



AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2006

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 2006 (in \$ million)

	The Group		The Group	
	4th Quarter 2005-06	4th Quarter 2004-05 (Restated)	2005-06	2004-05 (Restated)
REVENUE	3,389.4	3,032.2	13,341.1	12,012.9
EXPENDITURE				
Staff costs	669.8	636.0	2,481.1	2,456.5
Fuel costs	1,118.1	702.3	4,240.3	2,692.9
Depreciation	319.4	279.5	1,227.7	1,165.8
Impairment of fixed assets	12.1	--	12.1	--
Amortisation of intangible assets	14.0	12.9	54.7	42.8
Aircraft maintenance and overhaul costs	73.8	133.8	319.3	597.9
Commission and incentives	100.3	105.8	441.6	445.2
Landing, parking and overflying charges	159.1	156.4	652.9	629.8
Handling charges	140.6	139.4	593.3	570.3
Rentals on leased aircraft	83.0	79.7	338.0	335.0
Material costs	76.5	63.2	315.2	293.1
Inflight meals	57.1	58.7	247.5	245.5
Advertising and sales costs	72.0	74.5	243.4	257.8
Insurance expenses	25.5	32.0	114.6	130.1
Company accommodation and utilities	35.2	40.5	158.1	157.9
Other passenger costs	34.5	30.0	122.5	118.0
Crew expenses	30.3	27.2	117.1	108.2
Other operating expenses	113.2	178.4	448.4	449.0
	<u>3,134.5</u>	<u>2,750.3</u>	<u>12,127.8</u>	<u>10,695.8</u>
OPERATING PROFIT	254.9	281.9	1,213.3	1,317.1
Finance charges	(22.2)	(22.9)	(96.3)	(77.5)
Interest income	28.3	19.1	96.7	52.7
Surplus on disposal of aircraft, spares and spare engines	15.8	15.3	115.7	215.2
Surplus on disposal of other fixed assets	7.2	2.5	11.9	8.7
Dividends from long-term investments, gross	--	2.4	24.6	8.0
(Impairment)/writeback of long-term investments	(0.4)	0.5	(1.0)	(0.1)
Amortisation of goodwill on consolidation	--	--	--	(0.1)
Amortisation of deferred gain	0.4	0.3	1.4	1.3
Share of profits of joint venture companies	10.0	5.6	40.6	12.5
Share of profits of associated companies	58.8	86.4	255.2	203.7
	<u>352.8</u>	<u>391.1</u>	<u>1,662.1</u>	<u>1,741.5</u>
PROFIT BEFORE EXCEPTIONAL ITEMS	352.8	391.1	1,662.1	1,741.5
Exceptional items	--	32.6	--	49.5
	<u>352.8</u>	<u>423.7</u>	<u>1,662.1</u>	<u>1,791.0</u>
PROFIT BEFORE TAXATION	352.8	423.7	1,662.1	1,791.0
TAXATION	(68.8)	(123.0)	(352.6)	(387.3)
	<u>284.0</u>	<u>300.7</u>	<u>1,309.5</u>	<u>1,403.7</u>
PROFIT FOR THE PERIOD	284.0	300.7	1,309.5	1,403.7
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	266.3	286.7	1,240.7	1,352.4
Minority interests	17.7	14.0	68.8	51.3
	<u>284.0</u>	<u>300.7</u>	<u>1,309.5</u>	<u>1,403.7</u>

Note: The comparative profit and loss account for the financial year ended 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

Notes:

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

	The Group		The Group	
	4th Quarter 2005-06	4th Quarter 2004-05	2005-06	2004-05
Interest income from short-term investments	(0.1)	(0.2)	(0.7)	(0.7)
Dividend income from short-term investments	(0.2)	(0.2)	(0.8)	(0.7)
Interest income	(28.3)	(19.1)	(96.7)	(52.7)
Finance charges	22.2	22.9	96.3	77.5
Amortisation of deferred gain on sale and leaseback transactions	(22.3)	(27.7)	(103.5)	(120.6)
Surplus on disposal of short-term investments	(1.4)	(0.6)	(3.7)	(1.2)
Bad debts written off	0.2	0.1	1.8	2.1
Impairment/(writeback) of trade debtors	3.0	0.7	5.0	2.8
Write-down of stocks	1.1	13.2	1.1	13.2
Impairment of short-term investments	--	0.2	--	0.3
Exchange losses, net	32.4	53.0	163.2	74.2
Adjustment for (over)/under provision of tax in respect of prior years	(16.9)	2.4	(28.6)	2.4

(ii) The exceptional items were in respect of the following:

	The Group		The Group	
	4th Quarter 2005-06	4th Quarter 2004-05	2005-06	2004-05
Staff compensation and restructuring of operations	--	--	--	37.8
Surplus on sale of investment in Air New Zealand Limited	--	--	--	(45.7)
Surplus on sale of investment in Raffles Holdings Ltd	--	(32.6)	--	(32.6)
Surplus on sale of investment in Taikoo (Xiamen) Aircraft Engineering Company Limited	--	--	--	(9.0)
	--	(32.6)	--	(49.5)

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 SHEET AS AT 31 MARCH 2006 (in \$ million)

	The Group		The Company	
	31 Mar 2006	31 Mar 2005 (Restated)	31 Mar 2006	31 Mar 2005 (Restated)
SHARE CAPITAL	1,202.6	609.1	1,202.6	609.1
RESERVES				
Share premium	--	448.2	--	448.2
Capital redemption reserve	--	64.4	--	64.4
Capital reserve	40.8	41.9	--	--
Foreign currency translation reserve	(30.5)	3.1	--	--
Share-based compensation reserve	81.8	48.4	63.1	37.1
Fair value reserve	163.6	--	35.6	--
General reserve	12,012.3	11,127.2	10,943.3	10,653.5
	12,268.0	11,733.2	11,042.0	11,203.2
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	13,470.6	12,342.3	12,244.6	11,812.3
MINORITY INTERESTS	396.3	302.8	--	--
TOTAL EQUITY	13,866.9	12,645.1	12,244.6	11,812.3
DEFERRED ACCOUNT	349.6	414.6	254.9	356.8
DEFERRED TAXATION	2,486.1	2,450.1	1,950.5	1,952.2
LONG-TERM LIABILITIES	1,824.4	2,333.3	1,022.3	1,449.5
	18,527.0	17,843.1	15,472.3	15,570.8
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	12,208.4	12,292.0	9,150.9	9,484.8
Land and buildings	972.1	993.1	297.0	316.1
Others	2,344.2	1,876.6	2,046.5	1,318.9
	15,524.7	15,161.7	11,494.4	11,119.8
INTANGIBLE ASSETS	121.7	144.1	77.2	88.3
SUBSIDIARY COMPANIES	--	--	1,938.4	1,935.8
ASSOCIATED COMPANIES	996.3	695.1	1,722.2	1,716.1
JOINT VENTURE COMPANIES	362.6	323.6	159.1	151.0
LONG-TERM INVESTMENTS	425.9	476.3	401.5	409.2
CURRENT ASSETS				
Section 44 tax prepayments	166.2	221.4	166.2	221.4
Stocks	517.5	442.5	458.5	368.8
Trade debtors	1,610.8	1,344.7	1,055.0	859.4
Amounts owing by subsidiary companies	--	--	230.9	247.2
Amounts owing by associated companies	3.7	15.8	--	12.5
Loan-receivable within one year	42.0	--	--	--
Investments	446.5	79.3	346.1	--
Cash and bank balances	3,151.6	2,840.2	2,765.1	2,509.1
	5,938.3	4,943.9	5,021.8	4,218.4
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	1,191.6	1,031.2	1,164.4	1,003.2
Deferred revenue	309.9	237.9	309.9	237.9
Current tax payable	303.2	156.2	199.3	72.0
Trade creditors	2,546.2	2,380.4	1,798.2	1,763.8
Amounts owing to subsidiary companies	--	--	1,442.0	966.6
Finance lease commitments-repayable within one year	464.6	44.1	419.5	--
Loans-repayable within one year	16.6	25.6	--	--
Bank overdrafts	10.4	26.2	9.0	24.3
	4,842.5	3,901.6	5,342.3	4,067.8
NET CURRENT ASSETS/(LIABILITIES)	1,095.8	1,042.3	(320.5)	150.6
	18,527.0	17,843.1	15,472.3	15,570.8

Note: The comparative balance sheets for 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment, FRS 28 - Investments in Associates, FRS 103 - Business Combinations, FRS 36 - Impairment of Assets, FRS 38 - Intangible Assets and FRS 21 - The Effects of Changes in Foreign Exchange Rates. Please see paragraph 4 for details.

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 2006		As at 31 March 2005	
Secured	Unsecured	Secured	Unsecured
\$480.4M	\$11.2M	\$69.0M	\$26.9M

Amount repayable after one year

As at 31 March 2006		As at 31 March 2005	
Secured	Unsecured	Secured	Unsecured
\$723.3M	\$1,101.1M	\$1,231.7M	\$1,101.6M

Details of any collateral

\$135.3 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$15.1 million is repayable within one year. In addition, the UOB loan (\$3.1 million) and overdraft (\$0.4 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758044. Another \$2.2 million obtained by SIAEC Group is secured over factory premises. The remaining secured borrowings pertained to finance leases of aircraft (\$1,062.7 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 STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (in \$ million)**

	The Group	
	2005-06	2004-05 (Restated)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,309.6</u>	<u>2,786.6</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(2,058.8)	(2,095.2)
Purchase of intangible assets - application software	(32.4)	--
Proceeds from disposal of aircraft and other fixed assets	629.7	1,081.2
Return of capital from associated companies	3.3	3.3
Return of capital from long-term investments	--	13.9
Investments in associated companies	(27.1)	(184.1)
Investments in joint venture companies	(8.2)	(10.7)
Additional long-term investments	(91.6)	(285.7)
Additional long-term loans	--	(1.4)
Repayment of loans by associated companies	--	0.7
Repayment of loans	--	4.1
Proceeds from disposal of long-term investments	90.5	349.9
Dividends received from associated and joint venture companies	91.2	55.7
Dividends received from investments	25.4	8.4
Interest received from investments and deposits	89.5	50.0
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,288.5)</u>	<u>(1,009.9)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(487.6)	(426.4)
Dividends paid by subsidiary companies to minority interests	(30.9)	(91.8)
Interest paid	(90.4)	(67.8)
Proceeds from borrowings	0.5	202.5
Repayment of borrowings	(25.1)	(24.4)
Repayment of long-term lease liabilities	(59.3)	(46.1)
Proceeds from issuance of share capital by subsidiary companies to minority interests	12.0	--
Proceeds from exercise of employee share options	135.9	59.3
NET CASH USED IN FINANCING ACTIVITIES	<u>(544.9)</u>	<u>(394.7)</u>
NET CASH INFLOW	476.2	1,382.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	2,814.0	1,491.4
Effect of exchange rate changes	(149.0)	(59.4)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>3,141.2</u>	<u>2,814.0</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	2,451.9	2,231.9
Cash and bank	699.7	608.3
Bank overdrafts	(10.4)	(26.2)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>3,141.2</u>	<u>2,814.0</u>

Note: The comparative cash flow statement for the financial year ended 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

CASH FLOW FROM OPERATING ACTIVITIES (in \$ million)

	The Group	
	2005-06	2004-05 (Restated)
Profit before taxation	1,662.1	1,791.0
Adjustments for:-		
Depreciation of fixed assets	1,227.7	1,165.8
Impairment of fixed assets	12.1	--
Amortisation of intangible assets	54.7	42.9
Income from short-term investments	(1.5)	(1.4)
Share-based compensation expense	48.1	38.4
Exchange differences	133.2	56.3
Amortisation of deferred gain on sale and leaseback transactions	(103.5)	(120.6)
Finance charges	96.3	77.5
Interest income	(96.7)	(52.7)
Surplus on disposal of aircraft, spares and spare engines	(115.7)	(215.2)
Surplus on disposal of other fixed assets	(11.9)	(8.7)
Dividends from long-term investments	(24.6)	(8.0)
Impairment of long-term investments	1.0	0.1
Amortisation of deferred gain	(1.4)	(1.3)
Share of profits of joint venture companies	(40.6)	(12.5)
Share of profits of associated companies	(255.2)	(203.7)
Surplus on sale of investment in Air New Zealand Limited	--	(45.7)
Surplus on sale of investment in Raffles Holdings Ltd	--	(32.6)
Surplus on sale of investment in Taikoo (Xiamen) Aircraft Engineering Company Limited	--	(9.0)
Operating profit before working capital changes	2,584.1	2,460.6
Increase in creditors	137.7	487.8
(Increase)/decrease in short term investments	(355.6)	50.9
Increase in sales in advance of carriage	160.4	32.2
Increase in debtors	(155.4)	(167.9)
Increase in stocks	(75.0)	(39.1)
Increase in deferred revenue	72.0	31.5
Decrease/(increase) in amounts owing by associated and joint venture companies	12.1	(2.7)
Cash generated from operations	2,380.3	2,853.3
Income taxes paid	(70.7)	(66.7)
Net cash provided by operating activities	2,309.6	2,786.6

Note: The comparative cash flow statement for the financial year ended 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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 2006 (in \$ million)**

The Group	Attributable to Equity Holders of the Company										Total equity
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Minority interests	
Balance at 31 March 2005, as previously reported	609.1	448.2	64.4	41.9	8.8	--	--	11,263.7	12,436.1	303.9	12,740.0
<u>Effects of adopting</u>											
- FRS 21	--	--	--	--	(5.7)	--	--	--	(5.7)	(1.1)	(6.8)
- FRS 28	--	--	--	--	--	--	--	(87.8)	(87.8)	--	(87.8)
- FRS 102	--	--	--	--	--	48.4	--	(48.4)	--	--	--
- FRS 103	--	--	--	--	--	--	--	(0.3)	(0.3)	--	(0.3)
Balance at 31 March 2005, as restated	609.1	448.2	64.4	41.9	3.1	48.4	--	11,127.2	12,342.3	302.8	12,645.1
<u>Effects of adopting</u>											
- FRS 28	--	--	--	--	--	--	(44.6)	69.7	25.1	--	25.1
- FRS 39	--	--	--	--	--	--	176.4	36.9	213.3	0.8	214.1
	609.1	448.2	64.4	41.9	3.1	48.4	131.8	11,233.8	12,580.7	303.6	12,884.3
Transfer to share capital	512.6	(448.2)	(64.4)	--	--	--	--	--	--	--	--
	1,121.7	--	--	41.9	3.1	48.4	131.8	11,233.8	12,580.7	303.6	12,884.3
Currency translation differences	--	--	--	--	(33.6)	--	--	--	(33.6)	(1.3)	(34.9)
Net fair value changes on available-for-sale assets	--	--	--	--	--	--	5.9	--	5.9	--	5.9
Net fair value changes on cash flow hedges	--	--	--	--	--	--	(137.1)	--	(137.1)	--	(137.1)
Share of a joint venture and associated companies' fair value reserve	--	--	--	--	--	--	163.0	--	163.0	--	163.0
Share of a joint venture and associated company's capital reserve	--	--	--	(1.1)	--	--	--	--	(1.1)	--	(1.1)
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	--	25.4	25.4	41.9	67.3
Net income and expense not recognised in the profit and loss account	--	--	--	(1.1)	(33.6)	--	31.8	25.4	22.5	40.6	63.1
Profit for the financial year	--	--	--	--	--	--	--	1,240.7	1,240.7	68.8	1,309.5
Net income and expense recognised for the financial year	--	--	--	(1.1)	(33.6)	--	31.8	1,266.1	1,263.2	109.4	1,372.6
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	--	12.0	12.0
Share-based payment	--	--	--	--	--	45.9	--	--	45.9	2.2	48.1
Share options exercised	80.9	--	--	--	--	(12.5)	--	--	68.4	--	68.4
Dividends	--	--	--	--	--	--	--	(487.6)	(487.6)	(30.9)	(518.5)
Balance at 31 March 2006	1,202.6	--	--	40.8	(30.5)	81.8	163.6	12,012.3	13,470.6	396.3	13,866.9

Attributable to Equity Holders of the Company										
The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	General reserve	Total	Minority interests	Total equity
Balance at 31 March 2004, as previously reported	609.1	447.2	64.4	32.0	19.8	--	10,282.6	11,455.1	304.1	11,759.2
<u>Effects of adopting</u>										
- FRS 28	--	--	--	--	--	--	(87.8)	(87.8)	--	(87.8)
- FRS 102	--	--	--	--	--	11.5	(11.5)	--	--	--
Balance at 31 March 2004, as restated	609.1	447.2	64.4	32.0	19.8	11.5	10,183.3	11,367.3	304.1	11,671.4
<u>Effects of adopting</u>										
- FRS 21	--	--	--	--	(5.7)	--	--	(5.7)	(1.1)	(6.8)
- FRS 103	--	--	--	--	--	--	(0.3)	(0.3)	--	(0.3)
	609.1	447.2	64.4	32.0	14.1	11.5	10,183.0	11,361.3	303.0	11,664.3
Currency translation differences	--	--	--	--	(11.0)	--	--	(11.0)	(1.4)	(12.4)
Share of a joint venture and associated company's capital reserve	--	--	--	9.9	--	--	--	9.9	--	9.9
Surplus on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	--	18.2	18.2	40.2	58.4
Net income and expense not recognised in the profit and loss account	--	--	--	9.9	(11.0)	--	18.2	17.1	38.8	55.9
Profit for the financial year	--	--	--	--	--	--	1,352.4	1,352.4	51.3	1,403.7
Net income and expense recognised for the financial year	--	--	--	9.9	(11.0)	--	1,370.6	1,369.5	90.1	1,459.6
Share-based payment	--	--	--	--	--	36.9	--	36.9	1.5	38.4
Share options exercised	*	1.0	--	--	--	--	--	1.0	--	1.0
Dividends	--	--	--	--	--	--	(426.4)	(426.4)	(91.8)	(518.2)
Balance at 31 March 2005	609.1	448.2	64.4	41.9	3.1	48.4	11,127.2	12,342.3	302.8	12,645.1

* Amount less than \$0.1 million.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (in \$ million)**

The Company	Share capital	Share premium	Capital redemption reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 31 March 2005, as previously reported	609.1	448.2	64.4	--	--	10,687.7	11,809.4
<u>Effects of adopting</u>							
- FRS 102	--	--	--	37.1	--	(34.2)	2.9
Balance at 31 March 2005, as restated	609.1	448.2	64.4	37.1	--	10,653.5	11,812.3
<u>Effects of adopting</u>							
- FRS 39	--	--	--	--	151.7	31.4	183.1
	609.1	448.2	64.4	37.1	151.7	10,684.9	11,995.4
Transfer to share capital	512.6	(448.2)	(64.4)	--	--	--	--
	1,121.7	--	--	37.1	151.7	10,684.9	11,995.4
Net fair value changes on available-for-sale assets	--	--	--	--	4.5	--	4.5
Net fair value changes on cash flow hedges	--	--	--	--	(120.6)	--	(120.6)
Net expense not recognised in the profit and loss account	--	--	--	--	(116.1)	--	(116.1)
Profit for the financial year	--	--	--	--	--	746.0	746.0
Net income and expense recognised for the financial year	--	--	--	--	(116.1)	746.0	629.9
Share-based payment	--	--	--	34.1	--	--	34.1
Share options exercised	80.9	--	--	(8.1)	--	--	72.8
Dividends	--	--	--	--	--	(487.6)	(487.6)
Balance at 31 March 2006	1,202.6	--	--	63.1	35.6	10,943.3	12,244.6
Balance at 31 March 2004, as previously reported	609.1	447.2	64.4	--	--	9,805.0	10,925.7
<u>Effects of adopting</u>							
- FRS 102	--	--	--	9.4	--	(8.7)	0.7
Balance at 31 March 2004, as restated	609.1	447.2	64.4	9.4	--	9,796.3	10,926.4
Profit for the financial year	--	--	--	--	--	1,283.6	1,283.6
Net income recognised for the financial year	--	--	--	--	--	1,283.6	1,283.6
Share-based payment	--	--	--	27.7	--	--	27.7
Share options exercised	*	1.0	--	--	--	--	1.0
Dividends	--	--	--	--	--	(426.4)	(426.4)
Balance at 31 March 2005	609.1	448.2	64.4	37.1	--	10,653.5	11,812.3

* Amount less than \$0.1 million.

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 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 2005, the number of share option of the Company outstanding was 74,338,615.

(ii) During the period April 2005 to March 2006, 6,465,104 shares were exercised under the SIA Company 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 financial year 2005-06 is as follows:

Date of grant	Balance at 01.04.2005	Granted during 01.04.2005 to 31.03.2006	Cancelled during 01.04.2005 to 31.03.2006	Exercised during 01.04.2005 to 31.03.2006	Balance at 31.03.2006	Exercise price	Expiry date
28.03.2000	12,524,010	-	(672,400)	-	11,851,610	\$15.34	27.03.2010
03.07.2000	11,374,220	-	(359,050)	-	11,015,170	\$16.65	02.07.2010
02.07.2001	12,528,300	-	(193,040)	(2,056,990)	10,278,270	\$11.96	01.07.2011
01.07.2002	12,959,332	-	(203,750)	(914,059)	11,841,523	\$12.82	30.06.2012
01.07.2003	12,297,818	-	(152,446)	(3,069,343)	9,076,029	\$10.34	30.06.2013
01.07.2004	12,654,935	-	(269,925)	(412,172)	11,972,838	\$10.70	30.06.2014
01.07.2005	-	13,293,461	(119,795)	(12,540)	13,161,126	\$11.28	30.06.2015
	74,338,615	13,293,461	(1,970,406)	(6,465,104)	79,196,566		

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

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2005 except for the adoption of all the new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 April 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as discussed below:

(i) Effect of changes to the Profit and Loss Account for the financial year ended 31 March 2006.

	Increase/(decrease)		Basic & Diluted Earnings per share Cents
	Profit before tax \$ million	Profit after tax ^{R1} \$ million	
FRS 16	379.9	303.9	24.9
FRS 28	37.3	26.1	2.1
FRS 39	(3.7)	(3.0)	(0.2)
FRS 102	(48.1)	(48.1)	(3.9)
	365.4	278.9	22.9

^{R1} The profit after tax refers to the profit for the financial year 2005-06.

(ii) Description of changes

FRS 16: Property, Plant and Equipment

FRS 16 has been revised to require major inspection costs to be capitalised. Accordingly, the portion of aircraft maintenance and overhaul costs relating to heavy maintenance visits and engine overhauls are now capitalised and depreciated over 4 - 6 years. Prior to FY2005-06, such costs have been charged to the profit and loss account on an incurred basis.

The revised treatment is applied prospectively and accordingly, the current financial year's aircraft maintenance and overhaul costs of the Group is lower by \$462.2 million and depreciation expenses has been increased by \$82.3 million. As a result, the profit after tax of the Group for the financial year period is higher by \$303.9 million, and the basic and diluted earnings per share are both higher by 24.9 cents.

FRS 28: Investments in Associates

FRS 28 requires appropriate adjustments to be made to the associated companies' financial statements to align them to the Group's accounting policies for reporting like transactions and other events in similar circumstances. The alignment of the different accounting policies has resulted in:

	Increased/(decreased) by \$ million
Profit for the financial year	26.1
Fair value reserve as at 1 April 2005	(44.6)
General reserve as at 31 March 2004	(87.8)
General reserve as at 31 March 2005	(87.8)
General reserve as at 1 April 2005	(18.1)
Associated companies as at 31 March 2004	(87.8)
Associated companies as at 31 March 2005	(87.8)
Associated companies as at 1 April 2005	(62.7)

The impact on both the Group's basic and diluted earnings per share is an increase of 2.1 cents.

FRS 39: Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirement for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments and all derivative financial instruments as assets or liabilities at fair value.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2004-05 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005.

	Increased by \$ million
General reserve	36.9
Fair value reserve	176.4
Minority interests	0.8
Deferred tax	53.5
Trade debtors	310.3
Trade creditors	42.7

Profit for the financial year decreased by \$3.0 million and the impact on both the Group's basic and diluted earnings per share is a decrease of 0.2 cent.

FRS 102: Share-based Payments

FRS 102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 April 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the profit and loss account and a corresponding adjustment to equity over the remaining vesting period.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(decreased) by \$ million
Profit for the period April-March 2005	(38.4)
Profit for the period April-March 2006	(48.1)
General reserve as at 31 March 2004	(11.5)
General reserve as at 31 March 2005	(48.4)
Share-based compensation reserve as at 31 March 2004	11.5
Share-based compensation reserve as at 31 March 2005	48.4
	Decreased by
	Cents
Basic and diluted earnings per share for 2004-05	(3.2)
Basic and diluted earnings per share for 2005-06	(3.9)

FRS 103: Business Combinations; FRS 36: Impairment of Assets; FRS 38: Intangible Assets and FRS 21: The Effects of Changes in Foreign Exchange Rates

The new accounting standard FRS 103: Business Combinations has resulted in consequential amendments to two other accounting standards, FRS 36: Impairment of Assets and FRS 38: Intangible Assets.

Under FRS 103, goodwill acquired in a business combination is no longer subject to amortisation to the profit and loss account. Instead, it is subject to impairment review annually or whenever there is an indication that the goodwill is impaired as required by the revised FRS 36. Any impairment loss is charged to the profit and loss account and subsequent reversal is not allowed.

The Group adopted FRS 103 with effect from 1 April 2005, including the provisions related to the limited retrospective application of this standard. Accordingly, the general reserve as at 31 March 2005 has been restated to reflect a decrease of \$0.3 million.

Previously, goodwill was amortised using the straight line method over a period of between ten and twenty years. No goodwill amortisation was recorded for financial year 2005-06 (2004-05: \$6.8 million). The intangible amortisation recorded for the financial year 2005-06 was \$7.7 million (2004-05: nil).

The Group changed its accounting policy to adopt FRS 21 with effect from 1 April 2005. As a result of the adoption of revised FRS 21, any goodwill arising on the acquisition of foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are now treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly. The application of FRS 21 is retrospective.

Accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(decreased) by \$ million
Goodwill on acquisition of associated companies	(5.0)
Customer-related intangible assets	(1.8)
Foreign currency translation reserve	(6.8)
Amortisation of intangible assets	0.3
General reserve	(0.3)

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 paragraph 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		The Group	
	4th Quarter 2005-06	4th Quarter 2004-05 (Restated)	2005-06	2004-05 (Restated)
Earnings per share (cents)				
- Basic	21.8	23.5	101.7	111.0
- Diluted	21.7	23.5	101.6	111.0

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 06	As at 31 Mar 05 (Restated)	As at 31 Mar 06	As at 31 Mar 05 (Restated)
Net asset value per ordinary share (\$)	11.00	10.13	10.00	9.70

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.

REVENUE GROWTH AND COST MANAGEMENT HELP DEFRAY IMPACT OF HIGH FUEL PRICES

Growth in carriage and yields for both passenger and cargo operations produced record revenue for the Group of \$13,341 million for the financial year ended 31 March 2006, which was \$1,328 million (+11.1%) higher than in 2004-05.

Group operating profit, however, fell \$104 million (-7.9%) to \$1,213 million as rising fuel costs pushed expenditure up. Expenditure increased \$1,432 million (+13.4%) to \$12,128 million.

Fuel accounted for 35.0% of the Group expenditure, up from 25.2% a year ago. Net of hedging, fuel expenditure rose \$1,547 million (+57.5%) to \$4,240 million as jet fuel prices increased to an average of US\$77 per barrel in 2005-06 from US\$55 per barrel last year.

Excluding fuel, Group expenditure was actually lower by 1.4%, reflecting the results of the collective efforts towards improved cost management, efficiency and productivity.

The Group recorded a foreign exchange loss of \$137 million in 2005-06, compared to a gain of \$112 million the previous year. This was due to the strengthening of Singapore Dollar against the major revenue generating currencies, particularly the British Pound, Euro and Japanese Yen, partially offset by cost savings from US Dollar-denominated expenditure as a result of a weaker US Dollar.

Compliance with several new and revised Financial Reporting Standards (FRS) that came into effect in financial year 2005-06 resulted in a net addition of \$279 million to profit after tax. With this, and despite intense competition and the sharp rise in jet fuel prices, the Group achieved a profit attributable to equity holders of the Company of \$1,241 million for the financial year ended 31 March 2006, a decrease of \$112 million (-8.3%) from last year.

The preceding year's profit had also been boosted by gains totalling \$78 million from the sale of portfolio investments in Air New Zealand and Raffles Holdings.

The parent Passenger Airline Company achieved an operating profit of \$651 million (-6.7%). The Company's result made up 53.6% (+0.6% point) of the Group's operating profit. Contributions by the three major subsidiary companies to the Group's operating profit are as follows:

- Singapore Airlines Cargo (SIA Cargo): 14.3% (-5.5% points)
- Singapore Airport Terminal Services (SATS) Group: 15.2% (+0.4% point)
- SIA Engineering Company (SIAEC): 11.1% (+3.4% points)

Fourth Quarter 2005-06

The Group achieved a profit attributable to equity holders of the Company of \$266 million in the three months ended 31 March 2006, a decline of \$20 million (-7.1%) from the corresponding period last year.

Group revenue improved \$357 million (+11.8%) to \$3,389 million following strong traffic and yield growth for both passenger and cargo operations. Group operating profit at \$255 million, was however \$27 million lower (-9.6%), as the increase in expenditure outpaced revenue growth. Group expenditure increased \$384 million (+14.0%) to \$3,134 million due mainly to higher fuel costs.

Continued focus on cost management has resulted in a 1.5% reduction in non-fuel expenditure during the period.

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

Actual results are in line with the 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 26 April 2006, Singapore Airlines announced an increase of the fuel surcharge on tickets sold from 15 May 2006. The adjustments will offer partial relief of higher operating costs arising from persistently high price of jet fuel, which is hovering around US\$90 per barrel, as compared to US\$80 per barrel when the surcharge was last revised in September 2005.

Singapore Airlines had, on 2 May 2006, announced that it has sold, then leased back, on an operating lease basis, three Boeing 777-300 aircraft. The aircraft are each leased to Singapore Airlines for approximately 7 1/2 years, including options to extend.

OUTLOOK BROADLY POSITIVE, SENSITIVE TO FUEL PRICE MOVEMENTS

The outlook for air travel is broadly positive. However fuel costs remain a significant challenge, with fuel price volatility a key variable in determining financial performance.

Travel bookings are projected to grow steadily on the back of improved economic prospects, particularly for Asia and Europe.

The year up to end March 2007 will herald many exciting developments for the Group. Singapore Airlines is gearing up to be the first to fly the all-new Airbus A380-800 and to introduce the Boeing B777-300ER by the end of the year.

The Company is expecting to take delivery of seven Airbus A380-800s and nine Boeing 777-300ERs, while five B747-400s will be de-commissioned during the year. The operating fleet will comprise 101 passenger aircraft by 31 March 2007.

The Company will continue to differentiate itself and work at remaining competitive and profitable.

11 Dividend

(a) Current Financial Period Reported on

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	10.0 cents per ordinary share	35.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	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	10.0 cents per ordinary share	30.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(c) Date payable

The final dividend, if so approved by shareholders, will be paid on 17 August 2006.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the Thirty-Fourth Annual General Meeting to be held on 31 July 2006, the Transfer Books and the Register of Members of the Company will be closed on 7 August 2006 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, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 4 August 2006 will be registered to determine shareholders' entitlements to the final dividend. 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 4 August 2006 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 17 August 2006.

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 BY BUSINESS SEGMENTS (in \$ million)

	Airline Operations		Airport terminal services		Engineering services		Others		Total of segments		Elimination*		Consolidated	
	05-06	04-05	05-06	04-05	05-06	04-05	05-06	04-05	05-06	04-05	05-06	04-05	05-06	04-05
TOTAL REVENUE														
External revenue	12,659.1	11,341.7	371.6	397.2	238.4	195.8	72.0	78.2	13,341.1	12,012.9	-	-	13,341.1	12,012.9
Inter-segment revenue	43.8	55.5	560.4	578.5	720.7	611.7	169.1	178.4	1,494.0	1,424.1	(1,494.0)	(1,424.1)	-	-
	<u>12,702.9</u>	<u>11,397.2</u>	<u>932.0</u>	<u>975.7</u>	<u>959.1</u>	<u>807.5</u>	<u>241.1</u>	<u>256.6</u>	<u>14,835.1</u>	<u>13,437.0</u>	<u>(1,494.0)</u>	<u>(1,424.1)</u>	<u>13,341.1</u>	<u>12,012.9</u>

RESULTS

Segment result	891.3	1,028.3	184.1	194.2	134.7	100.8	21.1	18.0	1,231.2	1,341.3	(17.9)	(24.2)	1,213.3	1,317.1
Finance charges	(103.0)	(77.5)	(6.3)	(3.9)	-	-	-	-	(109.3)	(81.4)	13.0	3.9	(96.3)	(77.5)
Interest income	90.1	48.9	9.3	3.3	9.2	3.8	1.1	0.7	109.7	56.7	(13.0)	(4.0)	96.7	52.7
Surplus on disposal of aircraft, spares and spare engines	90.3	215.2	-	-	-	-	-	-	90.3	215.2	25.4	-	115.7	215.2
Surplus/(loss) on disposal of other fixed assets	10.3	8.1	(0.3)	0.2	1.9	0.4	-	-	11.9	8.7	-	-	11.9	8.7
Dividends from subsidiary and associated companies, gross	204.6	637.0	-	-	-	-	-	-	204.6	637.0	(204.6)	(637.0)	-	-
Dividend from long-term investments, gross	12.3	2.8	0.6	0.6	11.9	4.8	-	-	24.8	8.2	(0.2)	(0.2)	24.6	8.0
Impairment of long-term investments	(1.0)	(0.1)	-	-	-	-	-	-	(1.0)	(0.1)	-	-	(1.0)	(0.1)
Amortisation of goodwill on consolidation	-	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	-	(0.1)
Amortisation of deferred gain	-	-	1.4	1.3	-	-	-	-	1.4	1.3	-	-	1.4	1.3
Share of profits of joint venture companies	20.7	4.5	-	-	19.9	8.0	-	-	40.6	12.5	-	-	40.6	12.5
Share of profits of associated companies	112.2	85.7	57.3	50.5	85.7	67.5	-	-	255.2	203.7	-	-	255.2	203.7
Exceptional items	-	69.3	-	(28.8)	-	9.0	-	-	-	49.5	-	-	-	49.5
Taxation	(280.9)	(389.5)	(56.9)	(49.2)	(32.9)	(23.6)	(5.6)	(4.8)	(376.3)	(467.1)	23.7	79.8	(352.6)	(387.3)
Profit for the financial year	<u>1,046.9</u>	<u>1,632.7</u>	<u>189.2</u>	<u>168.1</u>	<u>230.4</u>	<u>170.7</u>	<u>16.6</u>	<u>13.9</u>	<u>1,483.1</u>	<u>1,985.4</u>	<u>(173.6)</u>	<u>(581.7)</u>	<u>1,309.5</u>	<u>1,403.7</u>
Attributable to:														
Equity holders of the Company													1,240.7	1,352.4
Minority interests													68.8	51.3
													<u>1,309.5</u>	<u>1,403.7</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)**

Revenue by Area of Original Sale	2005-06	2004-05
East Asia	5,554.5	5,217.8
Europe	1,882.4	1,894.6
South West Pacific	1,535.4	1,439.3
Americas	991.0	919.2
West Asia and Africa	896.2	833.3
Systemwide	10,859.5	10,304.2
Non-scheduled services and incidental revenue	1,843.4	1,093.0
Total	12,702.9	11,397.2

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.

The Group (in \$ million)	2005-06	2004-05 (Restated)	% Change	
<u>First Half</u>				
Revenue reported for the first half year	6,394.7	5,778.8	+	10.7
Profit after tax reported for the first half year	612.2	625.2	-	2.1
<u>Second Half</u>				
Revenue reported for the second half year	6,946.4	6,234.1	+	11.4
Profit after tax reported for the second half year	697.3	778.5	-	10.4

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

Annual Dividend (in \$ million)	2005-06	2004-05
Ordinary dividend		
- Interim	121.9	121.9
- Final #	428.6	365.7
Total	550.5	487.6

2005-06 Final dividend is estimated based on number of shares outstanding as at the end of the financial year

17 Interested Person Transactions

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 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	
	2005-06 S(\$)	2004-05 S(\$)	2005-06 S(\$)	2004-05 S(\$)
Singapore Petroleum Company Ltd	-	-	468,886,883	319,803,046
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	-	-	21,523,650	20,472,779
SembCorp Logistics Ltd Group:				
- Singapore Technologies Logistics Pte Ltd	-	-	1,248,931	1,421,343
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	437,058	335,893
Keppel Corporation Ltd Group:				
- Keppel Engineering Pte Ltd	-	-	-	4,539,924
Singapore Telecommunications Ltd Group:				
- Singapore Telecommunications Ltd	-	-	299,040	188,643
- National Computer Systems Pte Ltd	-	-	-	136,448
- NCS Communications Engineering Pte Ltd	-	-	-	419,070

Name of Interested Person	Aggregate value of all transactions excluding 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	
	2005-06 S(\$)	2004-05 S(\$)	2005-06 S(\$)	2004-05 S(\$)
Starhub Ltd	-	-	-	179,076
SembCorp Industries Ltd Group: - The Singapore Mint	-	-	-	116,948
SNP Corporation Ltd Group: - SNP Sprint Pte Ltd	-	-	102,535	135,133
The Ascott Group Ltd Group: - Hemliner Real Estate (Beijing) Co Ltd	-	-	-	101,305
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	-	-	3,549,778	3,442,358
- Temasek Tower Limited	-	-	-	2,284,103
- Trusted Hub Ltd	-	-	611,940	219,970
- PT Bank Internasional Indonesia	-	-	429,849	218,426
- PT Bank Danamon Indonesia	-	-	114,315	-
- Dahlia Investments Pte Ltd	50,400,000	39,200,000	-	-
- MediaCorp Press Ltd	-	-	167,300	-
- Great Wall Airlines Company Ltd	-	-	210,671,282	-
- GreenDot Internet Services Pte Ltd	-	-	4,887,200	-
- Tiger Airways Pte Ltd	-	-	122,534	-
Total	50,400,000	39,200,000	713,052,295	354,014,465

Notes:

1. The transactions with Raffles Holdings Ltd ("RHL") group previously reported in our IPT reports in Q1 and Q2 05/06 have been removed as those transactions were no longer IPTs following the sale of RHL's entire hotel business.
2. The transactions with Singapore Post Ltd ("SingPost") group previously reported in our IPT reports in Q1, Q2 and Q3 05/06 have been removed as SingPost is no longer an associate of Temasek Holdings Pte Ltd as defined under the Listing Manual.

BY ORDER OF THE BOARD

Mr Loh Meng See
Company Secretary
9 May 2006

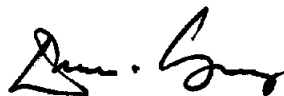
AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

We have audited the accompanying financial statements of Singapore Airlines Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages XX to XX for the year ended 31 March 2006. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2006 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG
Certified Public Accountants

Dated this 9th day of May 2006
Singapore