



UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2004

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

PROFIT AND LOSS ACCOUNTS

FOR SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2004 (IN \$ MILLION)

	The Group		The Group	
	2nd Quarter 2004-05	2nd Quarter 2003-04	1st Half 2004-05	1st Half 2003-04
REVENUE	3,053.9	2,518.1	5,778.8	4,171.5
EXPENDITURE				
Staff costs	622.0	426.2	1,181.8	863.1
Fuel costs	633.7	440.0	1,197.7	820.1
Depreciation	308.7	296.5	609.0	585.5
Provision for impairment of fixed assets	--	3.0	--	3.0
Aircraft maintenance and overhaul costs	158.8	137.9	317.7	305.1
Landing, parking and overflying charges	160.0	123.9	312.2	231.9
Handling charges	149.5	119.5	284.3	217.7
Commission and incentives	125.1	152.0	224.6	261.7
Rentals on leased aircraft	83.4	91.7	163.1	177.6
Material costs	79.2	57.0	156.4	112.2
Inflight meals	63.4	52.5	122.0	78.7
Advertising and sales costs	71.3	50.5	127.7	81.5
Company accommodation and utilities	39.0	37.8	76.7	75.5
Insurance expenses	32.2	57.0	66.1	92.5
Other passenger costs	28.4	24.8	56.3	44.2
Crew expenses	27.2	22.5	53.1	41.2
Other operating expenses	140.9	110.5	191.9	242.5
	<u>2,722.8</u>	<u>2,203.3</u>	<u>5,140.6</u>	<u>4,234.0</u>
OPERATING PROFIT/(LOSS)	331.1	314.8	638.2	(62.5)
Finance charges	(18.0)	(16.8)	(34.3)	(32.5)
Interest income	9.9	5.7	17.8	19.3
Surplus on disposal of aircraft, spares and spare engines	39.9	35.6	77.5	69.5
Surplus on disposal of other fixed assets	1.9	1.7	5.5	1.6
Dividends from long-term investments, gross	1.0	0.8	2.5	3.0
Provision for diminution in value of long-term investments	(0.3)	(0.4)	(0.4)	(1.3)
Amortization of deferred gain	0.4	0.4	0.7	0.9
Share of profits of joint venture companies	4.4	1.6	5.1	2.2
Share of profits of associated companies	104.8	48.4	100.4	41.7
PROFIT BEFORE EXCEPTIONAL ITEMS	475.1	391.8	813.0	41.9
Exceptional items	(28.7)	--	(28.7)	(41.4)
PROFIT BEFORE TAXATION	446.4	391.8	784.3	0.5
TAXATION	(77.8)	(73.8)	(143.7)	12.3
PROFIT AFTER TAXATION	368.6	318.0	640.6	12.8
Minority interests	(11.3)	(12.2)	(24.7)	(19.3)
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	<u>357.3</u>	<u>305.8</u>	<u>615.9</u>	<u>(6.5)</u>

Notes:

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

	The Group		The Group	
	2nd Quarter 2004-05	2nd Quarter 2003-04	1st Half 2004-05	1st Half 2003-04
Income from short-term investments	(0.8)	(0.4)	(1.2)	(0.7)
Interest on borrowings	18.0	16.8	34.3	32.5
Amortisation of deferred gain on sale and leaseback transactions	(29.8)	(32.5)	(62.6)	(66.8)
Surplus on disposal of short-term investments	(0.3)	(0.7)	(0.5)	(0.6)
Provision for/(writeback of) doubtful debts, net	3.9	(2.5)	0.9	2.8
Provision for/(writeback of) diminution in value of short-term investments	0.1	--	0.1	(2.1)
Exchange loss, net	39.7	2.3	25.6	29.0
Adjustment for overprovision of tax in respect of prior years	--	--	--	(11.8)
Exceptional item - Staff compensation and restructuring of operations	28.7	--	28.7	41.4

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

BALANCE SHEETS AT 30 SEPTEMBER 2004 (IN \$ MILLION)

	The Group		The Company	
	30 Sep 2004	31 Mar 2004	30 Sep 2004	31 Mar 2004
SHARE CAPITAL				
Authorized	3,000.0	3,000.0	3,000.0	3,000.0
Issued and fully paid	609.1	609.1	609.1	609.1
RESERVES				
Distributable				
General reserve	10,605.7	10,282.6	10,310.0	9,805.0
Foreign currency translation reserve	21.1	19.8	--	--
Non-distributable				
Share premium	447.5	447.2	447.5	447.2
Capital redemption reserve	64.4	64.4	64.4	64.4
Capital reserve	32.7	32.0	--	--
	11,171.4	10,846.0	10,821.9	10,316.6
SHARE CAPITAL AND RESERVES	11,780.5	11,455.1	11,431.0	10,925.7
MINORITY INTERESTS	275.7	304.1	--	--
DEFERRED ACCOUNT	388.4	446.7	328.5	391.2
DEFERRED TAXATION	2,173.0	2,175.3	1,722.9	1,742.1
LONG-TERM LIABILITIES	2,407.0	2,207.2	1,480.7	1,457.0
	17,024.6	16,588.4	14,963.1	14,516.0
Represented by:-				
FIXED ASSETS				
Aircraft, spares and spare engines	13,212.0	12,464.5	10,241.2	9,647.4
Land and buildings	987.0	1,017.9	327.5	338.9
Others	1,794.7	2,082.4	1,231.1	1,479.9
	15,993.7	15,564.8	11,799.8	11,466.2
GOODWILL ON CONSOLIDATION	1.4	1.4	--	--
SUBSIDIARY COMPANIES	--	--	1,938.8	1,936.5
ASSOCIATED COMPANIES	770.2	517.5	1,727.6	1,722.7
JOINT VENTURE COMPANIES	326.8	309.2	150.9	140.3
LONG-TERM INVESTMENTS	459.1	475.2	386.4	402.4
CURRENT ASSETS				
Section 44 tax prepayments	239.3	239.8	239.3	239.8
Stocks	75.4	61.5	24.8	26.2
Trade debtors	1,296.1	1,171.5	836.8	757.3
Amounts owing by associated companies -- net	0.6	0.4	--	--
Investments	216.3	130.2	135.2	--
Cash and bank balances	1,713.9	1,518.5	1,351.1	1,090.6
	3,541.6	3,121.9	2,587.2	2,113.9
Less:- CURRENT LIABILITIES				
Sales in advance of carriage	1,157.1	999.0	1,092.7	936.8
Deferred revenue	229.8	206.4	229.4	206.4
Current tax payable	289.0	181.7	209.7	105.0
Trade creditors	2,296.9	1,921.1	1,593.2	1,309.6
Amounts owing to subsidiary companies -- net	--	--	480.8	686.8
Finance lease commitments-repayable within one year	43.2	41.5	--	--
Loans-repayable within one year	25.9	24.8	--	--
Bank overdrafts	26.3	27.1	21.8	21.4
	4,068.2	3,401.6	3,627.6	3,266.0
NET CURRENT LIABILITIES	(526.6)	(279.7)	(1,040.4)	(1,152.1)
	17,024.6	16,588.4	14,963.1	14,516.0

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

Amount repayable in one year or less, or on demand

As at 30/09/2004		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
\$70.1M	\$25.3M	\$67.1M	\$26.3M

Amount repayable after one year

As at 30/09/2004		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
\$1,305.1M	\$1,101.9M	\$1,306.9M	\$900.3M

Details of any collateral

\$177.6 million of the secured borrowings are secured by a first priority mortgage over 1 B747-400 freighter, of which \$23.9 million is repayable within one year. In addition, the UOB loan (\$2.8 million) and overdraft (\$2.9 million) obtained by SATS Group is secured by First Legal Mortgage on the building at 22 Senoko Way Singapore 758095. The remaining secured borrowings pertained to finance leases of aircraft (\$1,191.9 million).

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

CONSOLIDATED CASH FLOW STATEMENTS

FOR SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2004 (IN \$ MILLION)

	The Group		The Group	
	2nd Quarter 2004-05	2nd Quarter 2003-04	1st Half 2004-05	1st Half 2003-04
NET CASH PROVIDED BY OPERATING ACTIVITIES	520.5	456.8	1,485.2	168.9
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(724.2)	(354.2)	(1,283.8)	(952.7)
Proceeds from disposal of aircraft and other fixed assets	130.4	380.3	348.1	794.7
Return of capital from associated companies	3.3	--	3.3	--
Return of capital from long-term investments	--	--	13.9	--
Investments in associated companies	(82.4)	--	(184.3)	(20.0)
Investments in joint venture companies	(10.7)	(11.0)	(10.7)	(11.0)
Additional long-term loans	(1.4)	(1.4)	(1.4)	(1.4)
Additional long-term investments	--	--	(57.7)	--
Loans to third party	--	(277.7)	--	(277.7)
Repayment of loans by associated companies	--	0.1	--	0.2
Repayment of loans	--	0.4	2.3	0.4
Proceeds from sale of long-term investments	41.2	17.6	62.9	59.9
Dividends received from associated companies	13.2	17.3	20.0	19.3
Dividends received from investments	1.3	0.7	2.7	3.1
Interest received from investments and deposits	13.3	9.8	16.9	19.8
NET CASH USED IN INVESTING ACTIVITIES	(616.0)	(218.1)	(1,067.8)	(365.4)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(304.5)	(109.6)	(304.5)	(109.6)
Dividends paid by subsidiary companies to minority interests	(83.7)	(8.5)	(83.7)	(8.5)
Interest paid	(5.6)	(6.1)	(29.4)	(28.1)
Proceeds from borrowings	200.0	0.6	202.5	330.8
Repayment of borrowings	(6.2)	(32.9)	(12.1)	(38.5)
Repayment of long-term lease liabilities	(2.6)	7.6	(9.6)	7.6
Proceeds from exercise of share options	32.0	9.5	42.9	9.5
NET CASH (USED IN)/ PROVIDED BY FINANCING ACTIVITIES	(170.6)	(139.4)	(193.9)	163.2
NET CASH (OUTFLOW)/INFLOW	(266.1)	99.3	223.5	(33.3)
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	1,986.7	645.2	1,491.4	789.3
Effect of exchange rate changes	(33.0)	(14.2)	(27.3)	(25.7)
CASH AND CASH EQUIVALENTS AT END PERIOD	1,687.6	730.3	1,687.6	730.3
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Fixed deposits	1,454.2	485.2	1,454.2	485.2
Cash and bank	259.7	307.1	259.7	307.1
Bank overdrafts	(26.3)	(62.0)	(26.3)	(62.0)
CASH AND CASH EQUIVALENTS AT END PERIOD	1,687.6	730.3	1,687.6	730.3

	The Group		The Group	
	2nd Quarter 2004-05	2nd Quarter 2003-04	1st Half 2004-05	1st Half 2003-04
Profit before taxation	446.4	391.8	784.3	0.5
Adjustments for:-				
Depreciation of fixed assets	308.7	296.5	609.0	585.5
Provision for impairment of fixed assets	--	3.0	--	3.0
Income from short-term investments	(0.3)	(0.4)	(0.7)	(0.7)
Exchange differences	26.5	0.8	40.5	12.4
Amortization of deferred gain on sale and leaseback transactions	(29.8)	(32.5)	(62.6)	(66.8)
Finance charges	18.0	17.3	34.3	32.5
Interest income	(9.9)	(5.7)	(17.8)	(19.3)
Surplus on disposal of aircraft, spares and spare engines	(39.9)	(35.6)	(77.5)	(69.5)
Surplus on disposal of other fixed assets	(1.9)	(1.7)	(5.5)	(1.6)
Dividends from long-term investments	(1.0)	(0.8)	(2.5)	(3.0)
Provision for diminution in value of long-term investments	0.3	0.4	0.4	1.3
Amortization of deferred gain	(0.4)	(0.9)	(0.7)	(0.9)
Share of profits of joint venture companies	(4.4)	(1.6)	(5.1)	(2.2)
Share of profits of associated companies	(104.8)	(48.4)	(100.4)	(41.7)
Staff compensation and restructuring of operations	28.7	--	28.7	41.4
Operating profit before working capital changes	636.2	582.2	1,224.4	470.9
Increase/(decrease) in creditors	65.5	40.9	339.6	(264.9)
(Increase)/decrease in short term investments	(134.5)	5.4	(86.1)	(17.5)
Increase in sales in advance of carriage	9.9	144.2	158.1	134.8
Increase in debtors	(27.7)	(260.6)	(123.8)	(101.5)
(Increase)/decrease in stocks	(8.7)	3.0	(13.9)	22.1
Increase/(decrease) in deferred revenue	7.2	(19.4)	22.4	(13.5)
(Increase)/decrease in amounts owing by associated and joint venture companies	(0.2)	0.1	(0.2)	1.1
Cash generated from operations	547.7	495.8	1,520.5	231.5
Staff compensation and restructuring of operations	(6.5)	(19.8)	(6.5)	(41.0)
Income taxes paid	(20.7)	(19.2)	(28.8)	(21.6)
Net cash provided by operating activities	520.5	456.8	1,485.2	168.9

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 second quarter ended 30 September 2004 (in \$ million)

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 1 July 2004	609.1	447.2	64.4	32.0	34.1	10,544.2	11,731.0
Currency translation differences	--	--	--	--	(13.0)	--	(13.0)
Share options exercised	*	0.3	--	--	--	--	0.3
Share of a joint venture company's capital reserve	--	--	--	0.7	--	--	0.7
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	8.7	8.7
Net gains and losses not recognized in the profit and loss account	*	0.3	--	0.7	(13.0)	8.7	(3.3)
Profit attributable to shareholders for the period July-September 2004	--	--	--	--	--	357.3	357.3
Dividends	--	--	--	--	--	(304.5)	(304.5)
Balance at 30 September 2004	609.1	447.5	64.4	32.7	21.1	10,605.7	11,780.5

*30,299 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each pursuant to the Employee Share Option Plan during the quarter July – September 2004. Share capital and share premium increased by \$15,149.50 and \$298,142.16 respectively.

The Group	Share capital	Share premium	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	General reserve	Total
Balance at 1 July 2003	609.1	447.2	64.4	7.7	42.5	9,226.8	10,397.7
Currency translation differences	--	--	--	--	(8.7)	--	(8.7)
Share of a joint venture company's capital reserve	--	--	--	0.7	--	--	0.7
Share of an associated company's capital reserve	--	--	--	25.8	--	--	25.8
Gain on dilution of interest in subsidiary companies due to share options exercised	--	--	--	--	--	2.3	2.3
Net gains and losses not recognized in the profit and loss account	--	--	--	26.5	(8.7)	2.3	20.1
Profit attributable to shareholders for the period July-September 2003	--	--	--	--	--	305.8	305.8
Dividends	--	--	--	--	--	(109.6)	(109.6)
Balance at 30 September 2003	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>34.2</u>	<u>33.8</u>	<u>9,425.3</u>	<u>10,614.0</u>

The Company	Share capital	Share premium	Capital redemption reserve	General reserve	Total
Balance at 1 July 2004	609.1	447.2	64.4	9,940.9	11,061.6
Share options exercised	*	0.3	--	--	0.3
Net gains and losses not recognized in the profit and loss account	*	0.3	--	--	0.3
Profit attributable to shareholders for the period July-September 2004	--	--	--	673.6	673.6
Dividends	--	--	--	(304.5)	(304.5)
Balance at 30 September 2004	<u>609.1</u>	<u>447.5</u>	<u>64.4</u>	<u>10,310.0</u>	<u>11,431.0</u>
Balance at 1 July 2003	609.1	447.2	64.4	9,138.7	10,259.4
Profit attributable to shareholders for the period July-September 2003	--	--	--	212.3	212.3
Dividends	--	--	--	(109.6)	(109.6)
Balance at 30 September 2003	<u>609.1</u>	<u>447.2</u>	<u>64.4</u>	<u>9,241.4</u>	<u>10,362.1</u>

*30,299 ordinary shares of \$0.50 par value were issued at exercise price of \$10.34 each pursuant to the Employee Share Option Plan during the quarter July – September 2004. Share capital and share premium increased by \$15,149.50 and \$298,142.16 respectively.

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

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

(i) As at 30 September 2003, the number of share option of the company outstanding was 64,273,722.

(ii) During the period July to September 2004, 30,299 shares were exercised under the SIA Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

(ii) The movement of share options of the Company during the period July to September 2004 is as follows:

Date of grant	Balance at 01.07.2004	Cancelled	Exercised During 01.07.2004 to 30.09.2004	Balance at 30.09.2004	Exercise price	Expiry date
28.3.2000	12,775,310	(111,600)	-	12,663,710	\$15.34	27.3.2010
03.7.2000	11,568,520	(79,500)	-	11,489,020	\$16.65	02.7.2010
02.7.2001	12,800,335	(116,090)	-	12,684,245	\$11.96	01.7.2011
01.7.2002	13,246,802	(135,280)	-	13,111,522	\$12.82	30.6.2012
01.7.2003	12,677,245	(124,638)	(30,299)	12,522,308	\$10.34	30.6.2013
01.7.2004	12,879,325	(58,710)	-	12,820,615	\$10.70	30.6.2014
	75,947,537	(625,818)	(30,299)	75,291,420		

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

The figures have not been audited.

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.

The same accounting policies and methods of computation have been applied.

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.

Not applicable.

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

	The Group		The Group	
	2 nd Quarter 2004-05	2 nd Quarter 2003-04	Half Year 2004-05	Half Year 2003-04
Earnings/(loss) per share (cents)				
-Basic	29.3	25.1	50.6	(0.5)
-Diluted	29.3	25.1	50.5	(0.5)

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

	The Group		The Company	
	As at 30 Sep 04	As at 31 Mar 04	As at 30 Sep 04	As at 31 Mar 04
Net asset value per ordinary share (S\$)	9.67	9.40	9.38	8.97

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

GROUP EARNINGS

First Half 2004-05

Net profit attributable to shareholders for the first half of financial year 2004-05 was \$616 million, a significant improvement from a net loss of \$7 million for the same period last year, which was affected by the outbreak of the Severe Acute Respiratory Syndrome (SARS).

Group operating profit was \$638 million, a turnaround of \$701 million from an operating loss of \$63 million the year before. This resulted from revenue growth of \$1,607 million (+38.5%) and a more measured increase in expenditure by \$906 million (+21.4%). For perspective, compared to the operating profit of \$510 million in April – September 2002, the April – September 2004 operating profit was a 25.2% improvement despite higher fuel prices.

Fuel prices and foreign exchange movements were two significant factors that affected the first half performance. Fuel costs, the largest cost component, accounted for 23.3% of the Group expenditure. Year-on-year, higher fuel prices added \$204 million to expenditure. Strength against Singapore Dollar of major revenue generating currencies, particularly the British Pound, Euro Dollar, Japanese Yen and Australian Dollar, coupled with cost savings from a weaker US Dollar, contributed \$127 million to operating profit of the Group.

The Company produced an operating profit of \$347 million, which was 54.4% of the operating profit of the SIA Group. The three major subsidiaries, namely the Singapore Airport Terminal Services (SATS) group, SIA Engineering Company (SIAEC) group and Singapore Airlines Cargo (SIA Cargo) contributed 16.7%, 9.7% and 14.9% respectively to the Group's operating profit.

Second Quarter 2004-05

The Group achieved a net profit attributable to shareholders of \$357 million in the second quarter, a year-on-year improvement of \$52 million despite escalating fuel prices.

Group operating profit, at \$331 million, was \$16 million higher than the same quarter last year. Revenue rose \$536 million (+21.3%) on the back of strong passenger and cargo yields, while expenditure increased \$520 million (+23.6%). If the effect of higher fuel prices (net of hedging gain) of \$135 million was excluded, expenditure would have increased by 17.5%, a slower pace than the 21.3% growth in revenue.

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

SUBSEQUENT EVENTS

On 1 October 2004, SIA launched a new three times weekly service to Amritsar, India.

SIA completed a placement of its 37,833,309 ordinary shares in Air New Zealand Limited at a price of New Zealand Dollar 1.63 per share on 5 October 2004. Surplus from the sale at gross was \$47 million.

On 26 October 2004, SIA signed an agreement with IBM Global Services, valued at around \$300 million over seven years, to outsource its IT infrastructure functions. The agreement, effective on 18 November 2004, will result in estimated one-off costs of \$10 million, and annual cost savings of approximately \$15 million.

OUTLOOK

SIA is expected to take delivery of another two B777s and de-commission two B747-400s by March 2005. The operating fleet will remain unchanged from 30 September 2004 with eighty-nine passenger aircraft by the end of the financial year. This will increase to ninety passenger aircraft by 30 September 2005 with one more B777 delivery in May 2005.

Frequency increases for the rest of the financial year are planned for services to Perth, Melbourne, Brisbane, Guangzhou and Ho Chi Minh City. SIA will suspend its three times weekly service to Madrid on 31 October 2004 and replace them through codeshare services with Star Alliance partners. By the end of the financial year, SIA's passenger route network will cover sixty destinations in thirty-two countries. Capacity (in terms of available seat-kilometres) for financial year 2004-05 is projected to be 18.5% higher than the year before. Going into financial year 2005-06, SIA plans to increase frequency for services to Melbourne, Brisbane, Christchurch, Beijing, Shenzhen, Fukuoka, Bombay, Colombo, Male, and Hanoi.

One B747-400 freighter will be delivered in September 2005, increasing SIA Cargo's operating fleet to fifteen aircraft by 30 September 2005. In the next year, new freighter services will be introduced to Nagoya, Johannesburg and Istanbul. Freighter frequencies as at 30 September 2005 will increase to fifty-three times weekly for the whole network.

The outlook for air travel remains encouraging, and the air cargo industry is expected to expand on the back of healthy growth in Asia, with China continuing to be an important growth engine. However, escalating fuel prices and greater competition will pose significant challenges for airlines.

Two new regional airlines based in Singapore have started operations this year, with another expected to be launched in the coming quarter. Competition on the regional routes will intensify and yields will come under more pressure as a result.

Strong global demand and concerns over disruption to crude oil supply from major oil producers continue to push up fuel prices. Amplified by speculative trading activities in the market, fuel prices are expected to stay volatile. High fuel price may slow down the global economy and dampen demand for air transportation.

Amid these uncertainties and increasing challenges, the SIA Group will continue to push for strengthening of its market leadership position while pursuing the streamlining of cost structure to remain competitive.

11 Dividend

(a) Current Financial Period Reported on

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

Name of dividend	Interim
Dividend type	Cash
Dividend rate	10 cents per ordinary share
Par value of shares	S\$0.50
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

The interim dividend will be paid on 25 November 2004 to members on the Register as at 16 November 2004.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 17 November 2004 for the preparation of dividend warrants. Duly completed transfers received by the Share Registrars, KPMG, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5 p.m. on 16 November 2004 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the interim dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Books Closure Date will be entitled to the interim dividend.

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

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

Not applicable.

13 Interested Person Transactions For The Airline Company

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding IPTs less than \$100,000)			
	2 nd Quarter 2004-05 S(\$)	2 nd Quarter 2003-04 S(\$)	Half Year 2004-05 S(\$)	Half Year 2003-04 S(\$)
Singapore Petroleum Company Ltd	78,776,548	20,920,603	145,484,329	38,673,439
SembCorp Power Pte Ltd	-	867,390	-	867,390
Raffles Holdings Ltd Group:				
- Hotel International AG	-	134,320	134,320	268,640
- MCH Services (Sydney) Pte Ltd	196,965	-	393,930	-
Singapore Post Ltd Group:				733,501
- G3 Worldwide Mail (S) Pte Ltd	810,849	293,239	1,199,284	
Keppel Telecommunications & Transportation Ltd Group:				
- Asia Airfreight Terminal Company Ltd	5,095,969	5,623,779	10,434,775	10,740,452
SembCorp Logistics Ltd Group:				
-Singapore Technologies Logistics Pte Ltd	418,693	-	735,623	-
Singapore Technologies Engineering Ltd Group:				
- ST Aerospace Engineering Pte Ltd	-	-	102,232	
- ST Aerospace Supplies Pte Ltd	-	-	-	226,245
Keppel Corporation Ltd Group:				
- Keppel Engineering Pte Ltd	4,539,924	-	4,539,924	2,353,000
- Keppel Electric Pte Ltd	-	-	-	660,054
Singapore Telecommunications Ltd Group:				
-NCS Communications Engineering Pte Ltd	419,070	-	419,070	
Temasek Holdings Pte Ltd Group (other than the above):				
- Senoko Energy Supply Pte Ltd	867,788	-	1,751,507	
- Temasek Tower Limited	-	-	2,284,103	
- Starhub Pte Ltd	179,076	-	179,076	103,716
Total	91,304,882	27,839,331	167,658,173	54,626,437

BY ORDER OF THE BOARD
Ms Wun Wen-na
Asst Company Secretary
28 October 2004

Singapore Company Registration No.: 197200078R