

Journey of Transformation

Changi Airport has come a long way since its humble beginnings in 1981. The airport's development as a successful air hub was slow but steady in the early years. It crossed the 10-million passenger mark in 1986 and won its first Best Airport award in 1988.

Along the way, new terminals have been added with capacity greatly expanded to 66 million passengers per annum currently. At the same time, the Changi Experience has been significantly enhanced to cater to the changing needs of both passengers and visitors.

Today, Changi Airport is the world's most awarded airport and the world's sixth busiest for international traffic. Serving more than 56 million passengers a year, Changi takes pride in its strong connectivity with over 100 airlines linking Singapore to some 330 cities across the globe.

Changi Airport's journey of transformation continues. It now stands at the dawn of an exciting new era with several major infrastructure developments – Terminal 4, Jewel Changi Airport and Changi East – primed to take it to new heights.

But our focus is not just on the concrete and steel; our passengers are our *raison d'être*. We continue to challenge ourselves to do things better, to push the boundaries of what an airport can be. This is the promise we make to our stakeholders as we embrace the opportunities of the future.





CREATING MEMORABLE TRAVELS

It is more than just travelling through Changi Airport. We want passengers to experience us in a way that gets them thrilled at the thought of coming back for more. Whether it is the personalised service, clockwork efficiency or thoughtful amenities, our goal is for Changi to be a place where memories linger long after one's travels; a place that goes beyond meeting needs to deliver positively surprising moments.







BRINGING THE WORLD CLOSER

Changi Airport is one of the world's major air hubs, serving more than 56 million passengers and handling over 1.8 million tonnes of airfreight every year. With links to over 80 countries and territories, Changi connects millions of lives, bringing the world closer with an extensive network of 330 city links. Riding on our close-knit partnership with airlines, we continue to tap on new growth opportunities to expand Changi's connectivity and secure its position as the premier gateway to Asia.





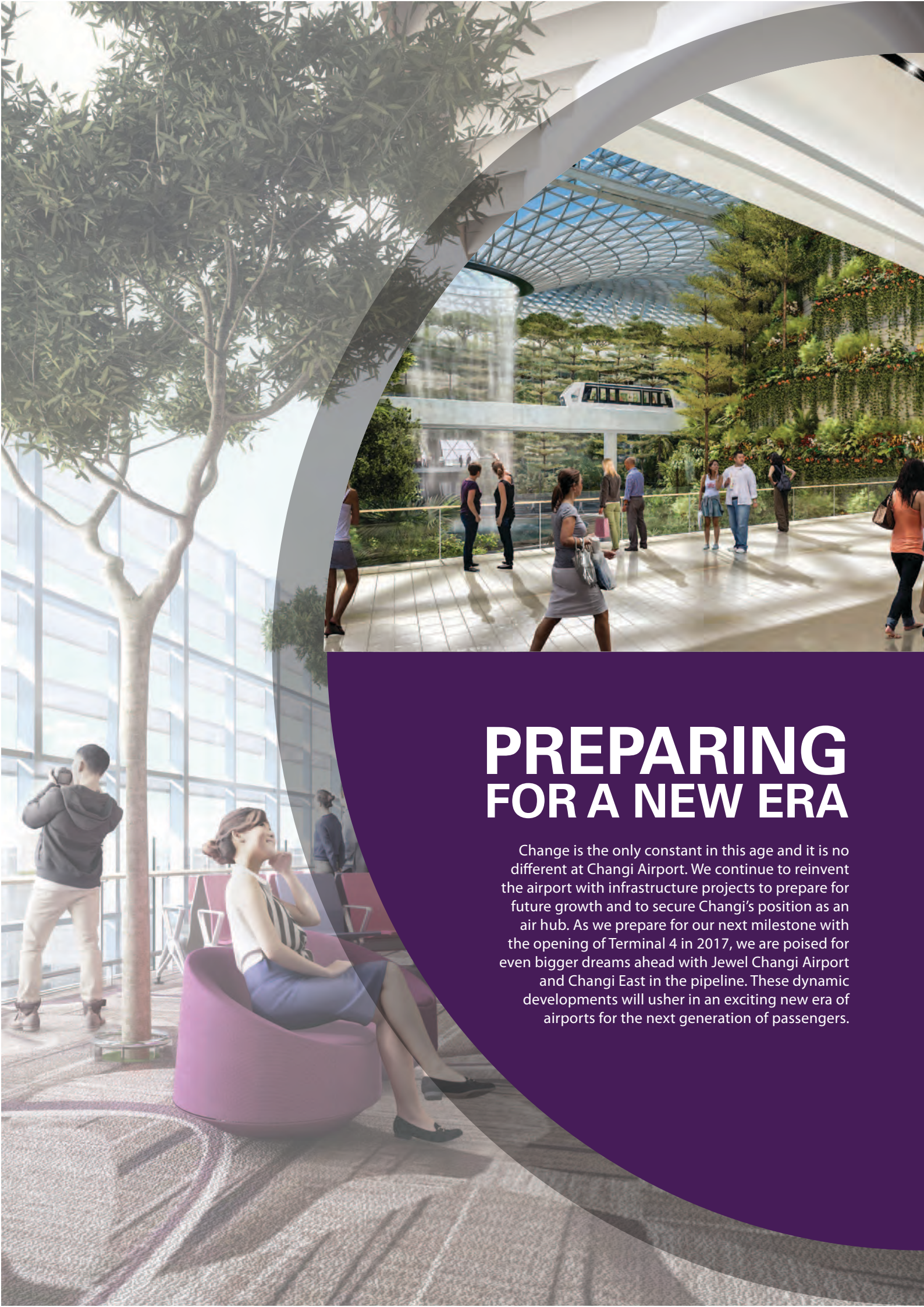


A man in a black shirt is smiling and applying makeup to a woman's face. The woman is also smiling and looking towards the camera. They are in a retail environment with shelves of products in the background.

DELIGHTING SHOPPERS

At Changi Airport, we spoil our passengers when it comes to shopping and dining indulgences. With over 76,000 square metres of concession space, Changi offers a comprehensive mix of local and world renowned brands to captivate passengers. With innovation and service as the driving force behind our commercial strategies, we have transformed retail at Changi with first-in-the-world concepts such as duplex stores and the Changi Millionaire promotion.

A photograph of a TWG Tea store interior. The store has a high ceiling with a large green and white abstract mural. The floor is made of light-colored tiles. Shelves are filled with various tea products, and a person is visible in the background.The TWG Tea logo, featuring the text "THE FIRST TEAS OF THE WORLD" and "1837 TWG TEA" inside a circular emblem.



PREPARING FOR A NEW ERA

Change is the only constant in this age and it is no different at Changi Airport. We continue to reinvent the airport with infrastructure projects to prepare for future growth and to secure Changi's position as an air hub. As we prepare for our next milestone with the opening of Terminal 4 in 2017, we are poised for even bigger dreams ahead with Jewel Changi Airport and Changi East in the pipeline. These dynamic developments will usher in an exciting new era of airports for the next generation of passengers.



INVESTING IN OUR PEOPLE

Behind every strong brand stands its people. The Changi Airport Group team, now 1,800 strong, continues to lead in the development and growth of Changi Airport. We invest heavily in building a strong culture that embodies the spirit of service, innovation and excellence, traits which have contributed to Changi's success over the years. We strive to nurture every employee and provide opportunities for personal growth while maintaining a collaborative and inclusive workplace culture.







GIVING BACK

An advocate for social and environmental responsibility, Changi Airport Group is committed to giving back to the community and operating to achieve a sustainable environment. Through our community programmes that focus on disadvantaged youths, we reach out to help nurture the next generation of Singaporeans by sharing meaningful skills and values that will set them on the right path and inspire them towards greater dreams in their journey to adulthood.



MISSION, VISION, VALUES

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

We aspire to build a company where ordinary people achieve exceptional 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 (CAAS) – has successfully established Changi Airport as the world's most awarded airport. With more than 500 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 more than 56 million passenger movements in Financial Year (FY) 2015/16, serving about 100 airlines flying to more than 330 cities in about 80 countries and territories worldwide. With over 76,000 square metres of commercial space across its three 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.

CHAIRMAN & CEO MESSAGE



Liew Mun Leong
Chairman

Lee Seow Hiang
Chief Executive Officer

Financial year 2015/16 was a year of resilience and growth for CAG. Amidst challenging business conditions, we started off the year with a weaker first half, but saw a positive turnaround in the second half of the year as industry conditions improved.

We continued our journey of transformation as we prepared Changi Airport for the challenges and opportunities ahead. The development of Terminal 4 (T4), Jewel Changi Airport (Jewel) and Changi East all made good progress.

Operationally, Changi Airport continued to reach new heights. Passenger traffic for the year rose 5.1% to 56.7 million, an all-time high. On the retail front, Changi enjoyed another year of strong sales which rose 9.9% to more than S\$2.2 billion. This was despite a more sombre retail environment in Singapore and in the travel sector.

Beyond the numbers, we did not lose sight of the importance of serving our customers well. Efforts to enhance the Changi Experience and to deepen our engagement with the airport community and passengers contributed to the recognition of Changi Airport as one of the world's best.

Changi received an unprecedented score of 4.974 (out of 5) in the Airport Service Quality survey organised by Airports Council International and was named Best Airport by 29 organisations and publications around the world during the year.

A strong air hub

The Changi air hub plays an essential role in the growth of the Singapore economy. CAG spends significant effort and resources to engage airline partners to develop new routes from Singapore. During

the year, we saw the launch of eight new scheduled passenger and freighter airlines and eight new city links, expanding Changi's global network which now sees more than 100 airlines connecting Singapore to some 330 cities around the world.

Passenger traffic growth for the year was broad-based with traffic between Singapore and the Northeast Asia and Southeast Asia regions registering the strongest growth. In particular, China and Thailand recorded double-digit traffic growth.

In the area of airfreight, Changi Airport handled 1.87 million tonnes of cargo, an increase of 1.1% over the previous year. The star performer was pharmaceuticals, which grew close to 50% during the year. As the first airport in Asia to lead a community to seek certification on cold-chain pharmaceutical handling, Changi is well-placed to capture the opportunities offered in this segment.

Award-winning experience

In our terminals, CAG continued to drive efficiency gains in the deployment of our resources. The Common User Passenger Processing System (CUPPS) was introduced airport-wide, enabling us to optimise check-in counter capacity as airlines are now able to use any counter for check-in.

We accelerated the roll-out of Fast and Seamless Travel (FAST) by bringing on board major carriers including Singapore Airlines, SilkAir, AirAsia, Cathay Pacific and Qantas. The FAST initiative offers passengers convenient self-service options for check-in, bag-drop, border clearance and boarding. Besides yielding a significant improvement in check-in throughput, passenger

experience has been kept high, with over 90% of FAST passengers indicating that they were satisfied or very satisfied with the FAST check-in process.

A major highlight of the Changi Experience during the year was the Star Wars festival during the 2015 year-end holidays. In conjunction with the *Star Wars: The Force Awakens* movie, the campaign was one of the boldest in Changi's history. It involved two life-sized replicas of Starfighters and a cast of movie characters which delighted our passengers and added to the excitement of travelling through Changi. To help spur spend, the campaign included the sale of eight exclusive Star Wars plush toys which was widely popular, with over 332,000 redemptions.

World-class retail

Growth in retail sales at Changi Airport outpaced traffic growth. We have been able to achieve this due to a combination of factors, including the introduction of innovative concepts such as duplex stores, revitalisation of the retail mix and exciting retail campaigns.

We continue to attract new brands and to work with retail partners to exclusively launch new products to meet our shoppers' ever-changing needs and fancies. During the year, we saw the arrival of over 10 new-to-Changi brands, such as Zara's first airport duplex store and the Samsung Experience Store. The opening of The Fashion Gallery at Terminal 1 (T1) also brought famous labels such as Kenzo and Etro to our shoppers.

To keep our retail experience positively surprising, we enhanced the Shopping Concierge initiative with new Concierge desks at T1

and Terminal 3 (T3) to better help shoppers identify the best deals available. At the same time, with the strong online offering of more than 6,000 products at iShopChangi, the portal's sales and transaction volume more than doubled during the year.

Changi Airports International

CAG's international arm, Changi Airports International (CAI), has been spreading Changi's presence globally and its growing footprint today includes Brazil, India, Russia and Saudi Arabia.

The performance of Brazil's Tom Jobim International Airport in Rio de Janeiro, in which we hold a 20.4% stake, has improved markedly. New features were added ahead of the 2016 Summer Olympics, including new check-in counters, holding areas and other facilities. Although the economic and political environment in Brazil continues to pose challenges, we remain positive on the long-term potential of our investment.

Our joint venture investment in Russia, covering four airports in the Krasnodar region, saw strong growth in passenger traffic totalling almost nine million in FY2015/16. This was an increase of 13% since the start of the venture in 2012. Service improvement remained a key priority, with a project launched to enhance service and develop training areas to align the passenger experience to international levels.

CAI also continues to be active in consultancy work. In Saudi Arabia, it has partnered the country's civil aviation regulator to manage and operate Dammam's King Fahd International Airport (KFIA) since 2008. The team helped to streamline operations and launch service improvements, cutting passenger

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processing time by nearly half. The work at KFIA has resulted in a doubling of passenger movements to around 10 million since the beginning of the partnership.

People and community

Within the company, the ingredient that makes CAG special can be found in its people. We were gratified to be named the Most Attractive Employer in Singapore by Randstad in 2016. This affirmed our efforts to build a staff community that is both productive and engaged.

To foster greater interaction and provide a more conducive working environment, the Workplace Transformation project was launched in late-2014. Phase 1 has been completed and feedback from employees on the new workspaces has been overwhelmingly positive.

Another key initiative during the year was the introduction of the In.Touch mobile app that has transformed internal communication among CAG employees. With three in four staff having downloaded the app since its August 2015 launch, it has quickly become a common platform to share both official and lighter news, all in real-time.

Our focus on 'heartware' extends to the community. CAG's philanthropic initiative, Changi Foundation, has been supporting disadvantaged youths since it was started in 2012. Under the umbrella theme "Connecting with youths today, empowering them for a better

tomorrow", the Foundation has helped over 3,000 youths through various programmes and activities.

As part of our SG50 programme, CAG pledged S\$5 for every S\$1 collected from the over 30 Changi Foundation donation boxes in 2015. A total of about S\$1.8 million have been contributed to the Foundation as a result of this effort.

Strong financial performance

CAG delivered another set of strong financial results for FY2015/16. Operating revenue was stable at S\$2.2 billion despite a number of cost relief incentives provided to airline and cargo partners to support them in a tough market environment. There was also a reduction in the passenger service charge for transfer and transit passengers.

The topline was supported by healthy growth of 7.2% in revenue from airport concessions and rental income. This was made possible by higher passenger traffic as well as a successful retail strategy that continued to meet the needs of discerning global passengers.

Operating expense increased by 2.3% year-on-year to S\$1.3 billion. This came on the back of higher expenses for development projects (T4, T1 Expansion and Changi East) resulting from increased headcount and service disruption prevention. Manpower-intensive contracts like cleaning and security also witnessed

annual contractual increases. The increase in operating expenses was mitigated by lower charges for CAAS services, tighter control of project costs and a cut in electricity charges with the drop in oil prices.

Earnings Before Interest, Taxes, Depreciation and Amortisation and Net Profit After Tax were S\$1.2 billion and S\$784 million respectively, comparable with the previous year. Shareholder's equity rose by S\$463 million to S\$6.6 billion. A sinking fund reserve of S\$85 million apportioned out of CAG's retained earnings has been set aside for the Changi East development project.

Transformation for the future

CAG continues to build on the momentum of its development projects as we transform Changi Airport for the future. These developments are timely to ensure that we secure Changi's position as a premier air hub for the long term.

T4 will open for operations in the second half of 2017, increasing Changi Airport's handling capacity by 16 million passengers, to 82 million passengers a year. Construction of the new terminal, with a size of 225,000 square metres, is almost complete. The terminal's superstructure is completed, and work on the interior is in advanced stages. The contractors have been busy installing and testing the main operational components like the self check-in kiosks and baggage systems. T4 will also add another 21 contact gates at Changi Airport, bringing the total to 113 gates. There will be a comprehensive publicity and information campaign ahead of the terminal's opening.

On Jewel, construction is progressing as planned. Piling

has been completed and excavation work for the five basement levels well underway. For the levels above ground, the structural work has started, even as the interior design development for the key pieces like the façade, Rain Vortex, and Forest Valley move into the next phase. We look forward to Jewel's grand opening in early 2019.

Beyond the horizon, Changi East remains our most ambitious infrastructure project and represents the long-term future of Changi Airport. It is the most extensive construction project in Singapore, covering an area of 1,080 hectares, which is three times the size of the Marina Bay CBD. The project consists of several major programmes, including Terminal 5 (T5), a three-runway system, underground systems, a new cargo zone, and a host of infrastructure links. During the year, we partnered the Ministry of Transport for land preparation works which are going well. The next step for Changi East is to convert and lengthen the existing third runway used by the military, to one for joint civilian-military use.

The way ahead

Changi Airport's positive performance on different fronts this year has laid a strong foundation for our future. Although the macro-economic outlook is cloudy, passenger traffic is expected to continue growing, although more modestly. We are discussing with airlines on new services to Southeast Asia, China, and India, as well as opportunities for enhancing our long-haul connectivity to Europe and Africa. We will buffet the challenges with new innovations and technology, building for the future with T4,

Jewel and Changi East, as well as investment in our people.

The global geo-political environment has changed significantly in the past year. As an airport operator, we take the twin responsibilities of ensuring safety and security seriously. We continue to work with the authorities and relevant agencies to review threats, assess how best to address them and ensure we are ready for all eventualities. We will spare no expense to tighten our cooperation with all parties to keep travel safe for our passengers, while continuing to build strong bonds among the airport community to ensure resilience in a time of crisis.

This was another good year for Changi Airport. For this, we express our appreciation to the management and staff of CAG, the larger Changi community, our many airline and airport partners, Ministry of Transport, Civil Aviation Authority of Singapore and our fellow Board Directors. It is with this spirit of One Changi that we will strive onwards to do even better, to set our course and take flight on our journey of transformation.



Liew Mun Leong
Chairman



Lee Seow Hiang
Chief Executive Officer

BOARD OF DIRECTORS



1. LIEW Mun Leong Chairman

Mr Liew is the Chairman of CAG. He was appointed to the Board on 16 June 2009.

Mr Liew was the founding President and CEO of CapitaLand Group. He is currently the Chairman of Surbana Jurong Private Limited. He also sits on the boards of Singapore Exchange, National University of Singapore (NUS) Business School, Human Capital Leadership Institute, Chinese Development Assistance Council and the Singapore China Foundation Ltd. He has been appointed by Temasek as Senior International Advisor to advise on global real estate investments. He also chairs Temasek Foundation Nurtures CLG Ltd.

In 2013, Mr Liew was appointed as Provost's Chair Professor (Practice) on pro bono service at both the NUS Business School and Faculty of Engineering.

He was elected the President of International Organisation for Standardisation (ISO) for the term 1997 to 1998. He was the Chairman of the Board of Governors of Temasek Polytechnic from 1999 to 2006.

With over 45 years of experience in construction and real estate industries 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 was awarded the Meritorious Service Medal by the President of Singapore in 2011. In 2016, Mr Liew was conferred France's National Order of the Legion of Honour (Ordre national de la Légion d'honneur), with the rank of Knight.

Mr Liew graduated from the University of Singapore with a degree in Civil Engineering and is a registered professional civil engineer. He has also published four books titled *Building People: Sunday Emails*

from a CEO, Volumes 1-3 and Building People Volume 4: Sunday Emails from a Chairman.

2. LEE Seow Hiang Chief Executive Officer

Mr Lee is the CEO of CAG. He was appointed to the Board as Executive Director on 16 June 2009.

Mr Lee is concurrently Deputy Chairman of Changi Airports International Pte Ltd, and a Non-Executive Independent Director of SMRT Corporation Limited. He is also a Board Member of the Agency for Integrated Care Pte Ltd; a member of the Advisory Board to the joint IATA-NTU Advanced Management Program (AMP) and its Executive MBA degree in Aviation Management; a Board Member on the Airports Council International (ACI) World Governing Board, as well as First Vice President of the ACI Asia-Pacific Regional Board.

Prior to the corporatisation of CAG, Mr Lee was Deputy Director-General (Operations) of the Civil Aviation Authority of Singapore. From 2005 to 2008, he was the Principal Private Secretary to the late Minister Mentor Lee Kuan Yew in the Prime Minister's Office. From 1989 to 2005, Mr Lee held various appointments in the Republic of Singapore Air Force (RSAF) and the Ministry of Defence. His last military appointment was Deputy Head of Air Operations in HQ RSAF.

Mr Lee was awarded the President's Scholarship and the SAF (Overseas) 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, US.



3. LIM Soo Hoon

Ms Lim is a Non-Executive Director of CAG and was appointed to the Board on 16 June 2012.

She was appointed Permanent Secretary (Finance)(Performance) at the Ministry of Finance on 1 April 2012. She is also the Chairman of the Accounting & Corporate Regulatory Authority (ACRA).

In her capacity as Permanent Secretary (Finance)(Performance), she oversees the Ministry's central role in creating a high performance government through efficient and effective use of resources, and working towards an integrated government through synergies in programmes, processes and systems across the various government agencies.

Ms Lim joined the Administrative Service in 1981 after graduating with a Bachelor of Economics (Honours) from the University of Adelaide on a Colombo Plan Scholarship. She also holds a Master in Public Administration from Harvard University.

She has served in various portfolios in the Singapore Civil Service, including the Ministry of Trade and Industry, the former Ministries of Communications and Labour, as well as the Registry of Vehicles. She was appointed Permanent Secretary (Community Development) in 1999 and became Permanent Secretary (Public Service Division) in 2005 before joining the Ministry of Finance in 2012.

4. Derrick WAN Yew Meng

Mr Wan is Alternate Director to Ms Lim Soo Hoon and was appointed to the Board on 16 June 2009.

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 Ministries of Manpower, Law and 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 Master in Financial Engineering from NUS and a Master in Business Administration from Columbia University, New York.

5. Michael George William BARCLAY

Mr Barclay is a Non-Executive Director of CAG and was appointed to the Board on 16 June 2009.

Mr Barclay is Group CEO of Mandai Park Holdings Pte. Ltd., which oversees Wildlife Reserves Singapore and Mandai Park Development.

Prior to joining Mandai Park Holdings, Mr Barclay was CEO of Sentosa Development Corporation for seven years. This followed on from stints as Regional Vice President Asia for the International Air Transport Association and Chief Executive of SilkAir. Mr Barclay began his career with Singapore Airlines, holding various portfolios in Singapore, Germany, Switzerland, Belgium and the UK.

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



BOARD OF DIRECTORS



6. Miguel KO Kai Kwun

Mr Ko is a Non-Executive Director of CAG and was appointed to the Board on 7 September 2009.

Mr Ko is currently the Executive Director and Group CEO of Ascendas-Singbridge. Previously, Mr Ko was Chairman and President of Starwood Hotels & Resorts, Asia Pacific Division. Prior to his appointment, Mr Ko was Deputy Chairman and CEO of CDL Hotels International.



Widely recognised for his knowledge and insight of business and culture in the Asia Pacific tourism industry, Mr Ko was voted Regional Hotel Chief of the Year (2007 & 2008) by readers of the Travel Weekly. He was named Visionary Leader of the Year and was a recipient of the Global Awards at the World Travel Mart (2007) in London. He was also honoured the Lifetime Achievement Award 2012 at the China Hotel Investment Conference in Shanghai.

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-participating Certified Public Accountant (CPA) by the State Board of Accountancy in New Hampshire in the US.

7. Eric ANG Teik Lim

Mr Ang is a Non-Executive Director of CAG and was appointed to the Board on 18 November 2009.

Mr Ang is currently Senior Executive Advisor at DBS Bank and is principally responsible for business origination and high level relationship building for the bank. He previously served as Head of Capital Markets at DBS Bank and worked on many landmark deals including the initial public offerings of Singapore Airlines, Singapore Telecoms and CapitaMall Trust.

Mr Ang sits on the Boards of Raffles Medical Group Ltd, Sembcorp Marine Ltd, Surbana Jurong Private

Limited, DBS Foundation and Hwang Capital (Malaysia) Bhd. He is also the Co-Chairman of the SGX Disciplinary Committee and one of the Vice-Chairmen of Community Chest in Singapore.

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

8. Dilhan Pillay SANDRASEGARA

Mr Sandrasegara is a Non-Executive Director of CAG and was appointed to the Board on 15 January 2010.

He is the President, Joint Head of the Enterprise Development Group, Investment Group and Singapore, Joint Head, Americas, of Temasek International Pte Ltd. Prior to joining Temasek, Mr Sandrasegara was the Managing Partner of Singapore law firm WongPartnership LLP. He has over 20 years of experience in the legal industry with his main focus of practice in mergers and acquisitions, corporate governance and general corporate law.

Mr Sandrasegara serves on the boards of the Singapore Management University, Singapore Institute of Legal Education, Temasek Life Sciences Ventures Pte Ltd, Fullerton Financial Holdings Pte Ltd, the National Research Foundation in Singapore, Mandai Safari Park Holdings Pte Ltd, Vertex Venture Holdings Ltd and Ascendas-Singbridge Pte. Ltd. He is also a member of the Financial Centre Advisory Panel of the Monetary Authority of Singapore and a member of the Committee on the Future Economy.

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



9. Danny TEOH Leong Kay

Mr Teoh is a Non-Executive Director of CAG and was appointed to the Board on 23 July 2010.

Mr Teoh is a Board Member of Ascendas-Singbridge Pte Ltd, DBS Ltd, DBS Bank Holdings, DBS Bank (China) Ltd, DBS Foundation Ltd, JTC Corporation and Keppel Corporation Ltd.

Mr Teoh was Managing Partner of KPMG in Singapore until his retirement on 30 September 2010. During this time, he served as a member of KPMG's Asia-Pacific Board and the KPMG International Council and Board. He also 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. He is currently a fellow of the Institute of Singapore Chartered Accountant. In his current appointment as an independent Director of various boards, he also serves as the Chairman of the Audit Committee and Board Risk Committee.



10. Richard Rokmat MAGNUS

Mr Magnus is a Non-Executive Director of CAG and was appointed to the Board on 23 July 2010.

Mr Magnus is currently Chairman of the Public Transport Council, Public Guardian Board, Political Films Advisory Committee, Bioethics Advisory Committee, Ministry of Home Affairs' Remote Gambling Act Appeals Advisory Panel and is a Member of the Public Service Commission and the Ministry of Home Affairs' Independent Review Panel. In the private sector, Mr Magnus serves on the boards of Temasek Cares CLG Limited, CapitaLand Mall Trust Management Ltd, Singapore Consortium Investment Management Limited, and is Chairman of the Management Board of Human Capital (Singapore) Pte Ltd. He was the Founding Chairman of the Casino Regulatory Authority. He is also Singapore's First Representative to the ASEAN Inter-Governmental Commission on Human Rights, the first Chairman of the Casino Regulatory Authority, and an Expert Member on UNESCO's International Bioethics Committee, as well as an alumnus of the National Agenda Council of the World Economic Forum.

Mr Magnus is a retired District Judge (now termed Chief District Judge). He was awarded the Meritorious Service Medal for his exceptional public service, and the Outstanding Volunteer award by the Ministry of Social and Family

Development, as well as the Public Service Star by the State in 2015.

Mr Magnus graduated from NUS with a Master of Laws. He is also an alumnus of the Harvard Business School and the John F Kennedy School of Government.

11. Professor TAN Kong Yam

Professor Tan is a Non-Executive Director of CAG and was appointed to the Board on 30 January 2015.

Professor Tan is presently Professor of Economics at the Nanyang Technological University and Co-Director of the Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy at NUS. He is also Deputy Chairman of APS Asset Management (China) and sits on the boards of Surbana-Jurong, Ascendas-Singbridge and CapitaRetail China Trust Management.

From 1984 to 1988, Professor Tan was the assistant director on exchange rate policy at the Monetary Authority of Singapore and assistant to the late Dr Goh Keng Swee, the former Deputy Prime Minister of Singapore, who had been invited by Mr Deng Xiaoping to advise China on economic development strategy. From June 2002 to June 2005, he was a senior economist at the World Bank office in Beijing. In 2004, he was a member of the World Bank expert group on the 11th five-year plan (2006-2010) for the State Council in China. The expert group provided analysis and policy recommendations to the Chinese government. Prior to that, he was the chief economist of the Singapore government at the Ministry of Trade and Industry (1999-2002) and head of the Department of Strategy and Policy at the NUS Business School. He has also worked at the Hoover Institution at Stanford University and World Bank in Washington.

Professor Tan is a graduate of Princeton University with a Bachelor of Art (Honours) and has a PhD in Economics from Stanford University.

EXECUTIVE MANAGEMENT

Changi Airport Group

1. LEE Seow Hiang
Chief Executive Officer

2. TAN Lye Teck
Executive Vice President,
Airport Management

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

4. FOO Sek Min
Executive Vice President,
Corporate

5. LIM Peck Hoon
Executive Vice President,
Commercial

6. NG Lai Leng
Chief Financial Officer

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

Changi Airports International

8. LIM Liang Song
Chief Executive Officer



MANAGEMENT TEAM

Changi Airport Group

CHOY Da Wen

Senior Vice President,
Changi East Programme
Management Office

CHUNG Choon San

Project Director,
Changi East Construction

Jayson GOH

Senior Vice President,
Airport Operations Management

HUNG Jean

Senior Vice President,
Landside Concessions

KOH Ming Sue

Senior Vice President,
Master Planning & Development

LECK Siew Leng

Senior Vice President,
Internal Audit

Audrey LEE

Senior Vice President,
Economic Affairs

Steve LEE

Senior Vice President,
Corporate IT & Technology/
Chief Information Officer

LEONG How Yin

Project Director,
Changi East Planning,
Design & Construction

LEONG Kok Hoong

Senior Vice President,
Development Contracts
& Cost Control

LIM Ching Kiat

Senior Vice President,
Market Development

LIM Wee Ping

Senior Vice President,
Corporate Strategy & Business
Development

LING Ming Koon

Senior Vice President,
T1 Expansion Programme
Management Office

Jessie LOONG

Senior Vice President,
Legal/
Company Secretary

ONG Chee Chiau

Senior Vice President,
Changi East T5 Planning

ONG Sim Lian

Senior Vice President,
Design Management

Cletus PACKIAM

Chief,
Airport Emergency Service

Ivan TAN

Senior Vice President,
Corporate & Marketing
Communications

Justina TAN

Senior Vice President,
People

TAN Kok Siong

Project Director,
Changi East Construction

TENG Hwee Onn

Senior Vice President,
Engineering Management &
Systems Planning

TEO Chew Hoon

Senior Vice President,
Airside Concessions

Ivy WONG

Senior Vice President,
Finance Strategy & Transformation

YEO Kia Thye

Senior Vice President,
Airport Operations Planning & Airside

Changi Airports International

(Members of Changi Airports International's Management Committee)

CHAN Mew Yoong

Director and Head,
Human Resources

Eugene GAN

Managing Director,
Asset Management

Peter LEE

Managing Director,
Changi Airport Planners & Engineers

LOW Beng Lan

Chief Financial Officer

NG Kuan Luen

Director and Head,
Risk Management

Jose PANTANGCO

Managing Director,
Business Development

SEE Ngee Muoy

Managing Director,
Legal & Compliance

James THONG

Managing Director,
Consultancy

(As of 17 May 2016)

AWARDS

ACCOLADES RECEIVED BY CHANGI AIRPORT (FY2015/16)

2016

MONTH	AWARDS	PUBLICATION/ORGANISATION	NO. OF TIMES
Mar	World's Best Airport 2016	Skytrax	7
	Asia's Top Airport	Finance Asia	3
	Best Airport	DestinAsian	11
Feb	Top Worldwide Airport	Wanderlust	14
	Best Airport by Size (over 40mil)	Airports Council International	4
	Best Airport by Region (Asia-Pacific)	Airports Council International	2
Jan	Deficiency-Free	International Federation of Airline Pilots Associations (IFALPA)	35

2015

MONTH	AWARDS	PUBLICATION/ORGANISATION	NO. OF TIMES
Dec	Best Airport in the World	Business Traveler, US	23
	Best International Airport	Condé Nast Traveller, US	8
	World's Leading Airport	World Travel Awards	10
Nov	Overseas Airport	Selling Travel	12
	Best Airport in the World	Business Traveller, China	11
	Best Airport	Condé Nast Traveller, India	5
Oct	Hall of Fame – Best Airport	Travel Trade Gazette, Asia	13
	Best Airport in the World	Business Traveller, UK	28
	Asia's Leading Airport	World Travel Awards	12
Sep	Best Airport	Travel Weekly Asia	Inaugural
	Best Airport in the World	UltraTravel, US	Inaugural
	Best Airport in the World	Condé Nast Traveller, UK	10
Aug	Best Airport in the World	Business Traveller, Asia Pacific	24
	Best Airport in Asia Pacific	Business Traveller, Asia Pacific	6
	Best Airport in Asia Pacific	Frequent Business Traveler	3
Jul	Best Airport Worldwide	Smart Travel Asia	7
	Best Business Airport	Business Traveller, Germany	22
	Best International Airport in the World	Travel + Leisure	3
Jun	Best Green Airport	Asia Cargo News	4
	Best Airport in the World	Business Traveller, Middle East	12
	Best International Airport of the Year	TravelWeekly China	8
May	Best Airport in the World	UltraTravel	9
	Airport Authority in Asia/Pacific with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	15
Apr	Best Airport (World)	Travel + Leisure, India and South Asia	4



FINANCIAL REVIEW

Financial Highlights

	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Profit & Loss (S\$'mil)					
Total revenue	1,779	1,911	2,106	2,150	2,164
Total expenses	1,119	1,149	1,185	1,255	1,284
EBITDA	930	1,045	1,187	1,171	1,167
Profit after tax	553	751*	896*	782	784
Financial Position (S\$'mil)					
Assets	5,144	5,880	6,684	7,564	8,460
Liabilities	754	768	937	1,441	1,874
Equity	4,390	5,112	5,747	6,123	6,586
Financial Ratios					
EBITDA margin	52.3%	54.7%	56.3%	54.5%	53.9%
NPAT margin	31.1%	39.3%	42.5%	36.4%	36.2%
Return on assets	11.6%	13.6%	14.3%	11.0%	9.8%
Return on equity	13.4%	15.8%	16.5%	13.2%	12.3%

* NPAT included one-off gains of S\$78 million and S\$111 million for FY12/13 and FY13/14 respectively.

FINANCIAL REVIEW

The year in review

Growth in passenger traffic for the first half of FY2015/16 was fairly slow but picked up strongly in the second half. For the full year, growth was 5.1%, reaching 56.7 million. The uplift in passenger traffic was in part due to airlines injecting capacity on the back of lower fuel prices, and in part due to CAG's successful joint marketing efforts with airlines to drive passenger traffic. Through dedicated marketing efforts and strategic partnerships with the aviation community, we continued to grow Changi's connectivity with the addition of eight new airlines and eight new city links.

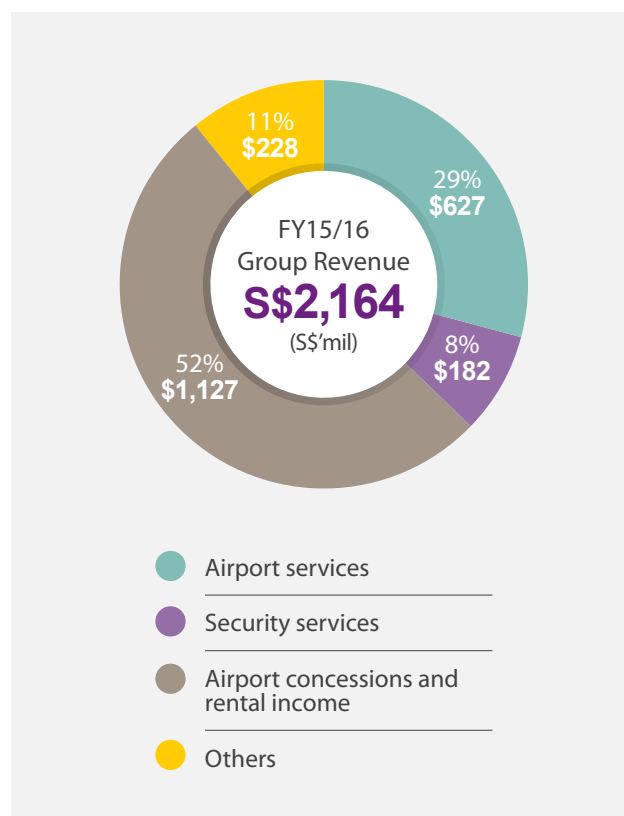
Operating revenue grew by 0.7% to reach S\$2.2 billion. During the year, CAG continued to extend cost relief measures to the aviation community by providing rebates to airline and cargo partners to help them tide over challenging business conditions. Operating revenue was strongly boosted by concession sales which grew by 9.9%. Concession sales reached a record high of more than S\$2.2 billion arising from higher passenger traffic and the introduction of innovative retail concepts, new services and refreshed offerings to attract visitors and shoppers from all over the world.

On the cost front, operating expenses increased 2.3% year-on-year to S\$1.3 billion. This largely arose from escalating manpower costs for our labour-intensive contracts as a result of structural wage reforms and manpower shortage in Singapore. In addition, CAG also continued to invest in service improvements and more manpower to support ongoing development projects.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of S\$1.2 billion remained comparable against the previous year despite the cost relief measures provided to airlines. The Group achieved a net profit after tax (NPAT) of S\$784 million, similar to that for FY2014/15.

Operating revenue

The Group's operating revenue grew by 0.7% to S\$2.2 billion. Airport services declined by 8.7% due to a decline in aeronautical revenue as the Group extended more support to airlines, cargo agents and ground handling agents in the form of price reductions, rebates and incentives. Transfer and transit passenger charges were



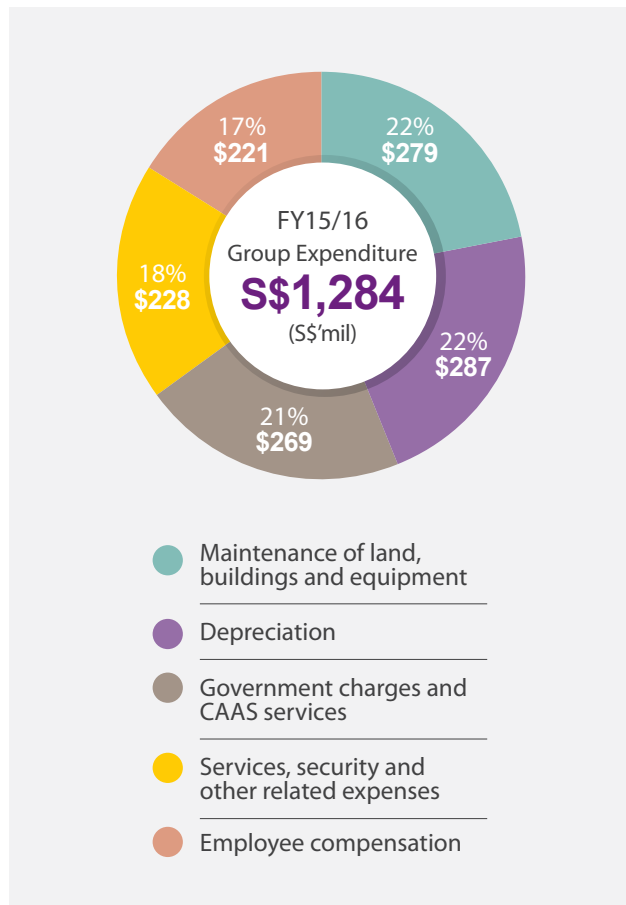
also reduced. These measures provided cost relief to our airport partners and encouraged growth by promoting more long-haul flights and the use of bigger aircraft.

The decline in aeronautical revenue was partially mitigated by higher passenger growth in the second half of the year. Traffic to most regions grew with Northeast Asia and Southeast Asia registering the strongest traffic growth of 7.1% and 5.3% respectively. Eight new airlines and eight new city links were added to enhance Changi Airport's connectivity and strengthen Singapore's position as the leading air hub for the region. CAG collaborated with airlines, travel agents and tourism organisations to grow traffic and promote travel via Changi. Direct marketing efforts using digital and mobile channels were also rolled out in key markets.

We achieved strong growth in airport concession and rental income which grew 7.2% year-on-year to reach S\$1.1 billion. The growth in concession income came on the back of strong retail sales which grew by 9.9% to reach a record high of more than S\$2.2 billion. This placed Changi Airport as one of the top three airports in the world for concession sales. Growth of passenger traffic of 5.1%, strong marketing and promotional campaigns, as well as new and refreshed retail

offerings helped to boost retail sales. During the year, CAG continued to roll out innovative retail concepts such as the opening of duplex stores by Spanish label Zara and The Shilla Beauty Loft. Strong profit from Changi Airport's non-aeronautical business enables CAG to subsidise and keep aeronautical charges competitive.

Operating expenses



The Group's operating expenses increased moderately by 2.3% to S\$1.3 billion. The increase came from maintenance, services and security-related expenses, employee compensation, as well as depreciation.

Sustained cost pressures from wage reforms and the tight labour situation in Singapore continued to add pressure on CAG's manpower-intensive services, including cleaning, maintenance of structures and specialised equipment, and security services. We also stepped up screening at various check points to enhance security of the airport. In addition, we invested more into service improvements such as extending the shopping concierge service to T1 and T3 and intensifying our quality service management

programmes to drive service excellence at Changi Airport. With the development of T4, Jewel, T1 Expansion as well as Changi East, higher manpower and expenses were also incurred to support these development projects. The increase in operating expenses was mitigated by lower charges for CAAS services and a reduction in electricity cost with the drop in oil prices.

EBITDA/Profit After Tax

The Group achieved an EBITDA of S\$1.2 billion and NPAT of S\$784 million which were comparable with the last financial year.

Included in the NPAT is the Group's share of results of its overseas airport investments in Russia, Brazil, and India. While the deterioration of Brazil's economic and political environment had impacted businesses, the Group has assessed that the long-term fundamentals of its investment remain positive and that there is no material impact on its financial result for FY2015/16.

Strong financial position

The Group's shareholder's equity improved by S\$463 million to reach S\$6.6 billion with a strong asset base of S\$8.5 billion. During the year, a sinking fund reserve of S\$85 million, apportioned out of CAG's retained earnings, was set aside to fund the Changi East development project.

Total assets increased S\$897 million to S\$8.5 billion. The increase comprised mainly investments in development projects as we embarked on capacity building. The major components of total assets were property, plant and equipment (of S\$3.9 billion) and cash and cash equivalents (of S\$3.3 billion). The surplus cash has been earmarked for the funding of ongoing development projects.

Capital expenditure

The Group's strong financial position enables it to invest in capital expenditure to upkeep and enhance the airport's facilities as well as fund several significant development projects (which include T4, Jewel, T1 Expansion and the three-runway system) to meet long-term capacity needs of Changi Airport. The total cost of these capital investments is estimated to be close to S\$10 billion over the next five years. The development projects are progressing well, with T4 on track to be operational in the second half of 2017.

CORPORATE GOVERNANCE

The Board and Management of CAG are deeply committed to our Company's central core value – integrity – which is at the heart of all we do. We strive to meet and maintain the highest standards of corporate governance, professionalism and integrity to build a company which stakeholders can be proud of. To operate a sustainable business that thrives over the long term, and to uphold and protect the Company's brand and reputation, CAG strongly believes that it has to be accountable to its immediate business and regulatory environment, as well as to the global community.

CAG has a Code of Conduct, which sets out the principles, policies and standards of conduct that it expects of all employees in their day-to-day activities and in the decisions they make. The Company has implemented a whistle-blowing framework to prevent, detect and deter unethical or illegal conduct or behaviour, while protecting whistle-blowers from retaliation.

THE BOARD OF DIRECTORS

1. CAG's Board of Directors is our highest decision-making body, which oversees the Company's long-term strategies and provides 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 10 Directors, of whom only the CEO, Mr Lee Seow Hiang, is an executive Director. The majority of our Board members are independent. Our Directors are individuals with broad and diverse expertise and experience, both domestically and internationally.
3. The Board Directors of CAG are:
 - Mr Liew Mun Leong – Chairman
 - Mr Lee Seow Hiang – CEO
 - Ms Lim Soo Hoon – Shareholder Representative
 - Mr Derrick Wan Yew Meng
(Alternate Director to Ms Lim Soo Hoon)
 - 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
 - Professor Tan Yong Kam

The profiles of the Directors can be found on pages 20 to 23 in this annual report. Changi Airports International (CAI), a wholly-owned subsidiary, has a separate Board of Directors.

4. The roles 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 implementation of the Group's strategies and policies.
5. Six committees have been formed to assist the Board in the detailed consideration of various matters. These are the Executive Committee (EXCO), Executive Resource and Compensation Committee (ERCC), Audit Committee (AC), Tenders Committee (TC), Executive Committee on Airport Development (ECAD) and Operational Risk and Safety Committee (ORSC). Each committee is governed by its own terms of reference, which sets 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.

Access to Information

7. Prior to each Board Meeting and when necessary, the Board is provided with pertinent information – including updates on the Company's operating and financial key performance indicators as well as 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, at its expense, arrange for the appointment of relevant professional advisors.

CAPITAL AND INVESTMENTS

1. The members of the EXCO are:
 - Mr Liew Mun Leong – Chairman
 - Ms Lim Soo Hoon
 - Mr Eric Ang Teik Lim
 - Mr Richard R. Magnus
 - Mr Lee Seow Hiang
2. The EXCO reviews and recommends to the Board financing and investment strategies of the Company and approves significant investments by the Company and CAI. The EXCO also approves treasury

matters such as the acceptance of banking and credit facilities, granting of corporate guarantees, debt capital market issuance, opening of bank accounts as well as hedging policies. The EXCO also sets the financial limits for operations, procurement and treasury of the company.

EXECUTIVE RESOURCE AND COMPENSATION

1. The ERCC comprises the following 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, 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 their development and reviewing succession plans 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.

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 and as the Board may require from time to time, to enable the Board to make balanced and informed assessments of the Company's performance, position and prospects.

Audit Matters

2. The AC comprises the following non-executive Directors:

Mr Danny Teoh Leong Kay – Chairman
Ms Lim Soo Hoon
Mr Eric Ang Teik Lim

3. The primary role of the AC is to assist the Board to review the adequacy of CAG's internal control systems

in ensuring that the financial records have been properly maintained and its financial statements give a true and fair view of the Company's performance and position. In addition, the AC is also responsible for reviewing the effectiveness of financial, compliance and risk management frameworks, as well as the robustness of the reporting processes. The AC also reviews the adequacy of mechanisms put in place for CAG's employees, partners, suppliers and contractors to raise concerns in confidence and the procedures for independent investigation of the matters reported, and ensures appropriate follow-up, investigation and resolution.

4. During the year, the AC performed an independent review of the financial statements of the Company. In the process, the AC reviewed the key areas of management judgment applied for adequate disclosure, critical accounting policies and any significant changes that would have a material impact on the financial statements.
5. Annually, the AC reviews and approves the audit plans of the internal auditors to ensure the adequacy of the audit scope in reviewing CAG's significant internal controls. Besides reviewing the adequacy of the internal audit function in terms of its resources, competency and standing within the organisation, the AC is also updated on the training received by the internal audit team to ensure that its staff continually updates their technical and auditing skills. The AC also reviews the reports of the external and internal auditors on the effectiveness of actions taken by Management on the auditors' recommendations and observations.
6. The AC reviews and approves the external auditor's audit plan for the year. Prior to making recommendations to the Board on the external auditor's appointment or reappointment, the AC reviews the external auditor's independence, objectivity and quality of work based on guidelines established by the Accounting and Corporate Regulatory Authority and through discussions with the external auditors. In line with best practice, the external audit partner is rotated every five years. The AC also reviews the non-audit fees awarded to the external auditors to ensure that the non-audit services performed by them would not affect their independence.
7. The AC meets with the internal and/or external auditors three times during the year. At least one of these meetings is conducted without the presence of Management, where the auditors may raise issues encountered in the course of their work directly to the AC.

CORPORATE GOVERNANCE

INTERNAL CONTROLS

1. The Board and Management of the Company are fully committed to maintaining a robust system of internal controls, procedures and risk management to safeguard our shareholders' interests and the Group's assets. The Board delegates its oversight responsibilities for internal controls, and financial and strategic (business) risk management to the AC, which ensures effectiveness and adequacy of the system of internal controls in the Company, while the ORSC assists the Board in reviewing the operational and safety risk management system put in place by Management.
2. The internal controls established by CAG are supported by systems, processes and people. There are three elements to the internal controls:
 - a. business governance and policies to provide direction and guidance on financial, operational, information technology and compliance matters;
 - b. the management and assurance frameworks such as the enterprise risk management and fraud risk management processes. These processes include the conflict of interest declarations by employees under the Code of Conduct to establish expectations of employees' business conduct, the Whistle-blowing Policy; and
 - c. independent assurance provided by the internal and external auditors.
3. CAG's internal and external auditors review the key internal controls of the Company for material non-compliance or failures in internal controls, and recommend areas of improvements. The AC reviews the effectiveness of the action taken by Management on the recommendations made.
4. The AC also reviews the effectiveness of the enterprise risk management framework and the risk management processes put in place to manage financial and strategic (business) risks while meeting business objectives.
5. A separate committee, the Tenders Committee (TC), evaluates and approves tenders for goods and services exceeding S\$50 million, with the exception of those related to new development projects and major redevelopment projects at Changi Airport, which come under the purview of the ECAD. The TC is chaired by a non-executive Director and comprises the following Directors:

Mr Michael George William Barclay – Chairman
Mr Richard R. Magnus
Mr Lee Seow Hiang

Internal Audit

6. The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls. Internal Audit (IA) conducts regular audits of high risk areas, and undertakes investigations as directed by the AC. It comprises suitably qualified and experienced staff, headed by the Senior Vice President, Internal Audit (SVP, IA). SVP, IA reports functionally to the Chairman of the AC, and administratively to the CEO. To ensure the independence of the IA function, the IA team has unrestricted access to the AC.
7. IA adopts a risk-based approach in its audit work, focusing on key internal controls, including financial, operational and compliance controls. Internal audit practices are also guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.
8. Audits are carried out on all significant business units and processes in the Company. The annual audit plan is developed in consultation with, but independent of, Management and is approved by the AC. IA report on findings and recommendations are submitted to the AC with copies extended to the CEO and relevant senior management officers, and a summary of key findings and recommendations discussed at the AC meetings. IA also tracks and reports to the AC on the implementation status of actions agreed by Management, so as to ensure timely and adequate closure of audit findings.

AIRPORT DEVELOPMENT

1. The ECAD comprises three Directors. The three Directors are:

Mr Liew Mun Leong – Chairman
Mr Derrick Wan Yew Meng
Mr Lee Seow Hiang

As and when necessary, external members may be co-opted to provide expertise in relation to the development projects.
2. The ECAD oversees new development projects and major redevelopment projects at Changi Airport. The roles of the ECAD include:
 - a. reviewing and approving collaborations, selection of consultants, architects and other professional advisors, design concepts, aesthetic element proposals and other proposals related to development projects at Changi Airport; and
 - b. reviewing and approving tenders for goods and services exceeding S\$50 million related to the development projects at Changi Airport.

ENTERPRISE RISK MANAGEMENT

1. CAG is fully committed in implementing a robust enterprise risk management framework which covers operational & safety, regulatory, financial, and key project management risks arising from the T4, Jewel, T1 Expansion, and Changi East developments.
2. The risk owners in the key operational divisions work closely with the Enterprise Risk Management (ERM) unit to increase vigilance through the timely identification of key risks so that mitigating controls can be quickly put in place. Each key developmental project also has a dedicated risk manager, whose role is to aggregate the project's critical and emerging risks which impact timelines, costs, quality and safety at the enterprise level.
3. By effectively managing risks, CAG ensures a safe, secure and seamless airport experience for its customers, while ensuring continued growth of the air hub and timely delivery of key developmental projects of good quality, that are within approved costs.

Risk Governance

4. The CAG Risk Committee, supported by the ERM unit, leads the Company's efforts in developing and strengthening its risk management processes and framework.

5. The ORSC comprises two Directors. The two directors are:

Mr Michael George William Barclay – Chairman
Mr Richard R. Magnus

An external member (not being a director) may be co-opted as and when necessary to provide expertise in the areas reviewed.

6. Both the Board and Management are responsible for managing risks and safety. The ORSC assists the Board in exercising this role by reviewing CAG's operational risk management process (including risk assessment, mitigation, monitoring and review), and CAG's safety management system.
7. Reporting to both the AC and ORSC, the Risk Committee is chaired by the CEO and comprises Senior Management members, who meet regularly to review CAG's key risks and provide directions to strengthen the implementation of ERM in CAG.

Risk Awareness Culture

8. At CAG, every employee and everyone working in the airport community is a valued manager of risks. Therefore, the Risk Committee, through the ERM unit, continues with its engagement efforts through inter-divisional risk workshops and meetings with risk owners.
9. CAG also engages its airport partners through both formal meetings and informal channels on risk issues so that there is greater sharing and deeper understanding of risk-related issues.