



AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2004

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 FINANCIAL YEAR ENDED 31 MARCH 2004 (in \$ million)

	The Group		The Group	
	4th Quarter 2003-04	4th Quarter 2002-03	2003-04	2002-03
REVENUE	2,826.0	2,571.3	9,761.9	10,515.0
EXPENDITURE				
Staff costs	631.7	594.6	1,969.5	2,245.2
Fuel costs	511.5	489.3	1,811.1	1,864.6
Depreciation	296.0	280.1	1,180.2	1,090.3
Provision for impairment of fixed assets	6.8	21.6	28.0	43.2
Aircraft maintenance and overhaul costs	160.6	220.9	610.7	780.9
Commission and incentives	164.4	163.4	590.3	675.5
Landing, parking and overflying charges	151.8	148.4	515.9	576.1
Handling charges	142.7	126.8	492.6	521.1
Rentals on leased aircraft	82.3	88.0	353.3	358.5
Material costs	73.0	73.5	247.7	312.7
Inflight meals	60.5	55.7	198.1	218.0
Advertising and sales costs	58.8	46.3	191.0	208.6
Insurance expenses	19.5	29.3	133.5	179.0
Company accommodation and utilities	38.0	35.3	150.8	135.4
Other passenger costs	34.3	29.9	105.6	130.7
Crew expenses	25.2	25.0	90.1	98.9
Other operating expenses	99.2	108.7	413.1	359.2
	2,556.3	2,536.8	9,081.5	9,797.9
OPERATING PROFIT	269.7	34.5	680.4	717.1
Finance charges	(16.3)	(14.3)	(65.1)	(54.7)
Interest income	7.2	7.1	32.5	33.7
Surplus on disposal of aircraft, spares and spare engines	28.9	21.8	102.7	144.9
Surplus on disposal of other fixed assets	2.8	0.3	5.5	1.2
Dividends from long-term investments, gross	--	--	3.6	5.2
Provision for diminution in value of long-term investments	(0.2)	(2.7)	(1.8)	(9.4)
Amortization of goodwill on consolidation	(0.1)	--	(0.1)	--
Amortization of deferred gain	0.4	--	1.6	--
Share of profits/(losses) of joint venture companies	(3.4)	8.1	6.4	14.5
Share of profits of associated companies	23.7	14.4	86.3	123.8
PROFIT BEFORE EXCEPTIONAL ITEMS	312.7	69.2	852.0	976.3
Exceptional items	1.1	--	(31.1)	0.5
PROFIT BEFORE TAXATION	313.8	69.2	820.9	976.8
TAXATION				
Taxation expense	(27.8)	55.2	(130.3)	(135.3)
Adjustment for reduction in Singapore statutory tax rate	204.7	--	204.7	277.8
	176.9	55.2	74.4	142.5
PROFIT AFTER TAXATION	490.7	124.4	895.3	1,119.3
Minority interests	(12.8)	(13.1)	(46.0)	(54.5)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	477.9	111.3	849.3	1,064.8

Notes:

(i) Profit before taxation is arrived at after charging/(crediting) the following:

	The Group		The Group	
	4th Quarter 2003-04	4th Quarter 2002-03	2003-04	2002-03
Interest income from short-term investments	--	(0.1)	(0.4)	(0.4)
Dividend income from short-term investments	(0.1)	(0.1)	(0.5)	(0.5)
Interest on borrowings	15.1	13.4	63.9	53.8
Amortisation of deferred gain on sale and leaseback transactions	(32.5)	(34.1)	(131.8)	(134.7)
(Surplus)/Loss on disposal of short-term investments	(1.3)	0.7	(2.6)	0.9
Provision for doubtful debts written back	(5.0)	(2.8)	(16.3)	(6.5)
Bad debts written-off, net of debts recovered	0.2	--	1.2	4.2
(Write-back of)/provision for diminution in value of short-term investments	(0.1)	0.1	(2.2)	2.1
Exchange loss/(gain), net	25.0	(7.6)	41.6	7.5

(ii) The overprovision of tax in respect of prior years amounted to \$231.2 million (2002-03: \$356.3 million), out of which, \$204.7 million (2002-03: \$277.8 million) resulted from the reduction in Singapore statutory tax rate from 22.0% to 20.0% (2002-03: 24.5% to 22.0%). In addition, SIA Engineering Company Limited (SIAEC) reversed a tax contingency provision amounting to \$21.2 million during the financial year. The provision was made to cover for potential tax liability that might arise at the time when SIAEC disposed off certain fixed assets from its Engine Overhaul Division to Eagle Services Asia Private Limited (ESA) and the subsequent divestment of 51% interest in ESA to Pratt & Whitney. Following the closure of this matter during the financial year, the provision is no longer required.

(iii) The exceptional item in 2003-04 of \$31.1 million was in respect of the following:

	The Group		The Group	
	4th Quarter 2003-04	4th Quarter 2002-03	2003-04	2002-03
Retrenchment and early retirement costs	--	--	(41.4)	--
Surplus on liquidation of Abacus Distribution Systems Pte Ltd	--	--	9.2	--
Surplus on disposal of Aviation Software Development Consultancy India Limited	1.1	--	1.1	--
Surplus on liquidation of Asian Frequent Flyer Pte Ltd	--	--	--	0.5
	<u>1.1</u>	<u>--</u>	<u>(31.1)</u>	<u>0.5</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.

BALANCE SHEETS AT 31 MARCH 2004 (IN \$ MILLION)

	The Group		The Company	
	31 March 2004	31 March 2003	31 March 2004	31 March 2003
SHARE CAPITAL				
Authorized	3,000.0	3,000.0	3,000.0	3,000.0
Issued and fully paid	609.1	609.1	609.1	609.1
RESERVES				
Distributable				
General reserve	10,282.6	9,539.1	9,805.0	9,485.3
Foreign currency translation reserve	19.8	41.3	--	--
Non-distributable				
Share premium	447.2	447.2	447.2	447.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	32.0	7.7	--	--
	10,846.0	10,099.7	10,316.6	9,996.9
SHARE CAPITAL AND RESERVES	11,455.1	10,708.8	10,925.7	10,606.0
MINORITY INTERESTS	304.1	267.5	--	--
DEFERRED ACCOUNT	446.7	523.1	391.2	462.7
DEFERRED TAXATION	2,175.3	2,251.0	1,742.1	1,807.9
LONG-TERM LIABILITIES	2,207.2	1,879.6	1,457.0	1,483.9
	16,588.4	15,630.0	14,516.0	14,360.5
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	12,464.5	11,723.6	9,647.4	9,345.6
Land and buildings	1,017.9	1,057.5	338.9	360.9
Others	2,082.4	2,624.9	1,479.9	1,951.6
	15,564.8	15,406.0	11,466.2	11,658.1
GOODWILL ON CONSOLIDATION	1.4	1.5	--	--
SUBSIDIARY COMPANIES	--	--	1,936.5	2,291.0
ASSOCIATED COMPANIES	517.5	500.7	1,722.7	1,721.8
JOINT VENTURE COMPANIES	309.2	296.4	140.3	118.8
LONG-TERM INVESTMENTS	475.2	569.6	402.4	489.4
CURRENT ASSETS				
Section 44 tax prepayments	239.8	287.9	239.8	287.9
Stocks	61.5	80.8	26.2	29.0
Trade debtors	1,171.5	1,071.9	757.3	651.9
Amounts owing by associated companies -- net	0.4	--	--	--
Amounts owing by joint venture companies	--	1.0	--	--
Investments	130.2	148.3	--	--
Cash and bank balances	1,518.5	819.9	1,090.6	428.7
	3,121.9	2,409.8	2,113.9	1,397.5
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	999.0	849.6	936.8	798.6
Deferred revenue	206.4	205.3	206.4	205.3
Current tax payable	181.7	283.0	105.0	211.8
Trade creditors	1,921.1	1,928.3	1,309.6	1,207.0
Amounts owing to subsidiary companies -- net	--	--	686.8	844.3
Amounts owing to associated companies -- net	--	19.5	--	20.0
Finance lease commitments-repayable within one year	41.5	13.0	--	--
Loans-repayable within one year	24.8	224.7	--	--
Bank overdrafts	27.1	30.6	21.4	29.1
	3,401.6	3,554.0	3,266.0	3,316.1
NET CURRENT LIABILITIES	(279.7)	(1,144.2)	(1,152.1)	(1,918.6)
	16,588.4	15,630.0	14,516.0	14,360.5

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

Amount repayable in one year or less, or on demand

As at 31 March 2004		As at 31 March 2003	
Secured	Unsecured	Secured	Unsecured
\$67.1M	\$26.3M	\$36.1M	\$232.2M

Amount repayable after one year

As at 31 March 2004		As at 31 March 2003	
Secured	Unsecured	Secured	Unsecured
\$1,306.9M	\$900.3M	\$978.8M	\$900.8M

Details of any collateral

\$187.5 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$23.1 million is repayable within one year.

In addition, \$2.9 million of the loan and \$2.3 million of the bank overdraft are secured by a first legal mortgage on the building at 22 Senoko Way Singapore 758095. The remaining secured borrowings pertained to finance leases of aircraft (\$1,181.3 million).

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 CASH FLOW STATEMENT for the financial year ended 31 March 2004 (in \$ million)

	The Group	
	2003-04	2002-03
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,716.4	1,818.1
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(2,214.2)	(3,039.3)
Proceeds from disposal of aircraft and other fixed assets	1,513.7	1,279.5
Return of capital from joint venture companies	0.9	0.9
Return of capital from long-term investments	--	2.8
Investments in associated companies	(24.6)	(16.8)
Investments in joint venture companies	(21.5)	(18.9)
Disposal of subsidiary company, net of cash disposed	(1.4)	--
Acquisition of subsidiary company, net of cash acquired	--	(2.1)
Additional long-term investments	--	(169.6)
Additional long-term loans	(1.4)	(0.8)
Repayment of loans by associated companies	5.5	6.0
Repayment of loans	6.4	6.3
Proceeds from sale of long-term investments	76.8	154.1
Proceeds from disposal of associated companies	--	1.0
Dividends from associated companies	60.5	36.1
Dividends received from investments	3.8	4.5
Interest received from investments and deposits	32.7	32.3
Interest received from associated companies	0.1	0.3
NET CASH USED IN INVESTING ACTIVITIES	(562.7)	(1,723.7)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(109.6)	(181.7)
Dividends paid by subsidiary companies to minority interests	(14.4)	(17.9)
Interest expense paid	(62.1)	(51.1)
Proceeds from borrowings	2.8	--
Repayment of borrowings	(224.7)	(0.2)
Decrease in long-term lease liabilities	(20.3)	(57.9)
Proceeds from exercise of share options	15.3	0.9
NET CASH USED IN FINANCING ACTIVITIES	(413.0)	(307.9)
NET CASH INFLOW/(OUTFLOW)	740.7	(213.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	789.3	1,034.8
Effect of exchange rate changes	(38.6)	(32.0)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	1,491.4	789.3
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	1,137.1	528.2
Cash and bank	381.4	291.7
Bank overdrafts	(27.1)	(30.6)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	1,491.4	789.3

CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

	The Group	
	2003-04	2002-03
Profit before taxation	820.9	976.8
Adjustments for:-		
Depreciation of fixed assets	1,180.2	1,090.3
Provision for impairment of fixed assets	28.0	43.2
Income from short-term investments	(0.9)	(0.9)
Exchange differences	2.0	15.0
Write-down of loan to associated companies	0.5	0.2
Amortization of deferred gain on sale and leaseback transactions	(131.8)	(134.7)
Finance charges	65.1	54.7
Interest income	(32.5)	(33.7)
Surplus on disposal of aircraft, spares and spare engines	(102.7)	(144.9)
Surplus on disposal of other fixed assets	(5.5)	(1.2)
Dividends from long-term investments	(3.6)	(5.2)
Provision for diminution in value of long-term investments	1.8	9.4
Amortization of goodwill on consolidation	0.1	--
Amortization of deferred gain	(1.6)	--
Share of profits of joint venture companies	(6.4)	(14.5)
Share of profits of associated companies	(86.3)	(123.8)
Surplus on liquidation of Abacus Distribution Systems Pte Ltd	(9.2)	--
Surplus on disposal of Aviation Software Development Consultancy India Limited	(1.1)	--
Surplus on liquidation of Asian Frequent Flyer Pte Ltd	--	(0.5)
Operating profit before working capital changes	1,717.0	1,730.2
(Decrease)/increase in creditors	(34.2)	49.7
Decrease/(increase) in short-term investments	18.1	(114.1)
Increase/(decrease) in sales in advance of carriage	149.4	(38.1)
(Increase)/decrease in debtors	(104.6)	270.1
Decrease/(increase) in stocks	19.3	(13.3)
Increase in deferred revenue	1.1	8.8
Decrease/(increase) in amounts owing by associated and joint venture companies	1.1	(1.2)
Cash generated from operations	1,767.2	1,892.1
Income taxes paid	(50.8)	(74.0)
Net cash provided by operating activities	1,716.4	1,818.1

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 financial year ended 31 March 2004 (in \$ million)

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 31 March 2002	609.1	447.2	64.4	6.9	63.8	8,655.2	9,846.6
Currency translation differences	-	-	-	-	(22.5)	-	(22.5)
Share options exercised	*	*	-	-	-	-	-
Share of a joint venture company's capital reserve	-	-	-	0.8	-	-	0.8
Gain on dilution of interest in subsidiary companies due to share options exercised	-	-	-	-	-	0.8	0.8
Net gains and losses not recognized in the profit and loss account	*	*	-	0.8	(22.5)	0.8	(20.9)
Profit attributable to shareholders for the financial year	-	-	-	-	-	1,064.8	1,064.8
Dividends	-	-	-	-	-	(181.7)	(181.7)
Balance at 31 March 2003	609.1	447.2	64.4	7.7	41.3	9,539.1	10,708.8

* In 2002-03, 1,000 ordinary shares of \$0.50 par value were issued at exercise price of \$11.96 each pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$500 and \$11,460 respectively.

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 March 2004 (in \$ million)

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 31 March 2003	609.1	447.2	64.4	7.7	41.3	9,539.1	10,708.8
Currency translation differences	-	-	-	-	(21.5)	-	(21.5)
Share of a joint venture company's capital reserve	-	-	-	1.4	-	-	1.4
Share of an associated company's capital reserve	-	-	-	22.9	-	-	22.9
Gain on dilution of interest in subsidiary companies due to share options exercised	-	-	-	-	-	3.8	3.8
Net gains and losses not recognized in the profit and loss account	-	-	-	24.3	(21.5)	3.8	6.6
Profit attributable to shareholders for the financial year	-	-	-	-	-	849.3	849.3
Dividends	-	-	-	-	-	(109.6)	(109.6)
Balance at 31 March 2004	609.1	447.2	64.4	32.0	19.8	10,282.6	11,455.1

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 March 2004 (in \$ million)

The Company	Share capital	Share premium	Capital redemption reserve	General reserve	Total
Balance at 31 March 2002	609.1	447.2	64.4	9,049.0	10,169.7
Share options exercised	*	*	-	-	-
Net gains and losses not recognized in the profit and loss account	*	*	-	-	-
Profit attributable to shareholders for the financial year	-	-	-	618.0	618.0
Dividends	-	-	-	(181.7)	(181.7)
Balance at 31 March 2003	609.1	447.2	64.4	9,485.3	10,606.0
Profit attributable to shareholders for the financial year	-	-	-	429.3	429.3
Dividends	-	-	-	(109.6)	(109.6)
Balance at 31 March 2004	609.1	447.2	64.4	9,805.0	10,925.7

* In 2002-03, 1,000 ordinary shares of \$0.50 par value were issued at exercise price of \$11.96 each pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$500 and \$11,460 respectively.

1d (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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 OPTIONS ON SHARES IN THE COMPANY

(i) As at 31 March 2003, the number of share option of the Company outstanding was 51,826,922.

(ii) During the period April 2003 to March 2004, no shares were exercised under the Singapore Airlines Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

(iii) The movement of share options of the Company during the period of the financial year is as follows:

Date of grant	Balance at 01.04.2003/later date of grant	Cancelled	Balance at 31.03.2004	Exercise price	Expiry date
28.3.2000	13,126,430	(284,220)	12,842,210	\$15.34	27.3.2010
03.7.2000	11,868,350	(227,880)	11,640,470	\$16.65	02.7.2010
02.7.2001	13,173,990	(283,405)	12,890,585	\$11.96	01.7.2011
01.7.2002	13,658,152	(301,625)	13,356,527	\$12.82	30.6.2012
01.7.2003	12,922,820	(180,785)	12,742,035	\$10.34	30.6.2013
	<u>64,749,742</u>	<u>(1,277,915)</u>	<u>63,471,827</u>		

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have been audited in accordance with Singapore Standards on Auditing.

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

See attached auditor's report.

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

The same accounting policies and methods of computation have been applied, except as disclosed in note 5 below.

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.

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 estimated and deferred until they are utilized. These are included under "deferred revenue" on the balance sheet. Any remaining unutilized benefits are recognized as revenue upon expiry. From 2003-04, deferred revenue for unutilized benefits is recognized as revenue based on an estimate of miles awarded that will not be utilized before expiry. In accordance with FRS 8, Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies, the change is applied prospectively without adjustments to previously reported amounts. This change has increased current year's revenue of the Group and the Company by approximately \$28.2 million.

6 Earning 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	
	2003-04	2002-03
Earnings per shares (cents)		
-Basic	69.7	87.4
-Diluted	69.7	87.4

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 31 Mar 04	As at 31 Mar 03	As at 31 Mar 04	As at 31 Mar 03
Net asset value per ordinary share (S\$)	9.40	8.79	8.97	8.71

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 EARNINGS

On the back of a strong recovery, net profit attributable to shareholders for the year ended 31 March 2004 was \$849 million, 20.2% less (-\$216 million) than the year before. The earnings for the year include positive contributions from two factors. A cut in the corporate tax rate for Singapore from 22% to 20% from Year of Assessment 2005 resulted in a write-back of \$205 million in prior years' deferred tax liabilities. At the operating level, strength of major revenue generating currencies, particularly the British pound, Euro, Japanese yen, and Australian dollar, against the Singapore dollar provided a net gain of \$268 million to the operating profit of the SIA Group.

The Group registered strong recovery following the first quarter loss of \$312 million inflicted by the Severe Acute Respiratory Syndrome (SARS), turning in a net profit of \$1,161 million for the nine months of July 2003 to March 2004.

Group operating profit of \$680 million was 5.1% less (-\$37 million) than a year ago. Revenue was 7.2% lower (-\$753 million) at \$9,762 million primarily because of a bad first quarter. There was a 7.3% reduction (-\$716 million) in expenditure, from lower staff costs (-\$276 million), aircraft maintenance and overhaul costs (-\$170 million), commission and incentives (-\$85 million), material costs (-\$65 million), airport and overflying charges (-\$60 million), and fuel costs (-\$54 million).

Although staff costs were lower than in the preceding year, the accounts have provided for staff to receive a one-off lump sum payment to make up for the wage cut taken in 2003, plus 15%, and a bonus of 2.05 months of basic salary, in accordance with the agreement on profit sharing bonus.

The Company produced an operating profit of \$150 million, accounting for 22.1% of the operating profit of the SIA Group. The three major subsidiaries, namely the SIA Engineering Company (SIAEC) group, the Singapore Airport Terminal Services (SATS) group and Singapore Airlines Cargo (SIA Cargo) contributed 11.6%, 28.0% and 29.6% respectively to the Group's operating profit.

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

No variance from previous statement.

10 A commentary at the date of the 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.

SUBSEQUENT EVENTS

On 1 April 2004, the business undertaking of SIA Properties Pte Ltd (100% owned subsidiary which primarily provided intra-Group services) was transferred to the Company. The financial impact of the transfer was not material.

SIA signed an agreement with Dragonair on 5 May 2004 for the sale of five B747-400s. Separately, the Company has executed a letter of intent with another airline to sell three B747-400s. The eight aircraft are to be delivered between 2006 and 2008 after their scheduled releases from the operating fleet.

The Company added a fourth and fifth A340-500 aircraft on 8 April and 4 May 2004 respectively to its operating fleet, and traded in one A310-300 to Boeing on 23 April 2004.

SATS signed an agreement with Devro Group Limited on 20 April 2004, to purchase approximately 49.8% of the ground and cargo handling business of PT Jasa Angkasa Semesta Tbk ("JAS Airport Services") for US\$60 million. JAS Airport Services is a major ground and cargo handling company in Indonesia. Listed on the Surabaya Stock Exchange, it has operations at 11 Indonesian airports, including Jakarta, Surabaya, Denpasar/Bali and Medan.

On 26 April 2004, SIA Cargo sold one B747-400 freighter under a sale and leaseback agreement. The aircraft is leased back for 10 years. The lease is an operating lease. The net surplus from the sale of this aircraft was about \$1.0 million.

On 7 May 2004, the jury in the US Federal Court of California awarded US\$15 million to the family of two deceased passengers in a lawsuit relating to the Flight SQ006 incident. The Company has been advised that the terms of SIA's insurance policy provide full cover for all passenger claims.

OUTLOOK FOR FINANCIAL YEAR 2004-05

SIA will take delivery of five B777s and de-commission three B747-400s from the operating fleet during the rest of the year. By 31 March 2005, total operating fleet will reach 89 passenger aircraft.

In June 2004, SIA will break its own record for the world's longest non-stop commercial flight with the launch of a non-stop service between Singapore and New York (Newark Airport) with the A340-500 aircraft.

The Company will also introduce a new service to Ahmedabad in India's Gujarat province in July 2004. Frequency increases are planned for services to Brisbane, Guangzhou, Ho Chi Minh City, Melbourne and Seoul. SIA's route network will feature 60 destinations in 33 countries by the end of 2004-05. Capacity by the end of 2004-05 is projected to be about 7% higher than in March 2004.

The outlook for financial year 2004-05 is mixed. Long haul business looks promising but short haul regional operations will see keen competition. Provided the situation in the Middle East stabilises, the economies of China and India continue their strong growth and those of USA, Japan, Australia and Europe do not falter, SIA's services are well positioned for higher demand in these markets.

Four low-cost carriers based in Singapore have announced plans to start operations in 2004. This is in addition to the growing number of low-cost carriers based in neighbouring countries. Yields on short-haul flights will come under pressure as a consequence. It is imperative that costs continue to be kept under control.

SIA Cargo will take delivery of its fourteenth B747-400 freighter in 2004-05. Addition of freighter flights to USA via India and Europe, and to Europe via India are planned. Capacity by March 2005 is projected to be about 10% higher than the level in March 2004.

Oil prices climbed to a 13-year high in March 2004. Forward curve for oil prices indicates that prices are likely to remain high in the near term.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount Per Share	S\$0.25 per ordinary share
Par Value Of Shares	S\$0.50
Tax Rate	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount Per Share	6.0 cents per ordinary share (less tax)	9.0 cents per ordinary share
Par Value Of Shares	S\$0.50	S\$0.50
Tax Rate	22%	Tax-exempt (one-tier)

(c) Date payable

The final dividend, if so approved by shareholders, will be paid on 16 August 2004.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 05 August 2004 for the preparation of dividend warrants. Duly completed transfers received by the Share Registrars, KPMG, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5 p.m. on 04 August 2004 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the final dividend, subject to the approval of shareholders to the final dividend at the Thirty-Second Annual General Meeting to be held on 29 July 2004. Subject as aforesaid, shareholders whose Securities Account with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Books Closure Date will be entitled to the final dividend.

The said final dividend will be paid to CDP which will in turn distribute the dividend entitlements to such shareholders in accordance with its practice.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENT INFORMATION (IN \$ MILLION)
BUSINESS SEGMENTS

	Airline Operations		Airport terminal services		Engineering services		Others		Total of segments		Elimination*		Consolidated	
	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03
TOTAL REVENUE														
External revenue	9,171.0	9,861.1	355.5	386.8	145.9	170.6	89.5	96.5	9,761.9	10,515.0	-	-	9,761.9	10,515.0
Inter-segment revenue	57.8	55.7	513.2	571.3	532.8	707.5	176.7	196.2	1,280.5	1,530.7	(1,280.5)	(1,530.7)	-	-
	<u>9,228.8</u>	<u>9,916.8</u>	<u>868.7</u>	<u>958.1</u>	<u>678.7</u>	<u>878.1</u>	<u>266.2</u>	<u>292.7</u>	<u>11,042.4</u>	<u>12,045.7</u>	<u>(1,280.5)</u>	<u>(1,530.7)</u>	<u>9,761.9</u>	<u>10,515.0</u>
RESULTS														
Segment result	406.3	341.0	190.8	229.1	78.9	140.9	18.2	14.3	694.2	725.3	(13.8)	(8.2)	680.4	717.1
Finance charges	(62.4)	(55.7)	(6.1)	(5.8)	-	-	-	-	(68.5)	(61.5)	3.4	6.8	(65.1)	(54.7)
Interest income	27.0	39.1	5.1	3.8	3.1	3.8	0.7	1.0	35.9	47.7	(3.4)	(14.0)	32.5	33.7
Surplus on disposal of aircraft, spares and spare engines	102.7	150.4	-	-	-	-	-	1.9	102.7	152.3	-	(7.4)	102.7	144.9
Surplus/(loss) on disposal of other fixed assets	4.8	(0.8)	(0.1)	0.1	0.8	0.5	-	-	5.5	(0.2)	-	1.4	5.5	1.2
Dividends from subsidiary and associated companies, gross	119.2	130.5	-	-	-	-	-	-	119.2	130.5	(119.2)	(130.5)	-	-
Dividend from long-term investments, gross	2.7	4.9	0.7	0.7	0.4	0.4	-	-	3.8	6.0	(0.2)	(0.8)	3.6	5.2
Provision for diminution in value of long-term investments	(8.6)	(9.4)	-	-	-	-	-	-	(8.6)	(9.4)	6.8	-	(1.8)	(9.4)
Amortization of goodwill on consolidation	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	-	(0.1)	-
Amortization of deferred gain	-	-	1.6	-	-	-	-	-	1.6	-	-	-	1.6	-
Share of profits of joint venture companies	3.5	12.7	-	-	2.9	1.8	-	-	6.4	14.5	-	-	6.4	14.5
Share of profits of associated companies	6.6	26.1	33.7	30.2	46.0	67.5	-	-	86.3	123.8	-	-	86.3	123.8
Exceptional items	(15.3)	0.5	(8.0)	-	(3.2)	-	(1.3)	-	(27.8)	0.5	(3.3)	-	(31.1)	0.5
Taxation	75.5	176.3	(28.0)	(43.3)	11.1	(11.1)	(2.9)	(2.1)	55.7	119.8	18.7	22.7	74.4	142.5
Profit after taxation	<u>662.0</u>	<u>815.6</u>	<u>189.6</u>	<u>214.8</u>	<u>140.0</u>	<u>203.8</u>	<u>14.7</u>	<u>15.1</u>	<u>1,006.3</u>	<u>1,249.3</u>	<u>(111.0)</u>	<u>(130.0)</u>	<u>895.3</u>	<u>1,119.3</u>
Minority interests													<u>(46.0)</u>	<u>(54.5)</u>
Profit attributable to shareholders													<u>849.3</u>	<u>1,064.8</u>

*Relates to inter-segment transactions eliminated on consolidation. The Group generally accounts for such inter-segment transactions as if these transactions were to third parties at current market prices.

ANALYSIS OF GROUP REVENUE BY AREA OF ORIGINAL SALE – AIRLINE OPERATIONS

(in \$ million)	2003-04	2002-03
East Asia	4,452.5	4,929.9
Europe	1,708.6	1,807.6
South West Pacific	1,096.9	1,037.7
Americas	649.4	804.7
West Asia and Africa	667.7	722.2
System-wide	8,575.1	9,302.1
Non-scheduled services and incidental revenue	653.7	614.7
	<u>9,228.8</u>	<u>9,916.8</u>

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8.

15 A breakdown of sales.

(in \$ million)	2003-04	GROUP 2002-03	% Change	
Revenue reported for first half year	4,171.5	5,228.9	-	20.2
Profit after tax before deducting minority interests reported for first half year	12.8	803.9	-	98.4
Revenue reported for second half year	5,590.4	5,286.1	+	5.8
Profit after tax before deducting minority interest reported for second half year	882.5	315.4	+	179.8

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

(\$ million)	2003-04	2002-03
Ordinary	304.5	166.6
Preference	0	0
Total	304.5	166.6

17 Interested Person Transactions For Financial Year 2003-04

Interested person transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX) by the Group are as follows:

Name of Interested Person	Aggregate value of all transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	FY2003-04 S\$	FY2002-03 S\$	FY2003-04 S\$	FY2002-03 S\$
Singapore Petroleum Company Ltd	-	-	149,220,088	-
SembCorp Power Pte Ltd	-	-	1,778,247	-
Singapore Post Ltd Group: - Singapore Post Ltd - G3 Worldwide Mail (S) Pte Ltd	- -	- -	- 1,520,274	193,745 1,432,287
Raffles Holdings Ltd Group: - Raffles International Ltd - Hotel International AG - MCH Services (Sydney) Pte Ltd	- - -	- - -	113,515 537,280 393,930	315,109 358,186 -
Singapore Telecommunications Ltd Group: - Singapore Telecommunications Ltd - National Computer Systems Pte Ltd - Radiance Communications Pte Ltd	- - -	- - -	- 366,380 -	217,526 903,110 2,575,000
Keppel Corporation Ltd Group: - Keppel Engineering Pte Ltd - Keppel Electric Pte Ltd	- -	- -	2,353,000 660,054	- 686,490
Keppel Telecommunications & Transportation Ltd Group: - Radiance Communications Pte Ltd - Asia Airfreight Terminal Company Ltd	- -	- -	- 21,885,797	2,575,000 21,100,662
MediaCorp TV Singapore Pte Ltd	-	-	-	400,000
ST Aerospace Supplies Pte Ltd	-	-	226,245	-
Starhub Pte Ltd	-	-	103,716	-
Neptune Orient Lines Ltd	-	-	-	1,495,917
Senoko Energy Supply Pte Ltd	-	-	872,318	-
Singapore Technologies Logistics Pte Ltd	-	-	160,145	-
Total interested persons transactions	-	-	180,190,989	32,253,032

Note: The above interested person transactions were done on normal commercial terms.

BY ORDER OF THE BOARD

Foo Kim Boon
Company Secretary
14 May 2004