



CHANGI
airport group

Many Partners Many Missions

ONE CHANGI

annual report 2010/11



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Opposite page:

Standing, left to right:

LOH Kway Loke, Trolley Agent, Manila Construction Pte Ltd **Jolyn KWAN Ling**, Operations Executive, Nuance-Watson (Singapore) Pte Ltd
Maxime d'ALEXANDRY, Changi Experience Agent, People Advantage **Mohamed Faisal Bin Mohamed Lias**, Higher Customs Officer, Singapore Customs
Ayu Martiningsih, Customer Service Officer, P-Serv Pte Ltd **LIM Shunzhi**, Terminal Manager, Changi Airport Group
Ravindran A/L Sukumaran, Auxiliary Police Officer, Certis CISCO Aviation Security Pte Ltd
Rashinah Binte Rashid, Passenger Relations Officer, Singapore Airlines Limited

Seated, left to right:

Hazel LI Xia Lei, Customer Service Agent, SATS Ltd **TAN Peck Lan**, Housekeeping Officer, Campaign Complete Solutions Pte Ltd
Muhammad Shah Bin Abdul Rashid, Airport Emergency Officer, Changi Airport Group **ZHAO Xueni**, Waitress, Select Service Partner (S) Pte Ltd
CHUA Yi Ying Isleen, Team Leader, Airport Command, Immigration and Checkpoints Authority **TAN Ching Kiat**, Equipment Operator, dnata Singapore Pte Ltd

MANY PARTNERS MANY MISSIONS ONE CHANGI

Changi Airport Group (CAG) continues to display vibrancy and dynamism while building upon its values of integrity and innovation as it enters the third year of its corporatisation. Embracing professional business practices, developing people-oriented policies and harnessing new technologies ensure that CAG continues to keep its competitive advantage. Service excellence has been a key ingredient of the Changi story as well and will continue to be CAG's focus.

Underpinning Changi's success are the strong bonds and ties that CAG has fostered with its many service partners. Much of the airport's services and facilities are provided through external agencies and suppliers which complement CAG's efforts in running an efficient airport. CAG collaborates with more than 200 companies and interacts with an airport community of about 28,000 people to ensure a seamless and memorable airport experience for all its passengers and visitors.

At Singapore Changi Airport, there are also multiple missions that CAG and its partners have to fulfill – these missions are synchronised within the airport's total operating environment. For example, as the airport serves arriving, departing and transferring passengers, it also has to ensure that a wide array of safety and security considerations are met, and that the integrity of border control functions is not compromised.

The common denominator that binds its many partners and the many missions within Changi Airport is the shared commitment and dedication to deliver One Changi, reflected in an experience that is personalised, stress-free and positively surprising.

CAG's annual report for FY10/11 is dedicated to the tens of thousands at Changi who work tirelessly, whether at the frontline or behind the scenes, and who take immense pride in providing the excellent customer service and strong capabilities that make possible the award-winning Changi Experience.

Their stories and experiences are shared in the following pages.





When Shunzhi started work at Changi Airport almost four years ago, he was part of the team overseeing the opening of Terminal 3. These days, he leads a team of six Duty Terminal Managers (DTMs).

One of Shunzhi's responsibilities is to ensure that all systems within the terminal building, human or mechanical, are working smoothly at all times of the day. He plays an important role to contribute to a personalised, stress-free and positively surprising Changi Experience for passengers. The key to providing this, he thinks, is the rapport and teamwork among all the staff working at Changi, allowing them to serve passengers as a single community.

"I'm constantly reminded by my seniors to always strive to deliver the best possible experience to our Changi passengers," he stresses with a smile.

The job of a Terminal Manager is understandably a challenging one. But the prospect of learning new things and meeting new people every day thrills Shunzhi. "Over the years, I have seen the positive growth in me in terms of knowledge gained and in the way I handle matters. More importantly, I feel I'm never left to tackle something alone because I'm aware I have the support of the whole airport community behind me." Shunzhi deeply appreciated this fact in April 2010 when flights were disrupted



as a result of Iceland's Eyjafjallajökull volcanic eruption, stranding thousands of Europe-bound passengers at Changi Airport.

Offering advice to new DTMs, the affable bachelor says, "Treat the airport as your own home, and extend your warmth as you would to your own friends. Earn respect from your peers and service partners, as the help they can provide may in time become your biggest asset!"

LIM Shunzhi
Terminal Manager
Changi Airport Group

28,000

dedicated team members at Changi,
playing a vital role at the world's most awarded airport



Given that the responsibility of the Immigration and Checkpoints Authority (ICA) is in identifying people and safeguarding Singapore's borders, some people may expect ICA officers to look stern and officious. But Inspector Isleen, who has been an ICA officer for close to three years, easily busts this stereotype with her friendliness. "Being front-line ambassadors of Singapore, Airport Command officers strive to protect the security of Singapore while providing good service from our hearts," she says.

"Airport Command plays an essential role in the clearance of passengers and their baggage.

For my team, the Changi Experience means providing travellers with an unparalleled service experience while they clear immigration at Changi Airport. This is critical because it influences visitors' first impressions of our country. Seeing their delightful smiles motivates and encourages me to continuously provide quality security service, so that they will have a seamless and safe journey," enthuses Inspector Isleen with a twinkle in her eye.

Currently overseeing a team at Terminal 3, the young lady conveys her pride of being part of the homeland security team. "I really enjoy



working at ICA. As an ICA officer, I am equipped with special skills and knowledge that not only help me in carrying out my duties effectively, but develops me holistically as a person too. The experience that I have gained through my work has enriched me further in the area of border security.”

Inspector CHUA Yi Ying, Isleen
Team Leader, Airport Command
Immigration & Checkpoints Authority

100,000

passengers a day receive prompt immigration clearance,
within minutes of arrival



An essential service that is easily taken for granted, the provision of the ubiquitous trolley is handled by Changi's more than 260 trolley agents. At 68, the strength that Mr Loh shows in directing the trolleys from within Terminal 3 to the building's kerbside, belies his age.

Mr Loh breaks into a smile as he explains his job responsibility. "It is very important that we maintain sufficient trolleys at the kerbside so that departing passengers have trolleys to use. Especially for departing visitors, this is the last time they get to experience what Singapore is about. My job is to make sure that the trolleys that end up in the departure hall get

re-distributed evenly and in a timely manner across the kerbside entrances."

Mr Loh is more than willing to share his experience with new trolley agents assigned to him by his supervisor. He teaches them about the optimal number of trolleys to handle at one go, and to always look out for passengers' safety while manoeuvring the trolleys.

Having worked at Changi Airport for two and a half years, the grandfather of three says he has seen all kinds of passengers, from the harried and haughty, to the friendly and chatty. He said he likes his job as it offers him



an opportunity to keep active and in touch with society. The friendly agent also relishes serving as the occasional airport ambassador when passengers ask him about the airport's facilities. "The most common question I have from passengers is whether the climbing plants on the Green Wall are real!" shares Mr Loh with a chuckle.

LOH Kway Loke
Trolley Agent
Manila Construction

10,000
free baggage trolleys readily available at Changi,
for passengers' convenience



Despite the extreme heat from the blazing sun overhead, all the containers are offloaded from the passenger aircraft and transported to the terminal building within 30 minutes flat. The crew next proceeds to load the aircraft with the containers for its next flight.

“There are three important elements to doing this job well,” says Ching Kiat, who drives the transporter, ferrying the containers from the aircraft to one end of the parking bay, where the containers are lined up and then sent in batches to the terminal building. He is on the afternoon shift today.

“Speed, safety and teamwork – to me, all are equally important. First, speed in offloading and

onloading is critical as the aircraft only has a certain turnaround duration, then it leaves on its next flight. Any delay to the departure time has a domino effect on many parties.

“Next, safety is key, especially for those who need to move around the aircraft. We are handling heavy machinery, and so alertness on the job is a must.”

“Last but not least, we need great teamwork, as there are many simultaneous actions taking place from the time an aircraft docks to the time it next departs. As a team, we ensure that the aircraft turnaround is done within time, with no margin for error,” explains Ching Kiat.



Contrary to the perception that shift work is tough, Ching Kiat values the freedom that comes with it. The former cook lets in that working in a restaurant can be very stressful as deadlines are naturally set once a food order comes in from a customer, and he almost never rests on public holidays. "Everyone here works as a family, I'm very happy with the camaraderie, and the rest days I get!" says the friendly young man.

TAN Ching Kiat
Equipment Operator
dnata Singapore
(formerly CIAS)

70,000
bags handled efficiently every day
at Changi, rain or shine



With a spring in her step and a smile bright as sunshine, Yuki, as she is known at work, ushers a Japanese family to their seats. She takes their orders in Japanese, and makes sure that they are comfortable, before attending to another customer. Having worked in Singapore for three years, with the last half a year at Changi Airport, Xueni is relishing her every moment in the service industry.

“Working in Saboten is just perfect for me. It brings back fond memories of the days I spent in Japan training in fashion design before coming to Singapore, plus I can put my Japanese to good use. I remember serving

a Japanese elderly customer who could only speak his native tongue. He was transiting in Singapore and wanted to explore more of the island. I couldn’t find any taxi driver who could speak Japanese, but found a middle-aged driver who was happy to converse with him through writing Chinese characters, which is the basis for the Japanese language. That customer left his contact number with me and asked me to get in touch with him should I return to Japan one day,” shares Xueni with a warm smile.

“I prefer working in the service line, as I get to interact with customers from all walks of life. I feel proud to be able to work at Changi Airport.



It is well-known among my peers that the service standards here are very high. As a result of the higher expectation, I do pay special attention at work, as our individual performance reflects the service levels at the airport. I am proud to be part of the Changi family and that I am able to contribute positively to it," she says.

ZHAO Xueni
Waitress
Select Service Partner

130

dining establishments at Changi, providing all forms of gastronomic delights to whet appetites



The fresh graduate of tourism studies has only been on the job for five months, but he absolutely loves it. That not a single day is the same and he gets to meet all kinds of people on a daily basis, make Changi Airport one of the most desirable work environments for him.

To Maxime, the duty of a Changi Experience Agent is to make passengers feel at home right from the time they first step into the airport. It also means going beyond the call of duty if needed. "The Changi Experience, to me, is the human touch in all that we do for our passengers, the connection between passengers and ourselves, the sincerity we show to them in our interaction," says Maxime.

One passenger who has left the deepest impression in him is a middle-aged paraplegic who was transiting in Singapore. Having missed his connecting flight, he was upset and at a loss. Maxime rebooked him on another outbound flight and helped him clean up after he had soiled himself, before seeing him off. By then, it was already hours past his shift duty for the day.

But Maxime was happy to be able to help that passenger, who has now become a friend. Citing a soft spot for the elderly, disabled and minors, it is his passion to provide a helping hand that gives him the motivation to want to do more.



Serve with your heart, as even the smallest service could go a long way for a passenger in need, is the advice he would give to new CEAs. "At Changi, I believe we have the best partners, all working towards the common goal to maintain Changi as the world's No. 1 airport. Together, if we put in our best, we will continue to exceed expectations," Maxime beams.

Maxime d'ALEXANDRY
Changi Experience Agent
People Advantage

43mil

passengers enjoy the Changi Experience every year

MISSION

To be the world's leading airport company, growing a vibrant air hub in Singapore and enhancing the communities we serve worldwide.

VISION

Exceptional People, Connecting Lives

At Changi Airport Group, we aspire to build a company where ordinary people achieve extraordinary results. Working together as a team, we bring great ideas to life and achieve exceptional results beyond our individual capabilities.

Customers are our inspiration. From the youngest child to the largest corporation, we understand that what we provide connects people in ways that will enhance their lives.

VALUES



CORPORATE PROFILE

Changi Airport Group (Singapore) Pte Ltd (CAG) was formed on 16 June 2009 and the corporatisation of Changi Airport followed on 1 July 2009. As the airport company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services.

Over the past three decades, CAG, previously part of the Civil Aviation Authority of Singapore, has successfully established Changi Airport as the world's most awarded airport. With more than 370 accolades under its belt, Changi has come a long way since its humble beginnings in 1981, when Terminal 1 first opened.

One of the world's busiest international airports today, Changi Airport is a major air hub in Asia. It handled about 43 million passenger movements in FY10/11, serving about 100 airlines flying to some 200 cities in about 60 countries and territories worldwide. With over 70,000 square metres of commercial space across its four terminals, Changi Airport is also one of Singapore's best places for shopping and dining. Increasingly, the airport has become a favourite haunt for Singapore residents, especially families.

To spread the success of Changi Airport far and wide, CAG invests in and manages foreign airports through its subsidiary Changi Airports International (CAI). CAI's objective is to build a quality portfolio of airport investments worldwide with strong markets and significant development potential. Its key business activities include investments in airports, as well as the provision of consultancy and airport management services. Today, CAI's presence covers major economies including China, India, the Middle East, South America and Europe.

At Changi Airport, there is immense pride in providing impeccable service and unrivalled capabilities to deliver the iconic Changi Experience. More than just a model of functionality, the Changi Experience is about connecting passengers and engaging them, in ways that enhance their lives. Every journey through Changi Airport is an opportunity to bring people together and to help them realise their aspirations.



30 YEARS AT CHANGI

Singapore Changi Airport turned 30 on 1 July 2011. It has had an eventful history since its opening. We chart its milestones over the last three decades.

A new aviation chapter

On 1 July 1981, Changi Airport etched its mark in the history of Singapore when it began operations as the country's principal airport and main international gateway. The much-anticipated brand new and modern airport was built to handle the increasing aviation traffic which Changi's predecessor, Paya Lebar Airport, was not expected to be able to cope with.

Annual passenger numbers then were growing significantly. Passenger movements rose from 300,000 in 1955 to 1.7 million in 1970 and subsequently to 4 million in 1975. The aviation growth, if left unaddressed, would have an adverse impact on Singapore's economic growth.

The government had two options, which were to expand the existing airport or to build a new one at a new location. Paya Lebar had its limitation – it was located in an area with potential for urban growth, which would limit its physical expansion. A bold decision was thus made in 1975 for a new airport to be built at the eastern tip of Singapore at Changi. As it was to be located at the coast, the new airport would be easily expandable through land reclamation. In addition, aircraft could fly over the sea, minimising the impact of noise and possible consequences on the ground in the event of an air mishap.

In June 1975, preparation work on the Changi site started with about 870 hectares of land being reclaimed, an area roughly the size of Sentosa island. Changi Airport was on its way to become one of the largest single development projects in Singapore's history.

Laying a strong foundation

Changi Airport's site, five times larger than the one at Paya Lebar, offered an opportunity to realise a bold vision for a modern airport, with room for expansion well into the future. The lessons learnt from operating and managing Paya Lebar Airport were taken to heart.

Detailed studies of traffic flow patterns at major airports around the world were carefully scrutinised and analysed. Facilities from runways to passenger and cargo terminals, baggage handling systems, office blocks, fuel supply and even car parks had to be carefully planned.

The foundation stone for Terminal 1 was laid in August 1979. And planning and preparations for Changi's opening began one full year in advance to ensure a smooth and seamless transfer of operations from Paya Lebar. On 1 July 1981 the first flight, Singapore Airlines 101, touched down at Changi Airport at 0700 hours with 140 passengers from Kuala Lumpur.

On opening day, the airport had 34 airlines operating 1,200 scheduled flights each week connecting Singapore to 67 cities in 43 countries. Together, Changi and Paya Lebar registered 8.1 million passengers, 193,000 tonnes of air freight and 63,100 aircraft movements in 1981.

Growing from strength to strength

Four years after the opening of Terminal 1, construction work began on the second terminal and it was opened for operation in November 1990. Terminal 2 was built ahead of passenger demand to avoid congestion common in other airports around the region. Asia's first auto-guided people mover system was introduced to link Terminals 1 and 2.

Construction of Terminal 3 began in 2000 and it became operational on 9 January 2008. With the experience gained from the earlier terminals, Terminal 3 raised the bar further with its sophisticated architecture and modern eco-friendly design. The terminal increased the airport's maximum passenger capacity annually by 22 million, bringing the total annual capacity of Changi Airport to more than 70 million passengers.



To enhance connectivity between the three terminals, the Changi Airport Skytrain, a larger people mover system was introduced in the airport.

As the popularity of air travel continued to grow, the trend of low-cost carriers started to emerge. Changi reviewed its master plan and a decision was made to cater to both the high-end as well as budget sectors of the air travel industry. Arising from this, Changi was one of the first few airports in Asia to open a dedicated terminal catering to the budget traveller when the Budget Terminal was officially opened on 31 October 2006.

In 2009, another significant milestone was reached with the corporatisation of Changi Airport and the formation of Changi Airport Group to undertake key functions including airport operations and management, air hub development, commercial activities and airport emergency services.

A modern icon

Looking back over three decades, it is hard to imagine that an area which was once marshy swamp land has been transformed into not only a major gateway to Asia but also one of the busiest international airports in the world.

In the space of 30 years, Changi Airport has seen its traffic increase fivefold. In FY10/11, it registered its highest number of passenger movements of about 43 million, serving more than 100 international airlines flying to some 200 cities in 60 countries.

As the aviation industry and the demands of passengers have changed over the years, so has Changi Airport. Beyond providing the basic functions of an airport, Changi has made strides in operational efficiency, customer service and delivering a memorable Changi Experience – the result of putting its passengers first and at the heart of everything it does.

Besides ensuring speedy and hassle-free check-in, immigration clearance and baggage retrieval, the Changi Experience provides travellers with a diverse range of

facilities, services and activities that are fun and engaging. These include free Singapore tours, the world's first butterfly garden in an airport, Singapore's tallest indoor slide and exciting shopping and dining options to suit every palate and wallet.

Changi continues to be associated by travellers for its efficiency, comfort and connectivity and remains the world's most awarded airport with more than 370 awards and accolades received since its opening in 1981.

Continual improvements

Changi Airport continues to renew itself, upgrading its terminals and adding new facilities to cater to emerging or anticipated trends. Terminal 1 went through its first major refurbishment in 1995. In May 2008, Changi embarked on a major upgrading project to rejuvenate the terminal and enhance passenger experience. This major upgrading of the 30-year-old terminal is scheduled to be completed in early 2012.

Terminal 2 went through capacity expansion projects from 1992 to 1995, and a major upgrading as well from 2004 to 2006, which introduced lush greenery and natural light into a modern contemporary terminal. The Budget Terminal also underwent an expansion programme, which was completed in mid-2009, to increase the terminal's handling capacity.

Forging ahead

While Changi Airport celebrates its achievements over the last 30 years, there remains much to be done. The aviation landscape is constantly changing and this presents both opportunities and threats. Changi will continue to build upon the strong brand which it has carefully nurtured and built up over the years to enhance its global presence. It will also continue to foster the strong relationships that it has built with the many partners from the airport community. Together with its partners, Changi aims to forge ahead to continue growing a world-leading vibrant air hub in Singapore.



CHAIRMAN & CEO MESSAGE



Chairman Mr LIEW Mun Leong (right)
with CEO Mr LEE Seow Hiang

SINGAPORE CHANGI

1 July 2011 marked the 30th anniversary of Singapore Changi Airport. Since it began operations in 1981, Changi has made major progress in becoming not only an important gateway to Asia but also one of the busiest international airports in the world.

The decision taken in 1975 to build Changi Airport has enabled Singapore to become the global air hub it is today. Changi has more than met the challenge of meeting booming demand for air travel in the last three decades, during which air traffic to and from Singapore has grown by more than five times. In the process, the country's aviation sector has developed robustly.

With the corporatisation of Changi Airport on 1 July 2009 and the formation of Changi Airport Group (CAG), the stage has been set for the Singapore air hub to enter the next phase of its development to scale new heights of success.

A promising start

In FY10/11, CAG marked its second anniversary and first full financial year. The company continued to progress as a commercial entity, building on the momentum of its corporatisation and establishing an organisation with strong governance and solid fundamentals. We continued to stay the course, striving towards our vision of building a vibrant and world-class air hub, creating value for our stakeholders and providing the excellent service that Changi Airport is reputed for internationally.

CAG had a good year in FY10/11. While we benefited from the strong recovery of the Singapore economy, we also made concerted efforts to grow the business. Consequently, we achieved a strong set of results and attained a number of significant milestones and achievements.

Higher passenger and cargo traffic


Passenger movements at Changi Airport continued to grow during FY10/11, hitting a record of 43 million, an increase of 11.3% over the previous year. This places Changi as one of only seven airports in the world to handle more than 40 million international passenger movements annually.

Traffic to and from Northeast and Southeast Asia increased by more than 15%, with growth driven by the rapid expansion of low-cost carriers (LCCs). Passenger traffic on LCCs grew 26.6% during the year, accounting for 23% of Changi Airport's passenger movements. Full service carriers also enjoyed growth of 7.4% at Changi.

In addition to improved passenger traffic, airfreight movements also rebounded strongly during the year following declines in the previous two years. Changi's air cargo volume expanded 7.4% on-year to hit 1.83 million tonnes in FY10/11. Significantly, in March 2011, Changi Airport experienced its busiest month in three years, with airfreight movements increasing 5.7% to 166,100 tonnes.

New value-added services and market initiatives have been introduced for the cargo sector at Changi. For example, the Singapore Freeport, a state-of-the-art storage facility with direct airside access to the airport terminal was launched in May 2010. It is one of the world's largest facilities located in a free trade zone dedicated to the storage of fine art and collectibles. SATS (formerly Singapore Airport Terminal Services Limited) opened Coolport@Changi, which positions Changi as an efficient and reliable hub for the perishables trade in Asia.

Another initiative is the new Air Cargo Express (ACE) Hub that CAG is developing with the Civil Aviation Authority of Singapore (CAAS), Ascendas REIT and FedEx Express. The ACE Hub, a unique first-of-its-kind air express facility in the region, will significantly enhance Changi's express cargo handling capabilities when it is completed in 2012.



CHANGI AIRPORT

CHAIRMAN & CEO MESSAGE

Stronger concession sales

On the non-aeronautical front, CAG has made significant progress in growing its retail mall business to better serve its passengers. We continue to adopt a holistic strategy which includes attracting quality concessionaires to operate at Changi, adjusting and improving the airport's retail mix and promoting sales through effective marketing.

In FY10/11, Changi Airport achieved for the first time over US\$1 billion in concession sales, with growth of about 15% for both airside and landside retail concessions. This result puts Changi among the top five airports in the world in terms of airport concession sales.

At Changi, we share a symbiotic relationship with our retail partners. Our novel shopping promotions generate buzz and excitement within Changi's terminals and help increase sales for our concessionaires. An example is the first-ever 'Be a Changi Millionaire' Draw. This was the biggest retail campaign ever in Changi and the grand prize of S\$1 million has been the largest cash prize in a retail draw in Singapore or given by an airport anywhere in the world.

We will continue to bring in new and exciting brands over the next year to provide passengers with a fresh and enhanced shopping experience. In addition, we will continue to improve the layout of stores and restaurants, upgrade facilities and provide wider choice and convenience for passengers.

Better customer service

Excellent customer service is synonymous with Changi Airport and we continue to seek innovative solutions and leverage technology to serve our customers better. In September 2010, Changi Airport was identified by SPRING Singapore (Singapore's enterprise development agency responsible for helping Singapore enterprises grow into global entities) as one of four service excellence icons in Singapore. Under SPRING's Customer-Centric Initiative, we have introduced a number of ground-breaking service enhancement projects to create a personalised, stress-free and positively surprising Changi Experience.

As an affirmation of its efforts, Changi Airport won a total of 24 Best Airport awards from 1 April 2010 to 31 March 2011. These included Best Airport in the World by Business Traveller (UK) for the 23rd consecutive year, Top Worldwide Airport by

Wanderlust for the ninth time and Best Airport in Asia Pacific by DestinAsian for the sixth year running.

Changi abroad

CAG continues to expand the Changi brand internationally through Changi Airports International (CAI), its subsidiary for overseas investments and consultancy projects.

CAI's investment portfolio includes a 26% stake in Bengal Aerotropolis Project Ltd, a joint venture to develop an airport city in Durgapur in India's West Bengal state, and an 8.36% stake in Gemina, the holding company of Aeroporti di Roma, which operates Rome's airport system. CAI also offers airport management and consultancy projects. It is into its third year of a six-year operation management contract with King Fahd International Airport in Dammam, Saudi Arabia.

For its outstanding performance in 2010 as well as its strategic efforts in investing and developing airports overseas, CAI was conferred the coveted '2011 Asia Pacific Airport Investment Company of the Year' award by global growth consulting firm Frost & Sullivan.

Mr Wong Woon Liong has retired as CEO of CAI but will continue to serve as a member of the Changi Airport Advisory Group. Mr Lim Liang Song has taken over the helm. He brings with him invaluable experience in the area of aviation investments, including the development and management of aviation assets.

Organisational development

Deepening our organisational capabilities was another core focus last year. A review of CAG's human resources practices was conducted to ensure alignment with private sector best practice. A total compensation framework was developed and implemented to retain experienced and dedicated personnel and at the same time attract high-valued talents. The principles of the framework ensure that remuneration and benefits are market-competitive and good performance is recognised and rewarded accordingly. A structured approach towards employee development has also been introduced to nurture and groom employees with potential.

CAG also recognises the importance of being a responsible corporate citizen. We are committed to protecting the environment and are taking steps to reduce our carbon

footprint. Changi Airport was certified ISO 14001 in March 2011 for having a holistic framework on environmental policy in its operations. Following the Green Mark certification for Terminal 3 in 2009 – a reflection of our efforts to incorporate best practices in environmental design and construction – Terminal 2 is targeted to receive its Green Mark status later in 2011. We will similarly apply for Terminal 1 to be Green Mark certified after the current upgrading project is completed.

Financial performance

For the year, CAG achieved a net profit after tax of S\$337 million, an improvement of 11.2% compared to an annualised net profit of S\$303 million in FY09/10. This strong performance was achieved on the back of higher revenue, underpinned by robust traffic growth.

Revenue for the year was S\$1,454 million, an increase of S\$173 million (or 13.5%) compared to the annualised FY09/10 revenue. The improvement in revenue was led by higher passenger traffic and double digit growth in concession sales.

Expenses totalled S\$1,057 million, an increase by \$108 million (or 11.4%) compared to the annualised operating expenses for FY09/10. The higher operating expenses were mainly attributed to higher business volume as Changi handled more passenger and aircraft movements during the year.

Operational efficiency, service excellence

We remain optimistic for the future of Changi Airport and the Singapore air hub, while recognising that there is a degree of volatility and uncertainty in our operating environment with potential challenges that lie ahead.

Against the backdrop of the strong growth in the Asia Pacific air travel market, we now expect the annual passenger traffic at Changi to grow past the 50 million mark by the year 2013. This growth will be driven by the rapid expansion of LCCs as well as expected higher visitor arrivals to Singapore with the opening of new tourist attractions and more vibrant entertainment options, as well as growth in travel for business purposes.

An increasing number of passengers will mean Changi Airport operating nearer full capacity, with greater stress placed on operations and manpower. To ensure that the hallmarks of Changi's success – operational efficiency and service

excellence – remain intact, we have been taking proactive steps to address the airport's handling capacity without compromising the level of service or spatial comfort for passengers.

We will continue to work with our airline and airport partners to provide a seamless and enjoyable airport experience for passengers and visitors. There will be no let-up in our drive to constantly innovate to improve our services and facilities.

Together, as partners

Looking back, the significant progress that CAG has made since its corporatisation is the result of the close-knit partnerships that we share with the government agencies, airlines, ground handling agencies and many other companies at the airport. We thank all of them for their significant contributions which have made Changi Airport what it is today.

We would like to express our appreciation as well to our fellow Board Directors, the employees and union of CAG. We also welcome Messrs Danny Teoh and Richard R Magnus who joined the Board as independent non-executive Directors in August 2010.

At Changi Airport, there are indeed many partners and many missions. However, by working together, we have been able to achieve One Changi – focused on being the world's leading airport, dedicated to serving the tens of millions who visit us each year.



LIEW Mun Leong
Chairman



LEE Seow Hiang
Chief Executive Officer

8 July 2011



BOARD OF DIRECTORS



LIEW Mun Leong

LEE Seow Hiang

Derrick WAN Yew Meng

Michael George William BARCLAY



Miguel KO Kai Kwun

Eric ANG Teik Lim

Dilhan Pillay SANDRASEGARA

Danny TEOH Leong Kay

Richard R MAGNUS

BOARD OF DIRECTORS

1. LIEW Mun Leong - Chairman

Mr Liew is President and CEO of CapitaLand Group. Concurrently, he is Chairman of CapitaMalls Asia Limited, Deputy Chairman of The Ascott Limited, CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited. He is also a Director of CapitaLand Hope Foundation - the Group's philanthropic arm, and of Singapore Exchange Limited. He chaired the Civil Aviation Authority of Singapore from September 2005 to June 2009.

With over 40 years of experience in construction and real estate both locally and overseas, Mr Liew has been instrumental in a number of Singapore's public sector projects, including the development of Changi Airport. For his exceptional contributions, Mr Liew has been accorded several accolades including 'Outstanding CEO of the Year' at Singapore Business Awards (2006), 'CEO of the Year' at Singapore Corporate Awards (2007), 'Asia's Best Executive of 2008 (Singapore)' by Asiamoney, as well as 'Best CEO in Asia (Property)' by Institutional Investor (2008). In 2011, he was named Best CEO in Singapore by FinanceAsia.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer.

2. LEE Seow Hiang - Chief Executive Officer

Mr Lee is CEO of Changi Airport Group. Prior to this, he was Deputy Director-General (Operations) of the Civil Aviation Authority of Singapore. He is concurrently Deputy Chairman of Changi Airports International Pte Ltd, a Director of SMRT Corporation Limited and Board Member of the Agency for Integrated Care Pte Ltd. He is also a member of the Advisory Board to the joint IATA-NTU Advanced Management Programme (AMP) and the joint Executive MBA degree in Aviation Management.

From 1989 to 2005, Mr Lee held various appointments in the Republic of Singapore Air Force (RSAF) and the Ministry of Defence, with his last appointment being Deputy Head of Air Operations in HQ RSAF. From 2005 to 2008, he was the Principal Private Secretary to Minister Mentor Lee Kuan Yew in the Prime Minister's Office.

Mr Lee was awarded the SAF (Overseas)/President's Scholarship in 1989 and the SAF Postgraduate Scholarship (General Development) in 2002. He holds a Bachelor in Business Administration (Honours) from the University of Cambridge, UK, and a Master in Business Administration from the Massachusetts Institute of Technology, USA.

3. Derrick WAN Yew Meng

Mr Wan is Director (Reserves and Investment) at the Ministry of Finance. Prior to joining the Ministry of Finance in November 2008, he was Director (Investments and Projects) at the Central Provident Fund and has held appointments in the Ministry of Manpower, Ministry of Law and Ministry of Defence.

Mr Wan is a Chartered Financial Analyst (CFA), a Chartered Alternative Investments Analyst (CAIA) charter holder and a Professional Risk Manager (PRM). He was awarded the Overseas Merit Scholarship to study at the University of York, England, where he graduated with First Class Honours (with Distinction) in Economics and Econometrics. He also holds a Masters in Financial Engineering from the National University of Singapore and a Masters in Business Administration from Columbia University, New York.

4. Michael George William BARCLAY

Mr Barclay is CEO of Sentosa Development Corporation. He also sits on the boards of the Singapore Tourism Board and Mapletree Commercial Trust Management Limited.

Prior to joining Sentosa in August 2008, Mr Barclay was the Regional Vice President Asia Pacific at the International Air Transport Association. From January 2004 to March 2007, he was Chief Executive of SilkAir. He also held various portfolios for Singapore Airlines in Singapore, Germany, Switzerland, Belgium and the UK from September 1991 to January 2004.

Mr Barclay holds a Master of Science in Transport Planning & Engineering from the University of Leeds and has completed the Advanced Management Programme at Harvard Business School.

5. Miguel KO Kai Kwun

Mr Ko is Chairman & President, Asia-Pacific for Starwood Hotels & Resorts Worldwide, Inc., the largest upper-upscale hotel company in the region. He oversees the operating and financial performance of about 200 hotels and resorts and over 75,000 associates in over 21 countries in Asia-Pacific. Prior to this, he was Deputy Chairman and CEO of CDL Hotels International.

Widely recognised for his knowledge and insight by the Asia Pacific tourism industry, Mr Ko was voted Regional Hotel Chief of the Year (2007 & 2008) by the readers of the Travel Weekly. He was named Visionary Leader of the Year and a recipient of the Global Awards at the World Travel Mart (2007) in London.

Mr Ko has a Bachelor in Business Administration in Economics from the University of Massachusetts and a Masters in Business Administration from Suffolk University. He is also a non-practising Certified Public Accountant (CPA) awarded by the State Board of Accountancy, New Hampshire, USA.

6. Eric ANG Teik Lim

Mr Ang is Managing Director and Head of Capital Markets at DBS Bank. With over 30 years of banking experience, he is responsible for the capital markets, private equity and merger and acquisition advisory businesses. He serves on the DBS Group Holdings Ltd (DBSH) Management Committee. Within DBSH, he serves on numerous boards including DBS Asia Capital Ltd, Hwang-DBS Investment Bank Berhad and The Islamic Bank of Asia Limited.

Mr Ang holds a Bachelor in Business Administration (Honours) degree from the University of Singapore.

7. Dilhan Pillay SANDRASEGARA

Mr Sandrasegara is the Head, Portfolio Management and Head, Singapore of Temasek International Pte. Ltd. Prior to assuming his current position, he was a corporate lawyer and the Managing Partner of WongPartnership LLP, a leading law firm in Singapore with offices in China, Abu Dhabi and Qatar.

Mr Sandrasegara serves on the boards of the Accounting and Corporate Regulatory Authority of Singapore, the Singapore Management University and Alexandra Health Pte Ltd. He is also a member of the Corporate Governance Council.

He graduated from the National University of Singapore with a Bachelor of Laws and obtained a Master of Law from the University of Cambridge.

8. Danny TEOH Leong Kay

Mr Teoh is a Board Member of Keppel Corporation Limited, DBS Bank Ltd, DBS Bank Holdings, JTC Corporation and the Singapore Olympic Foundation.

Mr Teoh was Managing Partner of KPMG in Singapore until his retirement on 30 September 2010. He had also served as a member of KPMG's Asia-Pacific Board and the KPMG International Council and Board during his time at KPMG.

Mr Teoh held various other positions at KPMG, including Head of Audit & Risk Advisory Services (Singapore), Head of Risk Advisory Services (Asia-Pacific) and Head of Financial Services (Singapore).

Mr Teoh qualified as a Chartered Accountant in the UK in 1981 and is a member of the Institute of Chartered Accountants of England and Wales.

9. Richard R MAGNUS

Mr Magnus is the Chairman of the Casino Regulatory Authority, the Political Films Consultative Committee, Temasek Cares CLG Ltd, Public Guardian Board and the Bioethics Advisory Committee. He is a Board Member of the Land Transport Authority and CapitaMall Trust Management Ltd. He is a Member of the Public Service Commission. He is also Singapore's Representative to the ASEAN Inter-Governmental Commission on Human Rights.

Mr Magnus retired as Chief District Judge after a distinguished public service career with the Singapore Legal Service. In the course of his service, he held headship appointments in several Legal Departments. He was also Director in several Government-linked companies.

In recognition of his sterling contributions to the nation, he was conferred the Public Administration Medal (Silver) in 1983, the Public Administration Medal (Gold) in 1994, the Public Administration Medal (Gold) (Bar) in 2003 and the Meritorious Service Medal in 2009.

Mr Magnus graduated from the National University of Singapore with a Master of Law. He is also an alumnus of the Harvard Business School and the John F Kennedy School of Government.

EXECUTIVE MANAGEMENT



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CHANGI AIRPORT GROUP

1. LEE Seow Hiang
Chief Executive Officer

2. TAN Lye Teck
Executive Vice President, Corporate

3. YAM Kum Weng
Executive Vice President, Air Hub Development

4. FOO Sek Min
Executive Vice President, Airport Management

5. LIM Peck Hoon
Executive Vice President, Commercial

6. NG Lai Leng
Chief Financial Officer

7. FONG Kok Wai
Executive Vice President, Engineering & Development



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CHANGI AIRPORTS INTERNATIONAL

1. LIM Liang Song
Chief Executive Officer

2. Eugene GAN
Deputy Chief Executive Officer

MANAGEMENT TEAM

CHANGI AIRPORT GROUP

GOH Yong Long

Senior Vice President, Corporate Development & International Relations

KOH Ming Sue

Senior Vice President, Engineering & Master Planning

LECK Siew Leng

Senior Vice President, Internal Audit

Audrey LEE

Senior Vice President, Economic Affairs

Steve LEE

Senior Vice President, Technology / Chief Information Officer

LIM Ching Kiat

Senior Vice President, Market Development / General Manager, Seletar Airport

LIM Wee Ping

Senior Vice President, Corporate Strategy & Business Development

Arlene OEI

Chief Legal Officer & Company Secretary

Cletus PACKIAM

Chief, Airport Emergency Service

Ivan TAN

Senior Vice President, Corporate & Marketing Communications

Justina TAN

Senior Vice President, Human Resource

Ivy WONG

Senior Vice President, Airside Concessions

YEO Kia Thye

Senior Vice President, Airport Operations

CHANGI AIRPORTS INTERNATIONAL

Jose PANTANGCO

Senior Vice President (Investments)

SEE Ngee Muoy

Executive Vice President / General Counsel

L SOMKIAT

Chief Airport Planner

TAN Yong Khim

Senior Vice President (Finance)

YEO Swee Har

Vice President (Human Resource)

FINANCIAL REVIEW

Financial Results (S\$' million)	FY10/11	9 Months FY09/10	Annualised ¹ FY09/10
Total revenue	1,454	961	1,281
Total expenditure	1,057	712	949
EBITDA	617	405	540
Profit before taxation	409	273	364
Profit after taxation	337	227	303
Return on equity	9.2%		8.8%
Operating Statistics ('000)			
Passenger Movements	42,983		38,610
Airfreight Movements (tonnes)	1,826		1,701
Aircraft Movements	271		246

¹ The Company was incorporated on 16 June 2009 and commenced operations on 1 July 2009. Annualised figures are shown for comparison purposes only. The operating statistics for FY09/10 are based on actual April 2009 to March 2010 results.

PERFORMANCE OVERVIEW

Changi Airport Group reported earnings before interest, taxes, depreciation and amortisation (EBITDA) of S\$617 million and profit after taxation of S\$337 million for the financial year ended 31 March 2011, representing an improvement of 14.3% and 11.2% respectively over the preceding financial year (on an annualised basis). The Group's return on equity (ROE) improved from 8.8% to 9.2%, due to higher net profit.

The strong economic rebound in Singapore and the region during FY10/11, along with successful retail campaigns, concerted efforts to market the Changi air hub and better procurement management contributed to the Group's improved financial performance.

The better performance was achieved on the back of robust traffic growth of 11.3% to 43 million passenger movements during the financial year. In particular, North East and South East Asia traffic increased by more than 15%. Visitor arrivals to Singapore were also boosted with the opening of two integrated resorts.

The expansion of low-cost carriers (LCCs) was a key driver of passenger growth at Changi. Passenger traffic on LCCs grew 26.6%, while full-service carriers (FSCs) registered a growth of 7.4% year-on-year. FSCs continued to contribute the bulk of passenger traffic, accounting for 77% of the total at Changi.

Aircraft movements at Changi Airport improved by 10.2% to 271,000 in FY10/11. FSCs contributed 61% of the increase and accounted for 73% of all aircraft movements at Changi during the year.

During the year, Changi Airport welcomed five new airlines and established links with 11 new cities.

Revenue

The Group's revenue in FY10/11 grew by S\$173 million (or 13.5%) to S\$1,454 million compared to the annualised FY09/10 revenue. Revenue from airport fees, security charges and airport concession fees collectively represented almost four fifths of the Group's total revenue.

Airport fees and security charges, representing 37% of total revenue, rose primarily due to higher passenger and aircraft movements.

Airport concession fees, representing 42% of total revenue, grew by 12.5% in line with the growth in passenger traffic. Increased passenger spending as a result of improved customer sentiment also contributed to higher concession fees. Stepped-up marketing and promotion efforts, such as the inaugural 'Be A Changi Millionaire' Draw, and the opening of new outlets in Terminal 1, which enhanced the airport's retail mix, were contributory factors to a better top line performance.

Revenue from rentals and services increased by 13.4% mainly due to improved occupancy rates.

Operating expenses

The Group's operating expenses in FY10/11 increased by S\$108 million (or 11.4%) to S\$1,057 million compared to the annualised FY09/10 operating expenses. The major expense components were government charges, maintenance of land, buildings and equipment and depreciation, which accounted for 72% of total operating expenses.

Government charges comprised payments for annual ground rent, licence fees, Civil Aviation Authority of Singapore (CAAS) services and property tax. Increases in CAAS services and

property tax were due to higher gazetted charges and the cessation of property tax rebate respectively.

Maintenance of land, buildings and equipment increased as the Group incurred higher electricity expenses with higher oil prices, and also undertook more repairs and refurbishment works in tandem with the higher passenger volume.

Depreciation expenses rose due to the phased capitalisation of the Terminal 1 upgrading works.

Employee compensation increased as post-corporatisation efforts continued to right-size the organization. This will support the Group's growth and ensure its global competitiveness.

The increase in the remaining expense categories was in tandem with higher business volume in FY10/11.

Financial position

The Group's shareholder's equity as at 31 March 2011 reached S\$3,842 million, an increase of S\$327 million over the previous year. The increase was primarily due to the net profit achieved for the financial year.

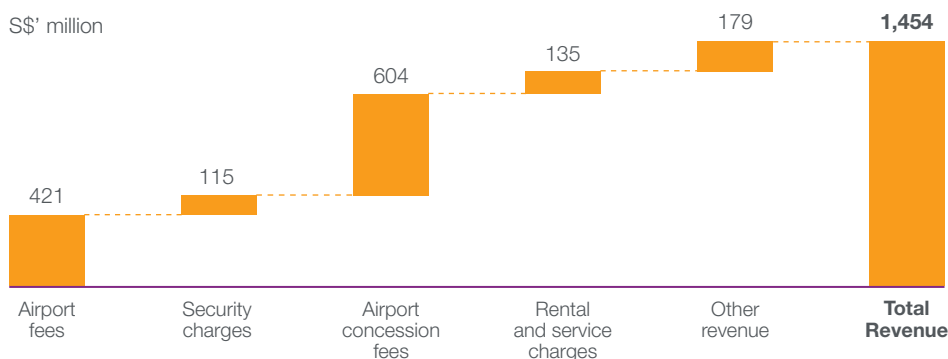
Property, plant and equipment accounted for 67% of net assets at S\$2,577 million. During the year, the Group incurred capital expenditure of S\$255 million primarily for the upgrading of Terminal 1 to rejuvenate the terminal and enhance concession space. The project is expected to be completed in early 2012.

As at the end of the financial year, the Group held S\$1,448 million in the form of cash and cash equivalents to meet short and long term operational needs as well as for future investments.

REVENUE

For the year ended 31 March 2011

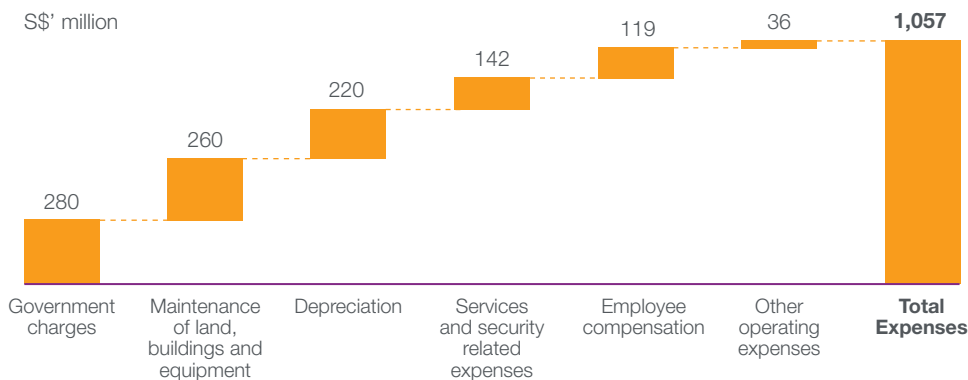
S\$' million



OPERATING EXPENSES

For the year ended 31 March 2011

S\$' million



CORPORATE GOVERNANCE

Changi Airport Group (CAG) is committed to meeting and maintaining the highest standards of corporate governance, professionalism and integrity to build a company which stakeholders can be proud of. CAG strongly believes that to thrive and operate a sustainable business over the long term, and to uphold and protect the Company's brand and hard-earned reputation, it has to be accountable to its immediate business and regulatory environment, as well as the global community.

CAG has adopted a Code of Conduct, which sets out its principles and policies and the standards of conduct that is expected of all employees in their day-to-day activities and in the decisions they make. A whistle blowing framework has been implemented to prevent, detect, and deter unethical or illegal conduct or behaviour, while protecting whistleblowers from reprisal within the limits of the law if they have acted in good faith.

THE BOARD OF DIRECTORS

1. At the helm of the decision-making process of CAG is the Board of Directors, which oversees the Company's long term strategy, providing management guidance for continuing and steady growth, while protecting the interests of stakeholders.

Composition and Balance

2. The Board, headed by non-executive Chairman, Mr Liew Mun Leong, comprises nine Directors, of whom only the CEO, Mr Lee Seow Hiang, is an executive Director. The Board is strongly independent with seven Directors, including the Chairman, considered to be independent, with reference to the definition of 'independence' in the Code of Corporate Governance. The Directors are individuals with a broad and diverse spectrum of expertise and experience, both domestically and internationally.

3. The Board Directors of CAG are:

Mr Liew Mun Leong	-	Chairman
Mr Lee Seow Hiang	-	CEO
Mr Derrick Wan Yew Meng		
Mr Michael George William Barclay		
Mr Miguel Ko Kai Kwun		
Mr Eric Ang Teik Lim		
Mr Dilhan Pillay Sandrasegara		
Mr Danny Teoh Leong Kay		
Mr Richard R Magnus		

The profiles of the Directors can be found on pages 24 and 25 in this annual report. Changi Airports International (CAI), a wholly owned subsidiary, has its own Board of Directors and three Board Committees – Investment Committee, Audit & Risk Committee and Staff Committee.

Roles of Chairman and CEO

4. The role of the Chairman and the CEO are separate and distinct. The Chairman leads the Board and facilitates effective and comprehensive Board discussions and decision-making on strategic issues, while the CEO has full executive responsibility for the management of the Company's businesses and the implementation of the Group's strategies and policies.
5. Four committees have been formed to assist the Board in the detailed consideration of various matters. They are the Executive Committee (EXCO), Executive Resource and Compensation Committee (ERCC), Audit Committee (AC) and Tenders Committee (TC). Each committee is governed by its own terms of reference, which set out the scope of the committee's duties and responsibilities. Ad-hoc committees are also formed to review specific issues from time to time.

6. The Board meets at least four times a year to review CAG's business performance and financial results, and to approve the annual budget.
7. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and obligations as Directors. Management conducts an orientation programme for new Directors, and updates Directors on new laws and regulations as well as developments and risks facing the business and industry, when necessary. Site visits are also arranged for new Directors to familiarise them with the Group's operations.

Access to Information

8. Prior to each Board Meeting, and when needed, the Board is provided with pertinent information, which includes updates on the Company's operating and financial key performance indicators, legislative, industry and other significant developments relating to the Group, which enables the Board to make informed and sound decisions. The Board has full access to the Senior Management team and the Company Secretary. Should the Directors require independent professional advice on matters relating to the businesses or issues affecting their duties, the Company will arrange for the appointment of relevant professional advisers, at the Company's expense.

CAPITAL & INVESTMENTS

1. The members of the EXCO are:
Mr Liew Mun Leong - Chairman
Mr Eric Ang Teik Lim
Mr Lee Seow Hiang
2. The EXCO reviews and recommends to the Board the capital structure, and the financing and investment strategies of the Company. The EXCO also approves significant investments by CAI and oversees the development of Changi Airport.

EXECUTIVE RESOURCE AND COMPENSATION

1. The ERCC comprises three independent and non-executive Directors:
Mr Liew Mun Leong - Chairman
Mr Eric Ang Teik Lim
Mr Miguel Ko Kai Kwun
2. The ERCC supports and advises the Board on remuneration matters, and leadership succession and development. The roles of the ERCC include:
 - a. reviewing and approving the policy for determining executive remuneration, including the remuneration packages, service contract terms, and benefits programme for key management executives;
 - b. approving the appointment of key management executives, overseeing the development of key executives and reviewing succession plans for key positions to ensure a strong pipeline of talent to enable the continued success of the Company; and
 - c. recommending the remuneration framework including Directors' fees for non-executive Directors.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Accountability

1. Management provides all members of the Board with reports on operating and financial information and key performance indicators on a quarterly basis, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Audit Matters

2. The AC comprises the following three non-executive Directors:
Mr Danny Teoh Leong Kay - Chairman
Mr Derrick Wan Yew Meng
Mr Eric Ang Teik Lim
3. The role of the AC includes reviewing the financial information CAG provides to its shareholders and competent authorities, and the effectiveness of key internal controls including financial, operational, compliance and risk management, as well as the financial reporting processes that the Board and the Management of CAG have established. The AC also reviews the mechanisms put in place by CAG for employees to raise concerns in confidence, about possible improprieties in financial reporting or other matters; the procedures for independent investigation of the matters reported and for appropriate follow-up action.
4. Another role of the AC is to review and approve the internal auditor's plan to ensure the adequacy of CAG's key internal controls, scope of coverage, and the adequacy of the internal audit function in terms of its resources, competency and standing within the organisation. For the external auditor, the AC reviews and approves its plans for adequacy of coverage, and also its independence and objectivity before making recommendations to the Board on the external auditor's appointment or reappointment.
5. The AC also meets with the external and internal auditors without the presence of Management, where the auditors may raise issues encountered in the course of their work directly to the AC.

INTERNAL CONTROLS

1. The Board delegates its oversight responsibilities for internal controls and risk management to the AC, which ensures effectiveness and adequacy of the system of internal controls in the Company. CAG's internal and external auditors review the key internal controls of the Company; any material non-compliance or failures in internal controls, and recommendations for improvement are reported to the AC which reviews the effectiveness of the action taken by Management on the recommendations made.
2. The AC also reviews the effectiveness of the enterprise risk management framework and the risk management processes put in place to manage risks while achieving business objectives.
3. A separate committee, the TC, evaluates and approves tenders for goods and services exceeding S\$50 million. It is chaired by a non-executive Director and comprises the following three Directors:
Mr Michael George William Barclay - Chairman
Mr Derrick Wan Yew Meng
Mr Lee Seow Hiang

INTERNAL AUDIT

1. The internal audit function of the CAG is performed by the Internal Audit Division, comprising suitably qualified and experienced staff, and is headed by the Senior Vice President, Internal Audit (SVP, IA). She reports functionally to the Chairman of the AC, and administratively to the CEO. The Internal Audit Division adopts a risk-based approach in its audit work. The annual audit plan is developed in consultation with, but independent of Management, and is approved by the AC. Internal Audit summary reports are prepared and submitted to the AC, which include the status of audits carried out and significant audit issues/lapses in internal controls noted.
2. The internal audit practices of the Division are established with reference to the standards set by the Institute of Internal Auditors. Ongoing efforts are made to align the Division's practices with the guidance set forth in the standards.

RISK MANAGEMENT

1. CAG is committed to enterprise risk management (ERM). A Risk Committee, chaired by the CEO and comprising senior management members, reviews CAG's key risks which are reported on a quarterly basis. The Risk Committee, supported by the Enterprise Risk Management division has put in place a risk management framework to ensure robust risk governance; a standardised methodology to assess risks; and oversight of risks via control and monitoring systems. Environmental scans are performed regularly to update key local and worldwide events which could impact the Company.
2. The objectives of CAG's risk management framework are to ensure:
 - a. Board's and Management's oversight of CAG's strategic, operational, financial and regulatory risks;
 - b. Risk-considered decision-making in all facets of the Company's business;
 - c. Compliance with regulatory obligations; and
 - d. Protection of CAG's integrity, value, reputation and assets.
3. The risk management framework subscribes to international best practices in the form of ISO 31000:2009, an internationally recognised risk management standard. Efforts have been made to adhere to these standards as closely as possible and CAG's risk assessment processes were found to be compliant with this international benchmark.