



UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2019

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
REVENUE	4,102.2	3,844.5
EXPENDITURE		
Staff costs	747.9	657.6
Fuel costs	1,172.7	1,079.4
Depreciation	490.4	307.1
Amortisation of intangible assets	13.3	15.4
Aircraft maintenance and overhaul costs	218.6	254.7
Commission and incentives	110.9	98.9
Landing, parking and overflying charges	233.2	215.9
Handling charges	334.1	328.9
Rentals on leased aircraft	36.0	185.4
Inflight meals	139.9	131.8
Advertising and sales costs	73.1	63.8
Company accommodation and utilities	8.9	23.1
Other passenger costs	51.4	44.9
Crew expenses	43.8	39.2
Other operating expenses	228.0	205.3
	<u>3,902.2</u>	<u>3,651.4</u>
OPERATING PROFIT	200.0	193.1
Finance charges	(57.6)	(28.7)
Interest income	16.2	12.8
Surplus on disposal of aircraft, spares and spare engines	1.4	3.6
Dividends from long-term investments	2.0	0.7
Other non-operating items	5.4	(1.1)
Share of profits of joint venture companies	10.9	2.3
Share of (losses)/profits of associated companies	(29.9)	1.3
PROFIT BEFORE TAXATION	<u>148.4</u>	<u>184.0</u>
TAXATION	<u>(27.5)</u>	<u>(35.0)</u>
PROFIT FOR THE PERIOD	<u>120.9</u>	<u>149.0</u>
PROFIT ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	111.1	139.6
NON-CONTROLLING INTERESTS	9.8	9.4
	<u>120.9</u>	<u>149.0</u>
BASIC EARNINGS PER SHARE (CENTS)	9.4	11.8
DILUTED EARNINGS PER SHARE (CENTS)	9.3	11.8

Notes:

(i) Profit for the period is arrived at after charging/(crediting) the following:

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
Compensation for changes in aircraft delivery slots	(1.5)	(1.4)
Interest income from short-term investments	(0.3)	(0.2)
Dividend income from short-term investments	-	(0.1)
Income from operating lease of aircraft	(12.8)	(14.8)
Amortisation of deferred loss on sale and operating leaseback transactions	-	0.1
Gain on disposal of short-term investments	-	(0.8)
Bad debts written off	0.2	-
Impairment of trade debtors	0.4	0.5
Writedown of inventories	0.9	1.3
Exchange loss, net	9.3	19.0
Currency hedging (gain)/loss	(7.5)	4.2
Fuel hedging gain recognised in "Fuel costs"	(57.1)	(132.2)
Net gain on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	(0.7)	(0.9)
Over provision of tax in respect of prior years	(6.3)	(0.1)

(ii) The other non-operating items comprise the following:

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
Gain on sale and leaseback transactions	1.8	-
Net gain on financial assets mandatorily measured at FVTPL	3.3	1.9
Writeback for expected credit losses on investments and guarantees	0.3	0.4
Provision for onerous aircraft leases	-	(3.5)
Surplus on disposal of other property, plant and equipment	-	0.1
	<u>5.4</u>	<u>(1.1)</u>

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)**

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
PROFIT FOR THE PERIOD	120.9	149.0
OTHER COMPREHENSIVE INCOME:		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	(2.6)	26.3
Net fair value changes on cash flow hedges	(249.5)	925.4
Share of other comprehensive income of associated and joint venture companies	(1.1)	(4.1)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>(253.2)</u>	<u>947.6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(132.3)</u>	<u>1,096.6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	(141.4)	1,082.0
NON-CONTROLLING INTERESTS	9.1	14.6
	<u>(132.3)</u>	<u>1,096.6</u>

1(b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2019 (in \$ million)

	The Group		The Company	
	30-Jun 2019	31-Mar 2019	30-Jun 2019	31-Mar 2019
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(171.5)	(171.5)	(171.5)	(171.5)
Other reserves	10,916.3	11,602.2	9,888.5	10,088.8
	12,600.9	13,286.8	11,573.1	11,773.4
NON-CONTROLLING INTERESTS	406.1	396.4	-	-
TOTAL EQUITY	13,007.0	13,683.2	11,573.1	11,773.4
DEFERRED ACCOUNT	45.6	83.9	45.6	75.1
DEFERRED TAXATION	1,913.8	2,040.3	1,716.8	1,750.2
LONG-TERM LEASE LIABILITIES	1,682.9	-	820.4	-
BORROWINGS	6,406.4	6,423.3	5,973.9	5,973.6
OTHER LONG-TERM LIABILITIES	125.3	89.1	117.9	85.0
PROVISIONS	985.9	702.5	397.3	429.8
DEFINED BENEFIT PLANS	103.2	104.5	102.6	103.9
	24,270.1	23,126.8	20,747.6	20,191.0
Represented by:-				
PROPERTY, PLANT AND EQUIPMENT	23,410.1	22,176.3	18,375.5	17,311.5
RIGHT-OF-USE ASSETS	1,705.7	-	872.6	-
INTANGIBLE ASSETS	454.8	451.3	196.4	194.1
SUBSIDIARY COMPANIES	-	-	3,826.5	3,591.2
ASSOCIATED COMPANIES	1,065.3	1,104.5	593.3	555.2
JOINT VENTURE COMPANIES	181.3	171.7	30.6	30.6
LONG-TERM INVESTMENTS	338.9	343.9	328.5	333.5
OTHER LONG-TERM ASSETS	576.5	713.7	394.7	543.7
DEFERRED ACCOUNT	-	44.1	-	37.0
CURRENT ASSETS				
Deferred account	-	8.9	-	6.6
Derivative assets	284.5	371.4	284.5	371.4
Inventories	229.8	229.9	156.2	157.6
Trade debtors	1,549.0	1,527.2	1,105.0	1,138.8
Amounts owing by subsidiary companies	-	-	5.0	3.7
Deposits and other debtors	79.6	93.8	47.8	63.7
Prepayments	161.4	164.9	111.6	98.2
Other short-term assets	67.8	42.8	43.6	42.8
Investments	131.5	116.8	86.4	68.5
Cash and bank balances	2,134.7	2,944.0	1,910.7	2,716.0
	4,638.3	5,499.7	3,750.8	4,667.3
Less: CURRENT LIABILITIES				
Borrowings	256.0	231.1	184.8	159.8
Lease liabilities	484.5	-	278.1	-
Current tax payable	78.1	87.3	39.5	55.0
Trade and other creditors	3,253.3	3,163.6	2,371.2	2,304.2
Amounts owing to subsidiary companies	-	-	1,014.1	971.8
Sales in advance of carriage	2,782.2	2,715.4	2,545.8	2,479.8
Deferred revenue	648.3	610.9	648.3	610.9
Deferred account	31.4	44.9	29.5	37.9
Derivative liabilities	136.2	89.5	134.1	88.1
Provisions	430.8	435.7	375.9	365.6
	8,100.8	7,378.4	7,621.3	7,073.1
NET CURRENT LIABILITIES	(3,462.5)	(1,878.7)	(3,870.5)	(2,405.8)
	24,270.1	23,126.8	20,747.6	20,191.0

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2019		As at 31 March 2019	
Secured	Unsecured	Secured	Unsecured
\$223.1M	\$32.9M	\$223.0M	\$8.1M

Amount repayable after one year

As at 30 June 2019		As at 31 March 2019	
Secured	Unsecured	Secured	Unsecured
\$2,018.1M	\$4,388.3M	\$2,033.7M	\$4,389.6M

Details of any collateral

The secured borrowings pertained to secured bank loans (\$2,241.2 million). The secured bank loans are secured via assignment of certain aircraft purchase agreements, assignment of engine warranty and credit agreement as well as mortgage of these aircraft. Excluded in the borrowings above are lease liabilities of \$2,167.4 million which are secured over the right-of-use assets.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)**

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	148.4	184.0
Adjustments for:		
Depreciation	490.4	307.1
Amortisation of intangible assets	13.3	15.4
Impairment of trade debtors	0.4	0.5
Writedown of inventories	0.9	1.3
Income from short-term investments	(0.3)	(0.3)
Provisions	53.5	101.2
Share-based compensation expense	4.9	3.5
Exchange differences	0.3	(16.0)
Amortisation of deferred loss on sale and operating leaseback transactions	-	0.1
Finance charges	57.6	28.7
Interest income	(16.2)	(12.8)
Surplus on disposal of aircraft, spares and spare engines	(1.4)	(3.6)
Dividends from long-term investments	(2.0)	(0.7)
Net gain on financial assets mandatorily measured at FVTPL	(0.7)	(0.9)
Other non-operating items	(5.4)	1.1
Share of profits of joint venture companies	(10.9)	(2.3)
Share of losses/(profits) of associated companies	29.9	(1.3)
Operating cash flow before working capital changes	762.7	605.0
Increase in trade and other creditors	9.0	4.8
Increase in sales in advance of carriage	66.8	75.8
Increase in trade debtors	(18.2)	(15.5)
Decrease/(Increase) in deposits and other debtors	15.3	(11.2)
(Increase)/Decrease in prepayments	(29.8)	3.9
Increase in inventories	(0.8)	(13.7)
Increase in deferred revenue	37.4	11.0
Cash generated from operations	842.4	660.1
Income taxes paid	(0.5)	(0.7)
NET CASH PROVIDED BY OPERATING ACTIVITIES	841.9	659.4

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)**

	The Group	
	1st Quarter 2019/20	1st Quarter 2018/19
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(1,578.2)	(1,894.9)
Purchase of intangible assets	(16.8)	(26.0)
Proceeds from disposal of aircraft and other property, plant and equipment	3.8	65.8
Proceeds from sale and leaseback transactions	117.2	-
Proceeds from disposal of long-term investments	8.3	5.8
Purchase of short-term investments	(133.5)	(139.7)
Proceeds from disposal of short-term investments	126.8	186.0
Dividends received from associated and joint venture companies	26.0	29.9
Dividends received from investments	2.0	0.8
Interest received from investments and deposits	15.2	16.2
Proceeds from finance leases	2.3	-
Investment in an associated company	(38.1)	(1.9)
Investment in a joint venture company	(10.1)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,475.1)	(1,758.0)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid by subsidiary companies to non-controlling interests	(0.6)	(0.8)
Issuance of share capital by a subsidiary company	1.0	-
Interest paid	(43.2)	(30.5)
Proceeds from borrowings	25.0	480.2
Repayment of borrowings	(17.3)	(4.4)
Repayment of lease liabilities	(142.0)	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(177.1)	444.5
NET CASH OUTFLOW	(810.3)	(654.1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,944.0	2,568.3
Effect of exchange rate changes	1.0	19.4
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,134.7	1,933.6
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	1,271.2	1,310.6
Cash and bank balances	863.5	623.0
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,134.7	1,933.6

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)**

The Group	Attributable to Owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve			
Balance at 1 April 2019	1,856.1	(171.5)	(124.3)	(33.2)	24.9	459.7	11,275.1	13,286.8	396.4	13,683.2
Effects of changes in accounting standards	-	-	-	-	-	-	(549.4)	(549.4)	-	(549.4)
As restated	1,856.1	(171.5)	(124.3)	(33.2)	24.9	459.7	10,725.7	12,737.4	396.4	13,133.8
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	(2.5)	-	-	-	(2.5)	(0.1)	(2.6)
Net fair value changes on cash flow hedges	-	-	-	-	-	(249.1)	-	(249.1)	(0.4)	(249.5)
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	-	(0.9)	-	(0.9)	(0.2)	(1.1)
Other comprehensive income for the period, net of tax	-	-	-	(2.5)	-	(250.0)	-	(252.5)	(0.7)	(253.2)
Profit for the period	-	-	-	-	-	-	111.1	111.1	9.8	120.9
Total comprehensive income for the period	-	-	-	(2.5)	-	(250.0)	111.1	(141.4)	9.1	(132.3)
<u>Transactions with owners, recorded directly in equity</u>										
<u>Contributions by and distributions to owners</u>										
Share-based compensation expense	-	-	-	-	4.9	-	-	4.9	0.2	5.1
Issuance of share capital by a subsidiary company	-	-	-	-	-	-	-	-	1.0	1.0
Dividends	-	-	-	-	-	-	-	-	(0.6)	(0.6)
Total transactions with owners	-	-	-	-	4.9	-	-	4.9	0.6	5.5
Balance at 30 June 2019	1,856.1	(171.5)	(124.3)	(35.7)	29.8	209.7	10,836.8	12,600.9	406.1	13,007.0

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)**

The Group	Attributable to Owners of the Company								Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 April 2018	1,856.1	(183.5)	(139.4)	(175.4)	79.5	313.5	12,500.4	14,251.2	368.1	14,619.3
Effects of changes in accounting standards	-	-	-	123.0	-	-	(1,513.9)	(1,390.9)	-	(1,390.9)
As restated	1,856.1	(183.5)	(139.4)	(52.4)	79.5	313.5	10,986.5	12,860.3	368.1	13,228.4
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	20.3	-	-	-	20.3	6.0	26.3
Net fair value changes on cash flow hedges	-	-	-	-	-	925.3	-	925.3	0.1	925.4
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	-	(3.2)	-	(3.2)	(0.9)	(4.1)
Other comprehensive income for the period, net of tax	-	-	-	20.3	-	922.1	-	942.4	5.2	947.6
Profit for the period	-	-	-	-	-	-	139.6	139.6	9.4	149.0
Total comprehensive income for the period	-	-	-	20.3	-	922.1	139.6	1,082.0	14.6	1,096.6
<u>Transactions with owners, recorded directly in equity</u>										
<u>Contributions by and distributions to owners</u>										
Changes in ownership interest without loss of control	-	-	-	-	0.4	-	0.7	1.1	(0.2)	0.9
Share-based compensation expense	-	-	-	-	3.5	-	-	3.5	-	3.5
Share options and share awards lapsed	-	-	-	-	(60.1)	-	60.1	-	-	-
Dividends	-	-	-	-	-	-	-	-	(0.8)	(0.8)
Total transactions with owners	-	-	-	-	(56.2)	-	60.8	4.6	(1.0)	3.6
Balance at 30 June 2018	1,856.1	(183.5)	(139.4)	(32.1)	23.3	1,235.6	11,186.9	13,946.9	381.7	14,328.6

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2019	1,856.1	(171.5)	(929.8)	21.2	366.4	10,631.0	11,773.4
Effects of changes in accounting standards	-	-	-	-	-	(184.4)	(184.4)
As restated	1,856.1	(171.5)	(929.8)	21.2	366.4	10,446.6	11,589.0
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	(201.0)	-	(201.0)
Other comprehensive income for the period, net of tax	-	-	-	-	(201.0)	-	(201.0)
Profit for the period	-	-	-	-	-	181.0	181.0
Total comprehensive income for the period	-	-	-	-	(201.0)	181.0	(20.0)
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	4.1	-	-	4.1
Total transactions with owners	-	-	-	4.1	-	-	4.1
Balance at 30 June 2019	1,856.1	(171.5)	(929.8)	25.3	165.4	10,627.6	11,573.1

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)**

The Company	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	11,491.4	13,472.0
Effects of changes in accounting standards	-	-	-	-	-	(1,240.8)	(1,240.8)
As restated	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	-	-	-	-	755.1	-	755.1
Other comprehensive income for the period, net of tax	-	-	-	-	755.1	-	755.1
Profit for the period	-	-	-	-	-	153.4	153.4
Total comprehensive income for the period	-	-	-	-	755.1	153.4	908.5
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	2.8	-	-	2.8
Share options lapsed	-	-	-	(57.8)	-	57.8	-
Total transactions with owners	-	-	-	(55.0)	-	57.8	2.8
Balance at 30 June 2018	1,856.1	(183.5)	(928.9)	19.6	979.8	10,459.0	12,202.1

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL AND SHARE PLANS IN THE COMPANY

Share Capital

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital		
<u>Ordinary Shares</u>		
Balance at 1 April 2019 and 30 June 2019	1,199,851,018	1,856.1

As at 30 June 2019, the number of ordinary shares in issue was 1,199,851,018 of which 16,185,885 were held by the Company as treasury shares (30 June 2018: 1,199,851,018 ordinary shares of which 17,318,177 were held as treasury shares). The share capital was \$1,856.1 million. The treasury shares held represent 1.4% (30 June 2018: 1.5%) of the total number of issued shares (excluding treasury shares).

There are no subsidiary holdings of the Company as at 30 June 2019 and 30 June 2018.

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Senior management staff are entitled to two share-based incentive plans, the RSP and PSP, which were first approved by the shareholders of the Company on 28 July 2005 and expired on 27 July 2015. On 30 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, which replaced the RSP and PSP respectively.

Depending on the achievement of pre-determined targets over the performance periods for the RSP and PSP, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

As at 30 June 2019, the number of outstanding shares granted under the Company's RSP and PSP were 2,070,455 (30 June 2018: 1,845,468) and 744,322 respectively (30 June 2018: 698,026).

The details of the shares awarded under RSP and PSP are as follows:

Date of Grant	Number of Restricted Shares			Balance at 30.06.2019
	Balance at 01.04.2019	Granted	Vested	
<u>RSP</u>				
03.07.2015	173,333	-	-	173,333
18.07.2016	246,231	-	-	246,231
19.07.2017	751,626	-	-	751,626
19.07.2018	899,265	-	-	899,265
	2,070,455	-	-	2,070,455

Date of Grant	Number of Performance Shares			Balance at 30.06.2019
	Balance at 01.04.2019	Granted	Vested	
<u>PSP</u>				
18.07.2016	240,900	-	-	240,900
19.07.2017	217,426	-	-	217,426
19.07.2018	285,996	-	-	285,996
	744,322	-	-	744,322

Deferred Share Award ("DSA")

Grants of DSA of fully paid ordinary shares are granted to senior management. At the end of a 3-year vesting period, an additional final award will be vested equal to the Base Award multiplied by the accumulated dividend yield. The details of the DSA are as follows:

Date of Grant	Number of Deferred Share Award			Balance at 30.06.2019
	Balance at 01.04.2019	Granted	Vested	
<u>DSA</u>				
01.09.2016	65,740	-	-	65,740
06.09.2017	94,070	-	-	94,070
11.09.2018	119,090	-	-	119,090
	278,900	-	-	278,900

Transformation Share Award ("TSA")

Grants of TSA of fully paid ordinary shares are granted to senior management. At the end of the one-year performance period, a final award will be determined based on the initial award multiplied by an achievement factor (ranging from 0% to 200%). The final award will vest over three years, on the final date an additional equity kicker equivalent to 20% of final awards will be settled with the participant. The details of the TSA are as follows:

Date of Grant	Number of Transformation Share Award			Balance at 30.06.2019
	Balance at 01.04.2019	Granted	Vested	
<u>TSA</u>				
19.07.2018	374,469	-	-	374,469

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2019, the number of ordinary shares in issue was 1,199,851,018 of which 16,185,885 were held by the Company as treasury shares (31 March 2019: 1,199,851,018 ordinary shares of which 16,185,885 were held as treasury shares).

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the period, the Company did not purchase any treasury shares (2018/19: Nil).

The Company did not transfer any treasury shares to employees on vesting of share-based incentive plans (April to June 2018: Nil). Treasury shares are presented as a component within equity attributable to owners of the company.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 April 2019 and 30 June 2019	16,185,885	(171.5)

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no subsidiary holdings of the Company as at 30 June 2019 and 30 June 2018. There were no sales, transfers, cancellations and/or use of subsidiary holdings for the period April to June 2019.

2 Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2019.

1. The Group revised the estimated useful lives and residual values of certain of its aircraft. The effect of the changes is an increase in depreciation expense of approximately \$15.4 million for the quarter ended 30 June 2019.
2. The Group adopted new and revised International Financial Reporting Standards ("IFRS") and Interpretations of IFRS that are mandatory for financial year beginning on or after 1 April 2019. There is no significant impact to the Group except for IFRS 16 Leases.

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.

The Group applied the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group also applied the practical expedient to grandfather the definition of lease on transition.

As lessee

The Group 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 applied 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.

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 reassessed the classification of sub-leases in which the Group is a lessor and reclassified two sub-leases as finance leases, resulting in the recognition of a finance lease receivable. There was no significant impact for other leases in which the Group is a lessor.

Impact on Consolidated Profit and Loss Account

The expenses related to operating leases previously shown in the Consolidated Profit and Loss Account under "Rentals on leased aircraft" and "Company accommodation and utilities" are replaced by depreciation expense for ROU assets and finance charges on lease liabilities.

Impact on Statements of Financial Position (in \$million)

	At 1 April 2019	
	Increase/(Decrease)	
	The Group	The Company
<u>Equity</u>		
General reserve	(549.4)	(184.4)
<u>Liabilities</u>		
Deferred account (non-current)	(38.7)	(29.9)
Deferred taxation	(110.4)	(39.8)
Long-term lease liabilities	1,743.7	890.4
Provisions (non-current)	265.9	(25.8)
Deferred account (current)	(6.6)	(4.9)
Trade and other creditors	(16.8)	(12.3)
Lease liabilities	443.3	277.8
Provisions (current)	2.4	-
<u>Assets</u>		
Property, plant and equipment	102.8	-
Right-of-use assets	1,708.3	936.1
Associated Companies	(28.5)	-
Other long term assets	29.1	-
Deferred account (non-current)	(44.1)	(37.0)
Prepayments	(33.2)	(21.4)
Deferred account (current)	(8.9)	(6.6)
Other short-term assets	7.9	-

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Item 4.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1 st Quarter 2019/20	1 st Quarter 2018/19
Earnings per share (cents)		
- Basic	9.4	11.8
- Diluted	9.3	11.8

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 30 June 19	As at 31 Mar 19	As at 30 June 19	As at 31 Mar 19
Net asset value per ordinary share (\$)	10.65	11.22	9.78	9.95

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE

First Quarter 2019/20

The SIA Group reported an operating profit of \$200 million in the April-June 2019 quarter, \$7 million or 3.6% higher compared to the same period last year. Growth in Group revenue of \$258 million outpaced the \$251 million rise in expenditure.

The Group financial performance for the first quarter 2019/20 is summarised as such:

Group Financial Results	1 st Quarter FY2019/20 (\$ million)	1 st Quarter FY2018/19 (\$ million)	Better / (Worse) (%)
Total Revenue	4,102	3,844	6.7
Total Expenditure	3,902	3,651	(6.9)
Net Fuel Cost	1,173	1,079	(8.7)
Fuel Cost (before hedging)	1,230	1,211	(1.6)
Fuel Hedging Gain	(57)	(132)	(56.8)
Non-fuel Expenditure	2,729	2,572	(6.1)
Operating Profit	200	193	3.6
Net Profit	111	140	(20.7)

Group revenue amounted to \$4,102 million, a 6.7% gain year-on-year. Flown revenue was up \$226 million (+6.3%), with passenger flown revenue improving \$271 million (+8.8%), led by traffic growth of 8.1%, on a 6.6% increase in capacity. Despite the significant capacity injection, RASK (revenue per available seat-kilometre) improved 1.3%. Cargo flown revenue declined \$45 million (-8.4%), as both cargo yield and cargo load factor fell by 4.2% and 2.7 percentage points respectively due to weak cargo demand amid trade uncertainties.

Expenditure for the Group increased \$251 million (+6.9%) to \$3,902 million. Ex-fuel costs rose by \$157 million (+6.1%), in line with the capacity increase. Net fuel cost rose \$94 million, led by an increase in volume uplifted (+5.9% or \$70 million) on capacity expansion, and a stronger US dollar (+\$33 million). The Group continued to benefit from fuel hedging gains during the quarter.

Group net profit for the quarter was \$111 million, down \$29 million or 20.7% from last year. The reduction was largely attributable to a higher share of losses from associated companies (-\$31 million), as an improvement in Vistara's performance was offset by higher estimated losses from Virgin Australia¹. Net finance charges also increased (-\$26 million) due to the recognition of interest expense arising from lease liabilities following the adoption of IFRS 16 Leases, and additional financing for fleet renewal and growth. These were partially alleviated by an improvement in Group operating profit (+\$7 million), a higher share of profit from joint venture companies (+\$9 million) and lower provision for taxation (+\$8 million).

¹Virgin Australia's results have been estimated based on the published financial results as at 31 December 2018, and the company's trading updates to the Australian Securities Exchange (most recently on 17 May 2019).

First Quarter 2019/20 Operating Results of Main Companies

The operating results of the main companies in the Group for the three-month period were as follows:

Operating Profit/(Loss)	1 st Quarter FY2019/20 \$ million	1 st Quarter FY2018/19 \$ million	Better / (Worse) %
Parent Airline Company	232	181	28.2
SilkAir	(16)	-	n.m.
Scoot	(37)	1	n.m.
SIA Engineering	18	10	80.0

Operating profit for the Parent Airline Company increased \$51 million to \$232 million, as strong revenue growth outpaced higher expenditure. The year-on-year increase in revenue of \$250 million was mainly attributable to robust growth in passenger flown revenue (+\$258 million). The higher passenger flown revenue was driven by a 9.0% increase in passenger traffic (measured in revenue passenger-kilometres). Passenger load factor rose 1.2 percentage points to 83.2%, the highest on record for the first quarter, notwithstanding the capacity growth of 7.4% (measured in available seat-kilometres). RASK improved 2.4%, or 4.9% on a constant currency basis.

Expenditure was up \$199 million (+6.8%). Ex-fuel costs increased \$118 million (+5.8%), attributable largely to the growth in passenger capacity. Net fuel cost also rose, by \$81 million (+9.2%), largely due to a higher volume uplifted (+6.2%) and a stronger US dollar.

SilkAir was significantly impacted by the grounding of its six 737 MAX 8 aircraft during the period. Measures have been taken to mitigate the effects, however, which contained the reduction in capacity to 1.6%. This capacity reduction, together with a 2.9% yield contraction, contributed to a \$10 million decline in revenue. Passenger load factor rose on the back of 2.4% traffic growth, driving a 1.3% improvement in unit revenues (RASK). Expenditure rose \$6 million (+2.5%), primarily due to costs related to the MAX 8 grounding. Consequently, an operating loss of \$16 million was recorded by SilkAir for the quarter, against a marginal profit of \$0.2 million in the same period last year.

Scoot's operating performance also reversed from last year's operating profit of \$1 million to a loss of \$37 million this year. Scoot proactively reduced aircraft utilisation during the period to improve operational resilience, and has recorded improvements in its on time performance. As a result, capacity growth was restrained to 6.5%. This was matched by passenger traffic growth, resulting in an unchanged passenger load factor of 86.1%. Flown revenue grew by \$14 million (+3.6%), lagging capacity growth, as RASK contracted by 2.1% on lower yields. Other operating revenue declined by \$10 million. Expenditure rose \$42 million (+10.1%), arising from the expansion of Scoot's fleet and operations, including higher net fuel cost (+7.9%).

Operating profit for SIA Engineering rose to \$18 million, an increase of \$8 million year-on-year. Revenue was flat against last year, as a \$2 million revenue improvement in the airframe and line maintenance segment was offset by a decrease in the engine and component overhaul segment. Expenditure fell, mainly from a reduction in material costs.

BALANCE SHEET REVIEW **(June 2019 vs March 2019)**

Equity attributable to owners of the company decreased by \$686 million (5.2%) to \$12,601 million as at 30 June 2019 largely due to the adoption of IFRS 16 (-\$549 million), and fair value movement on cash flow hedges (-\$250 million), partially offset by profit for the period (-\$111 million).

Total Group assets increased by \$1,866 million (6.1%) to \$32,371 million. The increase was mainly attributable to an increase in right-of-use assets (+\$1,706 million), and property, plant and equipment (+\$1,234 million), offset by the decrease in cash and bank balances (-\$809 million) and derivative assets (-\$224 million). The reduction in cash balances arose primarily from capital expenditure (-\$1,578 million) and partially offset by cash flows from operations (+\$842 million).

Total Group liabilities increased by \$2,542 million (15.1%) to \$19,364 million as at 30 June 2019, primarily arising from the increase in lease liabilities (+\$2,167 million), provisions (+\$279 million) and trade and other creditors (+\$90 million).

The increase in right-of-use assets and lease liabilities were due to the adoption of IFRS 16.

The Group's negative working capital arose largely from the collection of cash in advance of services provided. Excluding the liabilities under "sales in advance of carriage", the Group's working capital would be -\$680 million as at 30 June 2019. Despite this, the Group is generating positive cashflow from operations.

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

Passenger bookings in the forward months are tracking closely against capacity growth, supported by premium cabin traffic to key markets. Air freight demand has softened amid ongoing trade disputes and uncertain global economic conditions. These headwinds also cloud the outlook for passenger demand over the longer term. The Group will actively capture revenue opportunities and exercise cost discipline to boost profitability in this challenging macroeconomic environment.

Fuel price volatility is expected to persist in the near term, but the Group's strong hedge position will help to mitigate any spike in prices. For the second quarter of the financial year, the Group has hedged 79% of its fuel requirements in MOPS at a weighted average price of USD75. For the remainder of the financial year, the Group has hedged 70% of its fuel requirements in MOPS and 5% in Brent at weighted average prices of USD76 and USD52 respectively². The Group will continue to enter into longer-dated hedges extending to FY2024/25.

The grounding of the 737 MAX 8 fleet has disrupted the Group's operations and rate of expansion. While the fleet remains out of service, the Group continues to take active measures to mitigate the effects of the grounding.

Significant progress has been made following two years of transformation efforts. The Group is pushing ahead in its third year of the programme with a continued focus to enhance products and services, to further strengthen revenue-generation capabilities, and to improve operational excellence and staff productivity, underpinned by a strong drive towards digitalisation.

² Hedge profile as at 22 July 2019.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None. The Company declares a dividend (if any) at the half year and full year results announcements.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the period ended 30 June 2019.

13 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the first quarter of the Financial Year 2019/20 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)
	(S\$)	(S\$)
Ascendas-Singbridge Group		
- ASB Sydney Goulburn Trust	-	122,742
- Ascendas Hotel Investment Company Pty Ltd	-	810,193
Certis CISCO Group		
- SNP Security	-	101,906
- Synergy FMI Pte. Ltd.	-	1,527,835
KrisShop Pte Ltd	2,275,000 *	721,420
LinHart Group Pte Ltd	519,454 **	-
SATS Ltd Group		
- Air India SATS Airport Services Private Limited	-	1,842,445
- Asia Airfreight Terminal Co Ltd	-	1,826,183
- MacroAsia Catering Services Inc.	-	2,417,269
- Maldives Inflight Catering Private Limited	-	536,322
- Mumbai Cargo Service Center Airport Private Limited	-	314,123
- PT Jas Aero-Engineering Services	-	1,261,562
- PT Jasa Angkasa Semesta Tbk	-	4,267,287
- SATS Aero Laundry Pte. Ltd.	-	4,326,373
- SATS Asia-Pacific Star Pte. Ltd.	-	151,884
- SATS HK Limited	-	1,000,586
- SATS Ltd	1,364,099 ^	173,936,103
- SATS Security Services Private Limited	-	7,109,104
- Taj Madras Flight Kitchen Private Limited	-	171,488
- Taj SATS Air Catering Ltd	-	1,446,846
- TFK Corporation	-	2,459,420
Singapore Technologies Engineering Limited Group		
- ST Aerospace Services Co Pte. Ltd.	-	1,220,237
Singapore Telecommunications Limited Group		
- Optus Networks Pty Limited	-	190,608
- Singapore Telecommunications Limited	-	410,156
StarHub Ltd Group		
- Ensign InfoSecurity (Singapore) Pte. Ltd.	-	988,965
- Ensign InfoSecurity (Systems) Pte. Ltd.	-	361,312
Total Interested Person Transactions	4,158,553	209,522,369

* Singapore Airlines Ltd's subscription of 2,275,000 shares in the capital of KrisShop Pte. Ltd. ("KrisShop") at an aggregate consideration not exceeding \$2,275,000.

** Provision of leadership development and training programme.

^ "Earn-out Payments" payable by KrisShop to SATS Ltd ("SATS") and SATS' subscription of 487,500 shares in the capital of KrisShop at an aggregate consideration not exceeding \$487,500.

14 Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7 under Rule 720(1) of the Listing Manual.

By Order of the Board

Brenton Wu
Company Secretary
31 July 2019

Singapore Company Registration No.: 197200078R

CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Goh Choon Phong, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter FY2019/20 financial results to be false or misleading in any material respect.

On behalf of the Board,



PETER SEAH LIM HUAT
Chairman



GOH CHOON PHONG
Chief Executive Officer

31 July 2019