



## UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2018

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

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18 (Restated)
<b>REVENUE</b>	3,844.5	3,864.2
<b>EXPENDITURE</b>		
Staff costs	657.6	650.0
Fuel costs	1,079.4	925.7
Depreciation	307.1	276.4
Impairment of property, plant and equipment	-	0.2
Amortisation of intangible assets	15.4	10.3
Aircraft maintenance and overhaul costs	254.7	237.6
Commission and incentives	98.9	90.1
Landing, parking and overflying charges	215.9	210.7
Handling charges	328.9	330.9
Rentals on leased aircraft	185.4	211.5
Inflight meals	131.8	137.1
Advertising and sales costs	63.8	61.4
Company accommodation and utilities	23.1	23.4
Other passenger costs	44.9	43.9
Crew expenses	39.2	39.2
Other operating expenses	205.3	211.2
	<u>3,651.4</u>	<u>3,459.6</u>
<b>OPERATING PROFIT</b>	193.1	404.6
Finance charges	(28.7)	(20.1)
Interest income	12.8	18.6
Surplus on disposal of aircraft, spares and spare engines	3.6	7.2
Dividends from long-term investments	0.7	3.0
Other non-operating items	(1.1)	2.6
Share of profits of joint venture companies	2.3	1.7
Share of profits/(losses) of associated companies	1.3	(0.9)
<b>PROFIT BEFORE TAXATION</b>	<u>184.0</u>	<u>416.7</u>
<b>TAXATION</b>	<u>(35.0)</u>	<u>(70.2)</u>
<b>PROFIT FOR THE PERIOD</b>	<u>149.0</u>	<u>346.5</u>
<b>PROFIT ATTRIBUTABLE TO:</b>		
<b>OWNERS OF THE COMPANY</b>	139.6	337.9
<b>NON-CONTROLLING INTERESTS</b>	9.4	8.6
	<u>149.0</u>	<u>346.5</u>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	11.8	28.6
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	11.8	28.5

**Notes:**

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

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18
Compensation for changes in aircraft delivery slots	(1.4)	(69.9)
Interest income from short-term investments	(0.2)	(0.2)
Dividend income from short-term investments	(0.1)	(0.3)
Income from operating lease of aircraft	(14.8)	(9.6)
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	0.1	(0.7)
(Gain)/Loss on disposal of short-term investments	(0.8)	0.3
Impairment of trade debtors	0.5	0.5
Writedown of inventories	1.3	1.4
Exchange loss, net	19.0	9.4
Currency hedging loss	4.2	7.2
Fuel hedging (gain)/loss recognised in "Fuel costs"	(132.2)	25.6
Net gain on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	(0.9)	(2.4)
Over provision of tax in respect of prior years	(0.1)	(5.0)

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

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18
Surplus on disposal of other property, plant and equipment	0.1	-
Provision for onerous aircraft leases	(3.5)	-
Net gain on financial assets mandatorily measured at FVTPL	1.9	2.5
Writeback of provision for expected credit losses on investments and guarantees	0.4	0.1
	<u>(1.1)</u>	<u>2.6</u>

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)**

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18 (Restated)
<b>PROFIT FOR THE PERIOD</b>	149.0	346.5
<b>OTHER COMPREHENSIVE INCOME:</b>		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	26.3	(15.3)
Net fair value changes on cash flow hedges	925.4	(181.6)
Share of other comprehensive income of associated and joint venture companies	(4.1)	(0.8)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u>947.6</u>	<u>(197.7)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>1,096.6</u>	<u>148.8</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
<b>OWNERS OF THE COMPANY</b>	1,082.0	142.0
<b>NON-CONTROLLING INTERESTS</b>	14.6	6.8
	<u>1,096.6</u>	<u>148.8</u>

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

**STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2018 (in \$ million)**

	The Group			The Company		
	30-Jun 2018	31-Mar 2018 (Restated)	1-Apr 2017 (Restated)	30-Jun 2018	31-Mar 2018 (Restated)	1-Apr 2017 (Restated)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Share capital	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(183.5)	(183.5)	(194.7)	(183.5)	(183.5)	(194.7)
Other reserves	12,274.3	11,187.7	9,622.7	10,529.5	10,558.6	9,288.3
	13,946.9	12,860.3	11,284.1	12,202.1	12,231.2	10,949.7
<b>NON-CONTROLLING INTERESTS</b>	381.7	368.1	387.2	-	-	-
<b>TOTAL EQUITY</b>	14,328.6	13,228.4	11,671.3	12,202.1	12,231.2	10,949.7
<b>DEFERRED ACCOUNT</b>	109.2	123.3	234.5	95.7	109.2	214.9
<b>DEFERRED TAXATION</b>	2,064.8	1,840.6	1,524.9	1,729.5	1,489.5	1,218.2
<b>LONG-TERM LIABILITIES</b>	3,567.9	3,199.8	1,794.7	3,054.4	3,114.4	1,689.4
<b>PROVISIONS</b>	803.8	821.5	910.3	531.5	576.7	648.0
<b>DEFINED BENEFIT PLANS</b>	108.6	113.2	131.2	108.1	104.8	122.3
	20,982.9	19,326.8	16,266.9	17,721.3	17,625.8	14,842.5
Represented by:-						
<b>PROPERTY, PLANT AND EQUIPMENT</b>	19,664.6	18,169.2	14,286.4	15,222.0	13,682.3	10,498.4
<b>INTANGIBLE ASSETS</b>	448.2	435.3	423.5	185.6	179.8	169.5
<b>SUBSIDIARY COMPANIES</b>	-	-	-	3,084.6	4,840.8	4,610.1
<b>ASSOCIATED COMPANIES</b>	1,046.6	1,048.8	1,056.9	551.5	551.5	489.8
<b>JOINT VENTURE COMPANIES</b>	144.9	150.6	160.2	-	-	-
<b>LONG-TERM INVESTMENTS</b>	347.9	346.0	405.7	337.5	335.6	395.3
<b>OTHER LONG-TERM ASSETS</b>	1,381.2	722.7	479.3	1,255.5	624.6	397.9
<b>DEFERRED ACCOUNT</b>	50.6	52.9	61.1	41.9	43.5	49.1
<b>CURRENT ASSETS</b>						
Deferred account	9.7	9.9	11.8	7.1	7.3	9.1
Derivative assets	644.1	351.4	85.0	642.8	351.2	82.1
Inventories	191.7	179.3	178.4	130.1	108.0	106.1
Trade debtors	1,391.8	1,400.9	1,143.3	1,059.3	836.7	694.7
Amounts owing by subsidiary companies	-	-	-	1.8	140.1	203.8
Deposits and other debtors	98.2	87.8	127.4	51.1	40.7	55.8
Prepayments	180.7	184.6	211.0	125.8	125.1	169.9
Other short-term assets	30.8	27.0	21.4	30.8	27.0	21.4
Investments	112.9	157.8	539.9	91.9	88.7	469.9
Cash and bank balances	1,933.6	2,568.3	3,380.5	1,616.2	2,144.6	2,733.2
	4,593.5	4,967.0	5,698.7	3,756.9	3,869.4	4,546.0
Less: <b>CURRENT LIABILITIES</b>						
Borrowings	69.5	20.6	42.0	-	-	-
Current tax payable	131.7	134.1	80.3	83.7	42.4	30.3
Trade and other creditors	2,933.1	2,817.0	3,295.9	2,140.0	1,858.9	2,251.9
Amounts owing to subsidiary companies	-	-	-	1,214.9	1,290.4	1,354.5
Sales in advance of carriage	2,517.9	2,442.1	1,650.8	2,267.9	2,205.9	1,474.3
Deferred revenue	567.1	556.1	707.8	567.1	556.1	707.8
Deferred account	58.2	64.8	86.0	54.9	60.3	76.3
Derivative liabilities	48.3	161.9	119.7	48.3	161.9	119.7
Provisions	368.8	369.1	322.4	337.4	325.8	298.8
	6,694.6	6,565.7	6,304.9	6,714.2	6,501.7	6,313.6
<b>NET CURRENT LIABILITIES</b>	(2,101.1)	(1,598.7)	(606.2)	(2,957.3)	(2,632.3)	(1,767.6)
	20,982.9	19,326.8	16,266.9	17,721.3	17,625.8	14,842.5

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

Amount repayable in one year or less, or on demand

As at 30 June 2018		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
\$62.8M	\$6.7M	\$14.7M	\$5.9M

Amount repayable after one year

As at 30 June 2018		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
\$487.6M	\$3,046.9M	\$59.3M	\$3,047.4M

Details of any collateral

The secured borrowings pertained to secured bank loans (\$550.4 million). 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.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)**

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	184.0	416.7
Adjustments for:		
Depreciation	307.1	276.4
Impairment of property, plant and equipment	-	0.2
Amortisation of intangible assets	15.4	10.3
Impairment of trade debtors	0.5	0.5
Writedown of inventories	1.3	1.4
Income from short-term investments	(0.3)	(0.5)
Provisions	101.2	66.3
Share-based compensation expense	3.5	4.1
Exchange differences	(16.0)	11.3
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	0.1	(0.7)
Finance charges	28.7	20.1
Interest income	(12.8)	(18.6)
Surplus on disposal of aircraft, spares and spare engines	(3.6)	(7.2)
Dividends from long-term investments	(0.7)	(3.0)
(Gain)/Loss on disposal of short term investments	(0.8)	0.3
Net gain on financial assets mandatorily measured at FVTPL	(0.9)	(2.4)
Other non-operating items	1.1	(2.6)
Share of profits of joint venture companies	(2.3)	(1.7)
Share of (profits)/losses of associated companies	(1.3)	0.9
Operating cash flow before working capital changes	604.2	771.8
Increase/(Decrease) in trade and other creditors	5.6	(241.7)
Increase in sales in advance of carriage	75.8	299.3
Increase in trade debtors	(15.5)	(9.8)
(Increase)/Decrease in deposits and other debtors	(11.2)	30.9
Decrease in prepayments	3.9	22.6
Increase in inventories	(13.7)	(3.4)
Increase/(Decrease) in deferred revenue	11.0	(93.5)
Cash generated from operations	660.1	776.2
Payment of fines and settlements	-	(139.0)
Income taxes (paid)/refunded	(0.7)	7.0
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>659.4</b>	<b>644.2</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (in \$ million)**

	The Group	
	1st Quarter 2018/19	1st Quarter 2017/18 (Restated)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(1,894.9)	(1,751.0)
Purchase of intangible assets	(26.0)	(15.5)
Proceeds from disposal of aircraft and other property, plant and equipment	65.8	56.4
Proceeds from disposal of long-term investments	5.8	4.9
Purchase of short-term investments	(139.7)	(363.8)
Proceeds from disposal of short-term investments	186.0	298.8
Dividends received from associated and joint venture companies	29.9	28.1
Dividends received from investments	0.8	3.3
Interest received from investments and deposits	16.2	17.3
Investments in associated companies	(1.9)	(21.3)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,758.0)</b>	<b>(1,742.8)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid by subsidiary companies to non-controlling interests	(0.8)	(0.8)
Interest paid	(30.5)	(18.6)
Proceeds from issuance of bonds	-	700.0
Proceeds from borrowings	480.2	2.5
Repayment of borrowings	(4.4)	(4.4)
Repayment of long-term lease liabilities	-	(5.8)
Proceeds from exercise of share options	-	0.8
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>444.5</b>	<b>673.7</b>
<b>NET CASH OUTFLOW</b>	<b>(654.1)</b>	<b>(424.9)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>2,568.3</b>	<b>3,380.5</b>
Effect of exchange rate changes	19.4	(19.7)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>1,933.6</b>	<b>2,935.9</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits	1,310.6	2,225.9
Cash and bank balances	623.0	710.0
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>1,933.6</b>	<b>2,935.9</b>

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

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

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



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (in \$ million)**

The Group	Attributable to Owners of the Company									
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2017	1,856.1	(194.7)	(147.6)	(123.7)	88.5	(234.4)	11,838.8	13,083.0	387.2	13,470.2
Effects of changes in accounting standards	-	-	-	123.7	-	-	(1,922.6)	(1,798.9)	-	(1,798.9)
As restated	1,856.1	(194.7)	(147.6)	-	88.5	(234.4)	9,916.2	11,284.1	387.2	11,671.3
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	(13.0)	-	-	-	(13.0)	(2.3)	(15.3)
Net fair value changes on cash flow hedges	-	-	-	-	-	(182.1)	-	(182.1)	0.5	(181.6)
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Other comprehensive income for the period, net of tax	-	-	-	(13.0)	-	(182.9)	-	(195.9)	(1.8)	(197.7)
Profit for the period	-	-	-	-	-	-	337.9	337.9	8.6	346.5
Total comprehensive income for the period	-	-	-	(13.0)	-	(182.9)	337.9	142.0	6.8	148.8
<u>Transactions with owners, recorded directly in equity</u>										
<u>Contributions by and distributions to owners</u>										
Changes in ownership interest without loss of control	-	-	-	-	(0.3)	-	(1.7)	(2.0)	(1.9)	(3.9)
Share-based compensation expense	-	-	-	-	4.1	-	-	4.1	-	4.1
Share options and share awards lapsed	-	-	-	-	(0.6)	-	0.6	-	-	-
Dividends	-	-	-	-	-	-	-	-	(0.8)	(0.8)
Total transactions with owners	-	-	-	-	3.2	-	(1.1)	2.1	(2.7)	(0.6)
Balance at 30 June 2017	1,856.1	(194.7)	(147.6)	(13.0)	91.7	(417.3)	10,253.0	11,428.2	391.3	11,819.5

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

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2018	1,856.1	(183.5)	26.7	74.6	206.7	11,491.4	13,472.0
Effects of changes in accounting standards	-	-	-	-	-	(1,240.8)	(1,240.8)
As restated	1,856.1	(183.5)	26.7	74.6	206.7	10,250.6	12,231.2
Effects of integration of SIA Cargo	-	-	(955.6)	-	18.0	(2.8)	(940.4)
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	755.1	-	755.1
Other comprehensive income for the period, net of tax	-	-	-	-	755.1	-	755.1
Profit for the period	-	-	-	-	-	153.4	153.4
Total comprehensive income for the period	-	-	-	-	755.1	153.4	908.5
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	2.8	-	-	2.8
Share options lapsed	-	-	-	(57.8)	-	57.8	-
Total transactions with owners	-	-	-	(55.0)	-	57.8	2.8
Balance at 30 June 2018	1,856.1	(183.5)	(928.9)	19.6	979.8	10,459.0	12,202.1

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (in \$ million)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2017	1,856.1	(194.7)	25.7	76.7	(189.6)	10,939.4	12,513.6
Effects of changes in accounting standards	-	-	-	-	-	(1,563.9)	(1,563.9)
As restated	1,856.1	(194.7)	25.7	76.7	(189.6)	9,375.5	10,949.7
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	(136.2)	-	(136.2)
Other comprehensive income for the period, net of tax	-	-	-	-	(136.2)	-	(136.2)
Profit for the period	-	-	-	-	-	300.4	300.4
Total comprehensive income for the period	-	-	-	-	(136.2)	300.4	164.2
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	3.0	-	-	3.0
Share options and share awards lapsed	-	-	-	(0.6)	-	0.6	-
Total transactions with owners	-	-	-	2.4	-	0.6	3.0
Balance at 30 June 2017	1,856.1	(194.7)	25.7	79.1	(325.8)	9,676.5	11,116.9

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

## **SHARE CAPITAL AND SHARE PLANS IN THE COMPANY**

### Share Capital

During the period April to June 2018, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan, since no options were exercised.

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital <u>Ordinary Shares</u> Balance at 1 April 2018 and 30 June 2018	1,199,851,018	1,856.1

As at 30 June 2018, the number of ordinary shares in issue was 1,199,851,018 of which 17,318,177 were held by the Company as treasury shares (30 June 2017: 1,199,851,018 ordinary shares of which 18,377,002 were held as treasury shares). The share capital was \$1,856.1 million. The treasury shares held represents 1.5% (30 June 2017: 1.6%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 30 June 2018 and 30 June 2017.

### Employee Share Option Plan

As at 30 June 2018, there were no share options of the Company outstanding (30 June 2017: 16,542,385). During the financial year, no options (30 June 2017: Nil) were exercised under the Singapore Airlines Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

The movement of share options of the Company during the financial year is as follows:

Date of Grant	Balance at 01.04.2018	Cancelled	Balance at 30.06.2018	Exercise price*	Expiry date
01.07.2008	7,720,804	(7,720,804)	-	\$12.07	30.06.2018

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

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

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

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

As at 30 June 2018, the number of outstanding shares granted under the Company's RSP and PSP were 1,845,468 (30 June 2017: 1,959,403) and 698,026 respectively (30 June 2017: 729,168).

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

Date of Grant	Number of Restricted Shares			Balance at 30.06.2018
	Balance at 01.04.2018	Granted	Vested	
<b>RSP</b>				
03.07.2014	184,773	-	-	184,773
03.07.2015	363,650	-	-	363,650
18.07.2016	513,539	-	-	513,539
19.07.2017	783,506	-	-	783,506
	1,845,468	-	-	1,845,468

Date of Grant	Number of Performance Shares			Balance at 30.06.2018
	Balance at 01.04.2018	Granted	Vested	
<b>PSP</b>				
03.07.2015	239,700	-	-	239,700
18.07.2016	240,900	-	-	240,900
19.07.2017	217,426	-	-	217,426
	698,026	-	-	698,026

Deferred Share Award ("DSA")

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

Date of Grant	Number of Deferred Share Award			Balance at 30.06.2018
	Balance at 01.04.2018	Granted	Vested	
<b>DSA</b>				
10.09.2015	74,790	-	-	74,790
01.09.2016	65,740	-	-	65,740
06.09.2017	94,070	-	-	94,070
	234,600	-	-	234,600

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

As at 30 June 2018, the number of ordinary shares in issue was 1,199,851,018 of which 17,318,177 were held by the Company as treasury shares (31 March 2018: 1,199,851,018 ordinary shares of which 17,318,177 were held as treasury shares).

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

During the period April to June 2018, the Company did not purchase any treasury shares (April to June 2017: Nil).

The Company did not transfer any treasury shares to employees on exercise of share options nor on vesting of share-based incentive plans (April to June 2017: Nil). Treasury shares are presented as a component within equity attributable to owners of the company.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 April 2018 and 30 June 2018	17,318,177	(183.5)

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

The Company has no subsidiary holdings as at 30 June 2018 and 30 June 2017. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the period April to June 2018.

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

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

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

Not applicable.

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

As required by the listing rules of the Singapore Exchange, the Group has applied Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 April 2018. The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I), and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2018, except the adoption of new/revised IFRS applicable for the financial period beginning 1 April 2018 as follows:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 15 Revenue from Contracts with Customers

(i) Application of IFRS 1 optional exemptions

IFRS 1 requires that the Group applies IFRS on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective 1 April 2018, restatement of comparatives may be required because IFRS 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. IFRS 1 provides mandatory exceptions and optional exemptions from retrospective application, which are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group has elected various optional exemptions in IFRS 1, including those set out below which impact the financial statements:

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

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

b) Foreign currency translation reserve

The Group has elected to reset the foreign currency translation reserve for all foreign operations to zero as at the date of transition to IFRS 1 on 1 April 2017.

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

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

(ii) IFRS 15 Revenue from Contracts with Customers

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

The Group adopted IFRS 15 using the retrospective approach with practical expedients.

The impact on adoption of IFRS 15 is that recognition of revenue associated with ancillary services has been deferred from transaction date to flight date. This is in line with recognition of revenue associated with the carriage of passenger.

(iii) Impact on the comparatives for the financial statements of this reporting quarter on adoption of IFRS 1 and IFRS 15

Consolidated Profit and Loss Account (in \$ million)

	1 <sup>st</sup> Quarter 2017/18
Decrease in depreciation	123.8
Increase in taxation	(21.0)
Increase in profit attributable to owners of the company	102.8
Increase in basic earnings per share (cents)	8.7
Increase in diluted earnings per share (cents)	8.7

Statements of Financial Position (in \$ million)

	The Group		The Company	
	31-Mar 2018	1-Apr 2017	31-Mar 2018	1-Apr 2017
Increase in foreign currency translation reserve	123.0	123.7	-	-
Decrease in general reserve	(1,513.9)	(1,922.6)	(1,240.8)	(1,563.9)
Decrease in deferred taxation	(282.1)	(365.6)	(197.7)	(263.9)
Decrease in property, plant and equipment	(1,655.4)	(2,146.9)	(1,163.1)	(1,552.4)
Decrease in associated companies	-	-	267.0	267.0
Decrease in trade debtors	(1.3)	(1.3)	-	-
Decrease in trade and other creditors	(0.2)	(0.2)	-	-
Increase in sales in advance of carriage	16.5	16.5	8.4	8.4

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

Please refer to Item 4.

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

	The Group	
	1 <sup>st</sup> Quarter 2018/19	1 <sup>st</sup> Quarter 2017/18 (Restated)
Earnings per share (cents)		
- Basic	11.8	28.6
- Diluted	11.8	28.5

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

	The Group		The Company	
	As at 30 Jun 18	As at 31 Mar 18 (Restated)	As at 30 Jun 18	As at 31 Mar 18 (Restated)
Net asset value per ordinary share (\$)	11.79	10.88	10.32	10.34

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

## **GROUP FINANCIAL PERFORMANCE**

### First Quarter 2018/19

The SIA Group reported an operating profit of \$193 million in the April-June 2018 quarter, a \$212 million (-52.3%) reduction from prior year's restated operating profit of \$405 million<sup>1</sup> which included non-recurring revenue items of \$175 million<sup>2</sup>. Excluding these non-recurring items, the decrease would have been \$37 million (-16.1%). Although passenger and cargo flown revenue rose by \$178 million, the operating performance was adversely affected by increased net fuel costs (+\$154 million), which was driven by a 39.3% increase in the average jet fuel price.

Group revenue amounted to \$3,844 million, a \$20 million reduction (-0.5%). Passenger and cargo flown revenue increased by \$178 million, outweighing the absence of the non-recurring items in the same period last year. The growth in passenger flown revenue (+\$148 million, or +5.1%) was driven by an 8.3% increase in traffic, outpacing the decline in passenger yield (-3.2%). Cargo flown revenue was up \$30 million (+6.0%), as cargo yield rose 9.9%, albeit on lower loads carried (-3.5%). Revenue contribution by engineering services fell \$19 million (-14.9%) on lower airframe and line maintenance activities.

Group expenditure increased \$192 million to \$3,651 million (+5.6%), predominantly led by an increase in net fuel cost (+\$154 million). Fuel cost before hedging for the Group rose by \$312 million, mainly due to a US\$26 per barrel (+39.3%) increase in average jet fuel price. Half of this increase was alleviated by hedging gains versus losses last year (+\$158 million). Ex-fuel costs were slightly higher (+\$38 million or 1.5%), partly due to expansion by SilkAir and Scoot.

As a consequence of the weaker operating profit, Group net profit fell to \$140 million (-\$198 million or -58.6%). Excluding the one-off items in the prior year (post-tax), the Group net profit would have decreased by \$53 million (-27.5%).

### First Quarter Operating Results of Main Companies

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

	1st Quarter FY2018/19 \$ million	1st Quarter FY2017/18 \$ million
<u>Operating Profit</u>		
Parent Airline Company <sup>3</sup>	181	370
SilkAir	-	8
Scoot	1	3
SIA Engineering	10	19

Operating profit for the Parent Airline Company fell \$189 million to \$181 million, in the absence of non-recurring revenue (\$175 million). Higher flown revenue (+\$117 million) was largely eroded by higher net fuel cost. The year-on-year increase in flown revenue was contributed by both passenger (+\$87 million) and cargo (+\$30 million) operations. The growth in passenger flown revenue was led by a 5.4% gain in passenger carriage (measured in revenue passenger-kilometres), which outpaced a 1.0% decline in yield. Passenger load factor rose 2.0 percentage points to 82.0%, on capacity growth of 2.8% (measured in available seat-kilometres).

<sup>1</sup> Refer to Item 4 part (iii).

<sup>2</sup> Non-recurring revenue items were in relation to KrisFlyer breakage rate adjustments and compensation for changes in aircraft delivery slots (\$175 million).

<sup>3</sup> SIA Cargo is a division within the Parent Airline Company with effect from 1 April 2018. Prior year comparatives have been adjusted to account for its re-integration.



Expenditure was up \$133 million (+4.8%), primarily driven by the increase in net fuel cost on higher fuel prices (+\$293 million), partially mitigated by fuel hedging gains (-\$130 million) and a weaker US dollar (-\$51 million).

SilkAir reported a marginal profit of \$0.2 million against a profit of \$8 million in the same period last year. Total revenue rose \$12 million (+5.0%) as the 15.3% growth in passenger carriage was partially offset by a 10.3% contraction in yield. However, expenditure rose \$20 million, contributed by higher net fuel cost (+\$10 million) and ex-fuel costs, partly attributable to 10.0% growth in capacity. Passenger load factor rose 3.4 percentage points to 75.0%.

Scoot recorded an operating profit of \$1 million, a deterioration of \$2 million year-on-year. Passenger traffic growth of 17.1%, partially offset by a 1.8% reduction in yield, contributed to a \$58 million (+16.1%) improvement in revenue. However, this was negated by expenditure increase of \$60 million (+16.7%) from higher net fuel costs (+\$32 million) and an expanded operation (capacity rose 14.2%). Passenger load factor was 2.1 percentage points higher at 86.1%.

Operating profit for SIA Engineering fell to \$10 million, a decline of \$9 million from a year ago, mainly due a reduction in revenue on lower airframe and fleet management activities. The deterioration was partially cushioned by foreign exchange gains against losses last year, and lower subcontract services costs.

### **BALANCE SHEET REVIEW** **(June 2018 vs March 2018)**

Equity attributable to owners of the company increased by \$1,087 million (8.4%) to \$13,947 million as at 30 June 2018, largely due to net profit for the period (+\$140 million), and fair value movement on cash flow hedges (+\$925 million). The fair value movement on cash flow hedges of \$925 million was mainly attributable to fair value gain on outstanding fuel hedges.

Total Group assets increased by \$1,785 million (6.9%) to \$27,678 million. The increase was mainly attributable to an increase in property, plant and equipment (+\$1,495 million), and derivative assets (+\$932 million), partially offset by a reduction in cash and bank balances (-\$635 million). The reduction in cash balances arose primarily from capital expenditure (-\$1,895 million), partially funded by cash flows from operations (+\$660 million), proceeds from borrowings (+\$480 million), and proceeds from disposal of property, plant and equipment (+\$66 million).

Total Group liabilities increased by \$685 million (5.4%) to \$13,349 million as at 30 June 2018, primarily arising from the increase in borrowings (+\$477 million), deferred taxes (+\$224 million), trade creditors (+\$116 million) and sales in advance of carriage (+\$76 million), partially offset by a decrease in derivative liabilities (-\$175 million).

The Group's negative working capital arose largely from the collection of cash in advance of services provided. Excluding the liability under "sales in advance of carriage", the Group's working capital would be \$417 million as at 30 June 2018.

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

Not applicable.

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

### **OUTLOOK**

Passenger traffic is expected to grow in the coming months, although competition in key operating markets persists. Costs remain under pressure, especially from higher fuel prices. Cargo demand in the near term is steady despite concerns over global trade tensions, the escalation of which could potentially have a longer-term impact on air cargo demand.

The Group continues to hedge its fuel requirements. For the remaining nine months of the financial year, the Group has hedged 46.3% of its fuel requirements in MOPS (21.8%) and Brent (24.5%) at weighted average prices of USD65 and USD54 per barrel respectively.

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

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

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

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

## **11 Dividend**

### **(a) Current Financial Period Reported on**

#### **Any dividend declared for the current financial period reported on?**

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

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the period ended 30 June 2018.

### 13 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the first quarter of the Financial Year 2018/19 are as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	(S\$)	(S\$)
<b>Certis CISCO Group</b>		
- SNP Security	-	100,000
- Synergy FMI	-	854,596
<b>PT Bank Danamon Indonesia TBK</b>	-	129,023
<b>SATS Ltd Group</b>		
- Air India SATS Airport Services Private Limited	-	2,016,983
- Asia Airfreight Terminal Co Ltd	-	396,968
- DFASS SATS Pte Ltd	-	1,255,435
- MacroAsia Catering Services Inc.	-	1,049,339
- Maldives Inflight Catering Private Limited	-	489,017
- Mumbai Cargo Service Centre Airport Private Limited	-	832,911
- PT Jas Aero-Engineering Services	-	1,154,092
- PT Jasa Angkasa Semesta Tbk	-	4,594,475
- SATS Aero Laundry Pte. Ltd.	-	3,981,715
- SATS Aerolog Express Pte. Ltd.	-	110,266
- SATS HK Limited	-	1,097,973
- SATS Ltd.	-	185,441,118
- SATS Security Services Private Limited	-	6,000,603
- Taj Madras Flight Kitchen Private Limited	-	143,868
- Taj SATS Air Catering Limited	-	1,240,500
- TFK Corporation	-	2,038,464
<b>Singapore Telecommunications Limited Group</b>		
- Singapore Telecommunications Limited	-	485,946
<b>StarHub Ltd Group</b>		
- Accel Systems & Technologies Pte. Ltd.	-	1,066,873
- StarHub Ltd	-	286,828
<b>Temasek Holdings (Private) Limited and Associates</b>		
- Ascendas Hotel Investment Company Pty Ltd	-	673,845
<b>Total Interested Person Transactions</b>	-	<b>215,440,838</b>

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

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

By Order of the Board

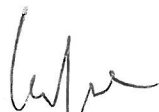
Brenton Wu  
Company Secretary  
26 July 2018

*Singapore Company Registration No.: 197200078R*

**CONFIRMATION BY THE BOARD**

We, Peter Seah Lim Huat and Goh Choon Phong, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter FY2018/19 financial results to be false or misleading in any material respect.

On behalf of the Board,



PETER SEAH LIM HUAT  
Chairman



GOH CHOON PHONG  
Chief Executive Officer

26 July 2018