



# *Changi,* OUR HOME

ANNUAL REPORT 2014/15



**CHANGI**  
airport group

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## **CHANGI, OUR HOME**

*To many of us in Singapore, Changi Airport is Home.*

*The teary farewells as we embark on our journey; the warm embrace of our loved ones as we emerge from the arrival hall – the first and last sign of home.*

*A place close to our hearts, of treasured memories and fond moments. A wonderland for family and friends, built on laughter, fun and happy times.*

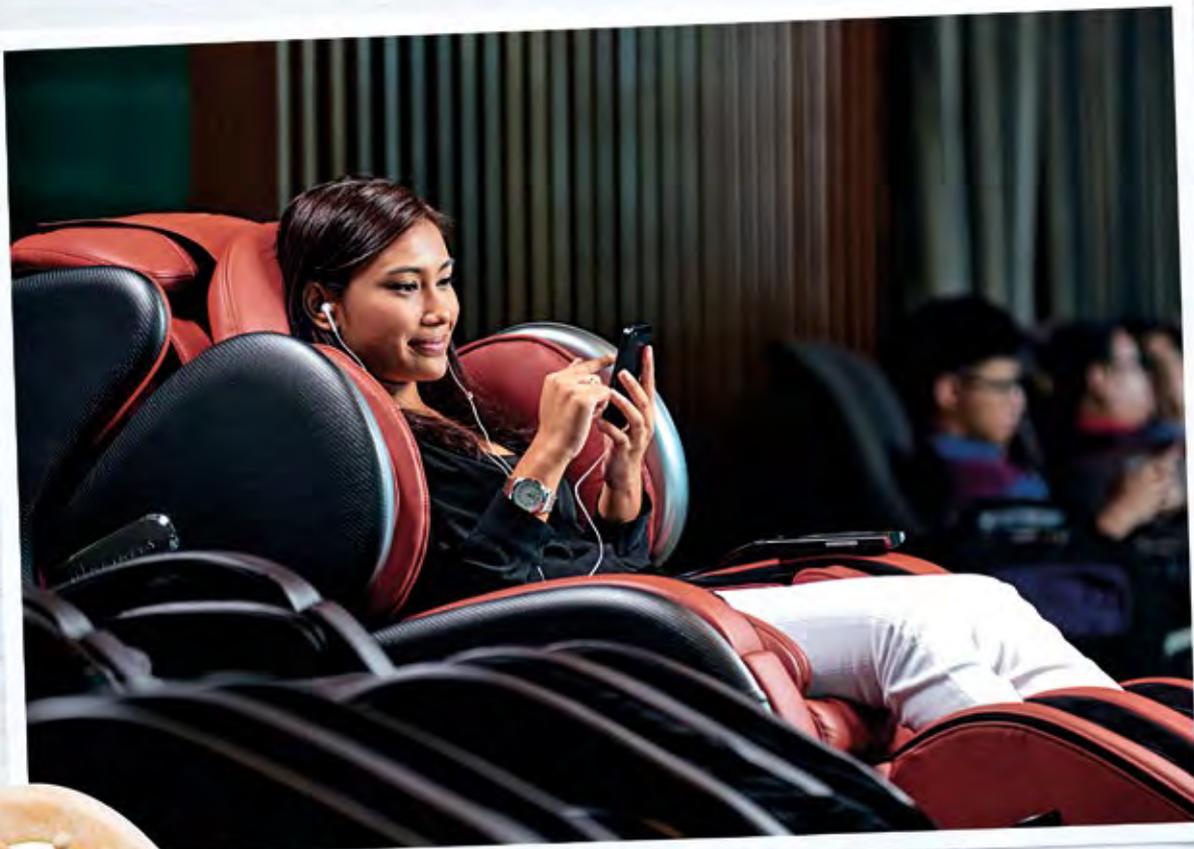
*For our millions of foreign guests, we hope Changi Airport feels like Home for them too. For the weary traveller – an inviting smile, a comfortable snooze, a breath of fresh air – a home away from home.*

*An iconic symbol of everything Singapore stands for – excellence, efficiency, innovation, progress and greenery.*

*And behind it all, a close-knit family of 40,000 airport staff – who in performing each of our own functions, collectively deliver an award-winning airport experience.*

## WHERE IT FEELS LIKE HOME

*Changi Airport – a special place of tender farewells and sweet reunions, where your loved ones await. We understand the stresses of travel, and try our best to make passengers' time here a delight. A caring smile, a friendly hand, and little personal touches that positively surprise our passengers. Beautiful gardens, tranquil ponds, and comfortable chairs with your personal charging point. The joy of sipping a cup of coffee while watching the planes go by. Where you feel the comfort and warmth of home.*









## A SHOPPING WONDERLAND

*Home to over 350 retail stores and 160 dining outlets, Changi Airport is a retail paradise. For the shopaholic traveller, their holiday begins the minute they step into the airport. We continually strive to push the curve with innovative new retail concepts and experiences – unveiling the world's first Cosmetics & Perfumes and Wines & Spirits duplexes in an airport. Working closely with our retail partners, we give our passengers a strong proposition of refreshing new brands, exclusive product launches and attractive savings – making Changi one of the best airports in the world to shop at.*





## BUILDING OUR FUTURE

*Planning ahead for future capacity needs has been a key principle behind the development of Changi Airport throughout its history. We are in exciting and dynamic times, as we work on several major infrastructure projects that will prepare Changi for its next stage of growth. Terminal 4, Jewel Changi Airport and Changi East mark the second phase of Changi Airport's development, which will cater to its future growth, and strengthen Changi as an air hub and travel destination.*





## OUR FAMILY

*As we face the dual-challenges of planning for Changi Airport's future while continuing to achieve operational excellence, the most important ingredient for success is our people. To bring Changi to its next level of growth, a key priority for us is to nurture and grow our talent pool of 1,700 within the CAG family, and to build a strong and dynamic team that will drive the continued success of the Singapore air hub.*





## REACHING OUT TO THE COMMUNITY

*As the organisation behind a much-loved icon of Singapore, we are firmly rooted in this island nation and committed to making a meaningful contribution to the local community. Through a series of programmes and activities run by Changi Foundation, we strive to make a positive impact on the lives of the youths we work with. It is our goal to support and help them realise their fullest potential, and to inspire them in their journey to adulthood.*





# MISSION, VISION, VALUES

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## OUR MISSION

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

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## OUR 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.

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## OUR VALUES

*Integrity* is at the heart of everything we do

We value  
our people

We are  
committed to  
our customers

We are  
the best in  
our business

We succeed  
with our  
partners



*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 more than three decades, CAG – previously as part of the Civil Aviation Authority of Singapore – has successfully established Changi Airport as the world's most awarded airport. With more than 490 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 54 million passenger movements for the financial year ended 31 March 2015 (FY2014/15), serving about 100 airlines flying to more than 320 cities in over 70 countries and

territories worldwide. With over 75,000 sqm 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 and South America.

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.





*The siren blared nationwide when the clock struck 4.35pm on 29 March 2015. The hustle and bustle of activity across Changi Airport's terminal halls and gatehold rooms came to a standstill, as all fell silent. Passengers and the airport community joined the rest of the nation in a minute of quiet reflection, as they paid tribute to the founding father of modern Singapore, and the pioneer of Singapore aviation, Mr Lee Kuan Yew.*

Passengers, visitors and airport staff alike stood with heads bowed – united in the moment of silent gratitude towards the man who had personally shaped the development of Singapore and the airport they stood in. Across the airport, many rose to their feet, standing at attention as they gathered around television screens to observe the state funeral proceedings. It was reminiscent of the emotional scene back in 1965, when neighbours huddled around small black and white televisions, watching the first Prime Minister of Singapore address the nation.

Not everyone would be aware that Changi Airport was Mr Lee's brainchild. It was his political leadership and foresight that resulted in the birth of Changi Airport – out of empty reclaimed land in



the eastern part of Singapore. In 1975, he decided it was advantageous to build a new airport in Changi as Paya Lebar Airport was nearing capacity. This was against the recommendations of foreign experts.

Mr Lee saw that building the airport on the Changi coast would give Singapore the flexibility to expand the aerodrome towards the sea to meet future expansion needs, as well as mitigate noise issues. It was a bold and difficult decision by Mr Lee which meant a capital commitment of S\$1.5 billion, a very large sum in those days. But with the support of a team of capable stalwarts, he pushed through his vision. Even then, he recognised the potential of Changi Airport to be the symbol of the nation's progress, and a beacon of the Singapore brand in the global arena.

As Terminal 1 was being built, Mr Lee took a personal interest in the development of the new airport, frequently flying over the site to oversee its construction. Over the next thirty-odd years, his unique vision and leadership have paid off with the government continuing to develop Singapore as an important hub for global aviation with strong support for open skies and liberalisation in the industry. These efforts have reaped significant economic gains for Singapore.

Today, the airport accounts for 3% of the country's Gross Domestic Product and some 77,000 jobs. And Changi Airport has become the world's most awarded airport, the world's seventh busiest for international traffic and a major air hub with links to more than 320 cities across the world.



Even after his retirement, Mr Lee continued to take a fond interest in the development of Changi Airport, visiting it on several occasions. He had previewed Terminal 3 prior to its opening in 2008, and graced the commemoration of the airport's corporatisation on 1 July 2009. He visited Changi one last time on 5 September 2014, for a briefing on the upcoming Jewel Changi Airport development and a tour of the site.

As CAG embarks on expansion plans that will take Changi Airport into its next phase of growth beyond this decade, one cannot help but marvel and be grateful for the foresight and decisiveness of Mr Lee decades ago. Because of that, the development

of Changi East – a plot of land set aside for future airport expansion – can proceed without the insurmountable roadblocks that many other airports in the world face.

CAG remains committed to preserving Mr Lee's legacy, through maintaining Changi Airport's international reputation for excellence and reliability. Furthermore, the growth and development of the airport, manifested through Terminal 4, Jewel and Terminal 5, will underscore his courage, vision and dedication towards building Singapore's future.

For all the opportunities created, successes realised and the dreams that will be built at Changi Airport – we thank you, Mr Lee.

1 CAG paid tribute to Mr Lee's pioneering role in shaping Singapore's aviation industry through a special commemorative mural at Terminal 3.



*“Probably the boldest decision the government made was in 1975, to abandon the existing Paya Lebar Airport and develop Changi Airport... It turned out to be a sound investment... The returns on these investment in Changi have been incalculable.”*

– Mr Lee at the World Travel and Tourism Council’s Dinner on 13 March 1995



致建 国总理 李光耀先生：  
 感恩您一生為新加坡  
 盡心盡力的付出和正勤  
 建 国艰苦五十載  
 国运昌隆 国泰民安  
 我会 您的懷念您  
 謝志光



*“It has not been easy. Changi Airport will have many good years as long as there is a team to marshal the various bodies to deliver the renowned Changi Airport experience to Singaporeans and travellers alike.”*

– Mr Lee at the Changi Airport 25<sup>th</sup> Anniversary Dinner on 1 July 2006



A TRIBUTE TO  
 MR LEE KUAN YEW  
 THE PIONEER  
 OF  
 SINGAPORE AVIATION



*“One of the best investments we made was to write off the S\$800 million sunk into Paya Lebar Airport which we handed over to the RSAF, and to build Changi Airport with two runways for S\$1.5 billion, which was then big money... If I had not intervened and we had built the second runway at Paya Lebar airport as our foreign experts recommended, Singapore’s airport could not have become an air hub.”*

– Mr Lee at the launch of the new CAAS and CAG on 1 July 2009



*Left:*  
*Liew Mun Leong,*  
*Chairman*

*Right:*  
*Lee Seow Hiang,*  
*CEO*

It was a year of challenges for Changi Airport and regional aviation in FY2014/15. Three airline incidents in the space of 10 months impacted travel confidence even as airlines continued to face pressure on yields. Socio-political developments in China and Thailand further depressed air travel between Singapore and these markets.

Notwithstanding this, Changi Airport registered passenger traffic at 54 million passengers for the year, an increase of 0.2%. Concession sales remained healthy at S\$2 billion, the world's third highest for an airport.

These outcomes were possible only because of investments made to develop a strong Changi air hub, a world-class airport experience and enduring partnerships with our stakeholders.

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### **GROWING WITH OUR PARTNERS**

It has been through our firm partnerships with airlines from around the world that Changi Airport continues to expand its network connectivity. In FY2014/15, we added seven new airlines and

seven new city links, with more flight options to China and Southeast Asia. And for the first time, we welcomed a direct link to Central Asia with Uzbekistan Airways' direct service to Tashkent.

In light of the strong headwinds faced by our airline and airport partners, CAG launched a S\$100 million Growth And Incentive (GAIN) programme comprising cost support measures such as landing fee rebates, incentives for airlines to grow transfer traffic at Changi Airport and initiatives to raise productivity of the airport workforce. The popular Changi Transit Programme has also been extended for a third year.

With the global economic environment remaining soft, CAG is working even more closely with its partners to spur tourism arrivals in Singapore. In April 2015, we began a two-year S\$35 million partnership with the Singapore Tourism Board – a multi-pronged strategy to drive visitorship to Singapore, and to also showcase Changi Airport as a destination in its own right.

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## INNOVATING AIRPORT RETAIL

As retail remains a quintessential ingredient of the Changi Experience, we continue to seek innovation in our retail mix and stores' offerings. This has been exemplified in the transformation of our core category concessions, Liquor & Tobacco and Cosmetics & Perfumes, managed by DFS and The Shilla Duty Free respectively.

Shopping for wines and spirits or fragrances and beauty products is now an even more enjoyable experience with refreshed store interiors and many more brands and products on offer. The icing on the cake is the two flagship duplex stores – the world's first in an airport for these two categories, certainly architectural landmarks in the Transit Hall of Terminal 3.

Profit from our non-aeronautical business continues to be channelled into covering the costs of running the airport, allowing us to keep aeronautical charges low and hence maintaining our overall air hub competitiveness.

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## DELIVERING AN AWARD-WINNING AIRPORT EXPERIENCE

The year closed with another award milestone for Changi Airport in March 2015, with its third consecutive Skytrax award for World's Best Airport. This was our 24<sup>th</sup> award for the year, a reflection of Changi Airport's strong reputation among passengers around the world, and a testament to our steadfast commitment to service excellence. We share these honours with the 40,000-strong airport community, who are the bedrock of the award-winning Changi Experience.

While these awards are an affirmation of Changi Airport's ability to continually deliver a high standard of quality and efficiency, we face growing manpower challenges with the tight labour market in Singapore. In the face of these constraints, more than ever, we are driving innovation and productivity enhancements to improve efficiency and optimise use of resources. A good example is the formation of the Innovation Lab within the Airport Management cluster, tasked to harness creativity and infuse innovation into the airport's daily operations, across disciplines and clusters. The newly-created team will rethink procedures and processes, and leverage technology to develop creative solutions.

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## PREPARING FOR THE FUTURE

To secure the future of Singapore as an air hub, it is imperative that CAG plans for capacity expansion. This is to ensure Changi Airport's ability to cater to the long-term growth of both home-based

and foreign carriers and to capitalise on growth opportunities in Asia Pacific. Underpinning this philosophy are several projects we have embarked on – Terminal 4 (T4), the expansion of Terminal 1 (T1) and the Changi East development – to secure Changi Airport's status as the aviation gateway to the region.

The construction of T4 has made very good progress and we expect topping-out – when the superstructure is completed – by the end of 2015. T4 will be able to handle 16 million passengers per annum and will lessen congestion in the current three terminals which are already operating at more than 80% of their designed capacity. We look forward to opening T4 in the second half of 2017.

To prepare for the long term, CAG is working with the Ministry of Transport and various government agencies to develop Changi East, which will house Terminal 5 (T5) and Runway 3. Land preparation of the site has commenced as the first step of several major works to develop a three-runway system at Changi Airport.

These works include laying a massive network of some 40 km of runways and taxiways, to allow efficient aircraft movement between all the five terminals and three runways in the future enlarged airport, and building an extensive set of drainage systems to ensure that the Changi East site remains flood-free. Significant progress has also been made in the planning for T5, with the land use masterplan and terminal layout confirmed in March 2015.

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## ENHANCING CHANGI AIRPORT'S COMPETITIVENESS

As airports across the globe continue to compete for a share of the growing aviation pie, many are introducing new products – from theme parks to casinos – to distinguish themselves. The groundbreaking of Jewel Changi Airport in December 2014 laid the cornerstone for Changi Airport's game-changer. Jewel, designed by Moshe Safdie, will be an architectural wonder, and much more. It is CAG's answer to capturing mindshare at a global level, and come 2019 will reinforce Changi Airport's status as a preferred transfer hub and a must-see destination in its own right.

Along with the development of Jewel, we are expanding T1 to boost its handling capacity and enhance its facilities. The expansion works will provide more space for aviation facilities, including a larger arrival hall and baggage claim area, as well as additional taxi bays.

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## FLYING THE CHANGI FLAG

The overseas investment and consultancy activities undertaken by our wholly-owned subsidiary,

Changi Airports International (CAI), are an integral part of CAG's business and are part of our strategy to secure long-term, steady returns. CAI's overseas ventures directly create value for CAG, as they offer attractive developmental opportunities to CAG employees, who then bring back valuable experience and knowledge to Changi Airport after their attachment.

During the year, we continued to make headway beyond our shores. In October 2014, a CAI consortium won a bid to develop Hanthawaddy International Airport in Myanmar. The airport will serve as the gateway to a large emerging economy of approximately 53 million people.

In December last year, CAI signed a consultancy deal with the Maldives Airport Company Ltd to help expand and develop Male's Ibrahim Nasir International Airport. Two months later, a consortium formed by CAI and its Russian partners won a tender to acquire shares in Vladivostok International Airport.

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## ATTRACTING AND GROOMING TALENT

CAG holds on to the belief that its people are core to the success of the company. We regularly review the organisation structure and people capabilities to ensure that CAG remains best placed to be an innovative and performance-oriented company, ready for the challenges ahead. We are pleased that our efforts to attract, groom and retain talent have been recognised – CAG was named Singapore's second most attractive employer in the 2015 Randstad Awards.

CAG continues to build its Terminal H (for heartware) in developing a company culture that is enriching and enjoyable, creating an excellent environment for our staff, and their growth. The year also saw a focus on strengthening CAG's leadership capability development, with the second module of the leadership milestone programme rolled out, alongside the implementation of 360-degree feedback and coaching for our senior leaders in the SVP and VP grades.

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## ACHIEVING ANOTHER YEAR OF HEALTHY RETURNS

Despite passenger volume remaining relatively unchanged, CAG delivered a good set of results for the year. Concession revenue, which forms the bulk of non-aeronautical revenue, grew strongly by 8%. This helped to mitigate weaker aeronautical revenue due to rebates extended to the airlines, resulting in net operating revenue growth of 2% to S\$2.2 billion.

Operating cost increased 6% to S\$1.3 billion, mainly due to wage pressure as a result of Singapore's progressive wage reforms and a tightening labour market as well as higher expenses incurred to support capacity building. We expect to face continued cost pressures in the coming years with the expansion in staff strength for the development projects, while escalating manpower costs from our labour-intensive industry will continue to impact operating expenses. Nevertheless, we will continue to exercise stringent financial discipline by putting in place productivity initiatives alongside effective cost-control measures to control operating cost.

The Group's EBITDA dipped 1% to S\$1.2 billion, as a result of rebates under the GAIN programme and higher opex for development projects. Net profit after tax declined 13% to S\$782 million. This was due to significant one-off gains, including property tax adjustments and divestment gains from CAI, in the previous financial year. Shareholder's equity increased from S\$5.7 billion to S\$6.1 billion in FY2014/15.

CAG's strong financials enables it to invest its earnings to improve airport infrastructure and fund near-term development projects. Our focus remains on maintaining cost discipline so as to achieve sustainable returns over the longer term.

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## REMEMBERING A PIONEER

The year ended on a sad note for us with the passing of Singapore's Founding Father, Mr Lee Kuan Yew on 23 March 2015. Mr Lee was without doubt the Pioneer of Singapore Aviation, the driver of the airport's move from Paya Lebar to Changi.

In doing so, Mr Lee ensured that there was sufficient land for Singapore's airport to grow for many more decades.

We at CAG and in the larger Changi Airport community will remember and honour Mr Lee's legacy. Beyond the gleaming beacon that is Changi Airport, Mr Lee's vision was for committed partners in aviation working together to achieve a greater good for the Singapore air hub. This, we firmly believe, must remain the formula for Changi Airport's continued growth and success.

### LOOKING AHEAD

Changi Airport's exceptional double-digit growth following the end of the global financial crisis in 2009 has tapered, and we expect passenger traffic growth in the coming years to moderate to low-single digits, in line with the airport's historical long-term trend.

The global outlook suggests challenging conditions ahead as major economies continue on their slow growth trend. Key economies in Asia, which accounts for 80% of our business, are still undergoing economic restructuring which will impact travel demand in the short term. Likewise, concession sales at Changi Airport will be buffeted by the slowdown in traffic and weaker economic growth of our major source markets.

While lower oil prices are expected to improve the bottomline for Asia Pacific airlines, overcapacity and intensifying competition will continue to result in cautious expansion. As we enter FY2015/16, passenger traffic to and from China and Thailand have been slowly recovering. However, Changi Airport continues to face intense competition on some transfer/transit routes.

Yet, we remain optimistic about Changi Airport's future. Governments in our key markets are taking the right steps in ensuring sustainable long-term growth for their countries. In 2020, Asia will be home to half the world's middle class, with rising disposable incomes. This will be positive for the Singapore air hub, which is in the epicentre of this growth opportunity.

As we celebrate Singapore's Golden Jubilee in 2015, CAG will continue to contribute to the country's aviation story. We aim to grow traffic at Changi Airport, without compromising service standards. We will improve quality and efficiency through innovation, and enhance results and outcomes through collaborative partnerships with our many stakeholders who share our common and collective dream.

We would like to express our gratitude to all CAG employees, the Changi Airport community, our airline and airport partners, government agencies and our fellow Board Directors. We welcome Prof Tan Kong Yam who joined the Board in January 2015.

Thank you for your unwavering commitment and dedication, which have been instrumental in helping Changi Airport stand in good stead. We look forward to your continued support and partnership.



Liew Mun Leong  
Chairman



Lee Seow Hiang  
Chief Executive Officer

# BOARD OF DIRECTORS



## 1. LIEW MUN LEONG

### *Chairman*

Mr Liew is the Chairman of Changi Airport Group. He was appointed to the Board on 16 June 2009. Mr Liew was the founding President and CEO of CapitalLand Group. He is currently the Chairman of Surbana Jurong Private Limited and also serves on the boards of Singapore Exchange Limited, CapitalLand Hope Foundation (the philanthropic arm of CapitalLand), National University of Singapore (NUS) Business School, Human Capital Leadership Institute, Chinese Development Assistance Council and Singapore China Foundation Ltd.

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

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

With over 40 years of experience in the 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.

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 three books titled *Building People: Sunday Emails from a CEO, Volumes I, II and III*.



## 2. LEE SEOW HIANG

### *Chief Executive Officer*

Mr Lee is CEO of Changi Airport Group. He was appointed to the Board on 16 June 2009. He is concurrently Deputy Chairman of Changi Airports International Pte Ltd and a Director of SMRT Corporation Ltd. He is also a member of the Advisory Board to the IATA-NTU Advanced Management Program (AMP) and its Executive MBA degree in Aviation Management, as well as a Member on the Airports Council International (ACI) World Governing Board and First Vice President of the ACI Asia-Pacific Regional Board.

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 then 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 of Arts (Honours) from the University of Cambridge, UK, and a Master in Business Administration from the Massachusetts Institute of Technology, USA.



### 3. LIM SOO HOON

Ms Lim is a Non-Executive Director of Changi Airport Group 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 integrating key 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 Ministry of Communications and Information, the former Ministry of Labour, and the Registry of Vehicles. She was appointed Permanent Secretary, Ministry of Community Development in 1999 and became Permanent Secretary (Public Service Division), Prime Minister's Office in 2005 before joining the Ministry of Finance in 2012.



### 4. DERRICK WAN YEW MENG

Mr Wan is presently the Alternate Director to Ms Lim Soo Hoon. He 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.

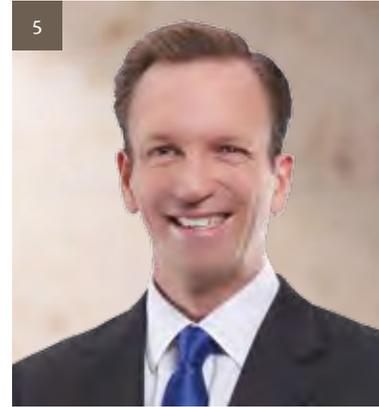
Mr Wan is a Chartered Financial Analyst (CFA), a Chartered Alternative Investments Analyst (CAIA) charter holder and holds a Professional Risk Manager (PRM) certification. He was awarded the Overseas Merit Scholarship to study at the University of York, UK, where he graduated with First Class Honours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

### 5. MICHAEL GEORGE WILLIAM BARCLAY

Mr Barclay is a Non-Executive Director of Changi Airport Group and was appointed to the Board on 16 June 2009. Mr Barclay is CEO of Wildlife Reserves Singapore. He also sits on the boards of Sentosa Leisure Management and the Mount Faber Leisure Group.

For seven years prior to joining Wildlife Reserves Singapore in October 2015, Mr Barclay was the CEO of Sentosa Development Corporation. He was Regional Vice President Asia Pacific at the International Air Transport Association from 2007 to 2008, and Chief Executive of SilkAir from 2004 to 2007. He also held various portfolios for Singapore Airlines in Singapore, Germany, Switzerland, Belgium and the UK from 1991 to 2004.

Mr Barclay holds 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 Changi Airport Group and was appointed to the Board on 7 September 2009. Mr Ko is currently the Group CEO of Ascendas-Singbridge Pte Ltd. He was previously the Chairman and President of the Asia-Pacific Division for Starwood Hotels & Resorts Worldwide Inc. with strategic oversight of the operating and financial performance of the hotel group in the region. Prior to that, he was Deputy Chairman and CEO of CDL Hotels International Limited.

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 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 and was honoured with 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), licensed by the State Board of Accountancy in the State of New Hampshire, United States.

### 7. ERIC ANG TEIK LIM

Mr Ang is a Non-Executive Director of Changi Airport Group and was appointed to the Board on 18 November 2009. Mr Ang is currently Senior Executive Advisor at DBS Bank Ltd. Among other appointments, he previously served as the head of capital markets at the bank and was the Deputy Chairman of NTUC Fairprice Co-operative Limited. He worked on many landmark deals in the capital markets industry, including the initial public offerings of Singapore Airlines, Singapore Telecom and Singapore's first real estate investment trust, CapitaMall Trust.



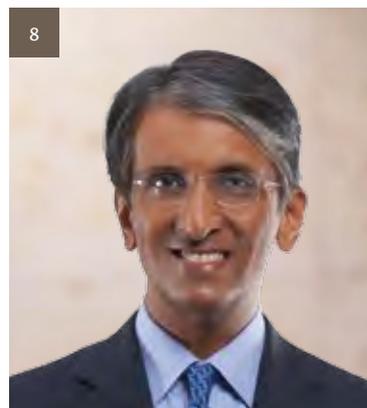
Mr Ang serves on the boards of Surbana Jurong Private Limited, Raffles Medical Group Ltd, DBS Foundation Ltd, Sembcorp Marine Ltd, and Hwang Capital (Malaysia) Berhad. He holds a Bachelor of Business Administration (Honours) degree from the University of Singapore.

### 8. DILHAN PILLAY SANDRASEGARA

Mr Sandrasegara is a Non-Executive Director of Changi Airport Group and was appointed to the Board on 15 January 2010. He is the Head of Enterprise Development Group, as well as Co-head, Americas, of Temasek International Pte Ltd. Prior to joining Temasek, he was a corporate lawyer.

Mr Sandrasegara serves on the boards of the Singapore Management University, Singapore Institute of Legal Education, Changi Airports International Pte Ltd, 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 Capital Markets Committee of the Monetary Authority of Singapore. He was previously a member of the Singapore Corporate Governance Council.

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 Changi Airport Group and was appointed to the Board on 23 July 2010. He is a Board Member of Ascendas-Singbridge Pte Ltd, CapitaMall Trust Management Limited, DBS Bank Ltd, DBS Group Holdings Ltd, DBS Bank (China) Ltd, DBS Foundation Ltd, JTC Corporation and Keppel Corporation Ltd.

Mr Teoh was a partner at KPMG from 1989 until September 2010 when he retired as its Managing Partner. 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.

### 10. RICHARD ROKMAT MAGNUS

Mr Magnus is a Non-Executive Director of Changi Airport Group and was appointed to the Board on 23 July 2010. He is currently the 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 Limited, Allgrace Investment Management Private Limited, and is the Chairman of the Management Board of Human Capital (Singapore) Pte Ltd. He was also Singapore's First Representative to the ASEAN Inter-Governmental Commission on Human Rights and the first Chairman of the Casino Regulatory Authority of Singapore. Mr Magnus is an Expert Member on UNESCO's International Bioethics Committee, as well as an alumnus of the National Agenda Council of the World Economic Forum.

A retired Senior (now termed Chief) District Judge, Mr Magnus was awarded the Meritorious Service Award for his exceptional public service and the



Outstanding Volunteer award by the Ministry of Social and Family Development. Most recently, he was awarded 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 Changi Airport Group and was appointed to the Board on 30 January 2015. Professor Tan is presently Professor of Economics at the Nanyang Technological University and 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 Pte Ltd and sits on the boards of Surbana Jurong Private Limited, Ascendas-Singbridge Pte Ltd and CapitaRetail China Trust Management Limited.

From 1984–88, 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. 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 eleventh 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 NUS Business School. He has also worked at the Hoover Institution at Stanford University and the World Bank in Washington.

Professor Tan graduated from Princeton University with a Bachelor of Art (Honours) and holds a Doctorate 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*



## 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  
Engineering & Master Planning

### **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**

Project Director  
Changi East Contracts  
& Cost Control

### **LIM Ching Kiat**

Senior Vice President  
Market Development

### **LIM Wee Ping**

Senior Vice President  
Corporate Strategy  
& Business Development

### **Jessie LOONG**

Senior Vice President  
Legal / Company Secretary

### **NG Chew Song**

Senior Vice President  
Projects & Contracts

### **ONG Chee Chiau**

Senior Vice President  
Changi East T5 Planning

### **ONG Sim Lian**

Senior Vice President  
Design Management

### **Cletus PACKIAM**

Chief  
Airport Emergency Services

### **Ivan TAN**

Senior Vice President  
Corporate & Marketing  
Communications

### **Justina TAN**

Senior Vice President  
Human Resource

### **TAN Kok Siong**

Project Director  
Changi East Construction

### **TENG Hwee Onn**

Senior Vice President  
Engineering & Specialised Systems

### **Ivy WONG**

Senior Vice President  
Airsides Concessions

### **YEO Kia Thye**

Senior Vice President  
Airport Operations  
Planning & Airside

## CHANGI AIRPORTS INTERNATIONAL\*

### **CHAN Mew Yoong**

Director & Head  
Human Resources

### **LOW Beng Lan**

Chief Financial Officer

### **NG Kuan Luen**

Director & Head  
Risk Management

### **Jose PANTANGCO**

Managing Director  
Consultancy & Business  
Development

### **SEE Ngee Muoy**

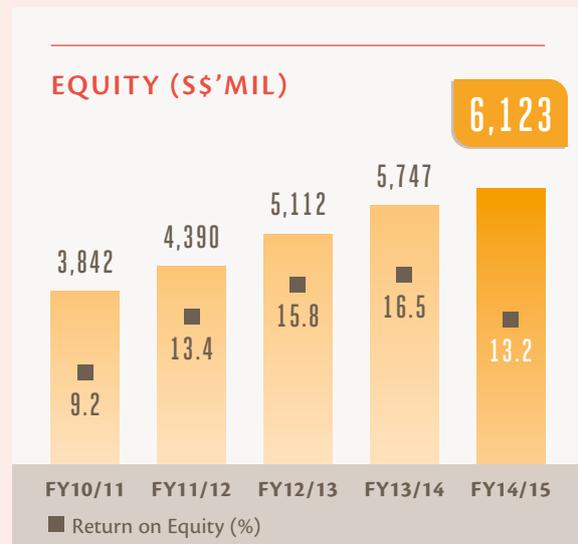
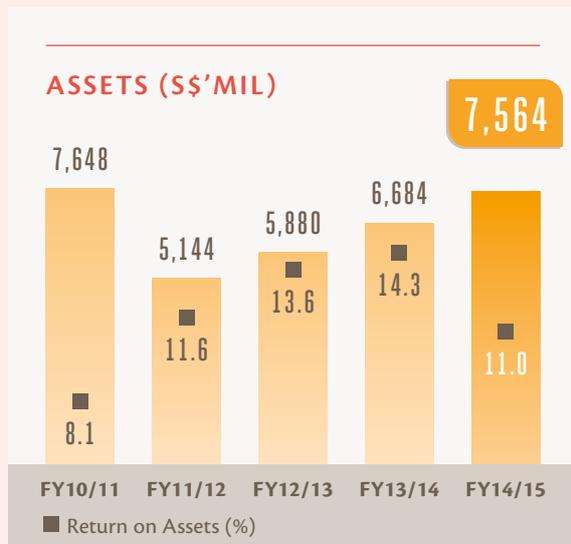
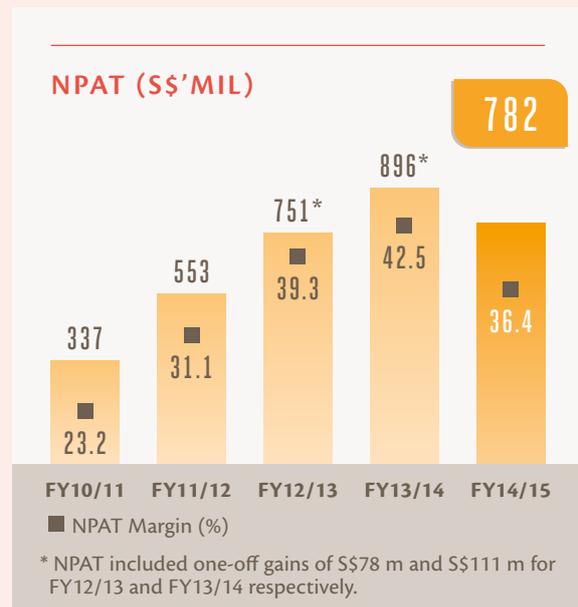
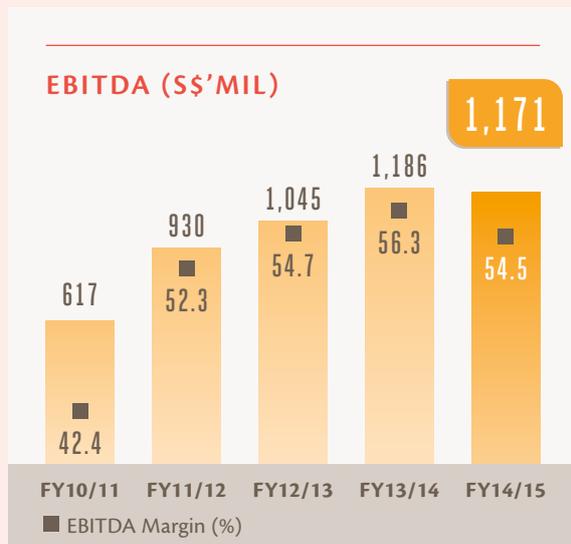
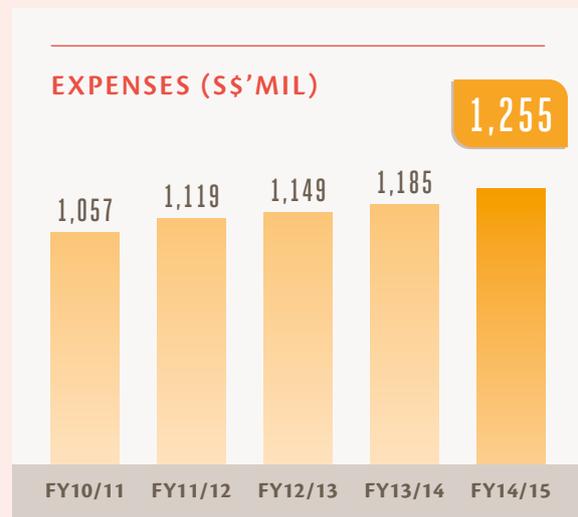
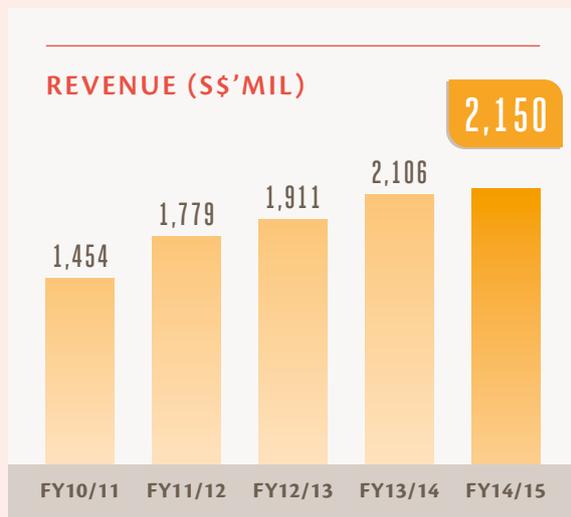
Managing Director  
Legal & Compliance

### **L SOMKIAT**

Managing Director  
Changi Airport Planners  
and Engineers

\* Members of Changi Airports International's Management Committee

# FINANCIAL REVIEW



FY: Financial year ended 31 March.

## THE YEAR IN REVIEW

FY2014/15 was a challenging year for aviation in the region. Several developments, including three airline incidents, an austerity drive by the Chinese government and political unrest in Thailand, depressed air travel demand. In addition, overcapacity in Indonesia post liberalisation of air rights and the consolidation of airline capacity to protect yields further dampened Changi Airport's traffic growth. Notwithstanding this, CAG managed to end the year in review with 54.0 million passenger movements at a year-on-year (y-o-y) growth rate of 0.2%.

Despite the tepid growth in passenger volume, the Group still delivered a set of good results for FY2014/15. Operating revenue increased by 2% y-o-y to S\$2.2 billion, mainly due to our continual efforts to drive concession sales, partially offset by lower revenue from airport services resulting from rebates extended to our airline partners. During the year, CAG and CAAS responded to the challenging operating environment by providing S\$150 million of cost-relief measures to the aviation community over a period of two years. Of the S\$150 million rebates, CAG contributed S\$100 million via the Growth and Assistance Incentive plan (the "GAIN programme"), aimed at lowering costs for airlines, boosting passenger traffic and improving operational efficiency at Changi Airport.

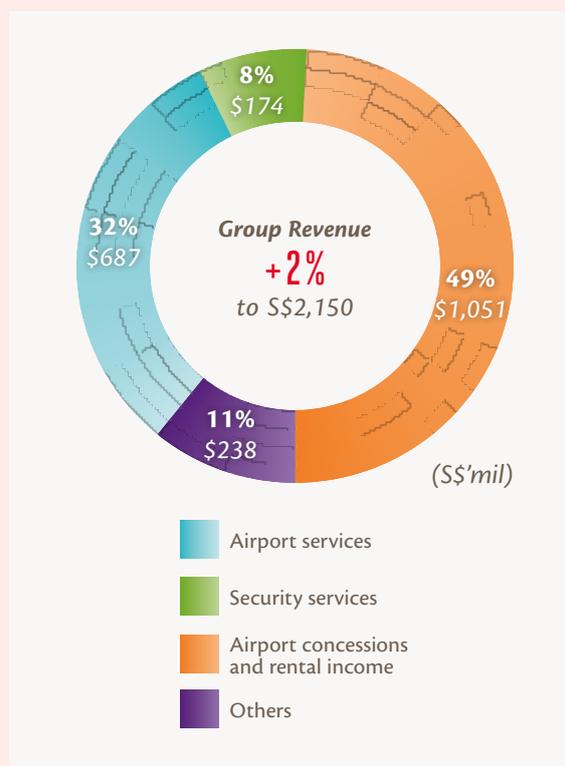
On the cost front, operating expenses grew 6% to S\$1.3 billion. The increase was due to the higher cost of our labour intensive contracts, which were subjected to cost pressures from structural wage reforms and manpower shortages in Singapore. We also invested more into service and security improvements, as well as launched new promotions to drive concession sales at the airport. Higher expenses were also incurred to support the multiple development projects to build capacity for growth.

The Group achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of S\$1.2 billion, which was 1% lower than last year, due mainly to rebates given under the GAIN programme and higher operating expenses. Net profit after tax (NPAT) declined by 13% to S\$782 million, due in part to one-off gains from property tax adjustments and divestments of our overseas investments, amounting to S\$111 million in the prior year.

CAG's strong financial position enables it to invest in multiple development projects to meet long-term capacity needs as we continue to grow Changi Airport as a preminent air hub in the region. We will continue to focus on cost efficiency and productivity to keep operating expenses at

sustainable levels while driving innovation and enhancing service standards.

## OPERATING REVENUE



The Group's operating revenue grew 2% to S\$2.2 billion, driven mainly by the strong performance from non-aeronautical revenue, which helped to mitigate lower aeronautical revenue due to tepid passenger volume growth and significant rebates given to airlines.

Revenue from **Airport services and security services** contracted 3.6% to S\$861 million.

While passenger traffic was maintained at 54 million passengers, significant rebates were extended to airlines and airport partners to tide them over the challenging operating environment.

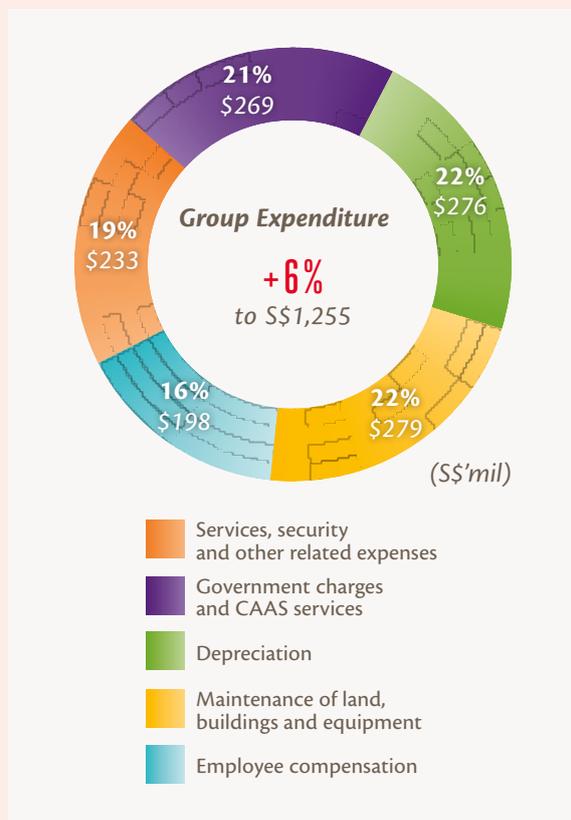
The S\$100 million GAIN programme launched by CAG during the year served to provide cost relief to the aviation community over a period of two years in the form of landing fee rebates for long haul services, across-the-board parking and aerobridge fee rebates. In August 2014, CAG augmented this support further with the Gateway Incentive Programme to motivate airlines to grow transit and transfer traffic via Changi. This included extending the popular Changi Transit Programme for the third consecutive year. In addition to the above, CAAS also announced the absorption of S\$50 million in service charges to CAG, which CAG in turn passed on to the airlines via additional landing fee rebates.

## FINANCIAL REVIEW

Through dedicated marketing efforts and strategic cultivation of partnerships, we continue to grow Changi's connectivity with the addition of seven new airlines and seven new city links. CAG is also working closely with its partners to spur tourist arrivals to Singapore.

**Airport concessions and rental income** grew 7% y-o-y to reach S\$1.1 billion. Changi Airport's retail performance remained strong and generated sales of over S\$2 billion for the year despite a more challenging operating environment. The transformation of the core category concessions, namely Liquor & Tobacco and Cosmetics & Perfumes, managed by DFS and The Shilla Duty Free respectively, helped to boost concession revenue. CAG also expanded its presence in the digital sphere with the launch of a Chinese version of its e-commerce portal iShopChangi, widening the customer segments to capture Chinese-speaking passengers. Shoppers and diners also enjoyed more value with the relaunch of Changi Airport's loyalty programme, Changi Rewards. CAG's anchor retail campaigns, 'Be a Changi Millionaire' and the yearly Christmas promotion were also well-received and helped to drive concession sales. The strong performance from the non-aeronautical segment enables CAG to subsidise and keep aeronautical charges at Changi Airport competitive.

### OPERATING EXPENSES



The Group's operating expenses grew 6% to S\$1.3 billion. The increase came from all groups of expenses, in particular, maintenance expenses, services and security-related expenses, as well as employee compensation.

Sustained wage pressures due to wage reforms and the tight labour market conditions in Singapore weighed on CAG's and its contractors' costs. We also invested more into service improvements such as the introduction of shopping concierge services and stepped-up training for airport service staff to drive service excellence for Changi's customers. To drive concession sales at the airport, concerted marketing and promotion efforts were undertaken, including the relaunch of the Changi Rewards programme, expansion of the iShopChangi portal, as well as various promotion campaigns throughout the year.

In addition, as CAG continued to invest in capacity building, additional manpower and expenses were also incurred to support multiple development projects. To moderate cost increases, the Group continued to drive productivity and innovation initiatives, leveraged technology to reduce manpower reliance and also propagated smart procurement practices company-wide to secure best value outcomes.

### EBITDA/PROFIT AFTER TAX

The Group achieved EBITDA of S\$1.2 billion and NPAT of S\$782 million for the financial year ended 31 March 2015. NPAT was 13% lower than last year, mainly due to one-off gains from its property tax adjustments and gains from divestments of our overseas investments, amounting to S\$111 million in the previous financial year.

### FINANCIAL POSITION

**Shareholder's equity** improved by S\$376 million to reach S\$6.1 billion.

Total **assets** amounted to S\$7.6 billion, an increase of S\$880 million compared to last year. The major components of total assets were property, plant and equipment (of \$2.8 billion) and cash and cash equivalents (of \$3.8 billion). The surplus cash has been ear-marked to fund development projects in the pipeline.

The Group achieved return on equity (ROE) and return on asset (ROA) of 13.2% (FY2013/14: 16.5%) and 11% (FY2013/14: 14.3%) respectively for FY2014/15.

The Board and Management of Changi Airport Group (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 thrive and to operate a sustainable business 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 wider 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  
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 Kong Yam (*appointed on 30 January 2015*)

The profiles of the Directors can be found on pages 24 to 27 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, 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 & 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 financing and investment strategies of the Company. The EXCO also approves significant investments by CAG and CAI. As an executive committee of the Board, it also assists the Board in reviewing and approving executive matters of

## CORPORATE GOVERNANCE

the Company, including acceptance of banking and credit facilities, granting of corporate guarantees, debt capital market issuance as well as hedging policies and financial limits for Treasury and operational matters.

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### 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.

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### 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 in ensuring integrity in its financial reporting and that sound internal control systems are in place. The AC's responsibilities include reviewing the financial information CAG provides to its shareholder 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, partners, suppliers and contractors to raise concerns in confidence; the procedures for independent investigation of the matters reported and for appropriate follow-up.

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. The AC also reviews 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.

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### 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 shareholder's

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. CAG's internal controls framework, supported by systems, processes and people, comprises three components. The first is business governance and policies implemented by Management, providing direction and guidance on financial, operational, information technology and compliance matters. The second comprises the management and assurance frameworks, i.e. enterprise risk management and fraud risk management processes. These include conflict of interest declarations by employees and the implementation of the Whistle-blowing Policy and Code of Conduct to establish a clear tone on the expectations of employees' business conduct. The third is the independent assurance provided by the internal and external auditors.
3. CAG's internal and external auditors review the key internal controls of the Company; and any material non-compliance or failures in internal controls. Recommendations for improvement are reported to the AC, which 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 achieving 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 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. Internal Audit 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. Internal Audit's 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. Internal Audit 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.

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#### **AIRPORT DEVELOPMENT**

1. The ECAD comprises the following directors:  
Mr Liew Mun Leong – Chairman  
Mr Derrick Wan Yew Meng  
Mr Michael George William Barclay (*up to 8 October 2014*)  
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 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 Terminal 4, Jewel Changi Airport, Terminal 1 Expansion, and Changi East developments.
2. The risk owners in the key operational divisions work closely with our Enterprise Risk Management (ERM) unit to increase vigilance by timely identifying 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.

### *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. This financial year, the governance of operational and safety risks was enhanced with the formation of a new Board-level sub-committee, the Operational Risk and Safety Committee (ORSC), covering both current operations and key developmental projects.

6. The ORSC comprises the following two Directors:  
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.

7. 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.
8. 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*

9. 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.
10. 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.



*CAG rolled out an exciting line-up of SG50 activities in 2015 to mark the nation's Golden Jubilee. Centred on the theme 'Changi, I'm Home', the celebrations across Changi Airport included interesting displays of uniquely local symbols, an inspiring video of how Changi is like home to many people, and an online competition which crowdsourced personal stories and fond memories of Changi Airport from Singaporeans.*

**1** *The Singapore 50 Topiary features a Singapore map made up of over 700 plants and multiple lights, an apt tribute to Singapore's reputation as a garden city.*



### 50 HOME SPOTS

Within the airport, CAG put up 50 'Home Spots' for Singaporeans and passengers to enjoy and take fun photos with. These included a spectacular celebration arch erected across the Airport Boulevard to welcome Singaporeans home, as well as a series of topiary displays taking the form of well-loved Singapore icons – the biggest of which being the Singapore 50 Topiary in Terminal 2, a stunning display of lush greenery and flowers in the shape of the Singapore map. Icons like 'Singa', the trishaw, the durian, and favourite local dishes *Chilli Crab*, *Satay* and *Roti Prata* adorned the terminals. 'Be a Changi Millionaire' booths and the airport Skytrains were also decorated with special features unique to Singapore. At the central Departure Immigration area at Terminal 3 was a colourful luggage wall where visitors could tag their well-wishes for the nation onto, as well as cardboard displays representing the aviation industry's development in the past, present and future, such as the Changi Airport control tower, and the Kallang and Paya Lebar airports. For this, CAG worked with many airport partners to put the cardboard icons together in a meaningful process demonstrating the OneChangi spirit.





## I'M HOME

CAG started 2015 with the release of a special video entitled 'I'm Home'. Directed by award-winning husband and wife duo Charles Lim and Wee Li Lin, the video depicts the feeling of home that many people experience at Changi Airport. The video was accompanied by an original song performed by Benjamin Kheng, singer and co-founder of popular local band The Sam Willows. Within weeks of the video's launch, it garnered several million views across social media platforms like YouTube and Facebook.



## MY CHANGI STORY

CAG also launched an online crowdsourcing initiative to collect precious stories and fond memories of Changi Airport that Singaporeans have accumulated over the years. The 'My Changi Story' campaign invited members of the public to submit a personal photograph taken at the airport and to share their special memory related to it. A marriage proposal at the airport's viewing gallery; teenagers sharing their innermost dreams as they watch planes take off; heartfelt hugs as one returns from a long trip; the excitement of a family's first flight, and even reminiscing precious moments at the airport with a dearest loved one who is no longer around. Over 200 photos and stories capturing Singaporeans' treasured moments of Singapore's iconic gateway were received, out of which, three winners were selected.





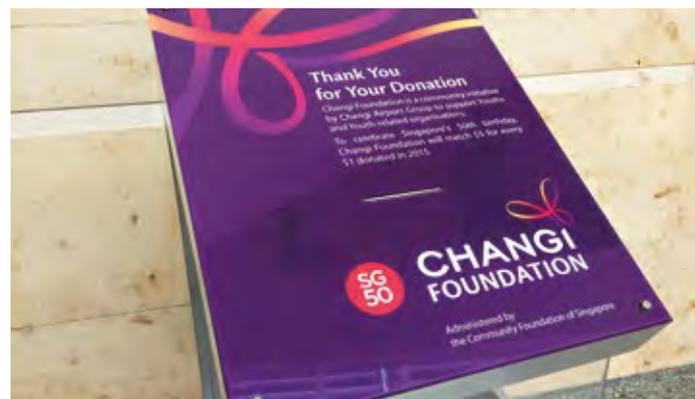
## CAG GOES TO NDP

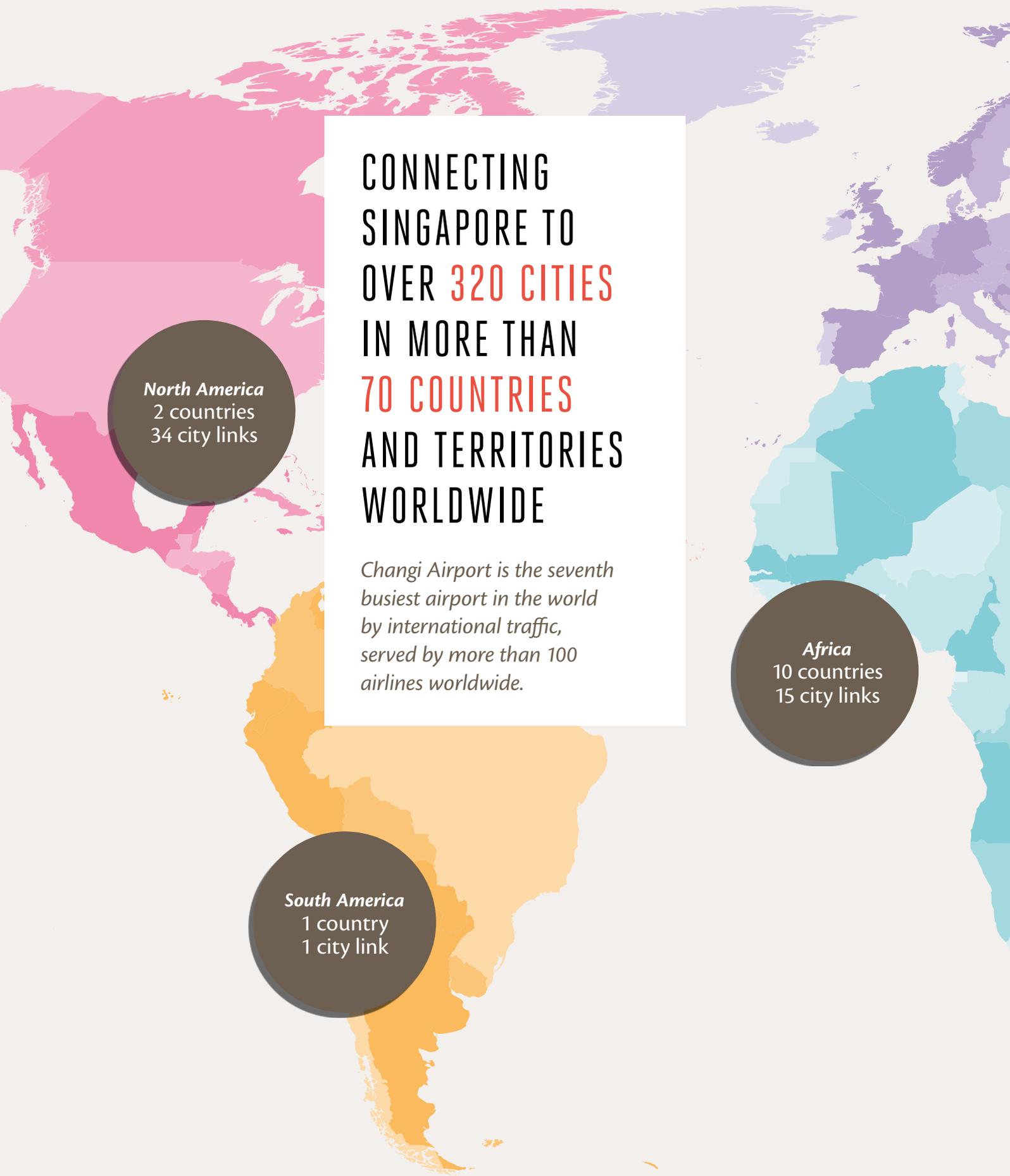
With patriotic fervour, CAG sent a 44-strong contingent to this year's National Day Parade (NDP) held at the Padang. This was the first time that the company took part in the NDP and it was a great honour to contribute to the nation's momentous Golden Jubilee celebrations. The participants, who took part in a series of fun but rigorous rehearsals held over 16 weekends, truly enjoyed the experience and appreciated the opportunity to be part of this milestone event.



## CHANGI GIVES BACK

In commemoration of SG50, CAG's philanthropic arm, Changi Foundation, increased its contribution in 2015 to fund programmes for disadvantaged youths. Through the more than 30 donation boxes placed across the airport, travellers have been donating generously through the years and these contributions have been matched dollar-for-dollar by Changi Foundation. This year, Changi Foundation will increase its contribution to match \$5 for every dollar dropped into the donation boxes. Proceeds will go towards educational and after-school programmes for youths.





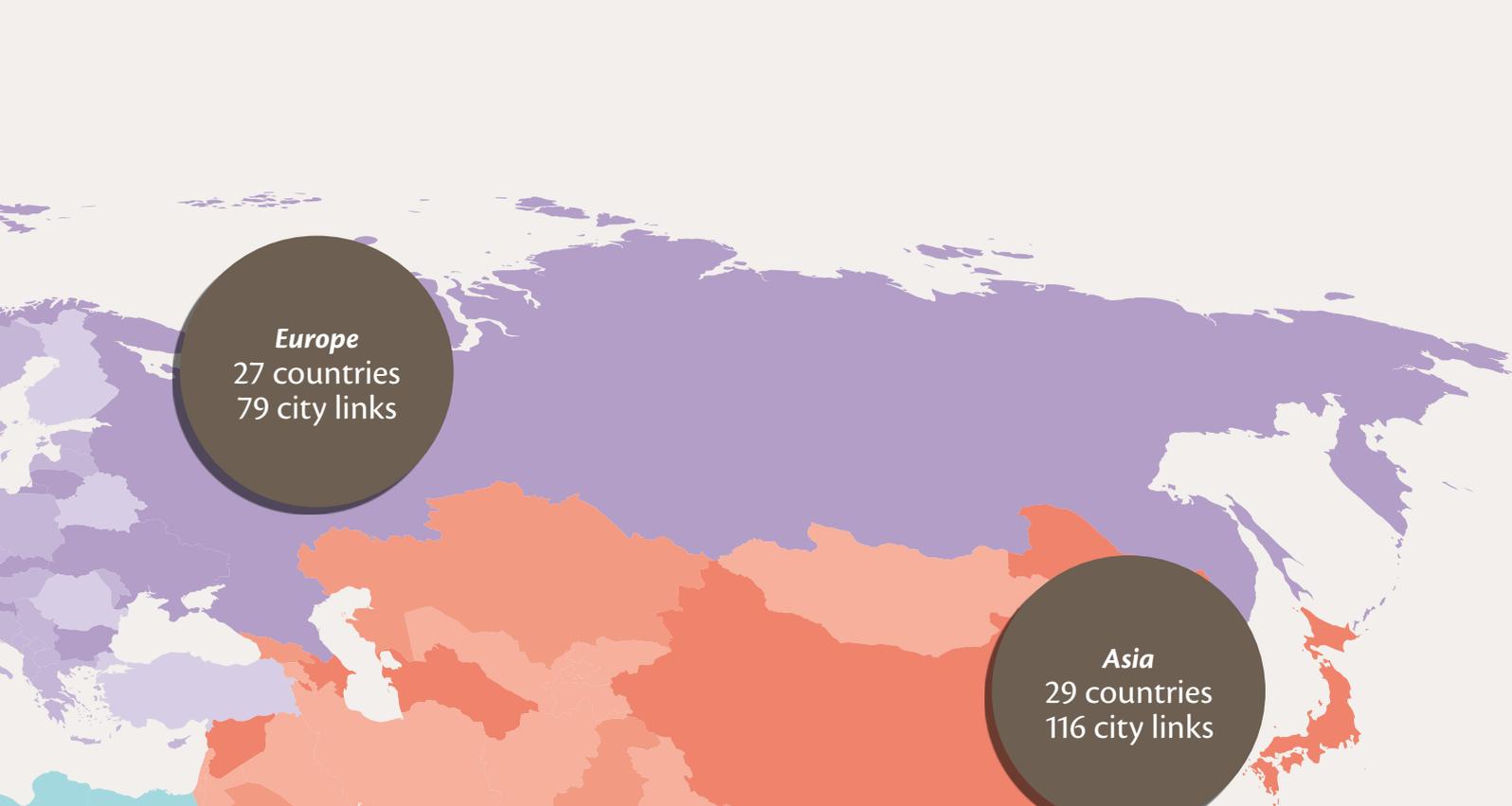
CONNECTING  
SINGAPORE TO  
OVER **320 CITIES**  
IN MORE THAN  
**70 COUNTRIES**  
AND TERRITORIES  
WORLDWIDE

*Changi Airport is the seventh  
busiest airport in the world  
by international traffic,  
served by more than 100  
airlines worldwide.*

*North America*  
2 countries  
34 city links

*South America*  
1 country  
1 city link

*Africa*  
10 countries  
15 city links



**Europe**  
27 countries  
79 city links

**Asia**  
29 countries  
116 city links

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**NORTH AMERICA**

Canada  
United States

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**SOUTH AMERICA**

Brazil

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**AFRICA**

**Eastern Africa**

Ethiopia  
Kenya  
Mauritius  
Tanzania  
Uganda  
Rwanda

**Southern Africa**

South Africa

**Western Africa**

Burkina Faso  
Ghana  
Republic of Congo

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**EUROPE**

**Eastern/Central Europe**

Albania  
Azerbaijan  
Bulgaria  
Czech Republic  
Hungary  
Poland  
Russia  
Ukraine

**Western Europe**

Austria  
Belgium  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Italy  
Lithuania  
Luxembourg  
Netherlands  
Norway  
Portugal  
Spain  
Sweden  
Switzerland  
Turkey  
United Kingdom

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**ASIA**

**Central Asia**

Uzbekistan

**Middle East**

Bahrain  
Egypt  
Oman  
Qatar  
Saudi Arabia  
United Arab Emirates

**Northeast Asia**

China  
Hong Kong SAR  
Japan  
Macau SAR  
South Korea  
Taiwan

**South Asia**

Bangladesh  
Bhutan  
India  
Maldives  
Nepal  
Sri Lanka

**Southeast Asia**

Brunei Darussalam  
Cambodia  
Indonesia  
Laos  
Malaysia  
Myanmar  
Philippines  
Thailand  
Timor Leste  
Vietnam

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**SOUTHWEST PACIFIC**

Australia  
Cook Islands  
Fiji  
New Zealand  
Norfolk Island

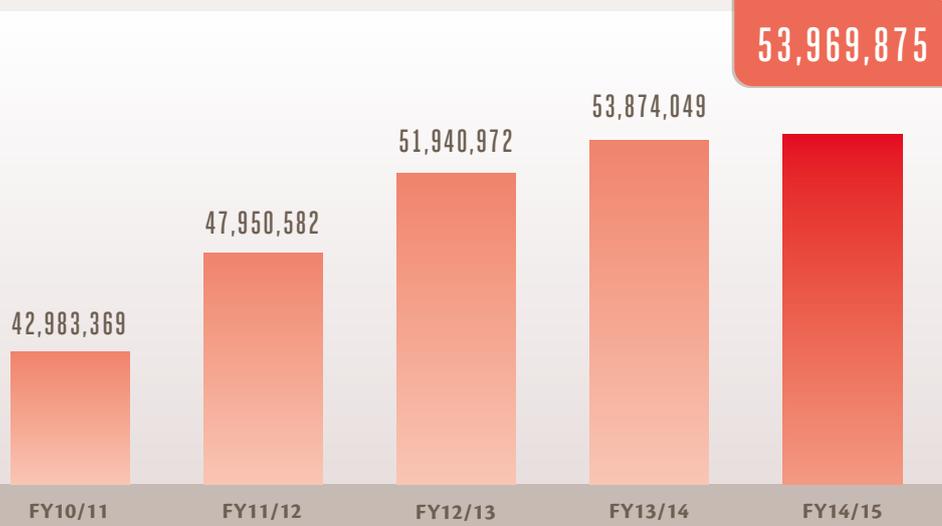
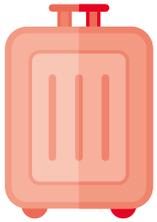
Papua New Guinea  
Samoa  
Tonga  
Vanuatu



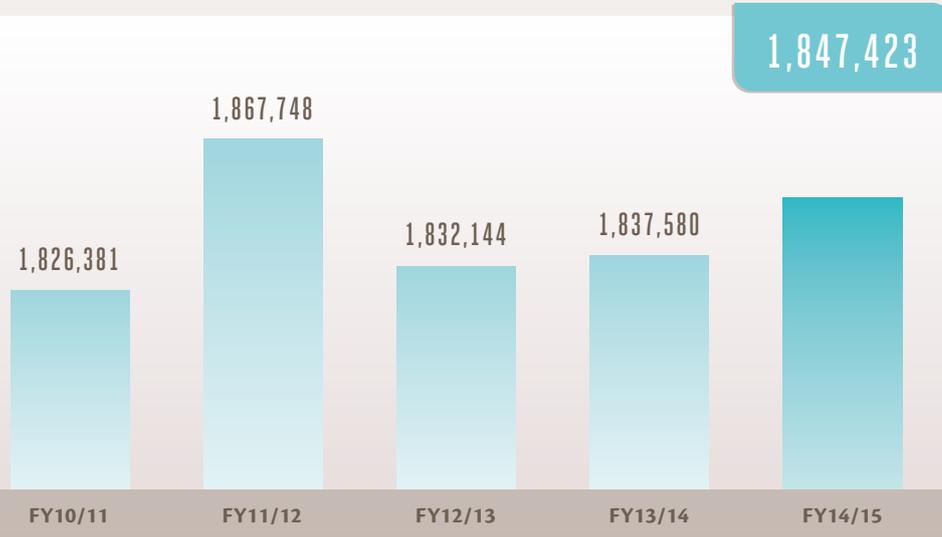
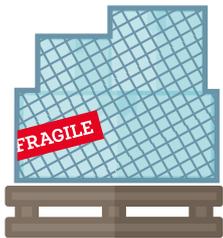
**Southwest Pacific**  
9 countries  
75 city links

# AIR TRAFFIC STATISTICS

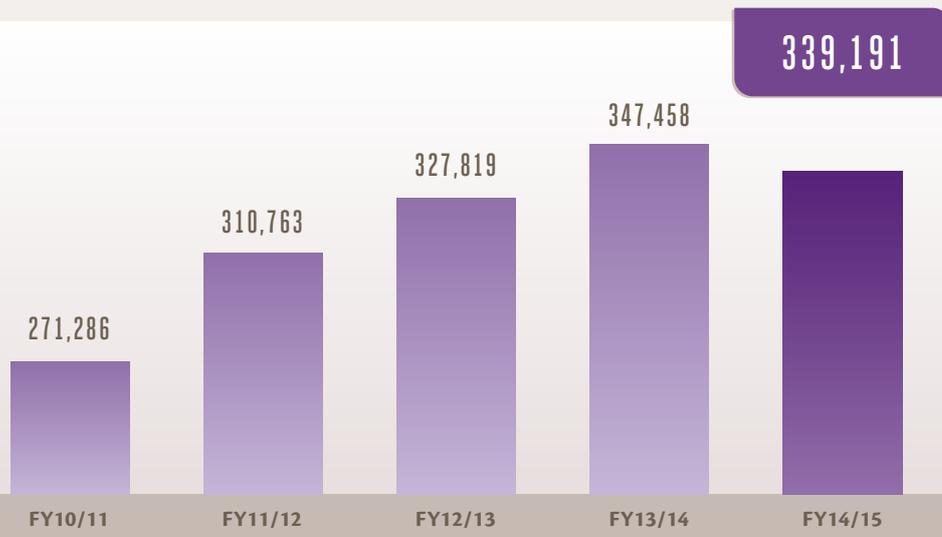
## PASSENGER MOVEMENTS



## AIRFREIGHT MOVEMENTS (TONNES OF AIRFREIGHT)



## COMMERCIAL AIRCRAFT MOVEMENTS





# CHANGI AIRPORT

## By The Numbers



The world's most awarded airport with over **490 AWARDS**



**2 RUNWAYS**  
each 4 km long

=  
Total length of  
**55 AIRBUS A380**

**3 TERMINALS**  
with a capacity of  
**66 MILLION PASSENGERS**  
per annum



Total land area of  
**1,300 HA**

More than  
**2X OF SENTOSA**



A place where about  
**40,000 PEOPLE**  
work, including  
**1,700**  
with Changi Airport Group



Serves more than  
**100 AIRLINES**,  
including five based  
in Singapore



Connected to some  
**320 CITIES**  
in the world either  
directly or indirectly



# STRENGTHENING OUR CORE





*Developing the Singapore air hub is a core function for CAG and while Changi Airport has established itself internationally as one of the world's best airports, the rise of flagship airports around the world means that its leadership position cannot be taken for granted.*

**1** *The airside view of Changi Airport, the seventh busiest airport in the world.*

**2** *(Next page) Through creative advertisements placed in media, CAG welcomes new airline partners such as Uzbekistan Airways.*

During the year, Changi's development as an air hub faced the challenges of overcapacity and depressed yields exacerbated by socio-political factors in the region. As a result, traffic growth moderated significantly compared to the robust recovery following the 2008/09 global financial crisis.

Changi Airport registered a total of 54.0 million passenger movements for FY2014/15, the highest in its 33-year history. This was a 0.2% increase compared to the previous year. Flight movements dipped 2.4% to 339,200 for the year. While traffic to South Asia and Northeast Asia rose 6.4% and 2.5% respectively, this was offset by weaker performance on Southeast Asian routes.

Passenger traffic to and from China and Thailand, two of Changi's top five markets, showed encouraging signs of recovery in the second half of the year. Indonesia continued to be the airport's top country market, followed by Australia and Thailand. In terms of Changi's busiest routes, Jakarta, Hong Kong and Kuala Lumpur took the top three spots, with Ho Chi Minh City registering the strongest growth (of 8.3%) among the top 10 routes.

During the year, Changi Airport welcomed seven new airlines – Air New Zealand, Jetstar Pacific, Malindo Air, Oman Air, Tigerair Taiwan, Uzbekistan Airways and VietJet Air. Despite the rise in competition from airports in the region, CAG worked closely with key airline partners to strengthen connectivity at Changi Airport. Air New Zealand returned to Singapore on 6 January 2015, operating five weekly Auckland–Singapore services. Singapore Airlines also up-gauged its daily Auckland service to the bigger A380 aircraft. These developments increased total seat capacity on the Singapore–Auckland route by approximately 30%, augmenting Changi Airport’s competitiveness as a transfer hub.

The arrival of Uzbekistan Airways on 4 April 2014 has provided direct and quick access to Central Asia, via Tashkent, and likewise, strengthened Singapore’s appeal as a strategic gateway to Southeast Asia and the Southwest Pacific for travellers from Central Asia. Besides the new link to Uzbekistan, Changi Airport also added new services to Lanzhou and Xi’an in China, Okinawa in Japan, Luang Prabang in Laos, Louisville in the United States and Phu Quoc in Vietnam, bringing the total number of new destinations to seven for the year.

### ENHANCING SUPPORT FOR AIRLINE PARTNERS

CAG recognises the importance of partnerships to ensure the sustainable success of the Singapore

air hub. Hence, during the year, we rolled out a wide-ranging Growth and Assistance Incentive (GAIN) programme, a S\$100 million commitment to help airlines reduce costs, stimulate travel demand and raise productivity to improve operational efficiency at Changi Airport.

As part of the GAIN programme, all airlines operating at Changi enjoy across-the-board rebates of 50% on aircraft parking and 15% on aerobridge fees from 1 July 2014 to 30 June 2015. To help support airlines’ long-haul services, CAG has offered airlines a 50% rebate on landing fees for all non-stop passenger flights from 1 September 2014 to 31 March 2016. In addition, CAG introduced a Gateway Incentive to motivate airlines to grow transit and transfer traffic via Changi. All operating airlines at Changi receive S\$10 for every incremental departing transit or transfer passenger handled. The 18-month scheme was effective 1 October 2014 and also includes foreign airlines with interlining arrangements at Changi.

Strategic support measures are also in place to encourage airlines and ground handlers to attain higher service and efficiency standards and to support them in the implementation of productivity enhancement initiatives at the airport. Together, these measures will help to anchor Singapore as a major gateway in the Asia Pacific region.





## CULTIVATING NEW PARTNERSHIPS

Aimed at anchoring aviation links between Singapore and Okinawa, CAG signed a Memorandum of Understanding (MOU) with the Okinawa Prefectural Government on 25 March 2014. Under this MOU, both parties will collaborate to promote tourism and air cargo traffic between the two cities as well as other countries in Southeast Asia, India and Australia. CAG and Okinawa also jointly supported the charter of 14 passenger services between Singapore and Okinawa.

The partnership will help to boost trade, as Okinawa hopes to work with international air cargo and logistics firms to grow distribution channels for high quality exports via Singapore. Subsequent to the MOU, ANA Cargo commenced a six-weekly Okinawa–Singapore–Tokyo (Narita) freighter service in May 2014, from its primary airfreight hub in Okinawa. The airline is able to tap on temperature-controlled facilities at Changi to extend the cold supply chain for perishables and pharmaceuticals, as well as increase transshipment loads to destinations in Southeast Asia and South Asia.

To grow Asia’s fly–cruise segment and promote demand for cruise holidays from Singapore, CAG partnered the Singapore Tourism Board

(STB) to ink a multi-million tripartite collaboration with luxury cruise liner Princess Cruises to step up marketing efforts to Asian consumers and develop new passenger source markets in the Asia Pacific region. In tandem, we have also been actively collaborating with airlines and travel agents on marketing campaigns to promote fly–cruise packages in markets such as China and India. Changi Airport’s strong connectivity with destinations in the world complements STB’s vision of making Singapore a global cruise hub.

In partnership with the Embassy of Indonesia, Indonesia’s Ministry of Tourism & Creative Economy, and 14 airline and travel trade partners, Changi Airport hosted the “Indonesia: The World Next Door” event at Terminal 3 in June 2014. The month-long event was aimed at increasing awareness and promoting travel to Indonesia. Visitors were treated to various cultural performances and learnt about the different tourism offerings in Indonesian cities such as Bandung, Surabaya and Yogyakarta.

CAG’s efforts and excellence in marketing Changi Airport as a choice hub for passengers was recognised when it bagged the Best Airport Marketing Award in the ‘Over 50 million passengers’ category for the second consecutive year at the World Routes 2015 conference in Chicago.

3 A traditional dance performance that was part of the ‘Indonesia: The World Next Door’ event.



### STRENGTHENING CARGO HANDLING CAPABILITIES

Even as the global airfreight industry continued to experience weak business confidence and low cargo yields, Changi Airport handled 1.85 million tonnes of cargo in FY2014/15, an increase of 0.5% year-on-year.

CAG remains committed to expand its connectivity and enhance its cargo handling capabilities. In the area of express cargo, we worked with integrators and express logistics partners to provide adequate support for this emerging cargo segment. One example is DHL Express, one of the world's leading international express services providers. The company has unveiled plans to invest S\$140 million to develop its South Asia Hub – a 24-hour express facility located within the Changi Airfreight Centre – to stimulate trade and commerce growth across Southeast Asia. More importantly, this strengthens Singapore's position as a logistics hub and a practice-leader in express cargo automation.

CAG joins hands with its cargo partners to showcase Changi Airport's air cargo capabilities and value propositions to international logistics players. For instance, in October 2014, CAG collaborated with Singapore Airlines Cargo, SATS, dnata,

and Alliance 21 (a Singapore-based freight forwarding company) to exhibit at the 27<sup>th</sup> International Air Cargo Forum & Exhibition in Seoul, South Korea. The leading biennial industry event organised by The International Air Cargo Association brought together supply chain decision makers from across the globe for three days of networking, discussions and learning.

To support the cargo sector further, the existing 50% landing fee rebate for scheduled freighter operations – which was due to expire on 31 March 2015 – was extended to 30 September 2015. Subsequently, the landing fee rebate will be adjusted to 30% and apply until 31 March 2016. Cargo tenants leasing CAG's cargo facilities at the Changi Airfreight Centre will also continue to enjoy rebates based on cargo tonnage handled, up to 20% of their rentals, till 31 March 2016.

Looking ahead, with economic development and the opening up of trade within Asia, CAG expects stronger growth in air cargo traffic over the longer term. Progressive economic integration within ASEAN would potentially spur airfreight demand in the region. Changi Airport is well placed to meet increased demand for intra-Asia airfreight services with its excellent connectivity, service reliability and efficiency.

4 Artist's impression of DHL Express' South Asia Hub, which is under construction.

## AN AWARD-WINNING AIRPORT EXPERIENCE



*As we actively pursue exciting plans to grow Changi Airport, we remain deeply rooted to our fundamental belief which is anchored on one simple concept – to put our passengers at the heart of everything we do.*

**1** Mickey Mouse delights travellers at Changi Airport's Disney-themed Christmas celebrations in 2014.

Amid the challenges of serving more passengers as traffic grows and being prepared for potential disruptions caused by development works, CAG is heartened that Changi Airport continues to be accorded recognition by the industry and many passengers as the world's best airport. For the third year running and the sixth time in its history, Changi Airport was named the 'World's Best Airport' by Skytrax in March 2015. During the year, Changi was also named 'Best Airport in the World' by leading UK travel publication Business Traveller, for the 27<sup>th</sup> consecutive year. These brought Changi Airport's total cumulative number of awards to more than 490, augmenting its status as the most awarded airport in the world. In addition, we achieved in 2014 the highest Airport Service Quality score of 4.95 (out of 5) in our history – a strong sign of affirmation that our efforts to deliver a great Changi Experience are appreciated by passengers.

Behind these achievements are the collective efforts and dedication of the 40,000-strong airport community who work across Changi Airport;



they share an unwavering commitment to deliver the best airport experience possible, in each of their own functions. The positive feedback that passengers give to us are a strong form of motivation and encouragement to all staff working at the airport, and inculcates in them a strong sense of belonging and pride in being part of the Changi Airport family.

### PASSENGERS FIRST

In managing the airport, CAG strives to always be a few steps ahead of its passengers' needs. On a larger scale, this principle applies to planning and building capacity ahead of demand to meet Singapore's future aviation needs. On a day-to-day level, it means constantly innovating and improvising to enhance the Changi Experience for passengers.

Construction works for Jewel Changi Airport and Terminal 1 expansion began in FY2014/15, resulting in some changes that passengers had to adjust to. As we embark on these projects to better serve our passengers, CAG's priority was to minimise disruption to passengers as much

as possible. The Terminal 1 arrival pick-up point, for instance, was shifted to another location. Following observation that the new facility could get very warm at certain times of the day, CAG installed air-conditioning in the waiting area of the pick-up point, providing passengers with a more comfortable experience while waiting for their ride.

Today, when remaining connected ranks among the top of people's hierarchy of needs, there is high demand for charging points for laptops and other mobile devices. Hence, across all three terminals, new charging points were installed in the Departure and Arrival Halls, to provide an added service and convenience to passengers and visitors.

CAG unveiled in August 2014 a series of 'Wow Initiatives' to engage passengers during festive periods. Fronted by the Changi Experience Agents (CEAs), these activities touched over 35,000 passengers through the celebration of special occasions, including the Mid-Autumn Festival, Deepavali and Christmas. Roving the terminals, CEAs delighted travellers with surprises and engagement activities, such as giving out goodies and arranging fun photo opportunities.

*2 CAG CEO, Mr Lee Seow Hiang, receiving the 'World's Best Airport' 2015 award from Mr Edward Plaisted, CEO of Skytrax.*

*3 Changi Experience Agent assisting a passenger with his queries.*

## AN AWARD-WINNING AIRPORT EXPERIENCE



### A MAGICAL DISNEY CHRISTMAS

During the year-end festive season in 2014, Changi Airport was transformed into a magical wonderland, which saw the much-beloved Mickey and Minnie taking centrestage in the airport's Disney-themed Christmas celebrations. In all the terminals, dazzling displays featuring Disney characters attracted travellers and visitors, who got to indulge in a jet-setting winter experience with destination icons from around the world.

Passengers were greeted by Mickey and Minnie characters in interesting settings of different countries – donning Spanish costumes, and against the backdrops of snowy Swiss chalets, traditional Japanese cottages and Broadway-style New York City. The centrepiece at Terminal 3 Departure Hall was a three-storey interactive replica of the Neuschwanstein Castle – inspiration for the Cinderella and Sleeping Beauty Castles in Disneyland. In it, a moving train took visitors through the idyllic charms of Germany's countryside and right outside, visitors were treated to daily multi-sensory light and sound shows, which culminated in a magical showering of snow. Who says you can't experience winter in Singapore?

Children had the time of their lives in the adventure trove of the world's first Mickey Mouse Club House Bouncy Playground, cruising down a three-metre high slide, bouncing off sticky Velcro walls and leaping into the colourful depths of a ball pit. Limited-edition Christmas plush toys featuring Mickey and Minnie Mouse in various country-

themed costumes were also snapped up by Disney fans in no time. Unsurprisingly, the nine-month long preparation leading to the 99-day Christmas celebrations at Changi Airport resulted in the highest satisfaction scores for any event in the history of Disney's Southeast Asia office.

### TOWARDS SERVICE EXCELLENCE

CAG works closely with its partners to uphold the service quality standards at Changi Airport through international benchmarking efforts, as well as rigorous training programmes conducted for all front-line staff working in the airport. In October 2014, a delegation of 30 members from eight airport agencies embarked on a learning journey to Los Angeles, where they attended a service masterclass and visited various leading organisations renowned for service excellence to learn from their best practices. The trip created effective experiential learning opportunities and also strengthened partnerships as the delegation came together as one Changi family to brainstorm ideas to enhance the Changi Experience.

Continual learning is an integral part of the learning and development roadmap for all airport staff. In August 2014, a new training programme was launched to drive service excellence among customer-facing front-line staff. Named 'Upsize Your Service', the highly-interactive refresher programme is conducted in a cafe environment where participants don aprons and savour the 'ingredients of success' imparted by the trainer. Having been trained as Service Ambassadors of Changi, the participants then got to practise and apply what they have

learnt in the terminals. Taking service learning to a new level, 'Upsize Your Service' empowers front-line staff to deliver a Changi Experience that is in keeping with the Changi Service DNA – *Personalised, Stress-Free and Positively Surprising*. In February 2015, outstanding service staff from among the airport community were again honoured for their commitment to service excellence at the Annual Airport Celebration, Changi's pinnacle award ceremony. To honour these exemplary airport staff for going beyond their call of duty to serve passengers, a total of 24 awards in five categories were presented by Transport Minister, Mr Lui Tuck Yew, and CAG Chairman, Mr Liew Mun Leong.

## STRENGTHENING EFFICIENCY

Against a backdrop of growing passenger traffic and Singapore's tight labour market, CAG has to continually strive to improve operational efficiency at Changi Airport by leveraging new technologies and redesigning processes. To this end, Fast and Seamless Travel (FAST) processes have been progressively implemented in the three terminals. These include self-printed boarding passes, self-service check-in kiosks, bag-drops and boarding gates – more of which have been installed in Terminal 1 during the year. Self-service options empower passengers on their journey, allowing them to take greater control over their travel experience by providing them with options for more expedient check-in. Passengers without bags flying on participating airlines would be able to proceed straight to Departure Immigration without having to queue for check-in. Besides redefining the travel experience for passengers, such self-service initiatives boost Changi Airport's operational efficiency, allowing for space and manpower optimisation. This in turn brings about productivity savings for partners such as the airlines and ground handlers.

Jetstar Asia was the first low-cost carrier at Changi Airport to launch its 'Straight-to-Gate' initiative in November 2013. In 2014, it extended its roll-out of FAST initiatives, with the installation of 16 self check-in kiosks and eight self bag-drops over two phases. In April 2014, Tigerair also launched its 'Direct-to-Gate' service, which allows its passengers without check-in luggage, visa or special entry requirements to bypass the manual check-in process at the counters.

CAG continues to engage other airlines to implement self-service options at Changi Airport. These efforts will set the stage for the upcoming Terminal 4, which will see, for the first time at Changi, the extensive roll-out of FAST initiatives in a greenfield terminal, as well as the use of facial recognition technology to streamline security checks.

On the airside, ready access to timely information on terminal and flight operations is essential for the smooth and efficient running of the airport, which involves numerous agencies working seamlessly together. In 2012, CAG developed a centralised Airport Operations Centre System (AOCS), a concept and IT platform that enables the real-time sharing of crucial information with various airport partners, giving users a holistic operational picture with common reference points. This system supports the Airport Operations Centre (AOC), a centralised nerve centre that brings together key areas of airport operations and different airport agencies.

The AOCS was enhanced in FY2014/15, with added analytics and simulation functions to strengthen the airport's operations and contingency planning. It now features intelligent capabilities and analytics, which allows CAG to conduct trending, forecasting and impact analysis for better planning. For instance, the system can estimate the arrival passenger load, facilitating optimum deployment of manpower at the Arrival Immigration Halls. In addition, to improve the management of flights on the airside, CAG also implemented a Gate Operating System during the year that provides the Airside Control Centre with real-time oversight of the airport's contact stand utilisation. The dynamic flight information displayed live in the Aircraft Docking Guidance System gives ground operators a better view of flight movements at the various docking bays. This facilitates more effective gate management and higher productivity. These IT enhancements effectively boost CAG's operational and incident management capabilities, which are critical as Changi Airport handles more aircraft movements.



4 (Previous page) Changi Experience Agents delighting passengers during Christmas as part of CAG's 'Wow Initiatives'.

5 Jetstar was the first low-cost carrier to roll-out FAST initiatives at Changi, which included self check-in kiosks and self bag-drops.



## INNOVATION TO DRIVE PRODUCTIVITY

During the year, CAG formed the Innovation Lab, a new unit dedicated to pursuing mid-to long-term innovation efforts, with the objective of capturing new opportunities and overcoming operational challenges. The Innovation Lab is responsible for reviewing CAG's existing innovation efforts, and establishing a framework to identify new areas with the potential for innovation. These could include the application of new technologies to enhance airport processes, and the redesign of facilities and offerings to meet the needs of the changing demographics of our passengers. Beyond ideation, the Innovation Lab will also work with internal stakeholders and external partners with suitable capabilities and technological expertise to bring ideas to fruition.

In the more immediate term, CAG also explores innovative initiatives that can be applied to its current terminal operations, to raise productivity and improve efficiency within the airport. This is against the backdrop of rising manpower costs and a tightening labour force in Singapore. Trials and tests are conducted regularly for new equipment and technologies that have the potential of being introduced at Changi Airport. Permanent implementation may follow depending on users' feedback, impact to ongoing operations and cost-benefit analyses.

At Changi Airport, the tiled and carpeted floors in the terminals are cleaned daily by cleaning staff, with supervision to ensure that the tasks are performed in adherence to high standards. Given the nature of the work, it is increasingly challenging to recruit cleaning staff in a tight labour market. To overcome these manpower challenges, CAG initiated the trial usage of automated cleaning

equipment at the airport over a six-month period. This involved the deployment of several robotic cleaning equipment in the three terminals. The use of such technology enabled CAG to reduce its reliance on manpower for routine cleaning tasks, while providing consistency in cleaning.

During the year, CAG also tested the use of battery-operated janitor trolley carts in the terminals, relieving cleaning staff of the need to push heavy trolley carts manually from point to point during cleaning works. The new trolley cart was customised for general cleaning purposes to improve mobility and reduce the cleaning cycle time. In the one-year trial of this initiative at Terminal 3, we observed improvements in productivity which enabled manpower savings.

Another trial conducted at Changi Airport was the installation of 'smart' disposal bins with built-in sensors that would alert cleaners when the bins have to be emptied. Typically, cleaners check all litter bins within the terminal buildings several times daily, regardless of whether the bins are empty or near-full, resulting in time and resource wastage. With the 'smart' bins, the cleaning team can establish real-time and more effective manpower deployment, while ensuring timely and expedient clearance of bins. This new system is being explored for permanent roll-out at the airport.

*6 Automated cleaning equipment aids with the airport's cleaning needs and increases manpower productivity.*



Ensuring a safe and secure airport environment for the travelling public and the airport community is an immense responsibility undertaken by CAG. Collectively, the Airport Emergency Service (AES), Aerodrome Safety and Aviation Security units and the Airport Management divisions strive towards maintaining the highest safety and security standards for both Changi and Seletar airports.

AES provides rescue and fire protection at both airports, as well as at the Republic of Singapore Air Force's airbases. On an ongoing basis, it looks at strengthening its firefighting capabilities to better respond to aircraft incidents that could occur.

To this end, a new fire training ground at Seletar Airport was commissioned in April 2014, to enhance firefighting training for AES officers. It consists of a Boeing 757 aircraft mockup, equipped with a fire simulator that has seven burn sectors and an engine fire simulator, providing airport firefighters with a more realistic firefighting experience. Officers are exposed not only to different aircraft crash scenarios, but also to high temperature, thick smoke and stress tests.

With increasing air traffic and the advent of new and larger aircraft capable of carrying more passengers, AES strengthened its suite of equipment in FY2014/15 with the procurement of a Mass Casualty Carrier (MCC), a vehicle that enhances its rescue capabilities in the event of a major aircraft incident. Compared to the conventional ambulance which can carry up to six casualties, the MCC can move more than 30 casualties at any one time. It allows for efficient and expeditious conveyance of casualties to enable medical treatment earlier. In addition, the vehicle has the equipment to help decontaminate hazardous materials that may be found on casualties.

In addition to two regular emergency drills held annually at both Changi and Seletar airports, AES organised new initiatives in FY2014/15 to strengthen the airport community's level of crisis preparedness. In November 2014, the inaugural Changi Airport Crisis Seminar was held for airlines, airport partners and mutual aid agencies, which enabled discussions and sharing of best practices, experiences and lessons among the attendees. Such activities promote stronger crisis management resilience and capabilities among the airport community.

On the international front, in January 2015, AES also hosted the International Aviation Fire Protection Association Conference for 100 delegates from 14 countries, during which industry experts shared their insights on best practices and challenges ahead.

In FY2014/15, Changi Airport continued to achieve the International Federation of Air Line Pilots' Associations' (IFALPA) deficiency-free rating. It has maintained this unbroken record for 33 years running since Terminal 1's opening in 1981. To ensure high standards of security management at Changi and Seletar airports, CAG's Aviation Security Unit works very closely with the Airport Police Division of the Singapore Police Force, as well as with CAAS and other government agencies, to enhance airport security procedures. In addition to the current operational terminals, planning for security processes and infrastructure at the new developments, in particular Terminal 4, are underway. In line with the overall approach to enhance manpower productivity and operational efficiency at the new terminal, CAG is studying several new operational concepts for aviation security that will help to address the challenges of a tight labour market, while upholding stringent security requirements.

1 AES officers evacuating a 'casualty' as part of a routine rescue training exercise.



*In a dynamic airport retail environment where consumer trends continually evolve and where shoppers are spoiled for choice, innovation and transformation are key pillars of CAG's retail vision. Together with partners, we push boundaries to develop creative ideas and introduce refreshing concepts, so as to elevate the retail experience at Changi Airport.*

**1** *The Shilla Duty Free's Cosmetics & Perfumes stores offer an unprecedented range of beauty brands and bespoke service with a personal touch.*

FY2014/15 was a challenging year for the aviation industry in Asia, which saw geopolitical factors and several unexpected events affecting travel demand in the region. In tandem with passenger traffic which grew marginally during the year, Changi Airport's retail performance was stable, generating steady sales of over S\$2 billion for the year.

## **LANDMARK TRANSFORMATION**

Significant progress was made during the year with the transformation of Changi Airport's core-category concessions, Liquor & Tobacco and Cosmetics & Perfumes. The renovation works for all 34 outlets was planned meticulously to be carried out in phases, to ensure minimal disruption to our passengers' shopping experience. The 15 Liquor & Tobacco stores and 19 Cosmetics & Perfumes stores now boast brand new looks, and offer an unprecedented array of brands and product offerings. These include the two flagship duplex stores – the world's first for these categories in an airport – seen as architectural landmarks lighting up Changi's transit halls.

The DFS Wines & Spirits duplex store at Terminal 3's Departure Transit Hall opened in March 2015, marking a new milestone in the transformation of Changi Airport's retail landscape. The majestic store façade and double-volume grandeur is not only an architectural showpiece on its own, but also houses the largest selection of single malts in an airport and



an extensive wine library. The duplex is also home to a collection of nine branded boutiques for wines and spirits, including Johnny Walker, Hendrick's and The Macallan – bringing together the best that each brand house has to offer. Apart from tasting opportunities, the brand boutiques offer experiential activities such as a scent bar and a showcase of the distillation process to promote category appreciation and connoisseurship.

The DFS flagship store also features the Raffles Long Bar, where our international passengers can have a taste of cocktail specialties such as the famous Singapore Sling, giving them a distinct sense of place and a taste of Singapore, without stepping out of the airport. To enhance the shopping experience, the duplex also features DFS' first in-airport lounge, where customers can enjoy highly personalised services, such as personal shopping and private viewings. The store also hosts visits by master distillers, blenders and brand ambassadors throughout the year. Indeed, the extensive range of brands and products offered by DFS and new unique experiences bring about a truly game-changing and unparalleled retail experience, much to the delight of many travellers.

On the beauty front, the facelift across all 19 Cosmetics & Perfumes stores operated by The Shilla Duty Free is nearly completed, with final works being done on its flagship duplex store at Terminal 3.

*2 An architectural showpiece on its own, the DFS Wine & Spirits duplex at Terminal 3 offers the most extensive selection of single malts in an airport, and an extensive wine library.*

Shilla's stores carry an unbeatable collection of beauty offerings in Singapore, with a range of 190 beauty brands offered at competitive prices. The South Korean retailer has also brought in an extended range of over 35 Korean cosmetic brands, making Changi Airport the single largest retailer of Korean cosmetic brands and products anywhere in Singapore.

In the third quarter of 2015, Shilla's beauty duplex store at Terminal 3 will open its doors to shoppers, featuring unique concepts such as a beauty lounge and spa services. For instance, passengers can receive beauty consultation and facial spa services, as well as enjoy retail therapy at brand-inspired boutiques. These experiences will inject much excitement for shoppers, bringing the airport experience to the next level.



*3 The Cosmetics & Perfumes stores at Changi retail the largest collection of Korean cosmetics brands that can be found in Singapore.*



## A STAR-STUDDED YEAR

It was a star-studded FY2014/15 at Changi Airport, which brought much buzz to the terminals and generated a lot of excitement among passengers. Changi was chosen as the launch pad for several exclusive brand events during the year, which were graced by renowned celebrities. In September 2014, the legendary David Beckham made a special appearance at Terminal 1, thrilling many of Changi's star-struck passengers. He graced the global launch of Diageo's new Single Grain Scotch Whisky, Haig Club.

In January 2015, SK-II held the global launch of its latest CC cream at Changi, in the presence of Taiwanese celebrity ambassadors Godfrey Gao and Lee Sinje. This was quickly followed by the official opening ceremony of The Shilla Duty Free's stores at Changi, which saw the arrival of Korean heartthrobs TVXQ, and Hong Kong beauty, Angelababy.

## A WIDENING REPERTOIRE OF CROWD PLEASERS

CAG continued to pursue new and exciting brands to inject freshness to its retail and dining offerings. We successfully cultivated and brought in a total of 16 new retail and F&B brands, expanding Changi's repertoire of shopping and dining offerings. These include crowd-pleasing brands like Uniqlo, Kate Spade New York, Calvin Klein Jeans and Adidas Originals.

The dining scene at Changi also saw many exciting injections during the year. The opening of the Singapore Food Street in Terminal 3's Departure Transit Hall in June 2014, brought a slice of local

heritage into the airport. With a heritage-themed design, the food street offers more than 80 popular local dishes, giving passengers the chance to experience Singapore's rich food culture. In addition, new brands, such as French bakery chain PAUL, Japanese favourites Ippudo Express and Sushi Burrito Express, as well as Thai noodle bar Simple Eats, also arrived at Changi, providing more options for foodies.

In the public areas, CAG continued to enhance the shopping and dining experience for those who are not flying. New landside stores include Muji-To-Go, Pandora, Godiva, as well as those bringing in a touch of local delights like Tai Chong Kok and Durian Mpire. Diners also have a wider range to choose from, with the entry of F&B favourites such as 4 Fingers Crispy Chicken, Paris Baguette, and Krispy Kreme. The Terminal 3 Basement 2 food court also underwent a transformation in May 2014. The refreshed food court boasts of more dining options for patrons, including Mugihō Bakery originating from Osaka, Japan, which is its first store in Singapore. Apart from its modern look and feel, the food court contains several tray-return areas, conspicuously positioned to encourage patrons to return their own food trays, reflecting the drive for greater productivity. For its outstanding design, the food court was bestowed the "Best Retail Interior – Singapore" award at the Asia-Pacific Property Awards.

*4 The legendary David Beckham launches the Haig Club whisky at Changi Airport, generating immense excitement among passengers.*



## A GROWING ONLINE PRESENCE

Apart from growing Changi's brick-and-mortar retail offerings, CAG also expanded its presence in the digital sphere. More than a year after the debut of its e-commerce portal iShopChangi in September 2013, we launched a Chinese version of the site, widening the customer segment to capture Chinese-speaking passengers.

During the year, iShopChangi added a new category – Fashion – offering brands such as Montblanc, Pandora, Swarovski, Ray Ban and ST Dupont. The Shilla Duty Free also made available more beauty brands on iShopChangi, such as Lancôme, Kiehl's and Korean cosmetic brands. Today, iShopChangi features more than 6,000 products across six categories, namely Beauty, Wines & Spirits, IT & Electronics, Chocolates & Delicatessen, Fashion and Timepieces. Sales and website traffic have increased about 40% since the portal's launch.

*5 Korean superstars TVXQ and Hong Kong celebrity Angelababy graced the opening ceremony of The Shilla Duty Free's Cosmetics and Perfumes stores at Changi.*

*6 CAG refreshed its retail mix with popular brands like Kate Spade New York, which opened at Terminal 3 during the year.*

*7 The Singapore Food Street offers transit passengers a taste of authentic local fare without leaving the airport.*



**8** Mr Oiyama Seiichiro became the fifth Changi Millionaire, walking away with the grand prize of a million dollars in cash.

**9** A slice of Middle-Earth was brought to Changi in the form of a Hobbit Hole™, as part of an event to promote New Zealand and engage public area visitors.

**10** Three pairs of Mickey and Minnie Mouse plushies decked out in various international traditional outfits were specially produced for the Disney-themed Christmas celebrations in 2014.

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## A FUN AND REWARDING RETAIL EXPERIENCE

CAG continues to take its two anchor retail campaigns, 'Be a Changi Millionaire' and the yearly Christmas promotion, to greater heights. The fifth run of the Changi Millionaire campaign held from May to November 2014 was another success with 1.8 million participating entries, a number more than two-fold of what was received during the 2010 campaign. The promotion rewarded shoppers with more than 406,000 instant prizes and made another shopper – Japanese engineer, Oiyama Seiichiro – a millionaire overnight.

An annual highlight for Changi Airport's passengers, the year-end festive season saw a sprinkling of the Disney magic around the terminals. In a tie-up with Disney, the 2014 Christmas promotion featured a series of Mickey and Minnie collectibles, which attracted an overwhelming response. More than 215,000 plush toys were redeemed.

In addition to the two anchor activities, tactical promotions were also run to inject vibrancy and excitement among shoppers, as well as to augment the core value propositions of shopping at Changi. Shoppers and diners enjoyed various retail promotions, such as gift-with-purchase, 2xGST savings, and scratch-and-win promotions.

Shoppers and diners also enjoyed more value with Changi Airport's loyalty programme, Changi Rewards, which was relaunched in April 2014. The enhanced programme introduced elite tiers – Platinum and Gold – giving members more privileges as they move up the tiers. In addition to exclusive buys and discounts, members receive Changi shopping vouchers or air miles for shopping at Changi Airport. The Changi Rewards membership has grown to more than 200,000 shoppers.

During the school holidays, destination-themed events, with activities for children, were also organised at Terminal 3 to reinforce Changi Airport as a family destination and to inspire travellers for their next holiday. In June 2014, Indonesia's cultural wonders and famous attractions were showcased; while in September, young explorers discovered the excitement of Brazil, Xi'an, Mauritius and Sri Lanka. In March 2015, for the first time in Asia, a slice of Middle-Earth was brought to Changi in a New Zealand showcase, featuring as the highlight, a Hobbit Hole™ that was constructed by the same Hobbiton™ Tour crew for the Hobbiton™ Movie Set in Matamata, New Zealand.

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## OPTIMISING RETURNS FROM RENTABLE PROPERTIES

CAG manages the leases and operations of over 1,500 rentable premises within Changi Airport, both in the Passenger Terminal Buildings (PTBs) and Changi Airfreight Centre (CAC). The rentable premises include offices, airport lounges, warehouses and stores. Against a challenging market environment backdrop in the past year, we managed to increase occupancy rates and non-concessionaire rental revenues for both the PTBs and CAC through active engagement with tenants on their space needs.

In addition, CAG also manages over 60 long-term land leases to private developers, such as ground handlers, cargo and logistics companies and commercial entities. During the year, we supported the development of a new S\$140m South Asia hub for DHL Express. This 24-hour express hub facility at Changi Airport will triple DHL's existing cargo throughput when completed in 2016 and act as DHL's South Asia hub, enhancing Changi Airport as a key cargo and logistics hub in Asia.

Similarly, CAG supported Crowne Plaza Changi Airport Hotel's expansion plans through the lease of a land plot adjacent to the current hotel, for an extension project. The hotel extension will add 243 rooms (75% more), bringing the total number of rooms at the hotel to 563. Construction of the hotel extension has commenced and it is expected to be operational by early 2016. During the year, Crowne Plaza Changi Airport Hotel also won the 2015 Skytrax award for the 'World's Best Airport Hotel'. The timely addition of this hotel extension to Changi Airport's offerings further reinforces its position as the premier air hub that travellers can look forward to.

To further support the upcoming developments at Changi Airport and actively manage the supply of rentable office premises to serve an expanding workforce, a new office cluster at Terminal 3 Basement 1 was created from a circulation area to better optimise our space usage and fulfill the space needs of our stakeholders. This new cluster was completed in July 2014 and comprises 13 office units covering an area of 1,200 sqm which have been fully leased.



# BUILDING OUR FUTURE





*A fundamental prerequisite in operating a successful air hub is to ensure adequate capacity to meet the expansion needs of airlines and growing passenger numbers. This philosophy has underpinned Changi Airport's development and growth over the past decades.*

**1** *A close-up look at the model of Jewel Changi Airport, which is under construction.*

Since the airport's opening in 1981, the development and upgrading of its infrastructure has been continual, allowing Changi to capture growth opportunities in a timely manner, augmenting Singapore's air hub position.

To cater for Changi Airport's next phase of growth, CAG is currently focused on a number of major development projects of unprecedented scale. These will provide the airport with the infrastructure needed to cater to its growth and strengthen its competitiveness for the decades to come.

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### **BREAKING GROUND WITH JEWEL CHANGI AIRPORT**

During the year, CAG scaled a major milestone in Changi Airport's development history, with the commencement of construction of Jewel Changi Airport (Jewel). An architecturally distinctive project situated in the heart of the airport, Jewel is an extraordinary project that is set to light up the airport landscape in many more ways than one.

Developed by Jewel Changi Airport Devt Pte Ltd, a joint venture between CAG and CapitaLand, Jewel is envisaged to be a world-class lifestyle destination offering a unique mix of retail and leisure offerings, integrated with airport facilities. A tender of S\$1.57 billion was awarded in October 2014 to a joint venture formed between Woh Hup (Private) Limited and Obayashi Singapore Private Limited. The scope covers the construction of Jewel as well as related works pertaining to the expansion of Terminal 1.

The appointment of the main contractor was followed by the Jewel groundbreaking ceremony in December 2014, which saw the dramatic unveiling of exciting details of the complex's design concept and offerings. Beneath an impressive glass and steel façade, Jewel will be the first in Singapore to seamlessly integrate a refreshing environment of lush greenery amidst other attractions and facilities within the same building.

Jewel will house one of the largest indoor collections of plants in Singapore. A centrepiece attraction will be the *Forest Valley*, a huge five-storey garden filled with thousands of trees, plants, ferns and shrubs. In the middle will be a breathtaking 40-metre high *Rain Vortex* – expected to be the world's tallest indoor waterfall – presenting a majestic spectacle. At the top level, will be the *Canopy Park*, comprising gardens, walking trails, playgrounds and dining outlets, creating a wonderland for both the young and old.

Within Jewel, there will also be a wide range of retail offerings which will include exciting new-to-Singapore concepts, top international brands, as well as home-grown names. The integration of world-

class retail brands and unique dining concepts with indoor gardens and leisure attractions will provide visitors with a myriad of experiences all under one roof – making Jewel a one-of-a-kind lifestyle destination for both local residents and tourists.

To strengthen Changi Airport's service offerings for its passengers, there will be an integrated multi-modal transport lounge providing dedicated services for fly-cruise and fly-coach passengers, as well as early check-in facilities. Jewel will also host its own hotel with approximately 130 rooms, operated by YOTEL – an international hotel brand with an established presence in Europe and the United States.

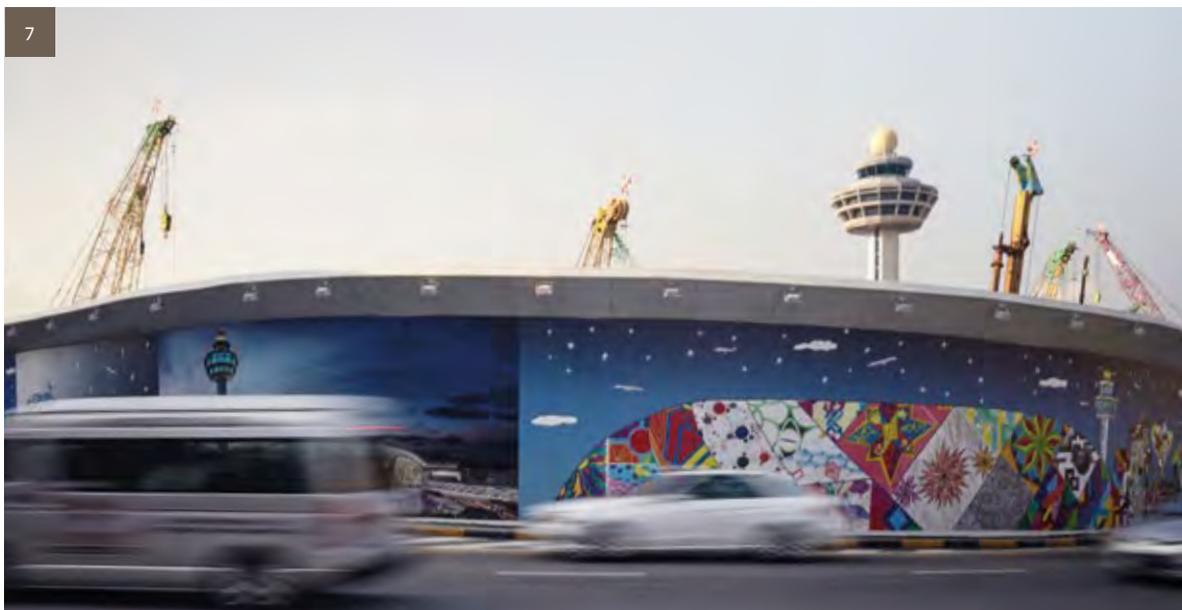
With wide public interest in Jewel, a community engagement project, IMAGINE, was held during the year, inviting the public to share their dreams and vision for Jewel in the form of art and photographs. IMAGINE was well-received, with more than 1,600 entries submitted. These were curated into larger-than-life creative interpretations by Singaporean artist and illustrator, eeshaun, and reproduced on the construction hoarding along the perimeter of the complex.



**2** The multi-modal transport lounge in Jewel will provide services for fly-cruise and fly-coach passengers and early-check-in facilities.

**3** Jewel will provide visitors with a one-of-a-kind experience integrating lush gardens, play facilities, as well as unique retail and dining concepts.

## PREPARING FOR GROWTH



**4** Construction for Terminal 4 is underway, with more than half of its superstructure completed.

**5** CAG's senior management visits Terminal 4 to check on progress of construction works.

**6** The road signs leading to the new Terminal 1 Car Park were changed overnight.

**7** Artistic submissions of the public's vision of Jewel were curated and reproduced on the development's construction hoarding.

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## EXPANSION OF TERMINAL 1 BEGINS

Alongside the construction of the Jewel complex, expansion works for Terminal 1 have also begun. The redevelopment of the 3.5 ha open-air car park site where Jewel is being built allows CAG to expand the terminal's footprint, which was previously hemmed in by roadways.

To enable the commencement of construction works, CAG closed the open-air car park fronting Terminal 1 in November 2014, and relocated the terminal's ground transport facilities. The nearest car park at Terminal 2 was designated for Terminal 1 users and renamed as T1 Car Park for easy recall. The arrival pick-up point was also shifted to another spot near Terminal 1. To enhance the experience, air-conditioning was installed at the new arrival pick-up point, providing passengers with a comfortable waiting experience.

To ensure that the relocation plans, including the road signage and terminal wayfinding, were effective, a four-day dry-run was conducted before the actual closure of the open-air car park. The airport community was engaged extensively to ensure robust mitigation measures were in place. In addition, a comprehensive public communications campaign and media outreach efforts were undertaken to educate the public on the changes, so as to create awareness and minimise confusion on the ground. As a result of these efforts, these operational changes were executed smoothly with little disruption.

Meanwhile, a S\$323 million contract for other Terminal 1 expansion works (in addition to those related to Jewel) was awarded to Takenaka Corporation following a competitive tender. The works include the revamp of the T1 Departure Check-in Hall, which involves the replacement of existing check-in counters and the installation of two new check-in rows to increase passenger handling capacity.

Part of the expansion works in Terminal 1 relate to the upgrading of the baggage handling system – from a semi-automated to a fully-automated system, as in the other terminals. The new baggage handling system will have automatic sortation capability, to better support the implementation of self check-in and self bag-drop functions at Terminal 1, as well as early check-in facilities at Jewel. This will improve productivity for airlines and ground handlers, as well as increase check-in capacity. Two additional arrival baggage claim carousels will also be installed, further increasing the terminal's baggage claim capacity.

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## GOOD PROGRESS WITH TERMINAL 4

The construction of Terminal 4 has made good progress. At the end of FY2014/15, more than 50% of the terminal building's superstructure had been completed. The works for five parking stands at the Terminal 4 apron area have also finished. Takenaka Corporation, CAG's main contractor for Terminal 4, achieved 3.2 million accident-free man-hours, a positive feat against the 2013 national average of 1.7 accidents per 1 million man-hours.

In April 2014, Cathay Pacific Airways was the first airline to confirm its move to Terminal 4 when it opens in 2017. Engagements with other prospective airlines are also well underway. At Terminal 4, an enhanced travel experience encompassing self-service initiatives, exciting retail and F&B offerings, as well as a full range of passenger amenities, are among the key highlights that passengers can look forward to. In addition, Cathay will boast a new and exclusive premium lounge on the second mezzanine level of the new terminal. At more than 800 sqm, the lounge will provide views into the apron and runway, allowing passengers to enjoy sightings of aircraft take-offs and landings.

Meanwhile, procurement for various critical airport systems in the terminal is underway, covering the FAST suite of systems and equipment such as self check-in kiosks, self bag-drops and self-boarding gates. In addition, in the lead-up to the leasing exercises that will begin in mid-2015, CAG has also been developing the commercial strategy and proposed retail mix for Terminal 4. The 224,000 sqm terminal will have 17,000 sqm of retail and dining space for more than 80 outlets. Anchored by a series of new retail formats, such as double-volume and heritage-themed façade shops inspired by authentic Singaporean shop houses, Terminal 4 will feature a fun and vibrant ambience complete with exciting commercial offerings.

The Terminal 4 main terminal building is expected to receive the Temporary Occupation Permit by the middle of 2016. Thereafter, a one-year period of operational testing and trials will ensue, to ensure that all the airport systems, processes and staff are well run-in before the terminal's opening in the second half of 2017.



## Legend

- 01 Runway 1
- 02 Runway 2
- 03 Runway 3
- 04 Terminal 1
- 05 Terminal 2
- 06 Terminal 3
- 07 Terminal 4
- 08 Jewel Changi Airport
- 09 Changi Airfreight Centre
- 10 Terminal 5 Phase 1
- 11 Terminal 5 Phase 2
- 12 Landside Facilities
- 13 Changi East Industrial Zone
- 14 New Changi Coast Road
- 15 Tanah Merah Ferry Terminal

## BEYOND THIS DECADE – CHANGI EAST

As works for Terminal 4 and Jewel are taking place, planning for Changi East – which will take Changi Airport to its next phase of growth beyond this decade – has also begun. The Changi East project involves the development of a 1,000 ha site, including the building of a new mega Terminal 5, the development of a three-runway system, as well as aviation industry facilities, tunnels systems, related infrastructure and transport links.

When completed, Terminal 5 will eventually have a capacity similar to that of Terminals 1 to 3 combined. Terminal 5 will be connected to the other terminals via a network of tunnels to allow the expanded Changi Airport to be operated as a single, integrated airport for ease of transfer between different terminals, passenger convenience and airfield operational efficiency. The terminal will also be connected to the MRT network.

Land preparation works on the site, undertaken by the Ministry of Transport, made good progress during the year, with site surveys, soil investigations, services detection and site clearance works completed. The project moved to its next phase of ground improvement works, involving the consolidation and compaction of soil layers, which is necessary before further development works can proceed.



Planning and preparatory works for the three-runway system have also progressed significantly. The detailed designs of the system, including the drainage, airfield layout and taxiways, have been developed with inputs from key stakeholders, authorities and contractors. The tender process for the runway works are underway, with construction expected to commence thereafter.

Road works to widen the existing Tanah Merah Coast Road, as well as to construct a new road between Tanah Merah Coast Road and Aviation Park Road are ongoing. Other major works including canal diversion and the construction of runway and taxiway pavements will commence in the second half of 2015. All these works will be carried out in more than 70 phases over an area of more than 1,000 ha, over the next seven years.

During the year, CAG and the Civil Aviation Authority of Singapore, led by the Ministry of Transport, completed the development of a concept plan for Terminal 5 following engagement with various stakeholders and comprehensive evaluation. The chosen Concept Plan is based on a mega terminal building and two satellite buildings, with high operational efficiency for the terminal and airfield. Compared to other options studied, it offers the advantages of having the shortest walking distances and connection times, as well as greatest ease of way-finding, under one roof.

Design studies on Terminal 5 are also underway to define key functional requirements, including the

airfield and terminal layout, facilities for passengers, passenger flow and spatial requirements, handling concepts and the security screening regime. To build connectivity between Terminal 5 and the existing terminals, a tunnels system is being developed. The design and operational concept for the tunnels are being finalised, with specific requirements from authorities and stakeholders being incorporated. Similarly, planning for the development of the Changi East airport industrial zone has also started. Various master plan options have been developed, in consultation with the cargo and MRO community, for the industrial zone.



8 Senior Minister of State for Finance and Transport, Mrs Josephine Teo (centre) visits the Changi East command centre.

9 Land preparation works at Changi East.



*Changi Airports International (CAI), CAG's international arm, continues to pursue opportunities globally where investment and consultancy projects are available and attractive. While keeping a keen eye on projects that have long-term growth and profit potential, CAI continued to work with its partners during the year to enhance its airport projects in Russia, Brazil, India and Saudi Arabia. It also won new contracts in Russia, Myanmar and the Maldives.*

**1** Aerial view of Tom Jobim International Airport as it gears up for the 2016 Summer Olympics in Rio de Janeiro, Brazil.

## **BRAZIL**

A series of improvements have been made to Rio de Janeiro's Tom Jobim International Airport (GIG) since RIOgaleão, the rebranded concession company in which CAI has a 20.4% stake, took over its operations in August 2014. Situated on an island linked by a highway and a bus rapid transit line to the mainland, 20 km from downtown, the airport currently has two cross-runways and two passenger terminals with the capacity to accommodate up to 30 million passengers per annum.

Befitting GIG's status as the second busiest international airport in Brazil and an important gateway to the country, a number of operational and service enhancements were rolled out immediately to strengthen the passenger experience. These included more information counters, round-the-clock bilingual customer service agents, new signage, revamped baby care facilities as well as refreshing landscaping to liven up the terminal.

In the area of commercial offerings, 11 new F&B outlets were brought in to broaden the selection, and 13 retail kiosks selling a range of products were set up for added passenger convenience. Major long-term commercial contracts with strategic partners in the areas of duty free, advertising and car parking have also been secured. To better meet passenger needs, an MOU with the Accor Group to offer

3- and 4-star accommodation with more than 300 rooms was signed after engaging hotel operators in a competitive process to build a landside hotel.

On the airside, works are underway to reconfigure the apron. With space optimisation and new aircraft parking positions created, airlines will have more flexibility in boarding and disembarking.

With the 2016 Summer Olympics in mind, the company is ramping up its efforts in airport expansion, maintenance and development in time to welcome international guests to Brazil. Leveraging CAI's experience in the 2014 Winter Olympics at Sochi, GIG will be geared up in terms of infrastructure and service quality to handle high traffic volumes and heightened passenger expectations.

## RUSSIA

The four airports in Russia's Krasnodar region managed by Basel Aero – Sochi, Krasnodar, Gelendzhik and Anapa – continued to perform well with passenger traffic growing 25% in 2014, reaching 7.7 million passengers. CAI is a 30%-shareholder in Transport AMD-2 Limited, which owns Basel Aero and holds a majority or 100% stake in the four airports.

Following the success of the 2014 Winter Olympics, International Airport Sochi continued to ride the waves of other major international events such as the F1 Grand Prix, International Investment Forum and World Robot Olympiad to serve a record number of passengers, crossing the three million mark in annual passenger traffic for the first time in 23 years.

Besides an expansion of links to other Russian cities, the introduction of the Open Skies Policy in Sochi since October 2014 has seen new or increased international flight connections, further boosting traffic volume. Commercial space has been revamped with the opening of a new world-class duty paid store, The Store Sochi, in the domestic departure lounge in March 2014. The store is operated by a joint venture between Nuance-Dufry and Basel Aero.

For its strong performance in 2014, Sochi beat other competing airports to the prestigious "Airport of the Year" title, introduced at the 18<sup>th</sup> Wings of Russia award, the national awards for airlines and airports. All four airports also swept top awards in their respective traffic categories at the National Airport Infrastructure Show & Civil Aviation 2015. Sochi also received the award for best airport investment project at the same event.

In terms of airport expansion, Krasnodar Airport has doubled its terminal capacity by expanding both international and domestic terminals to cater to growing traffic and to increase the commercial space. Plans are underway for a second runway and a brand new terminal complex at Krasnodar Airport, and a 10,000 sqm airport complex in Anapa Airport. The expansion will be accompanied by enhancements to airport facilities to boost passenger experience.

In February 2015, a consortium formed by CAI and its Russian partners also won a tender to acquire shares in Vladivostok International Airport. Strategically located at the crossing of two air routes between Russia's Far East and Asia Pacific, the airport will play an important role in the region's air transportation system development. CAI is in active discussions with the relevant parties on the terms of the deal.



2 Premium comfort offerings at a VIP lounge in Sochi International Airport.

## INDIA

Durgapur Aerotropolis, the greenfield airport city in West Bengal being developed by Bengal Aerotropolis Projects Limited (BAPL) made significant progress during the year. CAI has a 36.3% stake in BAPL.

Kazi Nazrul Islam Airport (KNIA), part of the Durgapur Aerotropolis, is India's first operational private Greenfield airport out of 15 which were notified under India's Greenfield Airport Policy. KNIA secured its aerodrome licence from India's aviation regulator in April 2015. Following this, Air India started six-weekly Durgapur–Kolkata (and vice versa) flights while Pinnacle Air began operating four-weekly Kolkata–Durgapur–Bagdogra–Cooch Behar (and vice versa) services. Helicopter services by Pawan Hans Limited, the largest helicopter operator in India, have been operating between Durgapur and the cities of Kolkata and Shantiniketan since 2013.

CAI provided BAPL with technical advisory services throughout the development of KNIA. These included the review of the airport master plan, airport readiness and commissioning, operations, commercial and airline route development. CAI will continue to play a significant role in BAPL in these areas.

As the next stage of the project will involve township development, BAPL has secured industrial township status from the Government of West Bengal. This will engender the formation of an autonomous Industrial Township Authority to govern the airport city, thus providing greater administrative effectiveness and efficient operations of township management services.



**3** Kazi Nazrul Islam Airport is India's first operational private greenfield airport.

**4** (Next page) A spacious terminal building greets passengers at King Fahd International Airport.

## MYANMAR

In October 2014, a consortium which includes CAI won a bid to develop Hanthawaddy International Airport (HIA). The proposed HIA will provide capacity for higher traffic to Metropolitan Yangon and Myanmar, and is expected to become a major airport in ASEAN given its future role as the gateway to a large emerging economy of more than 50 million people. HIA, about 80 km northeast of downtown Yangon, is to provide an initial capacity of 12 million passengers a year. CAI is currently in discussion with the local authorities to finalise details and terms of the project.

## SAUDI ARABIA

The success of a six-year management services contract to manage and operate King Fahd International Airport (KFIA) in Dammam resulted in the General Authority of Civil Aviation extending the contract with CAI for the maximum permissible period of seven months. During this extension, CAI's resident team as well as visiting experts from CAG continued to work alongside local management to support the development of the airport – an important aviation hub serving the Eastern Province of Saudi Arabia.

The partnership with CAI has enabled KFIA to achieve unprecedented growth in the number of airlines, passenger traffic and city links. KFIA is now served by 35 airlines and has added 15 new destinations since 2008 to develop a global network of 65 cities – a remarkable increase of 30%. In 2014, the airport handled almost 8.5 million passengers, a growth of 12%, which beat competitor airports in the region for the second consecutive year. International traffic increased by 10% with new airlines and increased services from existing ones, and it now accounts for more than half of KFIA's passenger traffic. This positive momentum in international traffic continued in the first quarter of 2015, growing by over 16%.

For passengers travelling through KFIA, the most marked difference is the increased vibrancy of the airport. Besides playgrounds and landscaped gardens, there is a wider range of retail and F&B offerings. In 2014, 21 new retail and F&B outlets were introduced or re-negotiated. In addition to international restaurant outlets and coffee chains, a first-of-its-kind "home cooked" Saudi cuisine was introduced in a restaurant, reflecting the unique, hospitable Saudi culture.

In terms of cargo services, CAI collaborated closely with KFIA and the Saudi Customs to plan and implement the new multi-modal Cargo Village facility at KFIA. Opened in April 2015 with DHL Express, NAQEL, SMSA Express, TNT and UPS as anchor



tenants, the facility offers direct access to Saudi Arabia and bypasses the need for cargo to transship through neighbouring countries. Once implemented, the Cargo Village Masterplan will change the way logistics is viewed in the Gulf Region.

To ensure knowledge transfer, CAI also put together an intensive staff training programme tailor-made for all management levels. The programme, which has chalked up over 9,000 training days since its inauguration in 2011, has helped to develop a skilled airport management team to drive KFIA's strategic initiatives.

### ITALY

In April 2015, CAI completed the commercial consultancy project at the East Hub of Rome Fiumicino Airport. The project's main goal was to enhance passenger's experience through developing a unique retail and dining environment. CAI was entrusted with the tasks of improving passenger flow, optimising shop penetration, and reorganising product offerings whilst showcasing the rich culture of Rome.

CAI provided new insights from passengers' profile, behaviour and preferences to improve and refresh the product mix and dining offerings. Applying its expertise in commercial development, the retail layout was also reconfigured and right-sized according to the passenger flow and traffic forecast respectively. Beyond this, CAI also exceeded the expectations of the clients by incorporating new, game-changing retail concepts to showcase core product categories and selected brands, heightening the overall retail experience.

### MALDIVES

In December 2014, CAI inked a consultancy deal with the Maldives Airport Company Ltd (MACL) to help expand and develop Ibrahim Nasir International Airport – the main international gateway into the Maldives. The expansion, set against the backdrop of the nation's rising trade activity and a fast-growing tourism industry, will enhance the airport's capacity to meet increasing traffic. To support MACL's goal in developing the airport's long-term capacity and commercial potential, CAI is engaged to review and provide recommendations for the existing passenger terminal, proposed airport master plan and conceptual design of the new passenger terminal. Under the agreement, CAI will also offer its expertise to improve the airport's commercial offerings and activities.

### FUTURE PLANS

CAI will continue to play a key role in developing its airport assets to ensure their sustainability and profitability in the competitive global aviation market. For GIG, which is preparing for the 2016 Summer Olympics, infrastructure development and quality service will be the two main pillars of focus to ensure a seamless passenger experience.

To strengthen its investment and consultancy portfolio, CAI will continue exploring new opportunities with long-term potential in regions such as Latin America, Middle East, Russia, India, China and Southeast Asia, where it can value add and help grow airports to their full potential.



# DEEPENING OUR ROOTS





*CAG regards its 1,700-strong workforce as its most valuable and critical asset. We believe that ordinary people working together towards a common mission can achieve exceptional results – to deliver the world's best airport experience and anchor Singapore as the premier air hub in the region.*

1 CAG staff at the company's 5<sup>th</sup> Anniversary celebrations.

Developing our people and cultivating a motivated workforce is a top priority for the organisation. We seek to develop skills and leadership capabilities, as well as create a conducive and positive working environment to attract and retain talent. CAG's focus and commitment to people development was recognised and affirmed at the 2014 Randstad Awards, where CAG was named one of the three most attractive employers in Singapore, based on a nation-wide survey about companies and their employment practices.

### INSPIRING INSIGHTS

Every CAG staff plays a unique role that contributes to the organisation's success. As such, CAG recognises the need to equip employees at all levels with the guidance and necessary skill sets for them to be effective in their roles.

FY2014/15 saw ample training and development opportunities for CAG staff. The fourth instalment of the Learning Festival, themed "Making Ideas Happen", was held in January 2015. The festival brought staff on a journey of exploration and

sharing of experiences that were meant to inspire the turning of vision into reality.

A key highlight of the festival was the inaugural TEDXChangiAirportGroup session. It offered bite-size, idea-driven talks from 15 inspiring entrepreneurs, photographers, writers and subject experts to engage and inspire CAG staff – with the hope of changing their attitudes, minds and ultimately their lives. Ten speakers from CAG also shared their life stories and professional experiences, captivating audiences through their personal experiences and amusing anecdotes. These sharings, which covered personal values and key work concepts gleaned from the speakers' own experiences over the years, served as a source of inspiration.

As part of the festival, Learning Journeys were also organised for staff to learn about the best practices and concepts from other organisations such as Google and New Majestic Hotel. The festival concluded with a closing keynote by Ms Isabel Cheng, Chief Marketing Officer from Wildlife Reserves Singapore. She shared the challenges of striking a balance between maintaining conservation efforts while constantly striving to develop exciting leisure offerings so that Singapore's award-winning attraction can stay ahead.

Efforts to inspire and develop CAG employees also targeted senior management. The 360-degree feedback exercise, which was introduced in FY2013/14, was cascaded to all Senior Vice Presidents and Vice Presidents in FY2014/15. Each individual invited their supervisors, peers as well as subordinates to provide feedback. This was consolidated and analysed by an external consultant before being provided to the individual concerned. Each individual also received a two-hour coaching session by the consultant to help them work on areas for development.

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## TRANSFORMING THE WORKPLACE

Over the past year, CAG saw the addition of over 250 new staff to its family. As a company on a growth trajectory and with more staff expected to join in the years ahead, there is a need to expand and reconfigure existing office spaces to accommodate a larger workforce with new needs. As such, CAG embarked on the Workplace Transformation project in FY2014/15. In March 2015, we completed Phase 1 with the overhaul of an office in Terminal 1,

accommodating teams from Facilities Management and Engineering & Development.

We believe that the workplace is also a cornerstone for building culture and a tool to attract and retain talent. With about half of our employees aged 35 years and below, our workplace must support the collaborative workstyles of the IT-savvy, socially plugged-in millennials. The new office concept has been designed to encourage collaboration and open communication, while cognisant of the need for quiet and private spaces. A bit of Changi has been introduced into the design, with pleasant interiors, more natural light, and modern technology to support the evolving work styles of our employees, allowing them to work productively while engendering a sense of CAG community and pride. The entire project is expected to be completed in early 2017.

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## STRENGTHENING BONDS

To celebrate CAG's fifth year of corporatisation, a week-long celebration was organised in July 2014. Based on the theme of "Celebrating five years of achievement", the festivities kicked off with an exhibition on CAG's growth journey at the Multi-Purpose Hall, complete with interactive booths set up by various divisions. Two Learning Journeys were also organised for CAG staff to visit and discover for themselves other functions of the airport that they do not get to see in their daily course of work.

The celebrations culminated in a dinner party held at the Marina Cruise Centre, where the space was transformed for a night of celebrations. The audience was treated to performances by CAG colleagues, as well as a special appearance by local celebrities.

To share the stories of inspiring CAG staff, Human Resource also published a book entitled "Extraordinary", comprising stories of recipients of the Core Values Award in the last three years. The book amplifies the behaviour, effort and accomplishments of exemplary CAG staff, celebrating those who have upheld the core values of the company and touched the lives of their colleagues.

These stories reflect CAG's desire to build Terminal H (for heartware), in order to achieve a deeper engagement by the people for one another and a company culture that is enriching and enjoyable, with a strong sense of belonging for all.



*CAG believes that actively giving back to the community and caring for the environment it operates in, engenders a workforce that takes pride in the work that it does. In running the company, the Group focuses not just on growing the business, but also on how it can have a positive impact on its stakeholders and the planet.*

**1** *CAG staff and NorthLight School students having a friendly game of soccer as part of the Saturday Night Lights programme.*

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### COMMUNITY

Since it was founded in 2012, CAG's philanthropic arm, Changi Foundation, has been actively involved in projects for disadvantaged youths, its adopted social cause. Over the past three years, more than 1,000 youths have been impacted by the programmes and activities organised by the Foundation.

For example, Changi Foundation partnered NorthLight School, set up by the Ministry of Education for students with difficulty handling the mainstream curriculum, to develop a comprehensive suite of complementary educational and after-school programmes for students at different levels. These programmes run alongside the school curriculum and are tailored specially for different developmental needs. Knowledge from classroom lessons is supplemented by real-life learning exposure, which aids the students in their development and better prepares them for the workforce.

Younger students are given direct academic support through the Reading Programme, where students are guided by CAG volunteers who invest their time each week to give personal coaching to students

who have been identified by their teachers to be weaker in their literacy skills.

Year 2 students get an insight to working at Changi Airport through the Youth Passport Programme. This one-day programme introduces to the students the many job opportunities available at the airport which they can consider when they enter the workforce in future. The students also glean a better understanding of the exciting and challenging work environment at Changi Airport.

For Year 3, the students go through the Career Development Programme which prepares them to join the workforce. Leveraging Changi Airport's multi-faceted operations, which range from airport operations to hospitality and retail, students are given the opportunity to be attached to one of the many roles available at Changi Airport for greater exposure and learning. With the support of our airport partners, students are offered on-the-job training and mentoring by supervisors, to help anchor what they have learnt in school and in their earlier programmes with Changi Foundation.

During the year, Changi Foundation also ran several other co-curricular programmes for the NorthLight School students to enhance character development, instill positive values and foster friendships. The Community Service Learning Programme, which is conducted for Co-curricular Activity groups, helps deepen soft skills such as empathy and cultivating a heart for others through community service, as well as hard skills such as effective project management. The CAG-Saturday Night Lights Central Programme, which celebrated its first anniversary on 11 October 2014, is another such programme that has yielded encouraging results among its participants. Since its inception, more than 60 students have benefited from the weekly training sessions, which not only provide coaching in football skills, but also inculcate positive values among the students, such as a strong sense of discipline, being a team player and persevering together towards a common goal. More importantly, it provides a safe and conducive environment for the youths to spend their Saturday nights in positive company.

The annual CAG-Howe Yoon Chong Book Prize which is presented to youths from less privileged backgrounds to pursue their further education, saw more than 100 students receiving the award on 23 September 2014. Together with their family members, the attendees were also treated to an exclusive tour of the numerous attractions that make Changi Airport a special place for many.

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## ENVIRONMENT

As manager of one of Singapore's major transport infrastructure – occupying over one million square

metres in floor area – CAG is mindful of the ecological footprint that Changi Airport's large-scale operations may have on the environment. Environmental sustainability is hence an important consideration in the day-to-day running of the airport as well as in its future-planning.

CAG's environmental policies form the bedrock of the approach to safeguarding the environment even as passenger and aircraft traffic continue to grow. The policies cover energy efficiency, water conservation, waste management, as well as noise pollution. They help ensure that all activities at the airport are carried out in a responsible manner that minimises the overall impact to the surrounding environment and community.

On 20 and 21 November 2014, Changi Airport organised its second airport-wide Recycling Day which saw airport partners coming together to do their part in recycling. The event was well-received by the airport community, with more than double the number of agencies taking part compared to the previous year. A total of 27 companies contributed to the recycling effort, which eventually culminated in more than four tonnes of recyclables being collected over the two days. Beyond the collection, the event also helped to raise awareness among the 40,000-strong airport community on the importance of recycling and also the different types of wastes that could potentially be given a new lease of life.

In May 2015, CAG was awarded the Green Mark Award by the Building & Construction Authority for the upcoming Terminal 4. The Green Mark Award recognises excellence in building design and takes into account quality and environmental sustainability. This award for Terminal 4 follows those which have been given for Changi Airport's other three terminals. These awards are both an encouragement and a testament to CAG's efforts that go into planning for a sustainable future.

As a show of support for conservation efforts, CAG participated in Earth Hour on 28 March 2015 for the seventh year running. All decorative lights within the airport were switched off for an hour from 8.30pm, and non-critical operational lights were dimmed. All three terminals participated in Earth Hour to demonstrate CAG's commitment to environmental sustainability.

In 2014, CAG also embarked on two substantial energy improvement projects: The first being the replacement of the existing Terminals 1 and 2 pier chillers with more efficient ones, helping CAG to improve the efficiency of the two pier chillers by up to 40%. The other project was the progressive replacement of lights with LED lighting at various areas across all terminals, cutting back on electricity usage.



*CAG continued to deepen engagement and build stronger bonds between Changi Airport and the online community during the year, through its social media efforts on platforms such as Facebook, Instagram, LinkedIn, Twitter, Weibo and YouTube.*

*1 Changi organised its first Instameet for local Instagrammers, to tap into their creative talents for artistic perspectives of the airport.*

Changi Airport's social media persona, *Fans of Changi*, aims to reach out to travellers around the world to generate awareness of the airport's offerings and to connect audiences directly with the Changi brand.

Through social media, we interact and converse with fans and followers, bringing to the digital sphere the personal touch that is an integral part of Changi's Service DNA. Through informative and engaging content, as well as interactive and fun contests, CAG leverages social media in creative ways to build brand affinity.

During the year, CAG continued to maintain excellent engagement levels on its social media platforms. With more than 648,000 fans as at March 2015, our *Fans of Changi* Facebook page remains the world's largest airport Facebook page, with one of the highest engagement levels. To showcase Changi's many retail brands, we launched a Facebook contest, *Changi Brands Mania*. This proved to be our most successful campaign to date, attracting close to 13,000 participants. On top of that, we held 'Social Media Month' at the start of FY2014/15. This was a month full of activities for our fans and followers where we worked with our retail and airline partners to run a series of exciting flash contests. Over the course of the month, we acquired over 23,000 new fans and attained healthy engagement levels among our following.

Through a consistent feed of visually stunning images that are a mix of original as well as crowdsourced photos, @FansofChangi on Instagram also continued to be the most followed airport account with 20,000 followers, maintaining its steady growth. To engage some of its biggest fans on Instagram, CAG organised its first 'Instameet' in December 2014, inviting a small group of 20 fans to an exclusive airport tour. They had the opportunity to indulge in the Changi Experience for a day – touring and taking beautiful pictures of the airport's facilities, such as the gardens, rooftop swimming pool and movie theatres. This engagement programme resulted in more than 200 inspiring photographs of Changi Airport published on Instagram in the weeks following.

Our @FansofChangi Twitter account plays multiple roles – serving as a quick response customer service channel, raising awareness of the airport's latest offerings and improving engagement with passengers and visitors. While phone calls and emails continue to be popular means of enquiry and giving feedback, Twitter provides another real-time option for Changi Airport to serve its customers. With a follower base of 35,000, @FansofChangi has a high Twitter engagement rate, even when compared to brands in other regions of the world where Twitter is more popular.

In July 2014, CAG launched its presence on LinkedIn, allowing the company to reach out to a different audience segment. With a focus on corporate branding and recruitment, CAG aims to build thought leadership and reach out to aspiring jobseekers and other stakeholders through LinkedIn by giving them a glimpse into CAG as an organisation and employer. In less than a year,

CAG has grown its LinkedIn follower base by more than three folds to 14,000 as at March 2015.

Separately, for its Chinese-speaking audience in Greater China, Changi Airport's Weibo page serves as a key source of information and engagement. The platform provides a convenient means for Chinese-speaking passengers to seek answers on a wide range of topics, from clarifications on Singapore visa requirements to information about retail offerings at Changi.

As part of its social media outreach, CAG collaborates with young, emerging talent and key influencers to produce interesting, inspiring content with the potential to generate buzz online. For example, in mid-2014, we worked with Milton Tan, a budding videographer to capture the hustle and bustle of the Changi Airport airfield. The end result was a dramatic clip of Changi Airport's flight movements at night – akin to fireflies zipping in and out every few seconds. The captivating video, entitled "The Air Traffic 2", was picked up by media as far away as North America and created online buzz, attracting over 300,000 views.



## SOCIAL MEDIA AWARDS WON IN FY2014/15



'BEST SOCIAL  
MEDIA PRESENCE –  
AIRPORT'  
2014 Skifties  
Social Media Travel  
Awards



'BEST OVERALL USE  
OF SOCIAL MEDIA  
(AIRPORT)'  
2014 SMITTYS  
Travel + Leisure  
magazine



'BEST DIGITAL  
COMMUNICATIONS  
STRATEGY'  
Silver – 2015 PR  
Awards



'BEST USE OF  
BLOGGERS'  
Bronze – 2015 PR  
Awards

2 The 'Air Traffic 2' video depicts the buzz of Changi Airport as an aviation hub.

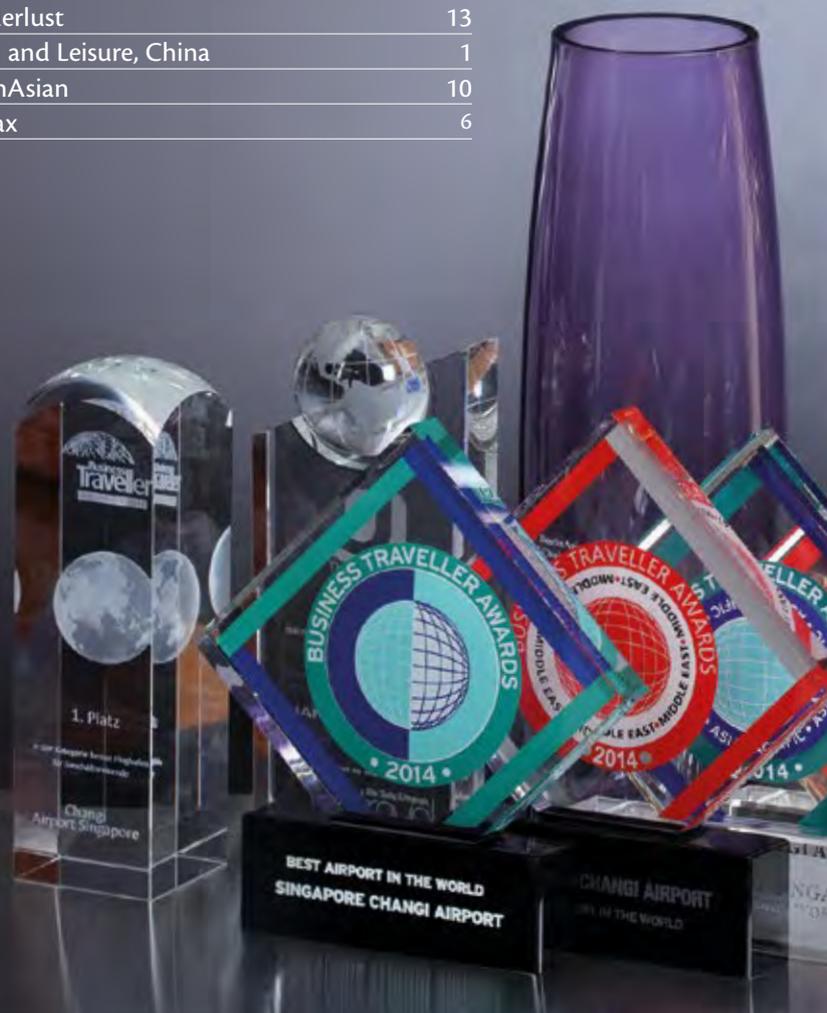
# AWARDS & ACCOLADES

## 2014

<i>Date</i>	<i>Awards</i>	<i>Publication/Organisation</i>	<i>No. of Times</i>
Apr	Airport Authority with the Most Supportive Approach to Travel Retail	Duty Free News International & Travel Retailer International	7
May	Best Airport in the World	Business Traveller, Middle East	11
May	Best International Airport of the Year	TravelWeekly China	7
May	Best Airport in the World	Ultratravel Magazine	8
Jun	Best Airport – Asia	Cargonews Asia	28
Jul	Best Airport for Frequent Travellers	Business Traveller, Germany	21
Jul	Best Airport in Asia Pacific	Frequent Business Traveler	2
Jul	World's Best Airport	Travel + Leisure	2
Sep	Best Airport in the World	Condé Nast Traveller, UK	9
Sep	Best Airport in the World	Business Traveller, Asia Pacific	23
Sep	Best Airport in Asia Pacific	Business Traveller, Asia Pacific	5
Oct	Travel Hall of Fame – Airport	Travel Trade Gazette, Asia	12
Oct	Best Airport in the World	Business Traveller, UK	27
Oct	Asia's Leading Airport	World Travel Awards	11
Oct	Long Haul Airport of the Year	Selling Long Haul	11
Nov	Best Airport in the World	Business Traveller, China	10
Nov	Best Airport	Condé Nast Traveller, India	4
Dec	World's Leading Airport	World Travel Awards	9

## 2015

<i>Date</i>	<i>Awards</i>	<i>Publication/Organisation</i>	<i>No. of Times</i>
Jan	Best Airport in the World	Business Traveler, US	22
Jan	Deficiency-Free	International Federation of Airline Pilots Associations (IFALPA)	34
Jan	Top Worldwide Airport	Wanderlust	13
Feb	Best Airport	Travel and Leisure, China	1
Mar	Best Airport in Asia Pacific	DestinAsian	10
Mar	World's Best Airport 2015	Skytrax	6





# GROUP FINANCIAL SUMMARY

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95	Listing of Significant Companies in the Group

The Group Financial Summary as set out on pages 87 to 96 contains only a summary of the information extracted from the Directors' Report, Statement by Directors and the audited consolidated financial statements of Changi Airport Group (Singapore) Pte. Ltd. and its subsidiaries for the financial year ended 31 March 2015.

For a full understanding of the state of affairs of the Company and the Group as at 31 March 2015 and of the results of the Group for the financial year ended 31 March 2015, the Group Financial Summary should be read in conjunction with the audited consolidated financial statements and the audit report thereon, which can be obtained via the Company's website ([www.changiairportgroup.com](http://www.changiairportgroup.com)).

# DIRECTORS' REPORT

*For the financial year ended 31 March 2015*

The directors present their report to the member together with the audited financial statements of the Group for the financial year ended 31 March 2015 and balance sheet of the Company as at 31 March 2015.

## **DIRECTORS**

The directors of the Company in office at the date of this report are as follows:

Mr Liew Mun Leong  
Mr Eric Ang Teik Lim  
Mr Michael George William Barclay  
Mr Miguel Ko Kai Kwun  
Ms Lim Soo Hoon  
Mr Richard R. Magnus  
Mr Dilhan Pillay Sandrasegara  
Professor Tan Kong Yam (*appointed on 30 January 2015*)  
Mr Danny Teoh Leong Kay  
Mr Derrick Wan Yew Meng (*Alternate Director to Ms Lim Soo Hoon*)  
Mr Lee Seow Hiang

## **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

## **DIRECTORS' CONTRACTUAL BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have received remuneration as a result of their employment with related corporations.

## **SHARE OPTIONS**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## **INDEPENDENT AUDITOR**

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Liew Mun Leong  
Director  
12 June 2015



Lee Seow Hiang  
Director

# STATEMENT BY DIRECTORS

*For the financial year ended 31 March 2015*

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 90 to 94 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



*Liew Mun Leong*  
Director  
12 June 2015



*Lee Seow Hiang*  
Director

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 94, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 12 June 2015

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2015

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Revenue	2,149,576	2,106,391
Expenses		
– Employee compensation	(197,768)	(175,753)
– Depreciation of property, plant and equipment	(276,451)	(264,606)
– Property tax	(56,804)	(48,063)
– Maintenance of land, buildings and equipment	(278,538)	(266,171)
– Services and security related expenses	(174,721)	(169,419)
– Annual ground rent and licence fees	(79,380)	(79,250)
– CAAS services	(132,725)	(136,191)
– Other operating expenses	(58,139)	(45,954)
Total	<u>(1,254,526)</u>	<u>(1,185,407)</u>
<b>Operating profit</b>	895,050	920,984
Other income	51,947	28,394
Gain on disposal of investments	-	29,042
Property tax refund	-	98,309
Share of results of joint ventures and associated companies	3,880	2,363
<b>Profit before income tax</b>	950,877	1,079,092
Income tax expense	<u>(169,368)</u>	<u>(183,150)</u>
<b>Profit after tax</b>	781,509	895,942
Attributable to:		
Equity holders of the Company	784,492	895,942
Non-controlling interest	<u>(2,983)</u>	<u>-</u>
	781,509	895,942

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
<b>Profit after tax</b>	781,509	895,942
<b>Other comprehensive loss:</b>		
Items that may be reclassified subsequently to profit or loss		
Financial assets, available-for-sale		
– Reclassification to profit or loss	-	(6,645)
Hedging differences		
– Fair value losses	(19,059)	-
Currency translation differences		
– Losses	(83,334)	(24,285)
<b>Other comprehensive loss, net of tax</b>	<b>(102,393)</b>	<b>(30,930)</b>
<b>Total comprehensive income</b>	<b>679,116</b>	<b>865,012</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the company	682,670	865,012
Non-controlling interest	(3,554)	-
	<b>679,116</b>	<b>865,012</b>

# BALANCE SHEETS

As at 31 March 2015

	<b>Group</b>		<b>Company</b>	
	<b>2015</b> \$'000	<b>2014</b> \$'000	<b>2015</b> \$'000	<b>2014</b> \$'000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3,849,014	3,635,621	3,786,365	3,623,024
Trade and other receivables	163,777	161,602	147,322	154,008
Held-to-maturity financial assets	-	50,000	-	50,000
Other current assets	53,315	27,041	21,357	26,185
Inventories	9,051	9,069	8,405	8,674
	<b>4,075,157</b>	<b>3,883,333</b>	<b>3,963,449</b>	<b>3,861,891</b>
<b>NON-CURRENT ASSETS</b>				
Deferred income tax assets	123	180	-	-
Other non-current assets	2,006	3,694	38	37
Held-to-maturity financial assets	94,025	59,985	94,025	59,985
Trade and other receivables	-	-	79,749	-
Investments in subsidiaries	-	-	257,965	257,965
Investments in joint ventures and associated companies	217,603	285,432	10,652	10,652
Property, plant and equipment	2,773,784	2,452,029	2,758,761	2,449,938
Property under development	401,269	-	-	-
	<b>3,488,810</b>	<b>2,801,320</b>	<b>3,201,190</b>	<b>2,778,577</b>
<b>Total assets</b>	<b>7,563,967</b>	<b>6,684,653</b>	<b>7,164,639</b>	<b>6,640,468</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	583,372	419,633	549,684	492,480
Derivative financial instruments	8,417	-	-	-
Income received in advance	15,737	56,785	15,455	56,859
Deferred income	4,973	3,690	4,445	3,513
Current income tax liabilities	207,804	189,761	205,836	189,263
	<b>820,303</b>	<b>669,869</b>	<b>775,420</b>	<b>742,115</b>
<b>NON-CURRENT LIABILITIES</b>				
Loan and borrowings	344,123	-	-	-
Derivative financial instruments	1,166	-	-	-
Deferred income	97,210	83,240	97,210	83,240
Deferred income tax liabilities	117,445	137,649	117,348	137,648
Other non-current liabilities	60,587	46,686	59,807	46,686
	<b>620,531</b>	<b>267,575</b>	<b>274,365</b>	<b>267,574</b>
<b>Total liabilities</b>	<b>1,440,834</b>	<b>937,444</b>	<b>1,049,785</b>	<b>1,009,689</b>
<b>NET ASSETS</b>	<b>6,123,133</b>	<b>5,747,209</b>	<b>6,114,854</b>	<b>5,630,779</b>
<b>EQUITY</b>				
Share capital and reserves	3,167,299	3,269,121	3,280,387	3,280,387
Retained profits	2,959,388	2,478,088	2,834,467	2,350,392
	<b>6,126,687</b>	<b>5,747,209</b>	<b>6,114,854</b>	<b>5,630,779</b>
Non-controlling interest	(3,554)	-	-	-
<b>Total equity</b>	<b>6,123,133</b>	<b>5,747,209</b>	<b>6,114,854</b>	<b>5,630,779</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

	Share capital \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Hedging and other reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>2015</b>							
<b>Beginning of financial year</b>	3,280,387	-	(24,227)	12,961	2,478,088	-	5,747,209
Dividend paid	-	-	-	-	(303,192)	-	(303,192)
Total comprehensive income	-	-	(83,334)	(18,488)	784,492	(3,554)	679,116
<b>End of financial year</b>	<b>3,280,387</b>	<b>-</b>	<b>(107,561)</b>	<b>(5,527)</b>	<b>2,959,388</b>	<b>(3,554)</b>	<b>6,123,133</b>
<b>2014</b>							
<b>Beginning of financial year</b>	3,280,387	6,645	58	12,961	1,812,201	-	5,112,252
Dividend paid	-	-	-	-	(230,055)	-	(230,055)
Total comprehensive income	-	(6,645)	(24,285)	-	895,942	-	865,012
<b>End of financial year</b>	<b>3,280,387</b>	<b>-</b>	<b>(24,227)</b>	<b>12,961</b>	<b>2,478,088</b>	<b>-</b>	<b>5,747,209</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>		
Profit after tax	781,509	895,942
Adjustments for:		
– Income tax expense	169,368	183,150
– Depreciation of property, plant and equipment	276,451	264,606
– Dividend income	-	(770)
– Government grant	(18,312)	(16,807)
– Gain on disposal of financial assets, available-for-sale	-	(29,042)
– Net (gain)/loss on disposal of property, plant and equipment	(19,639)	254
– Share of results of joint ventures and associated companies	(3,880)	(2,363)
– Currency translation differences	(314)	(27)
– Amortisation of deferred income	(3,977)	(3,484)
– Interest income	(34,762)	(24,274)
	<u>1,146,444</u>	<u>1,267,185</u>
Changes in working capital		
– Inventories	18	226
– Trade and other receivables	(662)	(5,149)
– Other assets	(7,702)	(11,734)
– Trade and other payables	58,429	135,564
Cash generated from operations	<u>1,196,527</u>	<u>1,386,092</u>
Interest received	28,221	20,840
Government grant received	18,701	16,921
Income tax paid	(171,500)	(145,753)
<b>Net cash provided by operating activities</b>	<u>1,071,949</u>	<u>1,278,100</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment and capital work-in-progress	(509,730)	(216,079)
Additions to property under development	(387,949)	-
Proceeds from disposal of property, plant and equipment	25,036	963
Proceeds from disposal of financial assets, available-for-sale	-	312,196
Payment for investment in a joint venture and associated company	(16,436)	(41,797)
Prepayments for investments in an associated company	(29,043)	(3,657)
Dividend income received	3,538	1,369
Purchase of held-to-maturity financial assets	(34,653)	(110,155)
Proceeds from held-to-maturity financial assets	50,000	-
Bank deposit withdrawn, net of settlement	-	22,660
<b>Net cash used in investing activities</b>	<u>(899,237)</u>	<u>(34,500)</u>
<b>Cash flow from financing activities</b>		
Proceeds from loan and borrowings	485,329	-
Repayment of loan to non-controlling interests	(141,206)	-
Dividend paid to equity holder of the Company	(303,192)	(230,055)
<b>Net cash provided by/(used in) financing activities</b>	<u>40,931</u>	<u>(230,055)</u>
<b>Net increase in cash and cash equivalents</b>	213,643	1,013,545
Cash and cash equivalents at beginning of financial year	3,635,102	2,621,545
Effects of currency translation on cash and cash equivalents	269	12
<b>Cash and cash equivalents at end of financial year</b>	<u>3,849,014</u>	<u>3,635,102</u>

# LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

For the financial year ended 31 March 2015

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2015 %	2014 %
<b>SIGNIFICANT SUBSIDIARIES HELD BY THE COMPANY</b>				
Changi Airports International Pte. Ltd.	Investment holding and provision of consultancy services in the field of civil aviation	Singapore	100	100
Changi Travel Services Pte. Ltd.	Sale of travel and tour-related products and packages	Singapore	100	100
Jewel Changi Airport Holdings Pte. Ltd.	Investment holding	Singapore	100	100
<b>HELD BY THE GROUP</b>				
Changi Airport Consultants Pte. Ltd.	Provision of airport related consultancy services	Singapore	100	100
Changi Airport Planners and Engineers Pte. Ltd.	Provision of professional engineering services in the field of civil aviation	Singapore	100	100
Changi Airport Saudi Ltd.	Provision for management and operations services of airports	Saudi Arabia	100	100
Changi Airports China Ltd.	Investment holding	Singapore	100	100
Changi Airports Europe Pte. Ltd.	Investment holding	Singapore	100	100
Changi Airports India Pte. Ltd.	Investment holding	Singapore	100	100
Changi Airports MENA Pte. Ltd.	Investment holding	Singapore	100	100
Theta Enterprise Pte. Ltd. (formerly known as Changi Airports Henan Pte. Ltd.)	Investment holding	Singapore	100	100
Excelente B.V.	Investment holding	Netherlands	100	100
Excelente Brasil Participações Ltda.	Provision of consultancy services	Brazil	100	-
Jewel Changi Airport Devt Pte. Ltd.	Provision of development, project, and real estate management services	Singapore	51	51
Jewel Changi Airport Trust	Project development, operation and management	Singapore	51	51
Jewel Changi Airport Trustee Pte. Ltd.	Provision of trustee-management services	Singapore	51	51

# LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

For the financial year ended 31 March 2015

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2015 %	2014 %
<b>SIGNIFICANT JOINT VENTURES AND ASSOCIATED COMPANIES HELD BY THE COMPANY</b>				
Experia Events Pte Ltd	Organising and management of conferences, exhibitions and other related activities	Singapore	20	20
<b>HELD BY THE GROUP</b>				
Bengal Aerotropolis Projects Ltd	Development of airport and township projects	India	36.3	26
Transport AMD-2 Ltd	Investment holding	Cyprus	37.5	37.5
OJSC International Airport Sochi	Provision of airport and related services	Russia	37.5	37.5
OJSC International Airport Krasnodar	Provision of airport and related services	Russia	37.5	37.5
OJSC International Airport Anapa	Provision of airport and related services	Russia	28.1	23.7
Basel Aero LLC	Airport management	Russia	37.5	37.5
Rio de Janeiro Aeroporto S.A	Investment holding	Brazil	40	40
Concessionária Aeroporto Rio de Janeiro S.A	Airport concessionaire	Brazil	20.4	20.4

**Changi Airport Group (Singapore) Pte. Ltd.**

60 Airport Boulevard  
#046-019-01  
Changi Airport Terminal 2  
Singapore 819643

**Mailing Address**

PO Box 168  
Singapore Changi Airport  
Singapore 918146

Tel: +65 6595 6868

Email: [corp.comms@changiairport.com](mailto:corp.comms@changiairport.com)  
[www.changiairportgroup.com](http://www.changiairportgroup.com)  
[www.changiairport.com](http://www.changiairport.com)

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