheme under the RSP 2014. It is established with the objective of rewarding, motivating and retaining a select group of key Senior Management staff throughout the on-going transformation period (FY2018/19 and FY2019/20) and is over and above the target total compensation levels to reward for the strategic importance and difficulty of delivering successful transformation outcomes for the Group.

Under the TSA, an initial award is granted in the form of rights to shares, provided performance conditions are met in future. The final award may vary between 0-200% of the initial award, depending on the extent of achievement of the Group transformational success objectives as assessed by the BCIRC.

The final award is subject to extended vesting, with half of the final award paid out at the end of the one-year performance period, and the balance in equal tranches over the next two years. An additional 20% equity kicker is awarded upon final vesting for retention purposes.

An initial award of FY2018/19 TSA was granted during the financial year under consideration on a contingent basis in July 2018. The Group has attained an achievement factor which is reflective of fully meeting the pre-determined target performance level for the FY2018/19 TSA awards granted based on the performance period of FY2018/19 only and shares will commence vesting accordingly.

Under the PSP 2014 and RSP 2014, the total number of shares which may be delivered (whether in the form of shares or cash in lieu of shares) is subject to a maximum limit of 5% of the total number of issued shares (excluding treasury shares). In addition, the total number of shares under awards to be granted under the PSP 2014 and RSP 2014 from the forthcoming Annual General Meeting to the next Annual General Meeting (the “Relevant Year”) shall not exceed 0.5% of the total number of issued shares (excluding treasury shares) from time to time (the “Yearly Limit”). However, if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit can be used for grants of awards in subsequent years.

The SIA Employee Share Option Plan (“ESOP”) expired in 2010. Details of the PSP 2014, RSP 2014, DSA and ESOP can be found on pages 85 to 89 of the Report of the Directors’ Statement.

Share Ownership Guideline for Senior Management

Senior Management are required to hold a portion of the shares released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

Compensation Risk Assessment

Under the Code, the compensation system should take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. The BCIRC has reviewed the various compensation risks that may arise and introduced mitigating policies to better manage risk exposures identified. The BCIRC will also undertake periodic reviews of the compensation-related risks in future.

Pay-for-Performance Alignment

In performing the duties as required under its Charter, the BCIRC ensures that remuneration paid to the CEO and Relevant Key Management Personnel is strongly linked to the achievement of business and individual performance targets.

The performance targets as determined by the BCIRC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives.

A pay-for-performance alignment study was conducted by the appointed external remuneration consultant and reviewed by the BCIRC. It was found that there was sufficient evidence indicating pay-for-performance alignment for the Group in both absolute and relative terms, against a peer group of large listed airline companies for the six-year period from FY2012/13 to FY2017/18.

Non-Executive Directors' Fees

As approved by the shareholders at the Annual General Meeting in July 2018, Non-Executive Directors will receive approximately 70% of the total directors' fees in cash and approximately 30% of the total directors' fees in the form of restricted shares which are governed by the terms of RSP 2014.

As the restricted shares are granted in lieu of directors' remuneration in cash, the shares will be granted outright as fully paid shares with no performance conditions attached and no vesting periods imposed. To encourage the alignment of interests of the Non-Executive Directors with the interests of shareholders, the share grant has a one year selling moratorium. Non-Executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently \$90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

A Non-Executive Director who steps down before the date of payment of his share component will receive all Directors' fees (calculated on a pro-rated basis, where applicable) in cash. A Non-Executive Director who steps down from the Board may sell all SIA shares one year after leaving the Board.

The Non-Executive Directors' total fees in respect of FY2018/19 amounted to \$1,961,084 [FY2017/18: \$1,914,918] and were based on the following rates:

		Rates(\$)
Board Retainers	Board Member	90,000
	Chairman's all-in-fee	750,000
Committee Retainers	Chairman of Executive Committee and Audit Committee	60,000
	Chairman of Safety and Risk Committee and Compensation and Industrial Relations Committee	45,000
	Member of Executive Committee and Audit Committee and Chairman of Nominating Committee and Customer Experience and Technology Committee	35,000
	Member of Safety and Risk Committee and Compensation and Industrial Relations Committee	25,000
	Member of Nominating Committee and Customer Experience and Technology Committee	20,000
Attendance Fees	Home – City	5,000
	In – Region	10,000
	Out – Region	20,000
	Teleconference – normal hours	1,000
	Teleconference – odd hours	2,000

CORPORATE GOVERNANCE REPORT

Disclosure on Directors' Remuneration

The following table shows the composition of the remuneration of the Directors for FY2018/19:

Directors	Fees ¹			Salary \$	Bonuses ² \$	Shares ³ \$	Benefits ⁴ \$	Total \$
	Cash Component \$	Share Component \$	Total Fees \$					
Peter Seah Lim Huat	525,000	225,000	750,000	-	-	-	59,519	809,519
Gautam Banerjee	150,500	64,500	215,000	-	-	-	634	215,634
Simon Cheong Sae Peng	107,625	46,125	153,750	-	-	-	634	154,384
Dominic Ho Chiu Fai	183,167	78,500	261,667	-	-	-	-	261,667
Hsieh Tsun-yan	130,900	56,100	187,000	-	-	-	774	187,774
Lee Kim Shin	113,400	48,600	162,000	-	-	-	1,014	163,014
David John Gledhill	58,625	25,125	83,750	-	-	-	-	83,750
Goh Swee Chen	28,875	12,375	41,250	-	-	-	498	41,748
Helmut G W Panke	106,667	-	106,667	-	-	-	-	106,667
Goh Choon Phong ⁵	-	-	-	1,391,000	2,316,394	1,636,184*	156,885	5,500,463

* Excludes TSA

¹ The fees paid to non-executive Directors (including the Chairman) comprise a cash component and a share component, with approximately 70% being paid in cash and 30% in the form of share awards under the SIA RSP 2014. In the case of Dr Helmut GW Panke, who retired from the Board on 31 August 2018, he received his fees wholly in cash. The share component is intended to be paid to the non-executive Directors after the 2019 AGM with the actual number of shares to be awarded to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2019 AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. The share awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed, although a share retention policy applies.

² The bonuses were paid out in FY2018/19 in respect of FY2017/18 Group and individual performance and includes EVA-based Incentive Plan (EBIP) payment, Profit-Sharing Bonus (PSB) and cash component (70%) of the Strategic & Transformation Initiatives Incentive Plan (STIP). The EBIP amount paid in the reporting year is a percentage of the individual's EVA Bank. See above for additional information on the EBIP, PSB and STIP.

³ Based on the Fair Values of RSP (\$9.91), PSP (\$9.91), DSA (share component (30%) of the STIP; \$8.56) granted on a contingent basis in FY2018/19 in respect of FY2017/18 individual performance.

⁴ Includes transport and travel benefits provided to Directors and employer CPF where relevant.

⁵ As Chief Executive Officer, Mr Goh Choon Phong does not receive any Director's fees.

In addition to the above total remuneration, the Chief Executive Officer, Mr Goh Choon Phong, was granted an initial award of 66,083 SIA shares on a contingent basis under the Transformation Share Award ("TSA") in July 2018.

Disclosure on Relevant Key Management Personnel's Remuneration

The following table shows the composition of the remuneration of the Relevant Key Management Personnel (who are not the CEO) for FY2018/19:

Relevant Key Management Personnel ⁴	Fee %	Salary %	Bonuses ¹ %	Shares ² %	Benefits ³ %	Total %
Between \$2,500,000 to \$2,750,000						
Mak Swee Wah	0	28	40	28	4	100
Ng Chin Hwee	0	28	40	28	4	100

¹ The bonuses were paid out in FY2018/19 in respect of FY2017/18 Group and individual performance and includes EVA-based Incentive Plan (EBIP) payment, Profit-Sharing Bonus (PSB) and cash component (70%) of the Strategic & Transformation Initiatives Incentive Plan (STIP). The EBIP amount paid in the reporting year is a percentage of the individual's EVA Bank. See above for additional information on the EBIP, PSB and STIP.

² Based on the Fair Values of RSP (\$9.91), PSP (\$9.91), DSA (share component (30%) of the STIP; \$8.56) granted on a contingent basis in FY2018/19 in respect of FY2017/18 individual performance.

³ Includes transport and travel benefits provided to employees and employer CPF where relevant.

⁴ The above table reflects the remuneration of the employees who hold the rank of Executive Vice President and above, who are the Relevant Key Management Personnel of the Company.

In addition to the above total remuneration, both Executive Vice Presidents, Mr Mak Swee Wah and Mr Ng Chin Hwee, were each granted an initial award of 30,839 SIA shares respectively on a contingent basis under the Transformation Share Award (“TSA”) in July 2018.

For FY2018/19, the aggregate total remuneration paid to the Relevant Key Management Personnel (who are not the CEO) amounted to \$5,145,368 (excluding Transformation Share Awards).

For FY2018/19, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and Relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service, and the industry standard post-retirement travel benefits for the CEO and Relevant Key Management Personnel.

There were no employees who were substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded \$50,000, during FY2018/19.

ACCOUNTABILITY AND AUDIT

(PRINCIPLE 10 - THE BOARD SHOULD PRESENT A BALANCED AND UNDERSTANDABLE ASSESSMENT OF THE COMPANY’S PERFORMANCE, POSITION AND PROSPECTS)

The Board, through its announcements of quarterly and full-year results, aims to provide shareholders with a balanced and understandable assessment of the Company’s performance and prospects. Management provides the Board with monthly management accounts for the Board’s review.

The Company has clear policies and guidelines for dealings in securities by Directors and employees. The Company imposes a trading embargo on its Directors and employees from trading in its securities for the period of two weeks prior to the announcement of quarterly results; and a period of one month prior to the announcement of year-end results. In addition, Directors and employees are cautioned to observe the insider trading laws at all times; and to avoid dealing in the Company’s securities for short-term considerations.

RISK MANAGEMENT AND INTERNAL CONTROLS

(PRINCIPLE 11 - SOUND SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROLS)

A dedicated Risk Management Department looks into and oversees the Group’s risk management framework. In addition, the Legal, Compliance and Secretariat Department manages certain key regulatory compliance policies. The Statement on Risk Management can be found on pages 60 to 61.

Annually, a report is submitted by the Risk Management Department to the Board, which provides a comprehensive review of the risks faced by the Group. The review includes the identification of risks overseen by the main Board and its various Board Committees, as well as the current assessment and outlook of the various risk factors. The Department also performs risk prioritisation and ensures risk mitigation plans are reviewed by Management.

The Board had received assurance from the CEO and Senior Vice President Finance that the financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances.

The Board had also received assurance from the CEO and Senior Vice President Finance (who, in turn, received assurance from the members of the Group Management Committee) that the Group’s risk management and internal control systems were adequate and effective to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

Having reviewed the risk management practices and activities of Singapore Airlines, the Board, with the concurrence of the BSRC, is of the opinion that the Group’s risk management system was adequate and effective as at 31 March 2019.

AUDIT COMMITTEE

(PRINCIPLE 12 - ESTABLISHMENT OF AUDIT COMMITTEE WITH WRITTEN TERMS OF REFERENCE)

The AC’s activities for FY2018/19, in accordance with its responsibilities and duties under its Charter, included the following:

(A) Financial Reporting

The AC reviewed the quarterly and annual financial statements and financial announcements required by SGX-ST for recommendation to the Board for approval. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with SGX-ST and other legal requirements. The AC keeps itself apprised of changes in accounting policies and guidelines through scheduled regular updates by the external auditors, of such, in meeting agendas.

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(B) Financial Matters

In the review of the financial statements for FY2018/19, the following significant matters impacting the financial statements were reviewed by the AC and discussed with Management and the external auditors:

Significant Matters	How the AC reviewed these matters
Accuracy of passenger revenue	The AC considered and is satisfied with the processes and controls in place for recording revenue within passenger revenue systems.
Fair value of KrisFlyer miles and the miles that will expire without use	<p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions applied in the mathematical models used to determine the fair value of frequent flyer miles and the number of miles that will expire without use.</p> <p>The AC reviewed and is satisfied with the reconciliation of actual miles expiry to previous estimates as well as the ongoing process.</p>
Accounting for 'Low Cost Airlines' ("LCC") cash generating unit ("CGU")	<p>The AC considered and is satisfied with Management's assessment and identification of CGU for impairment testing.</p> <p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions applied in the forecasts and discounted cash flow model used to determine the carrying value of all assets in the LCC CGU.</p>
Impact of adopting International Financial Reporting Standard 16 Leases in FY2019/20	<p>The AC reviewed the modified retrospective approach elected for application of the standard by the Group and considered it appropriate.</p> <p>The AC reviewed and is satisfied with the Group's process in identifying the lease contracts and the reasonableness of Management's judgement, assumptions and discount rate applied in the determination of the Right-of-Use asset and lease liability.</p> <p>The AC also considered and is satisfied with the appropriateness of the associated disclosures in the FY2018/19 Financial Report.</p>

(C) External Audit

The AC discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and Management's responses thereto; and reviewed the external auditor's objectivity and independence from Management and the Company. In assessing independence, the AC reviewed the fees and expenses paid to the external auditors, including fees paid for non-audit services during the year. The AC is of the opinion that the auditor's independence has not been compromised.

The AC considered the information provided by the external auditors under the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority in evaluating the performance and effectiveness of the external auditors.

The AC has also received communication from the external auditors that they have nothing to report with reference to the other financial or non-financial information in the Annual Report as defined in the Singapore Standard of Auditing 720.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its auditors.

(D) Internal Audit

The AC reviewed the scope of work of the Internal Audit Department and its audit programmes; reviewed the major findings during the year and Management's responses thereto; and is of the view that such internal audit function is independent, effective and adequately resourced.

(E) Risk Management

The AC reviewed the adequacy and effectiveness of the Group's material internal controls (including financial, compliance, operational and information technology controls) and risk management framework, to safeguard the interests of the Group and its shareholders.

The Risk Management processes adopted are also audited periodically by the Internal Audit Department and their adequacy and effectiveness reported to the AC accordingly.

(F) Interested Person Transactions

The AC reviewed interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate obtained at the last Annual General Meeting.

(G) Whistle-Blowing

The AC reviewed and is satisfied with the adequacy of the whistle-blowing programme instituted by the Company through which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Under the whistle-blower programme, all staff including Management are responsible for reporting any suspecting wrongdoing. In addition, they are required to comply with the Staff Regulations, which set out the code of conduct and discipline expected of them. This includes upholding professional integrity, maintaining confidentiality, reporting any conflict of interest, and whistle-blowing. All whistle-blower reports are reviewed by the AC at its quarterly meetings to ensure independent assessment, investigation and adequate resolution.

(H) Others

The AC has full access to, and the co-operation of, Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The AC meets with the internal and external auditors without the presence of non-audit Management every quarter.

INTERNAL AUDIT (PRINCIPLE 13 - INDEPENDENT INTERNAL AUDIT FUNCTION)

The Internal Audit Department is an independent department that reports directly to the Audit Committee. The department assists the Committee and the Board by performing regular evaluations on the Group's internal controls, financial and accounting matters, compliance, business and financial risk management policies and procedures, and ensuring that internal controls are adequate to meet the Group's requirements. SIA's Internal Audit Department is a member of the Singapore Chapter of the Institute of Internal Auditors ("IIA") and meets the Standards for the Professional Practice of Internal Auditing set by the IIA.

SIA's Internal Audit Department also performs analyses of data and transactions periodically (continuous monitoring) on selected areas that are more susceptible to fraud risk. In relation to audit activities conducted during the financial year, SIA's Internal Audit Department had unfettered access to the Group's documents, records, properties and personnel, as well as the AC.

The Control Self-Assessment ("CSA") Programme established since FY2003/04 provides a framework for Management to obtain assurance on the state of internal controls. The CSA Programme requires operating departments' management to review and report annually on the adequacy of their respective units' control environment to the AC. The Internal Audit Department performed independent and random reviews during the year to validate the results of these self-assessments.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2019 to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES (PRINCIPLE 14 - SHAREHOLDER RIGHTS) (PRINCIPLE 15 - COMMUNICATION WITH SHAREHOLDERS)

Singapore Airlines is committed to continually strengthen our relationship with the investing community and believes in timely and consistent disclosure of pertinent information to enable a transparent assessment of the Company's value. The Company values dialogue with shareholders, and holds analyst and media briefings when announcing half-yearly and year-end results. Full transcripts of the proceedings are made available on SGXNet and the Company's website under the 'Information for Investors' section.

All financial results, as well as price-sensitive information, are released in a timely manner through various media, including press releases posted on the Company's website and disclosure via SGXNet. The Company's website is an important source of information for shareholders and the investing community. Quarterly results announcements, news releases, presentation slides, monthly operating statistics, annual reports, sustainability reports and other key facts and figures about the Company are available on the Investor Relations website.

The Investor Relations Department meets with analysts and investors on a regular basis through investor conferences, post-results luncheons as well as ad-hoc meetings and teleconferences. A dedicated investor relations email and hotline are maintained for the investing community to reach out to the Company for queries.

CONDUCT OF SHAREHOLDERS' MEETINGS (PRINCIPLE 16 - GREATER SHAREHOLDER PARTICIPATION AT SHAREHOLDERS' MEETINGS)

The Board members always endeavour to attend shareholders' meetings where shareholders are given the opportunity to raise questions and clarify issues they may have relating to the resolutions to be passed, with the Board. The Chairmen of the various Board Committees or members of the Board Committees standing in for them, as well as the external auditors, would be present and available to address questions at these meetings. The minutes of the last shareholders' meeting are made available on the Company's website.

To enhance transparency in the voting process, the Company had, since FY2008/09, implemented full poll voting for all the resolutions tabled at its shareholders' meetings.

Banking Transaction Procedures

Lenders to SIA are to note that all bank transactions undertaken by any Group Company must be properly authorised, including the opening of new bank accounts and any proposed credit facilities. Each Group Company has its own approval limits and procedures for every banking transaction, having regard to the nature of the transaction concerned. These approval limits and procedures are updated from time to time and are available on request. The bankers of each Group Company should always verify, in accordance with the verification process set out in the applicable procedures, that the transaction is properly authorised.

MEMBERSHIP AND ATTENDANCE OF SINGAPORE AIRLINES LIMITED BOARD OF DIRECTORS AND BOARD COMMITTEE MEMBERS

For the Period from 1 April 2018 to 31 March 2019

Name of Directors	Board		Board Executive Committee		Board Audit Committee		Board Compensation and Industrial Relations Committee		Board Safety and Risk Committee		Board Nominating Committee		Customer Experience and Technology Committee ¹	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Peter Seah Lim Huat	4	4	6	6	-	-	4	4	4	4	4	4	-	-
Goh Choon Phong	4	4	6	6	-	-	-	-	-	-	4	4	1	1
Gautam Banerjee	4	4	6	6	4	4	-	-	-	-	-	-	-	-
Simon Cheong Sae Peng	4	4	-	-	-	-	4	4	-	-	-	-	1	1
Dominic Ho Chiu Fai	4	4	-	-	4	4	-	-	4	4	-	-	-	-
Hsieh Tsun-yan	4	4	6	6	4	4	4	4	-	-	-	-	-	-
Lee Kim Shin	4	4	-	-	-	-	-	-	4	4	4	4	-	-
David John Gledhill ²	2	2	-	-	-	-	-	-	1	1	-	-	1	1
Goh Swee Chen ³	1	1	-	-	1	1	-	-	-	-	-	-	1	1
Helmut Gunter Wilhelm Panke ⁴	2	2	-	-	-	-	2	2	2	2	-	-	-	-

Notes:

- ¹ The Customer Experience and Technology Committee was formed with effect from 1 January 2019 and from 1 January 2019 to 31 March 2019, there was only one meeting.
- ² Mr David John Gledhill was appointed a member of the Board with effect from 1 September 2018 and a member of Board Safety and Risk Committee and Customer Experience and Technology Committee with effect from 1 January 2019. From 1 September 2018 to 31 March 2019, there were only two Board meetings and from 1 January 2019 to 31 March 2019, there was only one Board Safety and Risk Committee meeting and one Customer Experience and Technology Committee meeting held.
- ³ Ms Goh Swee Chen was appointed a member of the Board, Board Audit Committee and Customer Experience and Technology Committee with effect from 1 January 2019. From 1 January 2019 to 31 March 2019, there was only one Board meeting, one Board Audit Committee meeting and one Customer Experience and Technology Committee meeting held.
- ⁴ Dr Helmut Gunter Wilhelm Panke retired from the Board with effect from 1 September 2018. From 1 April 2018 to 31 August 2018, there were only two Board meetings, two Board Compensation and Industrial Relations Committee meetings and two Board Safety and Risk Committee meetings held.

FURTHER INFORMATION ON BOARD OF DIRECTORS

PETER SEAH LIM HUAT ^{aged 72}

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Business Administration (Honours),
University of Singapore

Date of first appointment as a director:
1 September 2015

Date of appointment as Chairman:
1 January 2017

Date of last re-election as a director:
29 July 2016

Board committee(s) served on:	
Board Executive Committee	Chairman
Board Compensation and Industrial Relations Committee	Chairman
Board Nominating Committee	Chairman
Board Safety and Risk Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. DBS Group Holdings Ltd	Chairman

Other Principal Commitments

Organisation/Company	Title
1. DBS Bank Ltd	Chairman
2. DBS Bank (Hong Kong) Limited	Chairman
3. LaSalle College of the Arts Limited	Chairman
4. Singapore Health Services Pte Ltd	Chairman
5. STT Communications Ltd	Deputy Chairman
6. Fullerton Financial Holdings Pte Ltd	Deputy Chairman
7. Asia Mobile Holdings Pte Ltd	Director
8. GIC Private Limited	Director

Principal Commitments/Directorships in the past 3 years

Organisation/Company	Title
1. Level 3 Communications Inc	Director
2. StarHub Ltd	Director

GOH CHOON PHONG ^{aged 55}

Executive and non-independent Director

Academic and Professional Qualifications:
Master of Science in Electrical Engineering and Computer Science
Bachelor of Science in Computer Science & Engineering
Bachelor of Science in Management Science
Bachelor of Science in Cognitive Science
Massachusetts Institute of Technology

Date of first appointment as a director:
1 October 2010

Date of last re-election as a director:
27 July 2018

Board committee(s) served on:	
Board Executive Committee	Member
Customer Experience and Technology Committee	Member (appointed on 1 January 2019)
Board Nominating Committee	Member (until 14 February 2019)

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Mastercard Incorporated	Director
2. SIA Engineering Company Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Budget Aviation Holdings Pte. Ltd.	Chairman
2. International Air Transport Association	Member, Board of Governors
3. National University of Singapore	Member, Board of Trustees
4. Massachusetts Institute of Technology Residential CEO Advisory Board	Member

Principal Commitments/Directorships in the past 3 years

Organisation/Company	Title
1. International Air Transport Association	Chairman, Board of Governors
2. National Council of Social Service	Member, Care & Share @SG50 Steering Committee

GAUTAM BANERJEE aged 64*Non-executive and independent Director***Academic and Professional Qualifications:**Bachelor of Science in Accounting and Financial Analysis,
*University of Warwick*Fellow of the Institute of Chartered Accountants,
*England and Wales*Fellow of the Institute of Chartered Accountants,
*Singapore***Date of first appointment as a director:**

1 January 2013

Date of last re-election as a director:

27 July 2018

Board committee(s) served on:

Board Audit Committee	Chairman
Board Executive Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Piramal Enterprises Limited, India	Director
2. Singapore Telecommunications Limited	Director
3. The Indian Hotels Company Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Blackstone Group	Senior Managing Director
2. Blackstone Singapore Pte Ltd	Chairman
3. Singapore Institute of International Affairs	Advisor
4. GIC Private Limited	Director
5. Singapore Centre for Social Enterprise Ltd (raiSE)	Chairman
6. Listings Advisory Committee, Singapore Exchange	Chairman
7. Blackstone Treasury Asia Pte Limited	Director
8. BTO LT Hold Pty Ltd	Director
9. Defence Science and Technology Agency	Director
10. EDBI Pte Ltd	Director
11. Singapore Legal Service Commission	Director
12. Blackstone Advisors India Private Limited	Director
13. MAS Financial Centre Advisory Panel	Member
14. Yale-NUS College	Member, Governing Board
15. National University of Singapore	Pro-Chancellor
16. Singapore Indian Development Association	Term Trustee, Board of Trustees
17. The Friends of the University of Warwick, Singapore	Trustee
18. The Stephen A. Schwarzman Scholars Trust	Trustee

Principal Commitments/Directorships in the past 3 years

Organisation/Company	Title
1. Singapore Business Federation	Vice Chairman
2. Council of the Board for the Teaching and Testing of South Asian Languages	Member
3. Singapore International Arbitration Centre	Director
4. The Blackstone Group (Australia) Pty Limited	Director
5. The Blackstone Group (HK) Limited	Director
6. Nanyang Business School	Member, Advisory Board

SIMON CHEONG SAE PENG aged 62*Non-executive and independent Director***Academic and Professional Qualifications:**Master of Business Administration in Finance and Investments,
*George Washington University*Bachelor of Science in Civil Engineering,
*University of Washington***Date of first appointment as a director:**

1 June 2017

Date of last re-election as a director:

28 July 2017

Board committee(s) served on:

Customer Experience and Technology Committee	Chairman (appointed on 1 January 2019)
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. AV Jennings Limited	Chairman

Other Principal Commitments

Organisation/Company	Title
1. SC Global Developments Pte. Ltd.	Founder & Chairman
2. Cheong SP Holdings Pte Ltd	Director
3. MYK Holdings Pte. Ltd.	Director

DAVID JOHN GLEDHILL aged 57*Non-executive and independent Director***Academic and Professional Qualifications:**Bachelor of Science in Computing and Electronics
*University of Durham, United Kingdom***Date of first appointment as a director:**

1 September 2018

Date of last re-election as a director:

Not applicable

Board committee(s) served on:

Board Safety and Risk Committee	Member (appointed on 1 January 2019)
Customer Experience and Technology Committee	Member (appointed on 1 January 2019)

Principal Commitments

Organisation/Company	Title
1. DBS Bank Ltd	Group Chief Information Officer and Head of Group Technology and Operations
2. Singapore Management University ("SMU") School of Information Systems	Board Advisor
3. Singapore Clearing House Pte Ltd	Director
4. IBM Board of Advisors	Member
5. National University of Singapore ("NUS") Institute of Systems Science	Board Member

FURTHER INFORMATION ON BOARD OF DIRECTORS

GOH SWEE CHEN ^{aged 58}

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Science in Information Science,
Victoria University of Wellington, New Zealand
Master of Business Administration,
University of Chicago, United States of America

Date of first appointment as a director:
1 January 2019

Date of last re-election as a director:
Not applicable

Board committee(s) served on:

Board Audit Committee	Member (appointed on 1 January 2019)
Customer Experience and Technology Committee	Member (appointed on 1 January 2019)
Board Nominating Committee	Member (appointed on 14 February 2019)

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. CapitaLand Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Institute for Human Resource Professionals Limited	Chairman
2. Human Capital Leadership Institute Pte Ltd	Director
3. Singapore University of Technology & Design	Trustee
4. Global Compact Network Singapore	President
5. The Centre for Livable Cities	Advisory Board Member
6. Legal Service Commission	Member
7. National Arts Council	Council Member

Principal Commitments/Directorships in the past 3 years

Organisation/Company	Title
1. Shell Companies in Singapore	Chairman
2. Singapore National Employers Federation	Vice President
3. Singapore International Chamber of Commerce	Director

DOMINIC HO CHIU FAI ^{aged 68}

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Business Administration and Master of Science,
University of Houston

Date of first appointment as a director:
1 May 2017

Date of last re-election as a director:
28 July 2017

Board committee(s) served on:

Board Safety and Risk Committee	Chairman (appointed as Chairman on 1 September 2018 and as Member on 1 June 2017)
Board Audit Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Hang Lung Properties Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. DBS Bank (China) Limited	Chairman
2. DBS Bank (Hong Kong) Limited	Director
3. Underwriters Laboratories Inc.	Director

HSIEH TSUN-YAN aged 66

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration,
Harvard University

Bachelor of Science in Mechanical Engineering,
University of Alberta

Date of first appointment as a director:

1 September 2012

Date of last re-election as a director:

27 July 2018

Board committee(s) served on:

Board Audit Committee	Member
Board Compensation and Industrial Relations Committee	Member
Board Executive Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Manulife Financial Corporation, Canada	Director

Other Principal Commitments

Organisation/Company	Title
1. LinHart Group Pte Ltd	Chairman
2. Manulife US Real Estate Management Pte Ltd	Chairman
3. Lee Kuan Yew School of Public Policy, Singapore	Provost Chair Professor
4. National University of Singapore Business School	Provost Chair Professor (Practice) And Member, Management Advisory Board
5. Singapore Institute of Management Holdings Pte Ltd	Director
6. The Manufacturers Life Insurance Company	Director
7. Institute of Policy Studies Academic Panel, Singapore	Member
8. Duke-NUS Graduate Medical School, Singapore	Member, Governing Board

LEE KIM SHIN aged 58

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Laws (Honours),
National University of Singapore

Date of first appointment as a director:

1 September 2016

Date of last re-election as a director:

28 July 2017

Board committee(s) served on:

Board Nominating Committee	Member
Board Safety and Risk Committee	Member

Principal Commitments

Organisation/Company	Title
1. Allen & Gledhill LLP	Managing Partner
2. Allen & Gledhill Regulatory & Compliance Pte Ltd	Chairman
3. Eastern Development Holdings Pte. Ltd.	Director
4. Eastern Development Private Limited	Director
5. Epimetheus Limited	Director
6. Duke-NUS Medical School Singapore	Member, Governing Board
7. Yellow Ribbon Fund	Member

Principal Commitments/Directorships in the past 3 years

Organisation/Company	Title
1. Singapore Institute of Directors	Member, Governing Council

FINANCIAL REPORT

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DIRECTORS' STATEMENT

The Directors are pleased to present this statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

In our opinion:

- (a) the financial statements set out on pages 100 to 205 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2019, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

1 Directors of the Company

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

Peter Seah Lim Huat	Chairman (Independent)
Goh Choon Phong	Chief Executive Officer
Gautam Banerjee	(Independent)
Simon Cheong Sae Peng	(Independent)
Dominic Ho Chiu Fai	(Independent)
Hsieh Tsun-yan	(Independent)
Lee Kim Shin	(Independent)
David John Gledhill	(Independent) (Appointed on 1 September 2018)
Goh Swee Chen	(Independent) (Appointed on 1 January 2019)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under “Directors’ Interests in Shares, Share Options and Debentures” and “Equity Compensation Plans of the Company” in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or share options in, or debentures of, the Company or any other body corporate.

3 Directors’ Interests in Shares, Share Options and Debentures

The following Directors who held office at the end of the financial year had, according to the register of Directors’ shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interests in the following shares, share options, awards and debentures of the Company, and of related corporations, etc.

Name of Director	Direct interest		Deemed interest	
	1 April 2018 or at date of appointment	31 March 2019	1 April 2018 or at date of appointment	31 March 2019
Interest in Singapore Airlines Limited				
<u>Ordinary shares</u>				
Goh Choon Phong	889,554	981,379	-	-
Simon Cheong Sae Peng	1,870	1,870	-	-

DIRECTORS' STATEMENT

3 Directors' Interests in Shares, Share Options and Debentures (continued)

Name of Director	Direct interest		Deemed interest	
	1 April 2018 or at date of appointment	31 March 2019	1 April 2018 or at date of appointment	31 March 2019
<u>Conditional award of restricted shares (note 1)</u>				
Goh Choon Phong – Base Awards	42,000	60,000	–	–
– Final Awards (Pending Release)	92,585	78,300	–	–
<u>Conditional award of performance shares (note 2)</u>				
Goh Choon Phong – Base Awards	222,750	222,750	–	–
<u>Conditional award of deferred restricted shares (note 3)</u>				
Goh Choon Phong – Base Awards	47,300	57,460	–	–
<u>Conditional award of transformation restricted shares (note 4)</u>				
Goh Choon Phong – Base Awards	–	66,083	–	–
Interest in Ascendas India Trust				
<u>Units</u>				
Gautam Banerjee	120,000	120,000	–	–
Interest in Ascendas Real Estate Investment Trust				
<u>Units</u>				
Gautam Banerjee	20,000	20,000	–	–
Interest in Mapletree Commercial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	–	–	1,395,268*	1,690,268#
Interest in Mapletree Industrial Trust				
<u>Units</u>				
David John Gledhill	100,000	100,000	–	–
Interest in Mapletree Global Student Accommodation Private Trust				
<u>Units in Class A (USD)</u>				
Goh Choon Phong	4,823	4,823	–	–
<u>Units in Class B (GBP)</u>				
Goh Choon Phong	4,823	4,823	–	–
Interest in Singapore Technologies Engineering Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	545,325	545,325	–	–
Goh Choon Phong	6,000	6,000	–	–
Interest in Singapore Telecommunications Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	1,667	1,667	1,550*	1,550*
Goh Choon Phong	1,610	1,610	–	–
Hsieh Tsun-yan	–	–	47,000*	47,000*
Lee Kim Shin	190	190	–	–

3 Directors' Interests in Shares, Share Options and Debentures (continued)

Name of Director	Direct interest		Deemed interest	
	1 April 2018 or at date of appointment	31 March 2019	1 April 2018 or at date of appointment	31 March 2019
Interest in StarHub Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	308,992	308,992	300,000*	300,000*
Interest in Telechoice International Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	50,000	50,000	-	-

* Directors' deemed interests arise from holdings held by their respective spouses.

Director's deemed interests include holdings of 1,395,268 units by the Director's spouse and 295,000 units by a corporation in which the Director has a controlling interest.

Notes:

- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over, in the case of awards granted before 2016, the two-year performance periods relating to the relevant awards and, in the case of awards granted from 2016 onwards, over the one-year performance periods relating to the relevant awards.
- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.
- The Awards of fully-paid ordinary shares will vest at the end of three years from the date of the grant of the award. At the end of the vesting period, an additional number of shares equivalent to the Base Award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period) will vest.
- The Awards of fully-paid ordinary shares will vest after a one-year performance period from 1 April 2018 to 31 March 2019. The actual number of Final Awards will range from 0% to 200% of the Base Awards and will vest over three years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.

Except as disclosed in this statement, no other Director who held office at the end of the financial year had interests in shares, share options, awards or debentures of the Company, or of related corporations etc., either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above-mentioned interests between the end of the financial year and 21 April 2019.

4 Equity Compensation Plans of the Company

The Company has in place (or previously had in place) the SIA Employee Share Option Plan ("ESOP"), the SIA Restricted Share Plan ("RSP"), the SIA Restricted Share Plan 2014 ("RSP 2014"), the SIA Performance Share Plan ("PSP") and the SIA Performance Share Plan 2014 ("PSP 2014").

At the date of this statement, the Board Compensation & Industrial Relations Committee ("BCIRC") which administers the ESOP, RSP, RSP 2014, PSP and PSP 2014 comprises the following Directors:

Peter Seah Lim Huat – Chairman
Simon Cheong Sae Peng
Hsieh Tsun-yan

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

(i) ESOP

Details of the ESOP are disclosed in note 5 to the financial statements.

At the end of the financial year, there were no outstanding options to take up unissued shares in the Company. The last batch of options granted in July 2008 expired in June 2018:

Date of grant	Number of options to subscribe for unissued ordinary shares			Balance at 31 March 2019	Exercise price*	Exercisable Period
	Balance at 1 April 2018	Cancelled	Exercised			
1.7.2008	7,720,804	7,720,804	-	-	\$12.07	1.7.2009 - 30.6.2018

* The BCIRC approved a reduction of \$1.71 in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009. The BCIRC approved another reduction of \$0.80 in the exercise prices of the share options outstanding on 18 August 2011 and a further \$0.25 reduction in the exercise prices outstanding on 14 August 2014 after the approvals by the Company's shareholders of the declaration of a special dividend of \$0.80 and \$0.25 per share on 29 July 2011 and 30 July 2014 respectively. The exercise price reflected here is the exercise price after such adjustments.

No options were exercised during the financial year ended 31 March 2019.

Details of options granted to and exercised by a Director of the Company are as follows:

Name of participant	Options granted during financial year under review	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Options lapsed	Aggregate options outstanding at end of financial year under review
Goh Choon Phong	-	444,075	444,075	-	-

No options have been granted to controlling shareholders or their associates, or parent group directors or employees.

The options granted by the Company did not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

No options have been granted during the financial year as the last grant of the share options under the ESOP was made in July 2008. The ESOP expired on 7 March 2010.

(ii) RSP/RSP 2014 and PSP/PSP 2014

Details of the RSP/RSP 2014 and PSP/PSP 2014 are disclosed in note 5 to the financial statements.

The RSP and PSP were approved by the shareholders of the Company on 28 July 2005. The duration of the RSP and PSP was 10 years each, from 28 July 2005 to 27 July 2015.

At the Extraordinary General Meeting held on 30 July 2014, shareholders approved the adoption of the RSP 2014 and PSP 2014 to replace the RSP and PSP, which were terminated following the adoption of the RSP 2014 and PSP 2014. The termination of the RSP and PSP was without prejudice to the rights of holders of awards outstanding under the RSP and PSP as at the date of such termination. The duration of the RSP 2014 and PSP 2014 is 10 years each, commencing 30 July 2014. At the Annual General Meeting held on 27 July 2018, shareholders approved alterations to the RSP 2014 to enable non-executive Directors of the Company and/or its subsidiaries to participate in the RSP 2014 (in addition to employees, including executive Directors of the Company and/or its subsidiaries).

4 Equity Compensation Plans of the Company (continued)

(ii) RSP/RSP 2014 and PSP/PSP 2014 (continued)

Under the RSP/RSP 2014, a base number of conditional share awards (“Base Award”) was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a two-year performance period for awards granted before 2016 and over a one-year performance period for awards granted from 2016 onwards, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of RSP/RSP 2014 shares to be awarded at the end of the respective performance periods (“Final Award”).

Under the PSP/PSP 2014, a base number of conditional share awards (“Base Award”) was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a three-year performance period, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of PSP/PSP 2014 shares to be awarded at the end of the respective performance periods (“Final Award”).

The achievement factor could range from 0% to 200% for both the RSP/RSP 2014 and PSP/PSP 2014.

One-third of the RSP/RSP 2014 Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. For the transformation awards of restricted shares granted in July 2018 under the RSP 2014, half of the Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

All the PSP/PSP 2014 Final Awards of fully paid ordinary shares will be released to the participants at the end of the three-year performance period. For the financial year under review, all RSP/RSP 2014 and PSP/PSP 2014 Final Awards released were satisfied by way of the transfer of treasury shares to the participants.

No awards have been granted to controlling shareholders or their associates, or parent group directors or employees, under the RSP/RSP 2014 and PSP/PSP 2014.

No employee has received 5% or more of the total number of options or awards granted under the ESOP, RSP and PSP, or 5% or more of the total number of shares available under the RSP 2014 and PSP 2014.

Details of the shares awarded under the RSP/RSP 2014 and PSP/PSP 2014 to a Director of the Company are as follows:

1. RSP Base Awards

280,232 RSP Base Awards have been granted to Mr Goh Choon Phong under the RSP, all of which have vested and the final tranche of 19,985 fully paid ordinary shares were released to him during the financial year under review. The RSP was terminated following the adoption of the RSP 2014 on 30 July 2014.

2. RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	42,000	60,000	42,000	60,000	222,000

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

(ii) RSP/RSP 2014 and PSP/PSP 2014 (continued)

3. RSP/RSP 2014 Final Awards (Pending Release) ^{R1}

Name of participant	Balance as at 1 April 2018	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2019	Aggregate ordinary shares released to participant since commencement of RSP/RSP 2014 to end of financial year under review
Goh Choon Phong	92,585*	63,000	77,285*	78,300	339,652

4. PSP Base Awards

346,228 PSP Base Awards have been granted to Mr Goh Choon Phong under the PSP. All of the PSP Base Awards have vested and an aggregate of 124,902 fully paid ordinary shares have been released to him since the commencement of the PSP up to the end of financial year under review. The PSP was terminated following the adoption of the PSP 2014 on 30 July 2014.

5. PSP 2014 Base Awards ^{R2}

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP 2014 to end of financial year under review
Goh Choon Phong	222,750	82,500	82,500	222,750	305,250	-

6. Deferred RSP/RSP 2014 ("DSA")

Details of the deferred RSP/RSP 2014 awards of restricted shares are disclosed in note 5 to the financial statements. The grant of deferred RSP/RSP 2014 awards were made under the authority of the BCIRC.

Details of the shares awarded under deferred RSP/RSP 2014 to a Director of the Company are as follows:

(a) Deferred RSP Awards

42,037 Deferred RSP Base Awards have been granted to Mr Goh Choon Phong under the RSP. All of the Deferred RSP Base Awards have vested and an aggregate of 45,737 fully paid ordinary shares have been released to him since the commencement of the RSP up to the end of the financial year under review. The RSP was terminated following the adoption of the RSP 2014 on 30 July 2014.

4 Equity Compensation Plans of the Company (continued)

(ii) RSP/RSP 2014 and PSP/PSP 2014 (continued)

6. Deferred RSP/RSP 2014 (“DSA”) (continued)

(b) Deferred RSP 2014 Awards

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	47,300	23,330	13,170	57,460	90,200	35,840

7. Transformation RSP 2014 (“TSA”)

Details of the transformation RSP 2014 awards of restricted shares are disclosed in note 5 to the financial statements. The grant of transformation RSP 2014 awards were made under the authority of the BCIRC.

Details of the shares awarded under the transformation RSP 2014 to a Director of the Company are as follows:

Name of participant	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of TSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review
Goh Choon Phong	66,083	–	66,083	66,083	–

^{R1} The actual number of RSP/RSP 2014 Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the two-year performance periods relating to the relevant awards for awards granted before 2016 and over the one-year performance periods relating to the relevant awards for awards granted from 2016 onwards.

^{R2} The actual number of PSP/PSP 2014 Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.

[#] Final Awards granted during the financial year is determined by applying the achievement factor to the Base Awards that have vested during the financial year.

^{*} Includes the 19,985 shares referred to in 1. above.

DIRECTORS' STATEMENT

5 Equity Compensation Plans of Subsidiaries

The particulars of the equity compensation plans of subsidiaries of the Company are as follows:

(i) SIA Engineering Company Limited ("SIAEC")

The SIAEC Employee Share Option Plan ("SIAEC ESOP") was approved by the shareholders of SIAEC on 9 February 2000. The last batch of share options granted under the SIAEC ESOP expired on 30 June 2018. There were no share options outstanding under the SIAEC ESOP as at the end of the financial year.

The SIAEC Restricted Share Plan ("SIAEC RSP") and SIAEC Performance Share Plan ("SIAEC PSP") were approved by the shareholders of SIAEC on 25 July 2005. At the Extraordinary General Meeting of SIAEC held on 21 July 2014, shareholders of SIAEC approved the adoption of the SIAEC Restricted Share Plan 2014 ("SIAEC RSP 2014") and the SIAEC Performance Share Plan 2014 ("SIAEC PSP 2014") to replace the SIAEC RSP and the SIAEC PSP, which were terminated following the adoption of the SIAEC RSP 2014 and SIAEC PSP 2014. The termination of the SIAEC RSP and SIAEC PSP was without prejudice to the rights of holders of awards outstanding under the SIAEC RSP and SIAEC PSP as at the date of such termination.

Details and terms of the SIAEC ESOP, SIAEC RSP/SIAEC RSP 2014 and SIAEC PSP/SIAEC PSP 2014 have been disclosed in the Directors' Statement of SIAEC.

(ii) Tiger Airways Holdings Pte Ltd ("Tiger Airways")

In connection with the Company's voluntary general offer for Tiger Airways in financial year 2015/16, Tiger Airways' Remuneration Committee had approved the encashment and payment of outstanding share awards under the Tiger Airways Restricted Share Plan and Tiger Airways Performance Share Plan to all participants on a deferred payment basis, subject to fulfilment of certain terms and conditions. All outstanding share awards under Tiger Airways' share plans had been fully encashed on 1 July 2018.

6 Audit Committee

At the date of this statement, the Audit Committee comprises the following four independent non-executive Directors:

Gautam Banerjee - Chairman
 Dominic Ho Chiu Fai
 Hsieh Tsun-yan
 Goh Swee Chen (Appointed on 1 January 2019)

The Audit Committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, the SGX-ST Listing Manual and the Code of Corporate Governance, which include *inter alia* the review of the following:

- (i) quarterly and annual financial statements of the Group and the Company prior to their submissions to the Board of Directors for adoption;
- (ii) audit scopes, plans and reports (including Key Audit Matters) of the external and internal auditors;
- (iii) adequacy and effectiveness of material controls, including financial, operational, compliance, information technology controls and risk management framework;
- (iv) adequacy and effectiveness of the internal audit function, and the effectiveness, independence and objectivity of the external auditors;
- (v) interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);
- (vi) whistle-blowing programme instituted by the Company; and
- (vii) any material loss of funds, significant computer security incidents and legal cases.

6 Audit Committee (continued)

The Audit Committee has held four meetings since the last Directors' Statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee also reviewed management's internal control adequacy representations that is based on the Control Self-Assessment (CSA) System developed. In the review of the audited financial statements of the Group and the Company, the Audit Committee had discussed with management and the external auditors the accounting principles that were applied and their judgement on the items that might affect the financial statements. Based on the review and discussions with management and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented in conformity with generally accepted accounting principles in all material aspects.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

7 Auditors

The external auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board,

PETER SEAH LIM HUAT
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 16th day of May 2019

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 100 to 205.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Accuracy of passenger revenue

Refer to note 2(s) 'Revenue' and note 3(c) 'Passenger revenue recognition' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	How the matter was addressed in our audit
<p>Passenger revenue is not recorded immediately on sale of flight tickets but is deferred to be recorded at a later time as revenue in the profit and loss account when a passenger is flown. Such deferred revenue is presented on the statement of financial position as sales in advance of carriage and is measured based on the sales price to the customer, net of discounts and rebates.</p> <p>Flight tickets sold often involve multiple flight sectors and partner airlines. The amount of revenue to be recognised for each flight as it is flown relies on complex internal IT systems that handle large volumes of transaction data and includes the exchange of information with industry systems and partner airlines.</p> <p>As a result of the complexity in determining on flight date the revenue to be recognised for flown flights, this is a key focus area in our audit.</p>	<p>To check the accuracy of the revenue recorded by the passenger revenue systems, we tested the relevant computer system controls, these being the user access, programme change controls and application controls over internal passenger revenue systems. Our tests of these controls were designed to determine whether these key computer systems controls operated as they are designed, and are protected from tampering of data or software logic that would result in inaccurate accounting information relating to passenger revenue.</p> <p>Computer system controls were tested selectively; these included those relating to the completeness of transfers of data between systems, ticket validation to identify data errors and the assignment of ticket prices to each flight. Key manual controls were also tested to assess the appropriateness of the treatment applied to exceptions and reconciliations of the Group's records with the outputs from shared industry systems and partner airlines.</p> <p>We obtained direct assistance from the Group's internal auditors to test the effectiveness of relevant controls in the passenger revenue accounting process at various overseas stations. Procedures we performed included planning the work to be performed by the Group's internal auditors, identifying the controls to be tested, and reviewing the work of the Group's internal auditors.</p>

Findings

No significant exceptions were noted in the testing of the IT and manual controls, including those residing at the tested overseas stations.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Determining the fair value of KrisFlyer miles and the miles that will expire without use

Refer to note 2(s) 'Revenue' and note 3(d) 'Frequent flyer programme' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	How the matter was addressed in our audit
<p>Cash is received by the Company from KrisFlyer programme partners in return for the issuance of miles in its KrisFlyer frequent flyer programme. In addition, a portion of unearned revenue is separately identified from the value of the ticket sales for flights on which KrisFlyer members qualify to earn KrisFlyer miles ("miles").</p>	<p>We challenged the assumptions used to estimate the number of miles that will expire without use, including analysing historical expiry patterns. In addition, we considered actual changes as well as announced changes to the KrisFlyer frequent flyer programme that may affect future redemptions.</p>
<p>Cash received from KrisFlyer programme partners for the issuance of miles and the portion of unearned revenue attributable to miles earned on qualifying flights are recognised on the statement of financial position as deferred revenue, after taking into account the expected utilisation of the miles.</p>	<p>We checked the accuracy of the historical analysis used by testing relevant computer system controls.</p>
<p>Revenue is subsequently recognised when KrisFlyer members fly or utilise other redemption options for goods or services.</p>	<p>We evaluated the assumptions applied in the mathematical models used to determine the fair value of expected miles to be awarded. This included undertaking a comparison to historical redemption patterns and applying data analytical routines to analyse the impact of alternate methodologies, testing the calculations for mile values against observable inputs such as the Company's published market air fares. We also tested the controls implemented over the models.</p>
<p>Significant judgement is required in the following aspects:</p> <ul style="list-style-type: none"> • The number of miles that will expire without use – The Company relies on historical expiry patterns in determining these estimates; and • The determination of the fair value of frequent flyer miles – The Company relies on historical redemption patterns in determining these estimates. 	
<p>Predicting the impact of KrisFlyer scheme revisions that are anticipated to change the number of miles that will expire over time is judgemental. The estimation of the fair value of miles awarded in the KrisFlyer frequent flyer programme is complex and requires judgement to be applied. These are key focus areas of our audit.</p>	

Findings

We found the estimate of the percentage of miles that will not be used continues to be cautious. We found the estimate for the fair value of miles awards to be balanced.

Accounting for 'Low Cost Airlines' (LCC) cash generating unit (CGU)

Refer to note 2(h) 'Property, plant and equipment', note 2(f)(iv) 'Intangible assets – goodwill', note 3(a) 'Impairment of property, plant and equipment – aircraft fleet' and note 3(b) 'Depreciation of property, plant and equipment – aircraft fleet' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	How the matter was addressed in our audit
<p>The accounting for LCC CGU which predominantly comprises of aircraft related assets and goodwill has a material impact on the Group due to the cumulative value and long-lived nature of these assets. In addition, as the LCC CGU contains material goodwill balances, annual impairment testing is required.</p>	<p>To assess the estimates and judgements made, we challenged the forecasts of the LCC CGU's future revenues, operating costs, growth rates, capital expenditure, foreign exchange rates and discount rates based on our knowledge of the business, historical forecasting accuracy and the aviation industry.</p>
<p>Significant judgement is required in assessing the carrying value of all assets in the LCC CGU compared to the amounts expected to be recoverable from the LCC CGU to determine if the LCC CGU is impaired. This requires estimates to be made for the LCC CGU including future revenues, operating costs, growth rates, capital expenditure, foreign exchange rates and the discount rates applicable to these cash flows.</p>	<p>We assessed the arithmetical accuracy of the discounted cash flow models by re-performing the mathematical calculations.</p>
<p>The assessment of these judgements is a key focus area of our audit.</p>	

Findings

Cash flow forecasting was found to be in accordance with LCC CGU Board approved plans. The industry forecast for passenger growth for low cost carriers in Asia, the market that the LCC CGU predominantly operates in, is robust. However, the market place is competitive and is subject to volatility of key input costs such as fuel and as such is inherently complex to forecast. We found Management forecasts had sufficient headroom to be considered balanced.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Impact of adopting International Financial Reporting Standard 16 Leases in FY2019/20

Refer to note 2(c) 'International Financial Reporting Standard 16 Leases' for the relevant disclosures.

The key audit matter	How the matter was addressed in our audit
<p>The Group must adopt IFRS 16 <i>Leases</i> from 1 April 2019 and is required to disclose the expected impact of adopting IFRS 16 in the FY2018/19 Financial Statements.</p>	<p>Through our discussions with the Group and reading of internally prepared memorandum, we understood the Group's process in identifying lease contracts, or contracts which contained leases.</p>
<p>IFRS 16 introduces a new lease accounting model, where lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet.</p>	<p>We read a sample of contracts to assess whether leases have been appropriately identified.</p>
<p>The Group plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of general reserve at 1 April 2019, with no restatement of comparative information. As a result, as at 1 April 2019, the Group expects an increase in ROU assets of \$1.7 billion, an increase in lease liabilities of \$2.2 billion, and a decrease in retained earnings of \$0.4 billion, net of the deferred tax of impact of \$0.1 billion.</p>	<p>We obtained the Group's quantification of ROU assets and lease liabilities. For a sample of leases, we agreed the inputs used in the quantification to the lease agreements, challenged the calculations of the discount rate applied, and performed computation checks.</p>
<p>Significant judgement is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term, the componentisation of the ROU asset where appropriate, the accounting for return obligations for aircraft and the determination of appropriate discount rates.</p>	<p>We assessed the Group's accounting for aircraft ROU asset components and aircraft lease return provisions.</p>
<p>The adjustments arising from applying IFRS 16 are material to the Group, and this disclosure of impact is a key focus area in our audit.</p>	<p>We attended a number of International Air Transport Association (IATA) industry meetings for airlines and reviewed IATA's published papers associated with the impact of IFRS 16 on airlines to assist us in benchmarking the Group's approach to adopting IFRS 16.</p>
	<p>We considered the appropriateness of the associated disclosures in the FY2018/19 Financial Statements.</p>

Findings

The Group has undertaken a comprehensive process to identify leases, review lease terms and quantify the anticipated financial impact on adoption of IFRS 16. We found the Group's treatment of aircraft leases to be appropriate and within the range of acceptable alternatives proposed as industry practice. We found no significant exceptions in the quantification of the impact of adoption.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report except for the *SIA Group Portfolio, Our Strategy for the Future, Chairman's Letter, The Year in Review, Environment, Community Engagement, Subsidiaries, Use of Proceeds from Issue of Retail Bonds and Information on Shareholdings* ('the Reports') which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Malcolm Ramsay.

KPMG LLP

Public Accountants and
Chartered Accountants

Dated this 16th day of May 2019
Singapore

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For The Financial Year Ended 31 March 2019 (in \$ million)

	Notes	The Group	
		FY2018/19	FY2017/18
REVENUE	4	16,323.2	15,806.1
EXPENDITURE			
Staff costs	5	2,816.9	2,709.0
Fuel costs		4,587.1	3,899.3
Depreciation	20	1,327.9	1,148.1
Impairment of property, plant and equipment	20	–	30.2
Amortisation of intangible assets	21	61.9	44.4
Aircraft maintenance and overhaul costs		899.2	918.6
Commission and incentives		472.5	437.5
Landing, parking and overflying charges		884.0	853.4
Handling charges		1,315.0	1,299.0
Rentals on leased aircraft		679.7	804.9
Inflight meals		550.4	532.6
Advertising and sales costs		331.8	291.4
Company accommodation and utilities		93.5	92.0
Other passenger costs		188.0	172.2
Crew expenses		168.1	160.4
Other operating expenses		880.1	864.3
		15,256.1	14,257.3
OPERATING PROFIT	6	1,067.1	1,548.8
Finance charges	7	(116.1)	(89.8)
Interest income	8	41.9	60.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines		(5.8)	16.1
Dividends from long-term investments		3.1	6.2
Other non-operating items	9	(47.4)	19.3
Share of profits of joint venture companies		23.2	41.0
Share of losses of associated companies		(97.4)	(9.3)
PROFIT BEFORE TAXATION		868.6	1,593.2
TAXATION	10	(147.0)	(247.7)
PROFIT FOR THE FINANCIAL YEAR		721.6	1,345.5
PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		682.7	1,301.6
NON-CONTROLLING INTERESTS		38.9	43.9
		721.6	1,345.5
BASIC EARNINGS PER SHARE (CENTS)	11	57.7	110.1
DILUTED EARNINGS PER SHARE (CENTS)	11	57.4	109.7

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2019 (in \$ million)

	The Group	
	FY2018/19	FY2017/18
PROFIT FOR THE FINANCIAL YEAR	721.6	1,345.5
OTHER COMPREHENSIVE INCOME:		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	20.3	(62.5)
Net fair value changes on cash flow hedges	158.2	533.5
Share of other comprehensive income of associated and joint venture companies	12.0	27.1
Realisation of foreign currency translation reserves on disposal of a subsidiary company	(0.1)	(0.2)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Actuarial (loss)/gain on revaluation of defined benefit plans	(5.5)	10.2
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX	184.9	508.1
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	906.5	1,853.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	863.4	1,819.2
NON-CONTROLLING INTERESTS	43.1	34.4
	906.5	1,853.6

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

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2019 (in \$ million)

	Notes	The Group			The Company		
		31 March 2019	2018	1 April 2017	31 March 2019	2018	1 April 2017
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
Share capital	13	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	14	(171.5)	(183.5)	(194.7)	(171.5)	(183.5)	(194.7)
Other reserves	15	11,602.2	11,187.7	9,622.7	10,088.8	10,558.6	9,288.3
		13,286.8	12,860.3	11,284.1	11,773.4	12,231.2	10,949.7
NON-CONTROLLING INTERESTS		396.4	368.1	387.2	-	-	-
TOTAL EQUITY		13,683.2	13,228.4	11,671.3	11,773.4	12,231.2	10,949.7
DEFERRED ACCOUNT	16	83.9	123.3	234.5	75.1	109.2	214.9
DEFERRED TAXATION	17	2,040.3	1,840.6	1,524.9	1,750.2	1,489.5	1,218.2
LONG-TERM LIABILITIES	18	6,512.4	3,199.8	1,794.7	6,058.6	3,114.4	1,689.4
PROVISIONS	19	702.5	821.5	910.3	429.8	576.7	648.0
DEFINED BENEFIT PLANS		104.5	113.2	131.2	103.9	104.8	122.3
		23,126.8	19,326.8	16,266.9	20,191.0	17,625.8	14,842.5
Represented by:							
PROPERTY, PLANT AND EQUIPMENT	20	22,176.3	18,169.2	14,286.4	17,311.5	13,682.3	10,498.4
INTANGIBLE ASSETS	21	451.3	435.3	423.5	194.1	179.8	169.5
SUBSIDIARY COMPANIES	22	-	-	-	3,591.2	4,840.8	4,610.1
ASSOCIATED COMPANIES	23	1,104.5	1,048.8	1,056.9	555.2	551.5	489.8
JOINT VENTURE COMPANIES	24	171.7	150.6	160.2	30.6	-	-
LONG-TERM INVESTMENTS	25	343.9	346.0	405.7	333.5	335.6	395.3
OTHER LONG-TERM ASSETS	26	713.7	722.7	479.3	543.7	624.6	397.9
DEFERRED ACCOUNT	16	44.1	52.9	61.1	37.0	43.5	49.1
CURRENT ASSETS							
Deferred account	16	8.9	9.9	11.8	6.6	7.3	9.1
Derivative assets	38	371.4	351.4	85.0	371.4	351.2	82.1
Inventories	27	229.9	179.3	178.4	157.6	108.0	106.1
Trade debtors	28	1,527.2	1,400.9	1,143.3	1,138.8	836.7	694.7
Amounts owing by subsidiary companies	28	-	-	-	3.7	140.1	203.8
Deposits and other debtors	29	93.8	87.8	127.4	63.7	40.7	55.8
Prepayments		164.9	184.6	211.0	98.2	125.1	169.9
Other short-term assets		42.8	27.0	21.4	42.8	27.0	21.4
Investments	30	116.8	157.8	539.9	68.5	88.7	469.9
Cash and bank balances	31	2,944.0	2,568.3	3,380.5	2,716.0	2,144.6	2,733.2
		5,499.7	4,967.0	5,698.7	4,667.3	3,869.4	4,546.0

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

	Notes	The Group			The Company		
		31 March 2019	2018	1 April 2017	31 March 2019	2018	1 April 2017
Less: CURRENT LIABILITIES							
Borrowings	18	231.1	20.6	42.0	159.8	–	–
Current tax payable		87.3	134.1	80.3	55.0	42.4	30.3
Trade and other creditors	32	3,163.6	2,817.0	3,295.9	2,304.2	1,858.9	2,251.9
Amounts owing to subsidiary companies	32	–	–	–	971.8	1,290.4	1,354.5
Sales in advance of carriage	33	2,715.4	2,442.1	1,650.8	2,479.8	2,205.9	1,474.3
Deferred revenue	33	610.9	556.1	707.8	610.9	556.1	707.8
Deferred account	16	44.9	64.8	86.0	37.9	60.3	76.3
Derivative liabilities	38	89.5	161.9	119.7	88.1	161.9	119.7
Provisions	19	435.7	369.1	322.4	365.6	325.8	298.8
		7,378.4	6,565.7	6,304.9	7,073.1	6,501.7	6,313.6
NET CURRENT LIABILITIES		(1,878.7)	(1,598.7)	(606.2)	(2,405.8)	(2,632.3)	(1,767.6)
		23,126.8	19,326.8	16,266.9	20,191.0	17,625.8	14,842.5

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2019 (in \$ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2018		1,856.1	(183.5)	(139.4)
<u>Comprehensive income</u>				
Currency translation differences	15(b)	-	-	-
Net fair value changes on financial assets measured at fair value through other comprehensive income ("FVOCI")	15(d)	-	-	-
Net fair value changes on cash flow hedges	15(d)	-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	20.8
Realisation of foreign currency translation reserve on disposal of a subsidiary company		-	-	-
Actuarial loss on revaluation of defined benefit plans		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	20.8
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	20.8
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Share of other changes in equity of associated companies		-	-	(3.2)
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Share options and awards lapsed		-	-	-
Treasury shares reissued pursuant to equity compensation plans	14	-	12.0	(0.9)
Issuance of share capital by subsidiary companies		-	-	-
Dividends	12	-	-	-
Total contributions by and distributions to owners		-	12.0	(4.1)
<u>Changes in ownership interests in a subsidiary company</u>				
Acquisition of non-controlling interests without a change in control		-	-	(1.6)
Total changes in ownership interests in a subsidiary company		-	-	(1.6)
Total transactions with owners		-	12.0	(5.7)
Balance at 31 March 2019		1,856.1	(171.5)	(124.3)

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

Attributable to owners of the Company

Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non- controlling interests	Total equity
(52.4)	79.5	313.5	10,986.5	12,860.3	368.1	13,228.4
13.9	-	-	-	13.9	6.4	20.3
-	-	-	-	-	-	-
-	-	159.0	-	159.0	(0.8)	158.2
5.4	-	(12.8)	-	13.4	(1.4)	12.0
(0.1)	-	-	-	(0.1)	-	(0.1)
-	-	-	(5.5)	(5.5)	-	(5.5)
19.2	-	146.2	(5.5)	180.7	4.2	184.9
-	-	-	682.7	682.7	38.9	721.6
19.2	-	146.2	677.2	863.4	43.1	906.5
-	-	-	-	(3.2)	-	(3.2)
-	(2.8)	-	(0.5)	(3.3)	3.2	(0.1)
-	21.0	-	-	21.0	-	21.0
-	(61.7)	-	61.7	-	-	-
-	(11.1)	-	-	-	-	-
-	-	-	-	-	19.5	19.5
-	-	-	(449.8)	(449.8)	(34.4)	(484.2)
-	(54.6)	-	(388.6)	(435.3)	(11.7)	(447.0)
-	-	-	-	(1.6)	(3.1)	(4.7)
-	-	-	-	(1.6)	(3.1)	(4.7)
-	(54.6)	-	(388.6)	(436.9)	(14.8)	(451.7)
(33.2)	24.9	459.7	11,275.1	13,286.8	396.4	13,683.2

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2019 (in \$ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2017		1,856.1	(194.7)	(147.6)
Effects of changes in accounting standards		-	-	-
As restated		1,856.1	(194.7)	(147.6)
<u>Comprehensive income</u>				
Currency translation differences	15(b)	-	-	-
Net fair value changes on cash flow hedges	15(d)	-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	11.9
Realisation of reserves on disposal of an associated company		-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	11.9
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	11.9
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Share of other changes in equity of associated companies		-	-	(4.7)
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Share options lapsed		-	-	-
Treasury shares reissued pursuant to equity compensation plans	14	-	11.2	1.0
Dividends	12	-	-	-
Total transactions with owners		-	11.2	(3.7)
Balance at 31 March 2018		1,856.1	(183.5)	(139.4)

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

Attributable to owners of the Company

Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non- controlling interests	Total equity
(123.7)	88.5	(234.4)	11,838.8	13,083.0	387.2	13,470.2
123.7	-	-	(1,922.6)	(1,798.9)	-	(1,798.9)
-	88.5	(234.4)	9,916.2	11,284.1	387.2	11,671.3
(52.6)	-	-	-	(52.6)	(9.9)	(62.5)
-	-	533.1	-	533.1	0.4	533.5
0.4	-	14.8	-	27.1	-	27.1
(0.2)	-	-	-	(0.2)	-	(0.2)
-	-	-	10.2	10.2	-	10.2
(52.4)	-	547.9	10.2	517.6	(9.5)	508.1
-	-	-	1,301.6	1,301.6	43.9	1,345.5
(52.4)	-	547.9	1,311.8	1,819.2	34.4	1,853.6
-	-	-	-	(4.7)	-	(4.7)
-	(1.1)	-	(2.0)	(3.1)	(3.4)	(6.5)
-	13.1	-	-	13.1	-	13.1
-	(8.8)	-	8.8	-	-	-
-	(12.2)	-	-	-	-	-
-	-	-	(248.3)	(248.3)	(50.1)	(298.4)
-	(9.0)	-	(241.5)	(243.0)	(53.5)	(296.5)
(52.4)	79.5	313.5	10,986.5	12,860.3	368.1	13,228.4

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2019 (in \$ million)

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2018		1,856.1	(183.5)	26.7	74.6	206.7	10,250.6	12,231.2
Effects of integration of SIA Cargo		-	-	(955.6)	-	18.0	(2.8)	(940.4)
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	15(d)	-	-	-	-	141.7	-	141.7
Actuarial loss on revaluation of defined benefit plans		-	-	-	-	-	(5.5)	(5.5)
Other comprehensive income for the financial year, net of tax		-	-	-	-	141.7	(5.5)	136.2
Profit for the financial year		-	-	-	-	-	779.1	779.1
Total comprehensive income for the financial year		-	-	-	-	141.7	773.6	915.3
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Share-based compensation expense		-	-	-	17.1	-	-	17.1
Share options and awards lapsed		-	-	-	(59.4)	-	59.4	-
Treasury shares reissued pursuant to equity compensation plans	14	-	12.0	(0.9)	(11.1)	-	-	-
Dividends	12	-	-	-	-	-	(449.8)	(449.8)
Total transactions with owners		-	12.0	(0.9)	(53.4)	-	(390.4)	(432.7)
Balance at 31 March 2019		1,856.1	(171.5)	(929.8)	21.2	366.4	10,631.0	11,773.4

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

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2017		1,856.1	(194.7)	25.7	76.7	(189.6)	10,939.4	12,513.6
Effects of changes in accounting standards		-	-	-	-	-	(1,563.9)	(1,563.9)
As restated		1,856.1	(194.7)	25.7	76.7	(189.6)	9,375.5	10,949.7
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	15(d)	-	-	-	-	396.3	-	396.3
Actuarial gain on revaluation of defined benefit plans		-	-	-	-	-	9.9	9.9
Other comprehensive income for the financial year, net of tax		-	-	-	-	396.3	9.9	406.2
Profit for the financial year		-	-	-	-	-	1,112.4	1,112.4
Total comprehensive income for the financial year		-	-	-	-	396.3	1,122.3	1,518.6
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Share-based compensation expense		-	-	-	11.2	-	-	11.2
Share options and awards lapsed		-	-	-	(1.1)	-	1.1	-
Treasury shares reissued pursuant to equity compensation plans	14	-	11.2	1.0	(12.2)	-	-	-
Dividends	12	-	-	-	-	-	(248.3)	(248.3)
Total transactions with owners		-	11.2	1.0	(2.1)	-	(247.2)	(237.1)
Balance at 31 March 2018		1,856.1	(183.5)	26.7	74.6	206.7	10,250.6	12,231.2

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2019 (in \$ million)

	Notes	The Group	
		FY2018/19	FY2017/18
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		868.6	1,593.2
Adjustments for:			
Depreciation	20	1,327.9	1,148.1
Impairment of property, plant and equipment	20	-	30.2
Amortisation of intangible assets	21	61.9	44.4
Impairment of trade debtors	6	5.7	1.0
Writedown of inventories	6	5.4	7.4
Income from short-term investments	6	(1.1)	(1.8)
Provisions	19	302.2	282.9
Share-based compensation expense	5	21.0	13.1
Exchange differences		(2.4)	25.9
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	6	4.3	(3.9)
Finance charges	7	116.1	89.8
Interest income	8	(41.9)	(60.9)
Loss/(Surplus) on disposal of aircraft, spares and spare engines		5.8	(16.1)
Dividends from long-term investments		(3.1)	(6.2)
Net loss/(gain) on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")		(0.7)	(6.3)
Other non-operating items	9	47.4	(19.3)
Share of profits of joint venture companies		(23.2)	(41.0)
Share of losses of associated companies		97.4	9.3
Operating cash flow before working capital changes		2,791.3	3,089.8
Decrease in trade and other creditors		(28.1)	(756.1)
Increase in sales in advance of carriage		273.3	791.3
Increase in trade debtors		(206.1)	(283.8)
(Increase)/Decrease in deposits and other debtors		(10.9)	38.0
Decrease in prepayments		19.7	26.4
Increase in inventories		(66.6)	(8.3)
Increase/(Decrease) in deferred revenue		54.8	(151.7)
Cash generated from operations		2,827.4	2,745.6
Payment of fines and settlements		-	(139.0)
Income taxes (paid)/refunded		(26.3)	4.3
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,801.1	2,610.9

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

	Notes	The Group	
		FY2018/19	FY2017/18
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	34	(5,562.3)	(5,209.5)
Purchase of intangible assets	34	(105.4)	(59.8)
Proceeds from disposal of aircraft and other property, plant and equipment		180.2	108.3
Purchase of long-term investments		(5.0)	-
Proceeds from disposal of long-term investments		157.6	31.4
Purchase of short-term investments		(798.8)	(688.1)
Proceeds from disposal of short-term investments		850.6	1,126.6
Dividends received from associated and joint venture companies		108.2	104.6
Dividends received from investments		5.2	9.0
Interest received from investments and deposits		47.8	65.6
Proceeds from disposal of a subsidiary company, net of cash disposed		1.6	-
Investments in associated companies		(205.6)	(93.8)
Investments in joint venture companies		(40.5)	-
Proceeds from disposal of associated companies		4.0	21.1
Proceeds from capital reduction of an associated company		-	3.3
NET CASH USED IN INVESTING ACTIVITIES		(5,362.4)	(4,581.3)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	12	(449.8)	(248.3)
Dividends paid by subsidiary companies to non-controlling interests	12	(34.4)	(50.1)
Issuance of share capital by subsidiary companies		19.5	-
Interest paid		(124.5)	(75.7)
Proceeds from issuance of bonds		1,350.0	1,600.0
Proceeds from borrowings		2,280.4	5.0
Repayment of borrowings		(93.7)	(20.3)
Payment of transaction costs related to borrowings		(11.1)	-
Acquisition of non-controlling interests without a change in control		(4.7)	-
Repayment of long-term lease liabilities		-	(23.7)
Proceeds from exercise of share options		-	1.0
NET CASH PROVIDED BY FINANCING ACTIVITIES		2,931.7	1,187.9
NET CASH INFLOW/(OUTFLOW)		370.4	(782.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,568.3	3,380.5
Effect of exchange rate changes		5.3	(29.7)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		2,944.0	2,568.3
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Fixed deposits	31	1,623.0	1,809.1
Cash and bank balances	31	1,321.0	759.2
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		2,944.0	2,568.3

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

1 General

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

The registered office of the Company is at Airline House, 25 Airline Road, Singapore 819829.

The financial statements of the Group as at and for the year ended 31 March 2019 comprise the Company and its subsidiary companies (together referred to as “the Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

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

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 16 May 2019.

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group and the Company are consistent to all periods presented in the financial statements and in preparing the opening statements of financial position at 1 April 2017 for the purposes of transition to Singapore Financial Reporting Standards (International) (“SFRS(I)”) and International Financial Reporting Standards (“IFRS”), unless otherwise stated.

(a) Basis of preparation

As required by the listing rules of SGX, the Group applied SFRS(I) with effect from 1 April 2018.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with SFRS(I) and IFRS. These are the first financial statements of the Group and the Company prepared in accordance with SFRS(I) and IFRS.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore (“FRS”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD”), which is the Company’s functional currency and all values in the tables are rounded to the nearest million, unless otherwise stated.

(b) Adoption of SFRS(I) and IFRS

In adopting the new framework, the Group applied the specific transition requirements in IFRS 1 First-time Adoption of IFRS in the preparation of the opening IFRS statement of financial position at 1 April 2017 (the Group’s date of transition).

In addition to the adoption of the new framework, the Group also concurrently applied the following new IFRSs, amendments to and interpretation of IFRS which are effective from the same date.

- IFRS 15 Revenue from Contracts with Customers and Amendments to IFRS 15: Clarifications to IFRS 15;
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions;
- Amendments to IFRS 1: Deletion of short-term exemptions for first-time adopters;
- Amendments to International Accounting Standards (“IAS”) 28: Measuring an Associate or Joint Venture at Fair Value; and
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.

2 Summary of Significant Accounting Policies (continued)

(b) Adoption of SFRS(I) and IFRS (continued)

The application of the above standards and interpretations do not have a significant impact on the financial statements, other than below.

(i) IFRS 1

IFRS 1 generally requires that the Group applies IFRS that are effective as at 31 March 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in IFRS 1. Except as described below, the application of the mandatory exceptions and the optional exemptions in IFRS 1 did not have any significant impact on the financial statements.

a) Fair value as deemed cost exemption for property, plant and equipment

The Group and Company have elected to regard the fair values of certain aircraft and aircraft spares as their deemed cost at the date of transition to IFRS 1 on 1 April 2017.

b) Foreign currency translation reserve

The Group has elected to reset the foreign currency translation reserve for all foreign operations to zero as at the date of transition to IFRS 1 on 1 April 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose.

c) Fair value as deemed cost exemption for investments in associated companies

The Company has elected to regard the fair value of its investment in Virgin Australia Holdings Limited, an associated company, as its deemed cost in its separate financial statements at the date of transition to IFRS 1 on 1 April 2017.

(ii) IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group and Company adopted IFRS 15 in its 31 March 2019 financial statements, using the retrospective approach.

For FY2017/18, the Group will not disclose the amount of the transaction price allocated to the remaining performance obligations as at 31 March 2018 as well as an explanation of when the Group expects to recognise that amount of revenue, as allowed under IFRS 1.

The impact upon adoption of IFRS 15 are described below.

a) Passenger revenue - ancillary revenue

Revenue associated with ancillary services that is currently recognised at transaction date has been deferred to flight date. This is in line with recognition of revenue associated with the carriage of passengers.

b) Cargo interline revenue

Cargo interline revenue has been presented at gross rather than net of related costs as the Group is considered to be principal rather than agent in these transactions.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(b) Adoption of SFRS(I) and IFRS (continued)

(iii) Summary of financial impact

The line items on the Group's and Company's financial statements that were adjusted with significant impact arising from the application of IFRS 1 and IFRS 15 as described above are summarised below. There were no material adjustments to the Group's statement of cash flows arising on transition, other than the impact on depreciation and its corresponding impact on profit before taxation as noted below.

	FRS framework	31 March 2018 Increase/(Decrease)		IFRS framework
		IFRS 1	IFRS 15	
<u>The Group</u>				
Foreign currency translation reserve	(175.4)	123.0	-	(52.4)
General reserve	12,500.4	(1,496.3)	(17.6)	10,986.5
Deferred taxation	2,122.7	(282.1)	-	1,840.6
Sales in advance of carriage	2,425.6	-	16.5	2,442.1
Property, plant and equipment				
Aircraft, spares and spare engines	13,205.5	(1,655.4)	-	11,550.1
Others	6,619.1	-	-	6,619.1
Trade debtors	1,402.2	-	(1.3)	1,400.9
Trade and other creditors	2,817.2	-	(0.2)	2,817.0
Depreciation	1,639.6	(491.5)	-	1,148.1
Tax expense	164.2	83.5	-	247.7
<u>The Company</u>				
General reserve	11,491.4	(1,232.4)	(8.4)	10,250.6
Deferred taxation	1,687.2	(197.7)	-	1,489.5
Sales in advance of carriage	2,197.5	-	8.4	2,205.9
Property, plant and equipment				
Aircraft, spares and spare engines	9,473.2	(1,163.1)	-	8,310.1
Others	5,372.2	-	-	5,372.2
Associated companies	818.5	(267.0)	-	551.5

The effect of the adoption of IFRS 1 and 15 as at 1 April 2017 have been presented in the restated 1 April 2017 balances disclosed in the statement of changes in equity. As a result, the property, plant and equipment balances at the Group and the Company as at 1 April 2017 has been reduced by \$2,146.9 million and \$1,552.4 million respectively; the deferred tax balances at the Group and the Company as at 1 April 2017 has been reduced by \$365.6 million and \$263.9 million respectively.

2 Summary of Significant Accounting Policies (continued)

(c) Standards issued but not yet effective

New standards and amendments to standards that are effective from the Group's financial year ending 31 March 2020 are as follows:

Description	Effective from
Amendments to IAS 23: Borrowing costs eligible for capitalisation	1 April 2019
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	1 April 2019
Amendments to IAS 12: Income Tax Consequences of Payments on Financial Instruments Classified as Equity	1 April 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 April 2019
Amendments to IFRS 3 and IFRS 11: Previously Held Interest in a Joint Operation	1 April 2019
Amendments to IAS 19: Plan Amendment, Curtailment of Settlement	1 April 2019
IFRS 16 Leases	1 April 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 April 2019
IFRS 17 Insurance Contracts	1 April 2021
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Accounting Standards Council has issued the above new IFRS, amendments to and interpretations of IFRS as SFRS(I). The Group is still in the process of assessing the impact of the new IFRSs, amendments to and interpretations of IFRSs on the financial statements. The Group's preliminary assessment of IFRS 16, which is expected to have a more significant impact on the Group, is as described below.

IFRS 16 Leases

IFRS 16 replaces existing lease accounting guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e., lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group will adopt IFRS 16 on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group plans to apply the practical expedient to grandfather the definition of lease on transition. This means that IFRS 16 will be applied to all contracts entered into before 1 April 2019 which have been identified as leases in accordance with IAS 17 and IFRIC 4.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(c) Standards issued but not yet effective (continued)

IFRS 16 Leases (continued)

(i) As lessee

The Group expects to choose, on a lease-by-lease basis, to measure an ROU asset at either:

- its carrying amount as if IFRS 16 had been applied since the commencement date; or
- an amount equal to the lease liability arising from the capitalisation of the present value of future lease payments.

In addition, the Group plans to apply the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on previous assessments regarding whether the leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 April 2019 as an alternative to performing an impairment review;
- account for aircraft and engine leases for which the lease term ends within 12 months from 1 April 2019 as short-term leases;
- exclude initial direct costs for the measurement of ROU assets as of 1 April 2019; and
- use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

(ii) As lessor

IFRS 16 substantially carries forward the current lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group will reassess the classification of sub-leases in which the Group is a lessor. The Group expects that it will reclassify two sub-leases as finance leases, resulting in the recognition of a finance lease receivable. No significant impact is expected for other leases in which the Group is a lessor.

(iii) Impact on consolidated profit and loss account

The expenses related to operating leases which are currently shown in the Consolidated Profit and Loss Account under “Rentals on leased aircraft” and “Company accommodation and utilities” will be replaced by depreciation expense for ROU assets and finance charges on lease liabilities.

The Group expects that its foreign exchange volatility arising from revaluation of lease liabilities which are denominated in USD to increase.

2 Summary of Significant Accounting Policies (continued)

(c) Standards issued but not yet effective (continued)

IFRS 16 Leases (continued)

(iv) Impact on Statements of Financial Position

The line items on the Group's and Company's Statements of Financial Position that may be adjusted with significant impact arising from the adoption of IFRS 16 as described above are summarised below.

	As reported	1 April 2019 Increase/ (Decrease)	Restated
The Group			
<u>Equity</u>			
General reserve	11,275.1	(446.5)	10,828.6
<u>Liabilities</u>			
Deferred account (non-current)	83.9	(33.1)	50.8
Deferred taxation	2,040.3	(91.4)	1,948.9
Long-term lease liabilities	–	1,750.2	1,750.2
Provisions (non-current)	702.5	80.0	782.5
Deferred account (current)	44.9	(5.8)	39.1
Trade and other creditors	3,163.6	(16.8)	3,146.8
Lease liabilities	–	441.7	441.7
Provisions (current)	435.7	2.4	438.1
<u>Assets</u>			
Property, plant and equipment	22,176.3	10.8	22,187.1
Right-of-use assets	–	1,712.0	1,712.0
Other long term assets	713.7	29.1	742.8
Deferred account (non-current)	44.1	(40.0)	4.1
Prepayments	164.9	(32.5)	132.4
Deferred account (current)	8.9	(6.6)	2.3
Other short-term assets	42.8	7.9	50.7
The Company			
<u>Equity</u>			
General reserve	10,631.0	(186.4)	10,444.6
<u>Liabilities</u>			
Deferred account (non-current)	75.1	(29.9)	45.2
Deferred taxation	1,750.2	(38.2)	1,712.0
Long-term lease liabilities	–	896.9	896.9
Provisions (non-current)	429.8	(25.8)	404.0
Deferred account (current)	37.9	(4.9)	33.0
Trade and other creditors	2,304.2	(12.3)	2,291.9
Lease liabilities	–	276.2	276.2
<u>Assets</u>			
Right-of-use assets	–	939.9	939.9
Deferred account (non-current)	37.0	(37.0)	–
Prepayments	98.2	(20.7)	77.5
Deferred account (current)	6.6	(6.6)	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation

Acquisitions from 1 April 2017

Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are recognised as expenses as incurred.

Any excess of the total of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable net assets is recorded as goodwill. The accounting policy for goodwill is set out in note 2(f)(iv). When the amount is negative, a bargain purchase gain is recognised immediately in the profit and loss account.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit and loss account.

Any contingent consideration will be recognised at fair value at the acquisition date and included in the consideration amount. If the contingent consideration is classified as equity, it is not remeasured and settled within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the profit and loss account.

The Group elects for each separate business combination, whether the non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions and therefore no adjustments are made to goodwill and no gain or loss is recognised in the profit and loss account. In such circumstances, adjustments are based on a proportionate amount of the net assets of the subsidiary companies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associated and joint venture companies are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Acquisitions before 1 April 2017

As part of the transition to IFRS, the Group elected not to restate those business combinations that occurred before the date of transition to IFRS, i.e. 1 April 2017. Goodwill arising from acquisitions before 1 April 2017 has been carried forward from the previous FRS framework as at the date of transition.

(e) Subsidiary, associated and joint venture companies

In the Company's separate financial statements, investments in subsidiary, associated and joint venture companies are accounted for at cost less accumulated impairment losses.

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

The accounting policies of subsidiary companies have been changed when necessary to align them with policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interest to have a deficit balance.

2 Summary of Significant Accounting Policies (continued)

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

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

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

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

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

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period where provided by the associate or joint venture. Otherwise, an estimate is made for the balances to the end of the accounting period based on historical experience and adjusting for the effects of known significant transactions. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon the loss of significant influence or joint control over the associated or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

(f) Intangible assets

(i) Computer software

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

(ii) Deferred engine development cost

The Group's share of engine development payments, made in connection with its participation in aircraft engine development projects with other companies, is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Brand and trademarks

The brand and trademarks were acquired in business combinations. The useful life of the brand is indefinite and is measured at cost less accumulated impairment losses. When the brand is no longer in use and the Group has no intention to sell the brand, the entire carrying amount is considered impaired. Trademarks which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(iv) Goodwill

Goodwill acquired in a business combination is included in intangible assets. For the measurement of goodwill at initial recognition, see note 2(d). Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill that forms part of the carrying amount of an associated company is not recognised separately, and therefore, is not tested for impairment separately. Instead, the entire amount of the investment in the associated company is tested for impairment as a single asset when there is objective evidence that the investment in associated company may be impacted.

(v) Other intangible assets

Purchased landing slots are measured at cost less accumulated impairment losses.

Licences were acquired in business combinations and are measured at cost less accumulated amortisation and accumulated impairment losses.

(vi) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(vii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

- Computer software 1 – 10 years
- Licences 3 years
- Trademarks 10 years

For deferred engine development cost, amortisation begins when the aircraft engines are available for sale. These deferred engine development costs are amortised on a straight-line basis over the period of expected sales of the aircraft engines, which is estimated to be over a period of 44 years.

Advance and progress payments are not amortised. Amortisation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted if appropriate.

(g) Foreign currencies

Foreign currency transactions

Foreign currency transactions are translated into SGD at the rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD at rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 Summary of Significant Accounting Policies (continued)

(g) Foreign currencies (continued)

Foreign currency transactions (continued)

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

Foreign currency differences are recognised in the profit and loss account, except for qualifying cash flow hedges which are deferred to equity.

Foreign operations

For the purpose of the consolidated financial statements, the net assets of foreign subsidiary, associated and joint venture companies are translated into SGD at rates prevailing at the reporting date. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at prevailing exchange rates. The resulting gains or losses on exchange are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity, except to the extent that the foreign currency differences are allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated or a joint venture company while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of a property, plant and equipment have different useful lives, they are accounted for as separate components. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group's share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment (continued)

(ii) Depreciation of property, plant and equipment

Depreciation is based on the cost of an asset less its residual value. Operational lives, residual values and depreciation methods are reviewed annually, and adjusted prospectively, if appropriate. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised from the date the property, plant and equipment is installed and ready for use.

Freehold land, advance and progress payments are not depreciated.

The estimated useful lives and residual values are as follows:

Property, plant and equipment type	Useful lives	Residual values
<u>Aircraft, spares and spare engines</u>		
Passenger aircraft, spares and spare engines	15 – 20 years	5% to 10% of cost
Embedded engine overhaul costs	4 – 8 years	Nil
New freighter aircraft	20 years	5% of cost
Used freighter aircraft	20 years less age of aircraft	5% of cost
Major inspection costs relating to landing gear overhauls and heavy maintenance visits	4 – 12 years	Nil
Training aircraft	5 – 15 years	10% of cost
Flight simulators	5 – 10 years	Nil
<u>Leasehold land and buildings</u>		
Company owned office premises	Shorter of lease period or 30 years	Nil
Company owned household premises	Shorter of lease period or 10 years	Nil
Other premises	Shorter of lease period or 5 years	Nil
Leasehold hotel properties held by an associated company	Lease period of 99 years, up to 2081	Nil
<u>Others</u>		
Plant and equipment, office and computer equipment	1 to 15 years	Nil

(i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

(i) Finance lease – as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the profit and loss account.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the average expected life between major overhauls (estimated to be 4 to 8 years).

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(ii) Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the remaining lease term period or, where appropriate, the average expected life between major overhauls (estimated to be 4 to 10 years).

(iii) Operating lease – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Aircraft leased out under operating leases are included under property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(k) Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, in the case of the financial asset or liability not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

For equity investments that are not held for trading, the Group may irrevocably elect on initial recognition to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

- a) Amortised cost: A non-equity financial asset can be measured at amortised cost if it meets both of the following conditions:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

- b) FVOCI: A non-equity financial asset can be measured at FVOCI only if it meets both of the following conditions:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) FVTPL: All other financial assets are classified as measured at FVTPL. Financial assets that are held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

For assessment purposes, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which could change the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of the (i) consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income, in respect of equity investment securities designated as at FVOCI, is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition, that is created or retained by the Group, is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Impairment

Expected credit loss

The Group recognises loss allowances for expected credit loss ("ECL") on non-equity financial instruments that are not measured at FVTPL.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Non-equity financial instruments that are determined to have a low credit risk at the reporting date; and
- Other non-equity financial instruments (other than trade debtors) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for trade debtors are always measured at an amount equal to lifetime ECL.

The Group considers a non-equity financial instrument to have a low credit risk when its credit quality is rated to be of an investment grade by credit rating agencies.

12-month ECL is the portion of lifetime ECL that results from the default events on a financial instrument that are possible within the 12 months after the reporting date. The lifetime ECL is the expected credit loss over the term of the financial instrument, and is the shortfall of the probability weighted net present value of cash flows as compared to the carrying value of the non-equity financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(v) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost or FVOCI are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(vi) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, cross currency swap contracts, interest rate swap contracts, interest rate cap contracts, jet fuel option contracts, jet fuel, Brent and crack swap contracts and jet fuel collar contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair values.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

Designation of hedges

The Group designates certain derivatives as well as non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedge, the economic relationship between the hedge instrument and the hedged item, the effects of credit risk on the hedge, the hedge ratio and the hedge type (cash flow or fair value).

Designation of a risk component of a hedged item is permitted when it is a separable identifiable component of the item, and the changes in the cash flows or the fair value of the item attributable to changes in the risk component is reliably measurable.

At the inception of the hedge relationship, the Group makes an assessment of whether the hedging instrument is expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated. For a cash flow hedge of a forecast transaction, the Group also assesses whether the forecast transaction is highly probable to occur and if it presents an exposure to variations in cash flows that could ultimately affect profit or loss.

The hedge effectiveness assessment is an assessment of the economic relationship between the hedged item and the hedging instrument, and is therefore only forward looking. There is no prescribed quantitative hedge effectiveness threshold. Hedge effectiveness is the extent to which the fair value of the hedging instrument offsets changes in the fair value of the hedged item.

The time value of an option is excluded from the designation of a financial instrument and is accounted for as a cost of hedging. The fair value changes related to time value are recognised in other comprehensive income and depending on the nature of the hedged item, will either be transferred to profit and loss account in the same period that the underlying transaction affects profit or loss, or be capitalised into the initial carrying value of a hedged item.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Designation of hedges (continued)

Cash flow hedges

When a derivative is designated in a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the fair value reserve. Any ineffective portion of changes in the fair value of the derivative (i.e. the extent to which changes in the fair value of the hedge instrument do not match the changes in fair value of the hedged item) is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income, and depending on the nature of the hedged item, will either be transferred to the profit or loss in the same period that the underlying transaction affects the profit and loss account or be capitalised in the initial carrying amount of a hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued. The cumulative gain or loss previously recognised in the fair value reserve remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(l) Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss account unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(m) Loans, notes payable and borrowings

Loans, notes payable and other borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

(n) Trade and other creditors

Trade and other creditors and amounts owing to subsidiary and associated companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

(o) Provisions

Provisions are recognised when, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for return costs to meet contractual minimum conditions for the return of aircraft, at the end of the lease terms for aircraft under operating leases, are recorded over the lease terms.

Other provisions include provisions for warranty claims, upgrade costs and end-of-lease liabilities. Provision for warranty claims is made for engine overhauls, repairs and maintenance of aircraft (excluding line maintenance), based on past experience of repairs.

(p) Share capital and share issuance expenses

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital, net of any tax effect.

(q) Treasury shares

When shares are reacquired by the Company, the amount of consideration paid which includes directly attributable costs, net of any tax effect, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

2 Summary of Significant Accounting Policies (continued)

(r) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities using tax rates enacted or substantively enacted at balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income taxes are recognised in the profit and loss account except to the extent that the tax relates to a business combination, or items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(s) Revenue

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, training of pilots, air charters and tour wholesaling and related activities. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

(i) Passenger and cargo

Passenger and cargo sales are recognised as operating revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. The value of unutilised tickets is recognised as revenue by estimating a percentage of the breakage revenue upfront at flight date based on historical trends and experience. The value of airway bills is recognised as revenue if unused after one year.

The Group sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Group has determined that it is acting as an agent on behalf of other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Group, as the agent, recognises revenue at the time of the travel for the net amount representing commission to be retained by the Group for any segments flown by other airlines.

(ii) Repair and maintenance of aircraft

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

(iii) KrisFlyer

The Company operates a frequent flyer programme called “KrisFlyer” that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised. The deferral of the revenue is estimated based on historical trends of breakage upon redemption, which is then used to project the expected utilisation of these benefits.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised. The deferrals are based on the expected utilisation of these awards.

(iv) Contract costs

The Group has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

(v) Others

Rental income from the lease of aircraft is recognised on a straight-line basis over the lease term.

(t) Income from investments

Dividend income from investments is recognised when the Group’s right to receive the payment is established.

Interest income from investments and fixed deposits is recognised using the effective interest method.

2 Summary of Significant Accounting Policies (continued)

(u) Employee benefits

(i) Equity compensation plans

The fair value determined at the grant date of the equity-settled share-based payment awards is recognised on a straight-line basis over the vesting period. In valuing the share options and share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company and non-vesting performance conditions.

Non-market vesting performance conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

(ii) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, and the return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. All expenses related to the defined benefit plans are recognised as an expense in profit or loss. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' defined contribution pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(iv) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

2 Summary of Significant Accounting Policies (continued)

(v) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised in the future. Upon completion of an overhaul, these amounts are transferred to property, plant and equipment and depreciated over their useful lives.

(w) Borrowing costs

Borrowing costs incurred to finance advance and progress payments for aircraft are capitalised as part of advance and progress payments until the aircraft are commissioned for operation or the projects are completed. All other borrowing costs are recognised as finance charges in the period in which they are incurred.

(x) Segment reporting

(i) Business segment

For management purposes, the Group is organised into operating segments based on the nature of the services provided which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to corporate management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

(ii) Geographical segment

The analysis of revenue by area of original sale from airline operations is derived by allocating revenue to the area in which the sale was made. Revenue from other operations, which consist principally of engineering services, is derived in East Asia and is therefore, not shown.

Assets, which consist principally of flight and ground equipment, support the entire worldwide transportation system, and are mainly located in Singapore. An analysis of assets and capital expenditure of the Group by geographical distribution has therefore not been included.

3 Significant Accounting Estimates and Critical Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income, expenses, and disclosures made. Actual results may differ from these estimates. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment – aircraft fleet

Impairment is recognised when events and circumstances indicate that the aircraft may be impaired and the carrying amounts of the aircraft exceed the recoverable amounts. Recoverable amount is defined as the higher of an aircraft's fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Determination of a CGU requires judgement, as it requires identification of the lowest aggregation of assets that generate largely independent cash flows.

3 Significant Accounting Estimates and Critical Judgements (continued)

(b) Depreciation of property, plant and equipment – aircraft fleet

Aircraft are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their operational lives. Certain estimates regarding the operational lives and residual values of the fleet are made by the Group based on past experience and these are in line with the industry. The operational lives and residual values are reviewed on an annual basis. The carrying amount of the Group's and the Company's aircraft fleet at 31 March 2019 was \$15,494.8 million (2018: \$11,118.6 million; 1 April 2017: \$8,704.4 million) and \$12,234.3 million (2018: \$8,076.6 million; 1 April 2017: \$6,346.4 million) respectively.

(c) Passenger revenue recognition

Passenger sales are recognised as operating revenue when the transportation is provided. The value of unused tickets is included as sales in advance of carriage on the statement of financial position. Certain estimates are made by the Group's passenger airlines with regards to the expected ticket breakage (tickets sold and not uplifted at flight date) to determine the amount of revenue to be recognised as revenue in the current financial year pertaining to tickets that will never be utilised.

The carrying amount of the Group's and the Company's sales in advance of carriage at 31 March 2019 was \$2,715.4 million (2018: \$2,442.1 million; 1 April 2017: \$1,650.8 million) and \$2,479.8 million (2018: \$2,205.9 million; 1 April 2017: \$1,474.3 million) respectively.

(d) Frequent flyer programme

The Company operates a frequent flyer programme called "KrisFlyer" that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised. The deferral of the revenue is estimated based on historical trends of breakage upon redemption, which is then used to project the expected utilisation of these benefits.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised. The deferrals are based on the expected utilisation of these awards.

In the previous financial year, the Company reviewed the actual expiry of miles against the expected breakage rate determined in financial year 2013/14, when the Pay With Miles option to the KrisFlyer programme was introduced. The impact of the revision in estimates was an increase of approximately \$178.2 million in revenue.

The carrying amount of the Group's and the Company's deferred revenue at 31 March 2019 was \$610.9 million (2018: \$556.1 million; 1 April 2017: \$707.8 million).

(e) Aircraft maintenance and overhaul expenditure under power-by-hour agreements

The Group has entered into several power-by-hour ("PBH") engine maintenance agreements with original equipment manufacturers of aircraft engines. The monthly payments are based on the number of flying hours flown. A portion of the cost is expensed at a fixed rate per hour during the term of the PBH agreement. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised through future maintenance activities, if any, or capitalised upon completion of an overhaul.

The proportion of the amount to be expensed off and capitalised is determined based on the best estimate of the proportion of day-to-day maintenance compared to maintenance which extends the useful lives of the engine. The carrying amount of the advance payment relating to PBH agreements for the Group and the Company at 31 March 2019 was \$1,249.1 million (2018: \$1,072.0 million; 1 April 2017: \$783.3 million) and \$969.4 million (2018: \$836.2 million; 1 April 2017: \$611.9 million) respectively. The maintenance and repair costs covered by PBH agreements which were expensed off during the year amounted to \$82.6 million (FY2017/18: \$56.6 million) for the Group and \$21.4 million (FY2017/18: \$21.4 million) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

3 Significant Accounting Estimates and Critical Judgements (continued)

(f) Provision for lease return costs

Prior to the return of aircraft leased by the Group entities to the lessor, the Group entities are required to fulfil certain lease return conditions which may include the completion of certain maintenance activities to the airframe and engines and the reconfiguration of seats within the aircraft. The provision for lease return costs for these leased aircraft is determined based on the best estimate of the costs that will be incurred to fulfil the stipulated lease return conditions. The carrying amount of the provision for the Group and the Company at 31 March 2019 was \$1,035.1 million (2018: \$1,100.8 million; 1 April 2017: \$1,137.2 million) and \$715.1 million (2018: \$833.1 million; 1 April 2017: \$886.3 million) respectively.

4 Segment Information (in \$ million)

Following the integration of SIA Cargo, Management has determined that the Group has the following reportable segments:

- (i) The Singapore Airlines segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.
- (ii) The SilkAir segment provides passenger air transportation under the SilkAir brand with a focus on full-service passenger segment serving regional markets.
- (iii) The Budget Aviation segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iv) SIAEC segment is in the business of providing airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

Other services provided by the Group, such as the training of pilots, air charters and tour wholesaling, have been aggregated under the segment "Others". None of these segments meets any of the quantitative thresholds for determining reportable segments in FY2018/19 or FY2017/18.

Due to a change in the operating segments, the previously reported segment results for the year ended 31 March 2018 have been restated to be comparable with the revised segmentation approach as required by IFRS 8 Operating Segments.

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

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

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

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial years ended 31 March 2019 and 2018 and certain assets and liabilities information of the business segments as at those dates.

FY2018/19	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	13,054.2	1,011.1	1,710.8	485.7	61.4	16,323.2	-	16,323.2
Inter-segment revenue	90.0	19.8	69.3	535.2	90.7	805.0	(805.0)	-
	13,144.2	1,030.9	1,780.1	1,020.9	152.1	17,128.2	(805.0)	16,323.2
RESULTS								
Segment result	990.5	15.2	(15.4)	56.8	12.7	1,059.8	7.3	1,067.1
Finance charges	(114.0)	(1.0)	(59.2)	(0.9)	-	(175.1)	59.0	(116.1)
Interest income	74.6	1.0	-	8.0	1.3	84.9	(43.0)	41.9
Surplus/(loss) on disposal of aircraft, spares and spare engines	4.1	(9.6)	(0.3)	-	-	(5.8)	-	(5.8)
Dividends from long-term investments	3.1	-	-	-	-	3.1	-	3.1
Other non-operating items	6.7	(59.8)	4.4	1.3	-	(47.4)	-	(47.4)
Share of profits/(losses) of joint venture companies	1.0	-	(18.2)	40.4	-	23.2	-	23.2
Share of (losses)/profits of associated companies	(170.7)	-	(0.2)	73.5	-	(97.4)	-	(97.4)
Taxation	(159.7)	1.9	29.7	(18.1)	(0.8)	(147.0)	-	(147.0)
Profit/(Loss) for the financial year	635.6	(52.3)	(59.2)	161.0	13.2	698.3	23.3	721.6
Attributable to:								
Owners of the Company								682.7
Non-controlling interests								38.9
								721.6

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

Business segments (continued)

FY2017/18	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	12,760.6	998.9	1,533.8	480.9	31.9	15,806.1	-	15,806.1
Inter-segment revenue	46.9	21.4	47.3	614.0	84.5	814.1	(814.1)	-
	12,807.5	1,020.3	1,581.1	1,094.9	116.4	16,620.2	(814.1)	15,806.1
RESULTS								
Segment result	1,338.1	43.9	77.7	78.8	21.1	1,559.6	(10.8)	1,548.8
Finance charges	(94.8)	-	(31.8)	(0.8)	-	(127.4)	37.6	(89.8)
Interest income	89.1	2.5	1.3	4.9	0.5	98.3	(37.4)	60.9
Surplus on disposal of aircraft, spares and spare engines	15.4	-	0.7	-	-	16.1	-	16.1
Dividends from long-term investments	6.2	-	-	-	-	6.2	-	6.2
Other non-operating items	10.0	(7.2)	(0.3)	16.8	-	19.3	-	19.3
Share of profits of joint venture companies	-	-	0.7	40.3	-	41.0	-	41.0
Share of (losses)/profits of associated companies	(78.5)	-	(0.3)	69.5	-	(9.3)	-	(9.3)
Taxation	(204.4)	(9.5)	(8.5)	(21.5)	(3.8)	(247.7)	-	(247.7)
Profit for the financial year	1,081.1	29.7	39.5	188.0	17.8	1,356.1	(10.6)	1,345.5
Attributable to:								
Owners of the Company								1,301.6
Non-controlling interests								43.9
								1,345.5

* Relates to inter-segment transactions eliminated on consolidation.

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

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2019								
Segment assets	22,753.4	1,729.9	3,888.7	1,286.2	269.2	29,927.4	(1,042.3)	28,885.1
Investments in associated and joint venture companies	726.8	-	(9.6)	559.0	-	1,276.2	-	1,276.2
Long-term investments	333.5	0.6	-	-	9.8	343.9	-	343.9
Total assets	23,813.7	1,730.5	3,879.1	1,845.2	279.0	31,547.5	(1,042.3)	30,505.2
Segment liabilities	6,567.8	272.6	677.2	218.1	90.5	7,826.2	(1,118.0)	6,708.2
Long-term liabilities	85.0	-	4.1	-	-	89.1	-	89.1
Provisions	795.4	72.9	267.7	2.2	-	1,138.2	-	1,138.2
Defined benefit plans	103.9	0.6	-	-	-	104.5	-	104.5
Borrowings	6,133.4	-	501.7	19.3	-	6,654.4	-	6,654.4
Tax liabilities	1,805.2	115.0	160.8	41.6	5.0	2,127.6	-	2,127.6
Total liabilities	15,490.7	461.1	1,611.5	281.2	95.5	17,940.0	(1,118.0)	16,822.0
Capital expenditure	4,671.9	442.7	421.7	25.0	1.0	5,562.3	-	5,562.3
Purchase of intangible assets	63.6	2.6	6.0	14.8	18.4	105.4	-	105.4
Depreciation	1,051.1	79.6	147.6	49.5	0.9	1,328.7	(0.8)	1,327.9
Impairment of property, plant and equipment	-	2.3	-	-	-	2.3	-	2.3
Amortisation of intangible assets	51.2	2.5	3.7	4.0	0.5	61.9	-	61.9
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	35.7	0.6	(2.5)	4.2	0.7	38.7	-	38.7

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2018								
Segment assets	18,835.0	1,497.4	3,570.1	1,259.5	188.4	25,350.4	(1,003.3)	24,347.1
Investments in associated and joint venture companies	656.3	-	(1.3)	544.4	-	1,199.4	-	1,199.4
Long-term investments	335.6	0.6	-	-	9.8	346.0	-	346.0
Total assets	19,826.9	1,498.0	3,568.8	1,803.9	198.2	26,895.8	(1,003.3)	25,892.5
Segment liabilities	6,100.1	275.0	601.3	221.9	58.1	7,256.4	(1,091.2)	6,165.2
Long-term liabilities	84.3	-	8.8	-	-	93.1	-	93.1
Provisions	902.5	67.6	219.8	0.7	-	1,190.6	-	1,190.6
Defined benefit plans	112.7	0.5	-	-	-	113.2	-	113.2
Borrowings	3,030.1	-	75.3	21.9	-	3,127.3	-	3,127.3
Tax liabilities	1,621.7	119.3	184.4	44.4	4.9	1,974.7	-	1,974.7
Total liabilities	11,851.4	462.4	1,089.6	288.9	63.0	13,755.3	(1,091.2)	12,664.1
Capital expenditure	4,320.2	287.1	570.4	31.6	0.2	5,209.5	-	5,209.5
Purchase of intangible assets	43.6	2.2	2.3	11.5	0.2	59.8	-	59.8
Depreciation	909.8	64.1	124.7	48.5	1.0	1,148.1	-	1,148.1
Impairment of property, plant and equipment	26.7	7.9	-	3.5	-	38.1	-	38.1
Amortisation of intangible assets	33.0	2.5	3.0	5.4	0.5	44.4	-	44.4
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	10.4	2.3	1.8	8.6	0.6	23.7	-	23.7

* Relates to inter-segment transactions eliminated on consolidation.

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

Geographical segments

The following table presents revenue information on airline operations by geographical areas for the financial years ended 31 March 2019 and 2018.

	By area of original sale	
	FY2018/19	FY2017/18
East Asia	8,966.2	8,510.7
Europe	2,283.0	2,097.2
South West Pacific	2,091.8	2,051.6
Americas	889.0	780.8
West Asia and Africa	1,028.8	994.9
Systemwide	15,258.8	14,435.2
Non-scheduled services and incidental revenue	696.4	973.7
	15,955.2	15,408.9

No single customer contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2019 and 2018.

5 Staff Costs (in \$ million)

	The Group	
	FY2018/19	FY2017/18
Salary, bonuses and other costs	2,583.4	2,494.3
CPF, other defined contributions and defined benefit expense	212.5	201.6
Share-based compensation expense	21.0	13.1
	2,816.9	2,709.0

The Group contributes to several post-employment defined benefit plans for employees at several overseas locations. Employees may contribute in some of these plans and these contributions are matched in varying amounts by the Group. Defined benefit expense for the Group was \$9.3 million for FY2018/19 (FY2017/18: \$11.0 million). As this is not material to the total staff costs of the Group for FY2018/19 and FY2017/18, additional disclosures of the defined benefit plans are not shown.

Share-based compensation arrangements

As at 31 March 2019, the Group has the following share-based compensation arrangements:

(a) Share option plans (equity-settled)

Singapore Airlines Limited Employee Share Option Plan ("ESOP") which comprises the Senior Executive Share Option Scheme and the Employee Share Option Scheme for senior executives and all other employees respectively, were approved by shareholders on 8 March 2000 and modified at the Extraordinary General Meetings of the Company held on 14 July 2001, 26 July 2003 and 31 July 2009.

Following the expiry of the share option plans in March 2010, the Company ceased to grant options under ESOP.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(a) Share option plans (equity-settled) (continued)

Key terms and conditions related to the grants under the ESOP are as follows:

Plans	Vesting Conditions	Contractual Life
Senior Executive Share Option Scheme	<ul style="list-style-type: none"> 25% per annum of total ordinary shares subject to the options. 	No longer than 10 years from grant date
Employee Share Option Scheme	<ul style="list-style-type: none"> Two years service from grant date. 	No longer than 10 years from grant date

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices of, and movements in, the ESOP during the financial year:

	FY2018/19		FY2017/18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 April	7,720,804	\$12.07	16,723,550	\$13.83
Cancelled	(7,720,804)	\$12.07	(9,002,746)	\$15.35
Balance at 31 March	-	-	7,720,804	\$12.07
Exercisable at 31 March	-	-	7,720,804	\$12.07

All outstanding options lapsed during the year. In the prior year, the weighted average remaining contractual life and exercise price of outstanding options were 0.25 years and \$12.07 respectively.

(b) Share-based incentive plans (equity-settled)

The Singapore Airlines Limited Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") are share-based incentive plans for senior executives and key Senior Management, which were first approved by the shareholders of the Company on 28 July 2005. On 30 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, to replace the RSP and PSP respectively which expired on 27 July 2015.

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

The PSP/PSP 2014 awards fully paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives.

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(b) Share-based incentive plans (equity-settled) (continued)

Key terms and conditions related to the grants under these programmes are as follows:

Plans	Vesting Conditions	Performance conditions [^]	Payout
RSP/RSP 2014	<u>Awards granted prior to FY2016/17</u>	At both Company and Group level	0% - 150%*
	<ul style="list-style-type: none"> Based on meeting stated performance conditions over a two-year performance period, 50% of award vests. 	<ul style="list-style-type: none"> EBITDAR[#] Margin Value Added per \$ Employment Cost 	
	<u>Awards granted in and after FY2016/17</u>		
	<ul style="list-style-type: none"> Based on meeting stated performance conditions over a one-year performance period, one-third of award vests. Balance vests equally over the subsequent two years with fulfilment of service requirements. 		
PSP/PSP 2014	<ul style="list-style-type: none"> Based on meeting stated performance conditions over a three-year performance period. 	<ul style="list-style-type: none"> Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") Relative TSR against selected airline peer index companies 	0% - 200%*
Deferred share award ("DSA")	<ul style="list-style-type: none"> Awards cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition and provided that individual performance remains satisfactory. Additional dividend kicker upon final vesting. 	None	100%
Transformation share award ("TSA")	<ul style="list-style-type: none"> Based on meeting performance conditions over a one-year performance period, 50% of award vests. Balance vests equally over the subsequent two years with fulfilment of service requirements. Additional 20% equity kicker of final award upon final vesting. 	<ul style="list-style-type: none"> Assessment of the success of transformation by Board Compensation and Industrial Relations Committee 	0% - 200%*

[^] For non-market conditions, achievement factors are determined based on inputs from the Board Compensation & Industrial Relations Committee for the purpose of accrual for the share-based incentive plans until the achievement of the targets can be accurately ascertained.

[#] EBITDAR denotes Earnings before Interest, Taxes, Depreciation, Amortisation and Rentals on leased aircraft.

* The payout depends on the achievement of pre-set performance targets over the performance period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(b) Share-based incentive plans (equity-settled) (continued)

Movement of share awards during the financial year

Date of grant	Balance at 1 April 2018/ date of grant	Number of Share Awards		Balance at 31 March 2019
		Adjustment	Vested	
RSP/RSP 2014				
03.07.2014	184,773	-	(184,773)	-
03.07.2015	363,650	-	(190,317)	173,333
18.07.2016	513,539	-	(267,308)	246,231
19.07.2017	783,506	376,814 [#]	(408,694)	751,626
19.07.2018	899,265	-	-	899,265
	2,744,733	376,814	(1,051,092)	2,070,455
PSP/PSP 2014				
03.07.2015	239,700	(239,700) [#]	-	-
18.07.2016	240,900	-	-	240,900
19.07.2017	217,426	-	-	217,426
19.07.2018	285,996	-	-	285,996
	984,022	(239,700)	-	744,322
DSA				
10.09.2015	74,790	6,410 [*]	(81,200)	-
01.09.2016	65,740	-	-	65,740
06.09.2017	94,070	-	-	94,070
11.09.2018	119,090	-	-	119,090
	353,690	6,410	(81,200)	278,900
TSA				
19.07.2018	374,469	-	-	374,469

[#] Adjustment at the end of performance period upon meeting performance targets and adjustment for number of days in service for retirees.

^{*} Adjustment at the end of performance period for Accumulated Dividend Yield.

Since the commencement of the RSP 2014 and PSP 2014 plans in July 2014, 4,982,526 awards have been granted.

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(c) Measurement of fair values

The methods and inputs used in the measurement of fair values at grant date of the equity-settled share-based incentive plans were as follows:

	FY2018/19			
	RSP 2014	PSP 2014	DSA	TSA
Valuation Method	Monte Carlo Simulation			
Expected dividend paid yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	14.09 - 16.41	14.51	14.79	14.09 - 16.41
Risk-free interest rate (%)	1.70 - 1.92	1.92	2.02	1.70 - 1.92
Expected term (years)	0.95 - 2.95	3.00	3.00	0.95 - 2.95
Share price at date of grant (\$)	10.72	10.72	9.61	10.72
Estimated fair value (\$)	9.52 - 10.31	9.91	8.56	9.52 - 10.31

	FY2017/18		
	RSP 2014	PSP 2014	DSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	11.65 - 15.77	15.77	15.82
Risk-free interest rate (%)	1.11 - 1.32	1.32	1.37
Expected term (years)	0.95 - 2.95	3.00	3.00
Share price at date of grant (\$)	10.29	10.29	10.23
Estimated fair value (\$)	9.65 - 10.08	8.23	9.56

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurating with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

6 Operating Profit (in \$ million)

Operating profit for the financial year was arrived at after charging/(crediting):

	The Group	
	FY2018/19	FY2017/18
Compensation for changes in aircraft delivery slots	(5.0)	(101.5)
Interest income from short-term investments	(1.0)	(1.0)
Dividend income from short-term investments	(0.1)	(0.8)
Income from operating lease of aircraft	(61.0)	(57.2)
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	4.3	(3.9)
(Gain)/Loss on disposal of short-term investments	(1.2)	0.2
Remuneration for auditors of the Company		
Audit fees	1.7	1.6
Non-audit fees	1.1	0.3
Bad debts written off	0.1	0.8
Impairment of trade debtors	5.7	1.0
Writedown of inventories	5.4	7.4
Exchange loss, net	77.6	31.6
Currency hedging (gain)/loss	(26.6)	62.1
Fuel hedging gain recognised in "Fuel costs"	(413.3)	(99.2)
Net gain on financial assets mandatorily measured at FVTPL	(0.7)	(6.3)

7 Finance Charges (in \$ million)

	The Group	
	FY2018/19	FY2017/18
Notes payable	105.0	83.9
Bank loans	30.8	3.5
Finance lease commitments	-	0.2
Amortisation of transaction costs related to borrowings	0.6	0.1
Commitment fees	2.1	2.1
Interest paid and capitalised on qualifying assets	(22.4)	-
	116.1	89.8

Borrowing costs on qualifying assets are capitalised using an average interest rate of 3.0%.

8 Interest Income (in \$ million)

	The Group	
	FY2018/19	FY2017/18
Interest income from fixed deposits and investments	41.9	60.9

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

	The Group	
	FY2018/19	FY2017/18
Impairment of aircraft	–	(7.9)
Impairment of long term investments	–	(0.1)
Surplus on disposal of other property, plant and equipment	7.9	8.5
Surplus on disposal of a subsidiary company	0.3	–
(Loss)/Surplus on disposal of an associated company	(0.1)	15.0
Net gain on financial assets mandatorily measured at FVTPL	7.3	4.7
Writeback of provision for expected credit losses on investments and guarantees	–	1.1
(Loss)/Surplus on dilution of interest in an associated company	(0.6)	0.9
Refleeting and restructuring costs	(59.8)	(3.1)
Competition-related settlements	(6.8)	–
(Provision)/Writeback for onerous aircraft leases	(9.3)	0.2
Writeback of provision for return cost in relation to a formerly owned associated company	20.7	–
Provision for early lease termination	(7.0)	–
	(47.4)	19.3

10 Taxation (in \$ million)

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

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	The Group	
	FY2018/19	FY2017/18
<u>Current taxation</u>		
Provision for the year	28.0	75.4
Over provision in respect of prior years	(11.2)	(26.4)
	16.8	49.0
<u>Deferred taxation</u>		
Movement in temporary differences	155.2	186.1
(Over)/Under provision in respect of prior years	(25.0)	12.6
	130.2	198.7
	147.0	247.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

10 Taxation (in \$ million) (continued)

Deferred taxation related to other comprehensive income:

	The Group	
	FY2018/19	FY2017/18
Financial assets measured at FVOCI	–	(0.9)
Cash flow hedges	23.0	109.7
Actuarial (loss)/gain on revaluation of defined benefit plans	(0.9)	2.1
	22.1	110.9

The Group has tax losses and deductible temporary differences (of which no deferred tax asset has been recognised) of approximately \$66.0 million (2018: \$58.7 million) and \$2.0 million (2018: \$0.7 million) respectively that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

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

	The Group	
	FY2018/19	FY2017/18
Profit before taxation	868.6	1,593.2
Less: Share of losses/(profits) of associated and joint venture companies	74.2	(31.7)
	942.8	1,561.5
Taxation at statutory corporate tax rate of 17.0%	160.3	265.5
<u>Adjustments</u>		
Income not subject to tax	(15.5)	(37.7)
Expenses not deductible for tax purposes	30.0	22.7
Higher effective tax rates of other countries	8.0	8.6
Over provision in respect of prior years, net	(36.2)	(13.8)
Income subject to concessionary tax rate	–	(1.8)
Tax benefits not recognised	2.8	3.9
Previously unrecognised tax benefits	(1.9)	–
Others	(0.5)	0.3
Taxation	147.0	247.7

11 Earnings Per Share

	The Group			
	FY2018/19		FY2017/18	
	Basic	Diluted	Basic	Diluted
Profit attributable to owners of the Company (in \$ million)	682.7	682.7	1,301.6	1,301.6
Adjustment for dilutive potential ordinary shares of subsidiary companies (in \$ million)	-	(0.3)	-	(0.3)
Adjusted net profit attributable to owners of the Company (in \$ million)	682.7	682.4	1,301.6	1,301.3
Weighted average number of ordinary shares in issue (in million)	1,183.3	1,183.3	1,182.2	1,182.2
Adjustment for dilutive potential ordinary shares (in million)	-	5.2	-	3.9
Weighted average number of ordinary shares in issue used for computing earnings per share (in million)	1,183.3	1,188.5	1,182.2	1,186.1
Earnings per share (cents)	57.7	57.4	110.1	109.7

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

For purposes of calculating diluted earnings per share, the profit attributable to owners of the Company is adjusted to take into account effects of dilutive potential ordinary shares of subsidiary companies and the weighted average number of ordinary shares of the Company in issue is adjusted to take into account effects of dilutive options and share-based incentive plans of the Company.

There were no employee share options outstanding at the end of the financial year. In the prior year, 7.9 million of the share options granted to employees under employee share option plans have not been included in the calculation of diluted earnings per share because they were anti-dilutive for the year presented.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

12 Dividends Paid and Proposed (in \$ million)

	The Group and the Company	
	FY2018/19	FY2017/18
The following tax exempt (one-tier) dividends were declared and paid by the Group and Company to the owners of the Company:		
Final dividend of 30.0 cents per share in respect of FY2017/18 (FY2017/18: 11.0 cents per share in respect of FY2016/17)	355.1	130.1
Interim dividend of 8.0 cents per share in respect of FY2018/19 (FY2017/18: 10.0 cents per share in respect of FY2017/18)	94.7	118.2
	449.8	248.3

The Directors propose that a final tax exempt (one-tier) dividend of 22.0 cents per share amounting to \$260.4 million be paid for the financial year ended 31 March 2019.

During the financial year, total dividends of \$34.4 million (FY2017/18: \$50.1 million) were paid to non-controlling interests.

13 Share Capital (in \$ million)

	The Group and the Company			
	Number of shares		Amount	
	2019	2018	2019	2018
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April and 31 March	1,199,851,018	1,199,851,018	1,856.1	1,856.1
Special share				
Balance at 1 April and 31 March	1	1	#	#

The value is \$0.50

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

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

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

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

During the financial year, the Company did not issue any shares (FY2017/18: nil) upon exercise of options granted under the ESOP, or vesting of share-based incentive plans.

14 Treasury Shares (in \$ million)

	The Group and the Company	
	31 March	
	2019	2018
Balance at 1 April	(183.5)	(194.7)
Treasury shares reissued pursuant to equity compensation plans:		
- Transferred from share-based compensation reserve	12.0	11.2
Balance at 31 March	(171.5)	(183.5)

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

During the financial year, the Company did not purchase any treasury shares (FY2017/18: nil).

The Company reissued 1,132,292 (FY2017/18: 1,058,825) treasury shares pursuant to share-based incentive plans. The number of treasury shares as at 31 March 2019 was 16,185,885 (2018: 17,318,177).

15 Other Reserves (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Capital reserve	(124.3)	(139.4)	(147.6)	(929.8)	26.7	25.7
Foreign currency translation reserve	(33.2)	(52.4)	-	-	-	-
Share-based compensation reserve	24.9	79.5	88.5	21.2	74.6	76.7
Fair value reserve	459.7	313.5	(234.4)	366.4	206.7	(189.6)
General reserve	11,275.1	10,986.5	9,916.2	10,631.0	10,250.6	9,375.5
	11,602.2	11,187.7	9,622.7	10,088.8	10,558.6	9,288.3

(a) Capital reserve

Capital reserve for the Group mainly arose from the loss on the acquisition of non-controlling interests in a subsidiary company, revaluation of land and buildings owned by Ritz-Carlton Millenia Properties Private Limited, an associated company, the share of other changes in equity of Virgin Australia Holdings Limited ("VAH"), an associated company, and the gains or losses on the reissuance of treasury shares.

Capital reserve for the Company mainly arose from the re-integration of SIA Cargo and the gains or losses on the reissuance of treasury shares.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share-based compensation reserve

Share-based compensation reserve consists of equity-settled share options and awards granted to employees, that is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options and awards.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

15 Other Reserves (in \$ million) (continued)

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes of financial assets measured at FVOCI and the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

Breakdown of the fair value reserves is as follows:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Derivative financial instruments designated as hedging instruments	459.7	313.5	(234.4)	366.4	206.7	(189.6)

Fair value changes of financial assets measured at FVOCI:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Gain on fair value changes	-	-	8.0	-	-	5.0
Recognised in the profit and loss account on disposal of financial assets measured at FVOCI	-	-	(108.3)	-	-	-
	-	-	(100.3)	-	-	5.0

Fair value changes of derivative financial instruments designated as hedging instruments in cash flow hedges:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Gain on fair value changes	480.2	489.2	29.2	404.0	355.5	24.3
Recognised in the carrying value of non-financial assets on occurrence of capital expenditure commitments	44.0	74.7	(2.8)	36.4	65.7	(2.8)
Recognised in the profit and loss account on occurrence of:						
Fuel hedging contracts recognised in "Fuel costs"	(343.1)	(82.4)	312.3	(275.2)	(60.1)	246.5
Foreign currency contracts recognised in "Other operating expenses"	(22.1)	51.4	30.5	(23.5)	35.0	28.8
Cross currency swap contracts recognised in "Lease rentals"	-	0.2	(0.1)	-	0.2	(0.1)
Interest rate swap contracts recognised in "Lease rentals"	-	-	0.3	-	-	0.3
	159.0	533.1	369.4	141.7	396.3	297.0

15 Other Reserves (in \$ million) (continued)

(e) General reserve

General reserve comprises mainly retained earnings of the Group and the Company. Movements in the Group's and the Company's general reserves are set out in the Statements of Changes in Equity respectively.

16 Deferred Account (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Deferred (loss)/gain on sale and leaseback transactions						
- operating leases	(7.7)	(16.0)	(4.1)	(8.8)	(9.1)	(7.3)
- finance leases	-	-	0.4	-	-	-
	(7.7)	(16.0)	(3.7)	(8.8)	(9.1)	(7.3)
Deferred credit	83.5	141.3	251.3	78.2	127.8	240.3
	75.8	125.3	247.6	69.4	118.7	233.0
Presented as:						
- Current assets	(8.9)	(9.9)	(11.8)	(6.6)	(7.3)	(9.1)
- Non-current assets	(44.1)	(52.9)	(61.1)	(37.0)	(43.5)	(49.1)
- Current liabilities	44.9	64.8	86.0	37.9	60.3	76.3
- Non-current liabilities	83.9	123.3	234.5	75.1	109.2	214.9
	75.8	125.3	247.6	69.4	118.7	233.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

17 Deferred Taxation (in \$ million)

	The Group					The Company		
	Statement of financial position			Profit and loss		Statement of financial position		
	31 March		1 April			31 March		1 April
	2019	2018	2017	FY2018/19	FY2017/18	2019	2018	2017
The deferred taxation arises as a result of:								
Deferred tax liabilities								
Differences in depreciation	2,003.3	1,820.8	1,593.3	142.6	227.5	1,686.9	1,459.5	1,283.6
Revaluation to fair value								
- fuel hedging contracts	117.0	108.6	10.8	-	-	97.2	82.4	8.9
- currency hedging contracts	1.7	2.7	7.2	-	-	1.3	2.5	6.5
- cross currency swap contracts	25.5	18.4	1.2	-	-	25.4	18.3	1.2
- financial assets measured at FVOCI	-	-	0.9	-	-	-	-	-
Other temporary differences	20.4	19.0	46.2	1.4	(28.5)	16.8	13.4	13.8
Gross deferred tax liabilities	2,167.9	1,969.5	1,659.6	144.0	199.0	1,827.6	1,576.1	1,314.0
Deferred tax assets								
Unabsorbed capital allowances and tax losses	(2.1)	(1.5)	(10.5)	(0.6)	9.0	-	-	-
Revaluation to fair value								
- fuel hedging contracts	(24.2)	(8.8)	(55.5)	-	-	(23.2)	(8.7)	(42.9)
- currency hedging contracts	(0.9)	(33.8)	(10.2)	-	-	(0.8)	(31.7)	(9.3)
- cross currency swap contracts	(26.8)	(20.2)	(1.0)	-	-	(25.8)	(20.2)	(1.0)
- interest rate cap contracts	(2.4)	-	(0.1)	-	-	(2.1)	-	(0.1)
Other temporary differences	(71.2)	(64.6)	(57.4)	(13.2)	(9.3)	(25.5)	(26.0)	(42.5)
Gross deferred tax assets	(127.6)	(128.9)	(134.7)	(13.8)	(0.3)	(77.4)	(86.6)	(95.8)
Net deferred tax liabilities	2,040.3	1,840.6	1,524.9			1,750.2	1,489.5	1,218.2
Deferred tax charged to profit and loss				130.2	198.7			
Deferred tax charged to equity	22.1	110.9	70.0			28.3	81.4	58.2

At the end of the reporting period, deferred tax liability of \$0.7 million (2018: \$0.7 million; 1 April 2017: \$0.7 million) has been recognised for taxes that would be payable on the undistributed earnings of one of the Group's subsidiary companies.

For the other subsidiary companies of the Group, no deferred tax liability has been recognised as the Group has determined that undistributed earnings of these subsidiary companies will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to \$11.2 million (2018: \$9.9 million; 1 April 2017: \$8.5 million). The deferred tax liability is estimated to be \$3.3 million (2018: \$3.0 million; 1 April 2017: \$2.6 million).

18 Borrowings and Long-Term Liabilities (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
<u>Current Liabilities - Borrowings</u>						
Loans	231.1	20.6	18.3	159.8	-	-
Finance lease commitments	-	-	23.7	-	-	-
	231.1	20.6	42.0	159.8	-	-
<u>Non-current Liabilities - Borrowings</u>						
Notes payable	4,377.0	3,030.1	1,430.0	4,377.0	3,030.1	1,430.0
Loans	2,046.3	76.6	95.8	1,596.6	-	-
	6,423.3	3,106.7	1,525.8	5,973.6	3,030.1	1,430.0
<u>Other Long-Term Liabilities</u>						
Maintenance reserve	19.9	15.4	9.8	19.9	15.4	9.8
Deposit received from a lessee	-	8.8	9.5	-	-	-
Derivative liabilities (Note 38)	69.2	68.9	249.6	65.1	68.9	249.6
	89.1	93.1	268.9	85.0	84.3	259.4
Long-Term Liabilities	6,512.4	3,199.8	1,794.7	6,058.6	3,114.4	1,689.4

Notes payable

Notes payable at 31 March 2019 comprised unsecured notes issued by the Company. The details are set out below.

Series	Year of issuance	Principal amount	Fixed interest rate per annum	Date repayable
<u>SGD5,000,000,000 Multicurrency Medium Term Note Programme</u>				
001	2010	500.0	3.22%	9 July 2020
002	2014	200.0	3.145%	8 April 2021
003	2014	300.0	3.75%	8 April 2024
004	2016	630.0*	3.13%	17 November 2026
005	2017	700.0	3.035%	11 April 2025
006	2017	700.0	3.13%	23 August 2027
007	2018	600.0	3.16%	25 October 2023
<u>SGD2,000,000,000 Medium Term Bond Programme</u>				
001	2019	750.0	3.03%	28 March 2024

* Comprised \$430 million in aggregate principal amount issued on 17 November 2016 and \$200 million in aggregate principal amount issued on 17 October 2017 that was consolidated into Series 004.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

18 Borrowings and Long-Term Liabilities (in \$ million) (continued)

Loans

	Currency	Nominal interest rate	Year of maturity	31 March 2019	31 March 2018	1 April 2017
<u>Fixed rate (Post interest rate swaps)</u>						
Secured bank loan	SGD	2.62%	2029	897.8	-	-
Secured bank loan	SGD	2.86%	2028	858.6	-	-
Secured bank loan	SGD	2.92%	2028	441.0	-	-
<u>Fixed rate</u>						
Secured bank loan	SGD	2.92% – 4.11%	2024	59.4	74.0	88.2
Unsecured bank loan	SGD	2.16%	2020	1.3	-	-
Unsecured bank loan	SGD	2.16%	2019	-	1.3	-
Revolving credit facility	USD	4.00% – 4.06%	2020	1.4	-	-
Revolving credit facility	USD	2.75% – 3.15%	2019	-	1.4	-
Revolving credit facility	USD	2.50% – 2.75%	2018	-	-	0.6
<u>Floating rate</u>						
Unsecured bank loan	USD	4.26%	2022	17.9	-	-
Unsecured bank loan	USD	3.17%	2022	-	20.5	-
Unsecured bank loan	USD	2.09%	2022	-	-	25.3
				2,277.4	97.2	114.1

Finance lease commitments

In FY2017/18, SIA Cargo purchased one B747-400 freighter through the exercise of a purchase option in a finance lease. The finance lease bore a fixed interest of 5.81% per annum and matured in FY2017/18.

19 Provisions (in \$ million)

Included are provisions for return costs for leased aircraft, onerous leases, lease end liability, warranty claims and upgrade costs. It is expected that the return costs will be incurred by the end of the lease terms.

An analysis of the provisions is as follows:

The Group

	Return costs for leased aircraft	Onerous leases	Others	Total
Balance at 1 April 2017	1,137.2	31.2	64.3	1,232.7
Provision during the year	270.5	0.5	23.9	294.9
Provision written back during the year	(11.5)	(0.7)	–	(12.2)
Provision utilised during the year	(295.4)	(14.5)	(14.9)	(324.8)
Balance at 31 March 2018	1,100.8	16.5	73.3	1,190.6
Current	348.4	6.8	13.9	369.1
Non-current	752.4	9.7	59.4	821.5
	1,100.8	16.5	73.3	1,190.6
Balance at 1 April 2018	1,100.8	16.5	73.3	1,190.6
Provision during the year	279.6	9.3	29.6	318.5
Provision written back during the year	(20.7)	–	–	(20.7)
Provision utilised during the year	(324.6)	(8.2)	(17.4)	(350.2)
Balance at 31 March 2019	1,035.1	17.6	85.5	1,138.2
Current	393.8	7.9	34.0	435.7
Non-current	641.3	9.7	51.5	702.5
	1,035.1	17.6	85.5	1,138.2

The Company

	Return costs for leased aircraft	Others	Total
Balance at 1 April 2017	886.3	60.5	946.8
Provision during the year	222.5	23.5	246.0
Provision written back during the year	(0.2)	–	(0.2)
Provision utilised during the year	(275.5)	(14.6)	(290.1)
Balance at 31 March 2018	833.1	69.4	902.5
Current	313.6	12.2	325.8
Non-current	519.5	57.2	576.7
	833.1	69.4	902.5
Balance at 1 April 2018	833.1	69.4	902.5
Provision during the year	154.0	27.8	181.8
Provision utilised during the year	(272.0)	(16.9)	(288.9)
Balance at 31 March 2019	715.1	80.3	795.4
Current	334.5	31.1	365.6
Non-current	380.6	49.2	429.8
	715.1	80.3	795.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2017	11,279.4	529.3	234.5
Additions	97.1	94.1	20.7
Transfers	3,497.6	0.5	34.1
Disposals	(963.1)	(38.1)	(0.5)
Exchange differences	-	(0.3)	-
At 31 March 2018	13,911.0	585.5	288.8
Additions	145.9	32.4	40.9
Transfers	5,630.0	0.4	(8.8)
Disposal of a subsidiary company	-	-	-
Disposals	(1,008.4)	(35.3)	(5.4)
Write-off	-	-	-
Exchange differences	-	0.2	-
At 31 March 2019	18,678.5	583.2	315.5
Accumulated depreciation and impairment losses			
At 1 April 2017	2,575.0	312.8	99.9
Depreciation	994.5	24.0	22.4
Impairment losses	34.3	3.8	-
Transfers	-	-	-
Disposals	(811.4)	(19.3)	(0.5)
Exchange differences	-	(0.3)	-
At 31 March 2018	2,792.4	321.0	121.8
Depreciation	1,194.7	24.9	14.5
Impairment losses	-	2.3	-
Transfers	9.2	-	(9.2)
Disposal of a subsidiary company	-	-	-
Disposals	(812.6)	(7.3)	(1.5)
Exchange differences	-	0.1	-
At 31 March 2019	3,183.7	341.0	125.6
Net book value			
At 1 April 2017	8,704.4	216.5	134.6
At 31 March 2018	11,118.6	264.5	167.0
At 31 March 2019	15,494.8	242.2	189.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	147.4	632.7	758.5	296.9	4,751.6	18,646.0
-	-	0.8	68.5	21.6	4,943.2	5,246.0
-	-	0.3	-	8.4	(3,540.9)	-
-	(11.5)	(0.1)	(37.6)	(13.0)	-	(1,063.9)
-	-	(2.6)	(3.4)	(0.4)	(0.1)	(6.8)
15.7	135.9	631.1	786.0	313.5	6,153.8	22,821.3
-	-	0.4	23.6	11.2	5,350.3	5,604.7
-	-	0.1	8.9	9.9	(5,640.5)	-
-	-	-	(2.0)	(0.4)	-	(2.4)
-	(0.5)	-	(121.1)	(9.9)	-	(1,180.6)
-	-	-	-	-	(35.3)	(35.3)
-	-	1.4	1.4	0.2	-	3.2
15.7	135.4	633.0	696.8	324.5	5,828.3	27,210.9
-	129.6	465.5	521.1	255.7	-	4,359.6
-	3.1	12.1	71.4	20.6	-	1,148.1
-	-	-	-	-	-	38.1
-	-	-	-	-	-	-
-	(10.6)	(0.1)	(36.5)	(12.5)	-	(890.9)
-	-	(0.4)	(1.9)	(0.2)	-	(2.8)
-	122.1	477.1	554.1	263.6	-	4,652.1
-	2.9	12.0	57.3	21.6	-	1,327.9
-	-	-	-	-	-	2.3
-	-	-	-	-	-	-
-	-	-	(1.2)	(0.3)	-	(1.5)
-	(0.5)	-	(115.7)	(9.8)	-	(947.4)
-	-	0.3	0.7	0.1	-	1.2
-	124.5	489.4	495.2	275.2	-	5,034.6
15.7	17.8	167.2	237.4	41.2	4,751.6	14,286.4
15.7	13.8	154.0	231.9	49.9	6,153.8	18,169.2
15.7	10.9	143.6	201.6	49.3	5,828.3	22,176.3

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2017	8,233.2	326.9	74.6
Additions	94.9	86.9	20.7
Transfers	2,606.6	-	-
Disposals	(910.1)	(29.3)	-
At 31 March 2018	10,024.6	384.5	95.3
Effects of integration of SIA Cargo	198.2	19.9	6.0
Additions	140.5	29.0	41.0
Transfers	4,972.1	-	(18.2)
Disposals	(891.3)	(29.2)	(5.4)
At 31 March 2019	14,444.1	404.2	118.7
Accumulated depreciation and impairment losses			
At 1 April 2017	1,886.8	220.9	22.8
Depreciation	794.3	9.2	7.4
Impairment losses	26.4	0.2	-
Disposals	(759.5)	(14.2)	-
At 31 March 2018	1,948.0	216.1	30.2
Depreciation	978.8	12.2	7.2
Transfers	9.2	-	(9.2)
Disposals	(726.2)	(4.7)	(1.5)
At 31 March 2019	2,209.8	223.6	26.7
Net book value			
At 1 April 2017	6,346.4	106.0	51.8
At 31 March 2018	8,076.6	168.4	65.1
At 31 March 2019	12,234.3	180.6	92.0

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	147.4	332.3	424.6	221.5	3,766.2	13,542.4
-	-	-	43.4	18.9	3,988.8	4,253.6
-	-	-	-	-	(2,606.6)	-
-	(11.5)	-	(23.8)	(10.8)	-	(985.5)
15.7	135.9	332.3	444.2	229.6	5,148.4	16,810.5
-	-	-	11.9	0.4	-	236.4
-	-	-	5.8	7.8	4,478.2	4,702.3
-	-	-	7.7	5.5	(4,967.1)	-
-	(0.5)	-	(111.0)	(5.2)	(59.6)	(1,102.2)
15.7	135.4	332.3	358.6	238.1	4,599.9	20,647.0
-	129.6	316.2	265.1	202.6	-	3,044.0
-	3.1	1.8	48.6	10.9	-	875.3
-	-	-	-	-	-	26.6
-	(10.6)	-	(22.8)	(10.6)	-	(817.7)
-	122.1	318.0	290.9	202.9	-	3,128.2
-	2.9	1.8	36.2	12.0	-	1,051.1
-	-	-	-	-	-	-
-	(0.5)	-	(105.8)	(5.1)	-	(843.8)
-	124.5	319.8	221.3	209.8	-	3,335.5
15.7	17.8	16.1	159.5	18.9	3,766.2	10,498.4
15.7	13.8	14.3	153.3	26.7	5,148.4	13,682.3
15.7	10.9	12.5	137.3	28.3	4,599.9	17,311.5

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For The Financial Year Ended 31 March 2019

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

Assets held under finance leases

	The Group		
	31 March 2019	2018	1 April 2017
Net book value of property, plant and equipment acquired under finance leases:			
- aircraft	-	-	124.7
- plant and equipment	-	-	0.1
	-	-	124.8

Assets held as security

The Company's aircraft with carrying amount of \$1,545.5 million are pledged as security to the banks.

Tiger Airways Holdings Pte Ltd's ("TAH") aircraft with carrying amount of \$106.1 million (2018: \$120.2 million; 1 April 2017: \$133.6 million) are mortgaged to the banks under European Export Credit Agency financing.

Scot Tigerair Pte. Ltd.'s aircraft with carrying amount of \$467.8 million are pledged as security to the banks.

SilkAir (Singapore) Private Limited's ("SilkAir") spare engines with carrying amounts of \$12.0 million (2018: \$13.2 million; 1 April 2017: \$25.9 million) are pledged as security for the amounts owed to the original equipment manufacturer and service credits issued to SilkAir.

Impairment of aircraft

In FY2017/18, an impairment loss of \$7.9 million was recognised on one Airbus 320 aircraft that was removed from the operating fleet. The recoverable amount was based on the estimated disposal value. This amount was recognised as a non-operating item (note 9). The estimated disposal value was classified as Level 1 under the fair value hierarchy.

In addition, an impairment loss of \$26.4 million was recognised on one Boeing 777-200 damaged beyond economic repair. The damage costs were recovered through insurance.

Impairment of aircraft spares

In FY2018/19, the carrying amounts of the aircraft spares exceeded the recoverable amounts and the Group recognised an impairment loss of \$2.3 million (FY2017/18: \$3.8 million) on its aircraft spares. This amount was part of the re-fleeting and restructuring costs classified as a non-operating item (note 9). The amount in FY2017/18 was part of the Group's operating expenses.

21 Intangible Assets (in \$ million)

The Group

	Goodwill	Brand	Trademarks	Computer software and others	Deferred engine development cost	Advance and progress payments	Total
Cost							
At 1 April 2017	170.4	75.9	25.0	598.5	58.8	13.7	942.3
Additions	-	-	-	11.0	7.0	42.0	60.0
Disposals	-	-	-	(32.2)	-	-	(32.2)
Transfers	-	-	-	29.0	-	(29.0)	-
Exchange differences	-	-	-	(0.1)	(4.0)	-	(4.1)
At 31 March 2018	170.4	75.9	25.0	606.2	61.8	26.7	966.0
Additions	14.0	-	-	41.4	10.3	47.3	113.0
Disposals	-	-	-	(2.2)	(34.2)	-	(36.4)
Transfers	-	-	-	48.4	-	(48.4)	-
Disposal of a subsidiary company	-	-	-	(4.3)	-	-	(4.3)
Write-off	-	-	-	(6.9)	-	-	(6.9)
Exchange differences	-	-	-	-	2.5	-	2.5
At 31 March 2019	184.4	75.9	25.0	682.6	40.4	25.6	1,033.9
Accumulated amortisation and impairment losses							
At 1 April 2017	-	75.9	25.0	417.5	0.4	-	518.8
Amortisation	-	-	-	41.1	3.3	-	44.4
Disposals	-	-	-	(32.1)	-	-	(32.1)
Exchange differences	-	-	-	-	(0.4)	-	(0.4)
At 31 March 2018	-	75.9	25.0	426.5	3.3	-	530.7
Amortisation	-	-	-	60.0	1.9	-	61.9
Disposals	-	-	-	(2.1)	-	-	(2.1)
Disposal of a subsidiary company	-	-	-	(4.3)	-	-	(4.3)
Write-off	-	-	-	(3.8)	-	-	(3.8)
Exchange differences	-	-	-	-	0.2	-	0.2
At 31 March 2019	-	75.9	25.0	476.3	5.4	-	582.6
Net book value							
At 1 April 2017	170.4	-	-	181.0	58.4	13.7	423.5
At 31 March 2018	170.4	-	-	179.7	58.5	26.7	435.3
At 31 March 2019	184.4	-	-	206.3	35.0	25.6	451.3

Goodwill

The addition to goodwill is due to the changes in ownership interests in KrisShop Pte Ltd (“KrisShop”), formerly known as Singapore Airport Duty-Free Emporium (Private) Limited. Further details are disclosed in note 22(f).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

21 Intangible Assets (in \$ million) (continued)

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2017	495.5	8.3	503.8
Additions	10.4	32.4	42.8
Disposals	(23.2)	–	(23.2)
Transfers	21.6	(21.6)	–
At 31 March 2018	504.3	19.1	523.4
Effects of integration of SIA Cargo	1.6	0.2	1.8
Additions	32.3	31.4	63.7
Disposals	(0.2)	–	(0.2)
Transfers	39.6	(39.6)	–
At 31 March 2019	577.6	11.1	588.7
Accumulated amortisation			
At 1 April 2017	334.3	–	334.3
Amortisation	32.4	–	32.4
Disposals	(23.1)	–	(23.1)
At 31 March 2018	343.6	–	343.6
Amortisation	51.2	–	51.2
Disposals	(0.2)	–	(0.2)
At 31 March 2019	394.6	–	394.6
Net book value			
At 1 April 2017	161.2	8.3	169.5
At 31 March 2018	160.7	19.1	179.8
At 31 March 2019	183.0	11.1	194.1

Impairment testing of goodwill, brand and trademarks

The goodwill acquired through the acquisition of TAH has an indefinite useful life and is included in the “Low-cost Airlines” CGU. The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a three-year period (2018: four-year period). The post-tax discount rate applied to cash flow projections is 7.0% (2018: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the three-year period (2018: four-year period) is 4.5% (2018: 4.5%).

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

Post-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

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

A reasonable change to the assumptions used by Management to determine the impairment required, particularly the discount rate and long-term growth rate, would not significantly affect the results.

22 Subsidiary Companies (in \$ million)

	The Company		
	31 March 2019	2018	1 April 2017
Investment in subsidiary companies	3,409.6	3,380.9	3,380.9
Accumulated impairment losses	(52.7)	(52.7)	(52.7)
Effects of integration of SIA Cargo	(1,405.0)	-	-
	1,951.9	3,328.2	3,328.2
Long-term loans to subsidiary companies	1,649.5	1,517.5	1,289.5
Accumulated impairment loss	(10.2)	(4.9)	(7.6)
	3,591.2	4,840.8	4,610.1

During the financial year:

- On 1 April 2018, SIA Cargo was successfully re-integrated to the Company. All assets and liabilities, other than cash balances, of SIA Cargo were transferred to the Company at their book values. The impact to the Company is a decrease of net assets of \$940.4 million. There is no impact to the consolidated net assets of the Group.
- The names of Roar Aviation II Pte. Ltd. and Roar Aviation III Pte. Ltd. were struck off the register on 5 November 2018.
- On 23 November 2018, the Company, through its subsidiary company, KrisShop, entered into a business transfer agreement with DFASS SATS Pte. Ltd. to acquire the business of providing services and merchandise to the Group. SIA invested approximately \$24.9 million in KrisShop and holds 70% stake after the business combination. Further details are disclosed in note 22(f).
- SIA (Mauritius) Ltd, a company incorporated in the Republic of Mauritius, was dissolved on 5 March 2019.
- SIAEC invested approximately \$1.4 million in SIA Engineering Japan Corporation.
- SIAEC invested approximately \$13.3 million in Heavy Maintenance Singapore Services Pte. Ltd..
- SIAEC incorporated a subsidiary company, Additive Flight Solutions Pte. Ltd. ("AFS") on 29 June 2018. As at 31 March 2019, SIAEC had a total capital contribution in AFS of approximately \$2.4 million. SIAEC holds 60% equity stake in AFS.
- On 29 January 2019, SIAEC completed the restructuring of one of its subsidiary companies, Singapore Jamco Services Private Limited ("SJS"). As part of the restructuring, SIAEC acquired an additional 20% interest in SJS. Consequently, SJS is now a wholly-owned subsidiary company. On 1 April 2019, SJS was renamed Singapore Aero Support Services Pte. Ltd..
- SIAEC sold 100% interest in Aircraft Maintenance Services Australia Pty. Ltd. ("AMSA") for a cash consideration of approximately \$4.4 million. AMSA ceased to be a subsidiary of SIAEC on 20 December 2018, with the completion of the divestment.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

22 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group

The subsidiary companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March 2019	2018	1 April 2017
SIA Engineering Company Limited*	Engineering services	Singapore	77.7	77.8	77.7
Aircraft Maintenance Services Australia Pty. Ltd. ^{(1)**}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Australia	-	77.8	77.7
NexGen Network (1) Holding Pte. Ltd. ^{(1)*}	Investment holding	Singapore	77.7	77.8	77.7
NexGen Network (2) Holding Pte. Ltd. ^{(1)*}	Investment holding	Singapore	77.7	77.8	77.7
SIA Engineering (USA), Inc. ^{(1)@}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	77.7	77.8	77.7
SIAEC Global Private Limited ^{(1)*}	Investment holding	Singapore	77.7	77.8	77.7
SIA Engineering Japan Corporation ^{(1)@@}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	77.7	77.8	-
Singapore Aero Support Services Pte. Ltd. (Previously known as Singapore Jamco Services Private Limited) ^{(1)*}	Maintenance, repair and overhaul of aircraft and cabin components/ systems	Singapore	77.7	62.2	62.1
SIA Engineering (Philippines) Corporation ^{(1)**}	Provide airframe maintenance and component overhaul services	Philippines	50.5	50.6	50.5
Heavy Maintenance Singapore Services Pte. Ltd. ^{(1)*}	Provide airframe maintenance and component overhaul services	Singapore	50.5	50.6	50.5
Additive Flight Solutions Pte. Ltd. ^{(1)(2)*}	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	46.6	-	-
Aerospace Component Engineering Services Pte. Limited ^{(1)(2)*}	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	39.6	39.7	39.6
Aviation Partnership (Philippines) Corporation ^{(1)(2)**}	Provide aircraft maintenance services including technical and non-technical handling at the airport	Philippines	39.6	39.7	39.6
Singapore Airlines Cargo Pte Ltd*	Inactive	Singapore	100.0	100.0	100.0

22 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March 2019	2018	1 April 2017
Cargo Community Network Pte Ltd*	Providing and marketing of cargo community systems	Singapore	51.0	51.0	51.0
Cargo Community (Shanghai) Co. Ltd. ^{(3)****}	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0	51.0
SilkAir (Singapore) Private Limited*	Air transportation	Singapore	100.0	100.0	100.0
Tradewinds Tours & Travel Private Limited ^{(4)*}	Tour wholesaling	Singapore	100.0	100.0	100.0
Budget Aviation Holdings Pte. Ltd.*	Investment holding	Singapore	100.0	100.0	100.0
Tiger Airways Holdings Pte. Ltd. ^{(5)*}	Investment holding	Singapore	100.0	100.0	100.0
Scoot Tigerair Pte. Ltd. ^{(6)*}	Air transportation	Singapore	100.0	100.0	100.0
Roar Aviation Pte. Ltd. ^{(6)*}	Investment holding	Singapore	100.0	100.0	100.0
Roar Aviation II Pte. Ltd. ^{(6)#}	Investment holding	Singapore	-	100.0	100.0
Roar Aviation III Pte. Ltd. ^{(6)#}	Investment holding	Singapore	-	100.0	100.0
Simple Holidays Pte. Ltd. ^{(6)*}	Reservation service activities	Singapore	100.0	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited*	Aviation insurance	Singapore	100.0	100.0	100.0
Singapore Flying College Pte Ltd*	Training of pilots	Singapore	100.0	100.0	100.0
Sing-Bi Funds Private Limited*	Investment holding	Singapore	100.0	100.0	100.0
KrisShop Pte. Ltd. (Previously known as Singapore Airport Duty-Free Emporium (Private) Limited)*	Travel-related retail operations	Singapore	70.0	76.0	76.0
SIA (Mauritius) Ltd [#]	Inactive	Mauritius	-	100.0	100.0

⁽¹⁾ Held by SIA Engineering Company

⁽²⁾ The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company

⁽³⁾ Held by Cargo Community Network Pte Ltd

⁽⁴⁾ Held by SilkAir (Singapore) Private Limited

⁽⁵⁾ Held by Budget Aviation Holdings Pte. Ltd.

⁽⁶⁾ Held by Tiger Airways Holdings Pte. Ltd.

* Audited by KPMG LLP, Singapore

** Audited by member firms of KPMG International in the respective countries

*** Audited by Shanghai HDDY Certified Public Accountants Co., Ltd

@ Not required to be audited under the law in country of incorporation

@@ Not required to be audited in the current financial year

* Financial year end 31 December

Struck off the register/dissolved

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

22 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group (continued)

Special purpose entities

Details of the operating SPEs controlled and consolidated by the Group at the end of financial year are as follows:

Name of entity	Purpose of special purpose entity	Country of incorporation
Winnie Aircraft Limited	Financing of aircraft	Mauritius
Falcon Aircraft Limited	Financing of aircraft	Mauritius

The SPEs are held by Tiger Airways Holdings Pte. Ltd. and are audited by Ernst & Young LLP, Mauritius.

Although the Group does not hold shares in these companies, they are considered subsidiary companies as the activities of the SPEs are being conducted on behalf of the Group according to its specific business needs and the Group retains the majority of the residual or ownership risks related to the assets held by these SPEs. These SPEs were incorporated for the sole purpose of financing of the Group's aircraft (note 18).

(b) Interest in subsidiary company with material non-controlling interests ("NCI")

The Group has the following subsidiary company that has NCI that are material to the Group:

	SIA Engineering Company Group of Companies		
	31 March		1 April
	2019	2018	2017
Proportion of ownership interest held by NCI	22.3%	22.2%	22.3%
Profit allocated to NCI during the reporting period	35.9	42.1	79.6
Accumulated NCI at the end of reporting period	375.7	363.3	381.2
Dividends paid to NCI	32.9	50.1	36.2

(c) Summarised financial information about subsidiary company with material NCI

Summarised financial information before intercompany eliminations of the subsidiary company with material non-controlling interests are as follows:

Summarised statement of financial position

	SIA Engineering Company Group of Companies		
	31 March		1 April
	2019	2018	2017
<u>Current</u>			
Assets	965.0	904.2	978.1
Liabilities	(245.5)	(247.4)	(279.1)
Net current assets	719.5	656.8	699.0
<u>Non-current</u>			
Assets	880.2	899.7	923.1
Liabilities	(35.7)	(41.5)	(48.3)
Net non-current assets	844.5	858.2	874.8
Net assets	1,564.0	1,515.0	1,573.8

22 Subsidiary Companies (in \$ million) (continued)

(d) Summarised statement of comprehensive income

	SIA Engineering Company Group of Companies	
	FY2018/19	FY2017/18
Revenue	1,020.9	1,094.9
Profit before tax	179.1	209.5
Taxation	(18.1)	(21.5)
Profit after tax	161.0	188.0
Other comprehensive income	17.0	(36.3)
Total comprehensive income	178.0	151.7

(e) Other summarised information

	SIA Engineering Company Group of Companies	
	FY2018/19	FY2017/18
Net cash flow from operations	75.4	54.3
Acquisition of significant property, plant and equipment	(25.0)	(31.6)

(f) Changes in ownership interests in a subsidiary company - KrisShop

FY2018/19

(i) Fair value of identifiable assets

The following table summarises the recognised amounts of assets acquired and at the date of acquisition:

	FY2018/19
Inventories	14.8
Plant and equipment	0.3
Software	1.6
	16.7
Goodwill	14.0
Total cash consideration transferred	30.7

(ii) Measurement of fair values

The book values of identifiable assets acquired approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

23 Associated Companies (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Investment in associated companies	1,116.4	1,060.7	1,068.8	764.6	560.9	499.2
Accumulated impairment losses	(11.9)	(11.9)	(11.9)	(209.4)	(9.4)	(9.4)
	1,104.5	1,048.8	1,056.9	555.2	551.5	489.8

During the financial year:

- The Company injected \$203.7 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection. Management performed an impairment test for the investment in TATA-SIA, which had been incurring losses historically. An impairment loss of \$200.0 million was recognised by the Company to write down the cost of investment to its recoverable amount calculated based on financial forecasts prepared by TATA-SIA's management over a seven-year period when the airline is expected to reach a steady state. The pre-tax discount rate applied to the cash flow projections and the forecasted long-term growth rate used to extrapolate the cash flow projections beyond the seven-year period are 9.5% and 4.4% respectively. A reasonable change to the assumptions used to determine the impairment required, particularly the discount rate and the long-term growth rate, would not significantly affect the results.
- Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation gain of \$104.1 million from its annual revaluation exercise of its land and building. The Group's share of the revaluation gain of \$20.8 million as at 31 March 2019 is included under the share of post-acquisition capital reserve.
- SIAEC invested approximately \$1.9 million in Moog Aircraft Services Asia Pte. Ltd. under terms of the shareholders' agreement.
- On 29 January 2019, SIAEC completed the sale of 20% share of Jamco Singapore Private Limited ("JS"). A loss on disposal of \$0.1 million was recorded in the profit or loss and JS ceased to be an associated company.

The associated companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March		1 April
			2019	2018	2017
TATA SIA Airlines Limited ^(b)	Domestic and international full service scheduled passenger airlines services	India	49.0	49.0	49.0
Airbus Asia Training Centre Pte. Ltd. ^{+++ (c)}	Flight training services	Singapore	45.0	45.0	45.0
Ritz-Carlton, Millenia Singapore Properties Private Limited ⁺⁺⁺⁺	Hotel ownership and management	Singapore	20.0	20.0	20.0
Virgin Australia Holdings Limited ^{***}	Air transportation	Australia	20.0	20.0	20.0
Boeing Asia Pacific Aviation Services Pte. Ltd. ^{(1)+++ (a)}	Provide engineering, material management and fleet support solutions	Singapore	38.1	38.1	38.0
Eagle Services Asia Private Limited ⁽¹⁾⁺⁺⁺	Repair and overhaul of aircraft engines	Singapore	38.1	38.1	38.0

23 Associated Companies (in \$ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March 2019	2018	1 April 2017
Fuel Accessory Service Technologies Pte Ltd ^{(1)++^}	Repair and overhaul of engine fuel components and accessories	Singapore	38.1	38.1	38.0
Moog Aircraft Services Asia Pte. Ltd. ^{(1)#}	Repair and overhaul services for flight control systems	Singapore	38.1	38.1	-
PT Jas Aero-Engineering Services ^(1)+++f)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	38.1	38.1	38.0
Southern Airports Aircraft Maintenance Services Company Limited ^(1)+++b)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	38.1	38.1	38.0
Component Aerospace Singapore Pte. Ltd. ^{(1)+++^}	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	36.1	36.1	36.0
JAMCO Aero Design & Engineering Private Limited ⁽¹⁾⁰⁾	Providing turnkey solutions for aircraft interior modifications	Singapore	35.0	35.0	34.9
Panasonic Avionics Services Singapore Pte. Ltd. ^{(1)*}	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	33.0	33.1	33.0
Goodrich Aerostructures Service Center-Asia Pte. Ltd. ^{(1)+++^}	Repair and overhaul of aircraft nacelles, thrust reservoirs and pylons	Singapore	31.1	31.1	31.1
Pan Asia Pacific Aviation Services Limited ^(1)e)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	31.1	31.1	36.6
Safran Electronics & Defense Services Asia Pte. Ltd. ^(1)+++c)	Provide avionics maintenance, repair and overhaul services	Singapore	31.1	31.1	31.1
Safran Landing Systems Services Singapore Pte. Ltd. ^(1)+++g)	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	31.1	31.1	31.1
Asian Surface Technologies Pte Ltd ^(1)+++d)	Repair and overhaul of aircraft engine fan blades	Singapore	30.5	30.5	30.4
International Aerospace Tubes - Asia Pte. Ltd. ^{(1)+++^}	Repair of tubes, ducts and manifolds for aircraft engines and airframe application	Singapore	25.9	25.9	25.9

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

23 Associated Companies (in \$ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March 2019	2018	1 April 2017
Turbine Coating Services Pte Ltd ^{(1)++@}	Repair and overhaul of aircraft engine turbine airfoils	Singapore	19.0	19.1	19.0
Jamco Singapore Private Limited ^{(1)(i)@}	Manufacturing and sales of aircraft cabin equipment	Singapore	-	15.6	15.5
Asian Compressor Technology Services Co Ltd ^{(1)+++^@}	Repair and overhaul of aircraft engine high pressure compressor stators	Taiwan	-	-	19.0
Air Black Box Asia Pacific Pte. Ltd. ^{(2)+++ (h)@}	Provision of support services to air transportation	Singapore	13.0	13.0	15.0

⁽¹⁾ Held by SIA Engineering Company

⁽²⁾ Held by Scoot Tigerair Pte. Ltd.

* Audited by KPMG LLP, Singapore

** Audited by member firms of KPMG International

^ Audited by PricewaterhouseCoopers LLP, Singapore

^^ Audited by member firms of PricewaterhouseCoopers

^(a) Audited by Deloitte & Touche, Singapore

^(b) Audited by member firms of Deloitte & Touche

^(c) Audited by Ernst & Young LLP, Singapore

^(d) Audited by RSM Chio Lim, Singapore

^(e) Audited by BDO Limited, Hong Kong

^(f) Audited by RSM AAJ, Indonesia

^(g) Audited by Mazars LLP, Singapore

^(h) Audited by Wong, Lee & Associates LLP

⁽ⁱ⁾ Audited by Grant Thornton LLP, Singapore

Not required to be audited in the current financial year

+ Financial year end 30 June

++ Financial year end 30 November

+++ Financial year end 31 December

@ The Group has significant influence in these entities through its holdings in SIAEC

@@ The Group has significant influence by virtue of the board representation

23 Associated Companies (in \$ million) (continued)

The carrying amounts of the investment in associated companies are as follows:

	The Group		
	31 March		1 April
	2019	2018	2017
Virgin Australia Holdings Limited	314.8	432.3	490.1
Eagle Services Asia Private Limited ("ESA")	189.0	175.3	164.8
Other associated companies	600.7	441.2	402.0
	1,104.5	1,048.8	1,056.9

The activities of the associated companies are strategic to the Group's activities.

The Group has two (2018: two, 1 April 2017: two) associated companies that are material and a number of associated companies that are individually immaterial to the Group. All are equity accounted. The following summarises the financial information of each of the Group's material associated companies based on their respective (consolidated) financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisitions and differences in the Group's accounting policies.

Summarised statement of financial position

	VAH			ESA		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Current assets	1,626.0	1,711.5	1,912.3	425.3	367.4	296.9
Non-current assets	4,188.5	4,687.6	4,813.1	140.6	80.3	52.4
Total assets	5,814.5	6,399.1	6,725.4	565.9	447.7	349.3
Current liabilities	(2,831.2)	(2,310.0)	(2,205.0)	(163.2)	(86.4)	(10.1)
Non-current liabilities	(2,028.6)	(2,418.3)	(2,692.8)	(17.0)	(3.6)	(2.9)
Total liabilities	(4,859.8)	(4,728.3)	(4,897.8)	(180.2)	(90.0)	(13.0)
Net assets	954.7	1,670.8	1,827.6	385.7	357.7	336.3

Summarised statement of comprehensive income

	VAH		ESA	
	FY2018/19	FY2017/18	FY2018/19	FY2017/18
(Loss)/Profit after tax	(499.5)	(218.7)	73.2	59.2
Other comprehensive income	(16.9)	50.9	-	-
Total comprehensive income	(516.4)	(167.8)	73.2	59.2

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

23 Associated Companies (in \$ million) (continued)

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

	The Group		
	31 March		1 April
	2019	2018	2017
VAH			
Group's share of net assets	190.2	333.9	369.8
Goodwill on acquisition	117.1	117.1	117.1
Other adjustments	7.5	(18.7)	3.2
	314.8	432.3	490.1
ESA			
Group's share of net assets	189.0	175.3	164.8

Dividends of approximately \$27.6 million (FY2017/18: \$8.0 million) were received from ESA during the financial year.

The fair value of the Group's ownership interest in VAH, which is determined based on its quoted market price and the value of other contractual arrangements exceeds its carrying amount. The fair value is classified as Level 2 under the fair value hierarchy.

Aggregate information about the Group's share of the results of the associated companies that are not individually material is as follows:

Summarised statement of comprehensive income

	Immaterial associates	
	FY2018/19	FY2017/18
(Loss)/Profit after tax	(33.4)	5.4
Other comprehensive income	20.8	12.0
Total comprehensive income	(12.6)	17.4

24 Joint Venture Companies (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Investment in joint venture companies	171.7	150.6	160.2	30.6	-	-

During the financial year:

- The Company subscribed to 50% of the equity interest in Singapore CAE Flight Training Pte. Ltd. ("SCFT"), which has been jointly established with CAE, for a consideration of USD22.4 million (\$30.6 million). SCFT, which is considered a joint venture of the Group, provides flight training services on full-flight simulators for all in-production Boeing aircraft types.
- TAH injected \$9.9 million in NokScoot Airlines Co., Ltd. ("NokScoot"). There was no change in the Group's 49% equity stake in NokScoot after the capital injection.

24 Joint Venture Companies (in \$ million) (continued)

The joint venture companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		
			31 March 2019	2018	1 April 2017
Singapore Aero Engine Services Pte Ltd ⁽¹⁾	Repair and overhaul of aircraft engines	Singapore	38.9	38.9	38.8
NokScoot Airlines Co., Ltd. ⁽²⁾	Air transportation	Thailand	49.0	49.0	49.0
Singapore CAE Flight Training Pte. Ltd. ⁽³⁾	Flight training services	Singapore	50.0	–	–

⁽¹⁾ Held by SIA Engineering Company, audited by KPMG LLP, Singapore, and financial year end of 31 December.

⁽²⁾ Held by Scoot Tigerair Pte. Ltd., audited by Deloitte & Touche Tohmatsu Jaiyos Audit Co. Ltd, Thailand and financial year end of 31 December.

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore, and financial year end of 31 March.

The Group jointly controls all the joint venture companies with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities; they are all equity accounted.

The carrying amounts of the investments are as follows:

	The Group		
	31 March 2019	2018	1 April 2017
Singapore Aero Engine Services Pte Ltd (“SAESL”)	154.7	151.9	162.0
Other joint venture companies	17.0	(1.3)	(1.8)
	171.7	150.6	160.2

The activities of SAESL are strategic to the Group’s activities.

Dividends of approximately \$36.3 million (FY2017/18: \$45.9 million) were received from SAESL during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

24 Joint Venture Companies (in \$ million) (continued)

Summarised financial information in respect of SAESL, which is material to the Group, is as follows:

Summarised statement of financial position

	SAESL		
	31 March		1 April
	2019	2018	2017
Cash and short-term deposits	28.6	45.6	22.2
Other current assets	754.0	642.1	509.9
Total current assets	782.6	687.7	532.1
Non-current assets	318.7	263.1	282.7
Total assets	1,101.3	950.8	814.8
Current liabilities	(528.6)	(437.8)	(384.6)
Non-current liabilities	(263.3)	(209.3)	(106.2)
Total liabilities	(791.9)	(647.1)	(490.8)
Net assets	309.4	303.7	324.0

Summarised statement of comprehensive income

	SAESL	
	FY2018/19	FY2017/18
Revenue	2,113.0	1,980.5
Depreciation and amortisation	(22.3)	(21.6)
Interest income	0.1	0.1
Interest expense	(7.6)	(4.8)
Profit before tax	87.2	85.8
Taxation	(6.5)	(5.2)
Profit after tax	80.7	80.6
Other comprehensive income	(12.5)	9.8
Total comprehensive income	68.2	90.4

The summarised financial information presented is extracted from the financial statements of SAESL prepared in accordance with IFRS.

24 Joint Venture Companies (in \$ million) (continued)

Aggregate information about the Group's investment in the other joint venture companies that are not individually material is as follows:

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

	The Group		
	31 March		1 April
	2019	2018	2017
Current assets	53.8	56.0	54.7
Non-current assets	74.3	0.9	0.8
Total assets	128.1	56.9	55.5
Current liabilities	(74.7)	(57.7)	(57.0)
Non-current liabilities	(53.1)	(0.5)	(0.3)
Total liabilities	(127.8)	(58.2)	(57.3)
Net assets	0.3	(1.3)	(1.8)

The Group has not recognised losses totalling \$16.7 million (FY2017/18: nil) in relation to its interests in joint venture companies because the Group has no obligation in respect of these losses.

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

	The Group	
	FY2018/19	FY2017/18
(Loss)/Profit after tax and total comprehensive income	(17.8)	0.7

25 Long-Term Investments (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
<u>Quoted</u>						
Non-equity investments	63.9	76.3	138.7	63.9	76.3	138.7
<u>Unquoted</u>						
Non-equity investments	229.9	224.7	221.9	229.9	224.7	221.9
Equity investments	50.1	45.0	45.1	39.7	34.6	34.7
	343.9	346.0	405.7	333.5	335.6	395.3

The Group's non-equity investments comprised investments in corporate bonds, certificates of deposits and investment funds.

The interest rates for quoted and unquoted non-equity investments range from 3.01% to 4.30% (FY2017/18: 3.01% to 4.35%) per annum and 1.00% (FY2017/18: 1.00%) per annum respectively.

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26 Other Long-Term Assets (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Deposits	127.6	70.0	78.4	0.1	3.5	2.6
Prepayment	13.8	-	-	-	-	-
Amount owing by a joint venture company	8.1	5.6	-	8.1	5.6	-
Other receivables	180.1	356.3	357.3	151.4	324.7	351.7
Derivative assets (note 38)	384.1	290.8	43.6	384.1	290.8	43.6
	713.7	722.7	479.3	543.7	624.6	397.9

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to 10 years.

27 Inventories (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Technical stocks and stores	189.3	160.6	160.1	142.1	95.1	94.6
Catering and general stocks	40.6	18.7	18.3	15.5	12.9	11.5
Total inventories at lower of cost and net realisable value	229.9	179.3	178.4	157.6	108.0	106.1

The cost of inventories recognised as an expense amounted to \$131.5 million (FY2017/18: \$126.8 million).

28 Trade Debtors (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Trade debtors	1,392.9	1,271.4	1,075.0	1,120.0	831.9	694.7
Contract assets	99.7	101.9	42.6	-	-	-
Amounts owing by:						
associated companies	3.5	8.0	9.0	0.2	0.5	-
joint venture companies	31.1	19.6	16.7	18.6	4.3	-
	1,527.2	1,400.9	1,143.3	1,138.8	836.7	694.7
Amounts owing by:						
subsidiary companies	-	-	-	3.7	140.1	203.8
	1,527.2	1,400.9	1,143.3	1,142.5	976.8	898.5

Trade debtors are non-interest bearing. The carrying amount of trade debtors impaired by credit losses is reduced through the use of an allowance account unless the Group writes off the amount ascertained to be uncollectible. In subsequent periods when a trade debtor is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days ageing of debtor balances) are considered indicators that the trade debtor is impaired. Individual trade debtor is written off when Management deems the amount not to be collectible.

28 Trade Debtors (in \$ million) (continued)

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade debtors when the rights become unconditional. This usually occurs when the Group invoices the customers.

Amounts owing by subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and are repayable on demand. The amounts are neither overdue nor impaired.

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

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Not past due and not impaired	1,379.9	1,272.9	1,012.0	1,049.6	943.0	868.4
Past due but not impaired	141.3	124.0	128.7	86.2	29.8	27.2
	1,521.2	1,396.9	1,140.7	1,135.8	972.8	895.6
Impaired trade debtors - collectively assessed	10.6	7.0	5.2	8.2	4.5	3.4
Less: Accumulated impairment losses	(4.1)	(3.0)	(2.6)	(1.5)	(0.5)	(0.5)
	6.5	4.0	2.6	6.7	4.0	2.9
Impaired trade debtors - individually assessed						
Customers in bankruptcy or other financial reorganisation	-	-	2.6	-	-	-
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	5.7	1.2	1.4	5.7	1.2	1.4
Less: Accumulated impairment losses	(5.7)	(1.2)	(4.0)	(5.7)	(1.2)	(1.4)
	-	-	-	-	-	-
Total trade debtors, net	1,527.7	1,400.9	1,143.3	1,142.5	976.8	898.5

Included in trade and other debtors are amounts owing by related parties of \$58.0 million (2018: \$36.5 million; 1 April 2017: \$8.4 million) and \$27.6 million (2018: \$13.1 million; 1 April 2017: \$2.7 million) for the Group and Company respectively.

Trade debtors are stated after accumulated impairment losses. An analysis of the accumulated impairment losses is as follows:

	The Group		The Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at 1 April	4.2	6.6	1.7	1.9
Provided/(Written back) during the year	5.7	1.0	5.6	(0.1)
Written off during the year	(0.1)	(3.4)	(0.1)	(0.1)
Balance at 31 March	9.8	4.2	7.2	1.7
Bad debts written off directly to profit and loss account, net of debts recovered	0.1	0.8	(0.2)	0.1

As at 31 March 2019, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 22.1% (2018: 22.5%; 1 April 2017: 13.0%), AUD – 6.9% (2018: 12.2%; 1 April 2017: 9.8%), EUR – 8.6% (2018: 9.9%; 1 April 2017: 6.5%), GBP – 4.0% (2018: 7.1%; 1 April 2017: 4.7%) and JPY – 2.6% (2018: 3.7%; 1 April 2017: 2.4%).

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For The Financial Year Ended 31 March 2019

29 Deposits and Other Debtors (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Deposits	24.0	22.7	50.3	10.3	8.4	8.2
Other debtors	69.8	65.1	77.1	53.4	32.3	47.6
	93.8	87.8	127.4	63.7	40.7	55.8

30 Investments (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Quoted						
Equity investments	-	39.8	37.6	-	-	-
Non-equity investments	116.8	118.0	502.3	68.5	88.7	469.9
	116.8	157.8	539.9	68.5	88.7	469.9

The Group's non-equity investments comprised investments in government securities, corporate bonds, certificates of deposits and money market funds. These investments are held to manage the Group's liquidity needs.

The interest rates for quoted non-equity investments range from 0.78% to 5.60% (FY2017/18: 0.43% to 5.50%) per annum.

31 Cash and Bank Balances (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Short-term deposits	1,623.0	1,809.1	2,386.9	1,582.1	1,783.7	2,364.9
Cash and bank balances	1,321.0	759.2	993.6	1,133.9	360.9	368.3
	2,944.0	2,568.3	3,380.5	2,716.0	2,144.6	2,733.2

As at 31 March 2019, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 15.3% (2018: 29.8%; 1 April 2017: 39.4%), EUR – 0.7% (2018: 0.8%; 1 April 2017: 2.9%), AUD – 1.2% (2018: 2.7%; 1 April 2017: 3.4%) and CNY – 0.6% (2018: 3.8%; 1 April 2017: 4.8%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 1.96% to 3.05% (FY2017/18: 1.30% to 2.65%) per annum. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 2.28% (FY2017/18: 1.65%) per annum.

32 Trade and Other Creditors (in \$ million)

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Trade creditors	3,081.7	2,729.7	3,178.1	2,260.7	1,825.2	2,231.6
Accrued interest	45.4	32.0	17.6	42.1	31.7	17.0
Contract liabilities	33.5	32.3	38.2	-	-	-
Purchase option price payable to lessor	-	-	34.2	-	-	-
Amounts owing to associated companies	3.0	23.0	27.8	1.4	2.0	3.3
	3,163.6	2,817.0	3,295.9	2,304.2	1,858.9	2,251.9
Funds from subsidiary companies	-	-	-	606.2	1,056.6	1,174.6
Amounts owing to subsidiary companies	-	-	-	365.6	233.8	179.9
	-	-	-	971.8	1,290.4	1,354.5

Trade and other creditors are non-interest bearing. As at 31 March 2019, 14.2% (2018: 19.5%; 1 April 2017: 18.0%) of trade and other creditors were held in USD by the Group. Included in trade and other creditors are amounts owing to related parties of \$233.7 million (2018: \$188.2 million; 1 April 2017: \$169.2 million) and \$177.9 million (2018: \$112.3 million; 1 April 2017: \$127.2 million) for the Group and Company respectively.

Funds from subsidiary companies are unsecured and have varying repayment terms. Interest on funds from subsidiary companies are computed using prevailing market rates which range from 1.75% to 2.30% (FY2017/18: 0.60% to 1.60%) per annum for SGD funds, and 2.34% to 3.30% (FY2017/18: 1.58% to 2.28%) per annum for USD funds.

As at 31 March 2019, 19.7% of the funds from subsidiary companies were denominated in USD (2018: 34.7%; 1 April 2017: 20.9%).

Amounts owing to related parties, subsidiary and associated companies are unsecured, trade-related, non-interest bearing and are repayable on demand.

33 Sales in Advance of Carriage and Deferred Revenue (in \$ million)

Sales in advance of carriage and deferred revenue are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in these liabilities during the year are as follows:

	The Group		The Company	
	FY2018/19	FY2017/18	FY2018/19	FY2017/18
Revenue recognised that was included in the balance at the beginning of the year				
- Sales in advance of carriage	2,442.1	1,650.8	2,205.9	1,474.3
- Deferred revenue	556.1	707.8	556.1	707.8
Increases due to cash received, excluding amounts recognised as revenue during the year				
- Sales in advance of carriage	2,715.4	2,442.1	2,479.8	2,205.9
- Deferred revenue	610.9	556.1	610.9	556.1

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33 Sales in Advance of Carriage and Deferred Revenue (in \$ million) (continued)

Deferred revenue relates to KrisFlyer miles expected to be redeemed. The Group expects the majority of these miles to be redeemed within three years.

All tickets sold at any given point of time have travel dates extending up to 12 months. As a result, the balance of the sales in advance of carriage liability represents activity that will be recognised in the next 12 months.

34 Analysis of Capital Expenditure Cash Flow (in \$ million)

	The Group	
	FY2018/19	FY2017/18
Purchase of property, plant and equipment	5,604.7	5,246.0
Property, plant and equipment acquired under credit terms	(20.0)	(35.2)
Property, plant and equipment settled by credit notes	-	(1.3)
Interest capitalised	(22.4)	-
Cash invested in capital expenditure	5,562.3	5,209.5
Purchase of intangible assets	113.0	60.0
Intangible assets acquired under credit terms	(7.6)	(0.2)
Cash invested in purchase of intangible assets	105.4	59.8

35 Capital and Other Commitments (in \$ million)

(a) Capital expenditure commitments

The Group and the Company have commitments for capital expenditure. Such commitments aggregated \$22,439.7 million (2018: \$24,629.9 million) for the Group and \$17,586.2 million (2018: \$19,756.4 million) for the Company. The commitments relate principally to the acquisition of aircraft fleet and related equipment.

In addition, the Group's share of associated companies' and joint venture companies' commitments for capital expenditure totalled \$1,671.1 million (2018: \$724.2 million) and \$8.9 million (2018: \$6.7 million) respectively.

(b) Operating lease commitments

As lessee

Aircraft

The Company has three B777-300ERs, 19 A330-300s and four A380-800s under operating leases at fixed rental rates. The original lease terms range from eight to 12 years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of five years. In addition, there are 15 early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

SilkAir has two A319-100s, eight A320-200s, and nine B737-800s under operating leases with fixed rental rates. The original lease terms for the two A319-100s range from 11.2 to 11.5 years, and SilkAir holds options to extend the leases for up to a maximum of three years. The original lease terms for the eight A320-200s range from 6.6 to 11.8 years and SilkAir holds options to extend the leases for one to five years. The original lease terms for the nine B737-800s range from 9.8 to 10.5 years, and SilkAir holds options to extend the leases for up to a maximum of four years. Sub-leasing is allowed under all the lease arrangements.

35 Capital and Other Commitments (in \$ million) (continued)

(b) Operating lease commitments (continued)

As lessee (continued)

Aircraft (continued)

Budget Aviation Holdings (“BAH”) Group has 24 A320-200s and two A319s under operating leases. The original lease terms on the aircraft are for 12 years. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Not later than one year	560.4	614.2	775.5	336.5	384.5	549.3
Later than one year but not later than five years	1,378.6	1,634.4	2,228.3	654.8	849.1	1,348.9
Later than five years	340.7	602.7	859.5	213.7	324.9	383.6
	2,279.7	2,851.3	3,863.3	1,205.0	1,558.5	2,281.8

Engines

The Company has operating lease agreements for four GE90-115B engines and three Trent 800 engines with fixed rental rates. The basic lease term for each engine is one year with extension options.

BAH Group has three spare engines under operating leases. The original lease terms on the engines are for one to 14 years. Sub-leasing is allowed under all the lease arrangements.

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Not later than one year	13.7	16.1	18.0	11.6	13.6	16.0
Later than one year but not later than five years	1.3	3.2	9.2	–	–	5.8
	15.0	19.3	27.2	11.6	13.6	21.8

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35 Capital and Other Commitments (in \$ million) (continued)

(b) Operating lease commitments (continued)

As lessee (continued)

Property and equipment

The Group has entered into operating lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between one and 50 years.

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Not later than one year	74.9	77.3	74.0	53.8	53.7	53.9
Later than one year but not later than five years	114.3	122.2	109.2	81.8	90.3	79.6
Later than five years	59.0	57.7	61.2	9.2	7.8	12.1
	248.2	257.2	244.4	144.8	151.8	145.6

The minimum lease payments recognised in the profit and loss account amounted to \$71.9 million (FY2017/18: \$69.9 million) and \$55.3 million (FY2017/18: \$52.8 million) for the Group and the Company respectively.

As lessor

Aircraft

The Company leased seven B777 aircraft for lease terms ranging from four to five years to NokScoot. The lease rental is fixed throughout the lease term and is non-cancellable.

BAH Group sub-leased two A320-200 aircraft to an external party. The sub-lease term for the aircraft is between eight and nine years.

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

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Not later than one year	74.4	59.2	47.3	65.3	47.8	33.9
Later than one year but not later than five years	173.8	135.7	108.7	143.1	100.6	68.7
Later than five years	-	4.1	13.7	-	-	-
	248.2	199.0	169.7	208.4	148.4	102.6

36 Contingent Liabilities (in \$ million)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, SIA Cargo and the Company were among several airlines that received notice of investigations by competition authorities in the United States, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the “air cargo issues”).

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and the Company, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR74.8 million (\$135.7 million) was imposed on SIA Cargo and the Company. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. This amount was reflected as an exceptional item in the Group’s accounts in FY2010/11. SIA Cargo and the Company filed an appeal to the European General Court seeking annulment of the decision. In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and the Company. In February 2016, EUR76.4 million (\$119.1 million) comprising the fine amount and returns thereon was refunded to SIA Cargo. This refund was recognised as a non-operating item in the Group’s FY2015/16 accounts. In March 2017, the European Commission re-adopted a decision in respect of the same case against the air cargo airlines, imposing a fine of EUR74.8 million (\$111.8 million) against SIA Cargo and the Company. This amount was recognised as a non-operating item in the Group’s accounts in FY2016/17. SIA Cargo and the Company have filed an appeal to the European General Court seeking annulment of the re-adopted decision.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million (\$2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group’s accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the United States, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and the Company. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo’s customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo’s customers served a claim against SIA Cargo and other airlines. SIA Cargo is defending this proceeding.

In September 2016, one of SIA Cargo’s customers filed a claim against SIA Cargo and the Company in the United States after opting out of SIA Cargo’s and the Company’s class action settlement.

In June 2017, without admitting any liability, SIA Cargo and the Company entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and the Company settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

In December 2018, without admitting any liability, SIA Cargo and the Company entered into a settlement with four out of the five claimant groups in the civil damages claim filed in England. In January 2019, the main defendant in the fifth claimant group proceedings discontinued its contribution claim against SIA Cargo and the Company. The entire civil damages claim filed in England has thus been resolved for SIA Cargo and the Company.

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For The Financial Year Ended 31 March 2019

36 Contingent Liabilities (in \$ million) (continued)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions (continued)

Without admitting any liability, SIA Cargo and the Company have settled with class and collective action plaintiffs in the United States, Australia, Canada and England, as the case may be, to resolve all liabilities of SIA Cargo and the Company as concerns such lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The settlements in 2012, 2013, 2015 and 2017 have been reflected in the Group's financial statements in the previous financial years. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States, the lawsuit in Germany and the civil damages claim in England, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the items recorded as non-operating items noted above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

(b) Passengers: Civil Class Actions

The Company and several other airlines have been named in a civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the lawsuit has neither been tried nor alleged damages quantified, it is premature to make a provision in the financial statements.

The passenger civil class action lawsuit filed in the United States against the Company was resolved in a previous financial period.

(c) Guarantee to a Joint Venture Company

As at 31 March 2019, the Company had provided a guarantee of THB600.0 million (\$25.6 million) in respect of a revolving credit facility granted by a lender to NokScoot.

37 Financial Instruments (in \$ million)

Classification and fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in note 2 describe how the classes of financial instruments are measured, and how revenue and expenses, including fair value gains and losses, are recognised. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

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

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

Classification and fair values of financial instruments (continued)

31 March 2019 The Group	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	63.9	-	-	63.9	64.4	-	-
Unquoted							
Non-equity investments*	-	229.9	-	229.9	-	229.9	-
Equity investments	-	43.8	6.3	50.1	-	-	50.1
Other long-term receivables	315.8	-	-	315.8	-	-	311.3
Derivative assets*	-	755.5	-	755.5	-	755.5	-
Investments							
Quoted							
Non-equity investments*	-	48.3	-	48.3	48.3	-	-
Non-equity investments	68.5	-	-	68.5	65.8	-	-
	448.2	1,077.5	6.3	1,532.0	178.5	985.4	361.4
<u>Financial liabilities</u>							
Derivative liabilities*	-	158.7	-	158.7	-	158.7	-
Notes payable	4,377.0	-	-	4,377.0	4,399.3	-	-
	4,377.0	158.7	-	4,535.7	4,399.3	158.7	-

31 March 2019 The Company	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	63.9	-	-	63.9	64.4	-	-
Unquoted							
Non-equity investments*	-	229.9	-	229.9	-	229.9	-
Equity investments	-	33.4	6.3	39.7	-	-	39.7
Other long-term receivables	159.6	-	-	159.6	-	-	159.6
Derivative assets*	-	755.5	-	755.5	-	755.5	-
Investments							
Quoted							
Non-equity investments	68.5	-	-	68.5	65.8	-	-
	292.0	1,018.8	6.3	1,317.1	130.2	985.4	199.3
<u>Financial liabilities</u>							
Derivative liabilities*	-	153.2	-	153.2	-	153.2	-
Notes payable	4,377.0	-	-	4,377.0	4,399.3	-	-
	4,377.0	153.2	-	4,530.2	4,399.3	153.2	-

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

Classification and fair values of financial instruments (continued)

31 March 2018 The Group	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	76.3	-	-	76.3	76.8	-	-
Unquoted							
Non-equity investments*	-	224.7	-	224.7	-	224.7	-
Equity investments	-	43.7	1.3	45.0	-	-	45.0
Other long-term receivables	431.9	-	-	431.9	-	-	429.5
Derivative assets*	-	642.2	-	642.2	-	642.2	-
Investments							
Quoted							
Equity investments*	-	39.8	-	39.8	39.8	-	-
Non-equity investments*	-	29.3	-	29.3	29.3	-	-
Non-equity investments	88.7	-	-	88.7	88.7	-	-
	596.9	979.7	1.3	1,577.9	234.6	866.9	474.5
<u>Financial liabilities</u>							
Derivative liabilities*	-	230.8	-	230.8	-	230.8	-
Notes payable	3,030.1	-	-	3,030.1	3,025.9	-	-
	3,030.1	230.8	-	3,260.9	3,025.9	230.8	-

31 March 2018 The Company	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	76.3	-	-	76.3	76.8	-	-
Unquoted							
Non-equity investments*	-	224.7	-	224.7	-	224.7	-
Equity investments	-	33.4	1.2	34.6	-	-	34.6
Other long-term receivables	333.8	-	-	333.8	-	-	333.8
Derivative assets*	-	642.0	-	642.0	-	642.0	-
Investments							
Quoted							
Non-equity investments	88.7	-	-	88.7	88.7	-	-
	498.8	900.1	1.2	1,400.1	165.5	866.7	368.4
<u>Financial liabilities</u>							
Derivative liabilities*	-	230.8	-	230.8	-	230.8	-
Notes payable	3,030.1	-	-	3,030.1	3,025.9	-	-
	3,030.1	230.8	-	3,260.9	3,025.9	230.8	-

* Mandatorily measured at FVTPL

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

Classification and fair values of financial instruments (continued)

Financial instruments carried at fair value

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

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

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

Determination of fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

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

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (“ISDA”) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group also enters into netting arrangements with International Air Transport Association (“IATA”).

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Effects of offsetting in the statements of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
The Group					
<u>31 March 2019</u>					
Derivative assets	755.5	–	755.5	(137.8)	617.7
Trade debtors	1,551.2	(24.0)	1,527.2	–	1,527.2
	2,306.7	(24.0)	2,282.7	(137.8)	2,144.9
Derivative liabilities	158.7	–	158.7	(137.8)	20.9
Trade and other creditors	3,187.6	(24.0)	3,163.6	–	3,163.6
	3,346.3	(24.0)	3,322.3	(137.8)	3,184.5
<u>31 March 2018</u>					
Derivative assets	642.2	–	642.2	(140.1)	502.1
Trade debtors	1,422.3	(21.4)	1,400.9	–	1,400.9
	2,064.5	(21.4)	2,043.1	(140.1)	1,903.0
Derivative liabilities	230.8	–	230.8	(140.1)	90.7
Trade and other creditors	2,838.4	(21.4)	2,817.0	–	2,817.0
	3,069.2	(21.4)	3,047.8	(140.1)	2,907.7

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

Master netting or similar agreements (continued)

The Company	Effects of offsetting in the statements of financial position		Related amounts not offset		
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
<u>31 March 2019</u>					
Derivative assets	755.5	–	755.5	(137.8)	617.7
Trade debtors	1,162.8	(24.0)	1,138.8	–	1,138.8
Amounts owing by subsidiary companies	261.5	(257.8)	3.7	–	3.7
	2,179.8	(281.8)	1,898.0	(137.8)	1,760.2
Derivative liabilities	153.2	–	153.2	(137.8)	15.4
Trade and other creditors	2,328.2	(24.0)	2,304.2	–	2,304.2
Amounts owing to subsidiary companies	1,229.6	(257.8)	971.8	–	971.8
	3,711.0	(281.8)	3,429.2	(137.8)	3,291.4
<u>31 March 2018</u>					
Derivative assets	642.0	–	642.0	(140.1)	501.9
Trade debtors	858.1	(21.4)	836.7	–	836.7
Amounts owing by subsidiary companies	330.4	(190.3)	140.1	–	140.1
	1,830.5	(211.7)	1,618.8	(140.1)	1,478.7
Derivative liabilities	230.8	–	230.8	(140.1)	90.7
Trade and other creditors	1,880.3	(21.4)	1,858.9	–	1,858.9
Amounts owing to subsidiary companies	1,480.7	(190.3)	1,290.4	–	1,290.4
	3,591.8	(211.7)	3,380.1	(140.1)	3,240.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million)

The Group operates globally and generates revenue in various currencies. The Group's airline operations carry certain financial and commodity risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of its investments. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures.

As derivatives are used for the purpose of risk management, they do not expose the Group to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or expenses being hedged. Moreover, counterparty credit risk is generally restricted to any hedging gain from time to time, and not the principal amount hedged. Therefore, the possibility of a material loss arising in the event of non-performance by a counterparty is considered to be unlikely.

Financial risk management policies are periodically reviewed and approved by the Board Executive Committee ("BEC").

Derivative financial instruments for cash flow hedges included in the statements of financial position are as follows:

	The Group 31 March		The Company 31 March	
	2019	2018	2019	2018
<u>Derivative assets</u>				
Current				
Currency hedging contracts	56.2	13.5	56.2	13.3
Fuel hedging contracts	315.2	337.9	315.2	337.9
	371.4	351.4	371.4	351.2
Non-current				
Currency hedging contracts	5.9	0.5	5.9	0.5
Fuel hedging contracts	375.8	286.3	375.8	286.3
Cross currency swap contracts	2.4	4.0	2.4	4.0
	384.1	290.8	384.1	290.8
	755.5	642.2	755.5	642.0
<u>Derivative liabilities</u>				
Current				
Currency hedging contracts	19.9	161.8	19.9	161.8
Fuel hedging contracts	68.2	0.1	68.2	0.1
Interest rate swap contracts	1.4	-	-	-
	89.5	161.9	88.1	161.9
Non-current				
Currency hedging contracts	0.2	42.3	0.2	42.3
Fuel hedging contracts	47.0	11.8	47.0	11.8
Cross currency swap contracts	3.8	14.8	3.8	14.8
Interest rate swap contracts	18.2	-	14.1	-
	69.2	68.9	65.1	68.9
	158.7	230.8	153.2	230.8

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(a) Jet fuel price risk

The Group's earnings are affected by changes in the price of jet fuel. The Group's strategy for managing the risk on fuel price, as defined by the BEC, aims to provide the Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps, options and collars with approved counterparties and within approved credit limits to hedge approved range of anticipated jet fuel purchases over a specified time frame.

Cash flow hedges

The Group manages this fuel price risk by using swap, option and collar contracts and hedging up to 20 quarters forward using jet fuel swap, option and collar contracts, ICE Brent swap contracts and Brent-MOPS crack swap contracts.

The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain before tax of \$553.3 million (2018: gain before tax of \$597.2 million), with a related deferred tax of \$92.8 million (2018: deferred tax of \$101.5 million), was included in the fair value reserve in respect of these contracts.

The table below sets out the movements for fuel hedges:

	The Group		The Company	
	FY2018/19	FY2017/18	FY2018/19	FY2017/18
Change in fair value of hedging instrument	376.8	935.3	376.8	936.6
Change in fair value of hedged item	(376.8)	(935.3)	(376.8)	(936.6)
Hedge ineffectiveness recognised in profit or loss	-	-	-	-

As at 31 March 2019, the Group had entered into longer dated Brent hedges with maturities extending to FY2024/25 that cover up to 46% of the Group's projected annual fuel consumption, at average prices ranging from USD58 to USD63 per barrel.

Jet fuel price sensitivity analysis

The jet fuel price risk sensitivity analysis is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. Under this assumption, and excluding the effects of hedging, an increase in price of one USD per barrel of jet fuel affects the Group's and the Company's annual fuel costs by \$56.7 million and \$46.5 million (FY2017/18: \$53.2 million and \$40.7 million) respectively.

The fuel hedging sensitivity analysis is based on contracts that are still outstanding as at the end of the reporting period and assumes that all jet fuel, Brent and crack hedges are highly effective. Under these assumptions, with an increase or decrease in jet fuel prices, each by one USD per barrel, the before tax effects on equity are set out in the table below.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(a) Jet fuel price risk (continued)

Sensitivity analysis on outstanding fuel hedging contracts:

	The Group 31 March		The Company 31 March	
	2019	2018	2019	2018
	Effect on equity		Effect on equity	
Increase in one USD per barrel	141.2	110.7	113.4	83.0
Decrease in one USD per barrel	(141.2)	(110.7)	(113.4)	(83.0)

(b) Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For the financial year ended 31 March 2019, these accounted for 61.2% of total revenue (FY2017/18: 56.8%) and 57.0% of total operating expenses (FY2017/18: 53.0%). The Group's largest exposures are from United States Dollar, Euro, UK Sterling Pound, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan and Korean Won. The Group generates a surplus in all of these currencies, with the exception of USD. The deficit in USD is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in USD.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for USD or SGD. The Group also uses foreign currency forward and option contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying either USD or SGD depending on forecast requirements, with settlement dates up to 24 months. The Company also uses cross currency swap contracts to hedge a portion of its fixed future foreign exchange exposure in USD. The cross currency swap contracts provide for the Company to exchange surplus currency, specifically JPY and EUR into USD predetermined costs. The Group uses these currency hedging contracts purely as a hedging tool. It does not take positions in currencies with a view to making speculative gains from currency movements. The Group also uses short-term deposits in foreign currencies to hedge a portion of the forecast USD capital expenditure in the next 12 months.

Cash flow hedges

a) Net operating and other exposures

The Group held cash flow hedges to manage net operating exposures to foreign currencies. As at 31 March 2019, the carrying amounts of these hedges consisted of \$32.4 million (2018: \$17.4 million) derivative assets and \$10.2 million (2018: \$60.8 million) derivative liabilities for the Group, and \$32.4 million (2018: \$17.2 million) derivative assets and \$10.2 million (2017: \$60.8 million) derivative liabilities for the Company. During the financial year, the amount reclassified from the cash flow hedge reserve to profit or loss (classified under 'Other operating expenses') is a gain of \$26.6 million (2018: loss of \$62.1 million) for the Group and no ineffectiveness has been recognised in the profit or loss for the Group.

The Group also held cross currency swap contracts to hedge expected future lease commitments in USD and foreign currency risk of expected future JPY and EUR surpluses until August 2021. As at 31 March 2019, the hedges were assessed to be effective and a net fair value loss of \$1.4 million (2018: \$10.8 million), with a related deferred tax credit of \$0.2 million (2018: \$1.8 million), was included in the fair value reserve with respect to these contracts.

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

b) Capital expenditure exposures

The Group designates cash flow hedges to manage the exposure to USD-denominated capital expenditure commitments. As at 31 March 2019, the total nominal amount of these cash flow hedges over the next two years was USD1,909.0 million (2018: USD3,042.6 million) with a hedged rate range of SGD/USD 1.29 – 1.39 (2018: SGD/USD 1.29 – 1.45) for the Group and USD1,743.2 million (2018: USD2,784.3 million) with a hedged rate range of SGD/USD 1.29 – 1.39 (2018: SGD/USD 1.29 – 1.45) for the Company.

As at 31 March 2019, the Group held USD3.8 million (2018: USD154.1 million) in short-term deposits to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 12 months. During the financial year, the Group also entered into new foreign currency forward contracts to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 24 months. As at 31 March 2019, a fair value gain of \$19.8 million (2018: loss of \$126.8 million) was included in the fair value reserve in respect of the above cash flow hedges.

The table below sets out the derivative positions and movements for these cash flow hedges:

	The Group and the Company	
	31 March	
	2019	2018
Fixed deposits	5.2	202.2
Derivative assets	29.7	0.6
Derivative liabilities	(9.9)	(158.1)
	The Group and the Company	
	FY2018/19	FY2017/18
Change in fair value of hedging instrument	136.2	(232.6)
Change in fair value of hedged item	(136.2)	232.6
Hedge ineffectiveness recognised in profit or loss	-	-

For the financial year ended 31 March 2019 and 31 March 2018, there was no realised foreign currency hedging gain/(loss) reclassified to profit or loss as it had been capitalised in the carrying value of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on the assumption that all cash flow hedges are highly effective; hence there will be no impact on profit before taxation from the cash flow hedges.

The following table details the sensitivity of a 1% strengthening of SGD against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency hedging contracts and significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Sensitivity analysis:

	The Group 31 March			
	2019		2018	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	3.8	(1.0)	3.0	(1.9)
EUR	1.5	(0.7)	1.3	(0.8)
GBP	1.5	(0.4)	1.4	(0.8)
JPY	1.2	-	1.8	(0.2)
CNY	4.0	0.1	-	(0.6)
USD	(45.8)	(3.7)	(61.4)	(3.9)

	The Company 31 March			
	2019		2018	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	3.8	(1.1)	2.6	(1.7)
EUR	1.5	(0.8)	0.9	(0.3)
GBP	1.5	(0.4)	1.1	(0.6)
JPY	1.2	-	1.7	(0.1)
CNY	3.0	0.1	-	0.3
USD	(42.4)	(3.5)	(55.1)	(0.3)

^{R1} Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency

^{R2} Sensitivity analysis on significant outstanding foreign currency denominated monetary items

If the relevant foreign currency strengthens by 1% against SGD, equity and profit before taxation would change by the same amounts in the opposite direction.

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk

The Group's earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Group enters into interest rate swap contracts and interest rate cap contracts to manage interest rate costs on its financial assets and liabilities, with the prior approval of the BEC or Boards of subsidiary companies.

Cash flow hedges

During the financial year, the Group entered into interest rate swap contracts to hedge the interest rate exposure on underlying loans. As at 31 March 2019, the total nominal amount of these cash flow hedges was \$1,980.0 million with a hedged rate range of 2.62% to 2.92% for the Group and \$1,500.0 million with a hedged rate range of 2.62% to 2.86% for the Company.

The terms of the interest rate swap contracts have been negotiated to match the terms of the loans and accordingly, the fair value hedges are assessed to be highly effective. As at 31 March 2019, a net fair value loss of \$19.6 million with related deferred tax credit of \$3.3 million was included in the fair value reserve in respect of these contracts.

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or finance charges of variable interest financial instruments.
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

Under these assumptions, an increase or decrease in market interest rates of 10 basis points for all currencies in which the Group has derivative financial instruments and variable rate assets and liabilities at 31 March 2019 will have the effects as set out in the table below.

Sensitivity analysis:

	The Group			
	31 March			
	2019			2018
	Effect on equity^{R1}	Effect on profit before taxation^{R2}	Effect on equity^{R1}	Effect on profit before taxation^{R2}
Increase in 10 basis points in market interest rates	9.1	3.0	–	2.5
Decrease in 10 basis points in market interest rates	(9.1)	(3.0)	–	(2.5)

	The Company			
	31 March			
	2019			2018
	Effect on equity^{R1}	Effect on profit before taxation^{R2}	Effect on equity^{R1}	Effect on profit before taxation^{R2}
Increase in 10 basis points in market interest rates	7.3	2.1	–	1.1
Decrease in 10 basis points in market interest rates	(7.3)	(2.1)	–	(1.1)

^{R1} Sensitivity analysis on derivative financial instruments.

^{R2} Sensitivity analysis on variable rate assets and liabilities.

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(d) Market rate risk

At 31 March 2019, the Group and the Company own investments of \$460.7 million (2018: \$503.8 million) and \$402.0 million (2018: \$424.3 million) respectively, out of which \$328.4 million (2018: \$338.8 million) and \$269.6 million (2018: \$259.3 million) are subject to market risk, being the potential loss resulting from a decrease in market prices.

Market price sensitivity analysis

If prices for these investments increase or decrease by 1% with all other variables being held constant, the before tax effects on equity are set out in the table below.

Sensitivity analysis on investments:

	The Group			
	31 March			
	2019		2018	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	0.1	3.2	-	3.4
Decrease in 1% of quoted prices	(0.1)	(3.2)	-	(3.4)

	The Company			
	31 March			
	2019		2018	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	0.1	2.6	-	2.6
Decrease in 1% of quoted prices	(0.1)	(2.6)	-	(2.6)

(e) Liquidity risk

At 31 March 2019, the Group has at its disposal, cash and short-term deposits amounting to \$2,944.0 million (2018: \$2,568.3 million). In addition, the Group has available short-term credit facilities of about \$1,557.5 million (2018: \$1,649.3 million). The Group also has a Medium Term Note Programme and Medium Term Bond Programme under which it may issue notes up to \$7,000.0 million (2018: \$5,000.0 million) and as of 31 March 2019, \$2,620.0 million (2018: \$1,970.0 million) remained unutilised. Under this Programme, notes issued by the Company may have varying maturities as contracted with the relevant financial institutions.

The Group's holdings of cash and short-term deposits, together with committed funding facilities and net cash flow from operations, are expected to be sufficient to cover the cost of all firm aircraft deliveries due in the next financial year. It is expected that any shortfall would be met by bank borrowings or public market funding. Due to the necessity to plan aircraft orders well in advance of delivery, it is not economical for the Group to have committed funding in place at present for all outstanding orders, many of which relate to aircraft which will not be delivered for several years. The Group's policies in this regard are in line with the funding policies of other major airlines.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(e) Liquidity risk (continued)

The maturity profile of the financial liabilities of the Group and the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2019	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	138.3	630.4	318.9	115.8	1,465.9	2,503.4	5,172.7
Loans	287.7	282.2	282.2	271.9	260.7	1,204.1	2,588.8
Maintenance reserve	6.9	10.5	-	2.5	-	-	19.9
Trade and other creditors	3,163.6	-	-	-	-	-	3,163.6
Derivative financial instruments:							
Currency hedging contracts	19.9	0.2	-	-	-	-	20.1
Fuel hedging contracts	68.2	8.0	-	11.5	27.5	-	115.2
Cross currency swap contracts	1.9	0.9	0.3	-	-	-	3.1
Interest rate swap contracts (net-settled)	5.4	6.8	5.2	4.1	2.2	(3.6)	20.1
	3,691.9	939.0	606.6	405.8	1,756.3	3,703.9	11,103.5
The Company							
Notes payable	138.3	630.4	318.9	115.8	1,465.9	2,503.4	5,172.7
Loans	203.0	202.0	203.1	203.9	205.4	986.4	2,003.8
Maintenance reserve	6.9	10.5	-	2.5	-	-	19.9
Trade and other creditors	2,304.2	-	-	-	-	-	2,304.2
Amounts owing to subsidiary companies	971.8	-	-	-	-	-	971.8
Derivative financial instruments:							
Currency hedging contracts	19.9	0.2	-	-	-	-	20.1
Fuel hedging contracts	68.2	8.0	-	11.5	27.5	-	115.2
Cross currency swap contracts	1.9	0.9	0.3	-	-	-	3.1
Interest rate swap contracts (net-settled)	4.0	5.0	3.9	3.1	1.6	(3.3)	14.3
	3,718.2	857.0	526.2	336.8	1,700.4	3,486.5	10,625.1

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(e) Liquidity risk (continued)

31 March 2018	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	96.5	96.5	588.4	277.3	74.1	2,577.4	3,710.2
Loans	23.2	22.6	22.7	22.5	12.7	1.0	104.7
Maintenance reserve	-	5.2	9.0	-	1.2	-	15.4
Deposit received from a lessee	-	-	-	-	-	8.8	8.8
Trade and other creditors	2,817.0	-	-	-	-	-	2,817.0
Derivative financial instruments:							
Currency hedging contracts	161.8	42.3	-	-	-	-	204.1
Fuel hedging contracts	0.1	-	0.7	11.0	0.1	-	11.9
Cross currency swap contracts	5.4	3.9	2.3	0.6	-	-	12.2
	3,104.0	170.5	623.1	311.4	88.1	2,587.2	6,884.3
The Company							
Notes payable	96.5	96.5	588.4	277.3	74.1	2,577.4	3,710.2
Maintenance reserve	-	5.2	9.0	-	1.2	-	15.4
Trade and other creditors	1,858.9	-	-	-	-	-	1,858.9
Amounts owing to subsidiary companies	1,290.4	-	-	-	-	-	1,290.4
Derivative financial instruments:							
Currency hedging contracts	161.8	42.3	-	-	-	-	204.1
Fuel hedging contracts	0.1	-	0.7	11.0	0.1	-	11.9
Cross currency swap contracts	5.4	3.9	2.3	0.6	-	-	12.2
	3,413.1	147.9	600.4	288.9	75.4	2,577.4	7,103.1

(f) Credit risk

The Group has an independent Group Debts Review Committee to review the follow up actions on outstanding receivables monthly. On a day-to-day basis, the respective Finance divisions have the primary responsibility for measuring and managing specific risk exposures.

The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset in the statement of financial position.

There are no significant concentrations of credit risk other than from counterparties of cash and bank balances and derivative instruments, where transactions are limited to financial institutions possessing high credit quality and hence the risk of default is low.

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. In specific instances, the contract may require special collateral.

Unless expressly stated otherwise in the contract, receivables and payables among airlines are settled either bilaterally or via the IATA Clearing House. Receivables and payables are generally netted and settled at weekly intervals, which lead to a clear reduction in the risk of default.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

38 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(f) Credit risk (continued)

For all other service relationships, depending on the nature and scope of the services rendered, collateral is required, credit reports or references are obtained and use is made of historical data from previous business relations, especially with regard to payment behaviour, in order to avoid non-performance.

Collateral requested from debtors include bank guarantees, cash-in-lieu of deposit and security deposits.

The Group determines concentrations of credit risk by monitoring the industry, country and credit rating of its counterparties. The table below shows an analysis of credit risk exposures of balances that exceed 5% of the financial assets of the Group and the Company as at 31 March:

	The Group				The Company			
	Outstanding balance		Percentage of total financial assets		Outstanding balance		Percentage of total financial assets	
	2019	2018	2019	2018	2019	2018	2019	2018
Counterparty profiles								
<u>By industry:</u>								
Travel agencies	528.7	535.6	8.6%	9.4%	505.9	273.0	9.6%	5.9%
Airlines	222.5	236.0	3.6%	4.2%	69.5	70.5	1.3%	1.5%
Financial institutions	3,945.1	3,442.0	64.3%	60.8%	3,696.8	3,004.1	70.0%	65.5%
Others	1,190.1	1,175.7	19.4%	20.8%	831.2	945.1	15.7%	20.6%
	5,886.4	5,389.3	95.9%	95.2%	5,103.4	4,292.7	96.6%	93.5%
<u>By region:</u>								
East Asia	3,376.4	2,813.8	54.9%	49.7%	2,991.1	2,151.9	35.8%	46.9%
Europe	1,602.2	1,669.3	26.1%	29.5%	1,287.3	1,379.8	37.8%	30.0%
South West Pacific	578.9	491.6	9.4%	8.7%	570.2	454.4	17.5%	9.9%
Americas	227.2	189.0	3.7%	3.3%	184.2	125.1	4.3%	2.7%
West Asia and Africa	101.7	225.6	1.8%	4.0%	70.6	181.5	1.2%	4.0%
	5,886.4	5,389.3	95.9%	95.2%	5,103.4	4,292.7	96.6%	93.5%
<u>By Moody's credit ratings:</u>								
Investment grade (A to Aaa)	4,164.0	3,836.5	67.8%	67.8%	3,986.6	3,425.1	75.5%	74.6%
Investment grade (Baa)	3.6	7.0	0.1%	0.1%	1.6	1.2	-	-
Non-rated	1,718.8	1,545.8	28.0%	27.3%	1,115.2	866.4	21.1%	18.9%
	5,886.4	5,389.3	95.9%	95.2%	5,103.4	4,292.7	96.6%	93.5%

39 Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 April 2018	Proceeds	Repayments	Interest payments	Non-cash changes			31 March 2019
					Interest expense	Foreign exchange movement	Interest capitalised	
Notes payable	3,030.1	1,346.8	-	-	0.1	-	-	4,377.0
Loans	97.2	2,272.5	(93.7)	-	0.5	0.9	-	2,277.4
Accrued interest	32.0	-	-	(124.5)	115.5	-	22.4	45.4

	1 April 2017	Proceeds	Repayments	Interest payments	Non-cash changes			31 March 2018
					Interest expense	Foreign exchange movement	Interest capitalised	
Notes payable	1,430.0	1,600.0	-	-	0.1	-	-	3,030.1
Loans	114.1	5.0	(20.3)	-	-	(1.6)	-	97.2
Finance lease commitments	23.7	-	(23.7)	-	-	-	-	-
Accrued interest	17.6	-	-	(75.7)	89.7	0.4	-	32.0

40 Capital Management (in \$ million)

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

40 Capital Management (in \$ million) (continued)

During the financial year ended 31 March 2019, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

	The Group			The Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
Notes payable	4,377.0	3,030.1	1,430.0	4,377.0	3,030.1	1,430.0
Loans	2,277.4	97.2	114.1	1,756.4	-	-
Finance lease commitments	-	-	23.7	-	-	-
Total debt	6,654.4	3,127.3	1,567.8	6,133.4	3,030.1	1,430.0
Share capital	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1
Reserves	11,430.7	11,004.2	9,428.0	9,917.3	10,375.1	9,093.6
Total capital	13,286.8	12,860.3	11,284.1	11,773.4	12,231.2	10,949.7
Gearing ratio (times)	0.50	0.24	0.14	0.52	0.25	0.13

41 Related Party Transactions (in \$ million)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Key Management Personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Group considers the Directors, Chief Executive Officer and Executive Vice Presidents of the Company to be Key Management Personnel of the Company.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out in the normal course of business during the financial year:

	The Group	
	FY2018/19	FY2017/18
Purchases of services from associated companies	206.8	142.5
Services rendered to associated companies	(76.7)	(38.7)
Purchases of services from joint venture companies	42.6	4.9
Services rendered to joint venture companies	(120.4)	(60.9)
Purchases of services from related parties	1,574.8	1,331.7
Services rendered to related parties	(47.6)	(25.7)
Professional fees paid to a firm of which a Director is a member	1.0	0.4

41 Related Party Transactions (in \$ million) (continued)

Key Management Personnel remuneration of the Group

	The Group	
	FY2018/19	FY2017/18
<u>Directors</u>		
Salary, bonuses, fee and other costs	5.8	5.2
CPF and other defined contributions	*	*
Share-based compensation expense	1.7	1.4
	7.5	6.6
<u>Key executives (excluding executive Directors)</u>		
Salary, bonuses, fee and other costs	3.6	3.0
CPF and other defined contributions	*	*
Share-based compensation expense	1.6	1.3
	5.2	4.3

* Amount less than \$0.1 million

Share options granted to and exercised by a Director and key executives of the Company are as follows:

Name of participant	Aggregate options granted since commencement of financial year under review	Aggregate options exercised since commencement of financial year under review	Aggregate options outstanding at end of financial year under review
Goh Choon Phong	444,075	444,075	–
Mak Swee Wah	362,750	362,750	–
Ng Chin Hwee	214,025	214,025	–

Conditional awards granted to a Director and key executives of the Company pursuant to the Restricted Share Plan and the Performance Share Plan are as follows:

RSP/RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of RSP/RSP 2014 to end of financial year under review
Goh Choon Phong	42,000	60,000	42,000	60,000	502,232
Mak Swee Wah	21,000	30,000	21,000	30,000	286,674
Ng Chin Hwee	21,000	30,000	21,000	30,000	270,756

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2019

41 Related Party Transactions (in \$ million) (continued)

RSP/RSP 2014 Final Awards (Pending Release) ^{R1}

Name of participant	Balance as at 1 April 2018	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2019	Aggregate ordinary shares released to participant since commencement of RSP/ RSP 2014 to end of financial year under review*
Goh Choon Phong	92,585	63,000	77,285	78,300	339,652
Mak Swee Wah	46,292	31,500	38,642	39,150	203,278
Ng Chin Hwee	46,292	31,500	38,642	39,150	184,347

Deferred RSP/RSP 2014 Awards

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review*
Goh Choon Phong	47,300	23,330	13,170	57,460	81,577
Mak Swee Wah	26,230	10,890	8,890	28,230	36,368
Ng Chin Hwee	24,920	10,890	7,580	28,230	39,008

PSP/PSP 2014 Base Awards ^{R2}

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of PSP/PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP/PSP 2014 to end of financial year under review
Goh Choon Phong	222,750	82,500	82,500	222,750	651,478	124,902
Mak Swee Wah	89,100	33,000	33,000	89,100	305,278	97,253
Ng Chin Hwee	89,100	33,000	33,000	89,100	290,572	81,040

41 Related Party Transactions (in \$ million) (continued)

Transformation Share Awards

Name of participant	Balance as at 1 April 2018	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2019	Aggregate Base Awards granted since commencement of TSA to end of financial year under review
Goh Choon Phong	–	66,083	–	66,083	66,083
Mak Swee Wah	–	30,839	–	30,839	30,839
Ng Chin Hwee	–	30,839	–	30,839	30,839

^{R1} The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the performance periods relating to the relevant awards.

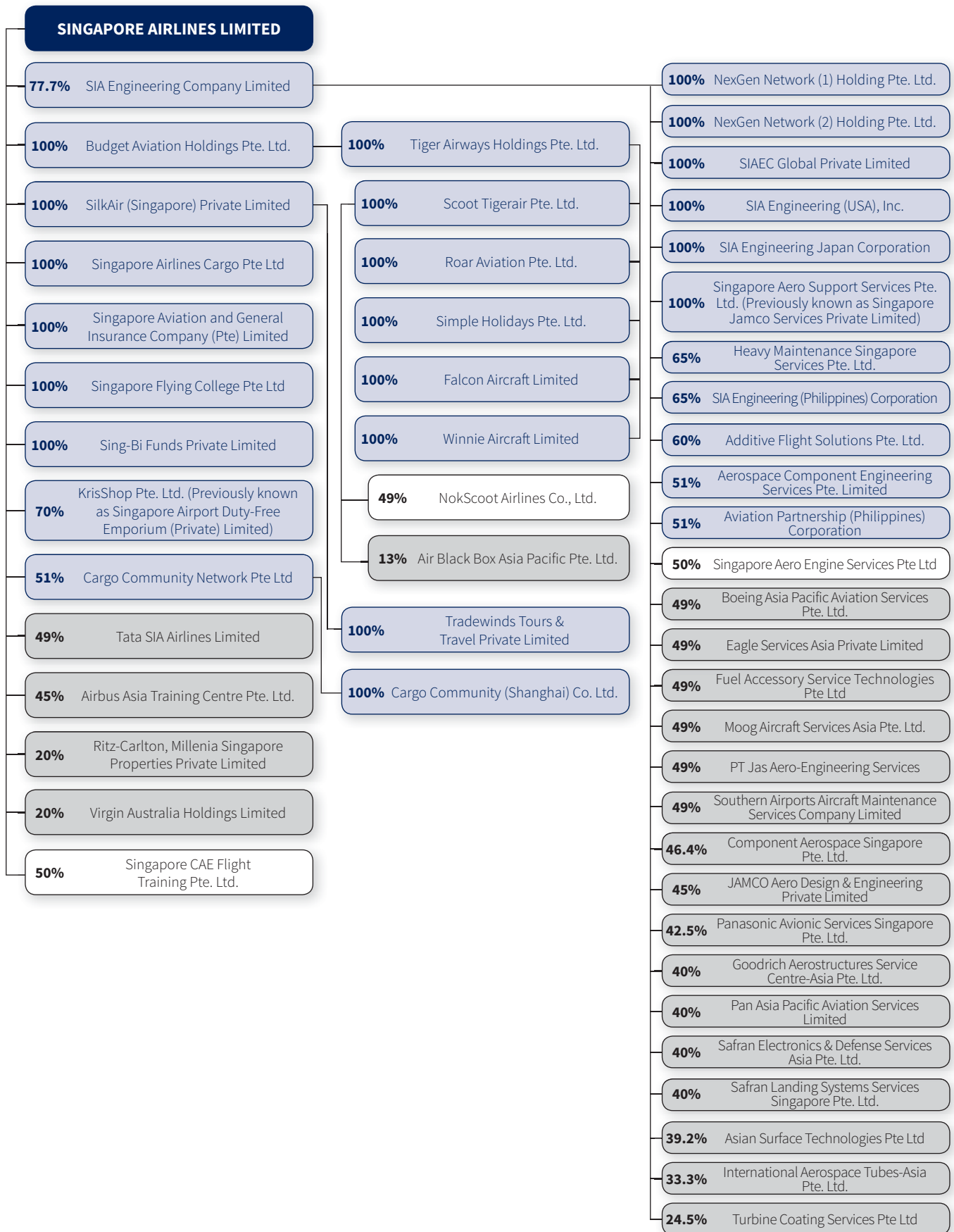
^{R2} The actual number of PSP Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.

Final Awards granted during the financial year is determined by applying the achievement factor to the Base Awards that have vested during the financial year.

* During the financial year, 154,569 and 32,730 treasury shares were issued to a Director and key executives of the Company pursuant to the RSP and DSA respectively.

GROUP CORPORATE STRUCTURE

At 31 March 2019



QUARTERLY RESULTS OF THE GROUP

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
TOTAL REVENUE						
2018/19	(\$ million)	3,844.5	4,062.1	4,341.5	4,075.1	16,323.2
2017/18 ^{R1}	(\$ million)	3,864.2	3,847.9	4,076.7	4,017.3	15,806.1
TOTAL EXPENDITURE						
2018/19	(\$ million)	3,651.4	3,829.2	3,953.9	3,821.6	15,256.1
2017/18 ^{R1}	(\$ million)	3,459.6	3,490.8	3,623.0	3,683.9	14,257.3
OPERATING PROFIT						
2018/19	(\$ million)	193.1	232.9	387.6	253.5	1,067.1
2017/18 ^{R1}	(\$ million)	404.6	357.1	453.7	333.4	1,548.8
PROFIT BEFORE TAXATION						
2018/19	(\$ million)	184.0	104.5	366.1	214.0	868.6
2017/18 ^{R1}	(\$ million)	416.7	347.1	473.3	356.1	1,593.2
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY						
2018/19	(\$ million)	139.6	56.4	284.1	202.6	682.7
2017/18 ^{R1}	(\$ million)	337.9	293.3	389.3	281.1	1,301.6
EARNINGS PER SHARE - BASIC						
2018/19	(cents)	11.8	4.8	24.0	17.1	57.7
2017/18 ^{R1}	(cents)	28.6	24.8	32.9	23.8	110.1
EARNINGS PER SHARE - DILUTED						
2018/19	(cents)	11.8	4.7	23.9	17.0	57.4
2017/18 ^{R1}	(cents)	28.5	24.7	32.8	23.7	109.7

^{R1} The Group has adopted IFRS with effect from 1 April 2018. In accordance to the transition requirements, FY2017/18 comparatives have been restated.

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15
PROFIT AND LOSS ACCOUNT (\$ million)					
Total revenue	16,323.2	15,806.1	14,868.5	15,238.7	15,565.5
Total expenditure	(15,256.1)	(14,257.3)	(14,245.7)	(14,557.5)	(15,156.1)
Operating profit	1,067.1	1,548.8	622.8	681.2	409.4
Finance charges	(116.1)	(89.8)	(46.1)	(50.3)	(49.6)
Interest income	41.9	60.9	73.9	70.7	74.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(5.8)	16.1	(31.7)	52.7	51.9
Dividend from long-term investments	3.1	6.2	45.0	115.3	13.2
Other non-operating items	(47.4)	19.3	(103.2)	91.1	(14.3)
Share of profits of joint venture companies	23.2	41.0	20.9	22.8	52.0
Share of losses of associated companies	(97.4)	(9.3)	(63.0)	(11.1)	(129.1)
Profit before exceptional items	868.6	1,593.2	518.6	972.4	408.4
Exceptional items					
Remeasurement gain from consolidation of Tiger Airways	-	-	-	-	119.8
Impairment of China Cargo Airlines	-	-	-	-	(63.6)
Gain on divestment of an associated company	-	-	-	-	7.3
Impairment of freighters	-	-	-	-	(7.0)
Writeback of impairment of property, plant and equipment of Singapore Flying College	-	-	-	-	2.1
Competition-related fines and settlements	-	-	-	-	(24.1)
Profit before taxation	868.6	1,593.2	518.6	972.4	442.9
Profit attributable to owners of the Company	682.7	1,301.6	360.4	804.4	367.9
STATEMENT OF FINANCIAL POSITION (\$ million)					
Share capital	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(171.5)	(183.5)	(194.7)	(381.5)	(326.3)
Capital reserve	(124.3)	(139.4)	(147.6)	(129.2)	215.9
Foreign currency translation reserve	(33.2)	(52.4)	(123.7)	(151.3)	(135.7)
Share-based compensation reserve	24.9	79.5	88.5	123.7	113.2
Fair value reserve	459.7	313.5	(234.4)	(498.6)	(706.2)
General reserve	11,275.1	10,986.5	11,838.8	11,935.5	11,446.6
Equity attributable to owners of the Company	13,286.8	12,860.3	13,083.0	12,754.7	12,463.6
Non-controlling interests	396.4	368.1	387.2	378.2	466.5
Total equity	13,683.2	13,228.4	13,470.2	13,132.9	12,930.1
Property, plant and equipment	22,176.3	18,169.2	16,433.3	14,143.5	13,523.2
Intangible assets	451.3	435.3	423.5	515.8	497.6
Associated companies	1,104.5	1,048.8	1,056.9	901.9	922.2
Joint venture companies	171.7	150.6	160.2	156.3	167.9
Long-term investments	343.9	346.0	405.7	773.1	927.6
Other non-current assets	757.8	775.6	540.4	562.0	630.2
Current assets	5,499.7	4,967.0	5,700.0	6,794.0	7,252.9
Total assets	30,505.2	25,892.5	24,720.0	23,846.6	23,921.6
Deferred account	83.9	123.3	234.5	255.0	141.7
Deferred taxation	2,040.3	1,840.6	1,890.5	1,681.7	1,599.6
Other non-current liabilities	7,319.4	4,134.5	2,836.2	2,289.8	2,609.8
Current liabilities	7,378.4	6,565.7	6,288.6	6,487.2	6,640.4
Total liabilities	16,822.0	12,664.1	11,249.8	10,713.7	10,991.5
Net assets	13,683.2	13,228.4	13,470.2	13,132.9	12,930.1

	2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15
CASH FLOW (\$ million)					
Cash flow from operations	2,827.4	2,745.6	2,583.4	2,929.9	2,193.9
Internally generated cash flow ^{R2}	3,115.8	2,958.5	2,707.2	3,501.4	3,306.0
Capital expenditure	5,562.3	5,209.5	3,944.7	2,909.0	2,600.2
PER SHARE DATA					
Earnings - basic (cents)	57.7	110.1	30.5	69.0	31.4
Earnings - diluted (cents)	57.4	109.7	30.3	68.7	31.2
Cash earnings (\$) ^{R3}	1.75	2.14	1.67	2.06	1.65
Net asset value (\$)	11.22	10.88	11.07	10.96	10.66
SHARE PRICE (\$)					
High	11.84	11.50	11.67	12.24	12.91
Low	9.14	9.66	9.60	9.57	9.57
Closing	9.66	10.84	10.07	11.42	11.95
DIVIDENDS					
Gross dividends (cents per share)	30.0	40.0	20.0	45.0	22.0
Dividend cover (times)	1.9	2.8	1.5	1.5	1.4
PROFITABILITY RATIOS (%)					
Return on equity holders' funds ^{R4}	5.2	10.8	2.8	6.4	2.9
Return on total assets ^{R5}	2.6	5.6	1.8	3.6	1.7
Return on turnover ^{R6}	4.4	8.5	3.0	5.6	2.6
PRODUCTIVITY AND EMPLOYEE DATA					
Value added (\$ million)	5,314.3	5,615.5	4,843.1	5,030.9	4,396.8
Value added per employee (\$) ^{R7}	200,283	216,806	192,232	206,608	183,483
Revenue per employee (\$) ^{R7}	615,181	610,251	590,160	625,819	649,564
Average employee strength	26,534	25,901	25,194	24,350	23,963
SGD per USD exchange rate as at 31 March	1.3551	1.3120	1.3973	1.3494	1.3752

^{R1} The Group has adopted IFRS with effect from 1 April 2018. In accordance to the transition requirements, FY2017/18 comparatives have been restated.

^{R2} Internally generated cash flow comprises cash generated from operations, dividends from associated and joint venture companies, and proceeds from sale of aircraft and other property, plant and equipment.

^{R3} Cash earnings is defined as profit attributable to owners of the Company plus depreciation and amortisation.

^{R4} Return on equity holders' funds is the profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

^{R5} Return on total assets is the profit after tax expressed as a percentage of the average total assets.

^{R6} Return on turnover is the profit after tax expressed as a percentage of the total revenue.

^{R7} Based on average staff strength.

TEN-YEAR STATISTICAL RECORD

		2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
SINGAPORE AIRLINES											
FINANCIAL											
Total revenue	(\$ million)	13,144.2	12,807.5	11,094.2	11,686.1	12,418.4	12,479.7	12,387.0	12,070.1	11,739.1	10,145.0
Total expenditure	(\$ million)	12,153.7	11,469.4	10,707.8	11,201.0	12,078.2	12,224.1	12,199.8	11,889.5	10,887.8	10,183.6
Operating profit/(loss)	(\$ million)	990.5	1,338.1	386.4	485.1	340.2	255.6	187.2	180.6	851.3	(38.6)
Profit/(Loss) before taxation	(\$ million)	938.8	1,529.0	579.3	766.2	563.1	536.4	(682.4)	413.3	1,194.0	233.3
Profit/(Loss) after taxation	(\$ million)	779.1	1,324.6	514.0	672.0	540.3	538.5	(694.1)	390.2	1,011.2	279.8
Capital disbursements ^{R2}	(\$ million)	5,005.2	4,358.1	3,425.5	2,309.0	1,788.5	2,251.1	1,648.2	1,762.7	981.9	1,372.4
Passenger - yield	(cents/pkm)	10.1	10.2	10.3	10.6	11.2	11.1	11.4	11.8	11.9	10.4
- RASK	(cents/ask)	8.4	8.3	8.2	8.4	8.8	8.8	9.0	9.1	9.3	8.2
- unit cost	(cents/ask)	8.3	8.1	8.3	8.5	8.9	9.1	9.2	9.2	8.9	8.6
Cargo - yield	(cents/ltk)	31.7	30.0	25.9	29.0	32.8	32.7	33.4	34.9	36.2	32.0
- unit cost	(cents/ctk)	16.5	16.2	16.8	18.9	21.4	21.9	23.2	23.5	22.3	21.9
Overall - yield	(cents/ltk)	76.3	74.3								
- unit cost	(cents/ctk)	50.9	49.1								
OPERATING FLEET											
Aircraft (Passenger)	(numbers)	121	107	106	102	105	103	101	100	108	108
Average age (Passenger)	(months)	79	88	92	89	85	81	80	74	75	75
Freighter	(numbers)	7	7	7	9	8	9	12	13	11	11
Average age (Freighter)	(months)	184	172	160	164	150	147	140	135	110	98
PRODUCTION											
Destination cities (Passenger)	(numbers)	63	62	61	60	60	62	63	63	64	68
Distance flown (Passenger)	(million km)	420.9	402.9	388.6	382.3	384.4	392.2	386.3	374.6	354.1	342.4
Time flown (Passenger)	(hours)	581,582	529,907	512,439	506,757	508,591	517,987	507,562	490,261	460,096	443,141
Overall capacity	(million tonne-km)	23,694.6	23,043.3								
Passenger capacity	(million seat-km)	123,486.2	118,126.7	117,662.3	118,366.5	120,000.8	120,502.8	118,264.4	113,409.7	108,060.2	105,673.7
Cargo gross capacity	(million tonne-km)	11,210.4	11,126.7	10,912.3	10,513.3	10,024.9	10,273.6	10,661.0	11,286.5	11,208.5	10,510.1
TRAFFIC											
Passengers carried	('000)	20,738	19,505	18,990	19,029	18,737	18,628	18,210	17,155	16,647	16,480
Revenue passenger-km	(million)	102,571.9	95,855.0	92,913.8	94,267.4	94,209.2	95,064.3	93,765.6	87,824.0	84,801.3	82,882.5
Passenger load factor	(%)	83.1	81.1	79.0	79.6	78.5	78.9	79.3	77.4	78.5	78.4
Cargo and mail carried	(million kg)	1,298.3	1,301.2	1,248.1	1,170.1	1,124.0	1,117.8	1,144.6	1,205.8	1,156.4	1,122.4
Cargo load	(million tonne-km)	7,006.5	7,260.3	6,895.8	6,510.9	6,347.2	6,419.3	6,763.6	7,198.2	7,174.0	6,659.1
Cargo load factor	(%)	62.5	65.3	63.2	61.9	63.3	62.5	63.4	63.8	64.0	63.4
Overall load	(million tonne-km)	16,520.2	16,150.8								
Overall load factor	(%)	69.7	70.1								
STAFF											
Average strength	(numbers)	15,943	15,620	14,423	13,983	14,040	14,240	14,156	13,893	13,588	13,934
Capacity per employee ^{R3}	(tonne-km)	1,486,207	1,475,242								
Revenue per employee	(\$)	824,450	819,942	769,202	835,736	884,501	876,383	875,035	868,790	863,931	728,075
Value added per employee	(\$)	258,634	286,530	246,183	261,861	242,970	242,184	159,593	237,472	310,480	219,678

		2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
SILKAIR											
Passengers carried	('000)	4,902	4,687	4,106	3,836	3,553	3,411	3,295	3,032	2,764	2,356
Revenue passenger-km	(million)	8,940.3	8,343.5	7,138.0	6,516.2	5,864.9	5,516.1	5,223.1	4,469.4	4,039.6	3,466.4
Available seat-km	(million)	11,731.8	11,365.9	10,086.3	9,117.8	8,355.2	7,926.9	7,096.3	5,904.8	5,285.1	4,495.9
Passenger load factor	(%)	76.2	73.4	70.8	71.5	70.2	69.6	73.6	75.7	76.4	77.1
Passenger yield	(cents/pkm)	10.9	11.5	13.0	13.5	13.9	13.7	14.1	14.5	14.1	13.1
Revenue per available seat-km	(cents/ask)	8.3	8.4	9.2	9.6	9.8	9.5	10.4	11.0	10.8	10.1
Passenger unit cost	(cents/ask)	8.5	8.4	8.6	9.0	9.7	9.8	9.9	10.1	9.4	9.9
SCOOT^{R4}											
Passengers carried	('000)	10,455	9,467	8,503	7,540	7,018					
Revenue passenger-km	(million)	29,325.9	25,599.8	22,083.8	18,225.0	16,415.0					
Available seat-km	(million)	34,388.6	29,888.4	26,792.8	21,732.8	19,983.0					
Passenger load factor	(%)	85.3	85.7	82.4	83.9	82.1					
Revenue per revenue seat-km	(cents/pkm)	5.7	5.8	5.9	6.3	6.3					
Revenue per available seat-km	(cents/ask)	4.9	5.0	4.8	5.3	5.2					
Cost per available seat-km	(cents/ask)	5.2	4.9	4.8	5.3	5.9					
GROUP AIRLINES (PASSENGERS)											
Passengers carried	('000)	36,095	33,659	31,599	30,405	29,308	22,039	21,505	20,187	19,411	18,836
Revenue passenger-km	(million)	140,838.1	129,798.3	122,135.6	119,008.6	116,489.1	100,580.4	98,988.7	92,293.4	88,840.9	86,348.9
Available seat-km	(million)	169,606.6	159,381.0	154,541.4	149,217.1	148,339.0	128,429.7	125,360.7	119,314.5	113,345.3	110,169.6
Passenger load factor	(%)	83.0	81.4	79.0	79.8	78.5	78.3	79.0	77.4	78.4	78.4

^{R1} Operating statistics for FY2017/18 have been adjusted for adoption of IFRS and re-integration of SIA Cargo into the Parent Airline Company. Overall statistics for Singapore Airlines only shown with effect from FY2017/18.

^{R2} Capital disbursements comprised capital expenditure in property, plant and equipment, intangible assets, investments in subsidiary companies, associated companies and joint venture companies, and additional long-term equity investments.

^{R3} Capacity per employee is defined as passenger and cargo capacity production (in tonnes) divided by Singapore Airlines' average staff strength.

^{R4} Operating statistics for Scoot only shown with effect from FY2014/15.

THE GROUP FLEET PROFILE

As at 31 March 2019, Singapore Airlines Group's operating fleet consisted of 202 aircraft - 195 passenger aircraft and 7 freighters. 121, 27 and 47 of the passenger aircraft were operated by Singapore Airlines, SilkAir and Scoot respectively.

Aircraft type	Owned	Operating Lease	Total	Average age in years (y) and months (m)	On firm order	On option
Singapore Airlines:						
777-200	7		7	15 y 5 m		
777-200ER	5		5	17 y 0 m		
777-300	5		5	15 y 4 m		
777-300ER	24	3	27	9 y 6 m		
A380-800	15	4	19	6 y 4 m		
A330-300		17	17	5 y 8 m		
A350-900 XWB	32		32	1 y 6 m	35	
787-10	9		9	0 y 8 m	38	6
777-9					20	6
Sub-total	97	24	121 ^{R1}	6 y 7 m	93	12
Singapore Airlines (Freighters):						
747-400F	7		7	15 y 4 m		
SilkAir:						
A319		2	2	9 y 0 m		
A320		8	8	8 y 1 m		
737-800	8	9	17	4 y 1 m		
737 MAX 8 ^{R2}					31	14 ^{R3}
Sub-total	8	19	27	5 y 7 m	31	14
Scoot:						
787-8	10		10	2 y 8 m	2	
787-9	8		8	3 y 1 m	2	
A319		1	1	10 y 1 m		
A320	4	22	26	6 y 10 m		
A320neo	2		2	0 y 5 m	37	11
Sub-total	24	23	47 ^{R4}	5 y 1 m	41	11
Total	136	66	202	6 y 5 m	165	37

^{R1} This excludes five 777-200s on lease to other carriers.

^{R2} Six 737 MAX 8s were temporarily withdrawn from service on 12 March 2019 till further notice.

^{R3} These are purchase rights for Boeing model 737 MAX aircraft including 737 MAX 7, 737 MAX 8 or 737 MAX 9.

^{R4} This excludes aircraft on lease to other carriers.

INFORMATION ON SHAREHOLDINGS

As at 3 June 2019

No. of Issued Shares	:	1,199,851,019
No. of Issued Shares (excluding Treasury Shares)	:	1,183,665,134
No./ Percentage of Treasury Shares	:	16,185,885 (1.35%)
No./ Percentage of Subsidiary Holdings ¹	:	0 (0%)
Class of Shares	:	Ordinary shares
		One Special share held by the Minister for Finance
Voting Rights (excluding Treasury Shares)	:	1 vote for 1 share

Range of shareholdings	Number of shareholders	%	Number of shares	%
1-99	393	0.95	13,572	0.00
100-1,000	16,693	40.34	13,594,553	1.15
1,001 - 10,000	21,516	52.00	77,170,775	6.52
10,001 - 1,000,000	2,765	6.68	86,483,259	7.31
1,000,001 and above	14	0.03	1,006,402,975	85.02
Total	41,381	100.00	1,183,665,134	100.00

Twenty largest shareholders

	Name	Number of shares	% ²
1	Temasek Holdings (Private) Limited	657,306,600	55.53
2	DBS Nominees (Private) Limited	124,653,615	10.53
3	Citibank Nominees Singapore Pte Ltd	119,568,008	10.10
4	DBSN Services Pte Ltd	38,365,968	3.24
5	HSBC (Singapore) Nominees Pte Ltd	29,134,514	2.46
6	Raffles Nominees (Pte) Limited	14,743,393	1.25
7	BPSS Nominees Singapore (Pte.) Ltd.	6,755,576	0.57
8	United Overseas Bank Nominees (Private) Limited	5,613,798	0.47
9	OCBC Nominees Singapore Private Limited	2,564,128	0.22
10	OCBC Securities Private Limited	2,105,668	0.18
11	UOB Kay Hian Private Limited	1,580,023	0.13
12	Societe Generale Singapore Branch	1,549,629	0.13
13	Phillip Securities Pte Ltd	1,454,951	0.12
14	DB Nominees (Singapore) Pte Ltd	1,007,104	0.09
15	Goh Kia Seng	975,800	0.08
16	Merrill Lynch (Singapore) Pte Ltd	886,832	0.08
17	Maybank Kim Eng Securities Pte Ltd	828,065	0.07
18	Tan Kim Siah	800,000	0.07
19	Estate of Chen Nay Ik David @David Nay Ik Chen, Deceased	641,200	0.05
20	Tan Kim Han (Chen Jinhan)	610,000	0.05
	Total	1,011,144,872	85.42

INFORMATION ON SHAREHOLDINGS

As at 3 June 2019

Substantial shareholder (as shown in the Register of Substantial Shareholders)

Substantial shareholder	Direct Interest	Number of shares		% ²
		% ²	Deemed Interest ³	
Temasek Holdings (Private) Limited	657,306,600	55.53	3,565,732	0.30

¹ 'Subsidiary holdings' is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

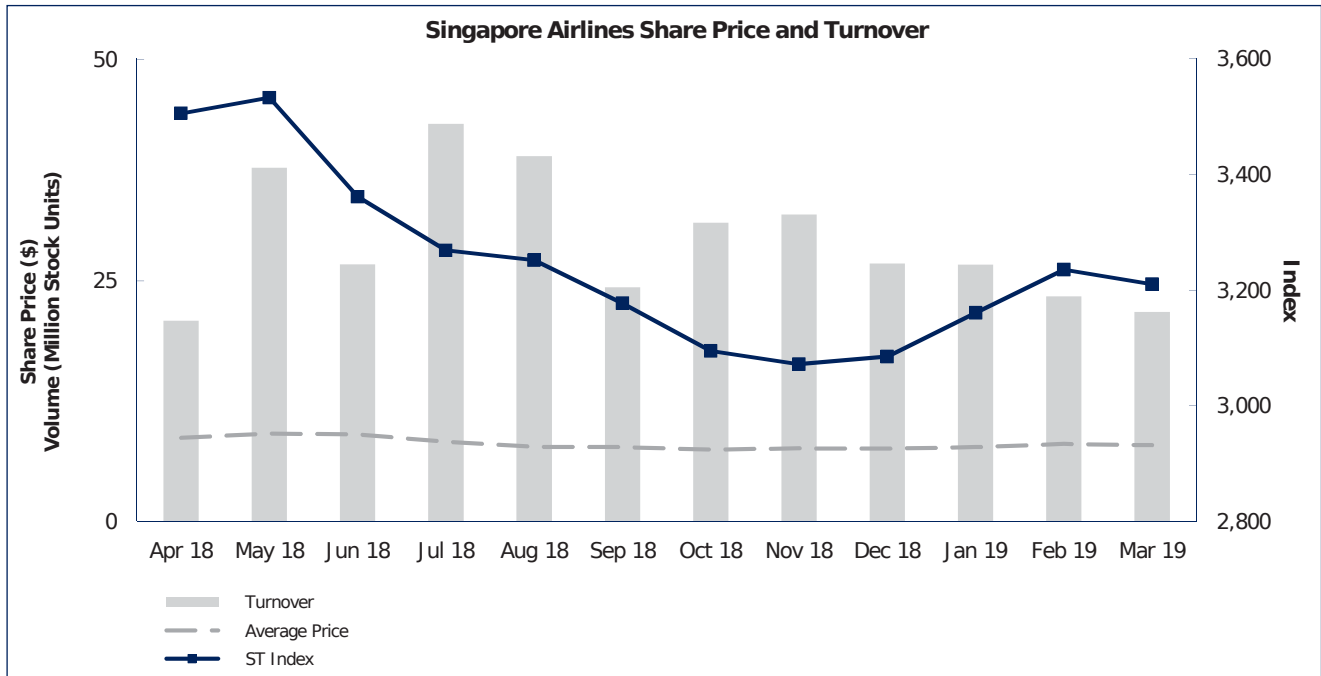
² Based on 1,183,665,133 ordinary shares issued as at 3 June 2019 (this is based on 1,199,851,018 ordinary shares issued as at 3 June 2019, excluding the 16,185,885 Treasury shares as at 3 June 2019).

³ Temasek Holdings (Private) Limited is deemed interested in 3,565,732 ordinary shares in which its subsidiary and associated company have direct or deemed interests.

Shareholdings held by the public

Based on the information available to the Company as at 3 June 2019, 44.08% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

SHARE PRICE AND TURNOVER



Share Price (\$)	2018/19	2017/18
High	11.84	11.50
Low	9.14	9.66
Closing	9.66	10.84
Market Value Ratios^{R1}		
Price/Earnings	16.74	9.85
Price/Book value	0.86	1.00
Price/Cash earnings ^{R2}	5.52	5.07

^{R1} Based on closing price on 31 March and Group numbers. Market Value Ratios for FY2017/18 have been adjusted for adoption of IFRS.

^{R2} Cash earnings is defined as profit attributable to owners of the Company plus depreciation and amortisation.

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES

1 Interested Person Transactions

The aggregate values of all Interested Person Transactions (“IPTs”) entered into during the Financial Year 2018/19 are as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (\$)	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$)
Ascendas-Singbridge Group		
- ASB Sydney Goulburn Trust	-	489,307
- Ascendas Hotel Investment Company Pty Ltd	-	2,764,264
Certis CISCO Group		
- AJI International Pte Ltd	-	155,628
- SNP Security	-	397,000
- Synergy FMI Pte. Ltd.	-	4,129,511
KrisShop Pte Ltd	30,165,333*	937,066
PT Bank Danamon Indonesia TBK	-	415,548
SATS Ltd Group		
- Air India SATS Airport Services Private Limited	-	7,365,214
- Asia Airfreight Terminal Co Ltd	-	2,520,244
- DFASS SATS Pte Ltd	27,500,000**	2,984,164
- MacroAsia Catering Services Inc.	-	5,380,734
- Maldives Inflight Catering Private Limited	-	1,900,491
- Mumbai Cargo Service Centre Airport Private Limited	-	304,972
- PT Jas Aero-Engineering Services	-	4,572,471
- PT Jasa Angkasa Semesta Tbk	-	18,280,109
- SATS Aero Laundry Pte. Ltd.	-	16,832,359
- SATS Aerolog Express Pte Ltd	-	269,747
- SATS Asia-Pacific Star Pte. Ltd.	-	236,277
- SATS HK Limited	-	3,122,404
- SATS Ltd	731,165^	738,271,315
- SATS Security Services Private Limited	-	22,047,086
- Taj Madras Flight Kitchen Private Limited	-	615,389
- Taj SATS Air Catering Ltd	-	4,648,148
- TFK Corporation	-	8,029,811
Singapore Technologies Engineering Limited Group		
- ST Aerospace Academy Pte. Ltd.	-	941,842
- ST Aerospace Services Co Pte. Ltd.	-	152,592
- ST Aerospace Supplies Pte Ltd	-	407,613

1 Interested Person Transactions (continued)

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$)
Singapore Telecommunications Limited Group		
- Optus Networks Pty Limited	-	397,496
- Singapore Telecommunications Limited	-	8,233,808
StarHub Ltd Group		
- Ensign InfoSecurity (Singapore) Pte. Ltd.	-	176,914
- Ensign InfoSecurity (Systems) Pte. Ltd.	-	1,168,315
- StarHub Ltd	-	1,285,015
Temasek Holdings (Private) Limited and Associates		
- 1-Net Singapore Pte Ltd	-	137,517
- Fullerton Fund Management Company Ltd	7,107,750 ^{^^}	-
- MediaCorp Pte Ltd	-	255,000
- S & I Systems Pte Ltd	-	100,963
- SingEx Venues International Pte Ltd	-	141,060
- SMRT Capital Pte Ltd	1,920,875 ^{^^}	
Total	67,425,123	860,067,394

* Singapore Airlines Ltd's ("SIA") and SATS Ltd's ("SATS") subscriptions of new ordinary shares in the capital of KrisShop Pte. Ltd. ("KrisShop") amounting to \$24,897,685 and \$5,267,648 respectively.

** KrisShop's estimated acquisition value of DFISS SATS Pte Ltd's business of providing services and merchandise to SIA, SilkAir (Singapore) Pte Ltd and Scoot Tigerair Pte. Ltd..

[^] "Earn-out Payments" payable by KrisShop to SATS.

^{^^} Fullerton Fund Management Company Ltd and SMRT Capital Pte Ltd's subscriptions of Fixed Rate Notes issued by SIA under its Multicurrency Medium Term Note Programme. Pursuant to Rule 909(3) of the SGX Listing Manual, the values of the transactions are the interest payable on the borrowings.

2 Material Contracts

Except as disclosed above and in the financial statements for the financial year ended 31 March 2019, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

3 Use Of Proceeds From Issue Of Retail Bonds

On 28 March 2019, the Company issued \$750 million 3.03% per annum Bonds due 28 March 2024 under the \$2 billion Medium Term Bond Programme.

As at 3 June 2019, approximately \$1.8 million of the gross proceeds from the issue and offering of the Bonds have been applied towards payment of fees and expenses incurred in connection with the issue and offering of the Bonds and approximately \$482.9 million of the gross proceeds from the issue of the Bonds have been applied towards the purchase of aircraft. The Company will make further announcements on the use of the remaining proceeds of the Bonds until such proceeds have been fully utilised. Such use of proceeds is in accordance with the intended use of proceeds stated in the Pricing Supplement relating to the Bonds.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

Notice is hereby given that the Forty-Seventh Annual General Meeting of Singapore Airlines Limited (“the **Company**”) will be held at Orchard Grand Ballroom, Level 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on Monday, 29 July 2019 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2019 and the Auditors’ Report thereon.
2. To declare a final dividend of 22 cents per ordinary share for the year ended 31 March 2019.
3. To re-elect the following Directors who are retiring by rotation in accordance with Article 91 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (a) Mr Peter Seah Lim Huat
 - (b) Mr Dominic Ho Chiu Fai
 - (c) Mr Lee Kim Shin
4. To re-elect the following Directors who are retiring in accordance with Article 97 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (a) Mr David John Gledhill
 - (b) Ms Goh Swee Chen
5. To approve Directors’ emoluments of up to S\$2,400,000 for the financial year ending 31 March 2020 (FY2018/19: up to S\$2,300,000).
6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

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

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
- (ii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. That the Directors of the Company be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014; and
- (b) allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014,

provided that:

- (1) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time;
- (2) the aggregate number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively during the period (the “**Relevant Year**”) commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the “**Yearly Limit**”); and
- (3) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively,

and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

9. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are “entities at risk” (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 28 June 2019 (the “**Letter**”) with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the “**IPT Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

10. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out herein) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Maximum Limit**” means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

11. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the Directors of the Company be and are hereby authorised (in compliance with and subject always to the provisions of Article 10 of the Constitution of the Company (the “**Constitution**”)) to:

- (a) allot and issue, from time to time and at any time, such number of ASA Shares (as defined in Article 10 of the Constitution) at an issue price of S\$0.50 for each ASA Share or in the event of a liquidation of the Company, the higher of S\$0.50 or the liquidation value of an ASA Share as certified by the liquidator appointed in relation to the liquidation of the Company for each ASA share, partly paid at the price of S\$0.01, to the Minister for Finance (the “**Minister**”), and on such terms and subject to such conditions, as the Directors of the Company may in their absolute discretion deem fit;
- (b) make dividend payments out of the Company’s distributable profits to the Minister as the holder of the ASA Shares in accordance with the provisions of the Companies Act and the Constitution;
- (c) enter into an agreement with the Minister, on behalf of the Company, pursuant to which the Minister will undertake, for a period of 5 years from 29 July 2019, to subscribe for any ASA Shares as and when requested to do so by the Company; and
- (d) complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Closure of Books

Notice is hereby given that, subject to the approval of shareholders to the final dividend being obtained at the Forty-Seventh Annual General Meeting to be held on 29 July 2019, the Transfer Books and the Register of Members of the Company will be closed on 5 August 2019 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 2 August 2019 will be registered to determine shareholders’ entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 2 August 2019 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 16 August 2019.

By Order of the Board

Brenton Wu
Company Secretary
28 June 2019
Singapore

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

Explanatory notes

- In relation to Ordinary Resolution Nos. 3(a), 3(b) and 3(c), Mr Peter Seah Lim Huat will, upon re-election, continue to serve as Chairman of the Board, Chairman of the Board Executive Committee, Chairman of the Board Compensation and Industrial Relations Committee, Chairman of the Board Nominating Committee and a member of the Board Safety and Risk Committee. Mr Dominic Ho Chiu Fai will, upon re-election, continue to serve as Chairman of the Board Safety and Risk Committee and a member of the Board Audit Committee. Mr Lee Kim Shin will, upon re-election, continue to serve as a member of the Board Nominating Committee and the Board Safety and Risk Committee. Mr Seah, Mr Ho and Mr Lee are considered independent Directors. Please refer to pages 224 to 233 of the Annual Report 2018/19 for information relating to each of these Directors, as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").
- In relation to Ordinary Resolution Nos. 4(a) and 4(b), Article 97 of the Company's Constitution permits the Directors to appoint any person approved in writing by the Special Member to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Mr David John Gledhill and Ms Goh Swee Chen were appointed on 1 September 2018 and 1 January 2019 respectively, and are seeking re-election at the forthcoming Forty-Seventh Annual General Meeting. Mr Gledhill will, upon re-election, continue to serve as a member of the Board Safety and Risk Committee and the Customer Experience and Technology Committee. Ms Goh will, upon re-election, continue to serve as a member of the Board Audit Committee, the Board Nominating Committee and the Customer Experience and Technology Committee. Mr Gledhill and Ms Goh are considered independent Directors. Please refer to pages 224 to 233 of the Annual Report 2018/19 for information relating to each of these Directors, as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST.
- Ordinary Resolution No. 5, if passed, will facilitate the payment of S\$2,400,000 as Directors' fees during the financial year in which the fees are incurred, that is, during the financial year ending 31 March 2020 ("FY2019/20"). Directors' fees are computed based on the anticipated number of Board and Committee meetings for FY2019/20, assuming full attendance by all of the non-executive Directors. The amount also caters for any fee increases and unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees. The amount also includes transport and travel benefits to be provided to the non-executive Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting in year 2020 ("2020 AGM") before payments are made to Directors for the shortfall. Mr Goh Choon Phong, being the Chief Executive Officer, does not receive any Director's fees.

The current intention is that the Directors' fees for non-executive Directors for FY2019/20 will comprise a cash component and a share component, with approximately 30% being paid out in the form of awards under the SIA Restricted Share Plan 2014. Any such award would typically consist of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Non-executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently S\$90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

The cash component of the Directors' fees for FY2019/20 is intended to be paid quarterly in arrears. The share component of the Directors' fees for FY2019/20 is intended to be paid after the 2020 AGM has been held. The actual number of shares to be awarded to each non-executive Director holding office at the time of the payment is intended to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2020 AGM (or, if no final dividend is proposed at the 2020 AGM, or the resolution to approve any such final dividend is not approved at the 2020 AGM, over the 10 trading days immediately following the date of the 2020 AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive Director who steps down before the payment of the share component will receive all of his Directors' fees for FY2019/20 (calculated on a pro-rated basis, where applicable) in cash.

- Ordinary Resolution No. 7, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares. As at 3 June 2019, the Company had 16,185,885 treasury shares and no subsidiary holdings.
- Ordinary Resolution No. 8, if passed, will empower the Directors to grant awards pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014.

The SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 were adopted at the Extraordinary General Meeting of the Company held on 30 July 2014. At the Annual General Meeting held on 27 July 2018, shareholders approved alterations to the SIA Restricted Share Plan 2014 to enable non-executive Directors of the Company and/or its subsidiaries to participate in the SIA Restricted Share Plan 2014 (in addition to employees, including executive Directors of the Company and/or its subsidiaries).

The total number of ordinary shares which may be delivered pursuant to awards granted under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 8 will also provide that the total number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the “**Relevant Year**”) shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the “**Yearly Limit**”), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

6. Ordinary Resolution No. 9, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter to Shareholders dated 28 June 2019 (the “**Letter**”). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter for more details.
7. Ordinary Resolution No. 10, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2019, based on certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

8. Ordinary Resolution No. 11, if passed, will empower the Directors to allot and issue ASA Shares to the Minister for Finance from time to time and at any time, so as to preserve the rights and privileges granted to the Company by the air services agreements entered into between the Government of Singapore and the governments of other countries for regulating the conduct of air services between Singapore and the respective countries. The terms of the ASA Shares are set out in the Letter. Please refer to the Letter for more details.

Notes:

1. (a) *A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member’s proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.*
- (b) *A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.*

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. *A proxy need not be a member of the Company.*
3. *The proxy form (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the office of the Company’s Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 72 hours before the time fixed for holding the Annual General Meeting.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Peter Seah Lim Huat, Mr Dominic Ho Chiu Fai, Mr Lee Kim Shin, Mr David John Gledhill and Ms Goh Swee Chen as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is disclosed below:

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
Date of Appointment	1 September 2015 (as Director) 1 January 2017 (as Chairman)	1 May 2017	1 September 2016	1 September 2018	1 January 2019
Date of last re-appointment (if applicable)	29 July 2016	28 July 2017	28 July 2017	Not applicable	Not applicable
Age	72	68	58	57	58
Country of Principal Residence	Singapore	USA	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>After due consideration, the Board concurs with the Nominating Committee's recommendations that Mr Seah, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Seah's vast experience as the Chairman and former Chief Executive of major banking and financial services groups in Singapore, coupled with his knowledge of the banking and financial services business and environment in Asia Pacific.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's recommendations that Mr Ho, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Ho's decades of experience in auditing, accounting and business consulting, gained previously at a "big four" professional services firm.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's recommendations that Mr Lee, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Lee's decades of experience as a lawyer at one of the largest and leading law firms in Singapore, with an increasing presence in South East Asia, coupled with his knowledge of corporate and commercial law, as well as corporate governance matters.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's recommendations that Mr Gledhill, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Gledhill's decades of experience in managing technology and operations at large multi-national companies, coupled with over 20 years of experience in Asia.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's recommendations that Ms Goh, if re-elected, will continue to provide valuable insights and contributions to the Board, given her skills, experience, independence and commitment in the discharge of her duties as a Director.</p> <p>This is especially in view of Ms Goh's decades of experience, gained previously at large multi-national companies, where she had served on Board and Management levels, leading the global business, notably in sale and marketing, business improvements and I.T.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Chairman of the Board of Directors Independent and Non-Executive Director Chairman of Board Executive Committee Chairman of Board Compensation and Industrial Relations Committee Chairman of Board Nominating Committee Member of Board Safety and Risk Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Chairman of Board Safety and Risk Committee Member of Board Audit Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Member of Board Nominating Committee Member of Board Safety and Risk Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Member of Board Safety and Risk Committee Member of Customer Experience and Technology Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Member of Board Audit Committee Member of Board Nominating Committee Member of Customer Experience and Technology Committee
Professional Qualifications	Bachelor of Business Administration (Honours), University of Singapore	Bachelor of Business Administration and Master of Science, University of Houston	Bachelor of Laws (Honours), National University of Singapore	Bachelor of Science in Computing and Electronics, University of Durham, United Kingdom	Bachelor of Science in Information Science, Victoria University of Wellington, New Zealand and Master of Business Administration, University of Chicago, USA
Working experience and occupation(s) during the past 10 years	Mr Seah is the Chairman of DBS Group Holdings Ltd, DBS Bank Ltd, Singapore Health Services Ltd and LaSalle College of the Arts Limited. His previous Board memberships include being the Chairman of Singapore Technologies Engineering Limited, Deputy Chairman of CapitaLand Limited, and being a Director of StarHub Ltd, STATS ChipPAC Ltd and Level 3 Communications Inc.	Mr Ho is the Chairman of DBS Bank (China) Limited and a Director of DBS Bank (Hong Kong) Limited, Hang Lung Properties Limited and Underwriters Laboratories Inc. His previous Board memberships include being a Director of Hong Kong Mercantile Exchange Limited and Singapore Telecommunications Limited.	Mr Lee is a lawyer and the Managing Partner of Allen & Gledhill LLP. He has been with Allen & Gledhill for more than 30 years with a year spent as a Judicial Commissioner of the Singapore High Court in 2014.	Mr Gledhill is the Group Chief Information Officer as well as Head of Group Technology & Operations at DBS Bank which he joined in 2008.	Ms Goh was previously the Chairman of Shell Companies in Singapore. She retired from Shell in January 2019 after 16 years of service.
Shareholding Interest in Singapore Airlines Limited and its subsidiaries	Nil	Nil	Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Singapore Airlines Limited and/or substantial shareholder of Singapore Airlines Limited or of any of its principal subsidiaries	No	No	No	No	No
Conflict of interests (including any competing business)	No	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Singapore Airlines Limited	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships					
Past (for the last 5 years):	<u>Deputy Chairman</u> <ul style="list-style-type: none"> CapitaLand Limited <u>Director</u> <ul style="list-style-type: none"> Level 3 Communications Inc STATS ChipPAC Ltd StarHub Ltd 	<u>Director</u> <ul style="list-style-type: none"> Singapore Telecommunications Limited 	<u>Judicial Commissioner</u> <ul style="list-style-type: none"> High Court of Singapore <u>Member of the Governing Council</u> <ul style="list-style-type: none"> Singapore Institute of Directors 	Nil	<u>Chairman</u> <ul style="list-style-type: none"> Shell Companies in Singapore Shell Tongyi (Beijing) Petroleum Chemical Co. Ltd. <u>Director</u> <ul style="list-style-type: none"> Singapore International Chamber Of Commerce <u>Vice President</u> <ul style="list-style-type: none"> Singapore National Employers Federation

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
Present:	<p><u>Chairman</u></p> <ul style="list-style-type: none"> DBS Group Holdings Ltd DBS Bank Ltd DBS Bank (Hong Kong) Limited LaSalle College of the Arts Limited Singapore Health Services Pte Ltd <p><u>Deputy Chairman</u></p> <ul style="list-style-type: none"> STT Communications Ltd Fullerton Financial Holdings Pte Ltd <p><u>Director</u></p> <ul style="list-style-type: none"> Asia Mobile Holdings Pte Ltd GIC Private Limited 	<p><u>Chairman</u></p> <ul style="list-style-type: none"> DBS Bank (China) Limited <p><u>Director</u></p> <ul style="list-style-type: none"> DBS Bank (Hong Kong) Limited Hang Lung Properties Limited Underwriters Laboratories Inc 	<p><u>Managing Partner</u></p> <ul style="list-style-type: none"> Allen & Gledhill LLP <p><u>Chairman</u></p> <ul style="list-style-type: none"> Allen & Gledhill Regulatory & Compliance Pte Ltd <p><u>Director</u></p> <ul style="list-style-type: none"> Eastern Development Holdings Pte Ltd Eastern Development Private Limited Epimetheus Limited <p><u>Member, Governing Board</u></p> <ul style="list-style-type: none"> Duke-NUS Medical School Singapore <p><u>Member</u></p> <ul style="list-style-type: none"> Yellow Ribbon Fund 	<ul style="list-style-type: none"> Group Chief Information Officer and Head of Group Technology and Operations, DBS Bank Ltd <p><u>Director</u></p> <ul style="list-style-type: none"> Singapore Clearing House Pte Ltd <p><u>Board Advisor</u></p> <ul style="list-style-type: none"> Singapore Management University ("SMU") School of Information Systems <p><u>Member</u></p> <ul style="list-style-type: none"> IBM Board of Advisors <p><u>Board Member</u></p> <ul style="list-style-type: none"> National University of Singapore ("NUS") Institute of Systems Science 	<p><u>Chairman</u></p> <ul style="list-style-type: none"> Institute for Human Resource Professionals Limited <p><u>Director</u></p> <ul style="list-style-type: none"> CapitaLand Limited Human Capital Leadership Institute Pte Ltd <p><u>President</u></p> <ul style="list-style-type: none"> Global Compact Network Singapore <p><u>Advisory Board Member</u></p> <ul style="list-style-type: none"> The Centre for Livable Cities <p><u>Trustee</u></p> <ul style="list-style-type: none"> Singapore University of Technology & Design <p><u>Member</u></p> <ul style="list-style-type: none"> Legal Service Commission <p><u>Council Member</u></p> <ul style="list-style-type: none"> National Arts Council
Information required					
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.					
a)* Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
(b)* Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c)* Whether there is any unsatisfied judgment against him?	No	No	No	No	No

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
d)* Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e)* Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
(f)* Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g)* Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
(h)* Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i)* Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j) * Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	Yes (details are shown below)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
(ii)* any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
(iii)* any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
(iv)* any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No

Name of Director	Peter Seah Lim Huat	Dominic Ho Chiu Fai	Lee Kim Shin	David John Gledhill	Goh Swee Chen
(k)* Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

Details of Ms Goh Swee Chen's response to (j) (i)

Ms Goh Swee Chen joined the Shell group in 2003 and was the Country Chairperson of the Shell Companies (as defined below) in Singapore. Ms Goh retired from the Shell Companies in Singapore in January 2019. She sat on the Board of various Shell Companies in Singapore. "Shell Companies" refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. The Shell group is a global group of energy and petrochemical companies. Shell Companies are subject to various laws and regulations governing their day-to-day operations. The Shell Companies in Singapore may from time to time be investigated by regulatory authorities (for example, the National Environment Agency, the Ministry of Manpower and Singapore Customs) for possible breaches of such laws and regulations in the ordinary course of business, and have been subject to fines (such as fines relating to emissions from Shell's refinery in Singapore and inaccurate submission of particulars or late submissions for customs import permits) from time to time in the ordinary course of business. To Ms Goh's knowledge, none of the investigations or fines imposed on such Shell Companies in Singapore (in connection with incidents occurring or arising during the period when she was a director of such entities) are material.

CORPORATE DATA

BOARD OF DIRECTORS

Chairman	Peter Seah Lim Huat
Members	Goh Choon Phong <i>(Chief Executive Officer)</i>
	Gautam Banerjee
	Simon Cheong Sae Peng
	Dominic Ho Chiu Fai
	Hsieh Tsun-yan
	Lee Kim Shin
	Helmut Gunter Wilhelm Panke <i>(until 31 August 2018)</i>
	David John Gledhill <i>(from 1 September 2018)</i>
	Goh Swee Chen <i>(from 1 January 2019)</i>

EXECUTIVE MANAGEMENT

Head Office

Goh Choon Phong Chief Executive Officer	George Wang Wei Jun Senior Vice President Information Technology
Mak Swee Wah Executive Vice President Commercial	Tan Kai Ping Senior Vice President Marketing Planning
Ng Chin Hwee Executive Vice President Human Resources & Operations	Campbell David McGregor Wilson Senior Vice President Sales & Marketing
Tan Pee Teck Senior Vice President Cabin Crew	
Chin Yau Seng Senior Vice President Cargo	Overseas Regions
Lee Wen Fen Senior Vice President Corporate Planning	Lee Sek Eng Regional Vice President Americas
Yeoh Phee Teik Senior Vice President Customer Experience	Subhas Menon Regional Vice President Europe
Marvin Tan Meng Hung Senior Vice President Customer Services & Operations	Tan Tiow Kor Regional Vice President North Asia
Lau Hwa Peng Senior Vice President Engineering	Lim Wee Kok Regional Vice President South East Asia
Stephen Barnes Senior Vice President Finance	Philip Goh Ser Miang Regional Vice President South West Pacific
Quay Chew Eng Senior Vice President Flight Operations	Joey Seow Eng Wan Regional Vice President West Asia & Africa
Vanessa Ng Senior Vice President Human Resources	

SENIOR MANAGEMENT, MAJOR SUBSIDIARIES

Png Kim Chiang Chief Executive Officer SIA Engineering Company Limited
Lee Lik Hsin Chief Executive Officer Budget Aviation Holdings Pte. Ltd.
Foo Chai Woo Chief Executive SilkAir (Singapore) Private Limited

BOARD COMMITTEES

Board Executive Committee

Chairman	Peter Seah Lim Huat
Members	Gautam Banerjee Goh Choon Phong Hsieh Tsun-yan

Board Audit Committee

Chairman	Gautam Banerjee
Members	Dominic Ho Chiu Fai Hsieh Tsun-yan Goh Swee Chen <i>(from 1 January 2019)</i>

Board Compensation and Industrial Relations Committee

Chairman	Peter Seah Lim Huat
Members	Simon Cheong Sae Peng Hsieh Tsun-yan Helmut Gunter Wilhelm Panke <i>(until 31 August 2018)</i>

Board Nominating Committee

Chairman	Peter Seah Lim Huat
Members	Lee Kim Shin Goh Choon Phong <i>(until 14 February 2019)</i> Goh Swee Chen <i>(from 14 February 2019)</i>

Board Safety and Risk Committee

Chairman	Helmut Gunter Wilhelm Panke <i>(until 31 August 2018)</i> Dominic Ho Chiu Fai <i>(from 1 September 2018)</i>
Members	Lee Kim Shin Peter Seah Lim Huat Dominic Ho Chiu Fai <i>(until 31 August 2018)</i> David John Gledhill <i>(from 1 January 2019)</i>

Customer Experience and Technology Committee (with effect from 1 January 2019)

Chairman	Simon Cheong Sae Peng
Members	David John Gledhill Goh Choon Phong Goh Swee Chen

Company Secretary

Share Registrar	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
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Auditors	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
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Audit Partner	Malcolm Ramsay <i>(from the audit of the financial statements for the year ended 31 March 2018)</i>
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Registered Office	Airline House 25 Airline Road Singapore 819829
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FINANCIAL CALENDAR

- 31 March 2019
Financial Year End
- 16 May 2019
Announcement of FY2018/19
Full Year Results
- 28 June 2019
Publication of Annual Report
and Letter to Shareholders
- 29 July 2019
Annual General Meeting
- 31 July 2019
Announcement of FY2019/20
First Quarter Results
- 16 August 2019
Payment of Final Dividend for
the FY 2018/19
*(subject to shareholders'
approval at AGM)*
- 5 November 2019
Announcement of FY2019/20
Second Quarter and Half-Year
Results



SINGAPORE AIRLINES LIMITED

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COMPANY SECRETARY

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