MCI (P) 100/05/2016

SINGAPORE AIRLINES

A STAR ALLIANCE MEMBER

STRENGTHENING A POSITION OF LEADERSHIP

Annual Report FY2015/16

Mission Statement

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

On the Cover

The Group is well positioned to compete in the challenging operating environment through our portfolio of airlines serving both full-service and budget airline segments of the market.

With full ownership of Tiger Airways, which operates as Tigerair, we are now able to further enhance synergies across the SIA Group.

The Group remains fully committed to its multi-pronged approach to address structural changes that have been taking place in the industry, through a portfolio of airlines serving both full-service and budget airline segments of the market, a multi-hub strategy, the pursuit of adjacent business opportunities, and ongoing enhancement of premium products and services.

Contents

SIA Group Multi-Hub Strategy:

1.
Vistara
Vistara, a full-service airline based in New Delhi, is a joint venture between Tata Sons and Singapore Airlines

2.
NokScoot
NokScoot is a joint venture set up by Nok Air and Scoot. NokScoot operates widebody Boeing 777-200 aircraft from its Bangkok base, and its cargo capacity is managed by SIA Cargo

3-Year Financial Highlights

$10.96
Net asset value per share
Net asset value per share is computed by dividing equity attributable to owners of the Parent by the number of ordinary shares in issue excluding treasury shares.

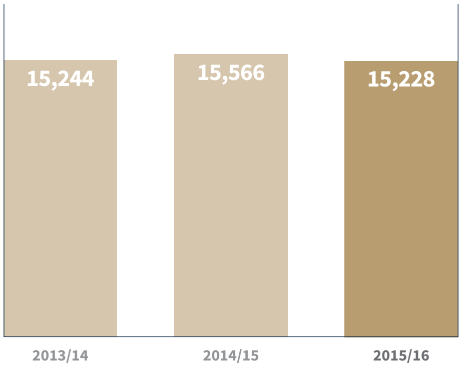
45 cents
Total dividend per share
Including the interim dividend of 10 cents per share paid on 27 November 2015, the total dividend for the 2015/16 financial year will be 45 cents per share, and will be paid on 17 August 2016 to shareholders as at 4 August 2016.

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

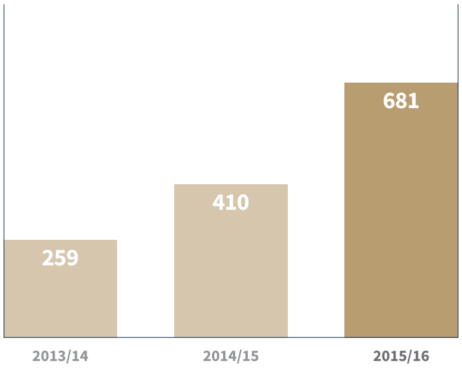
$485 million
SIA operating profit
Up $145 million compared to prior year largely owing to lower net fuel cost.

30,405,000
Passengers carried
(Group airlines)

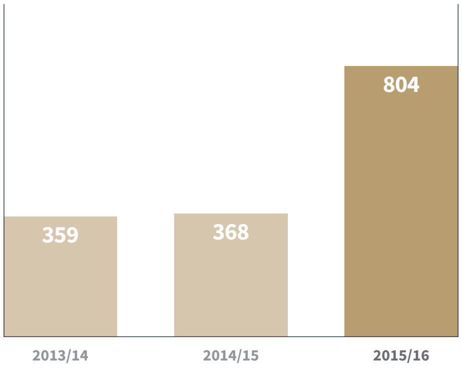
Total Group Revenue
($M)



Group Operating Profit
($M)



Group Net Profit
($M)



SIA Group Portfolio

Singapore Airlines continued to build upon its global network during the last financial year, including through new services by subsidiary airlines and through new partnerships with other airlines.

FULL SERVICE

Singapore Airlines

19,029,000
passengers carried in FY2015/16

102
aircraft in fleet

3
new destinations to be introduced – Dusseldorf, Canberra and Wellington

SilkAir

3,836,000
passengers carried in FY2015/16

$91m
operating profit

29
aircraft in fleet

LOW COST

Scoot

2,412,000
passengers carried in FY2015/16

10
787 Dreamliners in fleet

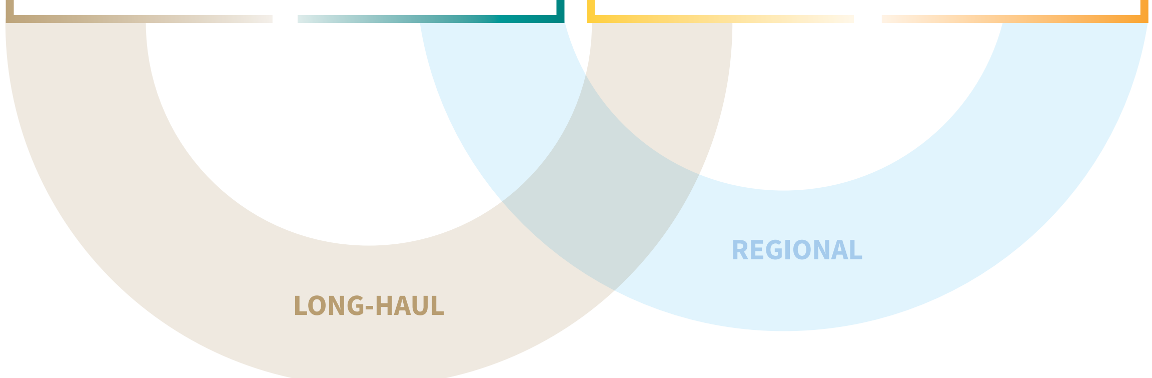
1st
full-year operating profit since commencing operations

Tigerair

5,128,000
passengers carried in FY2015/16

40
destinations across 12 countries in Asia

23
aircraft in fleet



Statistical Highlights

Financial Statistics [R1]

	2015/16	2014/15	% Change	
The Group				
Financial Results ($ million)				
Total revenue	**15,228.5**	15,565.5	- 2.2	
Total expenditure	**14,547.3**	15,156.1	- 4.0	
Operating profit	**681.2**	409.4	+ 66.4	
Profit before taxation	**972.4**	442.9	+ 119.6	
Profit attributable to owners of the Parent	**804.4**	367.9	+ 118.6	
Financial Position ($ million)				
Share capital	**1,856.1**	1,856.1	–	
Treasury shares	**(381.5)**	(326.3)	- 16.9	
Capital reserve	**(129.2)**	215.9	n.m.	
Foreign currency translation reserve	**(151.3)**	(135.7)	- 11.5	
Share-based compensation reserve	**123.7**	113.2	+ 9.3	
Fair value reserve	**(498.6)**	(706.2)	+ 29.4	
General reserve	**11,935.5**	11,446.6	+ 4.3	
Equity attributable to owners of the Parent	**12,754.7**	12,463.6	+ 2.3	
Return on equity holders' funds (%) [R2]	**6.4**	2.9	+ 3.5	points
Total assets	**23,769.7**	23,921.6	- 0.6	
Total debt	**1,347.5**	1,739.5	- 22.5	
Total debt : equity ratio (times) [R3]	**0.11**	0.14	- 0.03	times
Value added	**5,040.1**	4,396.8	+ 14.6	
Per Share Data				
Earnings – basic (cents) [R4]	**69.0**	31.4	+ 119.7	
Earnings – diluted (cents) [R5]	**68.7**	31.2	+ 120.2	
Net asset value ($) [R6]	**10.96**	10.66	+ 2.8	
Dividends				
Interim dividend (cents per share)	**10.0**	5.0	+ 5.0	cents
Final dividend (cents per share)	**35.0**	17.0	+ 18.0	cents
Dividend cover (times) [R7]	**1.5**	1.4	+ 0.1	times
The Company				
Financial Results ($ million)				
Total revenue	**11,686.1**	12,418.4	- 5.9	
Total expenditure	**11,201.0**	12,078.2	- 7.3	
Operating profit	**485.1**	340.2	+ 42.6	
Profit before taxation	**766.2**	563.1	+ 36.1	
Profit after taxation	**672.0**	540.3	+ 24.4	
Value added	**3,661.6**	3,411.3	+ 7.3	

n.m. not meaningful

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

R2 Return on equity holders' funds is profit attributable to owners of the Parent expressed as a percentage of the average equity holders' funds.

R3 Total debt : equity ratio is total debt divided by equity attributable to owners of the Parent as at 31 March.

R4 Earnings per share (basic) is computed by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue excluding treasury shares.

R5 Earnings per share (diluted) is computed by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue excluding treasury shares, adjusted for the dilutive effect on the exercise of all outstanding share options.

R6 Net asset value per share is computed by dividing equity attributable to owners of the Parent by the number of ordinary shares in issue excluding treasury shares at 31 March.

R7 Dividend cover is profit attributable to owners of the Parent divided by total dividends.

Operating Statistics

	2015/16	2014/15	% Change	
Singapore Airlines				
Passengers carried (thousand)	**19,029**	18,737	+ 1.6	
Revenue passenger-km (million)	**94,267.4**	94,209.2	+ 0.1	
Available seat-km (million)	**118,366.5**	120,000.8	- 1.4	
Passenger load factor (%)	**79.6**	78.5	+ 1.1	points
Passenger yield (cents/pkm)	**10.6**	11.2	- 5.4	
Passenger unit cost (cents/ask)	**8.5**	8.9	- 4.5	
Passenger breakeven load factor (%)	**80.2**	79.5	+ 0.7	points
SilkAir				
Passengers carried (thousand)	**3,836**	3,553	+ 8.0	
Revenue passenger-km (million)	**6,516.2**	5,864.9	+ 11.1	
Available seat-km (million)	**9,117.8**	8,355.2	+ 9.1	
Passenger load factor (%)	**71.5**	70.2	+ 1.3	points
Passenger yield (cents/pkm)	**13.5**	13.9	- 2.9	
Passenger unit cost (cents/ask)	**9.0**	9.7	- 7.2	
Passenger breakeven load factor (%)	**66.7**	69.8	- 3.1	points
Scoot				
Passengers carried (thousand)	**2,412**	1,878	+ 28.4	
Revenue passenger-km (million)	**8,673.9**	6,718.7	+ 29.1	
Available seat-km (million)	**10,267.4**	8,170.6	+ 25.7	
Passenger load factor (%)	**84.5**	82.2	+ 2.3	points
Revenue per revenue seat-km (cents/pkm)	**5.6**	5.6	–	
Cost per available seat-km (cents/ask)	**4.7**	5.8	- 19.0	
Breakeven load factor (%)	**83.9**	103.6	- 19.7	points
Tiger Airways				
Passengers carried (thousand)	**5,128**	5,140	- 0.2	
Revenue passenger-km (million)	**9,551.1**	9,696.3	- 1.5	
Available seat-km (million)	**11,465.4**	11,812.4	- 2.9	
Passenger load factor (%)	**83.3**	82.1	+ 1.2	points
Revenue per revenue seat-km (cents/pkm)	**7.0**	6.8	+ 2.9	
Cost per available seat-km (cents/ask)	**5.8**	6.0	- 3.3	
Breakeven load factor (%)	**82.9**	88.2	- 5.3	points
SIA Cargo				
Cargo and mail carried (million kg)	**1,170.1**	1,124.0	+ 4.1	
Cargo load (million tonne-km)	**6,510.9**	6,347.2	+ 2.6	
Gross capacity (million tonne-km)	**10,513.3**	10,024.9	+ 4.9	
Cargo load factor (%)	**61.9**	63.3	- 1.4	points
Cargo yield (cents/ltk)	**29.0**	32.8	- 11.6	
Cargo unit cost (cents/ctk)	**18.9**	21.4	- 11.7	
Cargo breakeven load factor (%)	**65.2**	65.2	–	
Group Airlines (Passenger)				
Passengers carried (thousand)	**30,405**	29,308	+ 3.7	
Revenue passenger-km (million)	**119,008.6**	116,489.1	+ 2.2	
Available seat-km (million)	**149,217.1**	148,339.0	+ 0.6	
Passenger load factor (%)	**79.8**	78.5	+ 1.3	points
Employee Productivity (Average) – The Company				
Average number of employees	**13,983**	14,040	- 0.4	
Seat capacity per employee (seat-km)	**8,465,029**	8,547,066	- 1.0	
Passenger load per employee (tonne-km) [R1]	**626,572**	625,516	+ 0.2	
Revenue per employee ($)	**835,736**	884,501	- 5.5	
Value added per employee ($)	**261,861**	242,970	+ 7.8	
Employee Productivity (Average) – The Group				
Average number of employees	**24,350**	23,963	+ 1.6	
Revenue per employee ($)	**625,400**	649,564	- 3.7	
Value added per employee ($)	**206,986**	183,483	+ 12.8	

R1 Passenger load includes excess baggage carried.

GLOSSARY

Singapore Airlines

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Passenger unit cost	=	Operating expenditure (less bellyhold revenue from SIA Cargo) divided by available seat-km
Passenger breakeven load factor	=	Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which passenger revenue equates to the operating expenditure (less bellyhold revenue from SIA Cargo)

SilkAir

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Passenger unit cost	=	Operating expenditure (less cargo and mail revenue) divided by available seat-km
Passenger breakeven load factor	=	Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which passenger revenue equates to the operating expenditure (less cargo and mail revenue)

Scoot

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Revenue per revenue seat-km	=	Passenger revenue from scheduled services divided by revenue passenger-km
Cost per available seat-km	=	Operating expenditure divided by available seat-km
Breakeven load factor	=	Cost per available seat-km expressed as a percentage of revenue per revenue seat-km. This is the theoretical load factor at which passenger revenue equates to the operating expenditure

Tiger Airways

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Revenue per revenue seat-km	=	Passenger revenue from scheduled services divided by revenue passenger-km
Cost per available seat-km	=	Operating expenditure divided by available seat-km
Breakeven load factor	=	Cost per available seat-km expressed as a percentage of revenue per revenue seat-km. This is the theoretical load factor at which passenger revenue equates to the operating expenditure

SIA Cargo

Cargo load	=	Cargo and mail load carried (in tonnes) x distance flown (in km)
Gross capacity	=	Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	=	Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
Cargo yield	=	Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
Cargo unit cost	=	Operating expenditure (including bellyhold expenditure to Singapore Airlines) divided by gross capacity (in tonne-km)
Cargo breakeven load factor	=	Cargo unit cost expressed as a percentage of cargo yield. This is the theoretical load factor at which cargo revenue equates to the operating expenditure (including bellyhold expenditure to Singapore Airlines)

Group Airlines (Passenger)

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km

Significant Events

2015

Q1 15/16

27 April
Singapore Airlines launches all-new mobile app that provides a functional and seamless user experience for Apple and Android smartphone users

21 May
Singapore Airlines unveils its new Premium Economy Class seats and inflight offerings following a two-year development programme and an investment of about US$80 million

29 May
Singapore Airlines treats more than 300 beneficiaries to a three and a half hour flight on the world's largest passenger aircraft, the Airbus A380, on the Airline's first-ever charity flight

25 June
Singapore Airlines serves iconic Peranakan dishes specially developed with Ms Shermay Lee on selected flights between July and September 2015 to commemorate Singapore's 50th birthday

Q2 15/16

25 July
More than 7,000 people visit SIA Training Centre in first-ever open house as part of the Airline's celebrations for Singapore's 50th birthday

9 August
Singapore Airlines A380, in a special livery, participates in aerial flypast during National Day Parade for the first time

20 August
Singapore Airlines extends title sponsorship of Formula 1 Singapore Grand Prix until 2017

29 September
KrisFlyer programme expands to allow members to earn and redeem miles on Scoot and Tigerair

Q3 15/16

13 October
Singapore Airlines announces the planned re-start of non-stop services to the United States as the launch customer of the new ultra-long-range variant of the Airbus A350 aircraft

9 November
Singapore Airlines announces the addition of Dusseldorf to its route network from 21 July 2016

11 November
Singapore Airlines and Lufthansa sign a wide-ranging partnership agreement involving joint venture on key routes

2016

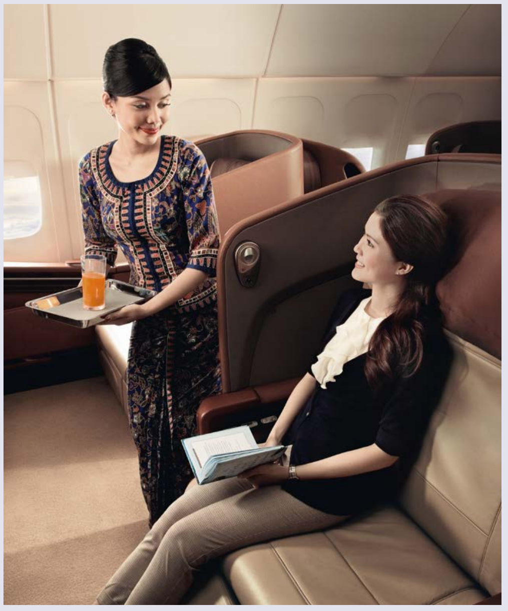
Q4
15/16

20 January

Singapore Airlines announces "Capital Express" Service to connect Singapore, Canberra and Wellington starting from 20 September 2016

1 March

Singapore Airlines announces launch of A350-900 services to Amsterdam starting from 9 May 2016



3 March

Singapore Airlines welcomes the arrival of its first A350-900 from the Airbus Delivery Centre in Toulouse

Singapore Airlines announces launch of 'Companion App' – the first-of-its-kind mobile application that offers customers greater control of their inflight entertainment experience even before boarding the aircraft

Configuring a Multi-Hub Strategy

Complementing our strong Singapore Hub, our multi-hub strategy provides access to the large and growing markets of India and Thailand. This adds new engines of growth to our business.

EQUITY HOLDING

49%

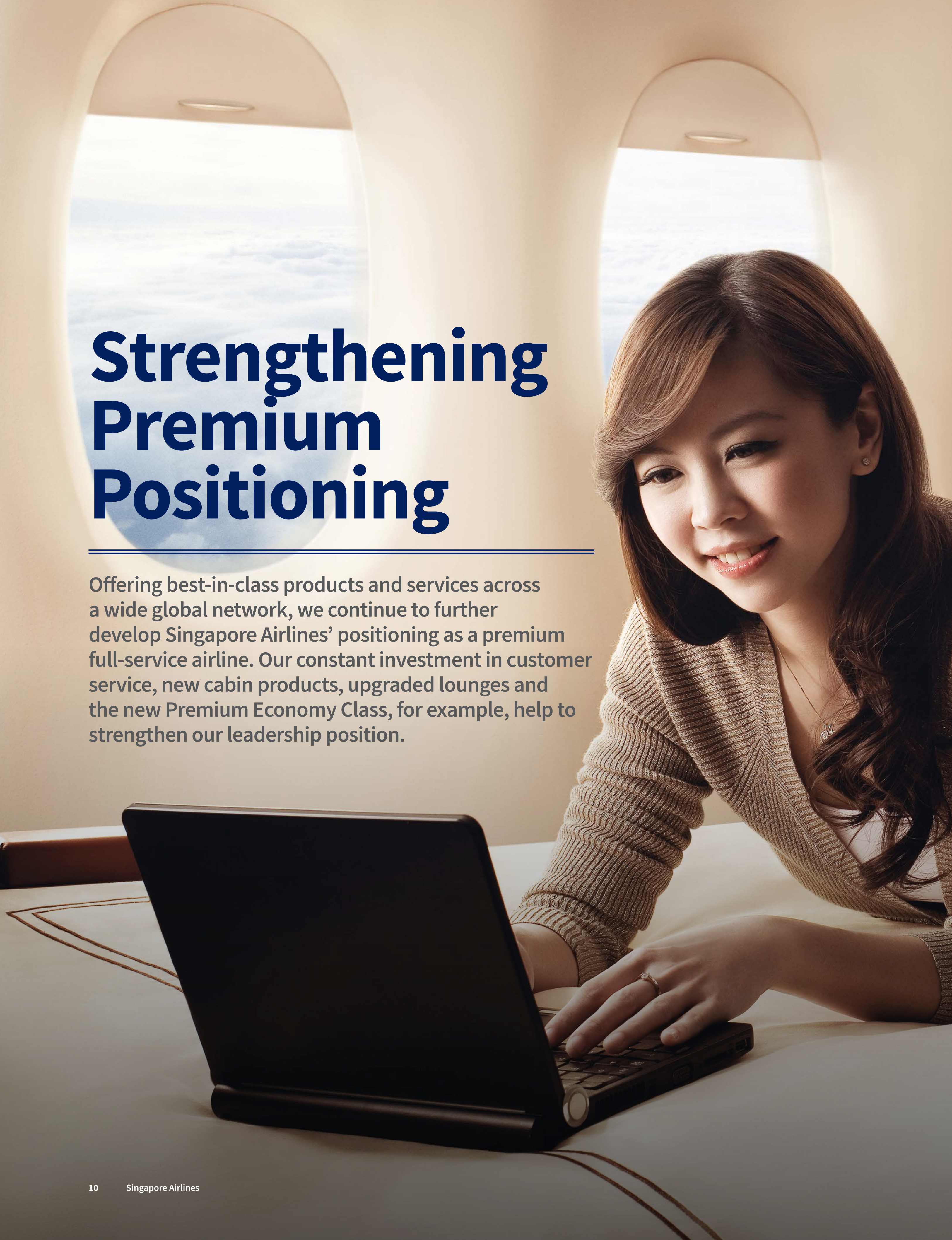
OF VISTARA

The SIA Group has a direct presence in India through Vistara, a full-service carrier based in New Delhi.

49%

OF NOKSCOOT

NokScoot is owned by Singapore Airlines' subsidiary Scoot and Thai carrier Nok Air.



Strengthening Premium Positioning

Offering best-in-class products and services across a wide global network, we continue to further develop Singapore Airlines' positioning as a premium full-service airline. Our constant investment in customer service, new cabin products, upgraded lounges and the new Premium Economy Class, for example, help to strengthen our leadership position.

MORE THAN

200

GLOBAL NON-AIRLINE PARTNERS

The KrisFlyer programme enhanced its partners in the area of financial services, retail, telecommunications and travel.

INVESTED

US$80m

PREMIUM ECONOMY CLASS PRODUCTS

Entered service in August 2015 after a two-year development programme.

NOW FLYING

A350

INNOVATIVE NEW FLEET

With the inaugural long-haul flight to Amsterdam on 9 May 2016, and the re-start of non-stop flights to the United States in 2018.

Developing New Opportunities

Singapore Airlines has expanded beyond the traditional focus on ticket revenues by driving top-line growth through new revenue and new business initiatives. Such initiatives include the training of pilots through a joint venture with Airbus.

MORE THAN

10,000

TRAINEES TO BE TRAINED AT THE AIRBUS ASIA TRAINING CENTRE EACH YEAR

A joint venture owned by Airbus and Singapore Airlines, when fully operational, will be Airbus' largest flight crew training facility with eight full-flight simulators and extensive classroom facilities.

Our Strategy for the Future

The SIA Group fleet and network are expanding in support of the development of our portfolio strategy, in which we have investments in both full-service and low-cost airline operations. Our portfolio of airlines serving short-, medium- and long-haul markets gives us flexibility and nimbleness, with the right vehicles to serve the right markets.

Strategic Developments

01 Portfolio

02 Multi-Hub

SIA Group's expansion into India through Vistara and Thailand through NokScoot is part of a multi-hub strategy to set up hubs outside of Singapore and to create new engines of growth in key markets.

03 Strengthening Premium Positioning

SIA is committed to the constant enhancement of the three main pillars of our brand promise.

SERVICE EXCELLENCE

The CEM (Customer Experience Management) System, which was first implemented in 2015, has seen progressive enhancements that enable us to better understand our customers and, together with process enhancements, offer improved personalised services across more service touchpoints.

PRODUCT LEADERSHIP

SIA continues to fit out more aircraft with our newest-generation cabin products, while also developing all-new products that will enter service in 2017. Among many other product developments seen in FY2015/16, Premium Economy Class was launched during the year, welcoming customers with a contemporary and stylish design. Each seat has a width of either 18.5 or 19.5 inches, with an 8-inch recline and a seat pitch of 38 inches. It also features the next-generation KrisWorld, Singapore Airlines' award-winning inflight entertainment system, with a 13.3-inch full HD monitor, the largest in its class.

NETWORK CONNECTIVITY

SIA expanded services to existing destinations during the last financial year and announced the introduction of new services to Dusseldorf, Canberra and Wellington in the new financial year. We will continue to seek growth opportunities while matching capacity to demand in the current landscape.

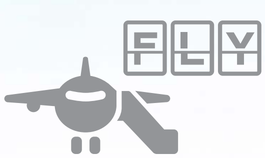
04 New Business Ventures

SIA and Airbus

MORE THAN

10,000

trainees per year



Airbus Asia Training Centre (AATC) is a joint venture between Airbus and SIA, and will be the largest flight crew training facility in the Airbus training network when fully operational. It will offer extensive classroom facilities and courses for more than 10,000 trainees per year.

SIA will continue to be on the lookout for more opportunities to provide new revenue-generating sources that complement our core airline operations.

Chairman's Letter to Shareholders

It is often said that standing still in our business means you are actually moving backwards, as it gives competitors the opportunity to catch up and overtake you. We have no intention of allowing that to happen, and we have certainly not been standing still in recent years.

Structural change has been seen in the airline business all around the world, but the challenges have been particularly acute here in Southeast Asia. Low-cost carriers (LCCs) now have more than 50% market share in terms of the number of seats flying within Southeast Asia, for example. This makes it by far the most competitive LCC market in the world. At the same time, Middle Eastern airlines with deep pockets have aggressively expanded into Southeast Asia and now have multiple daily frequencies to all the key capital cities within the region.

Stephen Lee
Chairman

These and other structural changes have required us to look beyond our core areas of expertise, and I am pleased to say that the aggressive moves we have made in recent years have kept the SIA Group in the position of strength that we have been accustomed to. While many other airlines within our region have been posting losses, we remain an industry leader and continue to report positive earnings.

As I have written in past Letters to Shareholders, we are clear about the challenges that we face. Our primary strategies to address them are sound. These include: having a portfolio of airlines operating in both full-service and low-cost segments of the market; adding new hubs through joint venture airlines in other parts of the world; developing adjacent businesses to introduce new streams of revenue; and strengthening our premium positioning through continued investment in our products, services and network. Development was seen in all these areas during the financial year.

In November, we launched a voluntary general offer for Tigerair and now have full ownership, which will allow for enhanced synergies with Scoot and the rest of the SIA Group. Scoot also continued on its strong growth path as it transitioned to a more fuel-efficient Boeing 787 fleet and added new routes, closing the financial year with its first profits.

Outside of Singapore, Vistara continued growing in India and celebrated its first year of operations in January, while NokScoot launched operations during the financial year from its Bangkok base.

“ In short, our key strategies are firmly in place, and the fact that they have taken shape in such a short time is testament to the hard work of all staff across the SIA Group.

Our joint venture with Airbus for pilot training, Airbus Asia Training Centre, also launched operations during the financial year and has signed up many airline customers to date, exceeding our expectations.

The Parent Airline Company Singapore Airlines continued to invest heavily in its premium products and services during the financial year. Premium Economy Class was launched in August and has been well received by customers to date, more lounges were revamped with a new design concept that has won much public praise, our first Airbus A350-900s have entered service and plans for new services to Dusseldorf, Canberra and Wellington were announced, to name just a few developments. Regional wing SilkAir also continued growing during the year with further expansion of its new Boeing 737 fleet and the launch of even more new routes, at the same time recording impressive growth in profitability.

In short, our key strategies are firmly in place, and the fact that they have taken shape in such a short time is testament to the hard work of all staff across the SIA Group. We have a Board that works exceptionally well with Management and this has proven a crucial advantage. Had the Board and Management team not shared the same view of the challenges being faced and what is needed to address them, we would not have been able to drive so much change in such a short time.

I wish to express my thanks to all staff and Management for your ongoing commitment to ensure the SIA Group continues to have a bright future amid so much structural change. I must also thank my fellow Board members for your dedication and contributions throughout the year, and in particular welcome Peter Seah who joined the Board as Deputy Chairman on 1 September 2015.

Allow me to close with a special thanks to our shareholders for your continued support. The initiatives that we have been implementing require significant investment and a long-term approach. Without your support, we would not be in the position of strength that we are in today.

Stephen Lee
Chairman

Board of Directors

Stephen Lee Ching Yen

Chairman

Mr Lee is the Chairman of SIA Engineering Company Limited, Shanghai Commercial Bank Ltd (Hong Kong) and the NTUC Income Insurance Co-operative Limited. He is also the Managing Director of Shanghai Commercial and Savings Bank Ltd (Taiwan) and Great Malaysia Textile Investments Pte Ltd. Mr Lee's other directorships and appointments include Director of China National Petroleum Corporation (Beijing), CapitaLand Limited and an alternate Member of the Council of Presidential Advisers. He was President of the Singapore National Employers Federation, from 1988 to 2014, and Chairman of the Singapore Business Federation, from 2002 to 2008, and International Enterprise Singapore, from 1995 to 2002. Mr Lee was conferred one of Singapore's highest state awards, Order of Nila Utama (First Class) in 2015. He was also presented the Distinguished Comrade of Labour Award in 2015, the People's Republic of China Friendship Award to Foreign Experts in 2007, the Singapore Distinguished Service Order in 2006, and the Singapore Public Service Star in 1998. He was a Nominated Member of Parliament from 1994 to 1997.

Peter Seah Lim Huat

Deputy Chairman

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

Goh Choon Phong

Director and Chief Executive Officer

Mr Goh joined the Company in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions. He also served as President of Singapore Airlines Cargo Pte Ltd, from 2006 to 2010, Senior Vice President Finance, from 2004 to 2006, and Senior Vice President Information Technology, from 2003 to 2004. Mr Goh's other directorships and appointments include Chairman of Budget Aviation Holdings Pte Ltd, which owns and manages Scoot and Tigerair, Director of SIA Engineering Company Limited, Member of the National University of Singapore Board of Trustees and Chairman-elect of the Board of Governors of the International Air Transport Association, of which he is a Member of the Strategy and Policy Committee, Chair Committee and Audit Committee. He was a Board Member of Mount Alvernia Hospital, from 2006 to 2015, and Virgin Australia Holdings Limited, from 2014 to 2015.

Gautam Banerjee

Director

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

Board of Directors
(continued)

William Fung Kwok Lun
Director

Dr Fung is the Group Chairman of Li & Fung Limited, a multinational group of companies headquartered in Hong Kong. Dr Fung has held key positions in major trade and business associations. He was the Chairman of the Hong Kong General Chamber of Commerce (1994 to 1996), Hong Kong Exporters' Association (1989 to 1991) and Hong Kong Committee for the Pacific Economic Cooperation (1993 to 2002). Dr Fung has received numerous awards and accolades for his business contributions including the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2008. He was also conferred the Honorary Degrees of Doctor of Business Administration by the Hong Kong University of Science & Technology and by the Hong Kong Polytechnic University.

Hsieh Tsun-yan
Director

Mr Hsieh is the Chairman and Lead Counselor of LinHart Group, a leadership advisory and counselling firm founded by Mr Hsieh in 2008. Mr Hsieh has extensive experience in international business, leadership development and corporate transformation. He was with management consulting firm, McKinsey & Company, for 28 years and held posts in Singapore, Toronto and Copenhagen. He holds joint appointment as Provost Chair Professor (Practice) at the National University of Singapore Business School and the Lee Kuan Yew School of Public Policy. He contributes to the community with board roles current and past including the Institute of Policy Studies, the Singapore International Foundation, the Singapore Symphony Orchestra, Covenant House Canada and the University Health Network Foundation in Toronto.

Christina Ong
Director

Mrs Ong is a well-known hotelier and fashion retailer who owns the Como Hotels & Resorts Group of hotels and spas. She is also the owner of various high-end international fashion stores under the Club 21 umbrella. Mrs Ong was a recipient of The Italian Fashion Hall of Fame Award in 1995 and The Italian Award of Cavaliere De Lavo.

Helmut Gunter Wilhelm Panke

Director

Dr Panke, a trained nuclear engineer, was with BMW AG from 1982 to 2006. During this time, he served in a number of senior positions, including Executive Chairman of the Board of Management from May 2002 through August 2006. Among other positions held, from 1993 through 1996, he served as Chairman and CEO of BMW (US) Holding Corp, responsible for the carmaker's North American activities. Dr Panke played a key role in the building of the first BMW plant in the USA in Spartanburg, South Carolina.

Lucien Wong Yuen Kuai

Director

Mr Wong is the Chairman and Senior Partner of Allen & Gledhill LLP and has over 30 years of experience in the practice of law, specialising in banking, corporate and financial services work. He is also the Chairman of the Maritime and Port Authority of Singapore and Chairman of the Board of Directors of the Singapore International Arbitration Centre. Mr Wong is a member of the Board of Trustees for the Singapore Business Federation and sits on the Board of Directors of Temasek Holdings (Private) Limited, Broadcom Limited, Hap Seng Plantations Holdings Berhad and Singapore Press Holdings Limited. He was a Board member of the Monetary Authority of Singapore from January 2006 to February 2013.

Operating Review

The Year in Review

The year in review saw Singapore Airlines continuing to seek targeted growth opportunities, while matching capacity to demand in the current landscape.


1.

2.

3.

> The Singapore Airlines Group earned an operating profit of $681 million for the financial year ended 31 March 2016, a 66.4 per cent increase from last year.

Group Operating Profit of +66.4%

$681m

SIA Passenger Load Factor +1.1 percentage points

79.6%

ON LEFT

1. Two Singapore Airlines A380s donned a special livery as part of the Airline's celebrations for Singapore's 50th birthday.

2. Singapore Airlines welcomed the arrival of its first A350-900 at Singapore Changi Airport on 3 March 2016.

3. The iconic Singapore Girl participated in the National Day Parade on 9 August 2015.

The Singapore Airlines Group earned an operating profit of $681 million for the financial year ended 31 March 2016, a 66.4 per cent increase from last year, while profit attributable to owners of the Parent grew 118.6 per cent to $804 million.

Financial Year Operating Results

The Group saw an increase in operating profit of $271 million to $681 million despite a marginal drop in Group revenue to $15,228 million. Passenger revenue declined over last year as yields decreased. Group expenditure fell $609 million from the last financial year, with a $1,053 million reduction in net fuel cost.

Operating Performance

During the year in review, passenger carriage (in revenue passenger kilometres) for the Parent Airline Company increased 0.1 per cent on the back of a 1.4 per cent drop in capacity (in available seat-kilometres). Consequently, passenger load factor increased 1.1 percentage points to 79.6 per cent. SilkAir registered a passenger load factor of 71.5 per cent, a 1.3 percentage-point increase from last year. With efforts to expand the regional network, passenger carriage rose 11.1 per cent, outpacing the 9.1 per cent growth in capacity. SIA Cargo's freight carriage (in load tonne-kilometres) rose 2.6 per cent, against a 4.9 per cent expansion in capacity (in capacity tonne-kilometres). Load factor therefore fell 1.4 percentage points to 61.9 per cent.

3.7%
increase in passengers carried by Group airlines

Outlook

The Group is contending with a challenging operating environment in key markets, caused in part by weak economic activity and relatively rapid growth in capacity, evidenced by increasing promotional fare activity. Nevertheless, the Group is well positioned to compete in this environment.

The entrance of the A350-900 fleet will help to boost the Group's network competitiveness, improve operating efficiency, and offer opportunities to open up more new routes to long-haul destinations. In addition, the full ownership of Tigerair is expected to enhance synergies across the SIA Group.

The Group remains fully committed to its multi-pronged approach to address the structural changes that have been taking place in the industry, through its portfolio of airlines serving both full-service and budget airline segments of the market, its multi-hub strategy, the pursuit of adjacent business opportunities, and ongoing enhancement of premium products and services.

The Board of Directors recommends a final dividend of 35 cents per share for FY2015/16. Including the interim dividend of 10 cents per share paid on 27 November 2015, the total dividend for FY2015/16 will be 45 cents per share. The final dividend (tax exempt, one-tier) is to be paid on 17 August 2016 to shareholders as at 4 August 2016.

Operating Review continued

Network

The dynamic competitive landscape will continue to necessitate judicious capacity management in the new financial year.

The year in review saw Singapore Airlines continuing to seek targeted growth opportunities, while matching capacity to demand in the current landscape.

Following a period of modest growth in the South West Pacific region, flight frequency to Sydney was increased to 31 weekly services from July 2015 to meet the demand for travel to and from the city. New Zealand saw the continued deployment of the A380 to Auckland during Northern Winter, with an increased number of supplementary services to Christchurch during the same period.

Singapore Airlines also welcomed SilkAir on the Male route, ensuring twice-daily year-round connectivity to the Maldives' capital. SilkAir operates four flights per week during the Northern Winter season, complementing SIA's 10 weekly flights, while SIA operates all 14 weekly services during the Northern Summer season.

In Europe, flight frequency to Istanbul increased by one weekly service. Singapore Airlines now operates to Turkey with a daily service as part of the Northern Summer schedule and five weekly services in Northern Winter.

The new financial year promises to be an exciting one, with new services announced to Dusseldorf, Canberra and Wellington. Demand patterns will continue to be closely monitored and changes made to the Airline's network where necessary.

Singapore Airlines Flies To
60 Destinations
in 33 countries

Fleet Management

On Firm Order
101
wide-body aircraft

Our Fleet Age
7 years
5 months
average age

FY2015/16 saw the delivery of three additional Airbus A330-300 aircraft, two Boeing 777-300ER aircraft and one Airbus A350-900 aircraft.

Five A330-300s, two 777-200s, two 777-200ERs and one 777-300 were returned to lessors.

Singapore Airlines' total firm aircraft orders stood at 101 as at 31 March 2016. On order are five A380-800s, 66 A350-900s and 30 787-10s.

Singapore Airlines is committed to maintaining a young and modern fleet. The SIA passenger aircraft fleet in operation, as at 31 March 2016, comprised 102 aircraft, with an average age of seven years and five months.

SIA Cargo's fleet as at 31 March 2016 comprised nine 747-400 freighters, with an average age of 13 years and eight months.

The fleet of SilkAir as at 31 March 2016 comprised 11 A320s, four A319s and 14 737-800NGs, with an average age of four years. SilkAir had in August 2012 announced firm orders for 54 aircraft – consisting of 737-800NGs and 737 MAX 8s. Deliveries are due to continue to 2021, by which time the airline's fleet will have more than doubled in size.

Scoot's fleet as at 31 March 2016 comprised six 787-9 Dreamliners and four 787-8 Dreamliners, with an average age of nine months.

Tigerair's operating fleet as at 31 March 2016 comprised 21 A320s and two A319s with an average age of four years and 10 months. The airline has 39 A320neos on firm order and another 11 on purchase options. Deliveries will commence from 2018.

Products and Services

The Airline continued to introduce new products and services, both on the ground and in the air.

1.


2.


3.

> “KrisFlyer members enjoyed more opportunities to earn and redeem miles regardless of their choice of airline within the SIA Group, with the inclusion of Scoot and Tigerair as full programme partners during the year in review.

Airline Partners

35

Non-Airline Partners

MORE THAN
200

KrisFlyer

KrisFlyer members enjoyed more opportunities to earn and redeem miles regardless of their choice of airline within the SIA Group, with the inclusion of Scoot and Tigerair as full programme partners during the year in review.

The KrisFlyer programme also enhanced its additional airline and non-airline partners to offer more benefits to members. With the addition of Avianca Brazil, members can earn and redeem miles on the programme's network of 35 airline partners. KrisFlyer also welcomed seven new partners to the growing portfolio of over 200 global non-airline partners and brands. Throughout the year, members benefitted from a series of global redemption promotions, local offers and partner privileges in the area of financial services, retail, telecommunications and travel.

Recent enhancements were also made to the Singapore Airlines website, mobile and tablet applications, providing KrisFlyer members with a more seamless digital experience. Enhancements include a more intuitive user interface, streamlined transactional flows, customisable features and settings, and greater convenience to access and manage accounts.

Ground Services

Singapore Airlines further extended its brand of hospitality from air to ground for frequent flyers from Manila with the launch of the SilverKris Lounge at Ninoy Aquino International Airport's Terminal 3 on 2 July 2015. As Southeast Asia's first new-concept SilverKris Lounge, it provides an exceptional level of comfort and familiarity to our guests with the 'Home Away From Home' design concept.

Following the upgrade of SilverKris Lounges in Sydney, Hong Kong, London and Manila, we will see the completion of lounge developments at Brisbane and Bangkok in FY2016/17.

Faster check-in options were made available for guests departing Singapore from August 2015 when kiosk check-in facilities were introduced at Changi Airport. Currently available in Amsterdam, Copenhagen, London and Singapore, kiosk check-in has been well received by customers and will be introduced in Tokyo and Los Angeles in 2016.

Other self-service check-in options include our online and mobile check-in facilities. Future initiatives such as automated bag drop will be introduced, in a bid to improve our customers' overall experience at the airport and to ensure an efficient and seamless travel experience.

FLYING AT YOUR CONVENIENCE

Self-service check-in

Kiosk check-in has been well received by customers and will be introduced in Tokyo and Los Angeles in 2016.

ON LEFT
1 – 3. The SilverKris Lounge at Ninoy Aquino International Airport's Terminal 3 in Manila is Southeast Asia's first new-concept SilverKris Lounge.

Products and Services

Inflight Services

Suites and First Class Serviceware Refresh

Singapore Airlines introduced a new range of contemporary serviceware in Suites and First Class in collaboration with renowned English tableware manufacturer, Wedgwood. Exclusive to Singapore Airlines, the specially designed serviceware features an embossed decoration complete with a platinum band. Ergonomic improvements have also been incorporated into the design for added convenience, further enhancing our customers' onboard culinary experience.

Made with the highest quality craftsmanship, customised serviceware includes a uniquely designed espresso cup, a large salad bowl to facilitate the tossing of greens, and a personal tea filter to enjoy the experience of steeping and brewing tea leaves. Chinese meals in Suites and First Class are also served with authentic Chinese serviceware featuring peony motifs with a luxurious silver finish.

Ethnic Meals: New Serviceware for Shahi Thali

New serviceware was also introduced for customers to enjoy Shahi Thali, our Indian ethnic meals in Suites and First Class. Available on flights to and from Mumbai and New Delhi, Shahi Thali showcases the best of both Northern and Southern Indian cuisine, conceptualised by Indian celebrity chef Sanjeev Kapoor, a member of our International Culinary Panel.

ABOVE
1. New serviceware in Suites and First Class in collaboration with English tableware manufacturer, Wedgwood.

2. The Shahi Thali – a platter of Indian rice, roti, chutneys and entrees – is designed by Indian celebrity chef, Sanjeev Kapoor.

“Singapore Airlines introduced a new range of contemporary serviceware in Suites and First Class in collaboration with renowned English tableware manufacturer, Wedgwood.

Customers can enjoy the delightful spread of vegetarian or non-vegetarian dishes with stylish new serviceware created by India-based design firm, Awchat & Olsen Design, in conjunction with Chef Kapoor. Blending contemporary elegance with traditional elements such as a hammer-tone effect on the presentation plate together with the vintage bronze finishing on the bowls, customers have the opportunity to savour a starter, two types of chutneys, up to four entrees, rice, rotis and a signature dessert, before rounding the meal up with lassi or Masala tea.


3.

Ethnic Meals: Launch of 食全时美

A new Chinese meal service "Shi Quan Shi Mei (食全时美)" was introduced in August 2015 for flights to and from Beijing, Shanghai and Hong Kong for customers in Suites and First Class. Blending the seasonality of fresh ingredients at the peak of taste and nutrition, this nourishing nine-course meal prepared with traditional cooking methods was created by award-winning Chinese chef Zhu Jun, a member of our International Culinary Panel.

Special seasonal teas were selected as ideal accompaniments to the meal. For example, a sweet and smooth white tea has been handpicked in the Zheng He region before being naturally withered and sun-dried to retain its gorgeous flavour as a summer tea. Other seasonal teas include the Long Jing for Spring, Jiu Qu Hong Mei for Autumn and Feng Huang Dan Cong for Winter.


4.

Shi Quan Shi Mei 食全时美

9-course meal was created by award-winning Chinese chef, Zhu Jun

ON LEFT & ABOVE
3 – 4. Shi Quan Shi Mei (食全时美) created by award-winning Chinese chef Zhu Jun, focuses on the use of seasonal and fresh produce with traditional cooking methods to create a nourishing nine-course meal.

Products and Services

> Singapore Heritage Cuisine was served in all cabin classes over a three-month period from July 2015 to commemorate the nation's 50th anniversary celebrations.

Inflight Services

Introduction of Singapore Heritage Cuisine in Celebration of SG50

Singapore Heritage Cuisine was served in all cabin classes over a three-month period from July 2015 to commemorate the nation's 50th anniversary celebrations. With an emphasis on iconic Peranakan dishes, this menu showcased family recipes from Shermay Lee, a local chef and author of *'The New Mrs. Lee's Cookbook: Nonya Cuisine'*. Customers could embark on their Peranakan food journey at the SilverKris Lounges in Singapore with Itek Tim and Nonya Rojak, among many others. In addition, iconic Peranakan dishes such as Ayam Buah Keluak, Itek Siow and Peranakan Hokkien Mee Soup were offered as main courses to customers travelling in Suites, First Class and Business Class on selected flights.

Selected main courses were also made available for pre-order through Singapore Airlines' 'Book the Cook' service.

The Award-Winning *KrisWorld* Inflight Entertainment System

13.3-inch
full HD monitor is also the largest in its class

Singapore Airlines' New Premium Economy Class

In August 2015, our new Premium Economy Class entered service, offering a wide range of inflight offerings such as the Premium Economy Book the Cook service, champagne and curated wines, a specially-designed collector's edition amenity kit, and the award-winning *KrisWorld* inflight entertainment system.

In addition to three main courses to choose from on board, the section of meals can be made prior to travel by opting for the Premium Economy Book the Cook service. Customers are able to pair their choice of meal with a glass of Ernest Rapeneau Brut Prestige champagne or pick from a selection of curated wines, which are available throughout the flight.

Complementing the specially designed new seats, which have an 8-inch recline and width of either 18.5 or 19.5 inches depending on aircraft type, the next generation *KrisWorld* is available on board, with a customised user interface and a large selection of content. The 13.3-inch full HD monitor is also the largest in its class.


4.

Customers travelling in Premium Economy Class also receive an amenity kit that comes in exclusive limited editions, initially featuring SG50 motifs to commemorate Singapore's 50th birthday. The amenity kit, which consists of a toothbrush, toothpaste and a pair of anti-slip socks, is designed as a collectible item, and pouches can be clipped together.

New Premium Economy Class

Book the Cook Service
Selected main courses available for pre-order.

Award-Winning KrisWorld Inflight Entertainment System
The customised user interface with 13.3-inch full HD monitor.

Champagne and a selection of curated wines
Choice of meal with a glass of Ernest Rapeneau Brut Prestige champagne or pick from a selection of curated wines.

ON LEFT & ABOVE
1. The Singapore Heritage Cuisine was created in collaboration with Shermay Lee.

2 – 3. Signature Peranakan dishes, including Hokkien Mee Soup and the nostalgic ice-cream wafer sandwich, were offered to customers on selected flights.

4. The new Premium Economy Class seats, which feature an 8-inch recline and width of 18.5 or 19.5 inches depending on aircraft type, entered service in August 2015.

"In August 2015, our new Premium Economy Class entered service, offering a wide range of inflight offerings.

Operating Review continued

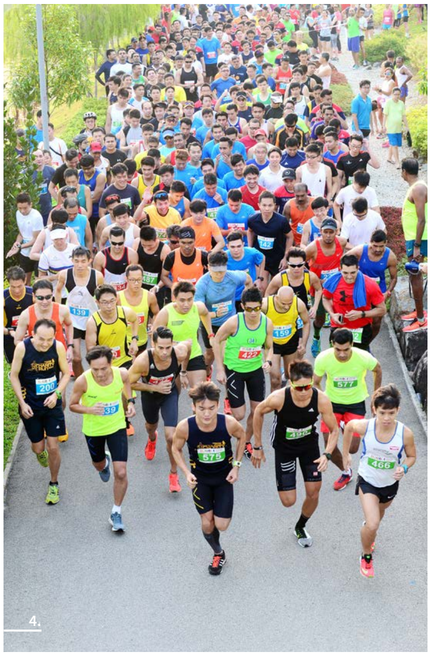
People Development

Singapore Airlines' learning curriculum will be reviewed and refreshed continuously to ensure its relevance in driving high performance.

1.

2.

3.



4.

SIA Group Road Run 2016

OVER
1,000
runners

In recognition that training and development is a strategic enabler to strengthen and grow core and functional job competencies of our employees, a review was undertaken in FY2015/16. The review saw the merger of the Commercial Training & Development department with the Corporate Learning Centre. This merged entity under the Human Resource division's oversight will enable increased focus in leadership, business management and commercial training programmes aligned to SIA's core values and business goals. A re-defined organisational competency framework will be introduced to guide training and development efforts, specifically to identify and develop key competencies of staff in the respective business units. Our learning curriculum will also be reviewed and refreshed continuously to ensure its relevance in driving high performance.

Towards Optimal Productivity (TOP) which was first introduced in December 2012 with the support of the Singapore Airlines Staff Union (SIASU) has progressed well. Enhancements such as a corporate-wide review to improve productivity, optimise jobs, and enable a structure to better meet the career aspirations of our workforce has helped to align performance to rewards and recognition for general support staff. Other TOP initiatives, such as improved merit awards and redemption vouchers under the Workplace Innovation and Improvement Scheme (WINS), have been well received by unions and employees. Under TOP, a Job Analysis Framework (JAF) was also introduced to assist line managers in reviewing job outcomes and optimising job functions.

Introduced in 2011, the SIA Wellness and Health Programme (WHP) seeks to empower and encourage employees to take ownership of their health and well-being. Our WHP continues to be enhanced, and includes activities such as annual health screening, sports try-out sessions, healthy cooking classes, and lunchtime talks covering topics on health, mental and financial wellness.

As part of Singapore's Golden Jubilee, Singapore Airlines organised an Open House and Art Competition at the SIA Training Centre on 25 July 2015, which attracted over 7,000 visitors. Opening its doors to the public for the first time, the Open House included exclusive tours of the flight simulators, cabin crew training facilities, SIA Heritage Gallery, and video screenings on SIA's history. Senior Minister of State for Finance and Transport, Mrs Josephine Teo, joined in the celebrations and presented the prizes to the winners of the Children's Art Competition themed "Celebrating SG50 with SIA: Growing with the Nation". Additionally, the event raised $50,000 for the Community Chest of Singapore.

The 34th SIA Group Athletics Meet 2015 was held over two weekends in May 2015 at Toa Payoh Stadium. It included traditional track and field events, as well as two inter-divisional events. The SIA Group Road Run 2016, held on 19 March 2016 at Punggol Waterway Park, was another successful staff event attracting a record turnout of over 1,000 runners. Other sporting activities like badminton and basketball were organised on a regular basis by the respective Staff Interest Groups, fostering greater employee interaction and camaraderie.

The year also saw the opening of a staff lounge in Airline House, SIA's headquarters building. Named *7Degrees*, the lounge signified an important milestone in Airline House's working environment. The informal, colourful and vibrant environment of *7Degrees* provides a welcome alternative at Airline House for both meetings and relaxation. Equipped with table tennis, foosball and video games, it allows staff to get together, relax and mingle. *7Degrees* is also a multi-purpose venue; Quarterly Breakfast with CEO, monthly TGIF chill-outs, divisional briefings and HR Forums are some of the activities that have been held there.

More information on the staff strength of the Airline and the SIA Group can be found on pages 49 and 56.

ON LEFT

1. *7Degrees*, the new staff lounge in Airline House, SIA's headquarters building.

2. The poster for a jam-making class as part of the SIA Wellness and Health programme.

3. Guest-of-Honour Mrs Josephine Teo, SIA Chairman Mr Stephen Lee and SIA CEO Mr Goh Choon Phong with one of the winners of the SIA Art Competition at the Open House and Art Competition event.

4. More than 1,000 runners turned up at the SIA Group Road Run at Punggol Waterway Park.

Environment

SIA has participated in the Asia and Pacific Initiative to Reduce Emissions (ASPIRE) programme since 2010.

Maintaining a modern and fuel-efficient fleet of

102 aircraft

at an average age of seven years and five months

Singapore Airlines believes that providing air transportation services of the highest quality goes hand in hand with a long-term responsibility to help protect the environment. With sustainable practices implemented across the Company to ensure that our operations are carried out in a responsible manner, the Airline manages issues related to carbon emissions, waste, noise and the consumption of energy and resources.

We continually work towards maintaining a young and modern fleet of aircraft. With a fleet of 102 aircraft at an average age of seven years and five months, the Airline has also implemented a comprehensive fuel productivity programme, which includes modification of engines to improve fuel efficiency, as well as performance improvement packages to reduce airframe drag. In addition, the most fuel-efficient routes are planned for our flights. These fuel saving measures, together with regular fleet renewal, help to reduce emissions.

© Burung Indonesia / Fahrul P. Amama

SIA has participated in the Asia and Pacific Initiative to Reduce Emissions (ASPIRE) programme since 2010. A unique partnership between air navigation service providers, we share the aim to reduce carbon emissions from fuel burn in all flight phases. At present, Singapore Airlines' flights between Singapore and destinations in the Southwest Pacific (Auckland, Christchurch, Melbourne and Sydney) are operated under the ASPIRE programme.

As an active member of the Sustainable Aviation Fuel Users Group (SAFUG), SIA has pledged to advance and adopt aviation biofuels produced in a sustainable way. We are committed to collaborating with government agencies and stakeholders to overcome any supply and infrastructure challenges that may hinder the commercial use of sustainable aviation fuels as we believe that sustainable aviation biofuels hold the key to the industry's carbon neutral growth goal beyond 2020.

In line with the International Civil Aviation Organization's (ICAO) Chapter 4 noise standard, which is applicable to all new aircraft, and its international standards for NOx, CO_2, hydrocarbons and exhaust levels, the SIA Group continually seeks improvements to reduce engine noise and gas emissions. The passenger fleet for the airlines in the Group – SIA, SilkAir, Scoot and Tigerair – together with SIA Cargo's freighters, all meet the rigorous 2004 ICAO CAEP/6 Emission Standards for NOx.

While Singapore Airlines has taken significant steps to reduce carbon emissions from its aircraft operations, a wide spectrum of measures have been put in place to conserve energy and reduce wastage in the office, focusing on resource conservation and waste minimisation.

More information on the Airline's environmental activities and programmes are available in the Singapore Airlines Sustainability Report FY2015/16.

Community Engagement

As a leading global airline serving some 60 destinations in over 30 countries, Singapore Airlines recognises the importance of actively contributing to the communities we serve.

A380 Charity Flight was organised in May 2015

MORE THAN
300
beneficiaries were treated to a flight on the world's largest passenger aircraft

Contributions to JY Pillay Global-Asia Programme

$5 million
which raises local levels of research and fieldwork

Apart from supporting charities and non-profit organistions, the Airline firmly believes in sponsoring initiatives that promote education, sports, the arts, the environment and conservation. Support is offered in the form of cash donations, complimentary or rebated air tickets, as well as staff volunteerism.

As a lead-up to Singapore's Golden Jubilee, an A380 Charity Flight was organised in May 2015, where more than 300 beneficiaries from the Community Chest of Singapore were treated to a flight on the world's largest passenger aircraft. The Airline also opened the doors of its Training Centre to the public for the first time in July, attracting more than 7,000 visitors. Proceeds raised from the events were donated to the Community Chest of Singapore, a non-profit organisation that raises funds for many charities in Singapore.

The SIA Group is acutely aware of the importance of building strong relations with both local and national communities we serve. Many of our subsidiaries and overseas offices work with charities in support of various initiatives and causes. SilkAir embarked on several community projects during the year in review. With a memorandum of understanding signed in 2015 with Child's Dream Foundation, SilkAir is providing air tickets to Child's Dream staff travelling to help improve healthcare and education for underprivileged children. In addition, a donation drive was organised to help SilkAir's own Nepal-based employees during the Kathmandu earthquakes in 2015. Special fares, together with free and discounted rates for carriage of relief supplies, were provided to volunteers of relief agencies travelling to Kathmandu. A chartered flight was also mounted to fly a relief and rescue team back to Singapore, which comprised members from the Singapore Ministry of Foreign Affairs, the Singapore Police Force, the Singapore Civil Defence Force, and Singapore General Hospital.

Singapore Airlines affirmed its longstanding commitment to help grow the Singapore arts scene, continuing our tradition with contributions to the Singapore Symphony Orchestra, Singapore Dance Theatre, Singapore Lyric Opera, Singapore Chinese Orchestra and National Arts Council.

SIA also partakes in numerous initiatives in the educational sector, providing students with opportunities to achieve their full academic potential. Contributions include $5 million to the JY Pillay Global-Asia Programme, which raises local levels of research and fieldwork. The Airline also contributes to the LASALLE College of the Arts, where the young and talented pursue an arts education.

Since 2010, SIA has been the exclusive airline partner for the Harapan Rainforest (also known as Hutan Harapan) Initiative, a large-scale project aimed at restoring and protecting one of the world's most threatened and bio-diverse ecosystems. Our commitment towards the protection and restoration of the Harapan Rainforest is a reflection of our strong belief that environmental efforts must focus on making a significant contribution to the well-being of our planet, and sustain our shared environment for future generations.

More information about the Airline's community initiatives and programmes are available in the Singapore Airlines Sustainability Report FY2015/16.

Subsidiaries

SIA Engineering Company

SIA Engineering Company remains a strong player at Changi Airport, maintaining a robust revenue stream from its line maintenance business.

Operating profit rose 23.5% to $104.1 million. Share of profits from associated and joint venture companies, however, declined 13.8% to $93 million. Overall, net profit for the Group decreased 5.5% to $174.9 million on revenue of $1,113.5 million, which was 0.6% lower than the preceding year.

The number of flights handled at Changi Airport increased by 2.8% to 137,867 during the year in review. SIA Engineering Company remains a strong player at Changi Airport, maintaining a robust revenue stream from its line maintenance business. The company is focused on growing its line maintenance network, which currently serves more than 80 airlines worldwide at 35 airports in seven countries. With Changi Airport as a hub for full-service and low-cost carriers, coupled with the increasing number of flights operating in Singapore, SIA Engineering Company pursues improvements in its services, enhancing engineering reliability and operating efficiencies of customer airlines.

During the year in review, Roll-Royce appointed SIA Engineering Company as a Rolls-Royce approved On-Wing Services provider within its Trent Service Network. With this appointment, the company will be supporting an increasing number of Rolls-Royce civil engines fuelled by the growing fleets of new-generation aircraft, such as the Boeing 787 Dreamliner and Airbus A350 XWB.

In the company's airframe and component services business, scheduled maintenance checks are currently performed at six hangars in Changi, as well as facilities overseas. Other services available for customers include airframe structural repair and modification, cabin refurbishment, VIP aircraft modification, aircraft painting, and retrofitting of inflight entertainment and avionics systems. For component services, SIA

> “SIA Engineering Company forged a strategic collaboration with Airbus to develop a joint venture, which will be established as Airbus’ Centre of Excellence for the A380 and A350 heavy maintenance in Asia.

Airlines Served

MORE THAN
80
airlines worldwide

SIA Engineering Company has

21
in-house workshops

Engineering Company has 21 in-house workshops with state-of-the-art equipment, providing inspection, repair, modification and test services for a wide range of aircraft components.

SIA Engineering Company forged a strategic collaboration with Airbus to develop a joint venture, which will be established as Airbus’ Centre of Excellence for the A380 and A350 heavy maintenance in Asia, subject to regulatory approvals.

At the Singapore Airshow in February 2016, SIA Engineering Company signed a Memorandum of Understanding with Moog Incorporated, a leading manufacturer of flight control components, to establish a joint venture for the maintenance, repair and overhaul of Moog’s products on new-generation aircraft. The Singapore-based joint venture will be the Centre of Excellence in Asia Pacific for Moog’s flight control components on the 787 and A350 aircraft.

The company’s Fleet Management business covers engineering and maintenance support activities, including the formulating and up-keeping of aircraft maintenance programmes, maintenance planning, engineering design, consultation, quality and reliability programmes, 24/7 maintenance control, materials support solutions, logistics and supply chain management. As of 31 March 2016, the fleet size of the 10 airline customers managed under Fleet Management stands at 156 aircraft.

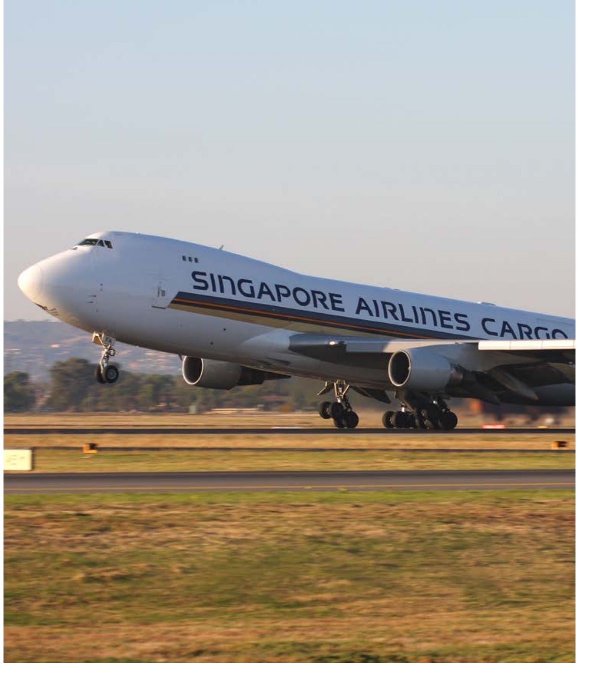
With the changing industry landscape, SIA Engineering Company has taken initiatives to position itself for the future. During the year, SIA Engineering Company incorporated a fleet management joint venture with Boeing, known as Boeing Asia Pacific Aviation Services (BAPAS). BAPAS will offer a customised, comprehensive and integrated suite of engineering, materials management and fleet support solutions, including Boeing GoldCare, for Boeing 737, 747, 777 and 787 aircraft to customers in Asia Pacific and beyond. The joint venture will position SIA Engineering Company strategically to develop the fleet management business for Boeing aircraft types, and the opportunity for downstream maintenance, repair and overhaul (MRO) business over the longer term.

Given the expansion of airline networks and operating fleets in the region, the MRO industry is confident of growth in the long term. With a strong balance sheet, SIA Engineering Company is well positioned to meet the challenges and will continue to pursue strategic investments and partnerships.

SIA Cargo

SIA Cargo's aircraft fleet expanded to nine Boeing 747-400 freighters in October 2015 after the return of one freighter from the lessee at the end of the agreed lease period.

SINGAPORE AIRLINES CARGO



“As part of its corporate social responsibility efforts, SIA Cargo provided assistance to its adopted charity, Singapore Children’s Society, through corporate funding and employee volunteering.

Aircraft fleet expanded to

9

Boeing 747-400 freighter aircraft

Air cargo demand grew at a slower pace in FY2015/16 compared to the previous year, partly due to the economic and trade slowdown in China and other emerging Asian economies. Despite these challenges, certain market segments that continued to see good growth include e-commerce, aerospace and healthcare. SIA Cargo actively pursued air cargo demand from these areas during the year in review.

SIA Cargo’s aircraft fleet expanded to nine Boeing 747-400 freighters in October 2015 after the return of one freighter from the lessee at the end of the agreed lease period. With a larger freighter fleet, additional flights were operated to the Americas, Europe and Australia during the year-end peak period. For passenger bellyhold capacity, network connectivity within the Asia Pacific region was enhanced with the incorporation of SilkAir’s and NokScoot’s flights from April 2015 and May 2015 respectively.

In the healthcare segment, SIA Cargo embarked on the certification process for its pharmaceutical handling under IATA’s Centre of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma). Currently in the pioneer phase, the Changi CEIV Community programme launched in March 2016 is co-funded by Changi Airport Group, with participation from a ground handling agent and several freight forwarding agents. The CEIV Pharma certification, which is recognised by major pharmaceutical companies, will help to ensure excellence in cool-chain pharmaceutical handling in the Singapore hub.

During the year in review, SIA Cargo was also involved in the transportation of equipment for several high-profile events, such as concert equipment for international pop sensation, Madonna; high-value racing vehicles and equipment for international motorsports events; and relief goods to Fiji in the aftermath of Cyclone Winston.

Besides driving sales in the various key segments, SIA Cargo continues to invest in developing capabilities to better meet the growing needs of customers, leveraging on technology to deliver an enhanced level of customer service. For example, SIA Cargo’s corporate website has been enhanced to enable optimal viewing on mobile devices, allowing customers to receive direct updates on the status of their shipments more conveniently.

As of March 2016, SIA Cargo’s electronic airwaybill (e-AWB) penetration rate on feasible trade lanes was 55.2 per cent. To date, SIA Cargo has implemented e-AWB at 45 stations within the SIA Cargo network, leading to improved data accuracy of shipments and a reduction in the volume of paper airwaybills. SIA Cargo will continue to support industry e-AWB efforts and drive the implementation of e-AWB across its network.

As part of its corporate social responsibility efforts, SIA Cargo provided assistance to its adopted charity, Singapore Children’s Society, through corporate funding and employee volunteering. In addition, SIA Cargo continued to support the Singapore Zoo and Jurong Bird Park with the transportation of live animals to zoos around the world. In the area of arts and heritage, SIA Cargo was honoured to be selected to transport valuable and rare art pieces, which required delicate handling, for several international exhibitions and museums.

Amongst the awards received in 2015, SIA Cargo was named “Best Air Cargo Carrier in Asia” at the Asian Freight, Logistics and Supply Chain Awards.

Subsidiaries continued

SilkAir

SilkAir was ranked 3rd in the Top 10 Airlines by Passenger Carriage in the Changi Airline Awards 2014, presented by Changi Airport Group.

FLYING IN STYLE

3rd in the Top 10 Airlines

SilkAir was ranked 3rd in the Top 10 Airlines by Passenger Carriage in the Changi Airline Awards 2014, presented by Changi Airport Group.

New Destinations Added

2

network points in Cairns and Male

Fleet of Aircraft

29

comprising 11 A320s, four A319s and 14 737-800NGs

During the financial year in review, SilkAir continued to grow its network, with the addition of two new destinations – Cairns and Male.

On 30 May 2015, SilkAir started thrice-weekly services to Cairns, home of the Great Barrier Reef. The flights started as a circular service with Darwin but the service on Saturdays were de-linked in Northern Winter to keep up with the demand. During the year in review, SilkAir also started servicing Male, ensuring twice-daily year-round connectivity to the Maldives' capital. SilkAir operates four flights per week during the Northern Winter season, complementing SIA's 10 weekly flights, while SIA operates all 14 weekly services during the Northern Summer season.

The SilkAir cabin crew took to the skies with a new sophisticated look in April 2015 created by local designer, Alexandria Chen. The new one-piece uniform comes in two variations – aqua-blue for junior crew and a plum-red version for senior crew. Both variations of the uniform are accompanied by a dark blue skirt, creating deeper synergies with the image of SilkAir's parent company, Singapore Airlines.

During the year in review, SilkAir's fleet size continued to grow with the delivery of five new Boeing 737-800NG aircraft. The fleet as at 31 March 2016 included 29 aircraft, comprising 11 A320s, four A319s and 14 737-800NGs.

On the corporate social responsibility front, SilkAir embarked on several projects with its adopted charity partner, Child's Dream Foundation. SilkAir staff were invited to join in field trips with Child's Dream staff as they visited projects in provincial areas of Cambodia, Thailand and Laos to learn more about the organisation's work. A group of staff visited a school built by Child's Dream in Snor Village, Siem Reap to interact with the local children and help in the repainting of the school.

SilkAir also continued to be the official airline partner of the Singapore Lions XII football team, and Aluminaid Team Singapura Everest during the course of the financial year.

SilkAir's efforts to provide high standards of product and service quality continue to be recognised in the region. SilkAir was ranked 3rd in the Top 10 Airlines by Passenger Carriage in the Changi Airline Awards 2014, presented by Changi Airport Group. The airline continues to be honoured in the TTG Asia Travel Hall of Fame, which it was inducted into in 2010 following its 10th win at the TTG Asia Travel Awards in 2009. SilkAir was once again voted one of the Top 10 Airlines Worldwide for Cabin Service in Best in Travel Poll 2015 by Hong Kong-based online travel magazine, Smart Travel Asia.

In Indonesia, SilkAir was named Indonesia's Leading Regional Airline of the Year 2015/2016 at the ITTA – the Indonesia Travel and Tourism Awards. The airline was also named "Asia's Top Outstanding Airline" by Chiang Mai-based travel publication, Now Travel Asia, in the Now Travel Asia Awards 2015.

In China, SilkAir received various accolades such as being named "Xiamen's most reliable Airline in 2015" by Xiamen Daily News, and awarded "2015 Top Ten Tourism Unit in Service" by Hubei Tourism Board.

Subsidiaries continued

Scoot

In FY 2015/16, Scoot carried more than 2.4 million passengers with an average load factor of about 84.5 per cent.

Firm Orders of

10

Boeing 787 Dreamliners

New Destinations

5

to Osaka, Kaohsiung, Hangzhou, Melbourne and Guangzhou

Scoot ended the financial year having successfully transitioned to the world's only all-787 Dreamliner fleet, which transformed its guest experience and operating economics, and helped it attain a full-year operating profit of $28 million.

In FY2015/16, Scoot carried more than 2.4 million passengers with an average load factor of about 84.5 per cent. At the end of the financial year, Scoot also received its 10th 787 Dreamliner, out of 20 on order.

Scoot launched five new destinations – Osaka, Kaohsiung, Hangzhou, Melbourne and Guangzhou – in the past year as it continued to grow its network and market presence. Scoot will chart new paths in the Middle East and India, commencing operations to Jeddah, Chennai and Amritsar in May and Jaipur in October 2016. Additional routes will be announced and launched in the course of the new financial year.

The establishment of NokScoot with joint venture partner Nok Air has progressed well. NokScoot currently operates scheduled flights from Bangkok to Qingdao, Nanjing, Shenyang and Tianjin in China, as well as Taipei in Taiwan; it also operates charter flights to Japan. Scoot continues to deepen its alliance with Tigerair following the anti-trust immunity (ATI) granted by the Competition Commission of Singapore (CCS). Further to operating joint venture services on parallel routes including Singapore to Hong Kong and Bangkok, both carriers have successfully integrated the Scoot and Tigerair reservation systems, with joint ground handling planned at the airlines' Singapore home base.

Scoot and Tigerair are important elements of SIA's portfolio strategy in which it has investments in both full-service and budget aspects of the airline business. Following a voluntary general offer, Tigerair recently joined Scoot in being a wholly owned subsidiary of SIA. Scoot and Tigerair have since embarked on a deep integration process to fully realise commercial and operational synergies under a common holding company, Budget Aviation Holdings Pte Ltd.

Scoot's relentless drive for innovation was rewarded with a number of accolades during the past year. Airlineratings.com ranked Scoot the best LCC in Asia Pacific for two years running in 2015 and 2016, ST Readers' Choice voted Scoot as the Best Budget Airline in 2014 and 2015, while Skytrax considers Scoot one of the world's top 10 LCCs.

FY2016/17 will continue to be a year of strong expansion, with a 51 per cent capacity increase as Scoot receives a further two 787s to finish the year with a fleet of 12 aircraft and over 1,000 staff. Scoot continues to be encouraged by the step-change in economics that the all-787 fleet has brought to its business.

Tigerair

As a wholly-owned subsidiary of SIA, Tigerair is an important element of SIA's portfolio strategy in which it has investments in both full-service and budget aspects of the airline business.

Tigerair Serves

40
destinations across 12 countries in Asia

Fleet of Aircraft

23
aircraft with an average age of four years and 10 months

During the year under review, Tiger Airways, which operates as Tigerair, achieved a turnaround with a full-year net profit of $0.3 million, compared to a net loss of $264 million. Revenue increased by $26 million due to higher load factor and higher yields. Expenses decreased mainly due to lower fuel costs and higher aircraft productivity.

As part of its turnaround plan, Tigerair actively reviewed its network regularly to right-size its operations. New destinations with potential to contribute positively to the bottom line were added to the network. During the year in review, Tigerair introduced three new destinations – Ipoh, Quanzhou and Lucknow - in addition to re-instating services to Lijiang. As at 31 March 2016, Tigerair operated flights to 40 destinations across 12 countries in Asia.

Proactive fleet management has put Tigerair on a firm footing for future sustainable growth. During the financial year, an aircraft was subleased to Tigerair Taiwan, two aircraft were returned to the operating fleet and two aircraft were parked in preparation for sale. In addition, Tigerair decided to sell five aircraft and lease them back for a period of two to three years. At the end of the financial year, Tigerair operated a fleet of 23 aircraft with an average age of four years and 10 months.

Tigerair continued to deliver product innovations as more booking choices were introduced to target small and medium-sized enterprises (SMEs) and corporate customers through the launch of FlexiCombo and American Express payment mode. Ease of travel was further enhanced with the launch of mobile check-in using the Tigerair app. Customers with only carry-on baggage are also now able to enjoy a queue-free and paper-free boarding experience when travelling out of Singapore.

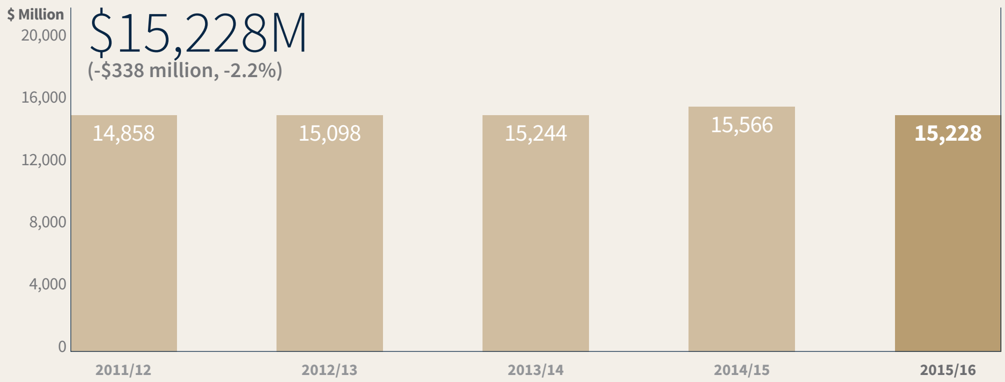
A stronger partnership through the cross-selling of Tigerair and Scoot's destinations on their respective websites began in April 2015. The recent merger of both airlines' computer reservation systems will also result in more seamless transactions for customers and cost efficiencies in the near future.

During the year in review, SIA launched a voluntary general offer for the shares of Tigerair that it did not already own, resulting in full ownership. Tigerair was subsequently delisted from SGX-ST on 11 May 2016.
As a wholly-owned subsidiary of SIA, Tigerair is an important element of SIA's portfolio strategy in which it has investments in both full-service and budget aspects of the airline business. Tigerair and Scoot have since embarked on a deep integration process to fully realise commercial and operational synergies under a common holding company, Budget Aviation Holdings Pte Ltd.

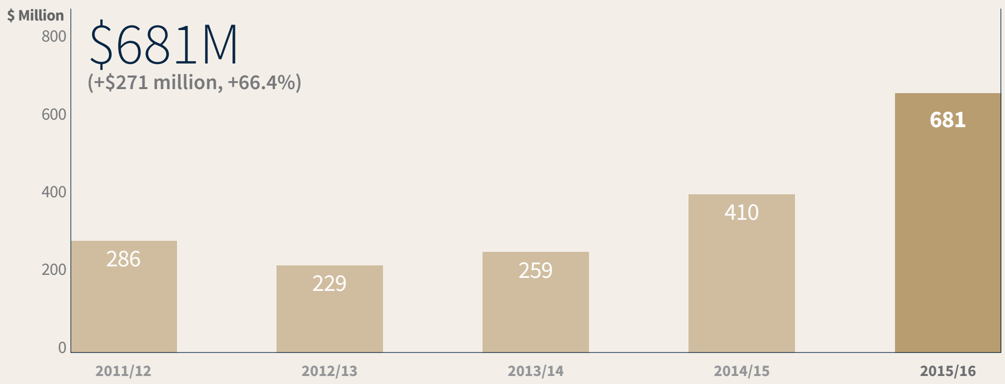
Financial Review

Highlights of the Group's Performance

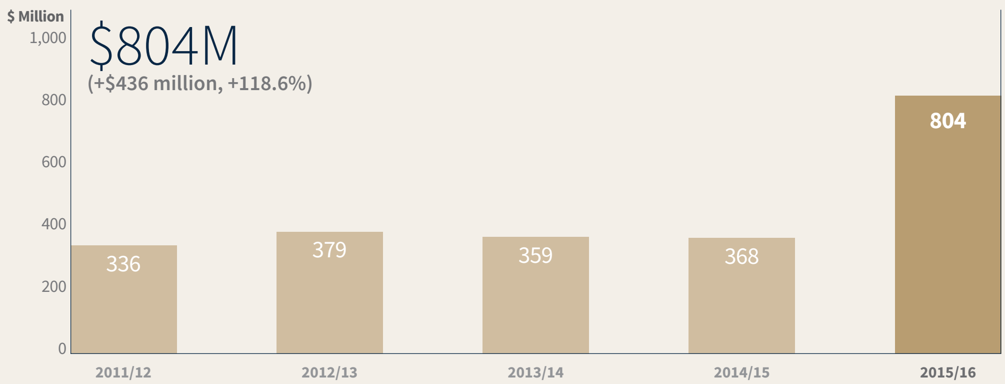
Revenue



Operating Profit



Profit attributable to owners of the Parent



Performance of the Group

Key Financial Highlights

	2015/16	2014/15	% Change
Earnings For The Year ($ million)			
Revenue	**15,228.5**	15,565.5	– 2.2
Expenditure	**14,547.3**	15,156.1	– 4.0
Operating profit	**681.2**	409.4	+ 66.4
Profit attributable to owners of the Parent	**804.4**	367.9	+ 118.6
Per Share Data (cents)			
Earnings per share – basic	**69.0**	31.4	+ 119.7
Ordinary dividend per share	**45.0**	22.0	+ 104.5
Ratios (%)			
Return on equity holders' funds	**6.4**	2.9	+ 3.5 points
Return on total assets	**3.6**	1.7	+ 1.9 points

Group Earnings

The Group continued to face strong headwinds during the financial year with intense competition in key markets, caused in part by weak economic activity and relatively rapid capacity growth in the industry, placing downward pressure on yields as evident from aggressive fare promotional activities.

Jet fuel prices fell 41.3 per cent year-on-year to an average USD62 per barrel, translating to substantial cost relief for the Group amidst a weak yield environment.

Group revenue fell $338 million against last year to $15,228 million, mainly attributable to lower revenue from cargo and airline operations. Cargo revenue deteriorated largely from yield contraction (-11.6 per cent), partially cushioned by higher load carried (+2.6 per cent). Revenue from airline operations was lower, weighed down by a decline in passenger revenue from Singapore Airlines Limited ("the Parent Airline Company" or "the Company") on the back of softer yields, and other incidental revenue. On the other hand, higher passenger revenue from Scoot Pte. Ltd. ("Scoot") and SilkAir (Singapore) Private Limited ("SilkAir") from expanded operations, coupled with the incorporation of Tiger Airways Holdings Limited's ("Tiger Airways") full year results[R1] in 2015/16 financial year mitigated some of the decline. Engineering services revenue fell mainly as a result of lower overhaul activities. The Group's revenue by business segment is shown below:

	2015/16 $ million	2014/15 $ million
Airline operations	**12,775.0**	12,855.7
Cargo operations	**2,037.1**	2,234.8
Engineering services	**395.8**	437.8
Others	**20.6**	37.2
Total revenue	**15,228.5**	15,565.5

R1 Tiger Airways was consolidated as a subsidiary with effect from October 2014.

Financial Review

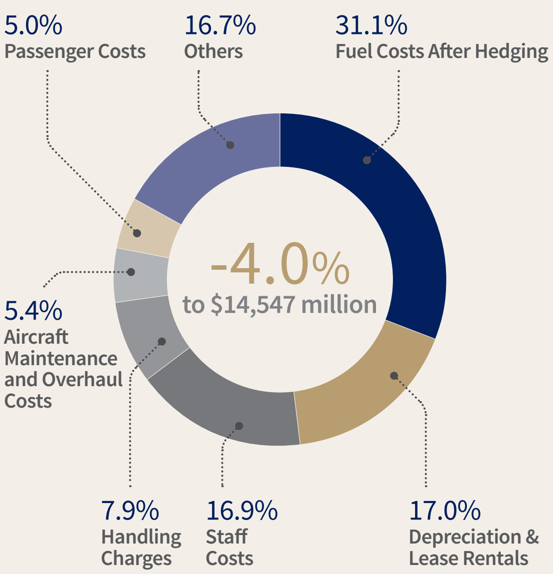
Performance of the Group
(continued)

Group Earnings (continued)

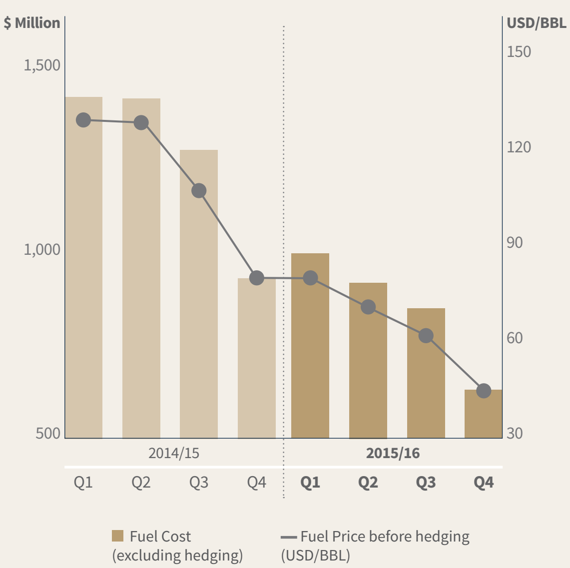
Group expenditure decreased by $609 million (-4.0 per cent) year-on-year to $14,547 million, primarily from a $1,053 million reduction in net fuel cost. Average jet fuel price before hedging tumbled 41.3 per cent against last year, translating into fuel cost savings of $2,152 million. Higher fuel hedging loss ($591 million), strengthening of the US Dollar against the Singapore Dollar ($298 million), and a 4.0 per cent increase in fuel volume uplifted ($210 million) partially eroded the fuel cost savings. Non-fuel costs increased $444 million (+4.6 per cent), mainly attributable to an increase in aircraft maintenance and overhaul costs, staff costs, and expenditure arising from SilkAir's and Scoot's capacity growth.

Consequently, the Group's operating profit improved $271 million (+66.4 per cent) to $681 million for the financial year ended 31 March 2016. Except for Singapore Airlines Cargo Pte Ltd ("SIA Cargo"), operating performance for all the major companies in the Group improved over last year. The Parent Airline Company earned an operating profit of $485 million in the financial year, up $145 million compared to last year. SIA Cargo's operating loss widened by $28 million compared to the prior year, largely from yield erosion on the back of the weak air freight market, partially alleviated by lower fuel costs. Please refer to the review of the Company and subsidiary companies for further details.

Group Expenditure



Quarterly Trend of Group Fuel Price and Fuel Cost
(excluding hedging)



Financial Position

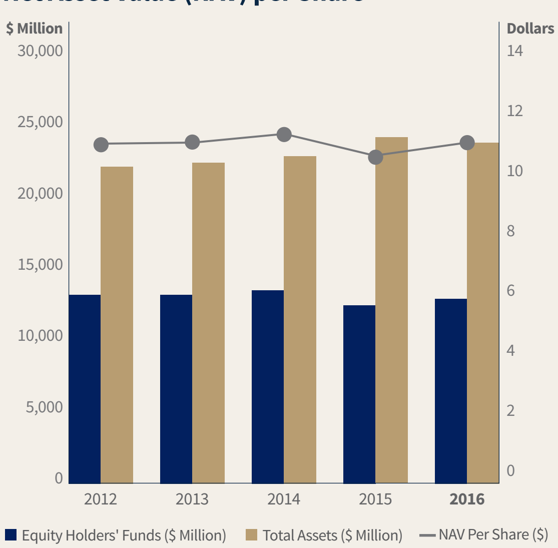
As at 31 March 2016, equity attributable to owners of the Parent increased by $291 million or 2.3 per cent to $12,755 million, largely due to profit for the financial year (+$804 million), and fair value movements on cash flow hedges (+$121 million) and available-for-sale financial assets (+$109 million). These were partially offset by acquisition of a non-controlling interest in Tiger Airways (-$335 million), payment of dividends (-$315 million) and purchase of treasury shares (-$85 million). The fair value change on cash flow hedges was primarily attributable to fair value changes on fuel hedges, while the movement on available-for-sale financial assets was mainly due to a fair value adjustment for SIA Engineering Company Limited's ("SIAEC") interest in Hong Kong Aero Engine Services Ltd ("HAESL") arising from the proposed divestment of its 10 per cent stake in HAESL to Rolls-Royce Overseas Holdings Limited and Hong Kong Aircraft Engineering Company Limited. The completion of this transaction is conditional upon the approval of relevant national competition authorities.

Total Group assets decreased by $152 million or 0.6 per cent to $23,770 million as at 31 March 2016, mainly attributable to a decrease in cash balances (-$1,070 million) and trade debtors (-$270 million), partially offset by increase in property, plant and equipment (+$620 million), investments (+$345 million) and a loan to an associated company (+$62 million). The decrease in cash balances largely arose from capital expenditure (-$2,909 million), additional investment in Tiger Airways in the Voluntary General Offer (-$458 million), redemption of the five-year retail bonds (-$300 million), and payment of dividends (-$315 million), partially funded by operational cash inflows (+$3,005 million). Net asset value per share increased 2.8 per cent to $10.96.

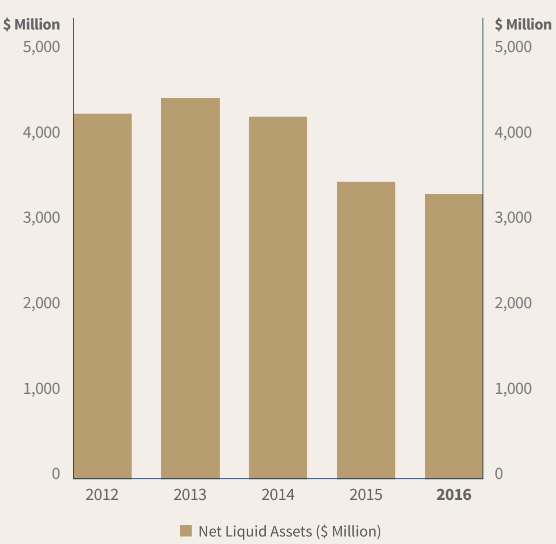
Total Group liabilities decreased by $355 million or 3.2 per cent to $10,637 million as at 31 March 2016. The decrease was attributable to the repayment of the retail bonds (-$300 million) and reduction in derivative liabilities (-$292 million), partially offset by an increase in sales in advance of carriage (+$162 million), deferred account (+$84 million) and deferred taxation (+$82 million).

The Group's net liquid assets[R2] decreased by $179 million to $3,293 million as at 31 March 2016, attributable to a reduction in cash and bank balances (-$1,070 million), partially offset by higher short-term investments (+$499 million), and reduction in total debt (+$392 million) arising primarily from the redemption of the $300 million retail bonds. Total debt to equity ratio decreased by 0.03 times to 0.11 times as at 31 March 2016.

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



Group Net Liquid Assets



R2 Net liquid assets is defined as the sum of cash and bank balances, and short-term investments, net of finance lease commitments, loans and bonds issued.

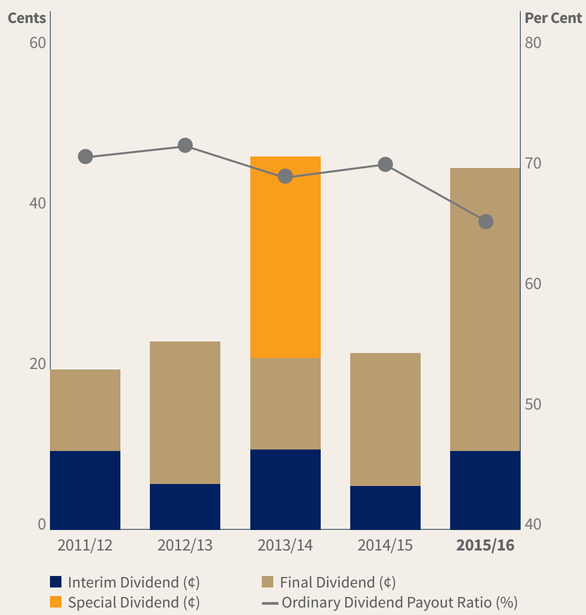
Financial Review

Performance of the Group
(continued)

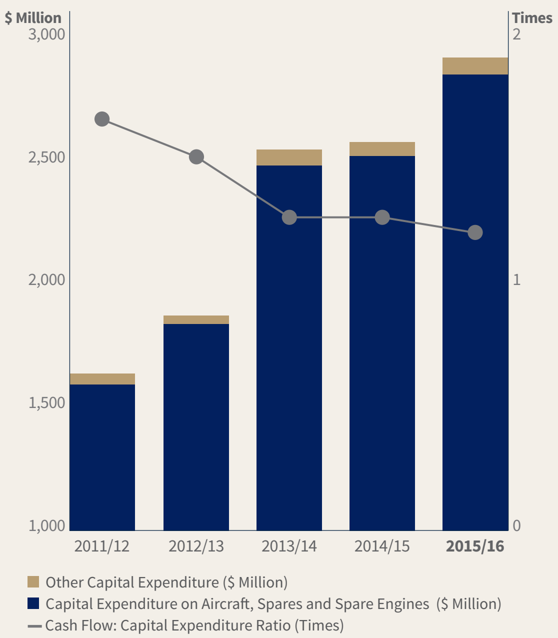
Dividends
For the financial year ended 31 March 2016, the Board recommends a final dividend of 35 cents per share. Including the interim dividend of 10 cents per share paid on 27 November 2015, the total dividend for the 2015/16 financial year will be 45 cents per share. This amounts to a payout of approximately $524 million based on the number of issued shares as at 31 March 2016. The total ordinary dividend per share of 45 cents translates to a payout ratio of 65.1 per cent, a decrease of 4.9 percentage points compared to the 2014/15 payout ratio of 70.0 per cent.

Capital Expenditure and Cash Flow of the Group
Capital expenditure was $2,909 million, 11.9 per cent higher than last year. About 98 per cent of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of $3,501 million (+5.9 per cent) was 1.2 times of capital expenditure. The increase in internally generated cash flow was mainly attributable to higher cash flow from operations, partially offset by lower proceeds from disposal of aircraft, spares and spare engines, and dividends received from associated and joint venture companies.

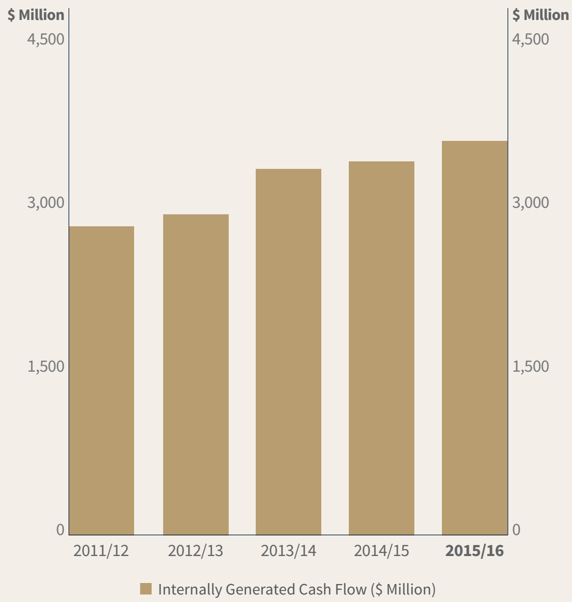
Dividend Payout



Group Capital Expenditure



Internally Generated Cash Flow



Group Staff Strength and Productivity

The Group's staff strength as at 31 March 2016 was as follows:

	31 March		
	2016	**2015**	**% Change**
Singapore Airlines	**14,046**	13,920	+ 0.9
SIAEC	**6,177**	6,198	– 0.3
SilkAir	**1,573**	1,452	+ 8.3
SIA Cargo	**886**	882	+ 0.5
Scoot	**895**	604	+ 48.2
Tiger Airways	**825**	840	– 1.8
Others	**172**	230	– 25.2
	24,574	24,126	+ 1.9

Average staff productivity was as follows:

	2015/16	**2014/15**	**% Change**
Revenue per employee ($)	**625,400**	649,564	– 3.7
Value added per employee ($)	**206,986**	183,483	+ 12.8

Financial Review

Performance of the Group
(continued)

Statements of Value Added and its Distribution

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

	2015/16 $ million	2014/15 $ million
Total revenue	**15,228.5**	15,565.5
Less: Purchase of goods and services	**(10,500.0)**	(11,254.7)
	4,728.5	4,310.8
Add:		
Interest income	**70.7**	74.9
Surplus on disposal of aircraft, spares and spare engines	**52.7**	51.9
Dividends from long-term investments	**115.3**	13.2
Other non-operating items	**91.1**	(14.3)
Share of profits of joint venture companies	**22.9**	52.6
Share of losses of associated companies	**(41.1)**	(126.8)
Exceptional items	**–**	34.5
Total value added for distribution	**5,040.1**	4,396.8
Applied as follows:		
To employees:		
– Salaries and other staff cost	**2,461.0**	2,335.2
To government:		
– Corporation taxes	**90.7**	39.1
To suppliers of capital:		
– Interim and proposed dividends	**523.6**	257.5
– Finance charges	**50.3**	49.6
– Non-controlling interests	**47.4**	38.8
Retained for future capital requirements:		
– Depreciation and amortisation	**1,586.3**	1,566.2
– Retained profit	**280.8**	110.4
Total value added	**5,040.1**	4,396.8
Value added per $ revenue ($)	**0.33**	0.28
Value added per $ employment cost ($)	**2.05**	1.88
Value added per $ investment in property, plant and equipment ($)	**0.19**	0.18

Performance of the Company

Operating Performance

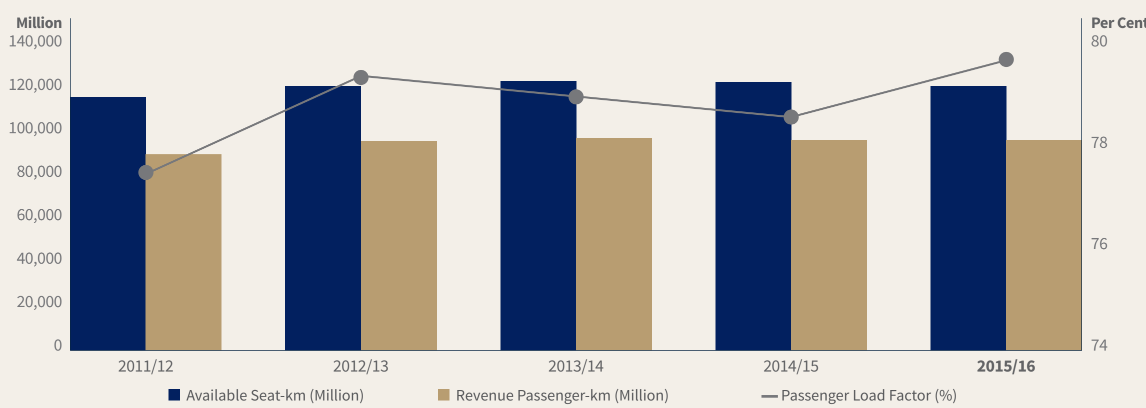
	2015/16	2014/15	% Change	
Passengers carried (thousand)	**19,029**	18,737	+ 1.6	
Available seat-km (million)	**118,366.5**	120,000.8	– 1.4	
Revenue passenger-km (million)	**94,267.4**	94,209.2	+ 0.1	
Passenger load factor (%)	**79.6**	78.5	+ 1.1	points
Passenger yield (¢/pkm)	**10.6**	11.2	– 5.4	
Passenger unit cost (¢/ask)	**8.5**	8.9	– 4.5	
Passenger breakeven load factor (%)	**80.2**	79.5	+ 0.7	points

The operating landscape remained challenging during the financial year with intense competition and economic uncertainties in key markets. Tactical promotions launched to boost loads pushed yields down, which shrank 5.4 per cent year-on-year to a five-year low.

Passenger load factor improved 1.1 percentage points over last year to 79.6 per cent, mainly resulting from capacity reduction (-1.4 per cent). Passenger carriage was almost flat against last year (+0.1 per cent).

The Company launched the new Premium Economy class on its Singapore-Sydney route on 9 August 2015, and has since progressively added the new cabin class on flights to 16 other destinations.

Available Seat Capacity, Passenger Traffic and Load Factor



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

	By Route Region[R3] (2015/16 against 2014/15) Passengers Carried Change (thousand)	Revenue Passenger KM % Change	Available Seat KM % Change
East Asia	+ 259	+ 2.3	+ 0.8
Americas	– 6	– 0.7	– 0.9
Europe	– 117	– 1.4	– 0.4
South West Pacific	+ 26	– 1.0	– 5.3
West Asia and Africa	+ 130	+ 1.5	– 2.0
Systemwide	+ 292	+ 0.1	– 1.4

R3 Each route region comprises routes originating from Singapore to final destinations in countries within the region concerned and vice versa. For example, Singapore-Hong Kong-San Francisco-Hong Kong-Singapore route is classified under Americas region. East Asia covers Brunei, Hong Kong SAR, Indonesia, Japan, Malaysia, Myanmar, People's Republic of China, Philippines, South Korea, Taiwan, Thailand and Vietnam. Americas comprises Brazil and USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Switzerland, The Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa is made up of Bangladesh, India, Maldives, Saudi Arabia, South Africa, Sri Lanka and United Arab Emirates.

Financial Review

Performance of the Company
(continued)

Operating Performance (continued)

Passenger load factor by route region was as follows:

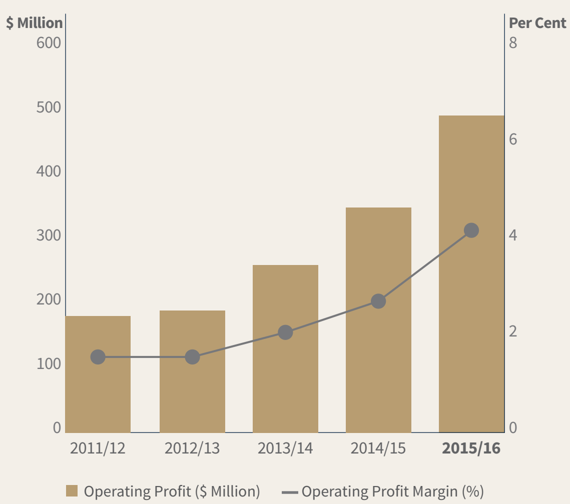
	Passenger Load Factor (%)		
	2015/16	2014/15	% Change points
East Asia	**77.3**	76.1	+ 1.2
Americas	**79.8**	79.6	+ 0.2
Europe	**78.7**	79.6	– 0.9
South West Pacific	**86.5**	82.7	+ 3.8
West Asia and Africa	**74.8**	72.2	+ 2.6
Systemwide	**79.6**	78.5	+ 1.1

Earnings

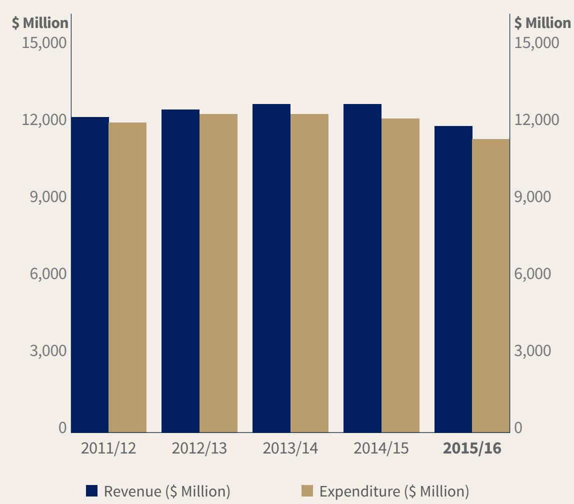
	2015/16 $ million	2014/15 $ million	% Change
Revenue	**11,686.1**	12,418.4	– 5.9
Expenditure	**11,201.0**	12,078.2	– 7.3
Operating profit	**485.1**	340.2	+ 42.6
Finance charges	**(42.0)**	(44.0)	– 4.5
Interest income	**87.1**	79.3	+ 9.8
Surplus on disposal of aircraft, spares and spare engines	**3.7**	36.8	– 89.9
Dividends from subsidiary and associated companies	**135.2**	215.2	– 37.2
Dividends from long-term investments	**95.2**	4.9	n.m.
Other non-operating items	**1.9**	(65.2)	n.m.
Profit before exceptional items	**766.2**	567.2	+ 35.1
Exceptional items [R4]	**–**	(4.1)	n.m.
Profit before taxation	**766.2**	563.1	+ 36.1
Taxation	**(94.2)**	(22.8)	n.m.
Profit after taxation	**672.0**	540.3	+ 24.4

n.m. not meaningful

Operating Profit and Operating Profit Margin



Company Revenue and Expenditure



[R4] The exceptional items in FY2014/15 pertained to provision for settlement with plaintiffs in the Transpacific Class Action ($11.4 million), partly offset by additional gain on sale of Virgin Atlantic Limited ($7.3 million).

Revenue

The Company's revenue declined 5.9 per cent to $11,686 million as follows:

	2015/16 $ million	2014/15 $ million	Change $ million	Change %
Passenger revenue	**7,893.4**	8,155.7	– 262.3	– 3.2
Bellyhold revenue from SIA Cargo	**999.4**	1,120.6	– 121.2	– 10.8
Others	**2,793.3**	3,142.1	– 348.8	– 11.1
Total operating revenue	**11,686.1**	12,418.4	– 732.3	– 5.9

The Company's passenger revenue decreased in 2015/16, as a result of:

	$ million	$ million
0.1% increase in passenger traffic:		+ 5.0
3.4% decrease in passenger yield (excluding fuel surcharge):		
Lower local currency yields	– 296.1	
Foreign exchange	– 79.1	
Change in passenger mix	+ 107.9	– 267.3
Decrease in passenger revenue		– 262.3

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

	$ million
1.0% point change in passenger load factor, if yield and seat capacity remain constant	99.2
1.0% change in passenger yield, if passenger traffic remains constant	78.9

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

	By Route Region ($ million)			By Area of Original Sale[R5] ($ million)		
	2015/16	2014/15	% Change	2015/16	2014/15	% Change
East Asia	**2,734.3**	2,701.3	+ 1.2	**4,507.4**	4,509.6	–
Americas	**1,260.7**	1,346.6	– 6.4	**553.4**	580.9	– 4.7
Europe	**1,792.6**	1,916.2	– 6.5	**1,242.7**	1,375.7	– 9.7
South West Pacific	**1,388.5**	1,488.4	– 6.7	**1,172.4**	1,304.9	– 10.2
West Asia and Africa	**717.3**	703.2	+ 2.0	**417.5**	384.6	+ 8.6
Systemwide	**7,893.4**	8,155.7	– 3.2	**7,893.4**	8,155.7	– 3.2

[R5] Each area of original sale comprises countries within a region from which the sale is made.

Financial Review

Performance of the Company
(continued)

Expenditure

The Company's expenditure declined 7.3 per cent to $11,201 million in 2015/16.

	2015/16		2014/15		%
	$ million	%	$ million	%	Change
Fuel costs	**3,563.3**	31.8	4,536.2	37.5	– 21.4
Staff costs	**1,596.0**	14.3	1,540.2	12.8	+ 3.6
Depreciation [R6]	**1,257.4**	11.2	1,264.0	10.5	– 0.5
Handling charges	**889.6**	7.9	876.2	7.3	+ 1.5
Aircraft maintenance and overhaul costs	**750.9**	6.7	655.7	5.4	+ 14.5
Rentals on leased aircraft	**702.6**	6.3	698.3	5.8	+ 0.6
Inflight meals and other passenger costs	**669.9**	6.0	676.7	5.6	– 1.0
Airport and overflying charges	**584.4**	5.2	594.8	4.9	– 1.7
Sales costs [R7]	**561.7**	5.0	552.9	4.6	+ 1.6
Communication and information technology costs [R8]	**91.1**	0.8	85.0	0.7	+ 7.2
Other costs [R9]	**534.1**	4.8	598.2	4.9	– 10.7
Total	**11,201.0**	100.0	12,078.2	100.0	– 7.3

A breakdown of fuel cost is shown below:

	2015/16 $ million	2014/15 $ million	Change $ million
Fuel cost (before hedging)	**2,636.7**	4,079.3	– 1,442.6
Fuel hedging loss	**926.6**	456.9	+ 469.7
	3,563.3	4,536.2	– 972.9

Expenditure on fuel before hedging was $1,442.6 million lower because of:

	$ million
40.9% decrease in weighted average fuel price from 105.6 USD/BBL to 62.4 USD/BBL	– 1,682.0
Strengthening of USD against SGD	+ 206.1
0.7% increase in volume uplifted from 30.4 million BBL to 30.6 million BBL	+ 33.3
	– 1,442.6

Aircraft maintenance and overhaul costs increased $95 million (14.5 per cent) mainly due to more scheduled checks, and higher component costs.

Staff costs rose $56 million (3.6 per cent), largely attributable to higher provision for profit sharing bonus from better financial performance.

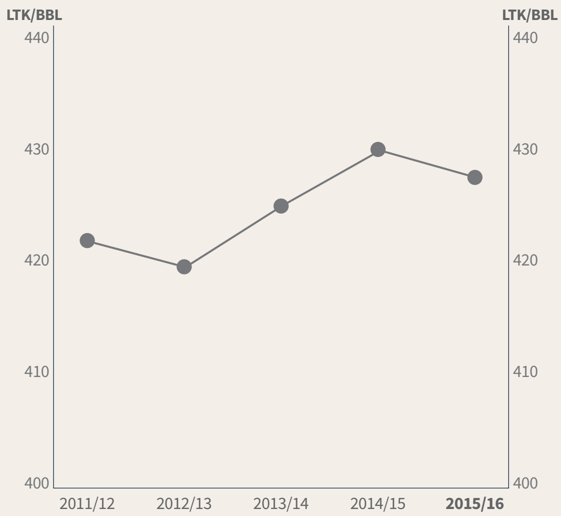
Other costs declined $64 million, mainly due to foreign exchange gain of $10 million against loss of $75 million last year ($85 million).

R6 Depreciation included impairment of property, plant and equipment and amortisation of computer software.
R7 Sales costs included commissions and incentives, frequent flyer programme cost, computer reservation system booking fees, advertising expenses, reservation system IT cost and other sales costs.
R8 Communication and information technology costs were for data transmission and contract service fees, hire of computer equipment, maintenance/rental of software, and information technology contract and professional fees.
R9 Other costs mainly comprised crew expenses, company accommodation cost, foreign exchange revaluation and hedging loss, comprehensive aviation insurance cost, airport lounge expenses, non-information technology contract and professional fees, expenses incurred to mount non-scheduled services, aircraft licence fees and recoveries.

Fuel Productivity and Sensitivity Analysis

Fuel productivity as measured by load tonne-km per barrel (ltk/BBL) decreased marginally over the preceding year to 427ltk/BBL. This was mainly due to lower bellyhold load factor.

Fuel Productivity of Passenger Fleet



A change in fuel productivity (passenger aircraft) of 1.0 per cent would impact the Company's annual fuel cost by about $26 million, before accounting for changes in fuel price, US dollar exchange rate and flying operations.

A change in the price of fuel of one US dollar per barrel affects the Company's annual fuel cost by about $41 million, before accounting for US dollar exchange rate movements, and changes in volume of fuel consumed.

Finance Charges

Finance charges were $2 million or 4.5 per cent lower, mainly due to repayment of the $300 million five-year retail bond during the financial year.

Interest Income

Interest income was $8 million or 9.8 per cent higher, mainly due to higher interest from deposits, bonds, fixed rate notes, investment funds, and loans extended to Virgin Australia and Scoot.

Surplus on Disposal of Aircraft, Spares and Spare Engines

The $4 million gain on disposal of aircraft, spares and spare engines pertained mainly to gain from sale of buyer furnished equipment and spares. Last year's $37 million gain arose mainly from the sale and leaseback of three 777-300ERs and sale of one 777-200 aircraft.

Dividends from Subsidiary and Associated Companies

Dividends from subsidiary and associated companies were $80 million lower, mainly due to absence of special dividend declared by SIAEC in the prior year.

Dividends from Long-Term Investments

Dividends from long-term investments were $90 million higher, primarily attributable to special dividend declared by Everest Investment Holdings Limited, formerly known as Abacus International Holdings Limited, following sale of its 65.0 per cent investment in Abacus International Pte Ltd to Sabre Technology Enterprises II Ltd.

Other Non-operating Items

Other non-operating items in 2015/16 comprised mainly gain on sale of flight simulators to Airbus Asia Training Centre ("AATC") ($13 million), and surplus on divestment of Abacus Travel Systems ($5 million), partially offset by additional impairment on two grounded 777-200 aircraft ($9 million), and impairment loss on a long-term investment ($8 million). Last year's non-operating items pertained mainly to impairment losses on the Company's investment in Singapore Flying College Pte Ltd ($43 million), and two grounded 777-200 aircraft ($22 million).

Taxation

There was a net tax expense of $94 million, comprising current tax charge of $104 million and deferred tax credit of $10 million.

As at 31 March 2016, the Company's deferred taxation account stood at $1,347 million.

Financial Review

Performance of the Company
(continued)

Staff Strength and Productivity

The Company's staff strength as at 31 March 2016 was 14,046, an increase of 126 over last year. The distribution of employee strength by category and location is as follows:

	31 March		
	2016	2015	% Change
Category			
Senior staff (administrative and higher ranking officers)	**1,335**	1,319	+ 1.2
Technical crew	**2,056**	2,099	– 2.0
Cabin crew	**7,741**	7,586	+ 2.0
Other ground staff	**2,914**	2,916	– 0.1
	14,046	13,920	+ 0.9
Location			
Singapore	**12,035**	11,922	+ 0.9
East Asia	**866**	856	+ 1.2
Europe	**422**	420	+ 0.5
South West Pacific	**322**	321	+ 0.3
West Asia and Africa	**265**	254	+ 4.3
Americas	**136**	147	– 7.5
	14,046	13,920	+ 0.9

The Company's average staff productivity ratios [R10] are shown below:

	2015/16	2014/15	% Change
Seat capacity per employee (seat-km)	**8,465,029**	8,547,066	– 1.0
Passenger load carried per employee (tonne-km)	**626,572**	625,516	+ 0.2
Revenue per employee ($)	**835,736**	884,501	– 5.5
Value added per employee ($)	**261,861**	242,970	+ 7.8

[R10] The Company's staff productivity ratios were computed based on average staff strength of 13,983 in 2015/16 (2014/15: 14,040).

Performance of the Subsidiary Companies

The major subsidiary companies are SIAEC, SIA Cargo, SilkAir, Scoot, and Tiger Airways. The following performance review includes intra-group transactions.

SIAEC

	2015/16 $ million	2014/15 $ million	% Change
Total revenue	**1,113.5**	1,119.7	– 0.6
Total expenditure	**1,009.4**	1,035.4	– 2.5
Operating profit	**104.1**	84.3	+ 23.5
Net profit	**174.9**	185.0	– 5.5

Revenue fell by 0.6 per cent from $1,120 million to $1,114 million. The decrease in airframe and component overhaul revenue was mitigated in part by higher line maintenance and fleet management revenue. Expenditure fell at a higher rate of 2.5 per cent or $26 million to $1,010 million, in spite of a $13 million exchange loss incurred versus a $5 million exchange gain in the previous year. Subcontract and staff costs registered the biggest reductions year-on-year. With expenditure decreasing at a higher rate than revenue, operating profit increased $20 million or 23.5 per cent to $104 million.

Share of profits from associated and joint venture companies at $93 million saw a decrease of $15 million or 13.8 per cent. Contributions from the engine repair and overhaul centres reduced, mainly due to lower work content on the engines serviced by Singapore Aero Engine Services Pte Ltd.

During the year, SIAEC recognised a $4 million loss on the closure of an associated company, and a $3 million provision for impairment on another associated company. In addition, SIAEC recorded a $3 million surplus on the partial disposal of an associated company. This is in contrast with the $6 million gain recognised last year from restructuring of one of its subsidiaries.

SIAEC recorded a profit attributable to owners of the parent of $175 million for the financial year ended 31 March 2016, $10 million or 5.5 per cent lower than last year.

As at 31 March 2016, SIAEC’s equity attributable to owners of the Parent of $1,486 million was $161 million or 12.2 per cent higher than at 31 March 2015. Net asset value per share of $1.32 as at 31 March 2016 was $0.14 or 11.9 per cent higher than last year.

Basic earnings per share was 15.7 cents for the current financial year.

Financial Review

Performance of the Company
(continued)

Performance of the Subsidiary Companies (continued)

SIA Cargo

	2015/16 $ million	2014/15 $ million	% Change
Total revenue	**2,045.0**	2,240.8	– 8.7
Total expenditure	**2,094.7**	2,262.8	– 7.4
Operating loss	**(49.7)**	(22.0)	– 125.9
Exceptional items	**–**	(83.3)	n.m.
Profit/(Loss) after taxation	**90.3**	(99.7)	n.m.

SIA Cargo's full year operating loss widened by $28 million compared with FY2014/15. While operating expenses declined $168 million, mainly due to lower fuel costs, this could not fully cushion the $196 million contraction in revenue, which was driven down by yield erosion of 11.6 per cent, partially offset by higher freight carriage (+2.6 per cent).

Overall cargo traffic (in load tonne kilometers) increased by 2.6 per cent, but lagged behind the growth in capacity (in capacity tonne kilometers) of 4.9 per cent. This resulted in cargo load factor declining by 1.4 percentage points to 61.9 per cent. Cargo breakeven load factor remained unchanged at 65.2 per cent as the yield decline (-11.6 per cent) was generally matched by the drop in unit cost (-11.7 per cent).

Profit after taxation included a refund amounting to EUR76 million ($119 million), comprising a competition law fine paid previously to the European Commission, with interest therein, with respect to the air cargo investigations by the Commission.

SilkAir

	2015/16 $ million	2014/15 $ million	% Change
Total revenue	**965.7**	902.5	+ 7.0
Total expenditure	**875.1**	861.7	+ 1.6
Operating profit	**90.6**	40.8	+ 122.1
Profit after taxation	**122.0**	53.7	+ 127.2

SilkAir's revenue increased by $64 million (+7.0 per cent to $966 million, as passenger revenue was boosted by an 11.1 per cent improvement in passenger carriage, partially offset by a 2.9 per cent decline in passenger yield. Operating expenses rose in tandem with 9.1 per cent capacity growth, but this was largely compensated for by fuel cost savings. As a result, the operating profit increased by $50 million (+122.1 per cent) to $91 million.

Yield declined by 2.9 per cent to 13.5¢/pkm and unit cost declined by 7.2 per cent to 9.0¢/ask. Consequently, the passenger breakeven load factor improved by 3.1 percentage points to 66.7 per cent. Achieved passenger load factor improved by 1.3 percentage points to 71.5 per cent.

Profit after taxation improved 127.2 per cent to $122 million.

SilkAir's route network spanned 49 cities in 13 countries including Singapore. During the year, SilkAir launched new services to Cairns (Australia) and Male (Maldives), and ceased operations to Hangzhou (China).

As at 31 March 2016, equity holders' funds of SilkAir stood at $951 million (+14.7 per cent).

Performance of the Subsidiary Companies (continued)

Scoot

	2015/16 $ million	2014/15 $ million	% Change
Total revenue	**516.2**	396.7	+ 30.1
Total expenditure	**487.8**	464.1	+ 5.1
Operating profit/(loss)	**28.4**	(67.4)	n.m.
Profit/(Loss) after taxation	**21.1**	(55.3)	n.m.

Scoot's revenue increased by $119 million (+30.1 per cent) to $516 million, largely from an improvement in passenger carriage (+29.1 per cent) on the back of a 25.7 per cent growth in capacity. Expenditure increased $24 million (+5.1 per cent), benefitting from lower fuel prices and a more fuel-efficient 787 fleet. As a result, the operating loss in the prior year was reversed, and it achieved an operating profit of $28 million this financial year (+$95 million).

Yield was flat against last year, while unit cost fell significantly by 19.0 per cent to 4.7¢/ask. Consequently, breakeven load factor declined by 19.7 percentage points to 83.9 per cent. Achieved load factor improved by 2.3 percentage points to 84.5 per cent.

Scoot registered a profit after taxation of $21 million, an improvement of $76 million from the $55 million loss last year.

Scoot's route network spanned 18 cities in seven countries, including Singapore. During the year, Scoot ceased operating the unprofitable triangular Singapore-Sydney-Gold Coast route and introduced five new routes, to Melbourne (Australia), Hangzhou (China), Guangzhou (China), Kaohsiung (Taiwan)-Osaka (Japan), and Bangkok (Thailand)-Osaka (Japan).

As at 31 March 2016, equity holders' funds of Scoot stood at $542 million (+4.8 per cent).

Tiger Airways

	2015/16[R11] $ million	2014/15[R12] $ million	% Change
Total revenue	**703.2**	677.4	+ 3.8
Total expenditure	**689.6**	717.3	– 3.9
Operating profit/(loss)	**13.6**	(39.9)	n.m.
Profit/(Loss) after taxation	**0.3**	(264.2)	n.m.

Tiger Airways broke even for the 2015/16 financial year, compared to a net loss of $264 million in the prior year. Operating profit for the financial year was $14 million, contrasting with a full year loss of $40 million incurred in the prior year (+$54 million).

Revenue improvement of $26 million (+3.8 per cent) was driven by higher yields (+2.9 per cent), partially offset by lower passenger carriage (-1.5 per cent). Expenses decreased by $28 million (-3.9 per cent) mainly due to lower fuel costs, partially offset by an increase in aircraft depreciation, lease rentals and maintenance costs.

Yield improved by 2.9 per cent to 7.0¢/pkm. Unit cost decreased by 3.3 per cent to 5.8 ¢/ask. Consequently, breakeven load factor declined by 5.3 percentage points to 82.9 per cent. Achieved load factor improved by 1.2 percentage points to 83.3 per cent.

Tiger Airways operated flights to 40 destinations in 12 countries across Asia. During the year, Tiger Airways introduced three new destinations – Ipoh (Malaysia), Quanzhou (China) and Lucknow (India), in addition to the re-instatement of services to Lijiang (China). Non-performing route, Guilin (China), was suspended from its network.

As at 31 March 2016, equity holders' funds of Tiger Airways stood at $217 million (+0.9 per cent).

[R11] Operating results differ from Tiger Airways' FY2015/16 announcement on 5 May 2016, due to alignment of Tiger Airways' classification to the Group.
[R12] The results presented here represent Tiger Airways' FY2014/15 results. Tiger Airways was consolidated as a subsidiary from October 2014.

List of Awards

Awards

2015

APR 2015

TTG China Travel Awards

Best Asian Airline Serving China
(8th consecutive year)

JUL 2015

Travel & Leisure Magazine (USA)

World's Best International Airline
(20th consecutive year)

SEP 2015

Business Traveller (Asia Pacific) 2015

Best Airline *(24th consecutive year)*
Best Asia-Pacific Airline
Best Airline First Class
Best Airline Business Class
Best Airline Economy Class
Best Airline Inflight Catering

OCT 2015

Condé Nast Traveler (USA) 2015 Readers' Choice Awards

Best Airline in the World
(27 out of 28 years)
Best International Airline
(5th consecutive year)

NOV 2015

Business Traveller (China)

Best Airline in the World *(10th year)*
Best Airline First Class
Best Airline Business Class

DEC 2015

Global Traveler (USA)

Best Overall Airline in the World 2015
(11th time)
Best Airline for Business Class

2016

JAN 2016

Forbes Korea Best Brand Awards 2016

***Best International Airline** (3rd consecutive year)*

FEB 2016

DestinAsian
(Asia's leading luxury travel and lifestyle magazine – Jakarta)

Readers' Choice Awards
(11th time running)

***Best Airline – Overall** (11th consecutive year)*
Best Airline for Premium Class Travel
Best Airline for Economy Class
Best In-flight Entertainment
Best Frequent Flier Programme – KrisFlyer
Hall of Fame Award

MAR 2016

Guardian/Observer Readers' Travel Awards 2016 (UK)

Best Long Haul Airline
Most recommended brand

Statement on Risk Management

1. SIA Group Enterprise-Wide Risk Management Framework

Since 2002, a formalised Risk Management Framework has been implemented across SIA Group under which risks are identified, evaluated and controlled on a coordinated and integrated basis. Details of the key elements of this Framework can be found on SIA's Website[1].

2. Highlights of Significant Risk Management Activities

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

(a) Actual Implementation of Coordinated Response Plans

In July 2015, the coordinated response plan to manage mass flight disruptions was activated when there was an Indonesian volcanic eruption disrupting flights to Bali and a typhoon affecting flights to Shanghai. As a result of the simultaneous occurrence of two natural disasters in two separate sub-regions, multiple functional units assembled together and executed a coordinated response to handle and recover disrupted flights, while providing care for affected passengers.

(b) Simulation of Risk Responses

The crisis management response plans of subsidiaries were simulated and tested for effectiveness. Coordination in procedures and communication with external stakeholders, such as airport authorities, were also demonstrated in the exercise. Responses to cyber-related scenarios were validated in the year, and such drills will continue to be conducted regularly.

(c) Establishment of a Compliance Management Unit

In the year, a Compliance Management unit was set up to look into establishing a compliance management framework for the Group. This unit aims to ensure that SIA continues to be diligent in maintaining a culture of propriety and integrity, through monitoring and reviewing the adequacy and effectiveness of compliance efforts. The initial area of focus will be on anti-bribery, competition, and data privacy laws.

(d) Risk Review Activities

The Group carried out the risk management review exercises on a half-yearly basis, including a review of strategic risks. Risks that impact the performance and objectives of the strategic investments undertaken by the Company were also evaluated by the Investment Review Committee. An impact study on airport closure was also conducted in the year. The Audit Committee and the Board carried out a review of cyber risk exposures, and the Group's responses to these.

(e) On-going Risk Committee Activities

The Board Safety & Risk Committee (BSRC) reviewed top risks and corresponding controls as part of the on-going activities, including reports on the simulation of business continuity plans. The BSRC also ensured that strategic and other risks surfaced were distributed to the other Board Committees and the full SIA Board for oversight. The SIA Group Risk Management Committee supported the BSRC in ensuring that risks were surfaced and reviewed, and risk responses across the Group were coordinated and integrated. Correspondingly, company risk management committees also ensured that risks were surfaced by the various divisions for the BSRC's review.

(f) Written Assurances on Risk Management Processes

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

3. Board Of Directors' Comment on the Practice of Risk Management in Singapore Airlines

Having reviewed the risk management practices and activities of Singapore Airlines, the Board of Directors has not found anything to suggest that risks, which the Group considers relevant and material to its operations, are not being satisfactorily managed.

[1] http://www.singaporeair.com/pdf/media-centre/riskmanagementframework.pdf

Corporate Governance Report

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

This Report sets out the Company's corporate governance processes, with specific reference to the guidelines of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in May 2012 ("the Code").

Board's Conduct of Its Affairs (Principle 1)

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

To assist the Board in the discharge of its oversight function, five board committees have been constituted with written terms of reference. All board committees are actively engaged and play an important role in ensuring good corporate governance in the Company.

Management briefs new Directors on the Company's business and strategic directions, as well as governance practices. The Company conducts orientation programmes and site visits for new Directors, and arranges for Directors to be updated on new laws and regulations, as well as changing commercial risks and industry developments, as deemed appropriate. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and obligations as Directors.

Board Composition and Guidance (Principle 2)

The Board currently comprises nine Directors as follows:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Stephen Lee Ching Yen	Chairman	26 April 2004	30 July 2014	Non-executive/ Independent
Peter Seah Lim Huat	Deputy Chairman	1 September 2015	–	Non-executive/ Independent
Goh Choon Phong	Director	1 October 2010	26 July 2013	Executive/ Non-Independent
Gautam Banerjee	Director	1 January 2013	26 July 2013	Non-executive/ Independent
William Fung Kwok Lun	Director	1 December 2009	30 July 2014	Non-executive/ Independent
Hsieh Tsun-yan	Director	1 September 2012	26 July 2013	Non-executive/ Independent
Christina Ong	Director	1 September 2007	30 July 2015	Non-executive/ Independent
Helmut Gunter Wilhelm Panke	Director	1 September 2009	30 July 2015	Non-executive/ Independent
Lucien Wong Yuen Kuai	Director	1 September 2007	30 July 2015	Non-executive/ Non-Independent

Corporate Governance Report (continued)

The size and composition of the Board are reviewed from time to time, taking into account the scope and nature of operations of the Company, to ensure that the size of the Board is adequate to provide for a diversity of views, facilitate effective decision-making, and that the Board has an appropriate balance of executive, independent and non-independent Directors. The Directors come from diverse backgrounds with varied expertise in finance, legal, business, marketing and management fields. Their profiles are found on pages 18 to 21.

There is a strong independent element in the Board, with the Board considering, taking into account the views of the Nominating Committee, seven out of nine Directors to be independent from Management and the Company's substantial shareholder, Temasek Holdings (Private) Limited ("Temasek"). The two non-independent Directors are Mr Goh Choon Phong, who is the Chief Executive Officer ("CEO") of the Company, and Mr Lucien Wong, who is a Director on the board of Temasek. All Directors have demonstrated objectivity in their deliberations in the interests of the Company.

Only one Director, Mr Stephen Lee, has served more than nine years on the Board. With reference to the guidelines of the Code, the Board considered the fact that Mr Lee had shown that since his appointment on the Board, he had exercised independent business judgement in all matters affecting the Company, with a view to protect the interests of the Company and all shareholders. Although Mr Lee has served on the Board beyond nine years, he has continued to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of the Company. Accordingly, the Board has, on the recommendation of the Nominating Committee, continued to consider Mr Lee as an independent non-executive Director of the Company.

Chairman and Chief Executive Officer (Principle 3)

The Chairman, Mr Stephen Lee, and the CEO, Mr Goh Choon Phong, are not related to each other. There is appropriate division of responsibilities between the Chairman and the CEO, which ensures a balance of power and authority within the Company. The Chairman leads the Board and is responsible for its workings and proceedings. He plays a crucial role in fostering constructive dialogue with shareholders at the Company's Annual and Extraordinary General meetings. The CEO heads the Management Committee and oversees the execution of the Company's corporate and business strategies and policies, and the conduct of its business.

Board Membership and Performance (Principles 4 and 5)

A table setting out the Board Members, their memberships on the five Board Committees and attendance at Board and Committee meetings can be found on page 75. The five Board Committees formed to assist the Board in the execution of its responsibilities are:

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

These Committees have written mandates and operating procedures, which are reviewed periodically.

The Board held four meetings in the financial year. The Board holds separate Strategy Sessions to assist Management in developing its plans and strategies for the future. The non-executive Directors also set aside time to meet without the presence of Management to review the latter's performance in meeting goals and objectives.

Board Executive Committee ("ExCo")

The members of the ExCo are Mr Stephen Lee (Chairman), Mr Peter Seah (Deputy Chairman), Mr Goh Choon Phong, Mr Gautam Banerjee and Mr Lucien Wong. The ExCo oversees the execution by Management of the overall strategy, policies, directions and guidelines set by the Board for the SIA Group. The ExCo also reviews and makes recommendations to the Board on the annual operating and capital budgets and matters relating to the Group's wholly-owned subsidiaries. The

ExCo is authorised to approve transactions beyond a designated materiality threshold and to make decisions on routine financial, operational and administrative matters. The ExCo also functions as the Share Buy Back Committee of the Company.

Board Audit Committee ("AC")

The AC comprised Mr Gautam Banerjee (Chairman), Dr William Fung, and Mr Hsieh Tsun-yan. All the AC members are independent Directors. The role and responsibilities of the AC are described in the section on "Audit Committee" (Principle 12) as shown on pages 72 to 73.

Board Safety and Risk Committee ("BSRC")

The members of the BSRC are Dr Helmut Panke (Chairman), Mrs Christina Ong and Mr Lucien Wong. The functions of the BSRC include ensuring that systems and programmes in the Group comply with regulatory requirements and accord with the best practices of the aviation industry; reviewing regular reports on safety performances; reviewing accident investigation findings and recommendations; and advising Management and reporting to the Board on safety issues.

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

Board Nominating Committee ("NC")

The members of the NC are Mr Stephen Lee (Chairman), Mrs Christina Ong and Mr Lucien Wong.

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

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

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

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

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

For FY2015/16, the NC had engaged an independent global executive search firm not affiliated to the Company or any of its Directors, to assist them in conducting a formal evaluation of the SIA Board and its Board Committees. The process involved questionnaires which provided opportunities for feedback from the Directors. The evaluation confirmed that the SIA Board and its Board Committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed

Corporate Governance Report (continued)

by the Chairman and the NC, while the Chairman's performance was reviewed by the rest of the Board.

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

The NC's terms of reference also include the responsibility for reviewing the training and professional development programmes for the Board. For FY2015/16 Board members attended briefings on the challenges facing the airline industry, as well as other related topics conducted by global airline industry leaders and experts.

Board Compensation and Industrial Relations Committee ("BCIRC")

The BCIRC was chaired by Mr Stephen Lee, and comprised Mr Gautam Banerjee, Mr Hsieh Tsun-yan, Dr Helmut Panke and Mr Peter Seah who joined on 1 September 2015. All members of the Committee are non-executive Directors.

The BCIRC reviews and recommends for the Board's approval the general framework of remuneration for the Board and Relevant Key Management Personnel[1]. The BCIRC also recommends the specific remuneration packages for each Director and Relevant Key Management Personnel and administers the Company's Profit Sharing Bonus, EVA-based Incentive Plan, Strategic Initiatives Incentive Plan, Transformational Initiatives Incentive Plan, Performance Share Plan and Restricted Share Plan for senior executives. The award of shares to senior executives is based on organisational and individual performance. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company's senior executives. For FY2015/16, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company.

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

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

Access to Information (Principle 6)

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

[1] Relevant Key Management Personnel are employees holding the rank of Executive Vice President and above. For FY2015/16, they comprised the CEO and two Executive Vice Presidents.

Directors have separate and independent access to Senior Management and the Company Secretary at all times. Directors can seek independent professional advice if required. Such costs will be borne by the Company.

Remuneration Matters (Principles 7, 8 and 9)

Remuneration Mix

SIA's remuneration mix for Senior Management[2] comprises fixed and variable components. Variable components comprise short- and long-term incentives, which are dependent on Group, Company and individual performance. The remuneration mix aims to provide a good balance between competitiveness with the market, as well as rewards for short- and long-term objectives.

Fixed Component

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

Variable Components

Cash Incentive Plans for CEO and Senior Management

This comprises the following four components:

a. Profit-Sharing Bonus ("PSB")

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

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

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

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

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

The resulting annual payout under the PSB for each incumbent was adjusted accordingly based on the BCIRC's assessment to reflect the actual individual performance level achieved.

b. Economic Value Added ("EVA")-based Incentive Plan ("EBIP"):

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

[2] Senior Management are employees holding the rank of Senior Vice President and above. For FY2015/16, they comprised the CEO, two Executive Vice Presidents and nine Senior Vice Presidents.

Corporate Governance Report (continued)

account are at risk because negative EVA will result in a retraction of EBIP bonus earned in preceding years. This mechanism encourages key Senior Management to work for sustainable EVA generation and to adopt strategies that are aligned with the long-term interests of the Group.

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

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

Based on the BCIRC's assessment that the actual performance of the Group in FY2014/15 has outperformed / fully met / partially met / not met the predetermined targets, the resulting annual payout under the EBIP was adjusted accordingly to reflect the performance level achieved.

c. Strategic Initiatives Incentive Plan ("SIP")

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

Under the SIP, a target bonus is set equal to three times the monthly base salary of the respective Senior Management staff for meeting strategic initiatives set under the Individual Performance Scorecard. At the end of the financial year, the target bonus is modified by the incumbent's performance on the execution of the strategic initiatives as assessed by the BCIRC. The resultant payout varies between 0-150% of the SIP target bonus with settlement of 50% in cash and 50% in shares under the Deferred Share Award ("DSA").

The maximum SIP bonus payable is four and a half times the individual's monthly base salary.

The resulting annual payout under the SIP for each incumbent was adjusted accordingly based on the BCIRC's assessment to reflect the actual individual performance level achieved.

d. Transformational Initiatives Incentive Plan ("TIP")

The TIP was established to reward for contribution to future-oriented growth-based transformational incentives. Under the TIP, a group funding pool of up to three million Singapore Dollars in cash is allocated individually to the eligible Senior Management staff. The group funding pool scales from 0-100% at the discretion of the BCIRC. Individual allocations are distributed based on the incumbent's position level and performance in achieving pre-set individual contributions to the Group's transformational initiatives, with the individual allocation ranging from 0-150%, subject to available funding and at the sole discretion of the BCIRC.

The resulting annual payout under the TIP for each incumbent was adjusted accordingly based on the BCIRC's assessment to reflect the actual individual performance level achieved.

Share Incentive Plans

i. The SIA Performance Share Plan 2014 ("PSP 2014")

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

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

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

The Group has attained an achievement factor which is reflective of outperforming / fully meeting / partially meeting / not meeting the pre-determined target performance level for PSP awards granted based on the performance period from FY2013/14 to FY2015/16.

ii. The SIA Restricted Share Plan 2014 ("RSP 2014")

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

Under the RSP 2014, an initial award is made in the form of rights to shares, provided performance conditions are met in future. Annual grants are made based on position level and individual performance of the key executives selected to participate in the RSP 2014. Final awards may vary between 0-150% of the initial award, depending on the extent to which targets based on Group and Company EBITDAR Margin and Group and Company Staff Productivity are met. The performance measures are selected as they are key drivers of shareholder value and are aligned to the Group and the Company's business objectives. The final award is subject to extended vesting, with 50% of the final award paid out at the end of the two-year performance period, and the rest paid out equally over the next two years.

The Group has attained an achievement factor which is reflective of outperforming / fully meeting / partially meeting / not meeting the pre-determined target performance level for RSP awards granted based on the performance period from FY2014/15 to FY2015/16.

iii. The SIA Deferred Share Award ("DSA")

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

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

The SIA Employee Share Option Plan ("ESOP") expired in 2010.

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

Details of the PSP 2014, RSP 2014, DSA and ESOP can be found on pages 87 to 91 of the Directors' Statement.

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

Corporate Governance Report (continued)

Compensation Risk Assessment

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

Pay-for-Performance Alignment

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

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

A pay-for-performance alignment study was conducted by the appointed external remuneration consultant and reviewed by the BCIRC. It was found that there was sufficient evidence indicating pay-for-performance alignment for the Group in both absolute and relative terms, against a peer group of large listed airline companies for the six-year period from FY2009/10 to FY2014/15.

Directors' Fees

The Directors' fees paid in FY2015/16 amounted to $1,993,333 (FY2014/15: $1,544,727) and were based on the following rates:

		Rates ($)
Board Retainers	Board Member	90,000
	Chairman's all-in-fee	750,000
	Deputy Chairman	160,000
Committee Retainers	Chairman of Executive Committee and Audit Committee	60,000
	Chairman of Safety & Risk Committee and Compensation and Industrial Relations Committee	45,000
	Member of Executive Committee and Audit Committee and Chairman of Nominating Committee	35,000
	Member of Safety and Risk Committee and Compensation and Industrial Relations Committee	25,000
	Member of Nominating Committee	20,000
Attendance Fees	Home – City	5,000
	In – Region	10,000
	Out – Region	20,000
	Teleconference – normal hours	1,000
	Teleconference – odd hours	2,000

Disclosure on Remuneration

The following table shows the composition of the remuneration of Directors.

Directors	Fee $	Salary $	Bonuses[1] $	Shares[2] $	Benefits[3] $	Total $
Stephen Lee Ching Yen	750,000	-	-	-	11,419	761,419
Peter Seah Lim Huat	138,333	-	-	-	-	138,333
Gautam Banerjee	205,000	-	-	-	630	205,630
William Fung Kwok Lun	165,000	-	-	-	790	165,790
Hsieh Tsun-yan	170,000	-	-	-	234	170,234
Christina Ong	155,000	-	-	-	-	155,000
Helmut G W Panke	240,000	-	-	-	540	240,540
Lucien Wong Yuen Kuai	170,000	-	-	-	3,709	173,709
Goh Choon Phong[4]	-	1,185,800	1,966,544	1,259,931	134,724	4,546,999

1 The bonuses were paid out in FY2015/16 in respect of FY2014/15 Group and individual performance and includes EVA-based Incentive Plan (EBIP) payment, Profit-Sharing Bonus, cash component [50%] of the Strategic Incentive Plan (SIP) and Transformational Initiatives Incentive Plan (TIP). The EBIP amount paid in the reporting year is a percentage of the individual's EVA Bank. See above for additional information on the EBIP, PSB, SIP and TIP.

2 Based on the Fair Values of RSP ($10.00), PSP ($6.58) and DSA (share component [50%] of the SIP; $8.89) granted on a contingent basis in FY2015/16 in respect of FY2014/15 individual performance.

3 Includes transport and travel benefits provided to Directors.

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

There were no employees who were immediate family members of a Director or the CEO, and whose remuneration exceeded $50,000, during FY2015/16.

Relevant Key Management Personnel[4]	Fee %	Salary %	Bonuses[1] %	Shares[2] %	Benefits[3] %	Total %
Between $2,000,000 to $2,250,000						
Ng Chin Hwee	-	32	36	28	4	100
Mak Swee Wah	-	32	36	28	4	100

1 The bonuses were paid out in FY2015/16 in respect of FY2014/15 Group and individual performance and includes EVA-based Incentive Plan (EBIP) payment, Profit-Sharing Bonus, cash component [50%] of the Strategic Incentive Plan (SIP) and Transformational Initiatives Incentive Plan (TIP). The EBIP amount paid in the reporting year is a percentage of the individual's EVA Bank. See above for additional information on the EBIP, PSB, SIP and TIP.

2 Based on the Fair Values of RSP ($10.00), PSP ($6.58) and DSA (share component [50%] of the SIP; $8.89) granted on a contingent basis in FY2015/16 in respect of FY2014/15 individual performance.

3 Includes transport and travel benefits provided to employees.

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

For FY2015/16 the aggregate total remuneration paid to the Relevant Key Management Personnel (who are not Directors or the CEO) amounted to $4,213,026.

For FY2015/16, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and Relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service, and the post-retirement travel benefits for the CEO and Relevant Key Management Personnel.

Accountability and Audit (Principle 10)

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

The Company has clear policies and guidelines for dealings in securities by Directors and employees. The

Corporate Governance Report
(continued)

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

Risk Management and Internal Controls (Principle 11)

A dedicated Risk Management Department looks into and manages the Group's risk management policies. The Statement of Risk Management can be found on page 62.

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

The Board had received assurance from the CEO and Senior Vice President Finance on the adequacy and effectiveness of the Company's risk management and internal control systems, and that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Audit Committee (Principle 12)

The AC's activities for FY2015/16, in accordance with its responsibilities and duties under its Charter, included the following:

(a) Financial Reporting

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

(b) External Audit

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

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

(c) Internal Audit

The AC reviewed the scope of internal audit work and its audit programmes; reviewed the major findings during the year and Management's responses thereto; and ensured the adequacy of the independence and resource sufficiency of the internal audit function.

(d) Risk Management

The AC reviewed the adequacy and effectiveness of the Group's material controls, including financial, compliance, operational and information technology controls, to safeguard shareholders' investments and the Group's assets.

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

(e) Interested Person Transactions

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

(f) Whistle-Blowing

The AC reviewed and was satisfied with the adequacy of the whistle-blowing programme instituted by the Company through which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. All whistle-blower reports are reviewed by the AC at its quarterly meetings to ensure independent investigation and adequate resolution.

(g) Others

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

Internal Audit (Principle 13)

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

SIA Internal Audit also performs analyses of data and transactions periodically (continuous monitoring) on selected areas that are more susceptible to fraud risk.

In relation to audit activities conducted during the financial year, SIA Internal Audit had unfettered access to the Group's documents, records, properties and personnel, as well as the AC.

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate and effective as at 31 March 2016 to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

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

Shareholder Rights and Responsibilities (Principles 14 and 15)

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

All financial results, as well as price-sensitive information, are released in a timely manner through various media, including press releases posted on the Company's website and disclosure via SGXNet. The Company's website is an important source of information for shareholders and the investment

Corporate Governance Report (continued)

community. Quarterly results announcements, news releases, presentation slides, monthly operating statistics, annual reports, sustainability reports and other key facts and figures about the Company are available on the Investor Relations website.

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

The Company's commitment to corporate transparency and investor relations was recognised in 2012, when Singapore Airlines was inducted into the Hall of Fame in the Most Transparent Company Award Category at the 13th Investors Choice Awards presented by the Securities Investors Association of Singapore ("SIAS").

Conduct of Shareholder Meetings (Principle 16)

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

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

Banking Transaction Procedures

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

Membership and Attendance of Singapore Airlines Limited

Board of Directors and Board Committee Members

For the Period 1 April 2015 to 31 March 2016

Name of Directors	Board		Board Executive Committee		Board Audit Committee		Board Compensation and Industrial Relations Committee		Board Safety and Risk Committee		Board Nominating Committee	
	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended
Stephen Lee Ching Yen	4	4	6	6	-	-	4	4	-	-	4	4
Peter Seah Lim Huat[1]	2[2]	2	4[3]	4	-	-	2[4]	2	-	-	-	-
Goh Choon Phong	4	4	6	6	-	-	-	-	-	-	-	-
Gautam Banerjee	4	4	6	6	4	4	4	4	-	-	-	-
William Fung Kwok Lun	4	4	-	-	4	4	-	-	-	-	-	-
Hsieh Tsun-yan	4	4	-	-	4	4	4	4	-	-	-	-
Christina Ong	4	4	-	-	-	-	-	-	4	4	4	4
Helmut Gunter Wilhelm Panke	4	4	-	-	-	-	4	4	4	4	-	-
Lucien Wong Yuen Kuai	4	4	6	6	-	-	-	-	4	4	4	4

Note:

1 Mr Peter Seah was appointed with effect from 1 September 2015.

2 From 1 September 2015 to 31 March 2016, there were only two Board meetings held.

3 From 1 September 2015 to 31 March 2016, there were only four Board Executive Committee meetings held.

4 From 1 September 2015 to 31 March 2016, there were only two Board Compensation and Industrial Relations Committee meetings held.

Further Information on Board of Directors

Stephen Lee Ching Yen AGED 69
Non-executive and independent Director

Academic and Professional Qualifications:
Master of Business Administration, Northwestern University, Illinois

Date of first appointment as a director:	26 April 2004
Date of last re-election as a director:	30 July 2014

Board committee(s) served on:

Board Executive Committee	Chairman
Board Compensation and Industrial Relations Committee	Chairman
Board Nominating Committee	Chairman

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	SIA Engineering Company Limited	Chairman
2.	CapitaLand Limited	Director

Other Principal Commitments

	Organisation/Company	*Title*
1.	Great Malaysia Textile Investments Pte Ltd	Managing Director
2.	Shanghai Commercial & Savings Bank Ltd, Taiwan	Managing Director
3.	NTUC Income Insurance Co-operative Limited	Chairman
4.	Shanghai Commercial Bank Ltd, Hong Kong	Chairman
5.	China National Petroleum Corporation, Beijing	Director
6.	G2000 Apparel (S) Private Limited	Director
7.	Kidney Dialysis Foundation	Director
8.	Singapore Labour Foundation	Director
9.	NTUC Enterprise Co-operative Limited	Director
10.	NTUC-ARU (Administration & Research Unit)	Member, Board of Trustee
11.	Dr Goh Keng Swee Scholarship Fund	Member
12.	Council of Presidential Advisers, Singapore	Alternate Member

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	Temasek International Advisors Pte Ltd	Senior International Advisor
2.	Singapore National Employers Federation	President
3.	COFCO Corporation, China	Director
4.	SLF Strategic Advisers Private Limited	Director
5.	National Wages Council	Member

Peter Seah Lim Huat AGED 69

Non-executive and independent Director

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

Date of first appointment as a director:	1 September 2015
Date of last re-election as a director:	Not Applicable

Board committee(s) served on:

Board Executive Committee	Member
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	DBS Group Holdings Ltd	Chairman
2.	Level 3 Communications Inc	Director
3.	StarHub Ltd	Director

Other Principal Commitments

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

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	CapitaLand Limited	Deputy Chairman
2.	STATS ChipPAC Ltd	Director

Further Information on Board of Directors (continued)

Goh Choon Phong AGED 52

Executive and non-independent Director

Academic and Professional Qualifications:

Master of Science in Electrical Engineering and Computer Science
Bachelor of Science in Computer Science & Engineering
Bachelor of Science in Management Science
Bachelor of Science in Cognitive Science
Massachusetts Institute of Technology

Date of first appointment as a director	1 October 2010
Date of last re-election as a director	26 July 2013

Board committee(s) served on:

Board Executive Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	SIA Engineering Company Limited	Director

Other Principal Commitments

	Organisation/Company	*Title*
1.	Budget Aviation Holdings Pte Ltd	Chairman
2.	International Air Transport Association	Chairman-elect, Board of Governors
3.	National Council of Social Service	Member, Care & Share @SG50 Steering Committee
4.	National University of Singapore	Member, Board of Trustees

Principal Commitments/Appointments in the past 3 years

	Organisation/Company	*Title*
1.	Mount Alvernia Hospital	Director
2	Virgin Australia Holdings Limited	Director

Gautam Banerjee AGED 61

Non-executive and independent Director

Academic and Professional Qualifications:	
Bachelor of Science in Accounting and Financial Analysis, University of Warwick	
Fellow of the Institute of Chartered Accountants, England and Wales	
Fellow of the Institute of Chartered Accountants, Singapore	
Date of first appointment as a director:	1 January 2013
Date of last re-election as a director:	26 July 2013
Board committee(s) served on:	
Board Audit Committee	Chairman
Board Executive Committee	Member
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

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

Other Principal Commitments

	Organisation/Company	*Title*
1.	Blackstone Group	Senior Managing Director and Co-Chairman, Asia Operating Committee
2.	Blackstone Singapore Pte Ltd	Chairman
3.	Singapore Business Federation	Vice Chairman
4.	GIC Private Limited	Director
5.	Singapore Centre for Social Enterprise Ltd (raiSE)	Chairman
6.	Listings Advisory Committee, Singapore Exchange	Chairman
7.	Singapore International Arbitration Centre	Director
8.	EDBI Pte Ltd	Director
9.	Singapore Legal Service Commission	Director
10.	The Blackstone Group (Australia) Pty Limited	Director
11.	The Blackstone Group (HK) Limited	Director
12.	Blackstone Advisors India Private Limited	Director
13.	Nanyang Business School	Member, Advisory Board
14.	Yale-NUS College	Member, Governing Board
15.	Indian Heritage Centre	Member, Steering Committee
16.	MAS Financial Centre Advisory Panel	Member
17.	Council of the Board for the Teaching and Testing of South Asian Languages	Member
18.	Singapore Indian Development Association	Term Trustee, Board of Trustees
19.	The Friends of The University of Warwick, Singapore	Trustee
20.	The Stephen A. Schwarzman Scholars Trust	Trustee

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	Economic Development Board	Director
2.	EDB Investments Pte Ltd	Director
3.	The Straits Trading Company Limited	Director

Further Information on Board of Directors (continued)

William Fung Kwok Lun AGED 67
Non-executive and independent Director

Academic and Professional Qualifications:
Master of Business Administration, Harvard Graduate School of Business, Boston
Bachelor of Science in Engineering, Princeton University, New Jersey

Date of first appointment as a director:	1 December 2009
Date of last re-election as a director:	30 July 2014

Board committee(s) served on:

Board Audit Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	Li & Fung Limited	Group Chairman
2.	Global Brands Group Holding Limited	Chairman
3.	Trinity Limited	Deputy Chairman
4.	Convenience Retail Asia Limited	Director
5.	Shui On Land Limited	Director
6.	Sun Hung Kai Properties Limited	Director
7.	VTech Holdings Limited	Director
8.	The Hongkong and Shanghai Hotels, Limited	Director

Hsieh Tsun-yan AGED 63
Non-executive and independent Director

Academic and Professional Qualifications:
Master of Business Administration, Harvard University
Bachelor of Science in Mechanical Engineering, University of Alberta

Date of first appointment as a director:	1 September 2012
Date of last re-election as a director:	26 July 2013

Board committee(s) served on:

Board Audit Committee	Member
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

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

Other Principal Commitments

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

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	Bharti Airtel Limited, India	Director
2.	Singapore International Foundation	Member, Board of Governors
3.	World Bank Knowledge Advisory Commission, United States	Member

Christina Ong AGED 68

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Arts in Economics, University of Westminster, London

Date of first appointment as a director:	1 September 2007
Date of last re-election as a director:	30 July 2015

Board committee(s) served on:

Board Nominating Committee	Member
Board Safety and Risk Committee	Member

Principal Commitments

	Organisation/Company	*Title*
1.	AX 21 Holdings Pte Ltd	Managing Director
2.	Club 21 Pte Ltd	Managing Director
3.	National Parks Board	Chairperson
4.	Club 21 Distribution (Singapore) Pte Ltd	Director
5.	Club 21 Enterprises (S) Pte Ltd	Director
6.	Club 21 Malaysia Sdn Bhd	Director
7.	Como Foundation Inc	Director
8.	Heritage Holdings Pte Ltd	Director
9.	Jomo Private Limited	Director
10.	Kids 21 Pte Ltd	Director
11.	Maison Takuya 21 Holdings Pte Ltd	Director
12.	Moco Private Limited	Director
13.	Mogems Services Pte Ltd	Director
14.	Shambhala Yoga Centre Pte Ltd	Director
15.	Y.S. Fu Holdings (2002) Pte Ltd	Director

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	Viva Foundation for Children with Cancer	Director
2.	Singapore Health Services Pte Ltd	Director

Further Information on Board of Directors (continued)

Helmut Gunter Wilhelm Panke AGED 69

Non-executive and independent Director

Academic and Professional Qualifications:
Doctor in Physics, University of Munich

Date of first appointment as a director:	1 September 2009
Date of last re-election as a director:	30 July 2015

Board committee(s) served on:

Board Safety and Risk Committee	Chairman
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	Microsoft Corporation	Director

Principal Commitments/Directorships in the past 3 years

	Organisation/Company	*Title*
1.	Bayer AG	Director
2.	UBS Group AG	Director

Lucien Wong Yuen Kuai AGED 62

Non-executive and non-independent Director

Academic and Professional Qualifications:	
Bachelor of Laws (Honours), University of Singapore	
Date of first appointment as a director:	1 September 2007
Date of last re-election as a director:	30 July 2015
Board committee(s) served on:	
Board Executive Committee	Member
Board Nominating Committee	Member
Board Safety and Risk Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	*Title*
1.	Broadcom Limited	Director
2.	Hap Seng Plantations Holdings Berhad	Director
3.	Singapore Press Holdings Limited	Director

Other Principal Commitments

	Organisation/Company	*Title*
1.	Allen & Gledhill LLP	Chairman and Senior Partner
2.	Maritime and Port Authority of Singapore	Chairman
3.	Singapore International Arbitration Centre	Chairman
4.	Temasek Holdings (Private) Limited	Director
5.	Eastern Development Holdings Pte Ltd	Director
6.	Eastern Development Private Limited	Director
7.	Epimetheus Limited	Director
8.	Singapore Health Services Pte Ltd	Director
9.	Singapore International Mediation Centre	Director
10.	Singapore Business Federation	Member, Board of Trustees

Financial Report

Financial Contents

Directors' Statement

The Directors are pleased to present this statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

In our opinion:

(a) the financial statements set out on pages 103 to 211 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2016, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

1 Directors of the Company

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

Stephen Lee Ching Yen	Chairman (Independent)
Peter Seah Lim Huat	Deputy Chairman (Independent) (Appointed on 1 September 2015)
Goh Choon Phong	Chief Executive Officer
Gautam Banerjee	(Independent)
William Fung Kwok Lun	(Independent)
Hsieh Tsun-yan	(Independent)
Christina Ong	(Independent)
Helmut Gunter Wilhelm Panke	(Independent)
Lucien Wong Yuen Kuai	(Non Independent)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

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

3 Directors' Interests in Shares, Share Options and Debentures

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

	Direct interest		Deemed interest	
Name of Director	1.4.2015 or at date of appointment	31.3.2016	1.4.2015 or at date of appointment	31.3.2016
Interest in Singapore Airlines Limited				
Ordinary shares				
Stephen Lee Ching Yen	9,400	9,400	–	–
Goh Choon Phong	586,802	617,224	–	–
William Fung Kwok Lun	–	–	200,000	200,000
Christina Ong	100,000	100,000	–	–
Lucien Wong Yuen Kuai	–	–	58,000	58,000

Directors' Statement

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

Name of Director	Direct interest 1.4.2015 or at date of appointment	Direct interest 31.3.2016	Deemed interest 1.4.2015 or at date of appointment	Deemed interest 31.3.2016
Conditional award of restricted shares (Note 1)				
Goh Choon Phong – Base Awards	122,976	121,488	–	–
– Final Awards (Pending Release)	18,950	29,118	–	–
Conditional award of performance shares (Note 2)				
Goh Choon Phong – Base Awards	236,728	251,592	–	–
Award of time-based restricted shares				
Goh Choon Phong – Base Awards	27,135	–	–	–
Conditional award of deferred restricted shares (Note 3)				
Goh Choon Phong – Base Awards	61,607	74,777	–	–
Interest in Ascendas Hospitality Trust				
Units				
Christina Ong	–	–	–	400,000
Hsieh Tsun-yan	–	231,000	–	–
Interest in Ascendas India Trust				
Units				
Gautam Banerjee	–	120,000	–	–
Christina Ong	–	200,000	–	725,000
Lucien Wong Yuen Kuai	–	–	–	100,000
Interest in Ascendas Real Estate Investment Trust				
Units				
Gautam Banerjee	–	20,000	–	–
William Fung Kwok Lun	–	–	–	56,000
Interest in Mapletree Industrial Trust				
Units				
Lucien Wong Yuen Kuai	339,419	364,757	–	–
Interest in Mapletree Treasury Services Ltd				
S$600 million 5.125% Perpetual Bonds				
William Fung Kwok Lun	–	–	–	$500,000
Interest in Neptune Orient Lines Limited				
Ordinary shares				
Stephen Lee Ching Yen	30,000	30,000	–	–
S$400 million 4.25% Notes due 2017				
Hsieh Tsun-yan	$250,000	$250,000	–	–
Interest in Singapore Technologies Engineering Limited				
Ordinary shares				
Peter Seah Lim Huat	545,325	545,325	–	–
Goh Choon Phong	6,000	6,000	–	–
Lucien Wong Yuen Kuai	298,000	298,000	–	–

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

Name of Director	Direct interest 1.4.2015 or at date of appointment	Direct interest 31.3.2016	Deemed interest 1.4.2015 or at date of appointment	Deemed interest 31.3.2016
Interest in Singapore Telecommunications Limited				
Ordinary shares				
Stephen Lee Ching Yen	190	190	190	190
Peter Seah Lim Huat	1,667	1,667	1,550	1,550
Goh Choon Phong	1,610	1,610	–	–
William Fung Kwok Lun	–	–	110,000	198,400
Hsieh Tsun-yan	–	–	55,000	55,000
Lucien Wong Yuen Kuai	1,680	1,680	–	–
Interest in StarHub Limited				
Ordinary shares				
Peter Seah Lim Huat	278,092	278,092	300,000	300,000
Interest in Telechoice International Limited				
Ordinary shares				
Peter Seah Lim Huat	50,000	50,000	–	–

Notes:

1. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the two-year performance periods relating to the relevant awards.
2. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.
3. The Awards of fully-paid ordinary shares will vest at the end of three years from the date of the grant of the award. At the end of the vesting period, an additional final award will be vested equal to the Base Award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period).

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

There were no changes in any of the above-mentioned interests between the end of the financial year and 21 April 2016.

4 Equity Compensation Plans of the Company

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

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

Stephen Lee Ching Yen – Chairman
Peter Seah Lim Huat (Appointed on 1 September 2015)
Gautam Banerjee
Hsieh Tsun-yan
Helmut Gunter Wilhelm Panke

Directors' Statement

4 Equity Compensation Plans of the Company (continued)

(i) ESOP

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

At the end of the financial year, options to take up 21,113,197 unissued shares in the Company were outstanding:

	Number of options to subscribe for unissued ordinary shares					
Date of grant	Balance at 1.4.2015	Cancelled	Exercised	Balance at 31.3.2016	Exercise price*	Exercisable Period
1.7.2005	2,459,630	(986,568)	(1,473,062)	–	$8.02	1.7.2006 – 30.6.2015
3.7.2006	4,777,805	(86,160)	(892,416)	3,799,229	$9.34	3.7.2007 – 2.7.2016
2.7.2007	9,388,087	(361,475)	–	9,026,612	$15.46	2.7.2008 – 1.7.2017
1.7.2008	8,607,507	(320,151)	–	8,287,356	$12.07	1.7.2009 – 30.6.2018
	25,233,029	(1,754,354)	(2,365,478)**	21,113,197		

* Following approval by the Company's shareholders of the declaration of a special dividend of $0.50 per share on 31 July 2007, the Board Compensation & Industrial Relations Committee approved a reduction of $0.50 in the exercise prices of the share options outstanding on 2 August 2007. The said Committee approved another $1.71 reduction in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Company's shareholders of the dividend *in specie* of SATS shares on 31 July 2009. The said Committee approved another reduction of $0.80 in the exercise prices of the share options outstanding on 18 August 2011 and a further $0.25 reduction in the exercise prices outstanding on 14 August 2014 after the approvals by the Company's shareholders of the declaration of a special dividend of $0.80 and $0.25 per share on 29 July 2011 and 30 July 2014 respectively. The exercise prices reflected here are the exercise prices after such adjustments.

** Out of these, no new shares were issued during the financial year ended 31 March 2016 as all options exercised were satisfied by way of transfer of treasury shares.

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

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

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

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

No options have been granted during the financial year as the last grant of the share options under the ESOP was made in July 2008. The ESOP expired on 7 March 2010. The termination of the ESOP does not affect options which have been granted and accepted in accordance with the ESOP.

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

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

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

At the Extraordinary General Meeting held on 30 July 2014, shareholders approved the adoption of the RSP 2014 and PSP 2014 to replace the RSP and PSP, which were terminated following the adoption of the RSP 2014 and PSP 2014. The termination of the RSP and PSP was without prejudice to the rights of holders of awards outstanding under the RSP and PSP as at the date of such termination. The duration of the RSP 2014 and PSP 2014 is 10 years each, commencing 30 July 2014.

4 Equity Compensation Plans of the Company (continued)

Under the RSP/RSP 2014 and PSP/PSP 2014, a base number of conditional share awards ("Base Award") was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a two-year performance period for the RSP/RSP 2014 and a three-year performance period for the PSP/PSP 2014, the Board Compensation & Industrial Relations Committee will determine an achievement factor which will then be applied to the Base Award to determine the final number of RSP/RSP 2014 shares and PSP/PSP 2014 shares to be awarded at the end of the respective performance periods ("Final Award").

The achievement factor could range from 0% to 150% for the RSP/RSP 2014 and from 0% to 200% for the PSP/PSP 2014.

Half of the RSP/RSP 2014 Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. All the PSP/PSP 2014 Final Awards of fully paid ordinary shares will be released to the participants at the end of the three-year performance period. For the financial year under review, all RSP and PSP Final Awards released were satisfied by way of the transfer of treasury shares to the participants.

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

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

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

1. RSP Base Awards

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	122,976	–	61,488	61,488	280,232

2. RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	–	60,000	–	60,000	60,000

3. RSP Final Awards (Pending Release) [R1]

Name of participant	Balance as at 1 April 2015	Final Awards granted during the financial year#	Final Awards released during the financial year	Balance as at 31 March 2016	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review
Goh Choon Phong	18,950	40,590	30,422	29,118	120,494

Directors' Statement

4 Equity Compensation Plans of the Company (continued)

4. PSP Base Awards R2

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Base Awards vested during the financial year*	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review
Goh Choon Phong	236,728	–	67,636	169,092	346,228	61,482

5. PSP 2014 Base Awards R2

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review
Goh Choon Phong	–	82,500	82,500	82,500	–

6. Time-based RSP

Details of the time-based RSP are disclosed in Note 5 to the financial statements. The one-off grant of time-based RSP awards granted on 7 May 2010 was made under the authority of the Board Compensation & Industrial Relations Committee.

The details of the shares awarded under time-based RSP to a Director of the Company are as follows:

Name of participant	Balance as at 1 April 2015	Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Awards granted since commencement of RSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review
Goh Choon Phong	27,135	–	27,135	–	106,573	106,573

7. Deferred RSP/RSP 2014

Details of the deferred RSP/RSP 2014 awards of restricted shares are disclosed in Note 5 to the financial statements. The grant of deferred RSP/RSP 2014 awards granted on 4 September 2013, 28 August 2014 and 10 September 2015, were made under the authority of the Board Compensation & Industrial Relations Committee.

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

(a) Deferred RSP Awards

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	42,037	–	–	42,037	42,037	–

4 Equity Compensation Plans of the Company (continued)

7. Deferred RSP/RSP 2014 (continued)

(b) Deferred RSP 2014 Awards

Name of participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	19,570	13,170	–	32,740	32,740	–

R1 The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the two-year performance periods relating to the relevant awards.

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

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

* No PSP Final Awards of fully paid ordinary shares were released to Mr Goh Choon Phong pursuant to the vesting of 67,636 PSP Base Awards during the financial year.

5 Equity Compensation Plans of Subsidiaries

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

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

The SIAEC Employee Share Option Plan ("SIAEC ESOP") was approved by the shareholders of SIAEC on 9 February 2000. At the end of the financial year, options to take up 16,870,588 unissued shares in SIAEC were outstanding under the SIAEC ESOP.

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

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

(ii) Tiger Airways Holdings Limited ("Tiger Airways")

The Pre-IPO Tiger Aviation Share Options Scheme ("Tiger Airways ESOP") was approved by the Tiger Airways Board of Directors on 24 April 2008. At the end of the financial year, there were no options outstanding under the Tiger Airways ESOP.

The Tiger Airways Restricted Share Plan ("Tiger Airways RSP") and Tiger Airways Performance Share Plan ("Tiger Airways PSP") were approved by shareholders of Tiger Airways on 30 July 2010.

Details and terms of the Tiger Airways ESOP, Tiger Airways RSP and Tiger Airways PSP have been disclosed in the Directors' Statement of Tiger Airways.

Directors' Statement

6 Audit Committee

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

Gautam Banerjee – Chairman
William Fung Kwok Lun
Hsieh Tsun-yan

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

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

The Audit Committee has held four meetings since the last Directors' Report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

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

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

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

7 Auditors

With the approval of shareholders obtained at the Annual General Meeting held on 30 July 2015, KPMG LLP was appointed as auditors of the Company in place of Ernst & Young LLP for the financial year ended 31 March 2016 and to hold office until the conclusion of the next Annual General Meeting of the Company.

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

On behalf of the Board,

STEPHEN LEE CHING YEN
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 12th day of May 2016

Independent Auditors' Report

To the members of Singapore Airlines Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Airlines Limited (the Company) and its subsidiaries (the Group) which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2016, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 103 to 211.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2016 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Timing of recognition and accuracy of passenger revenue

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

The key audit matter

Passenger revenue is deferred on the balance sheet as sales in advance of carriage at the date of sale to the customer and is measured based on the sales price to the customer, net of commissions, discounts and rebates. Passenger revenue is recognised in profit when a passenger has flown.

The timing of revenue recognition for unused tickets requires judgement due to the extended period over which the tickets may be utilised. It has been determined that unused tickets are recognised as revenue after two years from the sale date based on an assessment of ticket conditions and commercial considerations.

The determination of the amount of revenue to be recognised for each flight includes complex internal systems and involves the exchange of information with industry systems and partner airlines for a high volume of transactions.

As a result of the judgement required in determining the timing for recognition of unflown tickets and the complexity in determining the amount of revenue to be recognised for flown flights, this is a key focus area in our audit.

How the matter was addressed in our audit

We read the contracts relating to ticket sales and applied our understanding of these contracts in evaluating the judgements used in determining the timing of the revenue recognition of tickets that are unused. We also tested the application controls of the systems configured to recognise revenue for those tickets.

To address the accuracy of the output of the passenger revenue systems, we tested the relevant computer system controls, these being the user access, program change controls and application controls over internal passenger revenue systems. Our tests of these controls were designed to ensure that these key computer systems operated as they are designed, and are protected from tampering of data or software logic that would result in inaccurate accounting information relating to passenger revenue.

The selected application controls tested included those relating to the completeness of transfers of data between systems, ticket validation to identify data errors and the assignment of ticket prices to each flight. Key manual controls were also tested to ensure the appropriate treatment of exceptions and reconciliations with the outputs from shared industry systems and partner airlines.

We also visited a key outsourced revenue processing service provider in China and Singapore Airlines stations in London, Mumbai and Singapore to test the effectiveness of key controls in the passenger revenue accounting process at those locations.

Findings

Cautious estimates have been made regarding the timing of revenue recognition for tickets that are expected to remain unused after flight date.

Regarding the accuracy of passenger revenue, no significant exceptions were noted in our testing of the IT and manual controls. Our site visits found the key controls to be operating effectively.

Independent Auditors' Report

To the members of Singapore Airlines Limited

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

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

The key audit matter

Cash is received by Singapore Airlines in return for the issuance of miles in its Frequent Flyer programme. This cash is received as part of ticket sales made by Singapore Airlines for flights flown by KrisFlyer members, or alternatively from programme partners that purchase miles from Singapore Airlines to issue to their own customers.

The fair value of miles issued to KrisFlyer members when flights are flown, and the cash consideration received for miles issued to KrisFlyer members from sales to programme partners, is recognised on the balance sheet as deferred revenue.

Singapore Airlines uses estimates to determine the fair value of the awards for which the miles will be redeemed. These estimates are based on historical redemption patterns.

An estimate is made of the number of miles that will expire without use based on historical expiry patterns and the anticipated impact of changes to the programme.

Revenue is recognised when KrisFlyer members fly, or when it is assessed that the miles awarded will expire without use.

The accounting and estimation for determining the fair value of miles awarded in the Frequent Flyer programme and the proportion of miles that will expire without being used is complex, requires judgement to be applied and is a key focus area of our audit.

How the matter was addressed in our audit

We evaluated the assumptions applied in the mathematical models used to determine the fair value of expected KrisFlyer awards. This included undertaking a comparison to historical redemption patterns and testing the calculations for award values against observable inputs such as published market air fares. We tested the controls implemented over the models.

We challenged the assumptions used to estimate the number of miles that will expire without use, including a comparison to historical experience and planned changes to the programme that may impact future redemption activity.

Findings

We found the estimate for the fair value of miles to be balanced. We found the estimate of the percentage of miles that will not be used to be cautious, reflecting scheme enhancements that are anticipated to reduce the number of miles that will expire over time.

Accounting for aircraft related assets and carrying values

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

The key audit matter

The accounting for aircraft has a material impact on Singapore Airlines due to the cumulative value of the aircraft and long lived nature of these assets.

The key aspects requiring judgement include:

- The determination of the useful lives and residual values of the aircraft. This takes into account physical, economic and commercial considerations;
- The determination of components of aircraft; and
- Reviewing of carrying values of aircraft allocated to different parts of the business that use the aircraft (cash generating units (CGUs)). When it is necessary to test whether the asset values are impaired, the carrying value of all assets in the CGU are compared to an estimate of the amount that can be recovered from each CGU, based on discounted future cash flows. This requires an estimate to be made of future revenues, operating costs, capital expenditure and discount rates for each CGU.

The assessment of these judgements is a key focus area of our audit.

How the matter was addressed in our audit

We compared the estimates of useful lives and residual values to the Singapore Airlines' fleet plan, recent aircraft transactions and contractual rights. We assessed the determination of the significant components of aircraft assets against our understanding of significant components of aircraft as identified across the aviation industry.

We assessed the determination of the different CGUs that make up Singapore Airlines, based on our understanding of the nature of Singapore Airlines' business and the economic environment in which its segments operate.

We reviewed the potential indicators of impairment that would require impairment testing of CGUs. Where a CGU required testing, we challenged the forecast future revenues, operating costs, capital expenditure and discount rates based on our knowledge of the business and the aviation industry. We assessed the accuracy of the discounted cash flow models by re-performing the mathematical calculations.

Findings

We found that the estimates of useful lives and residual values were balanced and residual values are adjusted appropriately to reflect Singapore Airlines' fleet plans. Upon acquisition, components of aircraft are aggregated. Major inspection events are capitalised upon occurrence as components and they are depreciated over an appropriate useful life.

Where CGU testing was required to be conducted, cash flow forecasting was found to be in accordance with approved plans and to be balanced overall.

Independent Auditors' Report

To the members of Singapore Airlines Limited

Capitalisation of aircraft maintenance and overhaul costs

Refer to note 2(h) 'Property, plant and equipment', note 2(i)(i) 'Depreciation of property, plant and equipment – Aircraft, spares and spare engines', note 2(j) 'Leases', note 2(v) 'Provisions' and note 3(e) 'Aircraft maintenance and overhaul expenditure under power-by-hour agreements' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

Singapore Airlines has entered into several power-by-hour engine maintenance agreements with engine manufacturers, to reduce the volatility of maintenance costs and cash flows relating to periodic inspections and overhauls during the useful life of an engine.

A portion of the cost incurred for overhauls under these agreements has the economic effect of extending the useful lives of the engines. This portion is first recognised as a prepayment, and is capitalised in the carrying amount of the engine when an overhaul is carried out. The remaining portion of these payments are recognised as maintenance expenses when incurred.

Major inspection costs relating to heavy maintenance visits for airframes and overhauls of engines and landing gear and other significant events are capitalised. These amounts are depreciated over the average expected life between major overhauls or, if on an operating leased aircraft, the shorter of the average expected life between major overhauls and the remaining lease term.

The assessment of the apportionment of costs to be capitalised and expenses associated with these power-by-hour agreements requires judgement. Determining the useful lives of maintenance inspections also requires judgement and these areas are a key focus for our audit.

How the matter was addressed in our audit

We read the power-by-hour agreements to gain a detailed understanding of the significant terms which influence the economics of, and hence, accounting for the agreements.

We reviewed correspondence with the major engine manufacturers regarding the allocation of costs under the agreements.

We tested the design and implementation of key internal controls in place to assess the appropriateness of the methodologies and assumptions used in determining the appropriate accounting outcomes for these agreements.

We recomputed the interval between major overhauls and ascertained the reasonableness of the estimates of the useful lives of major engine overhaul events.

Findings

We found that a framework for determining the appropriate basis of accounting for these power-by-hour agreements based on the key terms of these agreements has been developed. We determined that appropriate assessments of the useful lives of major inspections, and of the proportion of the power-by-hour payments that have the effect of extending the useful lives of the engines, have been made.

Acquisition of the remaining shares in Tiger Airways Holdings Limited

Refer to note 2(d) 'Basis of consolidation', note 2(e) 'Subsidiary, associated and joint venture companies' and note 23(g) 'Changes in ownership interests in subsidiary companies' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

On 17 October 2014, Singapore Airlines increased its stake in Tiger Airways Holdings Limited (Tiger Airways) to 52.0%. It was determined that control was obtained on that date.

On 6 November 2015, Singapore Airlines made an offer to acquire the remaining shares in Tiger Airways. On 4 March 2016, Singapore Airlines announced the close of the offer reaching the level of ownership required to enact a compulsory acquisition of the remaining shares.

Singapore Airlines has determined that the two phases of the acquisition in 2014 and 2015 respectively are not part of a single plan, but are separate acquisitions made in response to circumstances at different times. Accordingly, the Company has determined that it acquired control of Tiger Airways on 17 October 2014, and that subsequent acquisitions of Tiger Airways shares do not result in the revision of their purchase consideration or the fair values of the assets acquired at the date that Singapore Airlines took control of Tiger Airways.

If on the other hand, it was determined that there was a single plan for the different phases of the acquisition, a higher amount of goodwill would have been recorded and other assets and liabilities acquired would have been estimated at different values.

Assessment of the date of control requires an assessment of the Company's underlying intentions, evidence of which cannot be reliably gathered from representations made to us and are not normally the subject of contracts with external parties, and hence is a key area of focus for our audit.

How the matter was addressed in our audit

We reviewed Singapore Airlines' Board papers which outlined the intention of each transaction undertaken by Singapore Airlines to increase its stake in Tiger Airways in October 2014 and November 2015.

We interviewed key management personnel to understand the commercial substance of the transactions.

We reviewed the terms of each offer and the associated shareholder and regulatory approvals required.

Findings

We found that the assessment of the date Singapore Airlines obtained control of Tiger Airways, and the assessment that the 2015 acquisition was not part of the 2014 acquisition plans, were supported by the commercial substance of the transactions and the relevant company public announcements.

Independent Auditors' Report

To the members of Singapore Airlines Limited

Carrying amount of investment in Virgin Australia Holdings Limited

Refer to note 2(e) 'Subsidiary, associated and joint venture companies' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

Singapore Airlines equity-accounts its 23.1% holding in Virgin Australia Holdings (VAH). The carrying value of VAH at 31 March 2016 was $354.2 million.

On 21 March 2016, VAH announced a review of its capital structure and that short-term liquidity funding was sought from its major shareholders. On 29 March 2016, one of its major shareholders, Air New Zealand, announced that it would review its 25.9% strategic shareholding in VAH. VAH's share price fell from AUD 43.0 cents per share on 15 March 2016 to AUD 36.5 cents on 31 March 2016, on which date, SIA's investment in VAH exceeded its closing market value.

Accounting standards require an assessment of impairment for associates where there are indications that it may be potentially impaired. As the series of events relating to VAH's capital needs have only recently surfaced and continue to unfold, new information could become available after the issue of the financial statements that could change the assessment of whether there are indications of impairment or the assessment of the value of the holdings in VAH.

Assessing whether any such impairment had occurred on or after the 31 March 2016 balance sheet date is also a highly subjective judgement, because of the many factors that contribute to an assessment of whether there are indications of impairment, compounded by these factors happening in quick succession on either side of the balance sheet date.

Because of the inherent difficulties in obtaining audit evidence on an event that has recently surfaced and on which developments continue to unfold, this is a key area of focus for our audit.

How the matter was addressed in our audit

We studied recent market announcements made by VAH to obtain information relevant to an understanding of the financial position and capital needs of VAH.

We read the Board papers supporting the decision by Singapore Airlines to provide shareholder support for the 12 month loan facility to VAH.

We then held discussions with key management personnel to understand their assessment of the different possible scenarios and their likely responses to those scenarios.

Findings

We found the assessment that no indications of impairment existed at 31 March 2016 was a reasonable conclusion, on the weight of all the information available to date, noting nevertheless that there remains room for continuing developments in the imminent future to change the assessment of the value of the investment in VAH.

Other Matter

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 14 May 2015.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

Independent Auditors' Report

To the members of Singapore Airlines Limited

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

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

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

Report on legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Tham Sai Choy.

KPMG LLP
Public Accountants and
Chartered Accountants

Dated this 12th day of May 2016
Singapore

Consolidated Profit and Loss Account

For The Financial Year Ended 31 March 2016 (in $ million)

		The Group	
	Notes	FY2015/16	FY2014/15
Revenue	4	**15,228.5**	15,565.5
Expenditure			
Staff costs	5	**2,461.0**	2,335.2
Fuel costs		**4,527.0**	5,579.7
Depreciation	21	**1,543.0**	1,538.8
Impairment of property, plant and equipment	21	**10.6**	1.5
Amortisation of intangible assets	22	**32.7**	25.9
Aircraft maintenance and overhaul costs		**790.0**	646.6
Commission and incentives		**365.3**	375.6
Landing, parking and overflying charges		**765.8**	747.9
Handling charges		**1,144.9**	1,066.2
Rentals on leased aircraft		**924.7**	839.5
Material costs		**67.2**	59.4
Inflight meals		**547.2**	553.5
Advertising and sales costs		**289.0**	258.5
Insurance expenses		**44.1**	44.9
Company accommodation and utilities		**119.1**	119.5
Other passenger costs		**180.5**	175.0
Crew expenses		**148.5**	146.4
Other operating expenses		**586.7**	642.0
		14,547.3	15,156.1
Operating profit	6	**681.2**	409.4
Finance charges	7	**(50.3)**	(49.6)
Interest income	8	**70.7**	74.9
Surplus on disposal of aircraft, spares and spare engines		**52.7**	51.9
Dividends from long-term investments		**115.3**	13.2
Other non-operating items	9	**91.1**	(14.3)
Share of profits of joint venture companies	25	**22.8**	52.0
Share of losses of associated companies	24	**(11.1)**	(129.1)
Profit before exceptional items		**972.4**	408.4
Exceptional items	10	**–**	34.5
Profit before taxation		**972.4**	442.9
Taxation	11	**(120.6)**	(36.2)
Profit for the financial year		**851.8**	406.7
Profit attributable to:			
Owners of the parent		**804.4**	367.9
Non-controlling interests		**47.4**	38.8
		851.8	406.7
Basic earnings per share (cents)	12	**69.0**	31.4
Diluted earnings per share (cents)	12	**68.7**	31.2

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

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 March 2016 (in $ million)

		The Group	
	Notes	FY2015/16	FY2014/15
Profit for the financial year		**851.8**	406.7
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences		**(21.9)**	(17.7)
Net fair value changes on available-for-sale financial assets	16(d)	**140.7**	67.2
Adjustment on acquisition of an associated company	16(d)	**–**	15.0
Net fair value changes on cash flow hedges		**124.3**	(738.8)
(Loss)/Surplus on dilution of interest in an associated company due to share options exercised		**(1.9)**	1.6
Share of other comprehensive income of associated and joint venture companies		**(10.5)**	(13.9)
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company		**(0.8)**	–
Realisation of foreign currency translation reserves on liquidation of an associated company		**4.3**	(0.5)
Realisation of reserves on disposal of an associated company		**–**	2.4
Items that will not be reclassifed subsequently to profit or loss:			
Actuarial (loss)/gain on revaluation of defined benefit plans		**(1.3)**	10.3
Share of gain on property revaluation of an associated company		**–**	10.6
Total comprehensive income for the financial year, net of tax		**232.9**	(663.8)
Total comprehensive income for the financial year		**1,084.7**	(257.1)
Total comprehensive income attributable to:			
Owners of the parent		**1,004.6**	(310.3)
Non-controlling interests		**80.1**	53.2
		1,084.7	(257.1)

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

Statements of Financial Position

As At 31 March 2016 (in $ million)

	Notes	The Group 2016	The Group 2015	The Company 2016	The Company 2015
Equity attributable to owners of the parent					
Share capital	14	**1,856.1**	1,856.1	**1,856.1**	1,856.1
Treasury shares	15	**(381.5)**	(326.3)	**(381.5)**	(326.3)
Other reserves	16	**11,280.1**	10,933.8	**10,533.6**	10,049.5
		12,754.7	12,463.6	**12,008.2**	11,579.3
Non-controlling interests		**378.2**	466.5	**–**	–
Total equity		**13,132.9**	12,930.1	**12,008.2**	11,579.3
Deferred account	17	**225.3**	141.7	**197.5**	115.1
Deferred taxation	18	**1,681.7**	1,599.6	**1,346.5**	1,325.5
Long-term liabilities	19	**1,283.4**	1,521.2	**1,110.1**	1,152.2
Provisions	20	**877.1**	958.9	**647.2**	702.7
Defined benefit plans	5	**129.3**	129.7	**121.4**	124.6
		17,329.7	17,281.2	**15,430.9**	14,999.4
Represented by:					
Property, plant and equipment					
Aircraft, spares and spare engines		**10,510.7**	9,957.5	**7,541.8**	7,700.3
Others		**3,632.8**	3,565.7	**2,699.4**	2,206.1
	21	**14,143.5**	13,523.2	**10,241.2**	9,906.4
Intangible assets	22	**515.8**	497.6	**167.0**	159.4
Subsidiary companies	23	**–**	–	**4,460.9**	3,364.7
Associated companies	24	**901.9**	922.2	**531.5**	472.4
Joint venture companies	25	**156.3**	167.9	**–**	–
Long-term investments	26	**773.1**	927.6	**754.4**	902.8
Other long-term assets	27	**496.8**	573.8	**398.7**	427.8
Deferred account	17	**6.0**	56.4	**–**	36.3
Current assets					
Inventories	28	**181.9**	202.0	**108.2**	131.7
Trade debtors	29	**1,221.8**	1,491.5	**799.4**	998.3
Deposits and other debtors	30	**114.8**	38.8	**43.5**	17.9
Prepayments		**132.4**	124.6	**104.8**	92.9
Amounts owing by subsidiary companies	29	**–**	–	**318.0**	311.5
Loan receivable from an associated company	29	**62.0**	–	**62.0**	–
Derivative assets	37	**24.9**	113.7	**22.3**	106.3
Investments	31	**668.1**	168.6	**601.9**	102.7
Cash and bank balances	32	**3,972.4**	5,042.7	**3,239.2**	4,435.1
Assets held for sale	21, 26	**398.0**	71.0	**–**	–
		6,776.3	7,252.9	**5,299.3**	6,196.4
Less: **Current liabilities**					
Sales in advance of carriage		**1,626.2**	1,464.7	**1,460.1**	1,328.6
Deferred revenue		**669.4**	612.5	**669.4**	612.5
Current tax payable		**191.9**	161.9	**131.0**	111.4
Trade and other creditors	33	**2,899.0**	2,906.5	**2,194.9**	2,088.6
Amounts owing to subsidiary companies	33	**–**	–	**1,191.1**	1,048.7
Borrowings	19	**211.9**	447.1	**–**	300.0
Provisions	20	**218.5**	178.9	**180.5**	146.0
Derivative liabilities	37	**623.1**	868.8	**595.1**	831.0
		6,440.0	6,640.4	**6,422.1**	6,466.8
Net current assets/(liabilities)		**336.3**	612.5	**(1,122.8)**	(270.4)
		17,329.7	17,281.2	**15,430.9**	14,999.4

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

Statements of Changes in Equity

For The Financial Year Ended 31 March 2016 (in $ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2015		1,856.1	(326.3)	215.9
Comprehensive income				
Currency translation differences	16(b)	–	–	–
Net fair value changes on available-for-sale assets	16(d)	–	–	–
Net fair value changes on cash flow hedges		–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Loss on dilution of interest in an associated company due to share options exercised		–	–	–
Realisation of foreign currency translation reserves on liquidation of an associated company		–	–	–
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	–
Other comprehensive income for the financial year		–	–	–
Profit for the financial year		–	–	–
Total comprehensive income for the financial year, net of tax		–	–	–
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Share of other changes in equity of an associated company		–	–	(3.7)
Loss on dilution of interest in subsidiary companies due to share options exercised		–	–	–
Issuance of share capital by a subsidiary company		–	–	–
Share-based compensation expense	5	–	–	–
Share options lapsed		–	–	–
Purchase of treasury shares	15	–	(85.4)	–
Treasury shares reissued pursuant to equity compensation plans	15	–	30.2	1.2
Dividends	13	–	–	–
Total contributions by and distributions to owners		–	(55.2)	(2.5)
Changes in ownership interests in subsidiary companies				
Disposal of a subsidiary company		–	–	–
Acquisition of non-controlling interests without a change in control	23(g)	–	–	(342.6)
Total changes in ownership interests in subsidiary companies		–	–	(342.6)
Total transactions with owners		–	(55.2)	(345.1)
Balance at 31 March 2016		1,856.1	(381.5)	(129.2)

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

	Attributable to Owners of the Parent						
	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
	(135.7)	113.2	(706.2)	11,446.6	12,463.6	466.5	12,930.1
	(19.9)	–	–	–	(19.9)	(2.0)	(21.9)
	–	–	109.0	–	109.0	31.7	140.7
	–	–	121.3	–	121.3	3.0	124.3
	–	–	–	(1.3)	(1.3)	–	(1.3)
	–	–	–	(1.9)	(1.9)	–	(1.9)
	4.3	–	–	–	4.3	–	4.3
	–	–	(0.8)	–	(0.8)	–	(0.8)
	–	0.3	(10.8)	–	(10.5)	–	(10.5)
	(15.6)	0.3	218.7	(3.2)	200.2	32.7	232.9
	–	–	–	804.4	804.4	47.4	851.8
	(15.6)	0.3	218.7	801.2	1,004.6	80.1	1,084.7
	–	–	–	–	(3.7)	–	(3.7)
	–	(5.0)	–	(2.0)	(7.0)	0.8	(6.2)
	–	–	–	–	–	1.5	1.5
	–	12.4	–	–	12.4	–	12.4
	–	(5.1)	–	5.1	–	–	–
	–	–	–	–	(85.4)	–	(85.4)
	–	(11.3)	–	–	20.1	–	20.1
	–	–	–	(315.4)	(315.4)	(43.6)	(359.0)
	–	(9.0)	–	(312.3)	(379.0)	(41.3)	(420.3)
	–	–	–	–	–	(3.1)	(3.1)
	–	19.2	(11.1)	–	(334.5)	(124.0)	(458.5)
	–	19.2	(11.1)	–	(334.5)	(127.1)	(461.6)
	–	10.2	(11.1)	(312.3)	(713.5)	(168.4)	(881.9)
	(151.3)	123.7	(498.6)	11,935.5	12,754.7	378.2	13,132.9

Statements of Changes in Equity

For The Financial Year Ended 31 March 2016 (in $ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2014		1,856.1	(262.2)	123.7
Comprehensive income				
Currency translation differences	16(b)	–	–	–
Net fair value changes on available-for-sale assets	16(d)	–	–	–
Adjustment on acquisition of an associated company	16(d)	–	–	–
Net fair value changes on cash flow hedges		–	–	–
Actuarial gain on revaluation of defined benefit plans		–	–	–
Surplus on dilution of interest in an associated company due to share options exercised		–	–	–
Realisation of reserves on liquidation of an associated company		–	–	–
Realisation of reserves on disposal of an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	10.6
Other comprehensive income for the financial year		–	–	10.6
Profit for the financial year		–	–	–
Total comprehensive income for the financial year, net of tax		–	–	10.6
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Share of other changes in equity of an associated company		–	–	81.3
Surplus on dilution of interest in subsidiary companies due to share options exercised		–	–	–
Share-based compensation expense	5	–	–	–
Share options lapsed		–	–	–
Purchase of treasury shares	15	–	(107.0)	–
Treasury shares reissued pursuant to equity compensation plans	15	–	42.9	2.8
Dividends	13	–	–	–
Total contributions by and distributions to owners		–	(64.1)	84.1
Changes in ownership interests in subsidiary companies				
Acquisition of non-controlling interests		–	–	(2.5)
Rights shares allotted to non-controlling interests of a subsidiary company		–	–	–
Total changes in ownership interests in subsidiary companies		–	–	(2.5)
Total transactions with owners		–	(64.1)	81.6
Balance at 31 March 2015		1,856.1	(326.3)	215.9

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

Attributable to Owners of the Parent						
Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
(101.5)	134.5	(40.4)	11,527.0	13,237.2	337.4	13,574.6
(32.1)	–	–	–	(32.1)	14.4	(17.7)
–	–	67.2	–	67.2	–	67.2
–	–	15.0	–	15.0	–	15.0
–	–	(738.8)	–	(738.8)	–	(738.8)
–	–	–	10.3	10.3	–	10.3
–	–	–	1.6	1.6	–	1.6
(0.5)	–	–	–	(0.5)	–	(0.5)
(1.6)	–	4.0	–	2.4	–	2.4
–	(0.7)	(13.2)	–	(3.3)	–	(3.3)
(34.2)	(0.7)	(665.8)	11.9	(678.2)	14.4	(663.8)
–	–	–	367.9	367.9	38.8	406.7
(34.2)	(0.7)	(665.8)	379.8	(310.3)	53.2	(257.1)
–	–	–	–	81.3	–	81.3
–	(5.8)	–	14.1	8.3	8.9	17.2
–	9.2	–	–	9.2	–	9.2
–	(6.9)	–	6.9	–	–	–
–	–	–	–	(107.0)	–	(107.0)
–	(17.1)	–	–	28.6	–	28.6
–	–	–	(481.2)	(481.2)	(72.0)	(553.2)
–	(20.6)	–	(460.2)	(460.8)	(63.1)	(523.9)
–	–	–	–	(2.5)	38.5	36.0
–	–	–	–	–	100.5	100.5
–	–	–	–	(2.5)	139.0	136.5
–	(20.6)	–	(460.2)	(463.3)	75.9	(387.4)
(135.7)	113.2	(706.2)	11,446.6	12,463.6	466.5	12,930.1

Statements of Changes in Equity

For The Financial Year Ended 31 March 2016 (in $ million)

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2015		1,856.1	(326.3)	(6.3)	96.1	(581.8)	10,541.5	11,579.3
Comprehensive income								
Net fair value changes on available-for-sale assets	16(d)	–	–	–	–	2.3	–	2.3
Net fair value changes on cash flow hedges	16(d)	–	–	–	–	108.6	–	108.6
Actuarial loss on revaluation of defined benefit plans		–	–	–	–	–	(1.6)	(1.6)
Other comprehensive income for the financial year		–	–	–	–	110.9	(1.6)	109.3
Profit for the financial year		–	–	–	–	–	672.0	672.0
Total comprehensive income for the financial year, net of tax		–	–	–	–	110.9	670.4	781.3
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based compensation expense		–	–	–	9.1	–	–	9.1
Share options lapsed		–	–	–	(5.1)	–	5.1	–
Purchase of treasury shares	15	–	(85.4)	–	–	–	–	(85.4)
Treasury shares reissued pursuant to equity compensation plans	15	–	30.2	1.2	(11.3)	–	–	20.1
Dividends	13	–	–	–	–	–	(315.4)	(315.4)
Issuance of share options pursuant to the Voluntary Conditional General Offer of Tiger Airways	23(g)	–	–	–	19.2	–	–	19.2
Total transactions with owners		–	(55.2)	1.2	11.9	–	(310.3)	(352.4)
Balance at 31 March 2016		1,856.1	(381.5)	(5.1)	108.0	(470.9)	10,901.6	12,008.2

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

Statements of Changes in Equity

For The Financial Year Ended 31 March 2016 (in $ million)

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2014		1,856.1	(262.2)	(9.1)	113.6	(51.5)	10,465.2	12,112.1
Comprehensive income								
Net fair value changes on available-for-sale assets	16(d)	–	–	–	–	67.3	–	67.3
Adjustment on acquisition of an associated company	16(d)	–	–	–	–	15.0	–	15.0
Net fair value changes on cash flow hedges	16(d)	–	–	–	–	(612.6)	–	(612.6)
Actuarial gain on revaluation of defined benefit plans		–	–	–	–	–	10.3	10.3
Other comprehensive income for the financial year		–	–	–	–	(530.3)	10.3	(520.0)
Profit for the financial year		–	–	–	–	–	540.3	540.3
Total comprehensive income for the financial year, net of tax		–	–	–	–	(530.3)	550.6	20.3
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based compensation expense		–	–	–	6.5	–	–	6.5
Share options lapsed		–	–	–	(6.9)	–	6.9	–
Purchase of treasury shares	15	–	(107.0)	–	–	–	–	(107.0)
Treasury shares reissued pursuant to equity compensation plans	15	–	42.9	2.8	(17.1)	–	–	28.6
Dividends	13	–	–	–	–	–	(481.2)	(481.2)
Total transactions with owners		–	(64.1)	2.8	(17.5)	–	(474.3)	(553.1)
Balance at 31 March 2015		1,856.1	(326.3)	(6.3)	96.1	(581.8)	10,541.5	11,579.3

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2016 (in $ million)

	Notes	The Group FY2015/16	FY2014/15
Cash flow from operating activities			
Profit before taxation		**972.4**	442.9
Adjustments for:			
Depreciation	21	**1,543.0**	1,538.8
Impairment of property, plant and equipment	21	**10.6**	1.5
Amortisation of intangible assets	22	**32.7**	25.9
(Writeback of impairment)/Impairment of trade debtors	6	**(4.7)**	0.7
Writedown of inventories	28	**26.6**	38.1
Income from short-term investments	6	**(1.8)**	(1.7)
Provisions	20	**218.5**	339.5
Share-based compensation expense	5	**12.4**	9.2
Exchange differences		**16.3**	(44.8)
Amortisation of deferred gain on sale and operating leaseback transactions	6	**(7.6)**	(5.7)
Finance charges	7	**50.3**	49.6
Interest income	8	**(70.7)**	(74.9)
Surplus on disposal of aircraft, spares and spare engines		**(52.7)**	(51.9)
Dividends from long-term investments		**(115.3)**	(13.2)
Other non-operating items	9	**(91.1)**	14.3
Share of profits of joint venture companies	25	**(22.8)**	(52.0)
Share of losses of associated companies	24	**11.1**	129.1
Exceptional items	10	**–**	(34.5)
Operating cash flow before working capital changes		**2,527.2**	2,310.9
Decrease in trade and other creditors		**(68.2)**	(319.5)
Increase/(Decrease) in sales in advance of carriage		**161.5**	(55.9)
Decrease in trade debtors		**295.2**	199.6
(Increase)/Decrease in deposits and other debtors		**(28.3)**	22.5
Increase in prepayments		**(7.9)**	(2.8)
Increase in inventories		**(6.5)**	(0.5)
Increase in deferred revenue		**56.9**	39.6
Cash generated from operations		**2,929.9**	2,193.9
Refund/(Payment) of fines		**116.5**	(10.4)
Income taxes paid		**(40.9)**	(116.3)
Net cash provided by operating activities		**3,005.5**	2,067.2

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

	Notes	The Group FY2015/16	FY2014/15
Cash flow from investing activities			
Capital expenditure	34	**(2,909.0)**	(2,600.2)
Purchase of intangible assets	34	**(45.5)**	(30.9)
Proceeds from disposal of aircraft and other property, plant and equipment		**492.9**	997.8
Purchase of long-term investments		**(259.5)**	(590.3)
Proceeds from disposal of long-term investments		**–**	9.5
Purchase of short-term investments		**(275.5)**	(367.0)
Proceeds from disposal of short-term investments		**166.1**	487.1
Dividends received from associated and joint venture companies		**78.6**	114.3
Dividends received from investments		**116.2**	14.1
Interest received from investments and deposits		**77.8**	54.9
Proceeds from liquidation of an associated company		**–**	18.5
Proceeds from disposal of an associated company		**–**	7.3
Proceeds from disposal of a subsidiary company, net of cash disposed		**0.1**	8.9
Acquisition of a subsidiary company, net of cash acquired	23 (f)	**–**	135.6
Loan to an associated company		**(62.0)**	–
Investments in associated companies		**(84.8)**	(33.2)
Investment in a joint venture company		**–**	(39.6)
Proceeds from partial disposal of an associated company		**4.9**	–
Net cash used in investing activities		**(2,699.7)**	(1,813.2)
Cash flow from financing activities			
Dividends paid	13	**(315.4)**	(481.2)
Dividends paid by subsidiary companies to non-controlling interests	13	**(43.6)**	(72.0)
Acquisition of non-controlling interests without a change in control		**(458.5)**	(3.4)
Issuance of share capital by a subsidiary company		**1.5**	–
Interest paid		**(53.8)**	(41.5)
Proceeds from borrowings		**4.9**	8.8
Repayment of borrowings		**(41.4)**	(38.2)
Repayment of long-term lease liabilities		**(54.1)**	(52.3)
Proceeds from exercise of share options		**24.4**	45.8
Proceeds from issuance of bonds		**–**	500.0
Proceeds from issuance of rights shares to non-controlling interests		**–**	100.5
Repayment of bonds		**(300.0)**	–
Purchase of treasury shares	15	**(85.4)**	(107.0)
Net cash used in financing activities		**(1,321.4)**	(140.5)
Net cash (outflow)/inflow		**(1,015.6)**	113.5
Cash and cash equivalents at beginning of the financial year		**5,042.7**	4,883.9
Effect of exchange rate changes		**(54.7)**	45.3
Cash and cash equivalents at end of the financial year		**3,972.4**	5,042.7
Analysis of cash and cash equivalents			
Fixed deposits	32	**3,002.7**	4,034.8
Cash and bank	32	**969.7**	1,007.9
Cash and cash equivalents at end of the financial year		**3,972.4**	5,042.7

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

Notes to the Financial Statements

31 March 2016

1 General

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

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

The financial statements of the Group as at and for the year ended 31 March 2016 comprise the Company and its subsidiary companies (together referred to as "the Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

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

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 12 May 2016.

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group and the Company are consistent with those used in the previous financial year, except as explained in Note 2(b), which addresses changes in accounting policies.

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore Dollars ("SGD") and all values in the tables are rounded to the nearest million, unless otherwise stated.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2015, the Group adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2 Summary of Significant Accounting Policies (continued)

(c) Standards issued but not yet effective

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") from the financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

Description	Effective from
FRS 114 Regulatory Deferral Accounts	1 April 2016
Amendments to FRS 1: Disclosure Initiative	1 April 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 41: Agriculture: Bearer Plants	1 April 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 April 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 April 2016
Amendments to FRS 111: Accounting for Acquisitions of Interest in Joint Operations	1 April 2016
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Improvements to FRS (November 2014)	1 April 2016
Amendments to FRS 7: Amendment relating to disclosure of changes in liabilities arising from financing activities	1 April 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 April 2017
FRS 115 Revenue from Contracts with Customers	1 April 2018
FRS 109 Financial Instruments	1 April 2018

Except for FRS 115 and FRS 109, the Management expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required when the Group is required to adopt it on 1 April 2018; early adoption is permitted. The Group is currently assessing the impact of FRS 115.

Notes to the Financial Statements

31 March 2016

2 Summary of Significant Accounting Policies (continued)

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

FRS 109 Financial Instruments

In December 2014, the Accounting Standards Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 109 is effective for the Group from 1 April 2018; early application is permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109.

(d) Basis of consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associated and joint venture companies are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations are accounted for by applying the acquisition method in accordance with FRS 103 Business Combinations as at the acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts entered into by the acquiree.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in the profit and loss account or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interest in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit and loss account.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2(f). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the profit and loss account on the acquisition date.

2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation (continued)

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Parent, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Parent.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent.

Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary companies.

(e) Subsidiary, associated and joint venture companies

In the Company's separate financial statements, investments in subsidiary and associated companies are accounted for at cost less accumulated impairment losses.

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

The accounting policies of subsidiary companies have been changed when necessary to align them with policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interest to have a deficit balance.

An associated company is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A list of the Group's associated companies is shown in Note 24 to the financial statements.

A joint venture company is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. A list of the Group's joint venture companies is shown in Note 25 to the financial statements.

The Group accounts for its investments in associated and joint venture companies using the equity method from the date on which it becomes an associated or joint venture company.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated or joint venture company's profit or loss in the period in which the investment is acquired.

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2 Summary of Significant Accounting Policies (continued)

(e) Subsidiary, associated and joint venture companies (continued)

Under the equity method, the investment in associated and joint venture companies are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associated or joint venture companies. The profit and loss account reflects the share of the results of operations of the associated or joint venture companies. Distributions received from associated or joint venture companies reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated or joint venture companies, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associated or joint venture companies are eliminated to the extent of the interest in the associated or joint venture companies.

When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated or joint venture company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated or joint venture company. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated or joint venture company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated or joint venture company and its carrying value and recognises the amount in profit or loss.

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon the loss of significant influence or joint control over the associated or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated or joint venture company on the same basis as would have been required if that associated or joint venture company had directly disposed of the related assets or liabilities.

When an investment in an associated company becomes an investment in a joint venture company or an investment in joint venture company becomes an investment in an associated company, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associated or joint venture company is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

When an available-for-sale investment becomes an investment in an associated company, the changes in fair value previously recognised in fair value reserve are reversed through other comprehensive income to bring the investment back to its original cost.

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets

(i) Computer software

Computer software acquired separately is measured initially at cost. Following initial acquisition, computer software is stated at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 10 years and assessed for impairment whenever there is an indication that the computer software may be impaired. Advance and progress payments are not amortised. The amortisation period and method are reviewed at least annually.

(ii) Deferred engine development cost

This relates to the Group's share of engine development payments made in connection with its participation in aircraft engine development projects with other companies. Amortisation of such intangibles begins only when the aircraft engines are available for sale. These deferred engine development costs are amortised on a straight-line basis over the period of expected sales of the aircraft engines, which is estimated to be over a period of 20 years. The amortisation period and amortisation method would be reviewed annually in light of experience and changing circumstances, and adjusted prospectively, as appropriate at the end of each reporting period.

(iii) Brand and trademarks

Brand and trademarks were acquired in business combinations. The useful life of the brand is estimated to be indefinite because based on the assumption that the subsidiary company is operating as a going concern, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group. The trademarks are amortised on a straight line basis over their finite useful lives of 23 to 24 years.

(iv) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill that forms part of the carrying amount of an associated company is not recognised separately, and therefore, is not tested for impairment separately. Instead, the entire amount of the investment in associated company is tested for impairment as a single asset when there is objective evidence that the investment in associated company may be impacted.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Goodwill impairment is determined by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(v) Others

Purchased landing slots are measured initially at cost. Following initial recognition, landing slots are measured at cost less accumulated impairment losses, if any. Landing slots based within the European Union are not amortised, as regulations provide that these landing slots have an indefinite useful life, and are tested for impairment annually.

Licences were acquired in business combinations. These intangible assets are amortised on a straight-line basis over an estimated useful life of 3 years.

(g) Foreign currencies

The Management has determined the currency of the primary economic environment in which the Company operates i.e., its functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

Foreign currency transactions are translated into SGD at exchange rates which approximate bank rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD using year-end exchange rates. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency re-translated at the exchange rate at the end of the year.

Gains and losses arising from translation of monetary assets and liabilities are taken to the profit and loss account.

For the purpose of the consolidated financial statements, the net assets of the foreign subsidiary, associated and joint venture companies are translated into SGD at the exchange rates ruling at the end of the reporting period. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at the prevailing exchange rates. The resulting gains or losses on exchange are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations on or after 1 April 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period. For acquisitions prior to 1 April 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated or joint venture company that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of aircraft is stated net of manufacturers' credit. Aircraft and related equipment acquired on an exchange basis are stated at amounts paid plus the fair value of the fixed asset traded-in. Expenditure for heavy maintenance visits on aircraft, engine overhauls and landing gear overhauls, is capitalised at cost. Expenditure for engine overhaul costs covered by power-by-hour (fixed rate charged per hour) maintenance agreements is recorded as advance payment and capitalised upon completion of an overhaul. Expenditure for other maintenance and repairs is charged to the profit and loss account. When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group's share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their operational lives. Operational lives, residual values and depreciation method are reviewed annually in the light of experience and changing circumstances, and adjusted prospectively, if appropriate. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised from the date the property, plant and equipment are installed and ready for use.

Freehold land, advance and progress payments are not depreciated.

Fully depreciated assets are retained in the financial statements until they are no longer in use. No depreciation is charged after assets are depreciated to their residual values.

(i) Aircraft, spares and spare engines

The Group depreciates its new passenger aircraft, spares and spare engines over 15 to 20 years to 5% to 10% residual values.

The Group depreciates its new freighter aircraft over 20 years to 5% residual values. For used freighter aircraft, the Group depreciates them over the remaining life (20 years less age of aircraft) to 5% residual values.

Major inspection costs relating to landing gear overhauls, heavy maintenance visits and engine overhauls (including inspection costs provided under power-by-hour maintenance agreements) are capitalised and depreciated over the average expected life between major overhauls, estimated to be 4 to 10 years.

Training aircraft are depreciated over 5 to 15 years to 10% to 20% residual values.

Flight simulators are depreciated over 5 to 10 years to nil residual values.

Notes to the Financial Statements

31 March 2016

2 Summary of Significant Accounting Policies (continued)

(i) Depreciation of property, plant and equipment (continued)

(ii) Land and buildings

Freehold buildings, leasehold land and buildings are depreciated to nil residual values as follows:

Company owned office premises	–	according to lease period or 30 years, whichever is the shorter.
Company owned household premises	–	according to lease period or 10 years, whichever is the shorter.
Other premises	–	according to lease period or 5 years, whichever is the shorter.
Leasehold hotel properties held by an associated company	–	according to lease period of 99 years, up to 2081.

(iii) Others

Plant and equipment, office and computer equipment are depreciated over 1 to 15 years to nil residual values.

(j) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

(i) Finance lease – as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the profit and loss account.

For sale and finance leasebacks, differences between sales proceeds and net book values are taken to the statement of financial position as deferred gain or loss on sale and leaseback transactions, included under deferred account and amortised over the minimum lease terms.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the average expected life between major overhauls (estimated to be 4 to 8 years).

(ii) Operating lease – as lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Gains or losses arising from sale and operating leaseback of aircraft are determined based on fair values. Excess of sales proceeds over fair values are taken to the statement of financial position as deferred gain on sale and leaseback transactions, included under deferred account and amortised over the minimum lease terms. If the sales proceeds are below fair values, the loss is recognised in the profit and loss account except that, if the loss is compensated for by future lease payments at below market values, the deferred loss is included under deferred account and is amortised over the minimum lease period.

2 Summary of Significant Accounting Policies (continued)

(j) Leases (continued)

(ii) Operating lease – as lessee (continued)

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the remaining lease term period or, where appropriate, the average expected life between major overhauls (estimated to be 4 to 10 years).

(iii) Operating lease – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Aircraft leased out under operating leases are included under property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Rental income is recognised on a straight-line basis over the lease term.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(l) Financial assets

The Group initially recognises loans and receivables on the date they are originated. All other financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised when the contractual right to receive cash flows expires, or when the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards from ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit and loss account.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(l) Financial assets (continued)

(i) Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as fair value through profit or loss. Financial assets are classified as held for trading if they are acquired principally for the purpose of selling in the short-term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives are also classified under this category unless they are designated as effective hedging instruments. Gains or losses on financial assets held at fair value through profit or loss are recognised in the profit and loss account.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the end of the reporting period.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit and loss account when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated in this category, or not classified in any other categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised in other comprehensive income, except that impairment losses and interest are recognised in the profit and loss account. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the profit and loss account as a reclassification adjustment when the investment is derecognised.

(m) Investments

Investments held by the Group are classified as available-for-sale or held-to-maturity. Investments classified as available-for-sale are stated at fair value. Those investments where their fair values cannot be reliably measured are stated at cost less accumulated impairment losses. Fair value is determined in the manner described in Note 37. Held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. The accounting policy for both categories of financial assets is stated in Note 2(l).

(n) Trade debtors and other receivables

Trade debtors, including amounts owing by subsidiary, associated and joint venture companies, deposits and other debtors are classified and accounted for as loans and receivables. Other non-current receivables are also classified and accounted for in the same way. The accounting policy for this category of financial assets is stated in Note 2(l).

Further details on the accounting policy for impairment of financial assets are stated in Note 2(q).

2 Summary of Significant Accounting Policies (continued)

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits in banks and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and are used by the Group in the management of its short-term commitments.

The accounting policy for this category of financial assets is stated in Note 2(l), under loans and receivables.

(p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss account unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(q) Impairment of financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associated and joint venture company, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The impairment loss is recognised in the profit and loss account.

Notes to the Financial Statements

31 March 2016

2 Summary of Significant Accounting Policies (continued)

(q) Impairment of financial assets (continued)

(i) Financial assets carried at amortised cost (continued)

When the asset becomes uncollectible, the carrying amount of the impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on a financial asset has been incurred, the Group considers factors such as the probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit and loss account.

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in the fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit and loss account, is transferred from other comprehensive income to the profit and loss account. Reversals of impairment losses in respect of equity instruments are not recognised in the profit and loss account; increase in the fair value after impairment are recognised directly in other comprehensive income.

In the case of non-equity investments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit and loss account. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a non-equity investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account, the impairment loss is reversed in the profit and loss account.

2 Summary of Significant Accounting Policies (continued)

(r) Financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not carried at fair value through profit or loss, directly attributable transaction costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit and loss account.

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of the financial liabilities are recognised in the profit and loss account.

The Group has not designated any financial liabilities upon initial recognition as carried at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit and loss account when the liabilities are derecognised, and through the amortisation process.

(s) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(t) Loans, notes payable and borrowings

Loans, notes payable and other borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(u) Trade and other creditors

Trade and other creditors and amounts owing to subsidiary and associated companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for return costs to meet contractual minimum conditions for the return of aircraft, at the end of the lease terms for aircraft under operating leases, are recorded over the lease terms.

Other provisions include provisions for warranty claims, upgrade costs and end-of-lease liability. Provision for warranty claims is made for engine overhaul, repairs and maintenance of aircraft (excluding line maintenance) based on past experience of the level of repairs.

(w) Maintenance reserve

Maintenance reserve relates to receipts from the lessee for maintenance activities undertaken during the lease period. The Group reimburses the lessee for agreed maintenance work done as and when incurred. The Group records the amounts received as maintenance reserve. At the expiry of the lease term, excess maintenance reserve is recognised in the profit and loss account.

(x) Share capital and share issuance expenses

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital, net of any tax effect.

(y) Treasury shares

When shares are reacquired by the Company, the amount of consideration paid which includes directly attributable costs, net of any tax effect, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

2 Summary of Significant Accounting Policies (continued)

(z) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income taxes are recognised in the profit and loss account except to the extent that the tax relates to a business combination, or items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiary, associated and joint venture companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(z) Taxation (continued)

(iii) Indirect taxes

Revenues, expenses and assets are recognised net of the amount of indirect tax except that:

- The indirect tax incurred on a purchase of assets or services is not recoverable from the tax authority, the indirect tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables are stated with the amount of indirect tax included.

The net amount of indirect tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

(aa) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, net of discounts and rebates.

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, training of pilots, air charters and tour wholesaling and related activities. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

Passenger and cargo sales are recognised as operating revenue when the transportation is provided. The value of unused tickets and airway bills is included in current liabilities as sales in advance of carriage. The value of tickets and airway bills is recognised as revenue if unused after two years and one year respectively.

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

Rental income from the lease of aircraft is recognised on a straight-line basis over the lease term.

The Company operates a frequent flyer programme called “KrisFlyer” that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised. The deferment of the revenue is estimated based on historical trends of breakage upon redemption, which is then used to project the expected utilisation of these benefits.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised. The deferrals are based on the expected utilisation of these awards.

(ab) Income from investments

Dividend income from investments is recognised when the Group’s right to receive the payment is established.

Interest income from investments and fixed deposits is recognised using the effective interest method.

2 Summary of Significant Accounting Policies (continued)

(ac) Employee benefits

(i) Equity compensation plans

Employees of the Group receive remuneration in the form of share options and share awards as consideration for services rendered.

The Company has in place the Singapore Airlines Limited Employee Share Option Plan, and its subsidiaries the SIA Engineering Company Limited Employee Share Option Plan and the Pre-IPO Tiger Aviation Share Options Scheme, for the granting of share options to senior executives and other employees. The exercise price approximates the market value of the shares at the date of grant.

The Company has also implemented the Singapore Airlines Limited Restricted Share Plan and Performance Share Plan, and its subsidiaries the SIA Engineering Company Limited Restricted Share Plan and Performance Share Plan and the Tiger Airways Group Restricted Share Plan, Performance Share Plan and CEO Restricted Share Grant for the awarding of fully paid ordinary shares to senior executives and key Senior Management, when and after pre-determined performance or service conditions are accomplished.

Details of the plans are set out in Note 5 to the financial statements.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. In valuing the share options and share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company and non-vesting performance conditions.

This cost is recognised in the profit and loss account as share-based compensation expense, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting performance conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested options or awards. When the options are exercised or awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued.

Notes to the Financial Statements

31 March 2016

2 Summary of Significant Accounting Policies (continued)

(ac) Employee benefits (continued)

(ii) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any).

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as an expense in profit or loss. Past service costs are recognised when a plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as an expense in profit or loss.

Remeasurements comprising actuarial gains and losses, and the return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. All expenses related to the defined benefit plans are recognised as an expense in profit or loss. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at its fair value when and only when reimbursement is virtually certain.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' defined contribution pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(iv) Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2 Summary of Significant Accounting Policies (continued)

(ad) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised through future maintenance activities. Upon completion of an overhaul, these amounts are transferred to property, plant and equipment and depreciated over their useful lives.

(ae) Training and development costs

Training and development costs, including start-up programme costs, are charged to the profit and loss account in the financial year in which they are incurred.

(af) Borrowing costs

Borrowing costs incurred to finance advance and progress payments for aircraft are capitalised as part of advance and progress payments until the aircraft are commissioned for operation or the projects are completed. All other borrowing costs are recognised as finance charges in the period in which they are incurred.

(ag) Claims and liquidated damages

Claims for liquidated damages, in relation to a loss of income, are recognised in the profit and loss account when a contractual entitlement exists, the amount can be reliably measured and receipt is virtually certain. When the claims do not relate to a compensation for loss of income, the amounts are taken to the statement of financial position as deferred credit, and included under deferred account, as a reduction to the cost of the assets when the assets are capitalised and also for future reduction of operating lease expenses.

(ah) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, cross currency swap contracts, interest rate swap contracts, interest rate cap contracts, jet fuel option contracts, jet fuel, Brent and crack swap contracts and jet fuel collar contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are re-measured at their fair values.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

For the purpose of such hedging, the Group hedges USD exposure from aircraft payments through a combination of USD deposits, forward contracts and currency options. To create a USD-denominated asset/receivable in the statement of financial position to match against the expected USD liability for capital expenditure, the Group hedges USD exposure from aircraft payments up to 24 months in advance of forecast aircraft payments. On maturity, the exchange gains and losses of the assigned USD balance held are recognised in the carrying value of the aircraft.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedged item or transaction, the hedging instrument, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's (or transaction's) cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they are designated.

Notes to the Financial Statements

31 March 2016

2 Summary of Significant Accounting Policies (continued)

(ah) Derivative financial instruments and hedging (continued)

Derivatives are classified as fair value through profit or loss unless they qualify for hedge accounting. Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the fair value reserve Note 16(d), while the ineffective portion is recognised in the profit and loss account.

Amounts taken to the fair value reserve are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. If the hedged item is a non-financial asset or liability, the amounts taken to the fair value reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, is terminated or exercised, or the designation is revoked, hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, the balance in equity is reclassified to profit or loss.

(ai) Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than continuing use. Property, plant and equipment, once classified as held for sale, are not depreciated or amortised.

(aj) Segment reporting

(i) Business segment

For management purposes, the Group is organised into operating segments based on the nature of the services provided which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to corporate management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 4, including the factors used to identify the reportable segments and the measurement basis of segment information. The significant business segments of the Group are airline operations, engineering services and cargo operations.

(ii) Geographical segment

The analysis of revenue by area of original sale from airline operations is derived by allocating revenue to the area in which the sale was made. Revenue from other operations, which consist principally of engineering services and cargo operations, is derived in East Asia and is therefore, not shown.

Assets, which consist principally of flight and ground equipment, support the entire worldwide transportation system, and are mainly located in Singapore. An analysis of assets and capital expenditure of the Group by geographical distribution has therefore not been included.

(ak) Exceptional items

Exceptional items are separate items of income and expense of such size, nature or incidence that their separate disclosure is relevant to explain the performance of the Group for the year.

3 Significant Accounting Estimates and Critical Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. Actual results may differ from these estimates. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment – aircraft fleet

Impairment is recognised when events and circumstances indicate that the aircraft may be impaired and the carrying amounts of the aircraft exceed the recoverable amounts. Recoverable amount is defined as the higher of an aircraft's fair value less costs to sell and its value-in-use. The fair value less costs to sell computation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. In determining the recoverable amounts of the aircraft, certain estimates regarding the current fair market value of the aircraft are made. The current fair market value is determined based on desktop valuations from an independent appraisal for fleet with similar operational lives. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

(b) Depreciation of property, plant and equipment – aircraft fleet

Aircraft are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their operational lives. Certain estimates regarding the operational lives and residual values of the fleet are made by the Group based on past experience and these are in line with the industry's. The operational lives and residual values are reviewed on an annual basis. The carrying amount of the Group's and the Company's aircraft fleet at 31 March 2016 was $10,106.2 million (2015: $9,632.3 million) and $7,358.7 million (2015: $7,553.2 million) respectively.

During the financial year, the Group revised the estimated useful lives of certain of its overhaul assets and the estimated useful lives and residual values of certain aircraft types. The effect of the changes is a reduction in depreciation expense of approximately $66.6 million for the financial year ended 31 March 2016.

Change in estimates (in $ million)	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
(Decrease)/Increase in depreciation expense	(66.6)	(57.9)	29.9	87.3	42.4

(c) Passenger revenue recognition

Passenger sales are recognised as operating revenue when the transportation is provided. The value of unused tickets is included as sales in advance of carriage on the statement of financial position and recognised as revenue at the end of two years. This is estimated based on historical trends and experiences of the Group whereby ticket uplift occurs mainly within the first two years. The carrying amount of the Group's and the Company's sales in advance of carriage at 31 March 2016 was $1,626.2 million (2015: $1,464.7 million) and $1,460.1 million (2015: $1,328.6 million) respectively.

Notes to the Financial Statements

31 March 2016

3 Significant Accounting Estimates and Critical Judgements (continued)

(d) Frequent flyer programme

The Company operates a frequent flyer programme called "KrisFlyer" that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised. The deferment of the revenue is estimated based on historical trends of breakage upon redemption, which is then used to project the expected utilisation of these benefits.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised. The deferrals are based on the expected utilisation of these awards.

The carrying amount of the Group's and the Company's deferred revenue at 31 March 2016 was $669.4 million (2015: $612.5 million).

(e) Aircraft maintenance and overhaul expenditure under power-by-hour agreements

The Group has entered into several power-by-hour ("PBH") engine maintenance agreements with engine original equipment manufacturers. The monthly payments are based on the number of flying hours flown. A portion of the cost is expensed at a fixed rate per hour during the term of the PBH agreement. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised through future maintenance activities, if any, or capitalised upon completion of an overhaul.

The proportion of the amount to be expensed off and capitalised is determined based on the best estimate of the proportion of day to day maintenance compared to maintenance which extends the useful lives of the engine. The carrying amount of the advance payment relating to PBH agreements for the Group and the Company at 31 March 2016 was $475.3 million (2015: $375.8 million) and $350.6 million (2015: $272.9 million) respectively. The maintenance and repair costs covered by PBH agreements which are expensed off during the year amounted to $61.4 million (FY2014/15: $47.7 million) for the Group and $35.2 million (FY2014/15: $33.9 million) for the Company.

4 Segment Information (in $ million)

For management purposes, the Group is organised into business units based on the nature of the services provided, and has three reportable operating segments and one other operating segment as follows:

(i) The airline operations segment provides passenger air transportation.

(ii) The engineering services segment is in the business of providing airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

(iii) The cargo operations segment is involved in air cargo transportation and related activities.

(iv) Other services provided by the Group, such as the training of pilots, air charters and tour wholesaling, have been aggregated under the segment "Others".

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions carried out between operating segments during the financial year are in the normal course of business.

4 Segment Information (in $ million) (continued)

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial years ended 31 March 2016 and 2015 and certain assets and liabilities information of the business segments as at those dates.

	Airline operations FY2015/16	Engineering services FY2015/16	Cargo operations FY2015/16	Others FY2015/16	Total of segments FY2015/16	Elimination* FY2015/16	Consolidated FY2015/16
Total Revenue							
External revenue	12,775.0	395.8	2,037.1	20.6	15,228.5	–	15,228.5
Inter-segment revenue	1,084.4	717.7	7.9	58.5	1,868.5	(1,868.5)	–
	13,859.4	1,113.5	2,045.0	79.1	17,097.0	(1,868.5)	15,228.5
Results							
Segment result	623.3	104.1	(49.7)	(2.1)	675.6	5.6	681.2
Finance charges	(51.4)	(0.3)	(1.4)	–	(53.1)	2.8	(50.3)
Interest income	67.8	2.1	3.3	0.3	73.5	(2.8)	70.7
Surplus/(Loss) on disposal of aircraft, spares and spare engines	40.2	–	13.5	(1.0)	52.7	–	52.7
Dividends from long-term investments	109.2	6.1	–	–	115.3	–	115.3
Other non-operating items	(21.0)	(4.5)	116.5	0.1	91.1	–	91.1
Share of (losses)/profits of joint venture companies	(21.0)	43.8	–	–	22.8	–	22.8
Share of (losses)/profits of associated companies	(60.1)	49.0	–	–	(11.1)	–	(11.1)
Taxation	(110.9)	(20.8)	5.5	5.6	(120.6)	–	(120.6)
Profit for the financial year	576.1	179.5	87.7	2.9	846.2	5.6	851.8
Attributable to:							
Owners of the Parent							804.4
Non-controlling interests							47.4
							851.8

* Relates to inter-segment transactions eliminated on consolidation.

Notes to the Financial Statements

31 March 2016

4 Segment Information (in $ million) (continued)

Business segments (continued)

	Airline operations FY2014/15	Engineering services FY2014/15	Cargo operations FY2014/15	Others FY2014/15	Total of segments FY2014/15	Elimination* FY2014/15	Consolidated FY2014/15
Total revenue							
External revenue	12,855.7	437.8	2,234.8	37.2	15,565.5	–	15,565.5
Inter-segment revenue	1,195.8	681.9	6.0	74.4	1,958.1	(1,958.1)	–
	14,051.5	1,119.7	2,240.8	111.6	17,523.6	(1,958.1)	15,565.5
Results							
Segment result	320.3	84.3	(22.0)	20.4	403.0	6.4	409.4
Finance charges	(47.0)	(0.3)	(4.0)	–	(51.3)	1.7	(49.6)
Interest income	74.6	1.4	0.4	0.2	76.6	(1.7)	74.9
Surplus/(Loss) on disposal of aircraft, spares and spare engines	57.8	–	–	(0.1)	57.7	(5.8)	51.9
Dividends from long-term investments	5.1	8.1	–	–	13.2	–	13.2
Other non-operating items	(22.2)	6.0	–	1.9	(14.3)	–	(14.3)
Share of (losses)/profits of joint venture companies	(8.8)	60.8	–	–	52.0	–	52.0
Share of (losses)/profits of associated companies	(176.0)	46.9	–	–	(129.1)	–	(129.1)
Exceptional items	115.7	–	(83.3)	2.1	34.5	–	34.5
Taxation	(20.4)	(20.0)	8.3	(4.1)	(36.2)	–	(36.2)
Profit/(Loss) for the financial year	299.1	187.2	(100.6)	20.4	406.1	0.6	406.7
Attributable to:							
Owners of the Parent							367.9
Non-controlling interests							38.8
							406.7

* Relates to inter-segment transactions eliminated on consolidation.

4 Segment Information (in $ million) (continued)

Business segments (continued)

	Airline operations 2016	Engineering services 2016	Cargo operations 2016	Others 2016	Total of segments 2016	Elimination* 2016	Consolidated 2016
Other information as at 31 March							
Segment assets	19,706.5	1,330.5	1,560.2	148.5	22,745.7	(886.3)	21,859.4
Investments in associated and joint venture companies	566.7	491.5	–	–	1,058.2	–	1,058.2
Loan receivable from an associated company	62.0	–	–	–	62.0	–	62.0
Long-term investments	763.3	–	–	9.8	773.1	–	773.1
Accrued interest receivable	16.8	–	–	0.2	17.0	–	17.0
Total assets	21,115.3	1,822.0	1,560.2	158.5	24,656.0	(886.3)	23,769.7
Segment liabilities	6,379.8	229.1	489.3	51.8	7,150.0	(971.6)	6,178.4
Provisions	1,073.1	0.2	22.3	–	1,095.6	–	1,095.6
Finance lease commitments	–	–	44.4	–	44.4	–	44.4
Loans	269.8	33.3	–	–	303.1	–	303.1
Notes payable	1,000.0	–	–	–	1,000.0	–	1,000.0
Defined benefit plans	121.8	–	7.5	–	129.3	–	129.3
Accrued interest payable	12.1	–	0.3	–	12.4	–	12.4
Tax liabilities/(assets)	1,670.2	47.5	156.0	(0.1)	1,873.6	–	1,873.6
Total liabilities	10,526.8	310.1	719.8	51.7	11,608.4	(971.6)	10,636.8
Capital expenditure	2,795.5	41.2	86.6	0.4	2,923.7	–	2,923.7
Purchase of intangible assets	46.1	4.6	0.8	0.6	52.1	–	52.1
Depreciation	1,377.5	42.2	121.8	1.5	1,543.0	–	1,543.0
Impairment of property, plant and equipment	21.6	–	–	0.7	22.3	–	22.3
Amortisation of intangible assets	29.7	1.6	1.1	0.3	32.7	–	32.7
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	32.3	5.0	2.5	0.1	39.9	–	39.9

* Relates to inter-segment transactions eliminated on consolidation.

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4 Segment Information (in $ million) (continued)

Business segments (continued)

	Airline operations 2015	Engineering services 2015	Cargo operations 2015	Others 2015	Total of segments 2015	Elimination* 2015	Consolidated 2015
Other information as at 31 March							
Segment assets	20,019.2	1,177.2	1,606.6	175.3	22,978.3	(1,099.2)	21,879.1
Investments in associated and joint venture companies	624.8	465.3	–	–	1,090.1	–	1,090.1
Long-term investments	913.0	14.6	–	–	927.6	–	927.6
Accrued interest receivable	24.6	–	–	0.2	24.8	–	24.8
Total assets	21,581.6	1,657.1	1,606.6	175.5	25,020.8	(1,099.2)	23,921.6
Segment liabilities	6,456.6	228.4	583.3	50.3	7,318.6	(1,109.1)	6,209.5
Provisions	1,121.3	0.2	16.2	0.1	1,137.8	–	1,137.8
Finance lease commitments	–	–	99.3	–	99.3	–	99.3
Loans	307.0	33.2	–	–	340.2	–	340.2
Notes payable	1,300.0	–	–	–	1,300.0	–	1,300.0
Defined benefit plans	124.8	–	4.9	–	129.7	–	129.7
Accrued interest payable	12.9	–	0.6	–	13.5	–	13.5
Tax liabilities	1,558.1	44.0	150.9	8.2	1,761.2	0.3	1,761.5
Total liabilities	10,880.7	305.8	855.2	58.6	12,100.3	(1,108.8)	10,991.5
Capital expenditure	2,534.8	49.5	47.0	0.7	2,632.0	–	2,632.0
Purchase of intangible assets	25.4	4.0	0.6	0.9	30.9	–	30.9
Depreciation	1,376.4	41.4	119.0	1.8	1,538.6	0.2	1,538.8
Impairment of property, plant and equipment	23.5	–	7.0	1.2	31.7	–	31.7
Amortisation of intangible assets	22.8	1.4	1.4	0.3	25.9	–	25.9
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	47.6	(1.7)	3.3	–	49.2	–	49.2

* Relates to inter-segment transactions eliminated on consolidation.

4 Segment Information (in $ million) (continued)

Geographical segments

The following table presents revenue information on airline operations by geographical areas for the financial years ended 31 March 2016 and 2015.

	By area of original sale	
	FY2015/16	**FY2014/15**
East Asia	**6,090.1**	5,630.6
Europe	**1,303.2**	1,422.3
South West Pacific	**1,306.8**	1,429.6
Americas	**566.2**	596.5
West Asia and Africa	**470.7**	432.2
Systemwide	**9,737.0**	9,511.2
Non-scheduled services and incidental revenue	**4,122.4**	4,540.3
	13,859.4	14,051.5

There was no single customer who contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2016 and 2015.

5 Staff Costs (in $ million)

	The Group	
	FY2015/16	**FY2014/15**
Salary, bonuses and other costs	**2,276.7**	2,159.6
CPF, other defined contributions and defined benefit expense	**171.9**	166.4
Share-based compensation expense	**12.4**	9.2
	2,461.0	2,335.2

The Group contributes to several post-employment defined benefit plans for employees at several overseas locations. Employees may contribute in some of these plans and these contributions are matched in varying amounts by the Group. Defined benefit expense for the Group was $17.7 million for FY2015/16 (FY2014/15: $16.4 million). As this is not material to the total staff costs of the Group for FY2015/16 and FY2014/15, additional disclosures of the defined benefit plans are not shown.

Share-based compensation arrangements

As at 31 March 2016, the Group has the following share-based payment arrangements:

(a) Share option plans (equity-settled)

Singapore Airlines Limited Employee Share Option Plan ("ESOP") which comprises the Senior Executive Share Option Scheme and the Employee Share Option Scheme for senior executives and all other employees respectively, were approved by shareholders on 8 March 2000 and modified at the Extraordinary General Meetings of the Company held on 14 July 2001, 26 July 2003 and 31 July 2009.

Following the expiry of the share option plans in March 2010, the Company ceased to grant options under ESOP.

(b) Share-based incentive plans (equity-settled)

The Singapore Airlines Limited Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") are share-based incentive plans for senior executives and key Senior Management, which were first approved by the shareholders of the Company on 28 July 2005. On 30 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, to replace the RSP and PSP respectively which expired on 27 July 2015.

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5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(b) Share-based incentive plans (equity-settled) (continued)

The RSP/RSP 2014 awards fully-paid ordinary shares of the Company, conditional on position and individual performance targets set at the start of a two-year performance period based on medium-term Group and Company objectives.

The PSP/PSP 2014 awards fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives.

Key terms and conditions related to the grants under these programmes are as follows:

Plans	Vesting Conditions	Performance conditions^	Payout
Senior Executive Share Option Scheme@	• 25% per annum of total ordinary shares subject to the options.	None	100%
Employee Share Option Scheme@	• Two years service from grant date.	None	100%
RSP/RSP 2014	• Based on meeting stated performance conditions over a two-year performance period, 50% of award vests. • Balance vests equally over the subsequent two years with fulfilment of service requirements.	At both Company and Group level • EBITDAR# Margin • Value Added per $ Employment Cost	0% - 150%*
PSP/PSP 2014	• Based on meeting stated performance conditions over a three-year performance period.	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") • Relative TSR against selected airline peer index companies	0% - 200%*
Time-based RSP	• For employees still in service, 50% of the shares vest in 2013 and the balance vests equally in 2014 and 2015. • For retirees, 50% of the shares vest on the retirement date and the remaining 50% one year after the retirement date.	None	100%
Deferred share award	• Awards cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition and provided that individual performance remains satisfactory.	None	100%

@ The share options have contractual life of no longer than 10 years from grant date.

EBITDAR denotes Earnings before Interest, Taxes, Depreciation, Amortisation and Rentals on leased aircraft.

* The payout depends on the achievement of pre-set performance targets over the performance period.

^ For non-market conditions, achievement factors are determined based on inputs from the Board Compensation & Industrial Relations Committee for the purpose of accrual for the share-based incentive plans until the achievement of the targets can be accurately ascertained.

5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(b) Share-based incentive plans (equity-settled) (continued)

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices of, and movements in, the ESOP during the financial year:

	FY2015/16		FY2014/15	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 April	**25,233,029**	**$12.42**	30,809,844	$12.16
Cancelled	**(1,754,354)**	**$10.52**	(2,117,481)	$12.06
Exercised	**(2,365,478)**	**$8.71**	(3,459,334)	$8.29
Balance at 31 March	**21,113,197**	**$13.03**	25,233,029	$12.42
Exercisable at 31 March	**21,113,197**	**$13.03**	25,233,029	$12.42

The range of exercise prices for options outstanding at the end of the year is $9.34 to $15.46 (FY2014/15: $8.02 to $15.46).

The weighted average share price for options exercised during the year was $11.01 (FY2014/15: $10.76). The weighted average remaining contractual life for these options is 1.46 years (FY2014/15: 2.21 years).

Movement of share awards during the financial year

	Number of Restricted Shares			
Date of grant	Balance at 01.04.2015/ date of grant	Adjustment*	Vested	Balance at 31.03.2016
RSP/RSP 2014				
01.07.2011	15,216	–	(15,216)	**–**
10.07.2012	220,910	–	(118,722)	**102,188**
15.07.2013	650,438	(242,788)	(221,475)	**186,175**
03.07.2014	689,073	–	–	**689,073**
03.07.2015	715,092	–	–	**715,092**
	2,290,729	(242,788)	(355,413)	**1,692,528**

* Adjustment at the end of two-year performance period upon meeting performance targets and adjustment for number of days in service for retirees.

	Number of Performance Shares		
Date of grant	Balance at 01.04.2015/ date of grant	Adjustment#	Balance at 31.03.2016
PSP/PSP 2014			
10.07.2012	173,405	(173,405)	**–**
15.07.2013	228,425	–	**228,425**
03.07.2014	248,568	–	**248,568**
03.07.2015	239,700	–	**239,700**
	890,098	(173,405)	**716,693**

Adjustment at the end of three-year performance period upon meeting performance targets and adjustment for number of days in service for retirees.

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5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(b) Share-based incentive plans (equity-settled) (continued)

Time-based RSP

Movement of time-based share awards during the financial year

	Number of Time-based Restricted Shares		
Date of grant	Balance at 01.04.2015	Vested	Balance at 31.03.2016
Time-based RSP			
07.05.2010	115,319	(109,893)	**5,426**

Deferred RSP/RSP 2014 Awards ("DSA")

Movement of deferred RSP/RSP 2014 awards during the financial year

	Number of Deferred RSP/RSP	
Date of grant	Balance at 01.04.2015/ date of grant	Balance at 31.03.2016
DSA		
04.09.2013	154,557	**154,557**
28.08.2014	73,470	**73,470**
10.09.2015	74,790	**74,790**
	302,817	**302,817**

Since the commencement of the RSP 2014 and PSP 2014 plans in July 2014, 1,103,052 awards have been granted.

(c) Measurement of fair values

The methods and inputs used in the measurement of fair values at grant date of the equity-settled share-based incentive plans were as follows:

	FY2015/16		FY2014/15	
	RSP 2014	PSP 2014	RSP	PSP
Valuation Method	Monte Carlo Simulation			
Expected dividend paid yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	14.11 – 18.34	14.11	12.10 – 18.61	18.61
Risk-free interest rate (%)	0.89 – 1.61	1.16	0.34 – 0.82	0.50
Expected term (years)	2.0 – 4.0	3.0	2.0 – 4.0	3.0
Share price at date of grant ($)	11.19	11.19	10.40	10.40
Estimated fair value ($)	9.42 – 10.34	6.58	8.95 – 9.68	9.38

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurating with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

6 Operating Profit (in $ million)

Operating profit for the financial year was arrived at after charging/(crediting):

	The Group FY2015/16	FY2014/15
Compensation for changes in aircraft delivery slots	**(136.7)**	(65.8)
Interest income from short-term investments	**(0.9)**	(0.8)
Dividend income from short-term investments	**(0.9)**	(0.9)
Income from operating lease of aircraft	**(46.9)**	(24.8)
Amortisation of deferred gain on sale and operating leaseback transactions	**(7.6)**	(5.7)
Loss/(Surplus) on disposal of short-term investments	**5.1**	(3.9)
Bad debts written off	**1.1**	6.3
(Writeback of impairment)/Impairment of trade debtors	**(4.7)**	0.7
Remuneration for auditors of the Company		
Audit fees	**1.5**	1.7
Non-audit fees	**0.3**	0.7
Exchange loss, net	**106.2**	113.1
Currency hedging gain	**(106.9)**	(35.1)
Fuel hedging loss recognised in "Fuel costs"	**1,166.5**	562.5
Ineffectiveness of fuel hedging contracts recognised in "Fuel Costs"	**0.2**	13.1
Ineffectiveness of cross currency swaps recognised in "Rentals on leased aircraft"	**0.1**	–

7 Finance Charges (in $ million)

	The Group FY2015/16	FY2014/15
Notes payable	**36.9**	39.7
Bank loans	**11.4**	3.8
Other receivables measured at amortised cost	**–**	1.5
Finance lease commitments	**0.8**	1.9
Realised loss on interest rate swap contracts accounted for as cash flow hedges	**0.6**	2.1
Commitment fees	**0.6**	0.6
	50.3	49.6

8 Interest Income (in $ million)

	The Group FY2015/16	FY2014/15
Interest income from fixed deposits and investments	**69.2**	65.5
Amortised interest income from other receivables	**1.5**	9.4
	70.7	74.9

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9 Other Non-Operating Items (in $ million)

	The Group	
	FY2015/16	FY2014/15
Impairment of aircraft	**(11.7)**	(22.0)
Surplus on disposal of other property, plant and equipment	**6.6**	2.2
Surplus on disposal of a subsidiary company	**3.3**	5.8
Surplus on partial disposal of an associated company	**2.8**	–
Loss on liquidation of an associated company	**(4.3)**	(0.2)
Impairment on investment in an associated company	**(2.5)**	–
Impairment on long-term investments	**(9.0)**	(0.3)
Writeback of shutdown costs of an associated company	**–**	2.8
Loss on disposal of an associated company	**–**	(2.6)
Refund of competition-related fines	**116.5**	–
Surplus on dilution of interest in an associated company	**1.9**	–
Loss on planned disposal of aircraft	**(38.0)**	–
Writeback of provision for onerous aircraft leases, net	**25.5**	–
	91.1	(14.3)

10 Exceptional Items (in $ million)

	The Group	
	FY2015/16	FY2014/15
Remeasurement gain arising from consolidation of Tiger Airways	**–**	119.8
Impairment on long-term investment	**–**	(63.6)
Gain on divestment of an associated company	**–**	7.3
Impairment of freighters	**–**	(7.0)
Writeback of impairment of property, plant and equipment of Singapore Flying College	**–**	2.1
Refund on appeal for anti-trust fine	**–**	1.0
Provision for competition-related fine and settlements	**–**	(25.1)
	–	34.5

During the previous financial year:

1. Tiger Airways became a subsidiary, resulting in the Group recording a gain of $119.8 million which arose from the remeasurement of SIA's retained interest in Tiger Airways at fair value.

2. Singapore Airlines Cargo ("SIA Cargo") recognised an impairment loss of $63.6 million on its long-term investment of an equity stake of 16% in China Cargo Airlines to fully write down its carrying value, due to negative shareholders' equity, and continued operating losses incurred.

3. The Company recorded an additional gain of $7.3 million on the sale of Virgin Atlantic Limited arising from certain post-closing adjustments.

4. SIA Cargo recorded an additional impairment loss of $7.0 million on two surplus freighters that have been removed from the operating fleet, based on the sale price of the freighters.

5. Singapore Flying College ("SFC") recognised a writeback of $2.1 million on its previously impaired assets, in relation to the closure of the college's operations in Maroochydore, Australia.

10 Exceptional Items (in $ million) (continued)

6. In respect of the air cargo investigations by competition authorities, SIA Cargo's appeal against the Seoul High Court judgment to the Supreme Court was partially successful. As a result, in September 2014, the South Korean Fair Trade Commission refunded KRW793.2 million ($1.0 million) to SIA Cargo, being part of the fine amount paid previously.

7. With regard to anti-trust litigation in the United States, SIA entered into a settlement agreement (with no admission of liability) with the plaintiffs in August 2014. In accordance with the agreement, SIA has made payment of USD9.2 million ($11.4 million) into an escrow account pending court approval. Final approval of the settlement was granted by the court in June 2015. Subsequently, one of the class members filed an appeal against the court judgment approving the settlement. This appeal is currently pending.

8. In March 2015, SIA Cargo reached a settlement with a customer to resolve all pending and potential civil damage claims regarding the air cargo issues. Arising from this settlement, a provision of USD10.1 million ($13.7 million) was recorded.

11 Taxation (in $ million)

The Group is subject to income taxes in numerous jurisdictions. Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2016 and 2015 are:

	The Group	
	FY2015/16	**FY2014/15**
Current taxation		
Provision for the year	**145.4**	126.2
(Over)/Under provision in respect of prior years	**(8.6)**	3.1
	136.8	129.3
Deferred taxation		
Movement in temporary differences	**(16.9)**	(37.7)
Under/(Over) provision in respect of prior years	**0.7**	(55.4)
	(16.2)	(93.1)
	120.6	36.2

Deferred taxation related to other comprehensive income:

	The Group	
	FY2015/16	**FY2014/15**
Available-for-sale financial assets	**(0.4)**	–
Cash flow hedges	**37.8**	(159.2)
Actuarial (loss)/gain on revaluation of defined benefit plans	**(0.3)**	2.1
	37.1	(157.1)

The Group has tax losses (of which no deferred tax asset has been recognised) of approximately $155.3 million (2015: $163.3 million) that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

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11 Taxation (in $ million) (continued)

A reconciliation between taxation expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March is as follows:

	The Group	
	FY2015/16	FY2014/15
Profit before taxation	**972.4**	442.9
Less: Share of (profits)/losses of associated and joint venture companies	**(11.7)**	77.1
	960.7	520.0
Taxation at statutory corporate tax rate of 17.0%	**163.3**	88.4
<u>Adjustments</u>		
Income not subject to tax	**(49.7)**	(39.1)
Expenses not deductible for tax purposes	**12.2**	26.5
Higher effective tax rates of other countries	**7.4**	5.6
Overprovision in respect of prior years, net	**(7.9)**	(52.3)
Income subject to concessionary tax rate	**(1.1)**	(0.3)
Tax benefit not recognised	**1.1**	8.4
Others	**(4.7)**	(1.0)
Taxation	**120.6**	36.2

12 Earnings Per Share

	The Group			
	FY2015/16		FY2014/15	
	Basic	Diluted	Basic	Diluted
Profit attributable to owners of the Parent (in $ million)	**804.4**	**804.4**	367.9	367.9
Adjustment for dilutive potential ordinary shares of subsidiary companies (in $ million)	**–**	**(0.3)**	–	(0.7)
Adjusted net profit attributable to owners of the Parent (in $ million)	**804.4**	**804.1**	367.9	367.2
Weighted average number of ordinary shares in issue (in million)	**1,166.0**	**1,166.0**	1,171.3	1,171.3
Adjustment for dilutive potential ordinary shares (in million)	**–**	**4.9**	–	5.2
Weighted average number of ordinary shares in issue used for computing earnings per share (in million)	**1,166.0**	**1,170.9**	1,171.3	1,176.5
Earnings per share (cents)	**69.0**	**68.7**	31.4	31.2

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the financial year.

For purposes of calculating diluted earnings per share, the profit attributable to owners of the Parent is adjusted to take into account effects of dilutive potential ordinary shares of subsidiary companies and the weighted average number of ordinary shares of the Company in issue is adjusted to take into account effects of dilutive options and share-based incentive plans of the Company.

17.6 million (FY2014/15: 18.6 million) of the share options granted to employees under the existing employee share option plans have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous year presented.

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

13 Dividends Paid and Proposed (in $ million)

	The Group and the Company FY2015/16	FY2014/15
The following tax exempt (one-tier) dividends were declared and paid by the Group and Company to the owners of the Company:		
Final dividend of 17.0 cents per share in respect of FY2014/15 (FY2014/15: 11.0 cents per share in respect of FY2013/14)	**199.1**	129.2
Interim dividend of 10.0 cents per share in respect of FY2015/16 (FY2014/15: 5.0 cents per share in respect of FY2014/15)	**116.3**	58.4
Special dividend of 25.0 cents per share in respect of FY2013/14	**–**	293.6
	315.4	481.2

The Directors propose that a final tax exempt (one-tier) dividend of 35.0 cents per share amounting to $407.3 million be paid for the financial year ended 31 March 2016.

During the financial year, total dividends of $43.6 million (FY2014/15: $72.0 million) were paid to non-controlling interests.

14 Share Capital (in $ million)

	The Group and the Company			
	Number of shares		Amount	
	2016	2015	2016	2015
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April and 31 March	**1,199,851,018**	1,199,851,018	**1,856.1**	1,856.1
Special share				
Balance at 1 April and 31 March	**1**	1	**#**	#

The value is $0.50

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares, which have no par value, carry one vote per share without restriction. All shares rank equally with regards to the Group's residual assets.

The Company's ability to operate its existing route network and flight frequency is derived solely from and dependent entirely on the Air Service Agreements ("ASAs") concluded between the Government of Singapore and the governments of other countries. ASAs are therefore critical to the Company's operations. In almost all the ASAs, it is a condition that the Company must at all times be "effectively controlled" and "substantially owned" by Singapore nationals for the tenure of the respective ASAs.

In order to comply with the above requirement, one non-tradeable Special Share was issued to the Ministry of Finance. The Special Share enjoys all the rights attached to ordinary shares. In addition, pursuant to Article 3A of the Articles of Association, no resolution may be passed on certain matters without prior written approval of the Special Member.

The Company can also issue non-tradeable redeemable cumulative preference shares, which carry full voting rights ("ASA shares"). When issued, the ASA shares will be paid at $0.01 each and will carry equal voting rights as those of ordinary shares. These shares will be issued only when the Directors determine that the Company's operating rights under any of the ASAs are threatened by reason of the nationality of the majority shareholders.

During the financial year, the Company did not issue any shares (FY2014/15: nil) upon exercise of options granted under the ESOP, or vesting of share-based incentive plans.

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15 Treasury Shares (in $ million)

	The Group and the Company 31 March	
	2016	2015
Balance at 1 April	**(326.3)**	(262.2)
Purchase of treasury shares	**(85.4)**	(107.0)
Treasury shares reissued pursuant to equity compensation plans:		
- For cash on exercise of employee share options	**20.1**	28.6
- Transferred from share-based compensation reserve	**11.3**	17.1
- Gain on reissuance of treasury shares	**(1.2)**	(2.8)
	30.2	42.9
Balance at 31 March	**(381.5)**	(326.3)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the financial year, the Company purchased 8,438,700 (FY2014/15: 10,635,000) of its ordinary shares by way of on-market purchases at share prices ranging from $9.75 to $10.70 (FY2014/15: $9.64 to $10.45). The total amount paid to purchase the shares was $85.4 million (FY2014/15: $107.0 million) and this is presented as a component within equity attributable to owners of the Parent.

The Company reissued 2,365,478 (FY2014/15: 3,459,334) treasury shares pursuant to its employee share option plans at a weighted average exercise price of $8.52 (FY2014/15: $8.29) each. In addition, 355,413 (FY2014/15: 359,603) shares, nil (FY2014/15: 36,410) shares and 109,893 (FY2014/15: 102,010) shares were reissued pursuant to the RSP, PSP and time-based RSP respectively. The number of treasury shares as at 31 March 2016 was 36,070,359 (2015: 30,462,443).

Where the consideration paid by the Company for the purchase or acquisition of treasury shares is made out of revenue reserves, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

16 Other Reserves (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Capital reserve	**(129.2)**	215.9	**(5.1)**	(6.3)
Foreign currency translation reserve	**(151.3)**	(135.7)	**–**	–
Share-based compensation reserve	**123.7**	113.2	**108.0**	96.1
Fair value reserve	**(498.6)**	(706.2)	**(470.9)**	(581.8)
General reserve	**11,935.5**	11,446.6	**10,901.6**	10,541.5
	11,280.1	10,933.8	**10,533.6**	10,049.5

(a) Capital reserve

Capital reserve mainly arises from the loss on the acquisition of non-controlling interests in a subsidiary company (Note 23(g)), revaluation of land and buildings owned by RCMS Properties Private Limited, an associated company, the share of other changes in equity of Virgin Australia Holdings Limited ("Virgin Australia"), an associated company, and the gains or losses on the reissuance of treasury shares.

16 Other Reserves (in $ million) (continued)

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share-based compensation reserve

Share-based compensation reserve consists of equity-settled share options and awards granted to employees, that is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options and awards, and equity-settled share options granted to the shareholders of Tiger Airways pursuant to the Voluntary General Offer (Note 23(g)).

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes of available-for-sale financial assets and the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

Fair value changes of available-for-sale financial assets:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Balance at 1 April	**15.3**	(66.9)	**13.4**	(68.9)
Net gain on fair value changes	**109.0**	82.2	**2.3**	82.3
Balance at 31 March	**124.3**	15.3	**15.7**	13.4
Gain on fair value changes	**103.9**	71.1	**2.3**	67.3
Adjustment on acquisition of an associated company	**–**	15.0	**–**	15.0
Recognised in the profit and loss account on disposal of available-for-sale investments	**5.1**	(3.9)	**–**	–
	109.0	82.2	**2.3**	82.3

On 4 July 2014, Virgin Australia became an associated company. It was previously classified as an available-for-sale investment. The adjustment on acquisition of an associated company of $15.0 million related to the changes in fair value previously recognised in fair value reserve were reversed to reinstate the investment to its original cost.

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31 March 2016

16 Other Reserves (in $ million) (continued)

(d) Fair value reserve (continued)

Fair value changes of derivative financial instruments designated as hedging instruments in cash flow hedges:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Balance at 1 April	**(721.5)**	26.5	**(595.2)**	17.4
Net gain/(loss) on fair value changes	**98.6**	(748.0)	**108.6**	(612.6)
Balance at 31 March	**(622.9)**	(721.5)	**(486.6)**	(595.2)
Loss on fair value changes	**(655.1)**	(1,208.3)	**(572.8)**	(986.0)
Share of associated and joint venture companies' net loss on fair value reserve	**(10.8)**	(13.2)	**–**	–
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	**(0.8)**	–	**–**	–
Acquisition of non-controlling interests without a change in control	**(11.1)**	–	**–**	–
Realisation of reserves on disposal of an associated company	**–**	4.0	**–**	–
Recognised in the carrying value of non-financial assets on occurrence of capital expenditure commitments	**(41.4)**	(14.1)	**(31.3)**	(14.1)
Recognised in the profit and loss account on occurrence of:				
Fuel hedging contracts recognised in "Fuel costs"	**883.3**	466.9	**768.1**	370.5
Foreign currency contracts recognised in "Other operating expenses"	**(77.4)**	(9.2)	**(66.7)**	(6.8)
Cross currency swap contracts recognised in "Lease rentals"	**0.1**	–	**0.1**	–
Interest rate swap contracts recognised in "Lease rentals"	**11.2**	23.8	**11.2**	23.8
Interest rate swap contracts recognised in "Finance charges"	**0.6**	2.1	**–**	–
	98.6	(748.0)	**108.6**	(612.6)
Total fair value reserve	**(498.6)**	(706.2)	**(470.9)**	(581.8)

(e) General reserve

General reserve comprises mainly retained earnings of the Group and the Company. Movements in the Group's and the Company's general reserves are set out in the Statement of Changes in Equity respectively.

17 Deferred Account (in $ million)

	The Group 31 March 2016	The Group 31 March 2015	The Company 31 March 2016	The Company 31 March 2015
Deferred gain/(loss) on sale and leaseback transactions				
– operating leases	**5.8**	(35.0)	**0.4**	(36.3)
– finance leases	**2.7**	5.2	**–**	–
	8.5	(29.8)	**0.4**	(36.3)
Deferred credit	**210.8**	115.1	**197.1**	115.1
	219.3	85.3	**197.5**	78.8
Presented as:				
– Non-current assets	**(6.0)**	(56.4)	**–**	(36.3)
– Non-current liabilities	**225.3**	141.7	**197.5**	115.1
	219.3	85.3	**197.5**	78.8

Notes to the Financial Statements

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18 Deferred Taxation (in $ million)

	The Group				The Company	
	Statement of financial position 31 March		Profit and loss		Statement of financial position 31 March	
	2016	2015	FY2015/16	FY2014/15	2016	2015
The deferred taxation arises as a result of:						
Deferred tax liabilities						
Differences in depreciation	**1,909.9**	1,857.0	**52.9**	16.6	**1,473.8**	1,481.6
Revaluation to fair value						
- fuel hedging contracts	**0.9**	1.5	**–**	–	**0.9**	1.4
- currency hedging contracts	**3.7**	21.8	**–**	–	**3.7**	17.4
- interest rate cap contracts	**1.7**	–	**–**	–	**–**	–
- available-for-sale financial assets	**–**	0.4	**–**	–	**–**	–
Fair value adjustments on acquisition of a subsidiary company	**13.9**	17.2	**1.5**	2.9	**–**	–
Other temporary differences	**35.6**	17.4	**4.7**	(35.5)	**16.0**	11.6
Gross deferred tax liabilities	**1,965.7**	1,915.3	**59.1**	(16.0)	**1,494.4**	1,512.0
Deferred tax assets						
Unabsorbed capital allowances and tax losses	**(81.1)**	(82.7)	**(50.6)**	(91.5)	**–**	–
Revaluation to fair value						
- fuel hedging contracts	**(102.5)**	(166.4)	**–**	–	**(80.3)**	(134.1)
- currency hedging contracts	**(21.4)**	(10.4)	**–**	–	**(19.6)**	(9.1)
- interest rate cap contracts	**(0.1)**	(2.0)	**–**	–	**(0.1)**	(2.0)
Actuarial loss on revaluation of defined benefit plans	**(1.5)**	(1.2)	**–**	–	**(1.0)**	(0.7)
Other temporary differences	**(77.4)**	(53.0)	**(24.7)**	14.4	**(46.9)**	(40.6)
Gross deferred tax assets	**(284.0)**	(315.7)	**(75.3)**	(77.1)	**(147.9)**	(186.5)
Net deferred tax liabilities	**1,681.7**	1,599.6			**1,346.5**	1,325.5
Deferred tax credited to profit and loss			**(16.2)**	(93.1)		
Deferred tax charged/(credited) to equity	**37.1**	(157.1)			**30.7**	(128.2)

At the end of the reporting period, deferred tax liability of $0.7 million (2015: $0.6 million) has been recognised for taxes that would be payable on the undistributed earnings of one of the Group's subsidiary companies.

For the other subsidiary companies of the Group, no deferred tax liability has been recognised as the Group has determined that undistributed earnings of these subsidiary companies will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to $7.1 million (2015: $5.9 million). The deferred tax liability is estimated to be $2.1 million (2015: $1.8 million).

19 Borrowings and Long-Term Liabilities (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Current Liabilities				
Borrowings				
Notes payable	**–**	300.0	**–**	300.0
Loans	**190.4**	93.0	**–**	–
Finance lease commitments	**21.5**	54.1	**–**	–
	211.9	447.1	**–**	300.0
Non-Current Liabilities				
Borrowings				
Notes payable	**1,000.0**	1,000.0	**1,000.0**	1,000.0
Loans	**112.7**	247.2	**–**	–
Finance lease commitments	**22.9**	45.2	**–**	–
	1,135.6	1,292.4	**1,000.0**	1,000.0
Long-Term Liabilities				
Maintenance reserve	**5.4**	1.0	**5.4**	1.0
Purchase option price payable to lessor	**28.6**	76.6	**–**	–
Deposit received from a lessee	**9.1**	–	**–**	–
Derivative liabilities	**104.7**	151.2	**104.7**	151.2
	147.8	228.8	**110.1**	152.2
	1,283.4	1,521.2	**1,110.1**	1,152.2

Notes payable

Notes payable at 31 March 2016 comprised unsecured notes issued by the Company.

$500 million fixed rate notes due 2020 ("Series 001 Notes") bear fixed interest at 3.22% per annum and are repayable on 9 July 2020. The fair value of notes payable amounted to $518.3 million as at 31 March 2016 (2015: $511.4 million) for the Company.

$200 million fixed rate notes due 2021 ("Series 002 Notes") bear fixed interest at 3.145% per annum and are repayable on 8 April 2021. The fair value of notes payable amounted to $204.7 million as at 31 March 2016 (2015: $202.9 million) for the Company.

$300 million fixed rate notes due 2024 ("Series 003 Notes") bear fixed interest at 3.75% per annum and are repayable on 8 April 2024. The fair value of notes payable amounted to $313.3 million as at 31 March 2016 (2015: $309.1 million) for the Company.

Notes to the Financial Statements

31 March 2016

19 Borrowings and Long-Term Liabilities (in $ million) (continued)

Loans

A short-term loan of $8.8 million (2015: $9.3 million) is a revolving credit facility denominated in USD taken by a subsidiary company. The loan is unsecured and bears a fixed interest ranging from 2.75% to 3.03% (FY2014/15: 2.75%) per annum. The current revolving credit facility is repayable within 12 months after the reporting date.

The other short-term loans of $181.6 million (2015: $83.7 million) are European Export Credit Agency ("ECA") aircraft financing loans denominated in SGD taken by a subsidiary company. These are in the form of credit support, where a bank or other financial institution lends money to the borrower with the loan guaranteed by the ECA. The secured bank loans are secured via assignment of the aircraft purchase agreement, assignment of engine warranty and credit agreement as well as mortgage of the aircraft. The interest rates range from 1.18% to 4.11% (FY2014/15: 0.90% to 4.11%) per annum and the loans are repayable within 12 months after the reporting date.

A long-term loan of $24.5 million (2015: $23.9 million) denominated in USD taken by a subsidiary company is unsecured and bears an average floating rate of 1.80% (FY2014/15: 1.47%) per annum, re-priced quarterly. This loan shall be repayable in 2022.

The other long-term loans of $88.2 million (2015: $223.3 million) are ECA aircraft financing loans denominated in SGD taken by a subsidiary company. The interest rates range from 1.18% to 4.11% per annum (FY2014/15: 0.90% to 4.11%) and the loans are repayable in 2023.

As part of the ECA financing arrangements with banks, special purpose entities ("SPE") (Note 23) were incorporated. As at 31 March 2016, there were ECA financing arrangements with banks to finance 11 aircraft (2015: 11). Pursuant to the ECA financing, the legal ownership of the aircraft is vested in the SPEs. The subsidiary companies leased the aircraft using finance lease arrangements with Falcon Aircraft Limited and Winnie Aircraft Limited. The subsidiary companies have purchase options to acquire legal ownership of the aircraft from the SPEs at the end of the lease term at a bargain purchase option price.

The fair value of the loans amounted to $320.5 million as at 31 March 2016 (2015: $336.3 million).

Finance lease commitments

During the year, SIA Cargo had four B747-400 freighters on finance leases, of which SIA Cargo had elected the purchase option and purchased two of the four freighters.

SIA Cargo holds two B747-400 freighters under finance leases, which mature between 2017 and 2018, without any options for renewal. One lease has an option for SIA Cargo to purchase the aircraft at the end of the lease period of 12 years. The remaining lease has an option for SIA Cargo to purchase the aircraft at the end of the 15th year of the lease period. Sub-leasing is allowed under the lease agreements.

The net carrying amounts approximate the fair value as the interest rate approximates the market rate.

19 Borrowings and Long-Term Liabilities (in $ million) (continued)

Purchase option price payable

SIA Cargo continues to remain the primary obligor under the lease agreements, and as such, there are unpaid lease commitments of $132.1 million (2015: $192.3 million) as at 31 March 2016. Of this amount, $79.4 million (2015: $76.6 million) relates to the purchase option price payable to the lessor, which $28.6 million (2015: $76.6 million) is recognised under long-term liabilities and $50.8 million (2015: nil) under trade and other creditors. The fair value of the purchase option price payable amounted to $83.8 million (2015: $85.3 million) as at 31 March 2016.

Future minimum lease payments under these finance leases are as follows:

	The Group 31 March			
	2016		2015	
	Minimum Lease Payments	Present Value of Payments	Minimum Lease Payments	Present Value of Payments
Not later than one year	**23.8**	**21.5**	57.8	54.1
Later than one year but not later than five years	**23.7**	**22.9**	48.3	45.2
Total minimum lease payments	**47.5**	**44.4**	106.1	99.3
Amounts representing interest	**(3.1)**	**–**	(6.8)	–
Present value of minimum lease payments	**44.4**	**44.4**	99.3	99.3

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20 Provisions (in $ million)

Included are provisions for warranty claims, upgrade costs, return costs for leased aircraft, lease end liability and onerous leases. It is expected that the return costs will be incurred by the end of the lease terms.

An analysis of the provisions is as follows:

The Group

	Return costs for leased aircraft	Onerous leases	Others	Total
Balance at 1 April 2014	658.4	–	31.4	689.8
Acquisition of a subsidiary company	118.0	133.1	–	251.1
Provision during the year	321.8	6.5	20.0	348.3
Provision utilised during the year	(91.4)	(51.6)	(8.4)	(151.4)
Balance at 31 March 2015	1,006.8	88.0	43.0	1,137.8
Current	151.5	17.8	9.6	178.9
Non-current	855.3	70.2	33.4	958.9
	1,006.8	88.0	43.0	1,137.8
Balance at 1 April 2015	1,006.8	88.0	43.0	1,137.8
Provision during the year	244.6	9.6	22.6	276.8
Provision written back during the year	(48.7)	(35.1)	–	(83.8)
Provision utilised during the year	(155.6)	(20.6)	(14.4)	(190.6)
Reclassification	(44.6)	–	–	(44.6)
Balance at 31 March 2016	1,002.5	41.9	51.2	1,095.6
Current	195.1	13.2	10.2	218.5
Non-current	807.4	28.7	41.0	877.1
	1,002.5	41.9	51.2	1,095.6

20 Provisions (in $ million) (continued)

The Company

	Return costs for leased aircraft	Others	Total
Balance at 1 April 2014	596.6	27.7	624.3
Provision during the year	263.9	19.4	283.3
Provision utilised during the year	(50.9)	(8.0)	(58.9)
Balance at 31 March 2015	809.6	39.1	848.7
Current	138.0	8.0	146.0
Non-current	671.6	31.1	702.7
	809.6	39.1	848.7
Balance at 1 April 2015	809.6	39.1	848.7
Provision during the year	206.0	22.2	228.2
Provision written back during the year	(48.7)	–	(48.7)
Provision utilised during the year	(142.7)	(13.2)	(155.9)
Reclassification	(44.6)	–	(44.6)
Balance at 31 March 2016	779.6	48.1	827.7
Current	171.3	9.2	180.5
Non-current	608.3	38.9	647.2
	779.6	48.1	827.7

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21 Property, Plant and Equipment (in $ million)

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2014	18,748.4	539.1	192.3
Additions	286.6	36.8	19.8
Acquisition of a subsidiary company	461.8	–	10.2
Transfers	1,632.6	0.4	3.1
Reclassification to assets held for sale	(91.9)	–	–
Disposals	(1,818.7)	(48.8)	(23.6)
Exchange differences	–	0.4	–
At 31 March 2015	19,218.8	527.9	201.8
Additions	714.4	67.6	53.4
Transfers	1,839.7	0.2	40.0
Reclassification to assets held for sale	(266.3)	–	–
Disposals	(1,434.1)	(17.8)	(31.2)
Disposal of a subsidiary company	–	–	–
Exchange differences	–	(0.1)	–
At 31 March 2016	20,072.5	577.8	264.0
Accumulated depreciation and impairment loss			
At 1 April 2014	8,960.0	306.9	112.1
Depreciation	1,410.1	31.3	13.5
Impairment loss	29.0	1.5	–
Transfers	(3.8)	–	–
Reclassification to assets held for sale	(28.4)	–	–
Disposals	(780.4)	(39.9)	(21.2)
Exchange differences	–	0.3	–
At 31 March 2015	9,586.5	300.1	104.4
Depreciation	1,410.8	30.1	19.7
Impairment loss	19.9	1.7	–
Transfers	(21.6)	–	18.9
Reclassification to assets held for sale	(80.5)	–	–
Disposals	(948.8)	(8.1)	(29.4)
Disposal of a subsidiary company	–	–	–
Exchange differences	–	(0.1)	–
At 31 March 2016	9,966.3	323.7	113.6
Net book value			
At 31 March 2015	9,632.3	227.8	97.4
At 31 March 2016	10,106.2	254.1	150.4

	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
	15.7	147.4	621.9	834.7	268.1	2,440.7	23,808.3
	–	–	0.5	29.6	13.5	2,245.2	2,632.0
	–	–	0.1	–	0.9	76.1	549.1
	–	–	0.2	74.8	5.5	(1,716.6)	–
	–	–	–	–	–	–	(91.9)
	–	–	(13.1)	(71.6)	(11.7)	(0.8)	(1,988.3)
	–	–	1.5	3.1	0.2	1.3	6.5
	15.7	147.4	611.1	870.6	276.5	3,045.9	24,915.7
	–	–	0.4	38.8	14.9	2,034.2	2,923.7
	–	–	–	(3.4)	5.6	(1,882.1)	–
	–	–	–	–	–	(19.8)	(286.1)
	–	–	–	(162.9)	(7.4)	(9.8)	(1,663.2)
	–	–	–	(3.5)	(0.7)	–	(4.2)
	–	–	(0.5)	(1.0)	(0.1)	(0.5)	(2.2)
	15.7	147.4	611.0	738.6	288.8	3,167.9	25,883.7
	–	119.8	438.3	606.5	238.0	–	10,781.6
	–	3.2	11.6	53.6	15.5	–	1,538.8
	–	–	–	1.2	–	–	31.7
	–	–	0.1	3.5	0.2	–	–
	–	–	–	–	–	–	(28.4)
	–	–	(8.6)	(71.6)	(11.5)	–	(933.2)
	–	–	0.4	1.2	0.1	–	2.0
	–	123.0	441.8	594.4	242.3	–	11,392.5
	–	3.3	11.6	49.0	18.5	–	1,543.0
	–	–	–	0.7	–	–	22.3
	–	–	–	2.7	–	–	–
	–	–	–	–	–	–	(80.5)
	–	–	–	(139.2)	(7.4)	–	(1,132.9)
	–	–	–	(2.6)	(0.6)	–	(3.2)
	–	–	(0.2)	(0.6)	(0.1)	–	(1.0)
	–	126.3	453.2	504.4	252.7	–	11,740.2
	15.7	24.4	169.3	276.2	34.2	3,045.9	13,523.2
	15.7	21.1	157.8	234.2	36.1	3,167.9	14,143.5

Notes to the Financial Statements

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21 Property, Plant and Equipment (in $ million) (continued)

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2014	14,904.3	336.1	50.2
Additions	84.9	13.5	19.2
Transfers	1,106.5	–	–
Disposals	(1,061.4)	(47.9)	(4.4)
At 31 March 2015	15,034.3	301.7	65.0
Additions	41.4	51.6	14.7
Transfers	1,063.1	–	–
Disposals	(343.2)	(14.6)	(0.1)
At 31 March 2016	15,795.6	338.7	79.6
Accumulated depreciation and impairment loss			
At 1 April 2014	6,675.7	222.1	14.7
Depreciation	1,168.8	15.8	5.2
Impairment loss	22.0	1.5	–
Transfers	(3.3)	–	–
Disposals	(382.1)	(35.3)	(4.4)
At 31 March 2015	7,481.1	204.1	15.5
Depreciation	1,151.9	13.4	6.2
Impairment loss	17.0	1.7	–
Transfers	(2.7)	–	–
Disposals	(210.4)	(5.7)	–
At 31 March 2016	8,436.9	213.5	21.7
Net book value			
At 31 March 2015	7,553.2	97.6	49.5
At 31 March 2016	7,358.7	125.2	57.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	147.4	332.3	491.0	212.9	1,622.7	18,112.6
–	–	–	8.7	11.6	1,467.1	1,605.0
–	–	–	73.0	–	(1,179.5)	–
–	–	–	(32.6)	(7.5)	–	(1,153.8)
15.7	147.4	332.3	540.1	217.0	1,910.3	18,563.8
–	–	–	23.2	13.2	1,595.1	1,739.2
–	–	–	–	–	(1,063.1)	–
–	–	–	(137.2)	(6.8)	–	(501.9)
15.7	147.4	332.3	426.1	223.4	2,442.3	19,801.1
–	119.8	310.7	315.7	195.0	–	7,853.7
–	3.2	1.8	37.2	9.8	–	1,241.8
–	–	–	–	–	–	23.5
–	–	–	3.3	–	–	–
–	–	–	(32.6)	(7.2)	–	(461.6)
–	123.0	312.5	323.6	197.6	–	8,657.4
–	3.3	1.9	33.2	12.3	–	1,222.2
–	–	–	–	–	–	18.7
–	–	–	2.7	–	–	–
–	–	–	(115.5)	(6.8)	–	(338.4)
–	126.3	314.4	244.0	203.1	–	9,559.9
15.7	24.4	19.8	216.5	19.4	1,910.3	9,906.4
15.7	21.1	17.9	182.1	20.3	2,442.3	10,241.2

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21 Property, Plant and Equipment (in $ million) (continued)

Assets held under finance leases

	The Group 31 March 2016	2015
Net book value of property, plant and equipment acquired under finance leases:		
- aircraft	**556.9**	825.7
- plant and equipment	**0.1**	0.1
	557.0	825.8

Advance and progress payments comprise mainly purchases of aircraft and related equipment.

Asset held as security

SilkAir (Singapore) Private Limited's ("SilkAir") spare engines with carrying amounts of $27.6 million (2015: $18.1 million) are pledged as security for the amounts owed to the original equipment manufacturer and service credits issued to SilkAir.

Impairment of aircraft

In the financial year ended 31 March 2016, an impairment loss of $11.7 million (FY2014/15: $22.0 million) was recognised on four Boeing 777-200ER (FY2014/15: two Boeing 777-200ER) aircraft that were previously removed from the operating fleet. The recoverable amount was based on the estimated disposal value. This amount has been recognised as a non-operating item (Note 9). The estimated disposal value is classified as Level 3 under the fair value hierarchy.

Impairment of engines

An impairment loss of $8.2 million (FY2014/15: nil) was recognised on two engines damaged beyond economic repair.

Reclassification to assets held for sale

As of 31 March 2016, seven aircraft were classified as held for sale as a subsidiary company had decided to sell these aircraft (2015: two aircraft). The sale is expected to be completed within one year. During the financial year, the Group recognised a loss on planned disposal of aircraft of $38.0 million as a non-operating item (Note 9). The estimated disposal value of the aircraft is classified as Level 3 under the fair value hierarchy.

	The Group 31 March 2016	2015
Balance as at 1 April	**71.0**	–
Transfer from property, plant and equipment	**205.6**	63.5
Transfer from prepayments	**–**	7.5
Loss on planned disposal of aircraft	**(38.0)**	–
Others	**2.9**	–
	241.5	71.0

22 Intangible Assets (in $ million)

The Group

	Goodwill	Brand	Trademarks	Computer software and others	Deferred engine development cost	Advance and progress payments	Total
Cost							
At 1 April 2014	–	–	–	508.7	50.0	8.1	566.8
Additions	–	–	–	10.2	2.0	18.7	30.9
Acquisition of a subsidiary company	163.8	75.9	25.0	–	–	–	264.7
Disposals	–	–	–	(11.6)	–	–	(11.6)
Transfers	–	–	–	16.1	–	(16.1)	–
Exchange differences	–	–	–	0.1	4.7	–	4.8
At 31 March 2015	163.8	75.9	25.0	523.5	56.7	10.7	855.6
Additions	6.6	–	–	10.4	2.6	32.5	52.1
Disposals	–	–	–	(6.4)	–	–	(6.4)
Transfers	–	–	–	32.7	–	(32.7)	–
Exchange differences	–	–	–	–	(1.1)	–	(1.1)
At 31 March 2016	170.4	75.9	25.0	560.2	58.2	10.5	900.2
Accumulated amortisation							
At 1 April 2014	–	–	–	343.4	–	–	343.4
Amortisation	–	–	–	25.9	–	–	25.9
Disposals	–	–	–	(11.4)	–	–	(11.4)
Exchange differences	–	–	–	0.1	–	–	0.1
At 31 March 2015	–	–	–	358.0	–	–	358.0
Amortisation	–	–	1.6	31.1	–	–	32.7
Disposals	–	–	–	(6.3)	–	–	(6.3)
At 31 March 2016	–	–	1.6	382.8	–	–	384.4
Net book value							
At 31 March 2015	163.8	75.9	25.0	165.5	56.7	10.7	497.6
At 31 March 2016	170.4	75.9	23.4	177.4	58.2	10.5	515.8

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22 Intangible Assets (in $ million) (continued)

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2014	426.2	5.2	431.4
Additions	7.6	14.7	22.3
Transfers	11.5	(11.5)	–
Disposals	(7.9)	–	(7.9)
At 31 March 2015	437.4	8.4	445.8
Additions	8.9	24.1	33.0
Transfers	27.4	(27.4)	–
Disposals	(5.4)	–	(5.4)
At 31 March 2016	468.3	5.1	473.4
Accumulated amortisation			
At 1 April 2014	273.5	–	273.5
Amortisation	20.7	–	20.7
Disposals	(7.8)	–	(7.8)
At 31 March 2015	286.4	–	286.4
Amortisation	25.4	–	25.4
Disposals	(5.4)	–	(5.4)
At 31 March 2016	306.4	–	306.4
Net book value			
At 31 March 2015	151.0	8.4	159.4
At 31 March 2016	161.9	5.1	167.0

Impairment testing of goodwill and brand

The goodwill and brand acquired through acquisition of Tiger Airways have indefinite useful lives. Tiger Airways has been identified as a single CGU for impairment testing.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 6.8% (2015: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period is 2.5% (2015: 2.5%).

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:
Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Growth rate – The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

A reasonable change to the assumptions used by Management to determine the impairment required, particularly the discount rate and long-term growth rate, would not significantly affect the results.

22 Intangible Assets (in $ million) (continued)

Impairment testing of deferred engine development costs

This relates to the Group's share of engine development payments made in connection with its participation in aircraft engine development projects with other companies. As the intangible asset is not yet available for use, an impairment test has been performed.

The recoverable amount of the CGU (the aircraft engine development project) has been determined based on value-in-use calculations using cash flow projections from business plan approved by Management for the next 46 years (2015: 47 years). The pre-tax discount rate applied to cash flow projections is 7.0% (2015: 7.0%).

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:
Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Number and timing of engine sales – The number and timing of engine sales represent the projected number of aircraft engines expected to be sold each year upon completion of the engine development. Projections of engine sales are based on current aircraft orders and expectations of market developments.

The recoverable amount is still expected to exceed its carrying amount if the discount rate or growth rate increases by 0.8% instead or if engine sales are delayed by one year.

Impairment testing of landing slots

The carrying value of the landing slots classified under "others" is assessed for impairment annually as the landing slots have indefinite useful lives. The recoverable amount of the landing slots has been determined based on value-in-use calculations using nine-year cash flow projections approved by Management. The pre-tax discount rate applied to cash flow projections is 6.8% (2015: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period is 2.5% (2015: 2.5%). A reasonable change to the assumptions used by Management to determine the impairment required, particularly the discount rate and long-term growth rate, would not significantly affect the results.

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23 Subsidiary Companies (in $ million)

	The Company 31 March	
	2016	2015
Investment in subsidiary companies	**3,331.6**	2,846.3
Accumulated impairment loss	**(52.7)**	(52.7)
	3,278.9	2,793.6
Long-term loans to a subsidiary company	**1,182.0**	571.1
	4,460.9	3,364.7

During the financial year:

1. The Company announced a Voluntary Conditional General Offer (the "Offer") for the shares in Tiger Airways that the Company does not already own. The Company invested an additional of $477.7 million in Tiger Airways. Further details are disclosed in Notes 23(g) and 42.

2. The Company divested its 56.0% shareholdings in Abacus Travel Systems Pte Ltd ("ATS") for a consideration of USD5.6 million ($7.5 million). Following the divestment, ATS is no longer a subsidiary company of SIA.

3. The Company extended a two-year unsecured loan to Scoot Pte. Ltd. ("Scoot"). The maturity date of the loans, including the loan from last year, was extended by one year to September 2017. Interest on the loans is computed using SGD swap-offer rates, plus an agreed margin. The loans are denominated in SGD and interest rates ranged from 1.45% to 2.57% per annum (FY2014/15: 1.45% to 2.30%). The carrying amount of the loans approximates the fair value as interest rates implicit in the loan approximate market interest rates.

4. SIAEC invested approximately $0.3 million and $2.7 million in NexGen Network (1) Holding Pte Ltd ("NGN1") and NexGen Network (2) Holding Pte Ltd ("NGN2") respectively.

5. SIAEC invested approximately $2.8 million in SIA Engineering (Philippines) Corporation ("SIAEP").

6. Tiger Airways incorporated a wholly-owned subsidiary, Simple Holidays Pte. Ltd., with a share capital of $250,000 consisting of 250,000 ordinary shares. Tiger Airways also subscribed to an additional 299,000 shares at $1.00 each in the capital of Roar Aviation III Pte. Ltd.

23 Subsidiary Companies (in $ million) (continued)

(a) Composition of the Group

The subsidiary companies at 31 March are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 2016	2015
SIA Engineering Company Limited*	Engineering services	Singapore	**77.6**	77.6
Aircraft Maintenance Services Australia Pty Ltd(1)**	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Australia	**77.6**	77.6
NexGen Network (1) Holding Pte Ltd(1)*	Investment holding	Singapore	**77.6**	77.6
NexGen Network (2) Holding Pte Ltd(1)*	Investment holding	Singapore	**77.6**	77.6
SIA Engineering (USA), Inc.(1)@	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	**77.6**	77.6
SIAEC Global Pte Ltd(1)*	Investment holding	Singapore	**77.6**	77.6
Singapore Jamco Services Pte Ltd (1)*	Maintenance, repair and overhaul of aircraft and cabin components/systems	Singapore	**62.0**	62.1
SIA Engineering (Philippines) Corporation(1)**	Provide airframe maintenance and component overhaul services	Philippines	**50.4**	50.4
Aerospace Component Engineering Services Pte Limited (1) (2)*	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	**39.6**	39.6
Aviation Partnership (Philippines) Corporation(1) (2)**	Provide aircraft maintenance services including technical and non-technical handling at the airport	Philippines	**39.6**	39.6
Singapore Airlines Cargo Pte Ltd*	Air cargo transportation	Singapore	**100.0**	100.0
Cargo Community Network Pte Ltd(3)*	Providing and marketing of cargo community systems	Singapore	**51.0**	51.0
Cargo Community (Shanghai) Co Ltd(3)***+	Marketing and support of portal services for the air cargo industry	People's Republic of China	**51.0**	51.0
SilkAir (Singapore) Private Limited*	Air transportation	Singapore	**100.0**	100.0
Scoot Pte. Ltd.*	Air transportation	Singapore	**100.0**	100.0
Tradewinds Tours & Travel Private Limited(4)*	Tour wholesaling	Singapore	**100.0**	100.0
Singapore Aviation and General Insurance Company (Pte) Limited*	Aviation insurance	Singapore	**100.0**	100.0
Singapore Flying College Pte Ltd*	Training of pilots	Singapore	**100.0**	100.0
Sing-Bi Funds Private Limited*	Inactive	Singapore	**100.0**	100.0
Singapore Airport Duty-Free Emporium (Private) Limited*	Inactive	Singapore	**76.0**	76.0
Abacus Travel Systems Pte Ltd(5)****	Marketing of Abacus computer reservations systems	Singapore	**–**	61.0

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23 Subsidiary Companies (in $ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 2016	2015
Tiger Airways Holdings Limited****	Investment holding	Singapore	**95.5**	55.8
Tiger Airways Singapore Pte Ltd[(6)]****	Air transportation	Singapore	**95.5**	55.8
Roar Aviation Pte Ltd[(6)]****	Investment holding	Singapore	**95.5**	55.8
Roar Aviation II Pte Ltd[(6)]****	Investment holding	Singapore	**95.5**	55.8
Roar Aviation III Pte Ltd[(6)]****	Investment holding	Singapore	**95.5**	55.8
Simple Holidays Pte Ltd[(6)]****	Reservation service activities	Singapore	**95.5**	–
SIA (Mauritius) Ltd[@]	Inactive	Mauritius	**100.0**	100.0

(1) Held by SIA Engineering Company
(2) The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company
(3) Held by Singapore Airlines Cargo Pte Ltd
(4) Held by SilkAir (Singapore) Private Limited
(5) Held by the Company (56%) and SilkAir (Singapore) Private Limited (5%)
(6) Held by Tiger Airways Holdings Limited
* Audited by KPMG LLP, Singapore
** Audited by member firms of KPMG International in the respective countries
*** Audited by Shanghai HDDY Certified Public Accountants Co., Ltd
**** Audited by Ernst & Young LLP, Singapore
@ Not required to be audited under the law in country of incorporation
+ Financial year end 31 December

Special purpose entities

Details of the operating special purpose entities ("SPE") controlled and consolidated by the Group at the end of financial year are as follows:

Name of entity	Purpose of special purpose entity	Country of incorporation
Winnie Aircraft Limited	Financing of aircraft	Mauritius
Falcon Aircraft Limited	Financing of aircraft	Mauritius

The SPEs are held by Tiger Airways Holdings Limited and are audited by Ernst & Young LLP, Mauritius

Although the Group does not hold shares in these companies, they are considered subsidiary companies as the activities of the SPEs are being conducted on behalf of the Group according to its specific business needs and the Group retains the majority of the residual or ownership risks related to the assets held by these SPEs. These SPEs were incorporated for the sole purpose of financing of the Group's aircraft (Note 19).

23 Subsidiary Companies (in $ million) (continued)

(b) Interest in subsidiary companies with material non-controlling interests ("NCI")

The Group has the following subsidiary company that has NCI that are material to the Group:

	SIA Engineering Company Group of Companies 2016	SIA Engineering Company Group of Companies 2015
Proportion of ownership interest held by NCI	**22.4%**	22.4%
Profit allocated to NCI during the reporting period	**43.9**	43.3
Accumulated NCI at the end of reporting period	**359.8**	321.9
Dividends paid to NCI	**40.7**	71.1

During the financial year, the Company acquired an additional interest in Tiger Airways of 39.7% (Note 23(g)). As a result, the proportion of ownership interest held by NCI in Tiger Airways was reduced to 4.5% from 44.2%, and Tiger Airways is no longer a subsidiary company with NCI material to the Group.

(c) Summarised financial information about subsidiary companies with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary companies with material non-controlling interests are as follows:

Summarised balance sheet

	SIA Engineering Company Group of Companies 31 March		Tiger Airways Group of Companies 31 March	
	2016	2015	2016	2015
Current				
Assets	**926.2**	771.6	#	443.3
Liabilities	**(256.1)**	(255.3)	#	(340.1)
Net current assets	**670.1**	516.3	#	103.2
Non-current				
Assets	**895.8**	885.5	#	579.1
Liabilities	**(54.0)**	(50.5)	#	(466.9)
Net non-current assets	**841.8**	835.0	#	112.2
Net assets	**1,511.9**	1,351.3	#	215.4

Tiger Airways ceased to be a subsidiary company with NCI material to the Group.

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23 Subsidiary Companies (in $ million) (continued)

(d) Summarised statement of comprehensive income

	SIA Engineering Company Group of Companies		Tiger Airways Group of Companies	
	FY2015/16	FY2014/15	FY2015/16	FY2014/15
Revenue	**1,113.5**	1,119.7	#	677.4
Profit/(Loss) before income tax	**200.3**	207.2	#	(272.5)
Taxation	**(20.8)**	(20.0)	#	8.3
Profit/(Loss) after tax	**179.5**	187.2	#	(264.2)
Other comprehensive income	**148.5**	34.4	#	(25.0)
Total comprehensive income	**328.0**	221.6	#	(289.2)

Tiger Airways ceased to be a subsidiary company with NCI material to the Group.

(e) Other summarised information

	SIA Engineering Company Group of Companies		Tiger Airways Group of Companies	
	FY2015/16	FY2014/15	FY2015/16	FY2014/15
Net cash flow from operations	**77.1**	96.1	#	28.7
Acquisition of significant property, plant and equipment	**(40.9)**	(49.5)	#	(40.7)

Tiger Airways ceased to be a subsidiary company with NCI material to the Group.

(f) Acquisition of a subsidiary company

FY2014/15

On 17 October 2014 (the "acquisition date"), the Company announced an irrevocable undertaking to Tiger Airways' rights issue, to subscribe for up to such number of excess Tiger Airways rights shares which are not validly subscribed for by the other Tiger Airways shareholders, not exceeding a maximum aggregate amount of $140 million. The Company also announced to convert all its 189,390,367 non-voting perpetual convertible capital securities into new Tiger Airways' shares. Following the announcements, Tiger Airways became a subsidiary of the Group.

The acquisition is in line with the Company's support of Tiger Airways. The Company's portfolio approach ensures that all segments of the airline business are well covered, through both full-service and low-cost operations. As a regional low-cost airline, Tiger Airways is an important part of the Company's portfolio given that it complements the operations of Scoot, which operates widebody aircraft on medium-haul routes. The Company is therefore committed to the long-term growth of Tiger Airways.

A goodwill amount of $163.8 million was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition. The goodwill arising from the acquisition comprised the value of strengthening the Group's portfolio approach and synergies within the Group expected to arise from the acquisition.

The Group elected to measure the non-controlling interest at the non-controlling interest's proportionate share of Tiger Airways' net identifiable assets.

23 Subsidiary Companies (in $ million) (continued)

(f) Acquisition of a subsidiary company (continued)

The fair value of the identifiable assets and liabilities of Tiger Airways as at the acquisition date were:

	Fair value recognised on acquisition
Tigerair brand and trademarks	100.9
Tangible assets	553.1
Pre-existing intangible assets	0.1
Deferred tax assets	12.1
Other receivables	10.6
Long-term investments	8.3
Cash and cash equivalents	135.6
Assets held for sale	20.7
Other current assets	56.8
	898.2
Borrowings	(345.2)
Provisions	(156.8)
Deferred tax liabilities	(21.3)
Derivative liabilities	(9.4)
Liabilities held for sale	(10.4)
Other current liabilities	(252.4)
	(795.5)
Total identifiable net assets at fair value	102.7
Non-controlling interest measured at the non-controlling interest's proportionate share of Tiger Airways' net identifiable assets	(49.3)
Goodwill arising from acquisition	163.8
	217.2
Consideration transferred for the acquisition of Tiger Airways	
Fair value of equity interest in Tiger Airways held by the Group immediately before the acquisition	217.2
Effect of the acquisition of Tiger Airways on cash flows	
Total consideration for the acquisition	217.2
Less: Non-cash consideration	(217.2)
Consideration settled in cash	–
Less: Cash and cash equivalents of subsidiary acquired	(135.6)
Net cash inflow on acquisition	135.6

Goodwill arising from acquisition

The goodwill of $163.8 million comprised the value of strengthening the Group's portfolio approach and synergies within the Group expected to arise from the acquisition. Goodwill was allocated entirely to the Tiger Airways business. None of the goodwill recognised was expected to be tax deductible for income tax purposes.

Impact of the acquisition on profit or loss

From its acquisition, Tiger Airways contributed $357.0 million of revenue and $9.9 million of loss to the Group's profit for the financial year ended 31 March 2015. If the acquisition had taken place on 1 April 2014, the Group's revenue would have been $15,886.1 million and the Group's net profit attributable to owners of the Parent would remain the same, as there is no change in the net equity interest.

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23 Subsidiary Companies (in $ million) (continued)

(g) Changes in ownership interests in subsidiary companies

Acquisition of non-controlling interests without a change in control

FY2015/16

The Company announced on 6 November 2015 a Voluntary Conditional General Offer (the "Offer") for the shares in Tiger Airways that the Company does not already own for a consideration comprising $0.41 per Tiger Airways' share (the "Offer Price") and options to subscribe for the Company's shares, conditional upon the Company owning more than 90% of Tiger Airways by the close of the Offer. On 4 January 2016, the Offer Price was revised to $0.45 per share (the "Final Offer Price"). On 11 January 2016, the Company announced the waiver of the acceptance condition, and declared the Offer unconditional. Shareholders who accept the Offer would be paid the Final Offer Price of $0.45 per share, and issued a letter of grant in relation to the options to subscribe for the Company's shares, within ten days of their valid acceptances being received.

As a result of the Offer, the Group granted 44,412,941 equity-settled share-based payment options with contractual lives ranging from 38 days to 89 days from the vesting date. An amount of $19.2 million in relation to the valuation of the option to subscribe was recorded in the share-based compensation reserve (Note 16).

The following summarises the effect of the changes in the Group's ownership interests in Tiger Airways on the equity attributable to owners of the Company.

Consideration paid for acquisition of non-controlling interests	458.5
Decrease in equity attributable to non-controlling interests	(124.0)
Decrease in equity attributable to owners of the Company	334.5

FY2014/15

On 16 May 2014, the Group completed the restructuring of one of its subsidiary companies, Singapore Jamco Pte Ltd ("SJAMCO"). As part of the restructuring, a new company, Singapore Jamco Services Pte Ltd ("SJAMCO Services") was incorporated with the same shareholding interest as SJAMCO. SJAMCO then transferred a part of its existing business to SJAMCO Services. Following the transfer, the Group disposed of 45% of SJAMCO and acquired an additional 15% interest in SJAMCO Services. Consequently SJAMCO became an associated company upon the disposal of its interest.

On 5 December 2014, the Company converted its 189,390,367 non-voting perpetual convertible capital securities into new Tiger Airways shares, resulting in an increase in equity interest of 3.8%, from 52.0% to 55.8%.

The following summarises the effect of the changes in the Group's ownership interests in SJAMCO Services and Tiger Airways on the equity attributable to owners of the Company.

Consideration paid for acquisition of non-controlling interests	–
Decrease in equity attributable to non-controlling interests	(2.5)
Decrease in equity attributable to owners of the Company	(2.5)

On 7 January 2015, Tiger Airways issued 1,147,102,770 ordinary shares, pursuant to a rights issue, on the basis of 85 Rights Share for every 100 existing ordinary shares held, at an issue price of $0.20 for each Rights Share with net proceeds of $227.4 million. Accordingly, rights shares of $100.5 million was allotted to the non-controlling interests of Tiger Airways.

24 Associated Companies (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Investment in associated companies	**913.8**	931.6	**540.9**	481.8
Accumulated impairment loss	**(11.9)**	(9.4)	**(9.4)**	(9.4)
	901.9	922.2	**531.5**	472.4

During the financial year:

1. The Company subscribed to 45% of the equity interest in Airbus Asia Training Centre Pte Ltd ("AATC"), which has been jointly established with Airbus SAS, for a consideration of USD15 million ($20.7 million). AATC, which is considered an associated company of the Group, provides flight training services on full-flight simulators for all in-production Airbus aircraft types.

2. The Company injected $33.0 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection.

3. The Company purchased an additional interest of 0.3% in Virgin Australia from the open market, for AUD5.3 million ($5.4 million), resulting in the recognition of additional goodwill of $2.4 million.

4. SIAEC sold 9% of its interest in Safran Electronics Asia Pte Ltd ("SEA") to Sagem Défense Sécurité ("Sagem") for a cash consideration of approximately $4.9 million. SIAEC's residual interest in the shares of SEA is 40%, with the remaining 60% held by Sagem. The gain on sale of the investment at the Group level is approximately $2.8 million.

5. SIAEC, together with Boeing, incorporated an entity, Boeing Asia Pacific Aviation Services Pte Ltd ("BAPAS"). SIAEC holds a 49% equity stake in BAPAS and Boeing holds the remaining 51%. SIAEC assessed the classification of the investment and recorded it as an associated company. SIAEC invested approximately $24.3 million in BAPAS.

6. SIAEC, together with Pratt & Whitney Ireland Holdings ("PWIH"), as members of PWA International Limited ("PWAI"), have resolved to close PWAI in the year. SIAEC had since deemed the investment in PWAI to be liquidated. A loss on liquidation of $4.3 million has been recognised as a non-operating item (Note 9).

7. Scoot incorporated Air Black Box Asia Pacific Pte Ltd ("ABBAS") with paid up capital of $1, and subsequently injected $1.4 million into ABBAS. Scoot currently holds 25% of the equity stake, while Nok Airlines Public Company Limited holds 25% and TOD Holdings Limited holds the remaining 50%. ABBAS, which is considered an associated company, is principally engaged in marketing of internet-based systems to airports, airlines, passengers and travel intermediaries.

Notes to the Financial Statements

31 March 2016

24 Associated Companies (in $ million) (continued)

The associated companies at 31 March are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 2016	2015
Airbus Asia Training Centre Pte Ltd[+++(a)]	Flight training services	Singapore	**45.0**	–
RCMS Properties Private Limited[+++^]	Hotel ownership and management	Singapore	**20.0**	20.0
Tata SIA Airlines Limited[(b)]	Domestic and international full service scheduled passenger airlines services	India	**49.0**	49.0
Virgin Australia Holdings Limited[+**]	Air transportation	Australia	**23.1**	22.8
Air Black Box Asia Pacific Pte Ltd (Singapore)[(2)+++(g)]	Provision of support services to air transportation	Singapore	**25.0**	–
Component Aerospace Singapore Pte Ltd[(1)++^]	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	**38.0**	38.0
Eagle Services Asia Private Limited[(1)+++^]	Repair and overhaul of aircraft engines	Singapore	**38.0**	38.0
Fuel Accessory Service Technologies Pte Ltd[(1)++^]	Repair and overhaul of engine fuel components and accessories	Singapore	**38.0**	38.0
PT JAS Aero-Engineering Services[(1)+++(e)]	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	**38.0**	38.0
PWA International Limited[(1)++^^]	Repair, overhaul and re-manufacture of aircraft turbine engine cases, components and related parts	Republic of Ireland	**–**	38.0
Safran Electronics Asia Pte Ltd[(1)+++(b)]	Provide avionics maintenance, repair and overhaul services	Singapore	**31.0**	38.0
Southern Airports Aircraft Maintenance Services Company Limited[(1)+++(b)]	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	**38.0**	38.0
Boeing Asia Pacific Aviation Services Pte Ltd[(1)+++(b)]	Provide engineering, material management and fleet support solutions	Singapore	**38.0**	–
Pan Asia Pacific Aviation Services Ltd[(1)(d)]	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	**36.5**	36.5
Jamco Aero Design & Engineering Pte Ltd[(1)(f)]	Providing turnkey solutions for aircraft interior modifications	Singapore	**34.9**	34.9
Panasonic Avionics Services Pte Ltd[(1)*]	IFE maintenance, repair & overhaul and ancillary services	Singapore	**33.0**	33.0
Goodrich Aerostructures Service Asia Pte Ltd[(1)+++^]	Repair and overhaul of aircraft nacelles, thrust reservers and pylons	Singapore	**31.0**	31.0
Messier Services Asia Private Limited[(1)+++(a)]	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	**31.0**	31.0
Asian Surface Technologies Pte Ltd[(1)+++(c)]	Repair and overhaul of aircraft engine fan blades	Singapore	**30.4**	30.4
International Aerospace Tubes-Asia Pte Ltd[(1)+++^]	Repair of tubes, ducts and manifolds for aircraft engines and airframe application	Singapore	**25.9**	25.9
Asian Compressor Technology Services Co Ltd[(1)+++^^@]	Repair and overhaul of aircraft engine high pressure compressor stators	Taiwan	**19.0**	19.0
Turbine Coating Services Pte Ltd[(1)++^@]	Repair and overhaul of aircraft engine turbine airfoils	Singapore	**19.0**	19.0

24 Associated Companies (in $ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 2016	2015
Jamco Singapore Pte Ltd[(1)(f)@]	Manufacturing aircraft cabin equipment and refurbishment of aircraft galleys	Singapore	**15.5**	15.5

(1) Held by SIA Engineering Company
(2) Held by Scoot Pte. Ltd.
* Audited by KPMG LLP, Singapore
** Audited by member firms of KPMG
^ Audited by Pricewaterhouse Coopers LLP, Singapore
^^ Audited by member firms of Pricewaterhouse Coopers
(a) Audited by Ernst & Young LLP, Singapore
(b) Audited by member firms of Deloitte & Touche
(c) Audited by RSM Chio Lim, Singapore
(d) Audited by BDO Limited, Hong Kong
(e) Audited by RSM AAJ, Indonesia
(f) Audited by Foo Kon Tan LLP
(g) Audited by Wong, Lee & Associates LLP
\+ Financial year end 30 June
++ Financial year end 30 November
+++ Financial year end 31 December
@ The Group has significant influence in these entities through its holdings in SIAEC.

The carrying amounts of the investment in associated companies are as follows:

	The Group 31 March 2016	2015
Virgin Australia Holdings Limited ("VAH")	**354.2**	401.2
Eagle Services Asia Private Limited ("ESA")	**146.1**	147.3
Other associated companies	**401.6**	373.7
	901.9	922.2

The activities of the associated companies are strategic to the Group's activities.

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24 Associated Companies (in $ million) (continued)

The Group has two (2015: two) associated companies that are material and a number of associated companies that are individually immaterial to the Group. All are equity accounted. The following summarises the financial information of each of the Group's material associated companies based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisitions and differences in the Group's accounting policies.

Summarised statement of financial position

	VAH 31 March		ESA 31 March	
	2016	2015	2016	2015
Current assets	**1,624.7**	1,664.7	**290.3**	275.9
Non-current assets	**4,493.1**	4,450.3	**47.8**	52.8
Total assets	**6,117.8**	6,115.0	**338.1**	328.7
Current liabilities	**(2,656.9)**	(2,525.6)	**(38.1)**	(26.7)
Non-current liabilities	**(2,527.9)**	(2,403.6)	**(1.9)**	(1.4)
Total liabilities	**(5,184.8)**	(4,929.2)	**(40.0)**	(28.1)
Net assets	**933.0**	1,185.8	**298.1**	300.6

Summarised statement of comprehensive income

	VAH		ESA	
	FY2015/16	FY2014/15	FY2015/16	FY2014/15
(Loss)/Profit after tax	**(105.5)**	(79.6)	**19.8**	24.5
Other comprehensive income	**(75.9)**	(160.8)	**–**	–
Total comprehensive income	**(181.4)**	(240.4)	**19.8**	24.5

A reconciliation of the summarised financial information to the carrying amounts of VAH and ESA is as follows:

	The Group 31 March	
	2016	2015
VAH		
Group's share of net assets	**229.6**	270.4
Goodwill on acquisition	**120.8**	118.4
Other adjustments	**3.8**	12.4
	354.2	401.2
ESA		
Group's share of net assets	**146.1**	147.3

24 Associated Companies (in $ million) (continued)

Dividends of approximately $6.9 million (FY2014/15: $21.7 million) were received from ESA during the financial year.

Based on the quoted market price as at 31 March 2016 (Level 1 in the fair value hierarchy), the fair value of ownership interest in VAH is $306.9 million (2015: $433.0 million).

Aggregate information about the Group's share of the results of the associated companies that are not individually material is as follows:

Summarised statement of comprehensive income

	Immaterial associates	
	FY2015/16	FY2014/15
Profit after tax	**3.6**	17.7
Other comprehensive income	**–**	10.6
Total comprehensive income	**3.6**	28.3

25 Joint Venture Companies (in $ million)

	The Group 31 March	
	2016	2015
Investment in joint venture companies	**156.3**	167.9

The joint venture companies at 31 March are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			2016	2015
International Engine Component Overhaul Pte Ltd [(1)]	Repair and overhaul of aero engine components and parts	Singapore	**38.8**	38.8
Singapore Aero Engine Services Pte Ltd [(1)]	Repair and overhaul of aircraft engines	Singapore	**38.8**	38.8
NokScoot Airlines Co., Ltd [(2)]	Air transportation	Thailand	**49.0**	49.0

(1) Held by SIA Engineering Company, audited by Ernst & Young LLP, Singapore and financial year end of 31 December.

(2) Held by Scoot, audited by Deloitte & Touche, Thailand, and financial year end of 31 December.

The Group jointly controls all the joint venture companies with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities; they are all equity accounted.

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25 Joint Venture Companies (in $ million) (continued)

The carrying amounts of the investments are as follows:

	The Group 31 March 2016	The Group 31 March 2015
Singapore Aero Engine Services Pte Ltd ("SAESL")	**136.0**	126.1
Other joint venture companies	**20.3**	41.8
	156.3	167.9

The activities of SAESL are strategic to the Group's activities.

Dividends of approximately $33.9 million (FY2014/15: $49.8 million) were received from SAESL during the financial year.

Summarised financial information in respect of SAESL, which is material to the Group, is as follows:

Summarised statement of financial position

	SAESL 31 March 2016	SAESL 31 March 2015
Cash and short-term deposits	**31.2**	64.8
Other current assets	**544.3**	313.0
Total current assets	**575.5**	377.8
Non-current assets	**251.3**	223.9
Total assets	**826.8**	601.7
Current financial liabilities (excluding trade, other payables and provisions)	**(173.9)**	(77.2)
Other current liabilities	**(258.9)**	(144.3)
Total current liabilities	**(432.8)**	(221.5)
Non-current financial liabilities	**(122.0)**	(128.0)
Total liabilities	**(554.8)**	(349.5)
Net assets	**272.0**	252.2

Summarised statement of comprehensive income

	SAESL FY2015/16	SAESL FY2014/15
Revenue	**1,326.3**	1,443.5
Depreciation and amortisation	**(12.6)**	(10.7)
Interest income	**0.1**	0.1
Interest expense	**(1.6)**	(1.2)
Profit before taxation	**82.2**	115.1
Taxation	**(0.2)**	(1.0)
Profit after taxation	**82.0**	114.1
Other comprehensive income	**10.7**	(12.8)
Total comprehensive income	**92.7**	101.3

25 Joint Venture Companies (in $ million) (continued)

The summarised financial information presented is extracted from the financial statements of SAESL prepared in accordance with FRS.

A reconciliation of the summarised financial information to the carrying amount of SAESL is as follows:

	The Group 31 March	
	2016	**2015**
Group's share of net assets	**136.0**	126.1

Aggregate information about the Group's investment in the other joint venture companies that are not individually material is as follows:

The Group's share of the assets and liabilities comprises:

	The Group 31 March	
	2016	**2015**
Assets and liabilities		
Current assets	**43.0**	41.2
Non-current assets	**10.4**	10.3
	53.4	51.5
Current liabilities	**(32.5)**	(9.4)
Non-current liabilities	**(0.6)**	(0.3)
	20.3	41.8

The Group's share of the results is as follows:

	The Group	
	FY2015/16	**FY2014/15**
Results		
Loss after tax	**(18.2)**	(5.0)
Other comprehensive income	**1.2**	(1.6)
Total comprehensive income	**(17.0)**	(6.6)

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26 Long-Term Investments (in $ million)

	The Group 31 March 2016	The Group 31 March 2015	The Company 31 March 2016	The Company 31 March 2015
Available-for-sale investments				
Quoted				
Government securities	**–**	0.6	**–**	0.6
Unquoted				
Non-equity investments	**215.7**	303.6	**215.7**	303.6
Equity investments	**47.9**	116.4	**28.0**	28.0
Accumulated impairment loss	**(18.5)**	(73.1)	**(17.3)**	(9.5)
	245.1	347.5	**226.4**	322.7
Held-to-maturity investments				
Quoted non-equity investments	**528.0**	580.1	**528.0**	580.1
	773.1	927.6	**754.4**	902.8

The Group's non-equity investments comprised investments in corporate bonds, credit-linked notes, fixed-rate notes, certificates of deposits and investment funds.

The interest rates for quoted and unquoted non-equity investments range from 1.30% to 3.96% (FY2014/15: 1.30% to 4.47%) per annum and 1.00% to 4.08% (FY2014/15: 2.57% to 5.31%) per annum respectively.

Reclassification to assets held for sale

During the financial year, the Group entered into a conditional sale and purchase agreement with Rolls-Royce Overseas Holdings Limited and Hong Kong Aircraft Engineering Company Limited to divest its 10% stake in Hong Kong Aero Engine Services Limited ("HAESL"). The Group remeasured its investment in HAESL to its fair value of approximately $156.5 million, and recognised a gain of approximately $141.9 million in other comprehensive income. The divestment is expected to complete in the financial year ending 31 March 2017. In accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations, the Group's equity interest in HAESL was reclassified from long-term investments to assets held for sale. The equity interest in HAESL is classified as Level 2 under the fair value hierarchy.

27 Other Long-Term Assets (in $ million)

	The Group 31 March 2016	The Group 31 March 2015	The Company 31 March 2016	The Company 31 March 2015
Deposit with a financial institution	**28.6**	76.6	**–**	–
Other receivables	**460.8**	496.1	**391.3**	426.7
Derivative assets	**7.4**	1.1	**7.4**	1.1
	496.8	573.8	**398.7**	427.8

The deposit with a financial institution is held for the purpose of payment for the purchase price option payable on a finance lease (Note 19). The amount relating to the deposit is $79.4 million, of which $28.6 million is recognised under other long-term assets and $50.8 million is recognised under deposits and other debtors. The deposit generates interest at a fixed rate of 5.68% (FY2014/15: 5.68%) per annum to meet the obligation at maturity of the lease in December 2017. The fair value of the deposit amounted to $84.1 million (2015: $86.0 million) as at 31 March 2016.

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to ten years. The fair value of the other receivables is $457.9 million (2015: $492.7 million).

28 Inventories (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Technical stocks and stores	**154.2**	173.0	**88.6**	111.6
Catering and general stocks	**27.7**	29.0	**19.6**	20.1
Total inventories at lower of cost and net realisable value	**181.9**	202.0	**108.2**	131.7

The cost of inventories recognised as an expense amounted to $118.4 million (FY2014/15: $106.0 million). In addition, the Group wrote down $26.6 million (FY2014/15: $38.1 million) of inventories, which is recognised as other operating expenses in the profit and loss account.

29 Trade Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Trade debtors	**1,137.8**	1,380.8	**798.9**	998.2
Accrued receivables	**61.9**	86.2	**–**	–
Amounts owing by associated companies	**9.1**	20.7	**0.5**	0.1
Amounts owing by joint venture companies	**13.0**	3.8	**–**	–
	1,221.8	1,491.5	**799.4**	998.3
Amounts owing by subsidiary companies	**–**	–	**318.0**	311.5
Loan receivable from an associated company	**62.0**	–	**62.0**	–
	62.0	–	**380.0**	311.5
	1,283.8	1,491.5	**1,179.4**	1,309.8

Trade debtors are non-interest bearing. The carrying amount of trade debtors impaired by credit losses is reduced through the use of an allowance account unless the Group writes off the amount ascertained to be uncollectible. In subsequent periods when a trade debtor is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days aging of debtor balances) are considered indicators that the trade debtor is impaired. Individual trade debtor is written off when Management deems the amount not to be collectible.

Accrued receivables pertain to services rendered which have not been billed.

Amounts owing by subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and are repayable on demand. The amounts are neither overdue nor impaired.

The interest on a short-term loan to an associated company was computed using Bank Bill Swap Bid Rate plus an agreed margin. The loan was denominated in AUD and the interest rate was 10.345% per annum. Net carrying amount of the loan approximates fair value as interest rates on the loan approximate market interest rates.

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29 Trade Debtors (in $ million) (continued)

The table below is an analysis of trade debtors as at 31 March:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Not past due and not impaired	**1,186.9**	1,370.3	**1,174.1**	1,280.9
Past due but not impaired	**95.7**	119.2	**4.8**	28.5
	1,282.6	1,489.5	**1,178.9**	1,309.4
Impaired trade debtors – collectively assessed	**5.3**	10.0	**0.4**	0.4
Less: Accumulated impairment losses	**(5.1)**	(9.7)	**–**	(0.1)
	0.2	0.3	**0.4**	0.3
Impaired trade debtors – individually assessed				
Customers in bankruptcy or other financial reorganisation	**5.0**	6.1	**0.1**	0.1
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	**1.9**	2.7	**2.0**	2.8
Less: Accumulated impairment losses	**(5.9)**	(7.1)	**(2.0)**	(2.8)
	1.0	1.7	**0.1**	0.1
Total trade debtors, net	**1,283.8**	1,491.5	**1,179.4**	1,309.8

Included in trade and other debtors are amounts owing by related parties of $3.3 million (2015: $5.2 million) and $1.9 million (2015: $0.9 million) for the Group and Company respectively.

Trade debtors are stated after accumulated impairment losses. An analysis of the accumulated impairment losses is as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Balance at 1 April	**16.8**	15.2	**2.9**	4.0
Acquisition of a subsidiary company	**–**	1.3	**–**	–
(Written back)/Charged during the year	**(4.7)**	0.7	**(0.9)**	(1.1)
Written off during the year	**(1.1)**	(0.4)	**–**	–
Balance at 31 March	**11.0**	16.8	**2.0**	2.9
Bad debts written off directly to profit and loss account, net of debts recovered	**1.1**	6.3	**0.8**	1.3

As at 31 March 2016, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 16.7% (2015: 26.5%), AUD – 13.7% (2015: 4.5%), EUR – 5.4% (2015: 4.6%), GBP – 4.1% (2015: 5.0%) and JPY – 2.0% (2015: 2.6%).

There was no loan to Directors of the Company.

30 Deposits and Other Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Deposits	**15.9**	15.5	**8.5**	8.4
Other debtors	**98.9**	23.3	**35.0**	9.5
	114.8	38.8	**43.5**	17.9

31 Investments (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Available-for-sale investments				
Quoted				
Government securities	**16.4**	8.0	**0.5**	–
Equity investments	**33.5**	37.7	**–**	–
Non-equity investments	**176.5**	118.3	**159.7**	98.1
	226.4	164.0	**160.2**	98.1
Unquoted				
Non-equity investments	**90.3**	–	**90.3**	–
	316.7	164.0	**250.5**	98.1
Held-to-maturity investments				
Quoted non-equity investments	**351.4**	4.6	**351.4**	4.6
	668.1	168.6	**601.9**	102.7

The Group's non-equity investments comprised investments in government securities, corporate bonds, credit-linked notes and money market funds. These investments are held to manage the Group's liquidity needs.

The interest rates for quoted government securities range from 1.12% to 5.25% (FY2014/15: 0.76% to 4.63%) per annum. The interest rates for quoted non-equity investments range from 1.25% to 4.47% (FY2014/15: 1.30% to 4.47%) per annum.

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32 Cash and Bank Balances (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Fixed deposits	**3,002.7**	4,034.8	**2,822.9**	4,007.6
Cash and bank balances	**969.7**	1,007.9	**416.3**	427.5
	3,972.4	5,042.7	**3,239.2**	4,435.1

As at 31 March 2016, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 25.6% (2015: 16.8%), EUR – 4.3% (2015: 1.1%) and AUD – 1.6% (2015: 1.5%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.43% to 2.76% (FY2014/15: 0.01% to 2.55%) per annum. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 1.45% (FY2014/15: 0.89%) per annum.

33 Trade and Other Creditors (in $ million)

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Trade creditors	**2,895.6**	2,903.1	**2,192.4**	2,088.6
Amounts owing to associated companies	**3.4**	3.4	**2.5**	–
	2,899.0	2,906.5	**2,194.9**	2,088.6
Funds from subsidiary companies	**–**	–	**1,073.8**	962.9
Amounts owing to subsidiary companies	**–**	–	**117.3**	85.8
	–	–	**1,191.1**	1,048.7

Trade and other creditors are non-interest bearing. Amounts owing to related parties are trade-related, unsecured, non-interest bearing, repayable on demand and to be settled in cash. As at 31 March 2016, 9.9% (2015: 12.5%) of trade and other creditors were held in USD by the Group. Included in trade and other creditors are amounts owing to related parties of $158.6 million (2015: $153.4 million) and $113.0 million (2015: $115.8 million) for the Group and Company respectively.

Funds from subsidiary companies are unsecured and have varying repayment terms. Interest on funds from subsidiary companies are computed using prevailing market rates which range from 0.01% to 1.53% (FY2014/15: 0.01% to 0.78%) per annum for SGD funds, and 0.32% to 1.23% (FY2014/15: 0.05% to 1.00%) per annum for USD funds.

As at 31 March 2016, 33.9% of the funds from subsidiary companies are denominated in USD (2015: USD – 36.3%).

Amounts owing to subsidiary and associated companies are unsecured, trade-related, non-interest bearing and are repayable on demand.

34 Analysis of Capital Expenditure Cash Flow (in $ million)

	The Group	
	FY2015/16	**FY2014/15**
Purchase of property, plant and equipment	**2,923.7**	2,632.0
Property, plant and equipment acquired under credit terms	**(14.7)**	(31.8)
Cash invested in capital expenditure	**2,909.0**	2,600.2
Purchase of intangible assets	**52.1**	30.9
Acquisition of goodwill	**(6.6)**	–
Cash invested in purchase of intangible assets	**45.5**	30.9

35 Capital and Other Commitments (in $ million)

(a) Capital expenditure commitments

The Group and the Company have commitments for capital expenditure. Such commitments aggregated $23,688.6 million (2015: $24,690.7 million) for the Group and $16,961.0 million (2015: $17,155.7 million) for the Company. The commitments relate principally to the acquisition of aircraft fleet and related equipment.

In addition, the Group's share of associated companies' and joint venture companies' commitments for capital expenditure totalled $4,421.6 million (2015: $4,368.8 million) and $6.2 million (2015: $24.2 million) respectively.

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35 Capital and Other Commitments (in $ million) (continued)

(b) Operating lease commitments

As lessee

Aircraft

The Company has one B777-200ER, one B777-300, three B777-300ER, 29 A330-300 and nine A380-800 aircraft under operating leases at fixed rental rates. In five of the A380 lease agreements, lease rentals will be adjusted if the one-month LIBOR exceeds 6.50% per annum. The original lease terms range from five to 13 years.

For flexibility in fleet planning, most leases include extension options, except for seven A330, one B777-200ER and one B777-300 leases. The extension options provide for lease renewals up to a maximum of five years. In addition, there are 15 early termination options that allow termination of the leases two years prior to original lease expiries. Sub-leasing is allowed under all the lease arrangements.

SIA Cargo has two B747-400F aircraft under operating leases with fixed rental rates. The lease terms range from 10 to 11 years. In one of the aircraft lease agreements, SIA Cargo holds an option to extend the lease for a further maximum period of two years. For the other agreement, there is no option for renewal. Sub-leasing is allowed under the lease arrangements.

SilkAir has three A319-100s, eight A320-200s, and nine B737-800s under operating leases with fixed rental rates. The original lease terms for the three A319s range from 6.9 to 11.5 years, with SilkAir holding options to extend the leases up to a maximum of three years. The original lease terms for the eight A320s range from 6.6 to 11.8 years and SilkAir holds options to extend the leases for two to five years. The original lease terms for the nine B737s range from 9.8 to 10.5 years, which SilkAir holds options to extend the leases up to a maximum of four years. None of the operating lease agreements confer on SilkAir an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements.

Tiger Group has 29 A320 aircraft, two A319 aircraft and two spare engines under operating leases. The original lease terms on the aircraft are for 12 years. None of the operating lease agreements confer an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Not later than one year	**820.1**	928.5	**609.4**	721.0
Later than one year but not later than five years	**2,438.5**	2,670.2	**1,554.5**	1,879.3
Later than five years	**1,289.7**	1,670.2	**631.7**	956.3
	4,548.3	5,268.9	**2,795.6**	3,556.6

Engines

The Company has operating lease agreements for four GE90-115B engines and 11 Trent 800 engines with fixed rental rates. The basic lease term for each engine varies from four to six years with extension options.

35 Capital and Other Commitments (in $ million) (continued)

(b) Operating lease commitments (continued)

As lessee (continued)

Engines (continued)

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Not later than one year	**22.0**	22.7	**20.2**	20.9
Later than one year but not later than five years	**16.2**	37.6	**11.3**	32.1
Later than five years	**0.2**	1.2	**–**	–
	38.4	61.5	**31.5**	53.0

Property and equipment

The Group has entered into operating lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between one to 50 years.

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Not later than one year	**76.4**	69.9	**55.5**	50.7
Later than one year but not later than five years	**122.1**	101.8	**95.1**	79.3
Later than five years	**63.7**	67.7	**12.8**	13.4
	262.2	239.4	**163.4**	143.4

The minimum lease payments recognised in the profit and loss account amounted to $63.9 million (FY2014/15: $63.7 million) and $53.1 million (FY2014/15: $50.7 million) for the Group and the Company respectively.

As lessor

Aircraft

During the financial year, the Company entered into a non-cancellable lease contract for one B777 aircraft for a lease term of five years, bringing the total number of aircraft leases to three B777 aircraft for lease terms of five years each. The lease rental is fixed throughout the lease term.

Tiger Group sub-leased two A320s aircraft to an external party during the financial year. The original lease term for the aircraft is between eight and nine years. Tiger also sub-leased three A320s to Tigerair Australia. The original lease terms for the aircraft range from eight to 12 years. Virgin Australia has provided guarantees to the Group to cover obligations for the assets leased by Tigerair Australia.

SIA Cargo had previously entered into a commercial aircraft lease. This non-cancellable lease has expired in the financial year.

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35 Capital and Other Commitments (in $ million) (continued)

(b) Operating lease commitments (continued)

As lessor (continued)

Aircraft (continued)

Future minimum lease receivables under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Not later than one year	**52.5**	46.4	**32.0**	29.6
Later than one year but not later than five years	**164.8**	155.9	**91.1**	115.8
Later than five years	**25.7**	11.0	**–**	–
	243.0	213.3	**123.1**	145.4

36 Contingent Liabilities (in $ million)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, SIA Cargo and the Company were among several airlines that received notice of investigations by competition authorities in the United States, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the "air cargo issues").

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and the Company, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR74.8 million ($135.7 million) was imposed on SIA Cargo and the Company. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. This amount was reflected as exceptional items in the Group's accounts in FY2010/11. SIA Cargo and the Company filed an appeal to the European General Court seeking annulment of the decision. In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and the Company. In February 2016, EUR76.4 million ($119.1 million) comprising of the fine amount and returns thereon was refunded to SIA Cargo. This refund is reflected as a non-operating item in the Group's accounts.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million ($2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group's accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the United States, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and the Company. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

36 Contingent Liabilities (in $ million) (continued)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions (continued)

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. SIA Cargo is defending this proceeding.

Without admitting any liabilities, SIA Cargo and the Company have settled with plaintiffs in the United States, Australia and Canada to resolve all liabilities of SIA Cargo and the Company as concerns the civil damage or class action lawsuits filed in the relevant jurisdictions.

Apart from Canada, the United States and Australia, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the exceptional items noted above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as the outcome is uncertain.

(b) Passengers: Civil Class Actions

The Company and several other airlines have been named in a civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the lawsuit has neither been tried nor alleged damages quantified, it is premature to make a provision in the financial statements.

In August 2014, without admitting any liability, the Company entered into a settlement agreement with the class action plaintiffs in the United States for USD9.2 million ($11.4 million) with respect to the passenger civil class action lawsuits filed in the United States. In accordance with the agreement, the Company paid the above amount into an escrow account pending court approval. Final approval of the settlement was granted by the court in June 2015. Subsequently, one of the class members filed an appeal against the court judgment approving the settlement. This appeal is currently pending.

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37 Financial Instruments (in $ million)

Classification and fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how revenue and expenses, including fair value gains and losses, are recognised.

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The classifications of financial assets that are not measured at fair value and have carrying amounts which are a reasonable approximation of fair value, are as follows:

- Loan receivable from an associated company, trade debtors, amounts owing by subsidiary companies, deposits and other debtors, and cash and bank balances are classified as loans and receivables financial assets; and
- Quoted non-equity investments are classified as held-to-maturity financial assets.

All financial liabilities that are not measured at fair value and have carrying amounts which are a reasonable approximation of fair value are classified as financial liabilities at amortised cost.

	Carrying amount						Fair value		
31 March 2016 The Group	Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Derivatives used for hedging	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Long-term investments	–	215.7	–	–	–	215.7	–	215.7	–
Investments	–	316.7	–	–	–	316.7	226.4	90.3	–
Derivative assets	–	–	–	32.3	–	32.3	–	32.3	–
Assets held for sale	–	156.5	–	–	–	156.5	–	156.5	–
	–	688.9	–	32.3	–	721.2	226.4	494.8	–
Financial assets not measured at fair value									
Deposit with a financial institution	79.4	–	–	–	–	79.4	–	–	84.1
Other long-term receivables	460.8	–	–	–	–	460.8	–	–	457.9
	540.2	–	–	–	–	540.2	–	–	542.0
Financial liabilities measured at fair value									
Derivative liabilities	–	–	–	727.8	–	727.8	–	727.8	–
Financial liabilities not measured at fair value									
Notes payable	–	–	–	–	1,000.0	1,000.0	1,036.3	–	–
Loans	–	–	–	–	303.1	303.1	–	–	320.5
Finance lease commitments	–	–	–	–	44.4	44.4	–	–	44.4
Purchase option price payable	–	–	–	–	79.4	79.4	–	–	83.8
	–	–	–	–	1,426.9	1,426.9	1,036.3	–	448.7

37 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2016 The Company	Carrying amount Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Derivatives used for hedging	Financial liabilities at amortised cost	Total	Fair value Level 1	Level 2	Level 3
Financial assets measured at fair value									
Long-term investments	–	215.7	–	–	–	215.7	–	215.7	–
Investments	–	250.5	–	–	–	250.5	160.2	90.3	–
Derivative assets	–	–	–	29.7	–	29.7	–	29.7	–
	–	466.2	–	29.7	–	495.9	160.2	335.7	–
Financial assets not measured at fair value									
Other long-term receivables	391.3	–	–	–	–	391.3	–	–	391.3
Financial liabilities measured at fair value									
Derivative liabilities	–	–	–	699.8	–	699.8	–	699.8	–
Financial liabilities not measured at fair value									
Notes payable	–	–	–	–	1,000.0	1,000.0	1,036.3	–	–

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37 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2015 The Group	Carrying amount							Fair value		
	Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Derivatives used for hedging	Financial liabilities at amortised cost	Derivatives at fair value through profit or loss	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Long-term investments	–	304.2	–	–	–	–	304.2	0.6	303.6	–
Investments	–	164.0	–	–	–	–	164.0	164.0	–	–
Derivative assets	–	–	–	114.8	–	–	114.8	–	114.8	–
	–	468.2	–	114.8	–	–	583.0	164.6	418.4	–
Financial assets not measured at fair value										
Deposit with a financial institution	76.6	–	–	–	–	–	76.6	–	–	86.0
Other long-term receivables	496.1	–	–	–	–	–	496.1	–	–	492.7
	572.7	–	–	–	–	–	572.7	–	–	578.7
Financial liabilities measured at fair value										
Derivative liabilities	–	–	–	982.7	–	37.3	1,020.0	–	1,020.0	–
Financial liabilities not measured at fair value										
Notes payable	–	–	–	–	1,300.0	–	1,300.0	1,324.3	–	–
Loans	–	–	–	–	340.2	–	340.2	–	–	336.3
Finance lease commitments	–	–	–	–	99.3	–	99.3	–	–	99.3
Purchase option price payable	–	–	–	–	76.6	–	76.6	–	–	85.3
	–	–	–	–	1,816.1	–	1,816.1	1,324.3	–	520.9

37 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2015 The Company	Carrying amount Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Derivatives used for hedging	Financial liabilities at amortised cost	Total	Fair value Level 1	Level 2	Level 3
Financial assets measured at fair value									
Long-term investments	–	304.2	–	–	–	304.2	0.6	303.6	–
Investments	–	98.1	–	–	–	98.1	98.1	–	–
Derivative assets	–	–	–	107.4	–	107.4	–	107.4	–
	–	402.3	–	107.4	–	509.7	98.7	411.0	–
Financial assets not measured at fair value									
Other long-term receivables	426.7	–	–	–	–	426.7	–	–	426.7
Financial liabilities measured at fair value									
Derivative liabilities	–	–	–	982.2	–	982.2	–	982.2	–
Financial liabilities not measured at fair value									
Notes payable	–	–	–	–	1,300.0	1,300.0	1,324.3	–	–

Notes to the Financial Statements

31 March 2016

37 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

Derivative financial instruments included in the statements of financial position are as follows:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Derivative assets				
Currency hedging contracts	**23.2**	106.5	**22.5**	103.1
Fuel hedging contracts	**2.5**	4.2	**2.1**	4.2
Cross currency swap contracts	**6.6**	4.0	**5.1**	–
Interest rate cap contracts	**–**	0.1	**–**	0.1
	32.3	114.8	**29.7**	107.4
Derivative liabilities				
Currency hedging contracts	**124.4**	37.8	**120.4**	37.8
Fuel hedging contracts	**600.2**	974.8	**576.2**	944.4
Cross currency swap contracts	**3.2**	6.9	**3.2**	–
Interest rate swap contracts	**–**	0.5	**–**	–
	727.8	1,020.0	**699.8**	982.2

Financial instruments carried at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3 – Unobservable inputs for the asset or liability

There has been no transfer between Level 1 and Level 2 during the financial year.

37 Financial Instruments (in $ million) (continued)

Financial instruments carried at fair value (continued)

Determination of fair value

The Group and the Company have carried all investment securities that are classified as available-for-sale financial assets and all derivative instruments at their fair values.

The fair values of jet fuel swap contracts are the mark-to-market values of these contracts. The fair values of jet fuel option contracts are determined by reference to available market information and the Black-Scholes option valuation model. As the Group hedges its jet fuel requirements in Mean of Platts Singapore Jet Kerosene ("MOPS") and that the majority of the Group's fuel uplifts are in MOPS, the MOPS price (2016: USD 47.05/BBL, 2015: USD 67.99/BBL) is used as the input for market fuel price to the Black-Scholes option valuation model. Consequently, the annualised volatility (FY2015/16: 39.07%, FY2014/15: 34.84%) of the jet fuel swap and option contracts is also estimated with daily MOPS price. The continuously compounded risk-free rate estimated as average of the past 12 months Singapore Government Securities benchmark issues' one-year yield (FY2015/16: 1.06%, FY2014/15: 0.52%) was also applied to each individual jet fuel option contract to derive their estimated fair values as at the end of the reporting period.

The fair values of InterContinental Exchange ("ICE") Brent swap and Brent-MOPS crack swap contracts are also determined by reference to available market information and are the marked-to-market values of these swap contracts. As the Group hedges in ICE Brent and Brent-MOPS crack, the ICE Brent futures contract price and its differential relative to MOPS price are used as the marked-to-market prices.

The fair value of forward currency contracts is determined by reference to current forward prices for contracts with similar maturity profiles. The fair values of foreign currency option contracts, interest rate swap contracts and interest rate cap contracts are determined by reference to valuation reports provided by counterparties.

The fair value of cross currency swap contracts is determined based on referenced market prices for existing cash flow profiles pre-agreed with counterparties at trade inception.

The fair value of quoted investments is generally determined by reference to stock exchange quoted market bid prices at the close of the business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions or reference to the current market value of another instrument (which is substantially the same).

Notes to the Financial Statements

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37 Financial Instruments (in $ million) (continued)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group also enters into netting arrangements with International Air Transport Aviation ("IATA").

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Effects of offsetting in the statements of financial position			Related amounts not offset	
The Group	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
31 March 2016					
Derivative assets	32.3	–	32.3	(27.7)	4.6
Trade debtors	1,230.4	(8.6)	1,221.8	–	1,221.8
	1,262.7	(8.6)	1,254.1	(27.7)	1,226.4
Derivative liabilities	727.8	–	727.8	(27.7)	700.1
Trade and other creditors	2,907.6	(8.6)	2,899.0	–	2,899.0
	3,635.4	(8.6)	3,626.8	(27.7)	3,599.1
31 March 2015					
Derivative assets	114.8	–	114.8	(87.9)	26.9
Trade debtors	1,493.3	(1.8)	1,491.5	–	1,491.5
	1,608.1	(1.8)	1,606.3	(87.9)	1,518.4
Derivative liabilities	1,020.0	–	1,020.0	(87.9)	932.1
Trade and other creditors	2,908.3	(1.8)	2,906.5	–	2,906.5
	3,928.3	(1.8)	3,926.5	(87.9)	3,838.6

37 Financial Instruments (in $ million) (continued)

Master netting or similar agreements (continued)

	Effects of offsetting in the statement of financial position			Related amounts not offset	
The Company	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
31 March 2016					
Derivative assets	29.7	–	29.7	(27.7)	2.0
Trade debtors	808.0	(8.6)	799.4	–	799.4
Amounts owing by subsidiaries	469.5	(151.5)	318.0	–	318.0
	1,307.2	(160.1)	1,147.1	(27.7)	1,119.4
Derivative liabilities	699.8	–	699.8	(27.7)	672.1
Trade and other creditors	2,203.5	(8.6)	2,194.9	–	2,194.9
Amounts owing to subsidiaries	1,342.6	(151.5)	1,191.1	–	1,191.1
	4,245.9	(160.1)	4,085.8	(27.7)	4,058.1
31 March 2015					
Derivative assets	107.4	–	107.4	(86.3)	21.1
Trade debtors	1,000.1	(1.8)	998.3	–	998.3
Amounts owing by subsidiaries	478.5	(167.0)	311.5	–	311.5
	1,586.0	(168.8)	1,417.2	(86.3)	1,330.9
Derivative liabilities	982.2	–	982.2	(86.3)	895.9
Trade and other creditors	2,090.4	(1.8)	2,088.6	–	2,088.6
Amounts owing to subsidiaries	1,215.7	(167.0)	1,048.7	–	1,048.7
	4,288.3	(168.8)	4,119.5	(86.3)	4,033.2

38 Financial Risk Management Objectives and Policies (in $ million)

The Group operates globally and generates revenue in various currencies. The Group's airline operations carry certain financial and commodity risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of its investments. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures.

As derivatives are used for the purpose of risk management, they do not expose the Group to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or expenses being hedged. Moreover, counterparty credit risk is generally restricted to any hedging gain from time to time, and not the principal amount hedged. Therefore the possibility of a material loss arising in the event of non-performance by a counterparty is considered to be unlikely.

Financial risk management policies are periodically reviewed and approved by the Board Executive Committee ("BEC").

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31 March 2016

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(a) Jet fuel price risk

The Group's earnings are affected by changes in the price of jet fuel. The Group's strategy for managing the risk on fuel price, as defined by BEC, aims to provide the Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps, options and collars with approved counterparties and within approved credit limits.

Cash flow hedges

The Group manages this fuel price risk by using swap, option and collar contracts and hedging up to eight quarters forward using jet fuel swap, option and collar, ICE Brent swap and Brent-MOPS crack swap contracts.

The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value loss before tax of $610.7 million (2015: loss before tax of $952.9 million), with a related deferred tax credit of $103.8 million (2015: deferred tax credit of $162.0 million), is included in the fair value reserve in respect of these contracts.

Jet fuel price sensitivity analysis

The jet fuel price risk sensitivity analysis is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. Under this assumption, and excluding the effects of hedging, an increase in price of one USD per barrel of jet fuel affects the Group's and the Company's annual fuel costs by $52.4 million and $41.3 million (FY2014/15: $50.0 million and $41.8 million) respectively.

The fuel hedging sensitivity analysis is based on contracts that are still outstanding as at the end of the reporting period and assumes that all jet fuel, Brent and crack hedges are highly effective. Under these assumptions, with an increase or decrease in jet fuel prices, each by one USD per barrel, the before tax effects on equity are set out in the table below.

Sensitivity analysis on outstanding fuel hedging contracts:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
	Effect on equity		Effect on equity	
Increase in one USD per barrel	**25.4**	35.1	**20.7**	28.8
Decrease in one USD per barrel	**(25.4)**	(35.1)	**(20.7)**	(28.8)

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(b) Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For the financial year ended 31 March 2016, these accounted for 48.6% of total revenue (FY2014/15: 52.1%) and 58.0% of total operating expenses (FY2014/15: 65.8%). The Group's largest exposures are from United States Dollar, Euro, UK Sterling Pound, Swiss Franc, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan, Korean Won and Malaysian Ringgit. The Group generates a surplus in all of these currencies, with the exception of USD. The deficit in USD is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in USD.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for USD or SGD. The Group also uses foreign currency forward and option contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying either USD or SGD depending on forecast requirements, with settlement dates that range from one month up to one year. The Company also uses cross currency swap contracts to hedge a portion of its fixed future foreign exchange exposure in USD. The cross currency swap contracts provide for the Company to exchange surplus currency, specifically JPY, into USD predetermined costs. The Group uses these currency hedging contracts purely as a hedging tool. It does not take positions in currencies with a view to making speculative gains from currency movements.

Cash flow hedges

As at 31 March 2016, the Company holds USD512.6 million (2015: USD310.3 million) in short-term deposits to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 12 months. A fair value loss of $22.5 million (2015: gain of $22.3 million) is included in the fair value reserve in respect of these contracts. During the financial year, the Company also entered into new foreign currency forward contracts to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 13 to 24 months. As at 31 March 2016, a fair value loss of $50.3 million is included in the fair value reserve in respect of these contracts.

During the financial year, the Company entered into cross currency swap contracts to hedge expected future lease commitments in USD and foreign currency risk of expected future JPY surplus until August 2021. The cash flow hedges are to be assessed quarterly prospectively and retrospectively for hedge effectiveness. As at 31 March 2016, the hedge is assessed to be effective and a net fair value gain of $2.0 million is included in the fair value reserve with respect to these contracts.

Fair value through profit or loss

In addition, the Group has cross currency swap contracts in place with notional amounts of $45.9 million (2015: $3.7 million to $34.5 million) where it pays SGD and receives USD at USD/SGD exchange rate of 1.3085 (FY2014/15: 1.3085 to 1.6990). These contracts are used to protect the foreign exchange risk exposure of the Group's USD-denominated finance lease commitments. The swap will mature on 14 February 2018.

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on the assumption that all cash flow hedges are highly effective; hence there will be no impact on profit before taxation from the cash flow hedges.

The following table details the sensitivity of a 1% strengthening of SGD against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency hedging contracts and significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

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31 March 2016

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(b) Foreign currency risk (continued)

Sensitivity analysis:

	The Group 31 March			
	2016		2015	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
AUD	**2.6**	**(2.0)**	2.4	(0.9)
EUR	**1.0**	**(2.0)**	1.4	(0.7)
GBP	**1.4**	**(0.7)**	1.5	(0.9)
JPY	**0.8**	**(0.2)**	1.2	(0.3)
USD	**(31.8)**	**(3.3)**	(15.2)	(5.5)

	The Company 31 March			
	2016		2015	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
AUD	**2.3**	**(1.8)**	2.1	(1.2)
EUR	**0.4**	**(0.2)**	0.7	(0.1)
GBP	**1.1**	**(0.6)**	1.3	(0.7)
JPY	**0.7**	**(0.2)**	1.0	(0.2)
USD	**(25.3)**	**2.7**	(8.8)	(0.2)

R1 Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency.

R2 Sensitivity analysis on significant outstanding foreign currency denominated monetary items.

If the relevant foreign currency strengthens by 1% against SGD, equity and profit before taxation would change by the same amounts in the opposite direction.

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk

The Group's earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Group enters into interest rate swap contracts and interest rate cap contracts to manage interest rate costs on its financial assets and liabilities, with the prior approval of the BEC or Boards of subsidiary companies.

Cash flow hedges

In FY2013/14, the Company entered into interest rate swap contracts to protect a portion of the future operating lease rent payments from exposure to fluctuations in interest rates. These contracts were settled in FY2014/15. The balance in the fair value reserve will be recognised in the profit and loss account over the lease term of the respective aircraft. A net fair value loss before tax of $0.7 million (2015: $1.1 million), with a related deferred tax credit of $0.1 million (2015: $0.2 million), is included in the fair value reserve in respect of these contracts.

As at 31 March 2016, other than those instruments entered into by the Company, the Group has interest rate swap agreements in place whereby it pays fixed rates of interest ranging from 3.00% to 3.45% (2015: 3.00% to 3.45%) and receives a variable rate linked to LIBOR. These contracts are used to protect a portion of the lease commitments from exposure to fluctuations in interest rates. The cash flow hedges of the interest rate swaps were assessed to be highly effective and at 31 March 2016, a net fair value gain of $1.2 million (2015: net fair value gain of $1.2 million) was included in the fair value reserve in respect of these contracts.

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or finance charges of variable interest financial instruments.
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the end of the reporting period.

Under these assumptions, an increase or decrease in market interest rates of one basis point for all currencies in which the Group has derivative financial instruments and variable rate assets and liabilities at 31 March 2016 will have the effects as set out in the table below.

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38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk (continued)

Sensitivity analysis:

	The Group 31 March			
	2016		2015	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
Increase in one basis point in market interest rates	**0.1**	**0.5**	*	0.7
Decrease in one basis point in market interest rates	**(0.1)**	**(0.5)**	*	(0.7)

	The Company 31 March			
	2016		2015	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
Increase in one basis point in market interest rates	**–**	**0.6**	*	0.4
Decrease in one basis point in market interest rates	**–**	**(0.6)**	*	(0.4)

* Amount less than $0.1 million

R1 Sensitivity analysis on derivative financial instruments.

R2 Sensitivity analysis on variable rate assets and liabilities.

(d) Market rate risk

At 31 March 2016, the Group and the Company own investments of $1,441.2 million (2015: $1,096.2 million) and $1,356.3 million (2015: $1,005.5 million) respectively, out of which $532.4 million (2015: $468.2 million) and $466.2 million (2015: $402.3 million) are subject to market risk. The market risk associated with these investments is the potential loss resulting from a decrease in market prices.

Market price sensitivity analysis

If prices for these investments increase or decrease by 1% with all other variables being held constant, the before tax effects on equity are set out in the table below.

Sensitivity analysis on investments:

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
	Effect on equity		Effect on equity	
Increase in 1% of quoted prices	**5.3**	4.7	**4.7**	4.0
Decrease in 1% of quoted prices	**(5.3)**	(4.7)	**(4.7)**	(4.0)

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(e) Liquidity risk

At 31 March 2016, the Group has at its disposal, cash and short-term deposits amounting to $3,972.4 million (2015: $5,042.7 million). In addition, the Group has available short-term credit facilities of about $375.0 million (2015: $400.0 million). The Group also has a Medium Term Note Programme under which it may issue notes up to $2,000.0 million (2015: $2,000.0 million) and as of 31 March 2016, $1,000.0 million (2015: $1,000.0 million) remains unutilised. Under this Programme, notes issued by the Company may have varying maturities as agreed with the relevant financial institutions.

The Group's holdings of cash and short-term deposits, together with committed funding facilities and net cash flow from operations, are expected to be sufficient to cover the cost of all firm aircraft deliveries due in the next financial year. It is expected that any shortfall would be met by bank borrowings or public market funding. Due to the necessity to plan aircraft orders well in advance of delivery, it is not economical for the Group to have committed funding in place at present for all outstanding orders, many of which relate to aircraft which will not be delivered for several years. The Group's policies in this regard are in line with the funding policies of other major airlines.

The maturity profile of the financial liabilities of the Group and the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2016	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	33.6	33.6	33.6	33.6	525.6	542.7	1,202.7
Loans	197.5	20.6	20.6	22.5	22.7	36.4	320.3
Finance lease commitments	23.8	23.7	–	–	–	–	47.5
Maintenance reserve	–	–	–	2.3	3.1	–	5.4
Purchase option payable to lessor	50.8	33.9	–	–	–	–	84.7
Trade and other creditors	2,848.2	–	–	–	–	–	2,848.2
Derivative financial instruments:							
Currency hedging contracts	96.3	32.8	–	–	–	–	129.1
Fuel hedging contracts	524.6	75.6	–	–	–	–	600.2
Cross currency swap contracts	0.5	4.8	3.0	2.0	1.0	0.2	11.5
	3,775.3	225.0	57.2	60.4	552.4	579.3	5,249.6
The Company							
Notes payable	33.6	33.6	33.6	33.6	525.6	542.7	1,202.7
Maintenance reserve	–	–	–	2.3	3.1	–	5.4
Trade and other creditors	2,194.9	–	–	–	–	–	2,194.9
Amounts owing to subsidiary companies	1,191.1	–	–	–	–	–	1,191.1
Derivative financial instruments:							
Currency hedging contracts	92.3	32.8	–	–	–	–	125.1
Fuel hedging contracts	500.6	75.6	–	–	–	–	576.2
Cross currency swap contracts	0.5	4.8	3.0	2.0	1.0	0.2	11.5
	4,013.0	146.8	36.6	37.9	529.7	542.9	5,306.9

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31 March 2016

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(e) Liquidity risk (continued)

31 March 2015	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	337.0	33.6	33.6	33.6	33.6	1,056.2	1,527.6
Loans	101.0	38.0	38.9	38.9	40.5	109.5	366.8
Finance lease commitments	57.8	24.3	24.0	–	–	–	106.1
Maintenance reserve	–	–	–	–	–	1.0	1.0
Purchase option payable to lessor	–	51.7	34.5	–	–	–	86.2
Trade and other creditors	2,906.5	–	–	–	–	–	2,906.5
Derivative financial instruments:							
Currency hedging contracts	37.8	–	–	–	–	–	37.8
Fuel hedging contracts	823.6	151.2	–	–	–	–	974.8
Cross currency swap contracts	6.9	–	–	–	–	–	6.9
Interest rate swap contracts	0.5	–	–	–	–	–	0.5
	4,271.1	298.8	131.0	72.5	74.1	1,166.7	6,014.2
The Company							
Notes payable	337.0	33.6	33.6	33.6	33.6	1,056.2	1,527.6
Maintenance reserve	–	–	–	–	–	1.0	1.0
Trade and other creditors	2,088.6	–	–	–	–	–	2,088.6
Amounts owing to subsidiary companies	1,048.7	–	–	–	–	–	1,048.7
Derivative financial instruments:							
Currency hedging contracts	37.8	–	–	–	–	–	37.8
Fuel hedging contracts	793.2	151.2	–	–	–	–	944.4
	4,305.3	184.8	33.6	33.6	33.6	1,057.2	5,648.1

(f) Credit risk

The Group has an independent Group Debts Review Committee to review the follow up actions on outstanding receivables monthly. On a day-to-day basis, the respective Finance divisions have the primary responsibility for measuring and managing specific risk exposures.

The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset in the statement of financial position.

There are no significant concentrations of credit risk other than on derivative counterparties where transactions are limited to financial institutions possessing high credit quality and hence the risk of default is low.

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to a broad diversification. In specific instances, the contract may require special collateral.

Unless expressly stated otherwise in the contract, receivables and payables among airlines are settled either bilaterally or via the IATA Clearing House. Receivables and payables are generally netted and settled at weekly intervals, which lead to a clear reduction in the risk of default.

38 Financial Risk Management Objectives and Policies (in $ million) (continued)

(f) Credit risk (continued)

For all other service relationships, depending on the nature and scope of the services rendered, collateral is required, credit reports or references are obtained and use is made of historical data from previous business relations, especially with regard to payment behaviour, in order to avoid non-performance.

Collaterals requested from debtors include bank guarantees, cash-in-lieu of deposit and security deposits.

Allowance is made for doubtful accounts whenever risks are identified.

(g) Counterparty risk

Counterparty risk is the potential financial loss from a transaction that may arise in the event of default by the counterparty. Counterparty risks are managed by limiting aggregated exposure on all outstanding financial instruments to any individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed, and adjusted as necessary. This mitigates the risk of material loss arising from the event of non-performance by counterparties.

Surplus funds are invested in interest-bearing bank deposits and other high quality short-term liquid investments.

The Group determines concentrations of credit risk by monitoring the industry, country and credit rating of its counterparties. The table below shows an analysis of credit risk exposures of balances that exceed 5% of the financial assets of the Group and the Company as at 31 March:

	The Group				The Company			
	Outstanding balance		Percentage of total financial assets		Outstanding balance		Percentage of total financial assets	
	2016	2015	2016	2015	2016	2015	2016	2015
Counterparty profiles								
By industry:								
Travel agencies	**434.5**	468.7	**5.7%**	5.5%	**230.8**	249.7	**3.6%**	3.4%
Airlines	**160.3**	250.9	**2.1%**	3.0%	**125.3**	66.5	**1.9%**	0.9%
Financial institutions	**4,900.7**	5,876.0	**64.3%**	69.2%	**4,108.3**	5,182.0	**64.8%**	70.1%
Others	**1,636.7**	1,440.0	**21.5%**	17.0%	**1,647.2**	1,265.8	**26.0%**	17.1%
	7,132.2	8,035.6	**93.6%**	94.7%	**6,111.6**	6,764.0	**96.3%**	91.5%
By region:								
East Asia	**3,977.4**	4,995.1	**52.2%**	58.8%	**3,495.0**	4,139.8	**55.1%**	55.9%
Europe	**1,887.0**	1,228.4	**24.8%**	14.5%	**1,545.5**	972.8	**24.4%**	13.2%
South West Pacific	**927.5**	1,288.5	**12.2%**	15.2%	**864.1**	1,233.6	**13.6%**	16.7%
Americas	**276.3**	433.9	**3.6%**	5.1%	**169.0**	352.3	**2.7%**	4.8%
West Asia and Africa	**64.0**	89.7	**0.8%**	1.1%	**38.0**	65.5	**0.5%**	0.9%
	7,132.2	8,035.6	**93.6%**	94.7%	**6,111.6**	6,764.0	**96.3%**	91.5%
By Moody's credit ratings:								
Investment grade (A to Aaa)	**5,464.2**	6,101.0	**71.7%**	71.9%	**4,666.7**	5,435.7	**73.6%**	73.6%
Investment grade (Baa)	**8.8**	2.2	**0.1%**	0.0%	**1.3**	0.9	**0.0%**	0.0%
Non-rated	**1,659.2**	1,932.4	**21.8%**	22.8%	**1,443.6**	1,327.4	**22.7%**	17.9%
	7,132.2	8,035.6	**93.6%**	94.7%	**6,111.6**	6,764.0	**96.3%**	91.5%

Notes to the Financial Statements

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39 Capital Management (in $ million)

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

During the financial year ended 31 March 2016, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

	The Group 31 March		The Company 31 March	
	2016	2015	2016	2015
Notes payable	**1,000.0**	1,300.0	**1,000.0**	1,300.0
Finance lease commitments	**44.4**	99.3	**–**	–
Loans	**303.1**	340.2	**–**	–
Total debt	**1,347.5**	1,739.5	**1,000.0**	1,300.0
Share capital	**1,856.1**	1,856.1	**1,856.1**	1,856.1
Reserves	**10,898.6**	10,607.5	**10,152.1**	9,723.2
Total capital	**12,754.7**	12,463.6	**12,008.2**	11,579.3
Gearing ratio (times)	**0.11**	0.14	**0.08**	0.11

40 Related Party Transactions (in $ million)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Key Management Personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Group considers the Directors, Chief Executive Officer and Executive Vice Presidents of the Company to be Key Management Personnel of the Company.

In addition to the related party information disclosed elsewhere in the financial statements, these were the following significant related party transactions which were carried out in the normal course of business during the financial year:

	The Group	
	FY2015/16	FY2014/15
Purchases of services from associated companies	**121.8**	78.7
Services rendered to associated companies	**(108.2)**	(83.6)
Purchases of services from joint venture companies	**0.7**	–
Services rendered to joint venture companies	**(37.0)**	(20.7)
Purchases of services from related parties	**1,187.8**	1,223.0
Professional fees paid to a firm of which a Director is a member	**1.5**	1.5

40 Related Party Transactions (in $ million) (continued)

Directors' and key executives' remuneration of the Group

	The Group FY2015/16	The Group FY2014/15
Directors		
Salary, bonuses, fee and other costs	**5.3**	4.5
CPF and other defined contributions	*	*
Share-based compensation expense	**1.4**	1.1
	6.7	5.6
Key executives (excluding executive Directors)		
Salary, bonuses, fee and other costs	**3.0**	3.1
CPF and other defined contributions	*	*
Share-based compensation expense	**1.3**	1.1
	4.3	4.2

* Amount less than $0.1 million

Share options granted to and exercised by Director and key executives of the Company are as follows:

Name of participant	Aggregate options granted since commencement of scheme up to end of financial year under review	Aggregate options exercised since commencement of scheme up to end of financial year under review	Aggregate options outstanding at end of financial year under review
Goh Choon Phong	444,075	444,075	–
Mak Swee Wah	362,750	342,750	20,000
Ng Chin Hwee	214,025	214,025	–

Conditional awards granted to Director and key executives of the Company pursuant to the Restricted Share Plan and the Performance Share Plan are as follows:

RSP Base Awards

Name of Participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	122,976	60,000	61,488	121,488	340,232
Mak Swee Wah	61,488	30,000	30,744	60,744	205,674
Ng Chin Hwee	61,488	30,000	30,744	60,744	189,756

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40 Related Party Transactions (in $ million) (continued)

RSP Final Awards (Pending Release) [R1]

Name of Participant	Balance as at 1 April 2015	Final Awards granted during the financial year[#]	Final Awards released during the financial year	Balance as at 31 March 2016	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review*
Goh Choon Phong	18,950	40,590	30,422	29,118	120,494
Mak Swee Wah	9,475	20,300	15,214	14,561	93,697
Ng Chin Hwee	9,475	20,300	15,214	14,561	74,766

Time-based RSP Awards

Name of Participant	Balance as at 1 April 2015	Awards released during the financial year	Balance as at 31 March 2016	Aggregate ordinary shares released to participant since commencement of time-based RSP to end of financial year under review
Goh Choon Phong	27,135	27,135	–	106,573
Mak Swee Wah	27,135	27,135	–	106,573
Ng Chin Hwee	27,135	27,135	–	106,573

Deferred RSP/PSP 2014 Awards

Name of Participant	Balance as at 1 April 2015	Awards granted during the financial year	Balance as at 31 March 2016	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	61,607	13,170	74,777	–
Mak Swee Wah	24,388	8,890	33,278	–
Ng Chin Hwee	28,148	7,580	35,728	–

PSP Base Awards [R2]

Name of Participant	Balance as at 1 April 2015	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2016	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review*
Goh Choon Phong	236,728	82,500	67,636	251,592	428,728	61,482
Mak Swee Wah	94,690	33,000	27,054	100,636	216,178	71,883
Ng Chin Hwee	94,690	33,000	27,054	100,636	201,472	55,670

R1 The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the two-year performance periods relating to the relevant awards.

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

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

* During the financial year, 60,850 and 81,405 treasury shares were issued to Director and key executives of the Company pursuant to the RSP and time-based RSP respectively. No PSP Final Awards were issued to Director and key executives of the Company pursuant to the PSP.

41 Comparative Information

Certain comparative figures have been reclassified to conform with current year's presentation. The significant reclassifications are set out below:

	FY2014/15	
	As previously reported	As restated
Consolidated Profit and Loss Account		
Aircraft maintenance and overhaul costs	668.6	646.6
Material costs	176.7	59.4
Other operating expenses	502.7	642.0

	The Group		The Company	
	31 March 2015			
	As previously reported	As restated	As previously reported	As restated
Statements of Financial Position				
Long-term investments	1,125.0	927.6	1,100.2	902.8
Other long-term assets	163.9	573.8	17.9	427.8
Cash and bank balances	5,254.1	5,042.7	4,646.5	4,435.1

	FY2014/15	
	As previously reported	As restated
Consolidated Statement of Cash Flows		
Purchase of long-term investments	(378.9)	(590.3)
Net cash used in investing activities	(1,605.2)	(1,813.2)

42 Subsequent Event

The Company announced on 4 May 2016 that it had exercised its right to compulsorily acquire all the shares that had not been tendered by shareholders under the Voluntary General Offer by the Company for all the issued ordinary shares (the "Shares") in the capital of Tiger Airways, other than those already owned or agreed to be acquired by the Company. The consideration payable comprises the Final Offer Price of 45 cents in cash for each share, and an option to subscribe for SIA's ordinary shares. Tiger Airways has transferred all the Shares to SIA and has registered SIA as the holder of those Shares. The Shares were delisted from SGX-ST on 11 May 2016.

Additional Information Required by the Singapore Exchange Securities

1. Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2015-16 are as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$)
CapitaLand Limited Group		
– Guangzhou Hai Yi Property Development Co. Ltd	–	213,545
PT Bank Danamon Indonesia TBK	–	647,017
SATS Ltd Group		
– Aero Laundry & Linen Services Private Limited	–	12,920,543
– Aerolog Express Pte Ltd	–	368,354
– Air India SATS Airport Services Private Limited	–	7,341,876
– Asia Airfreight Terminal Co Ltd	–	7,615,012
– Beijing Airport Inflight Kitchen Ltd	–	5,606,018
– Maldives Inflight Catering Private Limited	–	3,164,554
– PT Jasa Angkasa Semesta Tbk	–	16,680,816
– SATS HK Limited	–	4,755,516
– SATS Ltd	–	683,635,412
– SATS Security Services Private Limited	–	23,134,037
– Taj Madras Flight Kitchen Pvt Limited	–	692,317
– Taj SATS Air Catering Ltd	–	4,831,980
– TKF Corporation	–	6,194,780
Singapore Technologies Engineering Limited Group		
– Unicorn International Pte Ltd	–	339,372
Singapore Telecommunications Limited Group		
– Optus Networks Pty Ltd	–	409,733
– Singapore Telecommunications Limited	–	3,296,080
SembCorp Industries Limited Group		
– SembCorp Power Pte Ltd	–	2,300,793
Temasek Holdings (Private) Limited and Associates		
– MediaCorp Pte Ltd	–	753,888
Starhub Limited	–	363,922
Singapore GP Pte Ltd*	3,981,814	–
Total Interested Person Transactions	3,981,814	785,265,565

* Agreement for the purchase of admission and hospitality tickets in exchange for hospitality passes, marketing support and SIA tickets.

2. Material Contracts

Except as disclosed above and in the financial statements for the financial year ended 31 March 2016, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Quarterly Results of the Group

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenue						
2015/16	($ million)	**3,733.3**	**3,844.8**	**3,941.0**	**3,709.4**	**15,228.5**
2014/15	($ million)	3,682.2	3,905.1	4,098.5	3,879.7	15,565.5
Total expenditure						
2015/16	($ million)	**3,621.9**	**3,716.2**	**3,653.0**	**3,556.2**	**14,547.3**
2014/15	($ million)	3,642.7	3,773.4	3,952.2	3,787.8	15,156.1
Operating profit						
2015/16	($ million)	**111.4**	**128.6**	**288.0**	**153.2**	**681.2**
2014/15	($ million)	39.5	131.7	146.3	91.9	409.4
Profit before taxation						
2015/16	($ million)	**126.5**	**239.8**	**362.9**	**243.2**	**972.4**
2014/15	($ million)	60.5	86.0	239.8	56.6	442.9
Profit attributable to owners of the Parent						
2015/16	($ million)	**91.2**	**213.6**	**274.9**	**224.7**	**804.4**
2014/15	($ million)	34.8	90.9	202.6	39.6	367.9
Earnings per share – Basic						
2015/16	(cents)	**7.8**	**18.3**	**23.6**	**19.3**	**69.0**
2014/15	(cents)	3.0	7.7	17.3	3.4	31.4
Earnings per share – Diluted						
2015/16	(cents)	**7.8**	**18.2**	**23.5**	**19.2**	**68.7**
2014/15	(cents)	2.9	7.7	17.2	3.4	31.2

Five-Year Financial Summary of the Group

	2015/16	2014/15	2013/14	2012/13	2011/12
Profit and loss account ($ million)					
Total revenue	**15,228.5**	15,565.5	15,243.9	15,098.2	14,857.8
Total expenditure	**(14,547.3)**	(15,156.1)	(14,984.6)	(14,869.0)	(14,571.9)
Operating profit	**681.2**	409.4	259.3	229.2	285.9
Finance charges	**(50.3)**	(49.6)	(37.3)	(42.7)	(74.3)
Interest income	**70.7**	74.9	62.7	62.5	50.5
Surplus/(Loss) on disposal of aircraft, spares and spare engines	**52.7**	51.9	51.2	56.0	(1.4)
Dividend from long-term investments	**115.3**	13.2	19.6	27.3	18.0
Other non-operating items	**91.1**	(14.3)	1.9	11.9	48.8
Share of profits of joint venture companies	**22.8**	52.0	94.0	94.9	73.5
Share of (losses)/profits of associated companies	**(11.1)**	(129.1)	(45.2)	50.4	37.7
Profit before exceptional items	**972.4**	408.4	406.2	489.5	438.7
Exceptional items					
Remeasurement gain from consolidation of Tiger Airways	**–**	119.8	–	–	–
Impairment of China Cargo Airlines	**–**	(63.6)	–	–	–
Gain on divestment of an associated company	**–**	7.3	371.5	–	–
Impairment of freighters	**–**	(7.0)	(293.4)	–	–
Writeback of impairment/(Impairment) of property, plant and equipment of Singapore Flying College	**–**	2.1	(29.4)	–	–
Competition-related fines and settlements	**–**	(24.1)	(87.0)	(19.9)	(5.4)
Profit before taxation	**972.4**	442.9	367.9	469.6	433.3
Profit attributable to owners of the Parent	**804.4**	367.9	359.5	378.9	335.9
Statement of financial position ($ million)					
Share capital	**1,856.1**	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	**(381.5)**	(326.3)	(262.2)	(269.8)	(258.4)
Capital reserve	**(129.2)**	215.9	123.7	110.3	99.1
Foreign currency translation reserve	**(151.3)**	(135.7)	(101.5)	(191.8)	(186.3)
Share-based compensation reserve	**123.7**	113.2	134.5	151.7	165.9
Fair value reserve	**(498.6)**	(706.2)	(40.4)	(27.1)	(47.6)
General reserve	**11,935.5**	11,446.6	11,527.0	11,460.1	11,264.6
Equity attributable to owners of the Parent	**12,754.7**	12,463.6	13,237.2	13,089.5	12,893.4
Non-controlling interests	**378.2**	466.5	337.4	312.6	294.0
Total equity	**13,132.9**	12,930.1	13,574.6	13,402.1	13,187.4
Property, plant and equipment	**14,143.5**	13,523.2	13,026.7	13,098.0	13,381.4
Intangible assets	**515.8**	497.6	223.4	218.5	158.3
Associated companies	**901.9**	922.2	729.4	554.4	543.2
Joint venture companies	**156.3**	167.9	126.5	120.8	113.2
Long-term investments	**773.1**	927.6	1,125.2	706.9	373.7
Other non-current assets	**502.8**	630.2	100.6	230.0	267.3
Current assets	**6,776.3**	7,252.9	7,310.7	7,499.5	7,205.9
Total assets	**23,769.7**	23,921.6	22,642.5	22,428.1	22,043.0
Deferred account	**225.3**	141.7	226.4	146.7	224.4
Deferred taxation	**1,681.7**	1,599.6	1,788.9	1,948.2	2,029.1
Other non-current liabilities	**2,289.8**	2,609.8	1,661.2	1,529.5	1,337.1
Current liabilities	**6,440.0**	6,640.4	5,391.4	5,401.6	5,265.0
Total liabilities	**10,636.8**	10,991.5	9,067.9	9,026.0	8,855.6
Net assets	**13,132.9**	12,930.1	13,574.6	13,402.1	13,187.4

	2015/16	2014/15	2013/14	2012/13	2011/12
Cash flow ($ million)					
Cash flow from operations	**2,929.8**	2,193.9	2,241.6	2,071.1	2,099.0
Internally generated cash flow [R1]	**3,501.3**	3,306.0	3,221.7	2,859.0	2,727.2
Capital expenditure	**2,909.0**	2,600.2	2,574.6	1,875.4	1,641.2
Per share data					
Earnings – basic (cents)	**69.0**	31.4	30.6	32.2	28.3
Earnings – diluted (cents)	**68.7**	31.2	30.3	31.9	27.9
Cash earnings ($) [R2]	**2.06**	1.65	1.68	1.70	1.65
Net asset value ($)	**10.96**	10.66	11.26	11.14	10.96
Share price ($)					
High	**12.24**	12.91	11.45	11.35	14.77
Low	**9.57**	9.57	9.44	10.10	10.05
Closing	**11.42**	11.95	10.47	10.87	10.77
Dividends					
Gross dividends (cents per share)	**45.0**	22.0	46.0[R3]	23.0	20.0
Dividend cover (times)	**1.5**	1.4	0.7	1.4	1.4
Profitability ratios (%)					
Return on equity holders' funds [R4]	**6.4**	2.9	2.7	2.9	2.5
Return on total assets [R5]	**3.6**	1.7	1.9	2.0	1.7
Return on turnover [R6]	**5.6**	2.6	2.8	2.9	2.7
Productivity and employee data					
Value added ($ million)	**5,040.1**	4,396.8	4,370.1	4,499.6	4,344.3
Value added per employee ($) [R7]	**206,986**	183,483	184,268	194,040	192,960
Revenue per employee ($) [R7]	**625,400**	649,564	642,769	651,093	659,936
Average employee strength	**24,350**	23,963	23,716	23,189	22,514
SGD per USD exchange rate as at 31 March	**1.3494**	1.3752	1.2606	1.2417	1.2569

R1 Internally generated cash flow comprises cash generated from operations, dividends from associated and joint venture companies, and proceeds from sale of aircraft and other property, plant and equipment.
R2 Cash earnings is defined as profit attributable to owners of the Parent plus depreciation and amortisation.
R3 Includes 25.0 cents per share special dividend.
R4 Return on equity holders' funds is the profit attributable to owners of the Parent expressed as a percentage of the average equity holders' funds.
R5 Return on total assets is the profit after tax expressed as a percentage of the average total assets.
R6 Return on turnover is the profit after tax expressed as a percentage of the total revenue.
R7 Based on average staff strength.

Ten-Year Statistical Record

		2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Singapore Airlines											
Financial											
Total revenue	($ million)	**11,686.1**	12,418.4	12,479.7	12,387.0	12,070.1	11,739.1	10,145.0	13,049.5	12,759.6	11,343.9
Total expenditure	($ million)	**11,201.0**	12,078.2	12,224.1	12,199.8	11,889.5	10,887.8	10,183.6	12,226.6	11,115.6	10,316.9
Operating profit/(loss)	($ million)	**485.1**	340.2	255.6	187.2	180.6	851.3	(38.6)	822.9	1,644.0	1,027.0
Profit/(Loss) before taxation	($ million)	**766.2**	563.1	536.4	(682.4)	413.3	1,194.0	233.3	1,252.4	2,077.6	2,291.1
Profit/(Loss) after taxation	($ million)	**672.0**	540.3	538.5	(694.1)	390.2	1,011.2	279.8	1,218.7	1,758.8	2,213.2
Capital disbursements [R1]	($ million)	**2,309.0**	1,788.5	2,251.1	1,648.2	1,762.7	981.9	1,372.4	1,698.6	1,814.4	2,792.7
Passenger - yield	(cents/pkm)	**10.6**	11.2	11.1	11.4	11.8	11.9	10.4	12.5	12.1	10.9
- unit cost	(cents/ask)	**8.5**	8.9	9.1	9.2	9.2	8.9	8.6	9.2	8.4	7.9
- breakeven load factor	(%)	**80.2**	79.5	82.0	80.7	78.0	74.8	82.7	73.6	69.4	72.5
Operating passenger fleet											
Aircraft	(numbers)	**102**	105	103	101	100	108	108	103	98	94
Average age	(months)	**89**	85	81	80	74	75	75	74	77	75
Passenger production											
Destination cities	(numbers)	**60**	60	62	63	63	64	68	66	65	64
Distance flown	(million km)	**382.3**	384.4	392.2	386.3	374.6	354.1	342.4	379.8	365.9	353.1
Time flown	(hours)	**506,757**	508,591	517,987	507,562	490,261	460,096	443,141	492,103	474,432	458,936
Available seat-km	(million)	**118,366.5**	120,000.8	120,502.8	118,264.4	113,409.7	108,060.2	105,673.7	117,788.7	113,919.1	112,543.8
Traffic											
Passengers carried	('000)	**19,029**	18,737	18,628	18,210	17,155	16,647	16,480	18,293	19,120	18,346
Revenue passenger-km	(million)	**94,267.4**	94,209.2	95,064.3	93,765.6	87,824.0	84,801.3	82,882.5	90,128.1	91,485.2	89,148.8
Passenger load factor	(%)	**79.6**	78.5	78.9	79.3	77.4	78.5	78.4	76.5	80.3	79.2
Staff											
Average strength	(numbers)	**13,983**	14,040	14,240	14,156	13,893	13,588	13,934	14,343	14,071	13,847
Seat capacity per employee [R2]	(seat-km)	**8,465,029**	8,547,066	8,462,275	8,354,366	8,163,082	7,952,620	7,583,874	8,212,278	8,096,020	8,127,667
Passenger load carried per employee [R3]	(tonne-km)	**626,572**	625,516	625,995	619,969	594,663	588,714	563,318	598,047	618,295	613,211
Revenue per employee	($)	**835,736**	884,501	876,383	875,035	868,790	863,931	728,075	909,817	906,801	819,232
Value added per employee	($)	**261,861**	242,970	242,184	159,593	237,472	310,480	219,678	294,666	368,382	368,831
SilkAir											
Passengers carried	('000)	**3,836**	3,553	3,411	3,295	3,032	2,764	2,356	1,954	1,815	1,616
Revenue passenger-km	(million)	**6,516.2**	5,864.9	5,516.1	5,223.1	4,469.4	4,039.6	3,466.4	3,158.6	3,094.9	2,712.9
Available seat-km	(million)	**9,117.8**	8,355.2	7,926.9	7,096.3	5,904.8	5,285.1	4,495.9	4,355.2	4,323.0	3,865.8
Passenger load factor	(%)	**71.5**	70.2	69.6	73.6	75.7	76.4	77.1	72.5	71.6	70.2
Passenger yield	(cents/pkm)	**13.5**	13.9	13.7	14.1	14.5	14.1	13.1	15.0	14.0	13.4
Passenger unit cost	(cents/ask)	**9.0**	9.7	9.8	9.9	10.1	9.4	9.9	10.9	9.7	9.4
Passenger breakeven load factor	(%)	**66.7**	69.8	71.5	70.2	69.7	66.7	75.6	72.7	69.3	70.1
Scoot [R4]											
Passengers carried	('000)	**2,412**	1,878								
Revenue passenger-km	(million)	**8,673.9**	6,718.7								
Available seat-km	(million)	**10,267.4**	8,170.6								
Passenger load factor	(%)	**84.5**	82.2								
Revenue per revenue seat-km	(cents/pkm)	**5.6**	5.6								
Cost per available seat-km	(cents/ask)	**4.7**	5.8								
Breakeven load factor	(%)	**83.9**	103.6								

		2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Tiger Airways R4											
Passengers carried	('000)	**5,128**	5,140								
Revenue passenger-km	(million)	**9,551.1**	9,696.3								
Available seat-km	(million)	**11,465.4**	11,812.4								
Passenger load factor	(%)	**83.3**	82.1								
Revenue per revenue seat-km	(cents/pkm)	**7.0**	6.8								
Cost per available seat-km	(cents/ask)	**5.8**	6.0								
Breakeven load factor	(%)	**82.9**	88.2								
SIA Cargo											
Cargo and mail carried	(million kg)	**1,170.1**	1,124.0	1,117.8	1,144.6	1,205.8	1,156.4	1,122.4	1,219.5	1,308.0	1,284.9
Cargo load	(million tonne-km)	**6,510.9**	6,347.2	6,419.3	6,763.6	7,198.2	7,174.0	6,659.1	7,299.3	7,959.2	7,995.6
Gross capacity	(million tonne-km)	**10,513.3**	10,024.9	10,273.6	10,661.0	11,286.5	11,208.5	10,510.1	12,292.5	12,787.8	12,889.8
Cargo load factor	(%)	**61.9**	63.3	62.5	63.4	63.8	64.0	63.4	59.4	62.2	62.0
Cargo yield	(cents/ltk)	**29.0**	32.8	32.7	33.4	34.9	36.2	32.0	38.2	38.7	38.4
Cargo unit cost	(cents/ctk)	**18.9**	21.4	21.9	23.2	23.5	22.3	21.9	24.9	23.4	24.5
Cargo breakeven load factor	(%)	**65.2**	65.2	67.0	69.5	67.3	61.6	68.4	65.2	60.5	63.8
Group Airlines (Passengers)											
Passengers carried	('000)	**30,405**	29,308	22,039	21,505	20,187	19,411	18,836	20,247	20,935	19,962
Revenue passenger-km	(million)	**119,008.6**	116,489.1	100,580.4	98,988.7	92,293.4	88,840.9	86,348.9	93,286.7	94,580.1	91,861.7
Available seat-km	(million)	**149,217.1**	148,339.0	128,429.7	125,360.7	119,314.5	113,345.3	110,169.6	122,143.9	118,242.1	116,409.6
Passenger load factor	(%)	**79.8**	78.5	78.3	79.0	77.4	78.4	78.4	76.4	80.0	78.9

R1 Capital disbursements comprised capital expenditure in property, plant and equipment, intangible assets, investments in subsidiary, associated companies and joint venture companies, and additional long-term equity investments.
R2 Seat capacity per employee is available seat capacity divided by Singapore Airlines' average staff strength.
R3 Passenger load carried per employee is defined as passenger load and excess baggage carried divided by Singapore Airlines' average staff strength.
R4 Operating statistics for Scoot and Tiger Airways are only shown with effect from FY2014/15.

The Group Fleet Profile

As at 31 March 2016, Singapore Airlines Group operating fleet consisted of 173 aircraft – 164 passenger aircraft and 9 freighters.

Aircraft type	Owned	Finance Lease	Operating Lease	Total	Average age in years (y) and months (m)	Expiry of operating lease		On firm order	On option
						2016/17	2017/18		
Singapore Airlines:									
777-200	11			11	12 y 11 m				
777-200ER	10			10	13 y 10 m				
777-300	5		1	6	12 y 8 m	1			
777-300ER	24		3	27	6 y 6 m				
A380-800	10		9	19	6 y 0 m		3	5	1
A330-300			28	28	4 y 0 m	4	6		
A350-900 XWB	1			1	0 y 1 m			66	16
787-10								30	
Sub-total	61		41	102[R1]	7 y 5 m	5	9	101	17
SIA Cargo:									
747-400F	5	2	2	9	13 y 8 m	3[R2]	1[R3]		
SilkAir:									
A319-100	1		3	4	7 y 10 m				
A320-200	3		8	11	5 y 11 m				
737-800	5		9	14	1 y 4 m			3	
737-8 MAX								37	14[R4]
Sub-total	9		20	29	4 y 0 m			40	14
Scoot:									
787-8	4			4	0 y 6 m			6	
787-9	6			6	0 y 10 m			4	
Sub-total	10			10	0 y 9 m			10	
Tiger Airways:									
A319-100			2	2	7 y 1 m				
A320-200		9	12	21	4 y 8 m		1		
A320-200N[R5]								39	11
Sub-total		9	14	23	4 y 10 m		1	39	11
Total	**85**	**11**	**77**	**173**	**6 y 5 m**	**8**	**11**	**190**	**42**

N.A. not applicable

R1 This excludes two 777-200ERs in storage and three 777-200s on lease to other carriers.
R2 One of the aircraft is on finance lease.
R3 The aircraft is on finance lease.
R4 These are purchase rights for Boeing model 737MAX aircraft including 737-7 MAX, 737-8 MAX or 737-9 MAX.
R5 A320-200N refers to A320neos.

Group Corporate Structure

At 31 March 2016

SINGAPORE AIRLINES LIMITED

- 77.6% SIA Engineering Company Limited
  - 100% Aircraft Maintenance Services Australia Pty Ltd
  - 100% NexGen Network (1) Holding Pte Ltd
  - 100% NexGen Network (2) Holding Pte Ltd
  - 100% SIAEC Global Pte Ltd
  - 100% SIA Engineering (USA), Inc.
  - 80% Singapore Jamco Services Private Limited
  - 65% SIA Engineering (Philippines) Corporation
  - 51% Aerospace Component Engineering Services Pte Limited
  - 51% Aviation Partnership (Philippines) Corporation
  - 50% International Engine Component Overhaul Pte Ltd
  - 50% Singapore Aero Engine Services Pte Ltd
  - 49% Boeing Asia Pacific Aviation Services Pte Ltd
  - 49% Component Aerospace Singapore Pte Ltd
  - 49% Eagle Services Asia Private Limited
  - 49% Fuel Accessory Service Technologies Pte Ltd
  - 49% PT JAS Aero-Engineering Services
  - 49% Southern Airports Aircraft Maintenance Services Company Limited
  - 47.1% Pan Asia Pacific Aviation Services Ltd
  - 45% Jamco Aero Design & Engineering Pte Ltd
  - 42.5% Panasonic Avionic Services Singapore Private Limited
  - 40% Goodrich Aerostructures Service Asia Pte Ltd
  - 40% Messier Services Asia Private Limited
  - 40% Safran Electronics Asia Pte Ltd
  - 39.2% Asian Surface Technologies Pte Ltd
  - 33.3% International Aerospace Tubes-Asia Pte Ltd
  - 24.5% Asian Compressor Technology Services Co Ltd
  - 24.5% Turbine Coating Services Private Limited
  - 20.0% Jamco Singapore Pte Ltd
- 100% SilkAir (Singapore) Private Limited
  - 100% Tradewinds Tours & Travel Private Limited
- 100% Singapore Aviation and General Insurance Company (Pte) Limited
- 100% Scoot Pte. Ltd.
  - 49% NokScoot Airlines Co., Ltd
  - 25% Air Black Box Asia Pacific Pte Ltd (Singapore)
- 100% Singapore Flying College Pte Ltd
- 100% Sing-Bi Funds Private Limited
- 100% Singapore Airlines Cargo Pte Ltd
  - 51% Cargo Community Network Pte Ltd
    - 100% Cargo Community (Shanghai) Co Ltd
- 100% SIA (Mauritius) Ltd
- 76% Singapore Airport Duty-Free Emporium (Private) Limited
- 95.5% Tiger Airways Holdings Limited
  - 100% Tiger Airways Singapore Pte Ltd
  - 100% Roar Aviation Pte Ltd
  - 100% Roar Aviation II Pte Ltd
  - 100% Roar Aviation III Pte Ltd
  - 100% Falcon Aircraft Limited
  - 100% Winnie Aircraft Limited
  - 100% Simple Holidays Pte. Ltd.
- 49% Tata SIA Airlines Limited
- 45% Airbus Asia Training Centre Pte Ltd
- 23% Virgin Australia Holdings Limited
- 20% Ritz-Carlton, Millenia Singapore Properties Private Limited

Information on Shareholdings

At 2 June 2016

No. of Issued Shares:	1,199,851,019
No. of Issued Shares (excluding Treasury Shares):	1,188,017,657
No./Percentage of Treasury Shares:	11,833,362 (0.99%)
Class of Shares:	Ordinary shares One Special share held by the Minister for Finance
Voting Rights (excluding Treasury shares):	1 vote for 1 share

Range of shareholdings	Number of shareholders	%*	Number of shares	%*
1 – 99	331	0.84	11,419	0.00
100 – 1,000	15,759	39.78	13,215,546	1.11
1,001 – 10,000	20,793	52.49	74,748,415	6.29
10,001 – 1,000,000	2,715	6.85	84,745,617	7.14
1,000,001 and above	18	0.04	1,015,296,660	85.46
Total	39,616	100.00	1,188,017,657	100.00

Twenty largest shareholders

	Name	Number of shares	%*
1	Temasek Holdings (Private) Limited	657,306,600	55.33
2	DBS Nominees (Private) Limited	122,025,035	10.27
3	Citibank Nominees Singapore Pte Ltd	112,185,180	9.44
4	HSBC (Singapore) Nominees Pte Ltd	38,628,479	3.25
5	DBSN Services Pte Ltd	24,838,005	2.09
6	United Overseas Bank Nominees (Private) Limited	20,271,810	1.71
7	Raffles Nominees (Pte) Limited	14,619,046	1.23
8	BNP Paribas Securities Services	7,960,689	0.67
9	Bank of Singapore Nominees Pte Ltd	2,815,402	0.24
10	OCBC Nominees Singapore Private Limited	2,118,456	0.18
11	Estate of Chang Shyh Jin, Deceased	2,007,940	0.17
12	DB Nominees (Singapore) Pte Ltd	1,994,134	0.17
13	UOB Kay Hian Private Limited	1,977,855	0.17
14	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,772,220	0.15
15	ABN Amro Nominees Singapore Pte Ltd	1,343,838	0.11
16	DBS Vickers Securities (Singapore) Pte Ltd	1,219,986	0.10
17	Phillip Securities Pte Ltd	1,142,099	0.09
18	BNP Paribas Nominees Singapore Pte Ltd	1,069,886	0.09
19	OCBC Securities Private Limited	921,989	0.08
20	Tan Kim Siah	800,000	0.07
	Total	1,017,018,649	85.61

Substantial shareholder (as shown in the Register of Substantial Shareholders)

	Number of shares			
Substantial shareholder	Direct Interest	%*	Deemed Interest**	%*
Temasek Holdings (Private) Limited	657,306,600	55.33	944,632	0.08

* Based on 1,188,017,656 ordinary shares issued as at 2 June 2016 (this is based on 1,199,851,018 ordinary shares issued as at 2 June 2016, excluding the 11,833,362 Treasury shares as at 2 June 2016).

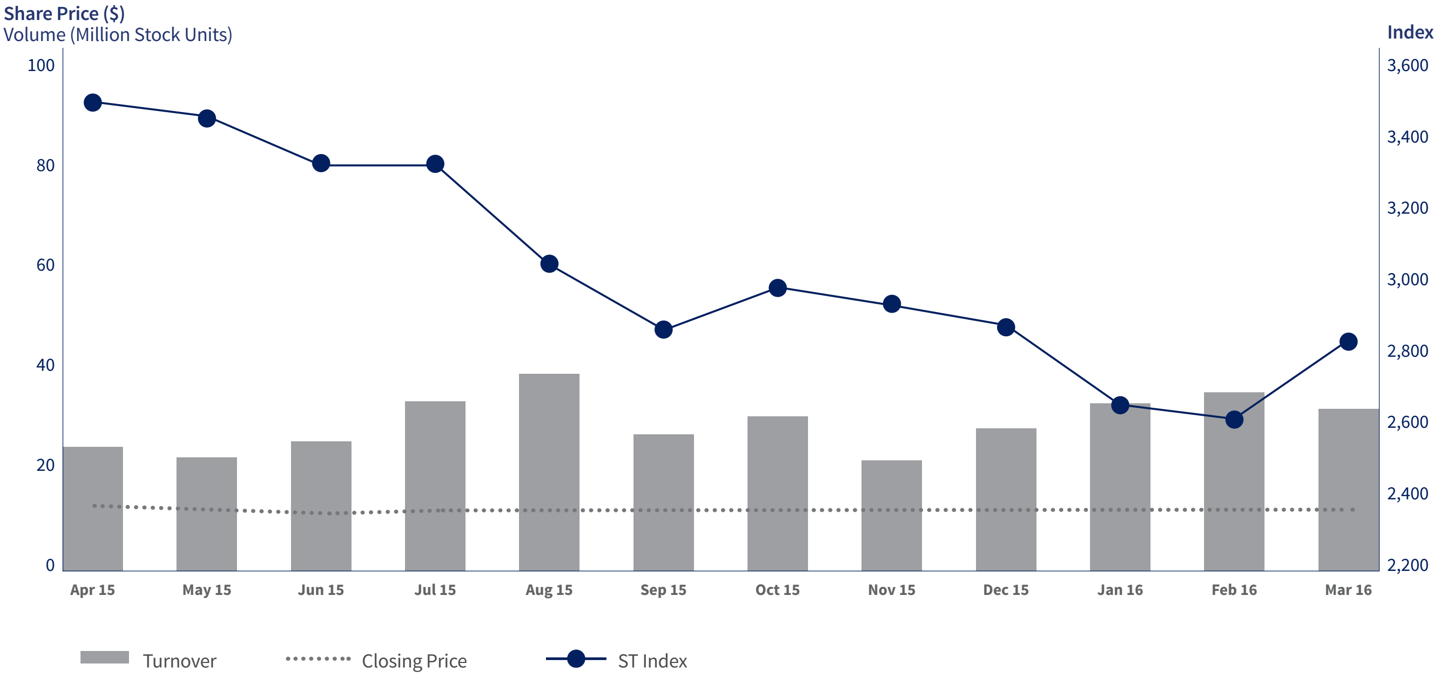
** Temasek Holdings (Private) Limited is deemed interested in 944,632 ordinary shares in which its subsidiary and associated company have a direct or deemed interest.

Shareholdings held by the public

Based on the information available to the Company as at 2 June 2016, 44.51% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Share Price and Turnover

Singapore Airlines Share Price and Turnover



Share Price ($)	2015/16	2014/15
High	**12.24**	12.91
Low	**9.57**	9.57
Closing	**11.42**	11.95
Market Value Ratios [R1]		
Price/Earnings	**16.55**	38.06
Price/Book value	**1.04**	1.12
Price/Cash earnings [R2]	**5.54**	7.24

[R1] Based on closing price on 31 March and Group numbers.
[R2] Cash earnings is defined as profit attributable to owners of the Parent plus depreciation and amortisation.

Notice of Annual General Meeting

SINGAPORE AIRLINES LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 197200078R

Notice is hereby given that the Forty-Fourth Annual General Meeting of Singapore Airlines Limited ("the **Company**") will be held at Orchard Grand Ballroom, Level 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on Friday, 29 July 2016 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2016 and the Auditors' Report thereon.

2. To declare a final dividend of 35 cents per ordinary share for the year ended 31 March 2016.

3. To re-elect the following Directors who are retiring by rotation in accordance with Article 82 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr Gautam Banerjee
   (b) Mr Goh Choon Phong
   (c) Mr Hsieh Tsun-yan

4. To re-elect Mr Peter Seah Lim Huat, who is retiring in accordance with Article 89 of the Company's Constitution and who, being eligible, offers himself for re-election.

5. To approve Directors' emoluments of up to $2,300,000 for the financial year ending 31 March 2017 (FY 2015/16: up to $2,300,000).

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass, with or without modifications, the following resolutions, of which Resolutions 7, 8, 9 and 10 will be proposed as Ordinary Resolutions and Resolution 11 will be proposed as a Special Resolution:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

   provided that:

   (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below);

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(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. That the Directors of the Company be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014; and

(b) allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014,

provided that:

(1) the aggregate number of (1) new ordinary shares allotted and issued and/or to be allotted and issued, (2) existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, and (3) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares) from time to time;

(2) the aggregate number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares) from time to time (the "**Yearly Limit**"); and

(3) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

9. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Letter to Shareholders dated 30 June 2016 (the "**Letter**") with any party who is of the class of interested persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

10. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

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11. That the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

Closure of Books

Notice is hereby given that, subject to the approval of shareholders to the final dividend being obtained at the Forty-Fourth Annual General Meeting to be held on 29 July 2016, the Transfer Books and the Register of Members of the Company will be closed on 5 August 2016 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 4 August 2016 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 4 August 2016 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 17 August 2016.

By Order of the Board

Brenton Wu
Company Secretary
30 June 2016
Singapore

Explanatory notes

1. In relation to Ordinary Resolution Nos. 3(a), 3(b) and 3(c), Mr Gautam Banerjee will, upon re-election, continue to serve as Chairman of the Board Audit Committee and a member of the Board Executive Committee and the Board Compensation and Industrial Relations Committee. Mr Goh Choon Phong will, upon re-election, continue to serve as a member of the Board Executive Committee. Mr Hsieh Tsun-yan will, upon re-election, continue to serve as a member of the Board Audit Committee and the Board Compensation and Industrial Relations Committee. Mr Banerjee and Mr Hsieh are considered independent Directors. Mr Goh is considered a non-independent Director. Please refer to the sections on Board of Directors and Corporate Governance in the Annual Report for further details on Mr Banerjee, Mr Goh and Mr Hsieh, respectively.

2. In relation to Ordinary Resolution No. 4, Article 89 of the Company's Constitution permits the Directors to appoint any person approved in writing by the Special Member to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Mr Peter Seah Lim Huat was appointed on 1 September 2015 and is seeking re-election at the forthcoming Forty-Fourth Annual General Meeting. Mr Seah will, upon re-election, continue to serve as a member of the Board Executive Committee and the Board Compensation and Industrial Relations Committee. Mr Seah is considered an independent Director. Please refer to the sections on Board of Directors and Corporate Governance in the Annual Report for further details on Mr Seah.

3. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during FY2016/17. Directors' fees are computed based on the anticipated number of Board and Committee meetings for FY2016/17, assuming full attendance by all of the non-executive Directors. The amount also caters for any fee increases and unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees. The amount also includes transport and travel benefits to be provided to the non-executive Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting before payments are made to Directors for the shortfall. Mr Goh Choon Phong, being the Chief Executive Officer, does not receive any Director's fees.

4. Ordinary Resolution No. 7, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares) of the Company, with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares.

5. Ordinary Resolution No. 8, if passed, will empower the Directors to grant awards pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014. The SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 were adopted at the Extraordinary General Meeting of the Company held on 30 July 2014. The total number of ordinary shares which may be delivered pursuant to awards granted under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding ordinary shares held by the Company as treasury shares) from time to time. In addition, Ordinary Resolution No. 8 will also provide that the total number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

6. Ordinary Resolution No. 9, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in Appendix 1 to the Letter to Shareholders dated 30 June 2016 (the "**Letter**"). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter for more details.

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7. Ordinary Resolution No. 10, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

   The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

   The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2016, based on certain assumptions, are set out in paragraph 3.7 of the Letter.

   Please refer to the Letter for more details.

8. Special Resolution No. 11, if passed, will approve the adoption of a new Constitution following the wide-ranging changes to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 and incorporate amendments to (*inter alia*) take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to the Letter for more details.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time fixed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Corporate Data

Board of Directors

CHAIRMAN Stephen Lee Ching Yen
DEPUTY CHAIRMAN Peter Seah Lim Huat *(from 1 September 2015)*
MEMBERS Gautam Banerjee
William Fung Kwok Lun
Goh Choon Phong
Hsieh Tsun-yan
Christina Ong
Helmut Gunter Wilhelm Panke
Lucien Wong Yuen Kuai

Board Committees

Board Executive Committee

CHAIRMAN Stephen Lee Ching Yen
MEMBERS Gautam Banerjee
Goh Choon Phong
Peter Seah Lim Huat *(from 1 September 2015)*
Lucien Wong Yuen Kuai

Board Audit Committee

CHAIRMAN Gautam Banerjee
MEMBERS William Fung Kwok Lun
Hsieh Tsun-yan

Board Compensation and Industrial Relations Committee

CHAIRMAN Stephen Lee Ching Yen
MEMBERS Gautam Banerjee
Hsieh Tsun-yan
Helmut Gunter Wilhelm Panke
Peter Seah Lim Huat *(from 1 September 2015)*

Board Nominating Committee

CHAIRMAN Stephen Lee Ching Yen
MEMBERS Christina Ong
Lucien Wong Yuen Kuai

Board Safety and Risk Committee

CHAIRMAN Helmut Gunter Wilhelm Panke
MEMBERS Christina Ong
Lucien Wong Yuen Kuai

Company Secretary

Brenton Wu Ming-Kaye *(from 6 August 2015)*

Share Registrar

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Auditors

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
(from 30 July 2015)

Audit Partner

Tham Sai Choy
(from 30 July 2015)

Registered Office

Airline House
25 Airline Road
Singapore 819829

Executive Management

HEAD OFFICE

Goh Choon Phong
Chief Executive Officer

Mak Swee Wah
Executive Vice President Commercial

Ng Chin Hwee
Executive Vice President Human Resources & Operations

Marvin Tan Meng Hung
Senior Vice President Cabin Crew
(until 20 March 2016)

Tan Pee Teck
Senior Vice President Cabin Crew
(from 21 March 2016)

Tan Kai Ping
Senior Vice President Corporate Planning

Mervyn Sirisena
Senior Vice President Engineering
(until 10 June 2015)

Lau Hwa Peng
Acting Senior Vice President Engineering
(from 11 June 2015)

Stephen Barnes
Senior Vice President Finance

Gerard Yeap Beng Hock
Senior Vice President Flight Operations
(until 18 October 2015)

Quay Chew Eng
Acting Senior Vice President Flight Operations
(from 19 October 2015)

Christopher Cheng Kian Hai
Senior Vice President Human Resources

George Wang Wei Jun
Senior Vice President Information Technology

Lee Wen Fen
Senior Vice President Marketing Planning

Tan Pee Teck
Senior Vice President Product & Services
(until 20 March 2016)

Marvin Tan Meng Hung
Senior Vice President Product & Services
(from 21 March 2016)

OVERSEAS REGIONS

Lee Sek Eng
Regional Vice President Americas

Subhas Menon
Regional Vice President Europe

Lim Wee Kok
Regional Vice President North Asia

Philip Goh Ser Miang
Regional Vice President South East Asia

Tan Tiow Kor
Regional Vice President South West Pacific

Joey Seow Eng Wan
Regional Vice President West Asia & Africa

SENIOR MANAGEMENT, MAJOR SUBSIDIARIES

Png Kim Chiang
President & Chief Executive Officer
SIA Engineering Company Limited

Leslie Thng Kan Chung
Chief Executive
SilkAir (Singapore) Private Limited
(until 17 May 2016)

Foo Chai Woo
Chief Executive
SilkAir (Singapore) Private Limited
(from 18 May 2016)

Chin Yau Seng
President
Singapore Airlines Cargo Pte Ltd

Lee Lik Hsin
Chief Executive Officer
Budget Aviation Holdings Pte Ltd
(from 17 May 2016)

Campbell David McGregor Wilson
Chief Executive Officer
Scoot Pte Ltd
(until 17 May 2016)

Lee Lik Hsin
Chief Executive Officer
Tiger Airways Holdings Limited
(until 10 May 2016)

2016 Financial Calendar

31 March 2016
Financial Year-End

12 May 2016
Announcement of FY2015/16 Annual Results

30 June 2016
Despatch of Annual Report and Letter to Shareholders

28 July 2016
Announcement of FY2016/17 First Quarter Results

29 July 2016
Annual General Meeting

17 August 2016
Payment of Final Dividend for the FY2015/16
(subject to shareholders' approval at AGM)

3 November 2016
Announcement of FY2016/17 Second Quarter and Half-Year Results

SINGAPORE AIRLINES

A STAR ALLIANCE MEMBER

SINGAPORE AIRLINES
MCI (P) 100/05/2016
IS20160000549
Singapore Company Registration Number: 197200078R

Airline House, 25 Airline Road, Singapore 819829

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