



**UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED AND  
HALF YEAR ENDED 30 SEPTEMBER 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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018 (in \$ million)**

	The Group		The Group	
	2nd Quarter 2018/19	2nd Quarter 2017/18 (Restated)	1st Half 2018/19	1st Half 2017/18 (Restated)
<b>REVENUE</b>	4,062.1	3,847.9	7,906.6	7,712.1
<b>EXPENDITURE</b>				
Staff costs	700.2	678.0	1,357.8	1,328.0
Fuel costs	1,156.1	930.4	2,235.5	1,856.1
Depreciation	324.5	287.5	631.6	563.9
Impairment of property, plant and equipment	-	-	-	0.2
Amortisation of intangible assets	16.1	10.7	31.5	21.0
Aircraft maintenance and overhaul costs	223.1	214.7	477.8	452.3
Commission and incentives	126.1	116.5	225.0	206.6
Landing, parking and overflying charges	221.8	213.6	437.7	424.3
Handling charges	331.6	321.5	660.5	652.4
Rentals on leased aircraft	165.3	205.1	350.7	416.6
Inflight meals	139.9	131.6	271.7	268.7
Advertising and sales costs	81.3	74.0	145.1	135.4
Company accommodation and utilities	22.6	23.3	45.7	46.7
Other passenger costs	45.2	44.3	90.1	88.2
Crew expenses	41.2	40.4	80.4	79.6
Other operating expenses	234.2	199.2	439.5	410.4
	<u>3,829.2</u>	<u>3,490.8</u>	<u>7,480.6</u>	<u>6,950.4</u>
<b>OPERATING PROFIT</b>	232.9	357.1	426.0	761.7
Finance charges	(27.9)	(22.1)	(56.6)	(42.2)
Interest income	9.8	16.4	22.6	35.0
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(3.1)	(2.1)	0.5	5.1
Dividends from long-term investments	0.1	0.2	0.8	3.2
Other non-operating items	10.3	9.5	9.2	12.1
Share of (losses)/profits of joint venture companies	(0.5)	5.6	1.8	7.3
Share of losses of associated companies	(117.1)	(17.5)	(115.8)	(18.4)
<b>PROFIT BEFORE TAXATION</b>	<u>104.5</u>	<u>347.1</u>	<u>288.5</u>	<u>763.8</u>
<b>TAXATION</b>	<u>(38.8)</u>	<u>(43.9)</u>	<u>(73.8)</u>	<u>(114.1)</u>
<b>PROFIT FOR THE PERIOD</b>	<u>65.7</u>	<u>303.2</u>	<u>214.7</u>	<u>649.7</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE COMPANY</b>	56.4	293.3	196.0	631.2
<b>NON-CONTROLLING INTERESTS</b>	9.3	9.9	18.7	18.5
	<u>65.7</u>	<u>303.2</u>	<u>214.7</u>	<u>649.7</u>
<b>BASIC EARNINGS PER SHARE (CENTS)</b>	4.8	24.8	16.6	53.4
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	4.7	24.7	16.5	53.2

**Notes:**

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

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18
Compensation for changes in aircraft delivery slots	(1.2)	(9.1)	(2.6)	(79.0)
Interest income from short-term investments	(0.2)	(0.3)	(0.4)	(0.5)
Dividend income from short-term investments	-	(0.3)	(0.1)	(0.6)
Income from operating lease of aircraft	(16.2)	(21.7)	(31.0)	(31.3)
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	2.1	(0.8)	2.2	(1.5)
Gain on disposal of short-term investments	-	(0.3)	(0.8)	-
Bad debts written off	-	0.4	-	0.4
Impairment of trade debtors	0.2	2.0	0.7	2.5
Writedown of inventories	1.8	1.3	3.1	2.7
Exchange loss, net	34.8	0.1	53.8	9.5
Currency hedging (gain)/loss	(9.4)	10.7	(5.2)	17.9
Fuel hedging (gain)/loss recognised in "Fuel costs"	(151.7)	3.3	(283.9)	28.9
Net loss/(gain) on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	0.1	(2.1)	(0.8)	(4.5)
Over provision of tax in respect of prior years	(7.9)	(19.3)	(8.0)	(24.3)

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

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18
Surplus on disposal of other property, plant and equipment	6.8	7.7	6.9	7.7
Provision for onerous aircraft leases	-	-	(3.5)	-
Net gain on financial assets mandatorily measured at FVTPL	3.4	2.0	5.3	4.5
Writeback of provision for expected credit losses on investments and guarantees	0.1	0.2	0.5	0.3
Restructuring costs	-	(0.4)	-	(0.4)
	<u>10.3</u>	<u>9.5</u>	<u>9.2</u>	<u>12.1</u>

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18 (Restated)	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18 (Restated)
<b>PROFIT FOR THE PERIOD</b>	65.7	303.2	214.7	649.7
<b>OTHER COMPREHENSIVE INCOME:</b>				
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Currency translation differences	(2.2)	(8.4)	24.1	(23.7)
Net fair value changes on cash flow hedges	378.8	299.8	1,304.2	118.2
Share of other comprehensive income of associated and joint venture companies	22.5	(7.3)	18.4	(8.1)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u>399.1</u>	<u>284.1</u>	<u>1,346.7</u>	<u>86.4</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>464.8</u>	<u>587.3</u>	<u>1,561.4</u>	<u>736.1</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE COMPANY</b>	455.8	582.0	1,537.8	724.0
<b>NON-CONTROLLING INTERESTS</b>	9.0	5.3	23.6	12.1
	<u>464.8</u>	<u>587.3</u>	<u>1,561.4</u>	<u>736.1</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 SEPTEMBER 2018 (in \$ million)**

	The Group			The Company		
	30-Sep 2018	31-Mar 2018 (Restated)	1-Apr 2017 (Restated)	30-Sep 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	(171.5)	(183.5)	(194.7)	(171.5)	(183.5)	(194.7)
Other reserves	12,367.4	11,187.7	9,622.7	10,823.8	10,558.6	9,288.3
	14,052.0	12,860.3	11,284.1	12,508.4	12,231.2	10,949.7
<b>NON-CONTROLLING INTERESTS</b>	369.8	368.1	387.2	-	-	-
<b>TOTAL EQUITY</b>	14,421.8	13,228.4	11,671.3	12,508.4	12,231.2	10,949.7
<b>DEFERRED ACCOUNT</b>	99.3	123.3	234.5	86.4	109.2	214.9
<b>DEFERRED TAXATION</b>	2,211.1	1,840.6	1,524.9	1,865.3	1,489.5	1,218.2
<b>LONG-TERM LIABILITIES</b>	4,364.9	3,199.8	1,794.7	3,871.8	3,114.4	1,689.4
<b>PROVISIONS</b>	774.5	821.5	910.3	476.7	576.7	648.0
<b>DEFINED BENEFIT PLANS</b>	104.0	113.2	131.2	103.5	104.8	122.3
	21,975.6	19,326.8	16,266.9	18,912.1	17,625.8	14,842.5
Represented by:-						
<b>PROPERTY, PLANT AND EQUIPMENT</b>	20,366.6	18,169.2	14,286.4	15,770.3	13,682.3	10,498.4
<b>INTANGIBLE ASSETS</b>	421.9	435.3	423.5	189.5	179.8	169.5
<b>SUBSIDIARY COMPANIES</b>	-	-	-	3,223.6	4,840.8	4,610.1
<b>ASSOCIATED COMPANIES</b>	954.2	1,048.8	1,056.9	571.1	551.5	489.8
<b>JOINT VENTURE COMPANIES</b>	148.7	150.6	160.2	9.4	-	-
<b>LONG-TERM INVESTMENTS</b>	341.3	346.0	405.7	330.9	335.6	395.3
<b>OTHER LONG-TERM ASSETS</b>	1,588.3	722.7	479.3	1,445.7	624.6	397.9
<b>DEFERRED ACCOUNT</b>	48.3	52.9	61.1	40.2	43.5	49.1
<b>CURRENT ASSETS</b>						
Deferred account	9.5	9.9	11.8	6.9	7.3	9.1
Derivative assets	808.3	351.4	85.0	808.3	351.2	82.1
Inventories	205.1	179.3	178.4	142.1	108.0	106.1
Trade debtors	1,518.2	1,400.9	1,143.3	1,178.0	836.7	694.7
Amounts owing by subsidiary companies	-	-	-	2.1	140.1	203.8
Deposits and other debtors	118.5	87.8	127.4	81.0	40.7	55.8
Prepayments	185.7	184.6	211.0	114.4	125.1	169.9
Other short-term assets	35.3	27.0	21.4	35.3	27.0	21.4
Investments	72.2	157.8	539.9	51.3	88.7	469.9
Cash and bank balances	1,982.5	2,568.3	3,380.5	1,719.3	2,144.6	2,733.2
	4,935.3	4,967.0	5,698.7	4,138.7	3,869.4	4,546.0
Less: <b>CURRENT LIABILITIES</b>						
Borrowings	148.7	20.6	42.0	79.0	-	-
Current tax payable	92.1	134.1	80.3	49.6	42.4	30.3
Trade and other creditors	2,889.6	2,817.0	3,295.9	2,156.4	1,858.9	2,251.9
Amounts owing to subsidiary companies	-	-	-	1,106.3	1,290.4	1,354.5
Sales in advance of carriage	2,637.1	2,442.1	1,650.8	2,380.4	2,205.9	1,474.3
Deferred revenue	580.0	556.1	707.8	580.0	556.1	707.8
Deferred account	47.9	64.8	86.0	46.1	60.3	76.3
Derivative liabilities	26.5	161.9	119.7	26.5	161.9	119.7
Provisions	407.1	369.1	322.4	383.0	325.8	298.8
	6,829.0	6,565.7	6,304.9	6,807.3	6,501.7	6,313.6
<b>NET CURRENT LIABILITIES</b>	(1,893.7)	(1,598.7)	(606.2)	(2,668.6)	(2,632.3)	(1,767.6)
	21,975.6	19,326.8	16,266.9	18,912.1	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 September 2018		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
\$141.8M	\$6.9M	\$14.7M	\$5.9M

Amount repayable after one year

As at 30 September 2018		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
\$1,287.4M	\$3,045.6M	\$59.3M	\$3,047.4M

Details of any collateral

The secured borrowings pertained to secured bank loans (\$1,429.2 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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18 (Restated)	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	104.5	347.1	288.5	763.8
Adjustments for:				
Depreciation	324.5	287.5	631.6	563.9
Impairment of property, plant and equipment	-	-	-	0.2
Amortisation of intangible assets	16.1	10.7	31.5	21.0
Impairment of trade debtors	0.2	2.0	0.7	2.5
Writedown of inventories	1.8	1.3	3.1	2.7
Income from short-term investments	(0.2)	(0.6)	(0.5)	(1.1)
Provisions	57.2	73.2	158.4	139.5
Share-based compensation expense	7.8	2.3	11.3	6.4
Exchange differences	3.4	(1.2)	(12.6)	10.1
Amortisation of deferred loss/(gain) on sale and operating leaseback transactions	2.1	(0.8)	2.2	(1.5)
Finance charges	27.9	22.1	56.6	42.2
Interest income	(9.8)	(16.4)	(22.6)	(35.0)
Loss/(Surplus) on disposal of aircraft, spares and spare engines	3.1	2.1	(0.5)	(5.1)
Dividends from long-term investments	(0.1)	(0.2)	(0.8)	(3.2)
Gain on disposal of short term investments	-	(0.3)	(0.8)	-
Net loss/(gain) on financial assets mandatorily measured at FVTPL	0.1	(2.1)	(0.8)	(4.5)
Other non-operating items	(10.3)	(9.5)	(9.2)	(12.1)
Share of losses/(profits) of joint venture companies	0.5	(5.6)	(1.8)	(7.3)
Share of losses of associated companies	117.1	17.5	115.8	18.4
Operating cash flow before working capital changes	645.9	729.1	1,250.1	1,500.9
Decrease in trade and other creditors	(52.6)	(360.3)	(47.0)	(602.0)
Increase in sales in advance of carriage	119.2	268.3	195.0	567.6
Increase in trade debtors	(58.6)	(90.2)	(74.1)	(100.0)
(Increase)/Decrease in deposits and other debtors	(22.3)	(8.5)	(33.5)	22.4
Increase in prepayments	(5.0)	(37.0)	(1.1)	(14.4)
Increase in inventories	(15.2)	(1.8)	(28.9)	(5.2)
Increase/(Decrease) in deferred revenue	12.9	12.7	23.9	(80.8)
Cash generated from operations	624.3	512.3	1,284.4	1,288.5
Payment of fines and settlements	-	-	-	(139.0)
Income taxes paid	(11.8)	(11.6)	(12.5)	(4.6)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>612.5</b>	<b>500.7</b>	<b>1,271.9</b>	<b>1,144.9</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018 (in \$ million)**

	The Group		The Group	
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18 (Restated)	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18 (Restated)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(1,134.6)	(1,042.1)	(3,029.5)	(2,793.1)
Purchase of intangible assets	(23.8)	(12.7)	(49.8)	(28.2)
Proceeds from disposal of aircraft and other property, plant and equipment	70.7	10.2	136.5	66.6
Proceeds from disposal of long-term investments	6.3	15.2	12.1	20.1
Purchase of short-term investments	(78.8)	(124.1)	(218.5)	(487.9)
Proceeds from disposal of short-term investments	129.1	453.1	315.1	751.9
Dividends received from associated and joint venture companies	14.3	18.7	44.2	46.8
Dividends received from investments	0.1	0.5	0.9	3.8
Interest received from investments and deposits	11.5	19.5	27.7	36.8
Investments in associated companies	(19.6)	-	(21.5)	(21.3)
Investment in a joint venture company	(9.4)	-	(9.4)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,034.2)</b>	<b>(661.7)</b>	<b>(2,792.2)</b>	<b>(2,404.5)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(355.1)	(130.1)	(355.1)	(130.1)
Dividends paid by subsidiary companies to non-controlling interests	(24.8)	(37.7)	(25.6)	(38.5)
Issuance of share capital by subsidiary companies	2.1	-	2.1	-
Interest paid	(23.6)	(10.2)	(54.1)	(28.8)
Proceeds from issuance of bonds	-	700.0	-	1,400.0
Proceeds from borrowings	900.0	0.8	1,380.2	3.3
Repayment of borrowings	(16.9)	(4.3)	(21.3)	(8.7)
Repayment of long-term lease liabilities	-	(5.9)	-	(11.7)
Proceeds from exercise of share options	-	0.2	-	1.0
Payment of transaction costs related to borrowings	(5.6)	-	(5.6)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>476.1</b>	<b>512.8</b>	<b>920.6</b>	<b>1,186.5</b>
<b>NET CASH INFLOW/(OUTFLOW)</b>	<b>54.4</b>	<b>351.8</b>	<b>(599.7)</b>	<b>(73.1)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>1,933.6</b>	<b>2,935.9</b>	<b>2,568.3</b>	<b>3,380.5</b>
Effect of exchange rate changes	(5.5)	(0.4)	13.9	(20.1)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>1,982.5</b>	<b>3,287.3</b>	<b>1,982.5</b>	<b>3,287.3</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	1,128.4	2,468.5	1,128.4	2,468.5
Cash and bank balances	854.1	818.8	854.1	818.8
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>1,982.5</b>	<b>3,287.3</b>	<b>1,982.5</b>	<b>3,287.3</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 SECOND QUARTER ENDED 30 SEPTEMBER 2018 (in \$ million)**

The Group	Attributable to Owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve			
Balance at 1 July 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
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	(2.5)	-	-	-	(2.5)	0.3	(2.2)
Net fair value changes on cash flow hedges	-	-	-	-	-	379.3	-	379.3	(0.5)	378.8
Share of other comprehensive income of associated and joint venture companies	-	-	-	(1.0)	-	23.6	-	22.6	(0.1)	22.5
Other comprehensive income for the period, net of tax	-	-	-	(3.5)	-	402.9	-	399.4	(0.3)	399.1
Profit for the period	-	-	-	-	-	-	56.4	56.4	9.3	65.7
Total comprehensive income for the period	-	-	-	(3.5)	-	402.9	56.4	455.8	9.0	464.8
<u>Transactions with owners, recorded directly in equity</u>										
<u>Contributions by and distributions to owners</u>										
Share of other changes in equity of associated companies	-	-	(2.1)	-	-	-	-	(2.1)	-	(2.1)
Changes in ownership interest without loss of control	-	-	-	-	(3.1)	-	1.8	(1.3)	1.8	0.5
Share-based compensation expense	-	-	-	-	7.8	-	-	7.8	-	7.8
Share awards lapsed	-	-	-	-	(1.6)	-	1.6	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	12.0	(0.9)	-	(11.1)	-	-	-	-	-
Issuance of share capital by subsidiary companies	-	-	-	-	-	-	-	-	2.1	2.1
Dividends	-	-	-	-	-	-	(355.1)	(355.1)	(24.8)	(379.9)
Total transactions with owners	-	12.0	(3.0)	-	(8.0)	-	(351.7)	(350.7)	(20.9)	(371.6)
Balance at 30 September 2018	1,856.1	(171.5)	(142.4)	(35.6)	15.3	1,638.5	10,891.6	14,052.0	369.8	14,421.8



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 July 2017	1,856.1	(194.7)	(147.6)	(136.7)	91.7	(417.3)	12,072.8	13,124.3	391.3	13,515.6
Effects of changes in accounting standards	-	-	-	123.7	-	-	(1,819.8)	(1,696.1)	-	(1,696.1)
As restated	1,856.1	(194.7)	(147.6)	(13.0)	91.7	(417.3)	10,253.0	11,428.2	391.3	11,819.5
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	(4.4)	-	-	-	(4.4)	(4.0)	(8.4)
Net fair value changes on cash flow hedges	-	-	-	-	-	300.4	-	300.4	(0.6)	299.8
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	-	(7.3)	-	(7.3)	-	(7.3)
Other comprehensive income for the period, net of tax	-	-	-	(4.4)	-	293.1	-	288.7	(4.6)	284.1
Profit for the period	-	-	-	-	-	-	293.3	293.3	9.9	303.2
Total comprehensive income for the period	-	-	-	(4.4)	-	293.1	293.3	582.0	5.3	587.3
<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	-	-	-	-	(0.7)	-	1.3	0.6	0.6	1.2
Share of other changes in equity of associated companies	-	-	(3.3)	-	-	-	-	(3.3)	-	(3.3)
Share-based compensation expense	-	-	-	-	2.3	-	-	2.3	-	2.3
Share awards lapsed	-	-	-	-	(7.9)	-	7.9	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	11.2	1.0	-	(12.2)	-	-	-	-	-
Dividends	-	-	-	-	-	-	(130.1)	(130.1)	(37.7)	(167.8)
Total transactions with owners	-	11.2	(2.3)	-	(18.5)	-	(120.9)	(130.5)	(37.1)	(167.6)
Balance at 30 September 2017	1,856.1	(183.5)	(149.9)	(17.4)	73.2	(124.2)	10,425.4	11,879.7	359.5	12,239.2

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

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2018	1,856.1	(183.5)	(928.9)	19.6	979.8	10,459.0	12,202.1
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	305.5	-	305.5
Other comprehensive income for the period, net of tax	-	-	-	-	305.5	-	305.5
Profit for the period	-	-	-	-	-	349.8	349.8
Total comprehensive income for the period	-	-	-	-	305.5	349.8	655.3
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	6.1	-	-	6.1
Share awards lapsed	-	-	-	(1.6)	-	1.6	-
Treasury shares reissued pursuant to equity compensation plans	-	12.0	(0.9)	(11.1)	-	-	-
Dividends	-	-	-	-	-	(355.1)	(355.1)
Total transactions with owners	-	12.0	(0.9)	(6.6)	-	(353.5)	(349.0)
Balance at 30 September 2018	1,856.1	(171.5)	(929.8)	13.0	1,285.3	10,455.3	12,508.4

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

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 July 2017	1,856.1	(194.7)	25.7	79.1	(325.8)	11,158.6	12,599.0
Effects of changes in accounting standards	-	-	-	-	-	(1,482.1)	(1,482.1)
As restated	1,856.1	(194.7)	25.7	79.1	(325.8)	9,676.5	11,116.9
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	226.7	-	226.7
Other comprehensive income for the period, net of tax	-	-	-	-	226.7	-	226.7
Profit for the period	-	-	-	-	-	352.0	352.0
Total comprehensive income for the period	-	-	-	-	226.7	352.0	578.7
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	2.7	-	-	2.7
Share awards lapsed	-	-	-	(0.2)	-	0.2	-
Treasury shares reissued pursuant to equity compensation plans	-	11.2	1.0	(12.2)	-	-	-
Dividends	-	-	-	-	-	(130.1)	(130.1)
Total transactions with owners	-	11.2	1.0	(9.7)	-	(129.9)	(127.4)
Balance at 30 September 2017	1,856.1	(183.5)	26.7	69.4	(99.1)	9,898.6	11,568.2

**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

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

As at 30 September 2018, the number of ordinary shares in issue was 1,199,851,018 of which 16,185,885 were held by the Company as treasury shares (30 September 2017: 1,199,851,018 ordinary shares of which 17,318,177 were held as treasury shares). The share capital was \$1,856.1 million. The treasury shares held represents 1.4% (30 September 2017: 1.5%) of the total number of issued shares (excluding treasury shares).

There is no subsidiary holdings of the Company as at 30 September 2018 and 30 September 2017.

### Employee Share Option Plan

As at 30 September 2018, there were no share options of the Company outstanding (30 September 2017: 7,885,655). During the financial year, no options (30 September 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.

### 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 September 2018, the number of outstanding shares granted under the Company's RSP and PSP were 2,070,455 (30 September 2017: 1,856,523) and 744,322 respectively (30 September 2017: 698,026).

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

Date of Grant	Balance at 01.07.2018	Number of Restricted Shares			Balance at 30.09.2018
		Granted	Adjustment <sup>#</sup>	Vested	
<b>RSP</b>					
03.07.2014	184,773	-	-	(184,773)	-
03.07.2015	363,650	-	-	(190,317)	173,333
18.07.2016	513,539	-	-	(267,308)	246,231
19.07.2017	783,506	-	376,814	(408,694)	751,626
19.07.2018	-	899,265	-	-	899,265
	1,845,468	899,265	376,814	(1,051,092)	2,070,455

Date of Grant	Balance at 01.07.2018	Number of Performance Shares			Balance at 30.09.2018
		Granted	Adjustment <sup>#</sup>	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
19.07.2018	-	285,996	-	-	285,996
	698,026	285,996	(239,700)	-	744,322

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	Balance at 01.07.2018	Number of Deferred Share Award			Balance at 30.09.2018
		Granted	Adjustment <sup>^</sup>	Vested	
<b>DSA</b>					
10.09.2015	74,790	-	6,410	(81,200)	-
01.09.2016	65,740	-	-	-	65,740
06.09.2017	94,070	-	-	-	94,070
11.09.2018	-	119,090	-	-	119,090
	234,600	119,090	6,410	(81,200)	278,900

Transformation Share Award ("TSA")

Grants of TSA of fully paid ordinary shares are granted to senior management. At the end of the one-year performance period, a final award will be determined based on the initial award multiplied by an achievement factor (ranging from 0% to 200%). The final award will vest over three years, on the final date, an additional equity kicker equivalent to 20% of final awards will be settled with the participant. The details of the TSA are as follows:

Date of Grant	Balance at 01.07.2018	Number of Transformation Share Award			Balance at 30.09.2018
		Granted	Vested		
<b>TSA</b>					
19.07.2018	-	374,469	-	-	374,469

<sup>#</sup> Adjustment at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

<sup>^</sup> Adjustment at the end of performance period for Accumulated Dividend Yield.

**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 September 2018, the number of ordinary shares in issue was 1,199,851,018 of which 16,185,885 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 July to September 2018, the Company did not purchase any treasury shares (July to September 2017: Nil).

The Company transferred 1,132,292 treasury shares to employees on vesting of share-based incentive plans (July to September 2017: 1,058,825). 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 July 2018	17,318,177	(183.5)
Treasury shares transferred on vesting of share-based incentive plans	(1,132,292)	12.0
Balance at 30 September 2018	16,185,885	(171.5)

**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.**

There is no subsidiary holdings of the Company as at 30 September 2018 and 30 September 2017. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the period July to September 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 passengers.

(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)

	2 <sup>nd</sup> Quarter 2017/18	1 <sup>st</sup> Half 2017/18
Decrease in depreciation	124.5	248.3
Increase in taxation	(21.1)	(42.1)
Increase in profit attributable to owners of the company	103.4	206.2
Increase in basic earnings per share (cents)	8.7	17.4
Increase in diluted earnings per share (cents)	8.7	17.4

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			
	2 <sup>nd</sup> Quarter 2018/19	2 <sup>nd</sup> Quarter 2017/18 (Restated)	1 <sup>st</sup> Half 2018/19	1 <sup>st</sup> Half 2017/18 (Restated)
Earnings per share (cents)				
- Basic	4.8	24.8	16.6	53.4
- Diluted	4.7	24.7	16.5	53.2

**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 Sep 18	As at 31 Mar 18 (Restated)	As at 30 Sep 18	As at 31 Mar 18 (Restated)
Net asset value per ordinary share (\$)	11.87	10.88	10.57	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 Half 2018/19

The SIA Group reported an operating profit of \$426 million in the first half of the 2018/19 financial year, a decline of \$336 million (-44.1%) from last year's restated profit of \$762 million<sup>1</sup>. Excluding one-off items of \$175 million<sup>2</sup>, however, the drop in operating profit would have been \$161 million (-27.4%). The decline was a consequence of a \$379 million (+20.4%) increase in fuel costs.

Flown revenue for the Group rose by \$422 million, contributed by passenger flown revenue (+\$346 million or +5.8%) and cargo flown revenue (\$76 million or +7.4%). Passenger flown revenue was lifted by an 8.8% increase in traffic, outpacing growth in capacity of 5.4%, driving passenger load factor for the Group airlines in aggregate to rise 2.6% points to 83.6%. Passenger unit revenue (measured in revenue per available seat-kilometres) grew 1.3% as transformation efforts yielded positive results. Cargo flown revenue was \$76 million (+7.4%) higher on stronger yields (+9.7%), partially offset by lower loads carried (-2.3%).

Revenue contribution from engineering services fell \$19 million (-7.9%) on lower airframe and fleet management activities. Together with other miscellaneous changes in revenue, and in the absence of non-recurring revenue, Group revenue improved by \$195 million (+2.5%) to \$7,907 million.

Expenditure for the Group increased \$531 million to \$7,481 million (+7.6%), predominantly led by an increase in net fuel cost (+\$379 million or +20.4%). Fuel cost before hedging for the Group rose by \$692 million, mainly due to a US\$26 per barrel (+39.5%) increase in average jet fuel price, partially alleviated by hedging gains versus losses last year (+\$313 million). Ex-fuel costs were \$152 million (+3.0%) higher, well within the growth in capacity largely contributed by passenger airlines (+5.4%), due to the success of continuing efforts to improve cost efficiency.

The Group recognised an increase in share of losses (\$97 million) of its associated companies for the period, mostly due to Virgin Australia (VAH), whose results were impacted by major accounting adjustments following a review of its asset values in accordance with accounting standards. As a result of the review, Virgin Australia de-recognised approximately A\$452 million (\$456 million) in deferred tax assets and made a A\$121 million (\$122 million) impairment of the assets of the Virgin Australia International business. The SIA Group recognised its share of losses (\$116 million) arising from these non-cash adjustments.

<sup>1</sup> As required by the Singapore Exchange listing rules, the Group has adopted International Financial Reporting Standards ("IFRS") with effect from 1 April 2018. This has resulted in a reduction in book values for aircraft and aircraft spares. Prior year comparatives have been restated as required by the transition requirements. The consequential reduction in depreciation expense for the April-September 2017 quarter was \$248 million. For comparison, the IFRS impact for the April-September 2018 quarter was \$222 million.

<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) recognised in the first quarter of the financial year 2017/18.



Group net profit fell to \$196 million, \$435 million (-68.9%) lower than a year ago. The following table summarises the major one-off items affecting the Group results for the first half of both financial years:

	1 <sup>st</sup> Half FY2018/19 \$ million	1 <sup>st</sup> Half FY2017/18 \$ million
Reported Net Profit	196	631
<i>Exclude Non-recurring Items:</i>		
<i>KrisFlyer Breakage and Aircraft Compensation</i>	-	(175)
<i>Share of VAH's Accounting Adjustments</i>	116	-
<i>Tax Impact</i>	-	30
Adjusted Net Profit	312	486

Excluding the impact of these non-recurring items, adjusted net profit fell to \$312 million, \$174 million (-35.8%) lower than a year ago. This reduction was the result of a weaker operating performance (-\$161 million), despite strong growth in flown revenue, mainly due to the \$379 million increase in net fuel costs.

#### First Half Operating Results of Main Companies

The operating results of the main companies in the Group for the first half of the financial year were as follows. The weaker performance for airlines was largely due to higher fuel cost.

	1 <sup>st</sup> Half FY2018/19 \$ million	1 <sup>st</sup> Half FY2017/18 \$ million
Operating Profit		
Parent Airline Company <sup>3</sup>	418	689
SilkAir	(3)	22
Scoot	(10)	5
SIA Engineering	22	39

Operating profit for the Parent Airline Company declined \$271 million to \$418 million, as the increase in expenditure and absence of non-recurring revenue (\$175 million) outpaced growth in passenger and cargo flown revenue (+\$277 million). Passenger flown revenue rose \$201 million (+4.2%), with unit revenue improving by 1.2%. Passenger load factor rose 2.7 percentage points to 83.6% on a 6.0% gain in passenger carriage (measured in revenue passenger-kilometres), and capacity growth of 2.6% (measured in available seat-kilometres). Cargo flown revenue grew \$76 million (+7.4%) driven by stronger yields (+9.7%), partially offset by lower loads (-2.3%).

Expenditure was up \$348 million (+6.2%), primarily due to higher net fuel cost (\$279 million). The effect of significantly higher fuel prices (+\$597 million) was partially mitigated by fuel hedging gains (-\$256 million) and a weaker US dollar (-\$57 million). The rise in ex-fuel costs (+1.7%) was partly contributed by increases in staff costs from higher staff strength, and sales costs on the growth in passenger traffic.

SilkAir reported a half-year loss of \$3 million, a reversal from last year's profit of \$22 million. Total revenue rose \$13 million (+2.8%), lifted by 10.5% growth in passenger carriage. However, expenditure was up \$38 million, mostly on higher net fuel cost (+\$20 million) and ex-fuel variable costs, contributed by a 6.6% increase in capacity. Unit revenue fell 3.6%, while passenger load factor rose 2.7 percentage points to 75.8%.

Scoot recorded an operating loss of \$10 million, a deterioration of \$15 million year-on-year. Revenue increased \$139 million (+19.2%), as passenger traffic grew 19.4%. Unit revenue rose 2.1%. However, expenditure surged \$154 million (+21.4%), mainly from higher net fuel cost (+\$80 million) and ex-fuel costs from a larger fleet and an expanded operation (capacity rose 16.3%), which outpaced revenue growth. Passenger load factor increased 2.2 percentage points to 86.4%.

<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.

Operating profit for SIA Engineering fell to \$22 million, a decline of \$17 million from a year ago, mainly due to a reduction in revenue on lower airframe and fleet management activities. The deterioration was partially cushioned by lower material and subcontract services costs, as well as foreign exchange gains against losses last year.

Second Quarter 2018/19

Operating profit for the second quarter contracted \$124 million to \$233 million (-34.7%), as expenditure increased \$338 million (+9.7%), mainly from fuel and capacity injection, outweighing revenue growth of \$214 million (+5.6%). Net fuel cost for the Group rose \$226 million (+24.3%), while ex-fuel costs were \$112 million (+4.4%) higher, in tandem with the Group's capacity growth of 5.3%.

The operating results of the main companies in the Group for the second quarter of the financial year were as follows:

	2 <sup>nd</sup> Quarter FY2018/19 \$ million	2 <sup>nd</sup> Quarter FY2017/18 \$ million
Operating Profit		
Parent Airline Company <sup>3</sup>	237	319
SilkAir	(3)	14
Scoot	(11)	2
SIA Engineering	11	20

Operating performance for the Group airlines in the second quarter was weaker, despite gains in flown revenue, mostly as a result of higher fuel cost. The Parent Airline Company reported a \$133 million gain (+4.2%) in revenue on the back of passenger carriage growth (+6.5%), but this was offset by higher fuel (+\$167 million) and other expenditure.

SilkAir and Scoot reported operating losses, as the increase in fuel and expansion costs outpaced revenue growth. SilkAir reported a \$5 million improvement (+2.1%) in passenger flown revenue on a 6.0% increase in passenger traffic, but it was insufficient to mitigate a \$10 million rise in net fuel cost, amongst other cost increases. Passenger revenue for Scoot rose \$79 million (+23.4%), driven by a 21.5% increase in carriage on capacity growth of 18.3%, but this was overshadowed by higher fuel and other costs.

Group net profit for the second quarter fell to \$56 million, \$237 million (-80.9%) lower year-on-year. The following table highlights the major one-off item affecting the Group results for the second quarter of the financial year:

	2 <sup>nd</sup> Quarter FY2018/19 \$ million	2 <sup>nd</sup> Quarter FY2017/18 \$ million
Reported Net Profit	56	293
<i>Exclude Non-recurring Item:</i>		
<i>Share of VAH's Accounting Adjustments</i>	116	-
Adjusted Net Profit	172	293

Excluding the impact of the non-recurring item during the second quarter, the adjusted net profit for the period is \$121 million lower (-41.3%) against last year. The reduction is primarily the result of a weaker operating performance for the period (-\$124 million), despite strong flown revenue growth, mainly due to the \$226 million increase in net fuel cost.

**BALANCE SHEET REVIEW**  
**(September 2018 vs March 2018)**

Equity attributable to owners of the company increased by \$1,192 million (9.3%) to \$14,052 million as at 30 September 2018 largely due to the fair value movement on cash flow hedges (+\$1,305 million) and net profit for the period (+\$196 million), partially offset by FY2017/18 final dividend paid (-\$355 million). The fair value movement on cash flow hedges of \$1,304 million was mainly attributable to fair value gain on outstanding fuel hedges (+\$1,079 million) and foreign exchange derivative contracts (+\$232 million).

Total Group assets increased by \$2,912 million (11.2%) to \$28,805 million. The increase was mainly attributable to an increase in property, plant and equipment (+\$2,197 million), and derivative assets (+\$1,361 million), partially offset by a reduction in cash and bank balances (-\$586 million). The reduction in cash balances arose primarily from capital expenditure (-\$3,030 million) partially funded by proceeds from borrowings (+\$1,380 million) and cash flows from operations (+\$1,272 million).

Total Group liabilities increased by \$1,719 million (13.6%) to \$14,383 million as at 30 September 2018, primarily arising from the increase in borrowings (+\$1,354 million), deferred taxes (+\$371 million), sales in advance of carriage (+\$195 million) and trade creditors (+\$73 million), partially offset by a decrease in derivative liabilities (-\$198 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 \$743 million as at 30 September 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**

Bookings in the coming months are expected to be stronger year-on-year. However, headwinds continue to persist in the form of cost pressures arising from significantly elevated fuel prices compared to a year ago, as well as keen competition in key operating markets. Notwithstanding concerns over global trade tensions, cargo demand in the near term is expected to remain healthy during the seasonal peak.

The Group continues to hedge its fuel requirements. For the second half of the financial year, the Group has hedged 58% of its fuel requirements in MOPS at a weighted average price of USD71, against the current MOPS price of USD87. Longer-dated Brent hedges with maturities extending to the financial year FY2023/24 cover up to 46% of the Group's projected annual fuel consumption, at average prices ranging from USD56 to USD64 per barrel, against the prevailing Brent fuel price of USD73 per barrel<sup>4</sup>.

Amid continuing challenges in the operating environment, the SIA Group remains committed to its three-year Transformation programme to enhance customer experience, grow revenue and improve operational efficiency. The programme has been producing positive results in all these areas to date.

The recent introduction of new non-stop services to Los Angeles and New York is a significant milestone, providing customers with more convenient travel options, and strengthening the Airline's competitiveness as well as the Singapore hub. This will be further enhanced next year with the addition of Singapore-Seattle as the fourth non-stop route between Singapore and the important US market.

The Group has also been significantly enhancing its digital capabilities through a multi-phased programme which has seen great progress so far. The programme encompasses company-wide training programmes and participation by staff in innovation projects across the Group; building digital capabilities through extensive IT-related recruitment and a shift to agile delivery of IT projects; large-scale investment in IT infrastructure; and increased collaboration with global tech leaders, start-ups and research institutes.

<sup>4</sup> Hedge profile and current price as at 5 November 2018.

**SUBSEQUENT EVENT**

On 25 October 2018, the Company issued \$600 million in aggregate principal amount of notes under the Multicurrency Medium Term Note Programme. The notes bear interest at a fixed rate of 3.16 per cent, and will mature on 25 October 2023.

**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 Amount per Share	8 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

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

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	10 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

**(c) Date payable**

The interim dividend will be paid on 4 December 2018.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed from 5.00 p.m. on 23 November 2018 for the purpose of determining shareholders' entitlements to the interim dividend of 8 cents per share and will re-open at 9:00 a.m. on 26 November 2018.

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 23 November 2018 will be registered to determine shareholders' entitlements to the interim dividend. 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 23 November 2018 will be entitled to the interim dividend.

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

Not applicable.

### 13 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the second 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	-	1,159,220
<b>PT Bank Danamon Indonesia TBK</b>	-	108,683
<b>SATS Ltd Group</b>		
- Air India SATS Airport Services Private Limited	-	2,044,271
- Asia Airfreight Terminal Co Ltd	-	449,757
- DFASS SATS Pte Ltd	-	1,091,519
- MacroAsia Catering Services Inc.	-	1,090,763
- Maldives Inflight Catering Private Limited	-	513,951
- Mumbai Cargo Service Centre Airport Private Limited	-	776,662
- PT Jas Aero-Engineering Services	-	1,062,772
- PT Jasa Angkasa Semesta Tbk	-	4,805,825
- SATS Aero Laundry Pte. Ltd.	-	4,349,974
- SATS Aerolog Express Pte. Ltd.	-	131,284
- SATS HK Limited	-	1,223,701
- SATS Ltd.	-	184,945,339
- SATS Security Services Private Limited	-	6,161,776
- Taj Madras Flight Kitchen Private Limited	-	178,789
- Taj SATS Air Catering Limited	-	1,124,794
- TFK Corporation	-	2,139,411
<b>Singapore Telecommunications Limited Group</b>		
- Singapore Telecommunications Limited	-	472,890
<b>Temasek Holdings (Private) Limited and Associates</b>		
- Ascendas Hotel Investment Company Pty Ltd	-	650,696
- Quann Asia Pacific Pte Ltd	-	133,654
<b>Total Interested Person Transactions</b>	-	<b>214,715,731</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  
13 November 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 second quarter and half year ended 30 September 2018 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

13 November 2018