



AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 FINANCIAL YEAR ENDED 31 MARCH 2018 (in \$ million)

	The Group		The Group	
	4 th Quarter 2017/18	4 th Quarter 2016/17	2017/18	2016/17
REVENUE	4,017.3	3,710.9	15,806.1	14,868.5
EXPENDITURE				
Staff costs	710.4	690.4	2,709.0	2,616.2
Fuel costs	1,018.5	967.2	3,899.3	3,747.5
Depreciation	413.2	387.0	1,639.6	1,552.1
Impairment of property, plant and equipment	30.0	3.9	30.2	3.9
Amortisation of intangible assets	11.9	10.9	44.4	39.8
Aircraft maintenance and overhaul costs	242.1	240.0	918.6	898.3
Commission and incentives	117.1	112.3	437.5	387.1
Landing, parking and overflying charges	211.8	196.0	853.4	809.3
Handling charges	310.2	309.9	1,299.0	1,197.1
Rentals on leased aircraft	191.6	226.3	804.9	895.9
Material costs	15.4	19.8	60.2	63.8
Inflight meals	128.1	136.2	532.6	543.7
Advertising and sales costs	83.8	90.5	291.4	304.3
Insurance expenses	13.8	12.6	53.2	44.7
Company accommodation and utilities	22.2	29.7	92.0	115.4
Other passenger costs	40.6	45.4	172.2	176.3
Crew expenses	40.2	40.3	160.4	156.8
Other operating expenses	201.9	164.9	750.9	693.5
	<u>3,802.8</u>	<u>3,683.3</u>	<u>14,748.8</u>	<u>14,245.7</u>
OPERATING PROFIT	214.5	27.6	1,057.3	622.8
Finance charges	(22.2)	(12.7)	(89.8)	(46.1)
Interest income	10.7	16.4	60.9	73.9
Surplus/(Loss) on disposal of aircraft, spares and spare engines	5.0	(15.9)	16.1	(31.7)
Dividends from long-term investments	-	-	6.2	5.5
Dividends from asset held for sale	-	-	-	39.5
Other non-operating items	6.9	(148.7)	18.6	(103.2)
Share of profits of joint venture companies	10.2	5.7	41.0	20.9
Share of profits/(losses) of associated companies	11.4	(4.5)	(9.3)	(63.0)
PROFIT/(LOSS) BEFORE TAXATION	<u>236.5</u>	<u>(132.1)</u>	<u>1,101.0</u>	<u>518.6</u>
TAXATION	<u>(42.9)</u>	<u>5.7</u>	<u>(164.2)</u>	<u>(76.7)</u>
PROFIT/(LOSS) FOR THE PERIOD	<u>193.6</u>	<u>(126.4)</u>	<u>936.8</u>	<u>441.9</u>
PROFIT ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	181.8	(138.3)	892.9	360.4
NON-CONTROLLING INTERESTS	11.8	11.9	43.9	81.5
	<u>193.6</u>	<u>(126.4)</u>	<u>936.8</u>	<u>441.9</u>
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	15.4	(11.7)	75.5	30.5
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	15.3	(11.7)	75.3	30.3

Notes:

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

	The Group		The Group	
	4th Quarter 2017/18	4th Quarter 2016/17	2017/18	2016/17
Compensation for changes in aircraft delivery slots	(19.3)	(7.5)	(101.5)	(36.8)
Interest income from short-term investments	(0.2)	(0.2)	(1.0)	(0.9)
Dividend income from short-term investments	(0.1)	(0.2)	(0.8)	(0.9)
Income from operating lease of aircraft	(13.3)	(8.9)	(57.2)	(45.1)
Amortisation of deferred gain on sale and operating leaseback transactions	(0.6)	(1.2)	(3.9)	(6.0)
Loss on disposal of short-term investments	0.1	0.4	0.2	0.8
Bad debts written off	0.8	-	0.8	1.9
(Writeback of impairment)/Impairment of trade debtors	(1.6)	0.2	1.0	(1.3)
Writedown of inventories	2.7	2.6	7.4	5.8
Exchange loss, net	3.3	8.8	31.6	26.9
Currency hedging loss	22.6	4.2	62.1	36.6
Fuel hedging (gain)/loss recognised in "Fuel costs"	(84.1)	10.4	(99.2)	376.3
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	-	-	-	(36.4)
Net gain on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	-	(2.2)	(6.3)	(1.6)
Under/(Over) provision of tax in respect of prior years	20.4	(6.3)	(13.8)	(15.8)

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

	The Group		The Group	
	4 th Quarter 2017/18	4 th Quarter 2016/17	2017/18	2016/17
Impairment of aircraft	(7.9)	(0.4)	(7.9)	(21.2)
Impairment of intangible assets	-	(19.2)	-	(98.2)
Impairment of long term investments	(0.1)	-	(0.1)	-
Surplus on disposal of asset held for sale	-	-	-	141.6
Surplus/(loss) on disposal of other property, plant and equipment	0.2	-	8.5	(0.2)
Surplus on partial disposal of associated companies	-	-	-	2.4
Surplus on disposal of an associated company	14.3	-	14.3	-
Loss on disposal of a long term investment	-	-	-	(6.1)
Writeback/(Provision) for onerous aircraft leases	0.7	(2.6)	0.2	(2.6)
Net gain on financial assets mandatorily measured at FVTPL	0.1	3.9	4.7	1.5
Writeback of provision for expected credit losses on investments and guarantees	0.3	1.5	1.1	1.8
Provision of competition-related fines and settlement	-	(131.9)	-	(131.9)
Surplus on dilution of interest in an associated company	0.9	-	0.9	9.7
Restructuring costs	(1.6)	-	(3.1)	-
	6.9	(148.7)	18.6	(103.2)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (in \$ million)**

	The Group		The Group	
	4 th Quarter 2017/18	4 th Quarter 2016/17	2017/18	2016/17
PROFIT/(LOSS) FOR THE PERIOD	193.6	(126.4)	936.8	441.9
OTHER COMPREHENSIVE INCOME:				
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Currency translation differences	(24.6)	(13.4)	(62.5)	27.5
Net fair value changes on cash flow hedges	12.4	(615.7)	533.5	369.5
Share of other comprehensive income of associated and joint venture companies	34.1	6.4	27.1	29.6
Realisation of foreign currency translation reserves on disposal of an associated company	0.5	-	0.5	-
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Net fair value changes on financial assets measured at fair value through other comprehensive income ("FVOCI")	-	(0.5)	-	(133.2)
Actuarial gain/(loss) on revaluation of defined benefit plans	10.2	(5.1)	10.2	(5.1)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	32.6	(628.3)	508.8	288.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	226.2	(754.7)	1,445.6	730.2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	217.4	(761.9)	1,411.2	676.3
NON-CONTROLLING INTERESTS	8.8	7.2	34.4	53.9
	226.2	(754.7)	1,445.6	730.2

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 31 MARCH 2018 (in \$ million)

	The Group		The Company	
	31-Mar 2018	31-Mar 2017	31-Mar 2018	31-Mar 2017
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(183.5)	(194.7)	(183.5)	(194.7)
Other reserves	12,578.6	11,421.6	11,799.4	10,852.2
	14,251.2	13,083.0	13,472.0	12,513.6
NON-CONTROLLING INTERESTS	368.1	387.2	-	-
TOTAL EQUITY	14,619.3	13,470.2	13,472.0	12,513.6
DEFERRED ACCOUNT	123.3	234.5	109.2	214.9
DEFERRED TAXATION	2,122.7	1,890.5	1,687.2	1,482.1
LONG-TERM LIABILITIES	3,199.8	1,794.7	3,114.4	1,689.4
PROVISIONS	821.5	910.3	576.7	648.0
DEFINED BENEFIT PLANS	113.2	131.2	104.8	122.3
	20,999.8	18,431.4	19,064.3	16,670.3
Represented by:-				
PROPERTY, PLANT AND EQUIPMENT	19,824.6	16,433.3	14,845.4	12,050.8
INTANGIBLE ASSETS	435.3	423.5	179.8	169.5
SUBSIDIARY COMPANIES	-	-	4,840.8	4,610.1
ASSOCIATED COMPANIES	1,048.8	1,056.9	818.5	756.8
JOINT VENTURE COMPANIES	150.6	160.2	-	-
LONG-TERM INVESTMENTS	346.0	405.7	335.6	395.3
OTHER LONG-TERM ASSETS	722.7	479.3	624.6	397.9
DEFERRED ACCOUNT	52.9	61.1	43.5	49.1
CURRENT ASSETS				
Inventories	179.3	178.4	108.0	106.1
Trade debtors	1,402.2	1,144.6	836.7	694.7
Deposits and other debtors	87.8	127.4	40.7	55.8
Prepayments	184.6	211.0	125.1	169.9
Deferred account	9.9	11.8	7.3	9.1
Amounts owing by subsidiary companies	-	-	140.1	203.8
Derivative assets	351.4	85.0	351.2	82.1
Investments	157.8	539.9	88.7	469.9
Cash and bank balances	2,568.3	3,380.5	2,144.6	2,733.2
Other short-term assets	27.0	21.4	27.0	21.4
	4,968.3	5,700.0	3,869.4	4,546.0
Less: CURRENT LIABILITIES				
Sales in advance of carriage	2,425.6	1,634.3	2,197.5	1,465.9
Deferred revenue	556.1	707.8	556.1	707.8
Deferred account	64.8	86.0	60.3	76.3
Current tax payable	134.1	80.3	42.4	30.3
Trade and other creditors	2,817.2	3,296.1	1,858.9	2,251.9
Amounts owing to subsidiary companies	-	-	1,290.4	1,354.5
Borrowings	20.6	42.0	-	-
Provisions	369.1	322.4	325.8	298.8
Derivative liabilities	161.9	119.7	161.9	119.7
	6,549.4	6,288.6	6,493.3	6,305.2
NET CURRENT LIABILITIES	(1,581.1)	(588.6)	(2,623.9)	(1,759.2)
	20,999.8	18,431.4	19,064.3	16,670.3

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

Amount repayable in one year or less, or on demand

As at 31 March 2018		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
\$14.7M	\$5.9M	\$37.9M	\$4.1M

Amount repayable after one year

As at 31 March 2018		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
\$59.3M	\$3,047.4M	\$74.0M	\$1,451.8M

Details of any collateral

The secured borrowings pertained to secured bank loans (\$74.0 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 FINANCIAL YEAR ENDED 31 MARCH 2018 (in \$ million)**

	The Group	
	2017/18	2016/17
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,101.0	518.6
Adjustments for:		
Depreciation	1,639.6	1,552.1
Impairment of property, plant and equipment	30.2	3.9
Amortisation of intangible assets	44.4	39.8
Impairment/(Writeback of impairment) of trade debtors	1.0	(1.3)
Writedown of inventories	7.4	5.8
Income from short-term investments	(1.8)	(1.8)
Provisions	282.9	304.8
Share-based compensation expense	13.1	15.2
Exchange differences	25.9	(47.1)
Amortisation of deferred gain on sale and operating leaseback transactions	(3.9)	(6.0)
Finance charges	89.8	46.1
Interest income	(60.9)	(73.9)
(Surplus)/Loss on disposal of aircraft, spares and spare engines	(16.1)	31.7
Dividends from long-term investments	(6.2)	(5.5)
Dividends from asset held for sale	-	(39.5)
Net gain on financial assets mandatorily measured at FVTPL	(6.3)	(1.6)
Other non-operating items	(18.6)	103.2
Share of profits of joint venture companies	(41.0)	(20.9)
Share of losses of associated companies	9.3	63.0
Operating cash flow before working capital changes	3,089.8	2,486.6
(Decrease)/Increase in trade and other creditors	(756.1)	31.7
Increase in sales in advance of carriage	791.3	8.1
(Increase)/Decrease in trade debtors	(283.8)	82.0
Decrease in deposits and other debtors	38.0	17.4
Decrease/(Increase) in prepayments	26.4	(78.5)
Increase in inventories	(8.3)	(2.3)
(Decrease)/Increase in deferred revenue	(151.7)	38.4
Cash generated from operations	2,745.6	2,583.4
Payment of fines and settlements	(139.0)	-
Income taxes refunded/(paid)	4.3	(50.5)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,610.9	2,532.9

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (in \$ million)**

	The Group	
	2017/18	2016/17
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(5,209.5)	(3,944.7)
Purchase of intangible assets	(59.8)	(43.6)
Proceeds from disposal of aircraft and other property, plant and equipment	108.3	45.4
Purchase of long-term investments	-	(0.6)
Proceeds from disposal of long-term investments	31.4	20.2
Purchase of short-term investments	(688.1)	(1,038.0)
Proceeds from disposal of short-term investments	1,126.6	1,570.4
Dividends received from associated and joint venture companies	104.6	78.4
Dividends received from investments	9.0	6.4
Dividends received from asset held for sale	-	39.5
Interest received from investments and deposits	65.6	76.9
Investments in associated companies	(93.8)	(225.3)
Loan to an associated company	-	(54.4)
Proceeds from repayment of loan from an associated company	-	116.4
Proceeds from capital reduction of an associated company	3.3	-
Proceeds from disposal/partial disposal of associated companies	21.1	4.0
Proceeds from disposal of assets held for sale	-	405.5
NET CASH USED IN INVESTING ACTIVITIES	(4,581.3)	(2,943.5)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(248.3)	(521.3)
Dividends paid by subsidiary companies to non-controlling interests	(50.1)	(37.6)
Issuance of share capital by a subsidiary company	-	8.2
Interest paid	(75.7)	(41.1)
Proceeds from issuance of bonds	1,600.0	430.0
Proceeds from borrowings	5.0	1.8
Repayment of borrowings	(20.3)	(192.0)
Repayment of long-term lease liabilities	(23.7)	(21.5)
Proceeds from exercise of share options	1.0	33.2
Purchase of treasury shares	-	(134.3)
Proceeds from exercise of share options pursuant to the Voluntary Conditional General Offer ("VGO") of Tiger Airways	-	301.2
Acquisition of non-controlling interests without a change in control	-	(51.2)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	1,187.9	(224.6)
NET CASH OUTFLOW	(782.5)	(635.2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,380.5	3,972.4
Effect of exchange rate changes	(29.7)	43.3
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,568.3	3,380.5
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	1,809.1	2,386.9
Cash and bank balances	759.2	993.6
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,568.3	3,380.5

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 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
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	(52.6)	-	-	-	(52.6)	(9.9)	(62.5)
Net fair value changes on cash flow hedges	-	-	-	-	-	533.1	-	533.1	0.4	533.5
Actuarial gain on revaluation of defined benefit plans	-	-	-	-	-	-	10.2	10.2	-	10.2
Realisation of reserves on disposal of an associated company	-	-	-	0.5	-	-	-	0.5	-	0.5
Share of other comprehensive income of associated and joint venture companies	-	-	11.9	0.4	-	14.8	-	27.1	-	27.1
Other comprehensive income for the financial year, net of tax	-	-	11.9	(51.7)	-	547.9	10.2	518.3	(9.5)	508.8
Profit for the financial year	-	-	-	-	-	-	892.9	892.9	43.9	936.8
Total comprehensive income for the financial year	-	-	11.9	(51.7)	-	547.9	903.1	1,411.2	34.4	1,445.6
<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	-	-	(4.7)	-	-	-	-	(4.7)	-	(4.7)
Changes in ownership interest without loss of control	-	-	-	-	(1.1)	-	(2.0)	(3.1)	(3.4)	(6.5)
Share-based compensation expense	-	-	-	-	13.1	-	-	13.1	-	13.1
Share options lapsed	-	-	-	-	(8.8)	-	8.8	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	11.2	1.0	-	(12.2)	-	-	-	-	-
Dividends	-	-	-	-	-	-	(248.3)	(248.3)	(50.1)	(298.4)
Total contributions by and distributions to owners	-	11.2	(3.7)	-	(9.0)	-	(241.5)	(243.0)	(53.5)	(296.5)
Balance at 31 March 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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (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 April 2016	1,856.1	(381.5)	(129.2)	(151.3)	123.7	(498.6)	11,935.5	12,754.7	378.2	13,132.9
Effects of adopting FRS 109	-	-	-	-	-	(28.4)	47.2	18.8	-	18.8
<u>Comprehensive income</u>										
Currency translation differences	-	-	-	22.3	-	-	-	22.3	5.2	27.5
Net fair value changes on financial assets measured at FVOCI	-	-	-	-	-	(100.3)	-	(100.3)	(32.9)	(133.2)
Net fair value changes on cash flow hedges	-	-	-	-	-	369.4	-	369.4	0.1	369.5
Share of other comprehensive income of associated and joint venture companies	-	-	6.5	-	(0.5)	23.6	-	29.6	-	29.6
Actuarial loss on revaluation of defined benefit plans	-	-	-	-	-	-	(5.1)	(5.1)	-	(5.1)
Other comprehensive income for the financial year, net of tax	-	-	6.5	22.3	(0.5)	292.7	(5.1)	315.9	(27.6)	288.3
Profit for the financial year	-	-	-	-	-	-	360.4	360.4	81.5	441.9
Total comprehensive income for the financial year	-	-	6.5	22.3	(0.5)	292.7	355.3	676.3	53.9	730.2
<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	-	-	(9.8)	-	-	-	-	(9.8)	-	(9.8)
Loss on dilution of interest in a subsidiary company due to share options exercised	-	-	-	-	(5.9)	-	(1.3)	(7.2)	(2.6)	(9.8)
Realisation of reserves from dilution of interest in an associated company	-	-	(8.5)	5.3	(0.5)	0.8	9.0	6.1	-	6.1
Issuance of share capital by a subsidiary company	-	-	-	-	-	-	-	-	8.2	8.2
Share-based compensation expense	-	-	-	-	15.2	-	-	15.2	-	15.2
Share options and share awards lapsed	-	-	1.7	-	(16.1)	-	14.4	-	-	-
Purchase of treasury shares	-	(134.3)	-	-	-	-	-	(134.3)	-	(134.3)
Treasury shares reissued pursuant to equity compensation plans	-	34.3	3.3	-	(16.0)	-	-	21.6	-	21.6
Treasury shares reissued pursuant to the VGO of Tiger Airways	-	286.8	25.8	-	(11.4)	-	-	301.2	-	301.2
Dividends	-	-	-	-	-	-	(521.3)	(521.3)	(37.6)	(558.9)
Total contributions by and distributions to owners	-	186.8	12.5	5.3	(34.7)	0.8	(499.2)	(328.5)	(32.0)	(360.5)
<u>Changes in ownership interests in a subsidiary company</u>										
Acquisition of non-controlling interests without a change in control	-	-	(37.4)	-	-	(0.9)	-	(38.3)	(12.9)	(51.2)
Total changes in ownership interests in a subsidiary company	-	-	(37.4)	-	-	(0.9)	-	(38.3)	(12.9)	(51.2)
Total transactions with owners	-	186.8	(24.9)	5.3	(34.7)	(0.1)	(499.2)	(366.8)	(44.9)	(411.7)
Balance at 31 March 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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 2017	1,856.1	(194.7)	25.7	76.7	(189.6)	10,939.4	12,513.6
<u>Comprehensive income</u>							
Net fair value changes on cash flow hedges	-	-	-	-	396.3	-	396.3
Actuarial gain on revaluation of defined benefit plans	-	-	-	-	-	9.9	9.9
Other comprehensive income for the financial year, net of tax	-	-	-	-	396.3	9.9	406.2
Profit for the financial year	-	-	-	-	-	789.3	789.3
Total comprehensive income for the financial year	-	-	-	-	396.3	799.2	1,195.5
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	11.2	-	-	11.2
Share options lapsed	-	-	-	(1.1)	-	1.1	-
Treasury shares reissued pursuant to equity compensation plans	-	11.2	1.0	(12.2)	-	-	-
Dividends	-	-	-	-	-	(248.3)	(248.3)
Total transactions with owners	-	11.2	1.0	(2.1)	-	(247.2)	(237.1)
Balance at 31 March 2018	1,856.1	(183.5)	26.7	74.6	206.7	11,491.4	13,472.0

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 2016	1,856.1	(381.5)	(5.1)	108.0	(470.9)	10,901.6	12,008.2
Effects of adopting FRS 109	-	-	-	-	(20.7)	33.0	12.3
<u>Comprehensive income</u>							
Net fair value changes on financial assets measured at FVOCI	-	-	-	-	5.0	-	5.0
Net fair value changes on cash flow hedges	-	-	-	-	297.0	-	297.0
Actuarial loss on revaluation of defined benefit plans	-	-	-	-	-	(2.1)	(2.1)
Other comprehensive income for the financial year, net of tax	-	-	-	-	302.0	(2.1)	299.9
Profit for the financial year	-	-	-	-	-	514.0	514.0
Total comprehensive income for the financial year	-	-	-	-	302.0	511.9	813.9
<u>Transactions with owners, recorded directly in equity</u>							
<u>Contributions by and distributions to owners</u>							
Share-based compensation expense	-	-	-	12.0	-	-	12.0
Share options and share awards lapsed	-	-	1.7	(15.9)	-	14.2	-
Purchase of treasury shares	-	(134.3)	-	-	-	-	(134.3)
Treasury shares reissued pursuant to equity compensation plans	-	34.3	3.3	(16.0)	-	-	21.6
Treasury shares reissued pursuant to the VGO of Tiger Airways	-	286.8	25.8	(11.4)	-	-	301.2
Dividends	-	-	-	-	-	(521.3)	(521.3)
Total transactions with owners	-	186.8	30.8	(31.3)	-	(507.1)	(320.8)
Balance at 31 March 2017	1,856.1	(194.7)	25.7	76.7	(189.6)	10,939.4	12,513.6

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 financial year, 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 2017 and 31 March 2018	1,199,851,018	1,856.1

As at 31 March 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 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% (31 March 2017: 1.6%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2018 and 31 March 2017.

Employee Share Option Plan

As at 31 March 2018, the number of share options of the Company outstanding was 7,720,804 (31 March 2017: 16,723,550). During the financial year, no options (31 March 2017: 2,310,011) 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 01.04.2017	Cancelled	Balance at 31.03.2018	Exercise price*	Expiry date
02.07.2007	8,702,852	(8,702,852)	-	\$15.46	01.07.2017
01.07.2008	8,020,698	(299,894)	7,720,804	\$12.07	30.06.2018
	16,723,550	(9,002,746)	7,720,804		

* 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 prices reflected here are the exercise prices 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 31 March 2018, the number of outstanding shares granted under the Company's RSP and PSP were 1,845,468 (31 March 2017: 1,959,403) and 698,026 respectively (31 March 2017: 729,168).

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

Number of Restricted Shares						
Date of Grant	Balance at 01.04.2017	Granted	Adjustments [#]	Cancelled	Vested	Balance at 31.03.2018
RSP						
15.07.2013	85,930	-	-	-	(85,930)	-
03.07.2014	373,085	-	-	-	(188,312)	184,773
03.07.2015	709,692	-	43,628	(2,970)	(386,700)	363,650
18.07.2016	790,696	-	(8,747)	(3,927)	(264,483)	513,539
19.07.2017	-	787,664	-	(4,158)	-	783,506
	1,959,403	787,664	34,881	(11,055)	(925,425)	1,845,468

Number of Performance Shares					
Date of Grant	Balance at 01.04.2017	Granted	Adjustments [#]	Vested	Balance at 31.03.2018
PSP					
03.07.2014	248,568	-	(194,098)	(54,470)	-
03.07.2015	239,700	-	-	-	239,700
18.07.2016	240,900	-	-	-	240,900
19.07.2017	-	217,426	-	-	217,426
	729,168	217,426	(194,098)	(54,470)	698,026

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

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:

Number of Deferred Share Award					
Date of Grant	Balance at 01.04.2017	Granted	Adjustments [*]	Vested	Balance at 31.03.2018
DSA					
28.08.2014	73,470	-	5,460	(78,930)	-
10.09.2015	74,790	-	-	-	74,790
01.09.2016	65,740	-	-	-	65,740
06.09.2017	-	94,070	-	-	94,070
	214,000	94,070	5,460	(78,930)	234,600

* 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 31 March 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 2017: 1,199,851,018 ordinary shares of which 18,377,002 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 financial year, the Company did not purchase any treasury shares (2016/17: 12,665,700).

The Company transferred 1,058,825 treasury shares to employees on vesting of share-based incentive plans (2016/17: 2,310,011 on exercise of share options, 923,097 on vesting of share-based incentive plans and 27,125,949 on exercise of share options granted pursuant to the VGO of Tiger Airways). 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 2017	18,377,002	(194.7)
Treasury shares transferred on vesting of share-based incentive plans	(1,058,825)	11.2
Balance at 31 March 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 31 March 2018 and 31 March 2017. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the financial year ended 31 March 2018.

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

The financial statements have been audited in accordance with Singapore Standards on Auditing.

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

See attached auditor's report.

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

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2017. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2017 has no significant impact on the Group.

During the year, the Company reviewed the actual expiry of miles against the expected breakage rate determined in financial year 2013/14, when the Pay With Miles option to the KrisFlyer programme was introduced. The impact of the revision in estimates is an increase of approximately \$178.2 million in revenue.

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			
	4 th Quarter 2017/18	4 th Quarter 2016/17	2017/18	2016/17
Earnings per share (cents)				
- Basic	15.4	(11.7)	75.5	30.5
- Diluted	15.3	(11.7)	75.3	30.3

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 31 Mar 18	As at 31 Mar 17	As at 31 Mar 18	As at 31 Mar 17
Net asset value per ordinary share (\$)	12.05	11.07	11.39	10.59

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

Financial Year 2017/18

The Group reported a net profit of \$893 million for the 2017/18 financial year, an increase of \$533 million, or 148.1%, from the same period last year. The increase was mainly attributable to a higher operating profit (+\$434 million), absence of SIA Cargo's provision for competition-related matters (+\$132 million) and impairment of the Tigerair brand and trademarks (+\$98 million) last year, partially offset by the absence of SIA Engineering's gain on divestment of its 10.0% stake in Hong Kong Aero Engines Services Ltd (HAESL) and special dividends received from HAESL (-\$178 million).

Operating profit for the Group rose to \$1,057 million, \$434 million (+69.7%) higher than the last financial year.

Group revenue rose \$937 million year-on-year to \$15,806 million (+6.3%), with revenue improvements in all business segments. Passenger flown revenue was \$428 million (+3.6%) higher, as traffic growth (+6.3%) outpaced the decline in passenger yield (-3.1%). Cargo revenue was up \$266 million on higher freight carriage (+5.3%) and yield (+8.9%). Engineering services revenue grew \$52 million (+12.0%), largely attributable to line maintenance activities. Higher incidental income was chiefly contributed by adjustments arising from changes in estimated breakage rates and member benefits for the KrisFlyer programme (\$178 million), and higher compensation for changes in aircraft delivery slots (\$65 million).

Group expenditure increased \$503 million to \$14,749 million (+3.5%). Net fuel cost rose by \$152 million (+4.1%) as average jet fuel prices were up 18%, partially offset by a hedging gain versus a loss last year (+\$439 million). Ex-fuel costs were up \$351 million (+3.3%), partly due to expansion by SilkAir and Scoot.

Financial Year 2017/18 Operating Results of Main Companies

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

	FY2017/18	FY2016/17
Operating Profit	\$ million	\$ million
Parent Airline Company	703	386
SilkAir	43	101
Scoot	77	67
SIA Cargo	148	3
SIA Engineering	76	72

Operating profit for the Parent Airline Company rose by \$317 million year-on-year on revenue growth. Total revenue increased \$490 million, driven partly by a \$210 million (+2.2%) improvement in passenger flown revenue. Passenger carriage (measured in revenue passenger-kilometres) grew 3.2%, while yield declined 1.0%. Passenger load factor rose 2.1 percentage points year-on-year to 81.1%. Higher incidental revenue supported the improvement in revenue. Expenditure was up \$173 million (+1.6%), driven by increase in net fuel cost and staff costs on higher provision for profit sharing bonus.

The Parent Airline Company's performance was boosted by early results from the transformation initiatives. The implementation of a new revenue management system, new airfare pricing structure and establishment of a centralised pricing unit, helped increase revenue, for example. Cost improvements were seen as a result of process efficiencies, and initiatives such as those to save fuel and reduce waste. In addition, a dedicated Customer Experience Division has been formed to further sharpen the Company's focus on the customer journey and delivery of more personalised services.

Operating profit for SilkAir was down by \$58 million compared with the same period last year, as higher expenditure outpaced revenue gains. Total revenue rose \$30 million (+3.0%), led by higher passenger carriage of 16.9%, partially offset by an 11.5% decline in yield. Expenditure increased \$88 million (+9.9%), mainly from higher net fuel cost and ex-fuel variable costs, attributable to 12.7% growth in capacity. Passenger load factor rose 2.6 percentage points to 73.4%.

Scoot recorded a \$10 million improvement in operating profit for the financial year. Total revenue grew \$192 million (+13.9%), as passenger carriage rose by 15.9%, partly offset by a 1.7% contraction in yield. Expenditure was \$182 million higher (+13.8%), led by higher operating costs arising from capacity growth of 11.6%. Passenger load factor rose 3.3 percentage points to 85.7%.

Operating profit for SIA Cargo rose by \$145 million to \$148 million year-on-year. Revenue grew \$264 million as cargo yield and freight carriage improved 8.9% and 5.3% respectively, on the back of strong air cargo demand. Expenditure was up \$119 million, partly due to higher handling costs on increased freight carriage, staff costs, and aircraft maintenance and overhaul costs. Cargo load factor rose by 2.1 percentage points to 65.3%.

SIA Engineering posted an operating profit of \$76 million, an improvement of \$4 million year-on-year, as the \$13 million reduction in expenditure outpaced the \$9 million decline in revenue. Expenditure was lower mainly due to the absence of a profit-sharing bonus related to the gain on divestment of HAESL, offset by annual salary increments and increase in headcount at subsidiaries. Revenue fell primarily on lower fleet management programme revenue.

Fourth Quarter 2017/18

Group operating profit for the fourth quarter improved by \$187 million to \$214 million. Revenue grew by \$306 million (+8.2%) on stronger passenger and cargo flown revenue, partially offset by higher expenditure (+\$119 million or 3.2%).

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

	4 th Quarter FY2017/18 \$ million	4 th Quarter FY2016/17 \$ million
Operating Profit		
Parent Airline Company	137	(41)
SilkAir	3	27
Scoot	29	22
SIA Cargo	28	(5)
SIA Engineering	20	24

The Parent Airline Company turned around from a loss last year to an operating profit (+\$178 million), led by higher revenue (+\$221 million). Passenger flown revenue contributed \$80 million, driven by 1.4% growth in traffic and a 1.0% increase in passenger yield. Revenue was further lifted by higher other incidental income from KrisFlyer programme breakage rate adjustment and compensation for changes in aircraft delivery slots. Expenditure rose \$43 million on higher net fuel cost, staff costs, and exchange losses versus gains last year, offset by lower lease rentals from the return of several leased aircraft.

SilkAir's earnings deteriorated \$24 million to \$3 million, as major operating costs such as fuel, handling, and landing and parking costs rose faster than revenue gains. Passenger traffic improved 12.8% on the back of an 11.9% expansion in capacity, but yield contracted 11.4%.

Scoot's operating profit for the quarter rose to \$29 million (+\$7 million). Revenue increased \$60 million, led mainly by higher passenger flown revenue from 16.7% growth in passenger carriage. Yield was 1.6% lower year-on-year. Expenditure rose \$53 million, a result of 11.5% capacity growth.

SIA Cargo reported an operating profit of \$28 million, a \$33 million improvement compared to the same period last year. Revenue rose \$55 million as freight carriage grew 4.6% and cargo yield improved 8.5%. Expenditure increased by \$22 million, due in part to higher depreciation.

Operating profit for SIA Engineering fell by \$4 million. Revenue declined \$19 million on lower airframe and component overhaul activities and fleet management activities, partly mitigated by lower staff and subcontract costs.

BALANCE SHEET REVIEW **(March 2018 vs March 2017)**

Equity attributable to owners of the company increased by \$1,168 million (8.9%) to \$14,251 million as at 31 March 2018, largely due to net profit for the period (+\$893 million), and fair value movement on cash flow hedges (+\$548 million), partially offset by FY2017-18 interim dividend and FY2016-17 final dividend (-\$248 million). The fair value movement on cash flow hedges of \$548 million was mainly attributable to fair value gain on outstanding fuel hedges.

Total Group assets increased by \$2,829 million (11.4%) to \$27,549 million. The increase was mainly attributable to an increase in property, plant and equipment (+\$3,391 million), and derivative assets (+\$514 million), partially offset by a reduction in cash and bank balances (-\$812 million) and investments (-\$442 million). The reduction in cash balances arose primarily from capital expenditure (-\$5,210 million), payment of FY2017-18 interim dividend and FY2016-17 final dividend (-\$248 million) and capital injection in associated companies (-\$94 million). These were partially offset by cash flows generated from operations (+\$2,611 million), proceeds from issuance of bonds (+\$1,600 million), proceeds from maturity of investments net of additional acquisitions (+\$470 million) and dividends received from associated and joint venture companies (+\$105 million).

Total Group liabilities increased by \$1,680 million (14.9%) to \$12,930 million as at 31 March 2018, primarily arising from the increase in notes payable (+\$1,600 million) and sales in advance of carriage (+\$791 million), partially offset by a decrease in trade creditors (-\$479 million), deferred revenue (-\$152 million) and derivative liabilities (-\$139 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 \$845 million as at 31 March 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

Despite stronger advance passenger bookings for the coming months and a continued stabilisation in yields, intense competition in key operating markets and cost pressures remain. Fuel prices have been trending higher and volatility is expected to persist in the months ahead. The overall demand outlook for cargo remains moderately positive, but is subject to geopolitical uncertainties which may have implications on global trade.

The first year of the SIA Group's three-year transformation programme has shown good progress. The next two years of the programme will further build on initiatives around enhancements to the customer experience, revenue growth and improvements in operational efficiency. The recent Digital Innovation Blueprint launch will complement the transformation effort, aiming to establish the Group as a digital innovation leader in aviation and travel experience through greater value creation for customers and businesses.

The delivery and operation of the world's first 787-10 and investment in new A380 cabin products, in addition to the upcoming re-launch of non-stop flights to New York and Los Angeles using the new A350-900ULR, further exemplify the Group's commitment to enhancing its industry-leading position in fleet and product offerings. SIA Cargo's recently completed re-integration into SIA as well as the completion of the merger of Scoot and Tigerair under the Scoot brand are also providing greater efficiencies with the wider SIA Group.

The SIA Group will continue to build on the strength of its portfolio of airlines through key strategic initiatives, to meet the ongoing competitive challenges.

ADOPTION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) (SFRS(I)) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

As required by the listing rules of the Singapore Exchange, the Group will apply 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 IFRS issued by the International Accounting Standards Board. In adopting the new framework, the Group is required to apply the specific transition requirements in "IFRS 1: First-time Adoption of IFRS".

This provides the Group the opportunity to make the following allowable adjustments, as at 1 April 2017, that have an impact on the financial statements:

- Using fair values of certain aircraft and aircraft spares as their new costs; and
- Resetting the foreign currency translation reserve.

The required comparative period for the transition to IFRS 1, for the Group, is from 1 April 2017. The estimated impact of applying the above adjustments on 1 April 2017 is set out below:

	Increase/(Decrease)	
	General reserve As at 1 April 2017	Impact on restated FY2017-18 Profit
	\$ million	\$ million
Fair value as deemed cost of aircraft	(2,147.0)	490.7
Cumulative translation differences	(123.7)	-
Total (pre-tax)	(2,270.7)	490.7
Tax effect	365.6	(83.3)
Total (post-tax)	(1,905.1)	407.4

For illustrative purposes, assuming the above adjustments had been effected in the FY2017/18 financial statements, the pro forma financial effects on the Group's financial ratios for FY2017/18 would have been as follows:

Financial Metrics	FY2017/18	FY2017/18 (Restated)
Earnings per Share (basic) (cents per share)	75.5	110.0
Earnings per Share (diluted) (cents per share)	75.3	109.6
Net Asset Value (dollars per share)	12.05	10.55
Price to Book Value ¹	0.90	1.03

The effect of the reduction in values for aircraft and aircraft spares is a reduction in depreciation expense. The estimated impact in the next three financial years is as follows:

FY2018/19	\$425.6 million
FY2019/20	\$322.3 million
FY2020/21	\$234.5 million

¹ Based on closing price on 31 March 2018

SUBSEQUENT EVENTS

On 1 April 2018, SIA Cargo was successfully re-integrated to the Parent Airline Company. All assets and liabilities of SIA Cargo were transferred to the Company at their book values.

On 6 April 2018, Scoot Tigerair Pte. Ltd. ("Scoot"), a subsidiary of the Company, raised \$480 million via a secured term loan from banks. The loan is secured on specific aircraft assets of Scoot, and bears fixed interest of 2.924% per annum. The loan is repayable over 10 years.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	10 cents per ordinary share	30 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share	9 cents per ordinary share	11 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(c) Date payable

The final dividend, if so approved by the shareholders, will be paid on 15 August 2018.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the Forty-Sixth Annual General Meeting to be held on 27 July 2018, the Transfer Books and the Register of Members of the Company will be closed on 3 August 2018 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 2 August 2018 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 2 August 2018 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 15 August 2018.

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

Not applicable.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

SEGMENT INFORMATION BY BUSINESS SEGMENTS (in \$ million)

	Singapore Airlines 2017/18	SilkAir 2017/18	Budget Aviation 2017/18	SIAEC 2017/18	SIA Cargo 2017/18	Others 2017/18	Total of segments 2017/18	Elimination* 2017/18	Consolidated 2017/18
TOTAL REVENUE									
External revenue	10,544.2	998.9	1,533.8	480.9	2,216.4	31.9	15,806.1	-	15,806.1
Inter-segment revenue	1,039.6	21.4	47.3	614.0	3.7	84.5	1,810.5	(1,810.5)	-
	<u>11,583.8</u>	<u>1,020.3</u>	<u>1,581.1</u>	<u>1,094.9</u>	<u>2,220.1</u>	<u>116.4</u>	<u>17,616.6</u>	<u>(1,810.5)</u>	<u>15,806.1</u>
RESULTS									
Segment result	703.2	42.5	77.4	76.4	148.1	21.1	1,068.7	(11.4)	1,057.3
Finance charges	(95.8)	-	(31.8)	(0.8)	(0.2)	-	(128.6)	38.8	(89.8)
Interest income	87.8	2.5	1.3	4.9	2.5	0.5	99.5	(38.6)	60.9
Surplus on disposal of aircraft, spares and spare engines	15.4	-	0.7	-	-	-	16.1	-	16.1
Dividends from long-term investments	6.2	-	-	-	-	-	6.2	-	6.2
Other non-operating items	13.1	(7.2)	(0.3)	16.1	(3.1)	-	18.6	-	18.6
Share of profits of joint venture companies	-	-	0.7	40.3	-	-	41.0	-	41.0
Share of (losses)/profits of associated companies	(78.5)	-	(0.3)	69.5	-	-	(9.3)	-	(9.3)
Taxation	(112.1)	(9.3)	(8.4)	(21.1)	(9.7)	(3.6)	(164.2)	-	(164.2)
Profit for the financial year	<u>539.3</u>	<u>28.5</u>	<u>39.3</u>	<u>185.3</u>	<u>137.6</u>	<u>18.0</u>	<u>948.0</u>	<u>(11.2)</u>	<u>936.8</u>
Attributable to:									
Owners of the Company									892.9
Non-controlling interests									<u>43.9</u>
									<u>936.8</u>

* Relates to inter-segment transactions eliminated on consolidation.

	Singapore Airlines 2016/17	SilkAir 2016/17	Budget Aviation 2016/17	SIAEC 2016/17	SIA Cargo 2016/17	Others 2016/17	Total of segments 2016/17	Elimination* 2016/17	Consolidated 2016/17
TOTAL REVENUE									
External revenue	10,134.2	969.2	1,349.1	429.4	1,950.2	36.4	14,868.5	-	14,868.5
Inter-segment revenue	960.0	21.1	39.6	674.7	5.4	48.1	1,748.9	(1,748.9)	-
	<u>11,094.2</u>	<u>990.3</u>	<u>1,388.7</u>	<u>1,104.1</u>	<u>1,955.6</u>	<u>84.5</u>	<u>16,617.4</u>	<u>(1,748.9)</u>	<u>14,868.5</u>
RESULTS									
Segment result	386.4	100.8	67.4	72.0	3.1	9.6	639.3	(16.5)	622.8
Finance charges	(47.6)	-	(28.0)	(0.7)	-	-	(76.3)	30.2	(46.1)
Interest income	99.1	2.8	5.0	4.0	1.4	0.3	112.6	(38.7)	73.9
Loss on disposal of aircraft, spares and spare engines	(2.9)	(25.9)	(0.8)	-	(1.2)	(0.9)	(31.7)	-	(31.7)
Dividends from long-term investments	5.2	0.3	-	-	-	-	5.5	-	5.5
Dividends from asset held for sale	-	-	-	39.5	-	-	39.5	-	39.5
Other non-operating items	12.1	(0.8)	(127.5)	143.8	(131.9)	0.1	(104.2)	1.0	(103.2)
Share of (losses)/profits of joint venture companies	-	-	(10.7)	31.6	-	-	20.9	-	20.9
Share of (losses)/profits of associated companies	(127.5)	-	(0.4)	64.9	-	-	(63.0)	-	(63.0)
Taxation	(65.3)	(18.1)	7.4	(17.9)	1.3	(1.0)	(93.6)	16.9	(76.7)
Profit/(Loss) for the financial year	<u>259.5</u>	<u>59.1</u>	<u>(87.6)</u>	<u>337.2</u>	<u>(127.3)</u>	<u>8.1</u>	<u>449.0</u>	<u>(7.1)</u>	<u>441.9</u>
Attributable to:									
Owners of the Company									360.4
Non-controlling interests									<u>81.5</u>
									<u>441.9</u>

* Relates to inter-segment transactions eliminated on consolidation.

**ANALYSIS OF GROUP REVENUE BY AREA OF ORIGINAL SALE
- AIRLINE OPERATIONS (in \$ million)**

Revenue by Area of Original Sale	2017/18	2016/17
East Asia	7,179.3	6,930.8
Europe	1,685.3	1,667.8
South West Pacific	1,873.1	1,736.7
Americas	681.4	640.6
West Asia and Africa	840.5	854.7
Systemwide	12,259.6	11,830.6
Non-scheduled services and incidental revenue	1,925.6	1,642.6
Total	14,185.2	13,473.2

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 8.

15 A breakdown of sales.

Breakdown of Revenue and Results (in \$ million)

The Group	2017/18	2016/17	% Change
First Half			
Revenue reported for the first half-year	7,712.1	7,310.7	5.5
Profit after tax reported for the first half-year	443.5	377.3	17.5
Second Half			
Revenue reported for the second half-year	8,094.0	7,557.8	7.1
Profit after tax reported for the second half-year	493.3	64.6	n.m.

n.m. not meaningful

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

Annual Dividend (\$ million)	2017/18	2016/17
Ordinary Dividend		
- Interim	118.2	106.3
- Final [#]	354.8	130.1
Total	473.0	236.4

[#] 2017/18 Final ordinary dividend is estimated based on number of shares outstanding as at the end of the financial year.

17 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2017/18 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\$)
Certis CISCO Group		
- Quann Asia Pacific Pte Ltd	-	1,450,000
- Synergy FMI	-	4,064,122
PT Bank Danamon Indonesia TBK	-	1,091,472
SATS Ltd Group		
- Air India SATS Airport Services Private Limited	-	8,066,106
- Asia Airfreight Terminal Co Ltd	-	3,804,263
- DFASS SATS Pte Ltd	-	10,607,703
- MacroAsia Catering Services Inc.	-	4,016,316
- Maldives Inflight Catering Private Limited	-	1,843,773
- PT Jas Aero-Engineering Services	-	1,520,926
- PT Jasa Angkasa Semesta Tbk	-	18,779,935
- SATS Aero Laundry Pte. Ltd.	-	13,722,531
- SATS Aerolog Express Pte. Ltd.	-	551,798
- SATS HK Limited	-	6,004,538
- SATS Ltd.	-	739,143,920
- SATS Security Services Private Limited	-	25,366,378
- Taj Madras Flight Kitchen Private Limited	-	634,952
- Taj SATS Air Catering Limited	-	5,172,295
- TFK Corporation	-	8,145,082
Singapore Telecommunications Limited Group		
- Optus Networks Pty Limited	-	500,076
- Singapore Telecommunications Limited	-	2,782,206
StarHub Ltd Group		
- Accel Systems & Technologies Pte. Ltd.	-	1,222,553
- StarHub Ltd	-	818,536
Temasek Holdings (Private) Limited and Associates		
- Ascendas Hotel Investment Company Pty Ltd	-	3,337,028
- Fullerton Fund Management Company Ltd	1,878,000	-
- MediaCorp Pte Ltd	-	747,049
- SingEx Venues International Pte Ltd	-	138,080
- ST Asset Management Ltd	1,233,000	-
- Trusted Source Pte Ltd	-	119,000
Total Interested Person Transactions	3,111,000	863,650,638

18 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.

19 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, Singapore Airlines Limited ("the Company") confirms that, to the best of our knowledge to date, there is no person occupying a managerial position in the Company, or in any of its principal subsidiaries, who is a relative of a Director or the Chief Executive Officer or a Substantial Shareholder of the Company.

By Order of the Board

Brenton Wu
Company Secretary
17 May 2018

Singapore Company Registration No.: 197200078R



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INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 19 to 121.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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



Accuracy of passenger revenue

Refer to note 2(t) 'Revenue' and note 3(c) 'Passenger revenue recognition' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

Passenger revenue is not recorded immediately on sale of flight tickets but is deferred to be recorded at a later time as revenue in the profit and loss account when a passenger is flown. Such deferred revenue is presented on the statement of financial position as sales in advance of carriage and is measured based on the sales price to the customer, net of discounts and rebates.

Flight tickets sold often involve multiple flight sectors and partner airlines. The amount of revenue to be recognised for each flight as it is flown relies on complex internal IT systems that handle large volumes of transaction data and includes the exchange of information with industry systems and partner airlines.

As a result of the complexity in determining on flight date the revenue to be recognised for flown flights, this is a key focus area in our audit.

How the matter was addressed in our audit

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

Computer system controls were tested selectively; these included those relating to the completeness of transfers of data between systems, ticket validation to identify data errors and the assignment of ticket prices to each flight. Key manual controls were also tested to assess the appropriateness of the treatment applied to exceptions and reconciliations of the Group's records with the outputs from shared industry systems and partner airlines.

We also visited Singapore Airlines stations in Tokyo, Surabaya and Singapore as well as SilkAir stations in Surabaya and Singapore to test the effectiveness of key controls in the passenger revenue accounting process at those locations.

Findings

No significant exceptions were noted in our testing of the IT and manual controls. Our site visits found the key controls to be operating as designed.



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

Refer to note 2(t) 'Revenue' and note 3(d) 'Frequent flyer programme' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

Cash is received by Singapore Airlines from programme partners in return for the issuance of miles in its KrisFlyer frequent flyer programme. In addition, a portion of unearned revenue is separately identified from the value of the ticket sales for flights on which KrisFlyer members qualify to earn KrisFlyer miles ("miles").

Cash received from programme partners from the issuance of miles and the portion of unearned revenue attributable to miles earned on qualifying flights are recognised on the statement of financial position as deferred revenue.

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

Significant judgement is required in the following aspects:

- The number of miles that will expire without use – This takes into account of historical expiry patterns and the anticipated impact of KrisFlyer scheme revisions. During the year, the Group reviewed the actual expiry of miles against the expected breakage rate determined in FY2013/14, when the Pay With Miles option to the KrisFlyer frequent flyer programme was introduced. Following the review, an adjustment was made to the estimate for actual miles usage as compared to estimated miles usage upon the expiry of miles.

The true up of actual miles used upon expiry have resulted in a one-off recognition of \$178.2 million in revenue and is accounted for in the financial year ended 31 March 2018 (the "current year").

- The determination of the fair value of frequent flyer miles – Singapore Airlines relies on historical redemption patterns in determining these estimates.

Predicting the impact of KrisFlyer scheme revisions that are anticipated to change the number of miles that will expire over time is judgemental. The estimation of the fair value of miles awarded in the KrisFlyer frequent flyer programme is complex and requires judgement to be applied. These are key focus areas of our audit.

Findings

We found the estimate of the percentage of miles that will not be used continues to be cautious. We found the estimate for the fair value of miles awards to be balanced.

How the matter was addressed in our audit

We challenged the assumptions used to estimate the number of miles that will expire without use, including a comparison to historical expiry patterns and actual changes as well as planned changes to the KrisFlyer frequent flyer programme that may affect future redemptions.

We checked the accuracy of the historical analysis used by testing relevant computer system controls.

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



Accounting for aircraft related assets and carrying values

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

The key audit matter

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

Significant judgement is required in the following aspects:

- The determination of the useful lives and residual values of the various components of the aircraft – This takes into account physical and commercial considerations; and
- The assessment of CGUs for possible impairment – An assessment is required to determine if there are any indicators of impairment. Where it is determined that an indicator of impairment or goodwill exists, the carrying value of all assets in the CGU are compared to the amounts expected to be recoverable from each CGU. This requires estimates to be made for each CGU of future revenues, operating costs, capital expenditure, timing of cash flows and the discount rates applicable to these cash flows.

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

How the matter was addressed in our audit

We compared the estimates of useful lives and residual values to the Singapore Airlines' fleet plan, recent aircraft transactions, contractual rights and industry practices.

We considered the need for impairment provisions by assessing whether there were indicators of potential impairment in each CGU taking into consideration changes in profitability, cashflow generation and outlook as compared to the previous reporting period. In addition, we considered the changes in market capitalisation of the Group. Where a CGU required testing for impairment, we challenged the forecasts of its future revenues, operating costs, capital expenditure and discount rates based on our knowledge of the business and the aviation industry. We assessed the arithmetical accuracy of the discounted cash flow models by re-performing the mathematical calculations.

Findings

We found that the estimates of useful lives and residual values were balanced and residual values were adjusted appropriately to reflect Singapore Airlines' fleet plans.

The 'Low-Cost Airlines' CGU requires impairment testing as it includes goodwill. Cash flow forecasting was found to be in accordance with approved plans. Scoot operates in a competitive market place and is subject to volatility of key input costs such as fuel and as such is inherently complex to forecast. We found management forecasts had sufficient headroom to be considered balanced.



Return costs for leased aircraft

Refer to note 2(p) 'Provisions' and note 3(f) 'Provision for lease return costs' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

Singapore Airlines had 69 aircraft in the operating fleet held under operating leases at 31 March 2018. Under the terms of operating lease agreements with aircraft lessors, the Group is contractually committed to meet, at the end of each lease, conditions relating to the state of the aircraft upon return.

The expected repair work thus required on each aircraft will vary, depending on the historical utilisation and future utilisation patterns of the aircraft in the period up to its return. As a result, the estimation of the expected future cash outflows associated with these lease return costs requires significant judgement and is a key focus area for our audit.

How the matter was addressed in our audit

We read the lease agreements for a sample of aircraft to gain an understanding of the significant terms which influence the economics of, and hence accounting for, the Group's obligations.

We reviewed certain maintenance records of these aircraft to determine their condition, and discussed with management the plans for their future utilisation.

We tested the key internal control over the adequacy and reasonableness of the provisions for lease return costs.

We assessed the appropriateness of the methodologies and assumptions used in determining the estimates for these agreements, taking into account known factors, including the historical experience of how actual return costs compared to amounts previously provided.

Findings

The methodology used in the provision for aircraft return costs reflected the nature of the Group's contractual obligations. We found the estimates of the costs to be balanced.



Impact of adopting Singapore Financial Reporting Standards (International) (SFRS(I)) in FY2018/19

Refer to note 2(c) 'Adoption of Singapore Financial Reporting Standards (International)' for the relevant disclosures.

The key audit matter

Singapore Airlines must adopt SFRS(I) from 1 April 2018. The Group has disclosed the impact of adopting SFRS(I) in the FY2017/18 Financial Report.

SFRS(I) 1 requires all SFRS(I) to be applied on a retrospective basis except for a number of optional exemptions.

Out of these optional exemptions, property, plant and equipment can be fair valued on an asset-by-asset basis. These values become the 'deemed cost' for accounting under SFRS(I) post adoption.

The Group has determined the fair values of its aircraft on 1 April 2017 utilising an independent valuer for aircraft where there is a history of secondary market sales, Singapore Airlines' own experience for aircraft which the Group has sold in the period prior to the transition date and depreciated replacement cost methodology for A380s as there have been no secondary market aircraft sales globally for used A380s.

The fair value exercise has resulted in a one-off downward revision in the 'deemed cost' of these aircraft of \$2.1 billion. The corresponding decrease is recognised in the Group's general reserve net of tax being \$1.8 billion and a corresponding deferred tax liability of \$365.6 million.

SFRS(I) requires a restatement of the FY2017/18 statement of financial position and profit and loss account. As a result of the downward revision in the 'deemed cost' of these aircraft, a \$490.7 million decrease in depreciation will be recognised in the FY2017/18 restated profit or loss account upon adoption.

How the matter was addressed in our audit

Where external valuations were used, we evaluated the qualification and competence of the external valuer. We held discussions with the external valuer to understand the valuation methodology and assumptions used.

Where Singapore Airlines' had sold similar aircraft in the period prior to the transition date, we considered the appropriateness of applying this experience to other aircraft of the same type and approximate age and condition.

For A380 aircraft type, we reviewed the depreciated replacement cost methodology adopted by the Group, agreed inputs to internal data and compared where appropriate, key assumptions to industry experience.

We considered the adequacy of the associated disclosures in the FY2017/18 Financial Report.

Findings

The Group has appointed an external valuer to provide valuations for certain aircraft. The personnel undertaking the valuations are certified by professional bodies for aircraft valuers.

We found the Group's application of relevant comparable sales data for aircraft types sold by the Company in the period prior to the transition date to be appropriate to provide an estimate of fair values for the equivalent aircraft types given their age and condition.

We considered the depreciated replacement cost methodology to be an appropriate methodology given the lack of secondary market sales for A380 aged aircraft. Whilst the assumptions require significant judgement, we were able to satisfy ourselves with the data used to determine the valuation as they were traceable to current manufacturers' sales prices upon aircraft delivery, actual operating performance data and reasonable industry assumptions.

We found the disclosures made by the Group to be adequate.



Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report except for the *SIA Group Portfolio*, *Our Transformational Journey*, *Chairman's Letter*, *Year in Review*, *Environment*, *Community Engagement*, *Subsidiaries* and *Information on Shareholdings* ("the Reports") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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



Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



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

Report on legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Malcolm Ramsay.

A handwritten signature in blue ink that reads 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Dated this 17th day of May 2018
Singapore