annual report 2011
financial year ended 31 March 2011

contents

corporate information

board of directors
Mr. Joseph Yuvaraj Pillay
Independent Director and Chairman

Mr. Anthony Alfred Peter (Tony) Davis
Executive Director, Group President and CEO

Mr. Chin Yau Seng
Executive Director

Mr. Chang Long Wee
Non-Executive Director

Mr. Gerard Ee Hock Kim
Independent Director

Ms. Rachel Eng Yaag Ngee
Independent Director

Mr. Lee Chong Kwee
Non-Executive Director

Ms. Lim Siew Lay
Non-Executive Director

Mr. Po'ad Bin Shaik Abu Bakar Mattar
Independent Director

Mr. Teoh Tee Hooi
Non-Executive Director

Mr. Yap Chee Keong
Independent Director

audit committee
Mr. Po'ad Bin Shaik Abu Bakar Mattar *(Chairman)*
Mr. Gerard Ee Hock Kim
Mr. Yap Chee Keong

nominating committee
Ms. Rachel Eng Yaag Ngee *(Chairperson)*
Mr. Gerard Ee Hock Kim
Mr. Lee Chong Kwee
Mr. Teoh Tee Hooi
Mr. Yap Chee Keong

remuneration committee
Mr. Yap Chee Keong *(Chairman)*
Mr. Gerard Ee Hock Kim
Ms. Rachel Eng Yaag Ngee
Ms. Lim Siew Lay
Mr. Po'ad Bin Shaik Abu Bakar Mattar

joint company secretaries
Ms. Angela Chan Mui Chin
Ms. Tan San-Ju

registered office
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone number: +65 6536 5355
Facsimile number: +65 6536 1360

principal place of business
Changi Airport Terminal One #035-54
Singapore 819642
Telephone number: +65 6822 2300
Facsimile number: +65 6822 2310

bankers
DBS Bank Ltd
Standard Chartered Bank
United Overseas Bank Limited
Westpac Banking Corporation

share registrar and share transfer office
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone number: +65 6536 5355
Facsimile number: +65 6536 1360

auditors
Ernst & Young LLP
Public Accountants and Certified Public Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583
Audit Partner-In-Charge: Low Bek Teng
Date of appointment: Appointed since financial year ended 31 March 2011

The initial public offering of the Company was sponsored by Citigroup Global Markets Singapore Pte. Ltd. and Morgan Stanley Asia (Singapore) Pte. (the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this annual report.

operational and financial highlights

Operational Highlights	FY2011	FY2010	% change
Passengers booked (thousands)	5,968	4,872	+22.5%
Seat capacity (thousands)	6,958	5,723	+21.6%
Load factor (%)	85.8%	85.1%	+0.7 ppt
RPK (millions)	8,209	6,768	+21.3%
ASK (millions)	9,583	7,847	+22.1%
Number of aircraft at financial year end	26	19	+36.8%
Average number of aircraft	21	17	+23.5%
Number of sectors flown	38,992	32,631	+19.5%
Average sector length (kilometres)	1,377.3	1,371.0	+0.5%

Financial Highlights ($m)	FY2011	FY2010	% change
Profit and Loss			
Total revenue	622.2	486.2	+28.0%
Total expenses	575.0	460.2	+24.9%
Operating profit	47.2	26.0	+81.5%
Profit before taxation	57.0	19.9	+186.4%
Profit for the year attributable to shareholders of the Company	39.9	28.2	+41.5%
Earnings per share (cents per share)			
Basic	7.4	7.0	+5.7%
Diluted	7.3	6.6	+10.6%

Balance Sheet	As at 31-Mar-11	As at 31-Mar-10	% change
Cash	195.8	206.7	-5.3%
Total assets	1,000.7	587.1	+70.4%
Total debt	540.8	211.5	+155.7%
Total equity	194.7	149.7	+30.1%
Profitability Ratios			
Profit before tax margin	9.2%	4.1%	+5.1 ppts
Profit after tax margin	6.4%	5.8%	+0.6 ppts
Return on average equity	23.2%	NM*	NM*

* NM: Not Meaningful

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of Tiger Airways Holdings Limited (the "Company") for the financial year ended 31 March 2011. This report provides an update on our operations and includes the audited annual financial statements for the financial year.

Financial Performance

The Company recorded a profit before tax of $57.0 million and a profit attributable to shareholders of $39.9 million for the financial year ended 31 March 2011.

Revenue growth of 28.0% to $622.2 million was ahead of both passenger growth of 22.5% and seat capacity growth of 21.6%. Growth in total revenue was supported by passenger seat revenue increasing 26.1% and ancillary revenue growth of 35.6%. We increased the contribution of ancillary revenues as a percentage of total revenues to 20.5% from 19.4% in FY2009/10. New ancillary services introduced during the year include boardmefirst (our priority boarding service), switchmyflight (our flexible ticket option), and Stripes (our membership program providing priority access to our promotional fares). Management continues to focus on growing ancillary revenues going forward.

Management's focus on cost management continued to bear fruit. Total operating costs grew by 24.9% whilst operating costs excluding fuel and foreign exchange movements increased only 19.1%, lower than both seat and passenger growth and reflects our focus on cost efficiencies throughout our business. Operating costs per seat excluding fuel and foreign exchange movements decreased by 2.0% to $48.7 per seat.

Financial Year 2010/11 in Review

Financial year 2010/11, our first full financial year as a publicly listed company, was a year of achievements for Tiger Airways. During the year, we registered record passenger carriage, we improved our financial performance and we were recognised externally for our achievements.

FY2010/11 was a year of expansion for our existing businesses in Singapore and Australia. During the year, a record 6.0 million passengers chose to fly with Tiger Airways, an increase of 22.5% over the prior year. Not only were we able to record strong growth throughout the year, we were able to increase our passenger load factor to 85.8%, reflecting the strong demand for low cost travel in the region and providing us with the confidence to continue to grow our business.

A major focus for Tiger Airways is ancillary revenues. These are services, which traditional full service airlines would charge their passengers for regardless of whether they need them or not, which we have "unbundled". Examples include checked baggage, sports equipment charges, inflight sales of gifts, duty free items, food and beverages, amongst other services. We are proud of the fact that Tiger Airways is recognised as the ancillary revenue leader in Asia. Over 20% of our FY2010/11 revenues were derived from ancillary revenues and our goal is to increase this further. During the year, we were recognised as the fifth highest generator of ancillary revenues in the world (calculated as a percentage of total revenue) and was ranked first amongst all airlines in the Asia Pacific region[1].

Tiger Airways introduced new routes, increased frequency on other routes and suspended some underperforming routes, all with the aim of optimising the Group's profitability. Part of this exercise may require a rebalancing or restructuring of our route portfolio based on route performance and profitability. During the course of FY2010/11, whilst we introduced 12 new routes, we suspended six routes. This dynamic approach enables us to adjust quickly to changes in the operating and trading environment.

Going forward, given the growth opportunities in Asia and our ongoing focus to optimise Group profitability, Tiger Airways Singapore has increased its Northern Summer 2011 seat capacity by 41% compared to the previous year. Frequencies have been increased on key routes, most notably between Singapore and Bangkok, Ho Chi Minh City, Hong Kong, Hanoi and Kuala Lumpur. Tiger Airways Australia experienced a challenging FY2010/11 and as a consequence seat capacity for FY2011/12 will be reassessed. This strategy will simplify our domestic Australian operations and focus the business on profitable routes to generate improved returns.

[1] Source: Ideaworks.

In FY2010/11, we took delivery of seven new Airbus A320 aircraft, all of which are owned under European Export Credit Agency ("ECA") backed financing. ECA backed financing is a cost efficient form of financing aircraft, enabling us to reduce operating cost. By the end of FY2010/11, the Tiger Airways Group owned nine of the 26 aircraft in its fleet. Going forward, we will continue to apply the most cost effective forms of financing for our aircraft, which may include a combination of operating leases, sale and leaseback transactions as well as ownership of aircraft.

Management continues to scrutinise the business to remove all non-essential costs without compromising the safety, security or punctuality of our operations. This approach, in our view, puts Tiger Airways in the best position possible to tackle the current high fuel price environment. This model has worked successfully in the past, and will lead to a good return to you, our shareholders.

Finally, we were also recognised externally for our achievements, capped off by being named the Low Cost Airline of the Year by the Centre for Asia Pacific Aviation. Following our successful initial public offering ("IPO") in January 2010, we were awarded the Best Mid-cap Equity Deal by FinanceAsia. Further, we were recognised by the investment community post-IPO by being awarded the Most Transparent Award in the New Issues Category from the Securities Investors Association (Singapore). I can assure you that we are committed in maintaining the high standards that we have set for ourselves as a listed company.

Growth Strategy

Whilst Tiger Airways will continue to evolve its existing airline businesses in Singapore and Australia, during the year we announced our intention to establish a presence in Thailand, the Philippines and Indonesia, in order to further expand the Tiger Airways "pawprint" in Asia.

In August 2010, we announced our intent to establish a low cost airline in Thailand to be called Thai Tiger Airways ("Thai Tiger"), in partnership with Thai Airways International Public Company Limited and RyanThai Limited. We have signed the Shareholders Agreement and are progressing with the necessary regulatory approvals. In November 2010, we launched our Partner Airline Programme with South-East Asian Airlines ("SEAIR") in the Philippines, and in February 2011 we announced our plan to take a 32.5% equity interest in SEAIR. Further, in May 2011, we announced the signing of a term sheet to purchase a 33.0% stake in Mandala Airlines of Indonesia. Each of these proposed transactions are subject to the completion of due diligence and formal documentation. We will make the requisite SGX announcement at the appropriate time.

By seeking to establish a presence in Thailand, the Philippines and Indonesia and evolving our existing businesses in Singapore and Australia we intend to position Tiger Airways as a major player in the Pan-Asian low cost aviation market. To support our growth initiatives the Tiger Airways Group is planning to increase our fleet by nine aircraft in FY2011/12, taking the Group fleet to 35 aircraft by the end of the financial year, an increase of 34.6% to the 26 aircraft as at March 2011.

Tiger Airways Australia

On 1 July 2011, the Civil Aviation Safety Authority of Australia ("CASA") grounded all flights to 9 July 2011 at Tiger Airways Australia. As of today, the Group CEO and a member of the Board are working closely with CASA towards resolving the issues as soon as possible. The cost impact of the grounding is estimated to be S$2 million per week.

Acknowledgment

I would like to welcome to the Board Mr. J.Y. Pillay who is taking over as non-executive Chairman with effect from 6 July 2011. I also welcome Mr. Chin Yau Seng who joined the Board on 4 July 2011. I believe that Mr. Pillay and the Board will ably lead Tiger Airways towards great success. On behalf of the Board of Directors, I would like to thank you, our Shareholders for your support. I would also like to thank the Board of Directors for their continued counsel and guidance as well as the management team and staff for their contributions throughout the year.

Yours sincerely,

Gerard Ee
Chairman

6 July 2011

review of operating and financial performance

Operating Review

Year in Review

The Tiger Airways Group ("Group") reported a profit before tax of $57.0 million and a profit attributable to shareholders of the Company of $39.9 million for the financial year ended 31 March 2011 (FY2011).

Group passenger numbers increased 22.5% to 6.0 million, and load factor increased by 0.7 percentage points to 85.8%. Tiger Airways launched 12 new routes during the year and suspended six underperforming routes. In Singapore, Tiger Airways introduced new routes to Manila (NAIA), Taipei, Tiruchirapalli (Trichy) and Trivandrum. In Australia, a new crew base was established at Melbourne (Avalon) airport.

Tiger Airways will continue to grow its ancillary services. New products that were introduced during FY2011 include boardmefirst, our priority boarding service, and switchmyflight, our flexible ticket option. Tiger Airways also introduced Stripes, our membership program providing members with priority access to weekly discounts. Stripes has been popular with regular travelers in Asia and Australia. Further, Tiger Airways Australia introduced a web check-in service, which is offered to passengers travelling without checked luggage.

The Group introduced seven additional 180-seat Airbus A320 aircraft into the fleet during FY2011. All seven aircraft are owned by the Group, and financing for these aircraft was structured with support from the European Export Credit Agencies (ECA), providing aircraft financing cost savings. These additional deliveries took the Group fleet to a total of 26 aircraft as at 31 March 2011.

Tiger Airways Singapore

Tiger Airways Singapore delivered a record $53.8 million operating profit for FY2011. The strong result was reflective of solid demand and robust economic conditions in Asia.

Tiger Airways Singapore introduced new routes and increased frequencies on a number of existing routes during the year. New services were introduced between:

- Singapore and Manila in October 2010
- Singapore and Tiruchirapalli (Trichy) in November 2010
- Singapore and Trivandrum in November 2010
- Singapore and Taipei in January 2011

Tiger Airways Singapore increased frequencies to numerous destinations from Singapore, most notably to Bangkok, Ho Chi Minh City, Hong Kong, Jakarta and Kuala Lumpur. Due to under-performance, services between Singapore and Langkawi, and Singapore and Bangalore were suspended during the financial year.

Tiger Airways Australia

Tiger Airways Australia recorded an operating loss of $9.0 million (AUD 7.1 million) for FY2011. Challenging operating conditions in the financial year impacted the result, with weather events significantly affecting its performance in the fourth quarter. Due to the relative underperformance of Tiger Airways Australia and the opportunities available in Asia, seat capacity for the current financial year will be reassessed. The network will be simplified with a focus on profitable routes to generate improved returns for the Group.

In November 2010, Tiger Airways Australia launched a new crew base at Melbourne (Avalon) airport. The airport offers operating cost savings, and complements existing services at Melbourne's Tullamarine Airport.

Financial Review

Highlight's of the Group's Performance

• Total revenue	$622.2 million	(+28.0%)
• Total expenses	$575.0 million	(+24.9%)
• Operating profit	$47.2 million	(+81.5%)
• Profit before taxation	$57.0 million	(+186.4%)
• Profit after taxation	$39.9 million	(+41.5%)
• Basic earnings per share	7.4 cents per share	(+5.7%)

Group Earnings

The Group reported a profit before tax of $57.0 million and a profit attributable to shareholders of the Company of $39.9 million for the financial year ended 31 March 2011. This result was driven by a 22.5% increase in passengers, revenue growth of 28.0% and continuous cost control. Profit before tax margin more than doubled from 4.1% to 9.2%, whilst return on average equity was 23.2%.

Group revenues grew 28.0% to $622.2 million resulting from the increase in passengers. Passenger seat revenue on a per passenger basis increased by 3.0% to $82.9 due to robust operating conditions in Asia and continued maturity of both our operating businesses in Singapore and Australia. Ancillary revenues per passenger increased 8.8% to $21.0, with the introduction of new ancillary revenue products and continued optimisation of the current ancillary revenue offering.

Total expenses increased 24.9% compared to the preceding 12 months, whilst controllable costs (total expenses excluding fuel and foreign exchange movements) increased just 19.1% due to strict control of all non-essential costs. Operating Cost per Available Seat Kilometre (CASK) increased 2.4% from 5.9 cents to 6.0 cents, whilst CASK excluding fuel and foreign exchange movements decreased 2.5% compared to last year.

	YTD 2010-11	YTD 2009-10
Passengers (thousand)(1)	5,968	4,872
RPK (millions)(2)	8,209	6,768
ASK (millions)(3)	9,583	7,847
Passenger load factor (%)(4)	85.8	85.1
Average passenger fares ($)	82.9	80.5
Average ancillary revenues per passenger ($)	21.0	19.3
Revenue per ASK (cents)(5)	6.49	6.20
CASK (cents)(6)	6.00	5.86
CASK excluding fuel and forex (cents)(7)	3.53	3.62
Average sector length(8)	1,377.3	1,371.0

(1) Number of earned seats flown by Tiger Airways.
(2) Represents revenue passenger kilometres, which is the number of paying passengers carried on scheduled flights multiplied by the number of kilometres those passengers were flown.
(3) Represents available seat kilometres, which is the available seat capacity multiplied by the number of kilometres those seats were flown.
(4) Represents the number of passengers as a proportion to the available seat capacity (180 seats available for our Airbus A320 aircraft).
(5) Calculated as our total revenue divided by ASK.
(6) Represents cost per available seat kilometre. Calculated as total operating costs divided by ASK.
(7) Calculated as total operating costs (excluding fuel costs and forex difference) divided by ASK.
(8) Represents average number of kilometres flown per flight.

Financial Position

Total assets of the Group increased significantly to $1,000.7 million, from $587.1 million a year ago. This increase was due to the doubling of property, plant and equipment (+$420.0 million) arising from the delivery of seven new aircraft and additional aircraft pre-delivery payments for the financial year just ended. The seven aircraft were financed by ECA supported financing arrangements.

Equity attributable to shareholders of the Company as at 31 March 2011 was $194.7 million, an increase of $45.0 million from a year ago, mainly attributed to the profits earned for the year.

For the financial year ended 31 March 2011, the Board recommends no dividend be paid. The Company will re-invest profits generated from its business operations for further growth to take advantage of the expansion opportunities both at the current airlines within the Group and potential new airline joint-ventures.

Capex and Cashflow

For the financial year ended 31 March 2011, capital expenditure was $432.7 million, an increase of $193.4 million compared to the previous financial year. The increase is primarily due to the capital spending on aircraft, including the cost of acquisition of the seven ECA-financed aircraft.

Cash flows from operations was $81.1 million, an increase of $31.2 million compared to cash flows from operations of $49.9 million in the previous financial year.

Cash and cash equivalents as at 31 March 2011 was $195.8 million, $10.9 million lower than a year ago due to internal funding for the additional aircraft and aircraft pre-delivery payments.

Summary of Performance

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (in $ million)

	The Group	
	2010-11	**2009-10**
Revenue		
Passenger seat revenue	**494.6**	392.1
Ancillary revenue	**127.6**	94.1
Total revenue	**622.2**	486.2
Expenses		
Fuel costs:		
Actual fuel costs	**229.8**	160.5
Fuel hedging (gain)/loss	**(3.5)**	21.7
Staff costs	**81.1**	58.5
Aircraft rental	**62.4**	69.8
Airport and handling	**62.7**	49.5
Maintenance, material and repair	**62.9**	55.7
Route charges	**31.5**	30.6
Marketing and distribution costs	**7.2**	5.3
Depreciation	**12.7**	0.6
Exchange loss/(gain)	**10.0**	(6.3)
Others	**18.2**	14.3
	575.0	460.2
Operating profit	**47.2**	26.0
Finance income	**1.5**	1.0
Finance expense	**(4.7)**	(0.8)
Exchange gain on borrowings	**13.0**	2.0
Expenses relating to initial public offering	**–**	(8.3)
Profit before taxation	**57.0**	19.9
Taxation	**(17.1)**	8.3
Profit for the year attributable to shareholders of the Company	**39.9**	28.2
Earnings per share (cents per share)		
– Basic	**7.4**	7.0
– Diluted	**7.3**	6.6

Summary of Performance by Quarter

$m	1Q11	2Q11	3Q11	4Q11	Total
Total revenue	145.1	143.5	170.4	163.2	622.2
Total expenses	144.3	133.9	143.8	153.0	575.0
Operating profit	**0.8**	**9.6**	**26.6**	**10.2**	**47.2**
Total other income	0.5	5.7	3.6	–	9.8
Profit before taxation	1.3	15.3	30.2	10.2	57.0
Taxation	0.6	(1.2)	(7.6)	(8.9)	(17.1)
Net profit after tax	**1.9**	**14.1**	**22.6**	**1.3**	**39.9**

Tiger Airways Singapore

$m	31-Mar-11	31-Mar-10	% change
Total revenue	341.8	277.9	+23.0%
Total expenses	288.0	253.6	+13.6%
Operating profit	**53.8**	**24.3**	**+121.4%**

Tiger Airways Singapore delivered an operating profit of $53.8 million for FY2011, a 121.4% increase on the previous year. Revenue growth of 23.0% was reflective of solid demand and robust economic conditions in Asia. Tiger Airways Singapore increased its fleet by four aircraft during the financial year to end the year with 14 Airbus A320-family aircraft.

Tiger Airways Australia

$m	31-Mar-11	31-Mar-10	% change
Total revenue	279.2	208.0	+34.2%
Total expenses	288.2	208.6	+38.2%
Operating loss	**(9.0)**	**(0.6)**	**NM**

Tiger Airways Australia delivered an operating loss of $9.0 million for FY2011. Challenging operating conditions in the financial year impacted on the Tiger Airways Australia result, with weather events significantly affecting its performance in the fourth quarter.

board of directors

Our Board of Directors is entrusted with the responsibility for our overall management. We set out below certain information regarding our Directors as at the date of this Annual Report.

JOSEPH YUVARAJ PILLAY

Chairman

Mr. Pillay was appointed to the Board of Directors of the Company (the "Board") on 6 July 2011 as Independent Director and is the Non-Executive Chairman of the Board. Mr. Pillay is a member of the Securities Industry Council. He is the chairman of the Council of Presidential Advisers of the Republic of Singapore and member of the Presidential Council for Minority Rights. He is also the rector of Residential College 3 in the University Town of the National University of Singapore. Mr. Pillay was in the administrative service of the Government of Singapore from 1961 to 1995 rising to permanent secretary in 1972. He served in the ministries of finance, defence and national development, and was the managing director of the Monetary Authority of Singapore and the Government of Singapore Investment Corporation. From 1996 to 1999 he was the High Commissioner in Britain and between 1999 and 2010 he was the chairman of Singapore Exchange Limited. He also previously served as the chairman of the Development Bank of Singapore (1979 to 1984); Singapore Airlines (1972 to 1996); Temasek Holdings (1974 to 1986); and the Council on Corporate Disclosure and Governance (2002 to 2007). Mr. Pillay graduated with B.Sc (Hons) from the Imperial College of Science & Technology, University of London in 1956.

ANTHONY ALFRED PETER (TONY) DAVIS

Group President and Chief Executive Officer

Mr. Anthony Alfred Peter (Tony) Davis is our Group President and Chief Executive Officer ("CEO"). He was appointed to the board of directors of Tiger Airways Singapore Pte. Ltd. ("Tiger Airways Singapore") in 2005 and was appointed to the Board on 1 February 2007. Mr. Davis is also a director of Tiger Airways Singapore and Tiger Airways Australia Pty Limited ("Tiger Airways Australia"). He has over 25 years' of experience in the airline industry, having been employed by British Airways both in London and New York in various sales, marketing and purchasing positions from 1986 to 1995. From 1995 to 1997, Mr. Davis held management positions in Gulf Air Company G.S.C. (Bahrain), and from 1997 to 2001, he held senior management positions, including director of corporate affairs for British Midland Airways Limited. Prior to joining Tiger Airways Singapore in 2005, Mr. Davis was the founding managing director of British low-cost airline, bmibaby, a subsidiary of British Midland from 2001. In 1985 Mr. Davis was awarded a National Certificate in Business and Finance by the Business & Technician Education Council in the United Kingdom and in 1992 was awarded a Postgraduate Diploma in Business Administration by Lancaster University in the United Kingdom. Mr. Davis is a Fellow of the Royal Aeronautical Society.

CHANG LONG WEE

Mr. Chang Long Wee was appointed to the Board on 30 July 2010 as a Non-Executive Director and nominee of Singapore Airlines Limited ("Singapore Airlines"). He is currently divisional vice-president (engineering services) of Singapore Airlines. Prior to that he was vice-president (engineering divisional services) from 2005 to 2007, vice-president (engineering supplies) from 2004 to 2005 and senior manager (engineering supplies) from 2001 to 2004. Prior to joining Singapore Airlines, Mr. Chang was with the Republic of Singapore Air Force from 1983 to 2001 and has held senior appointments in engineering, manpower and as a defence adviser with the Singapore High Commission in Canberra, Australia. Mr. Chang holds a Bachelor Degree in Electrical Engineering from the National University of Singapore and a Masters Degree in Electrical Engineering from the United States Naval Postgraduate School in Monterey, California.

GERARD EE HOCK KIM

Mr. Gerard Ee Hock Kim was appointed to the Board of Directors of the Company (the "Board") on 23 November 2009 as an Independent Director and was the Non-Executive Chairman of the Board up to 6 July 2011. He also sits on the Audit Committee ("AC"), Remuneration Committee ("RC") and the Nominating Committee ("NC"). Mr. Ee is an independent director of The Great Eastern Life Assurance Company Limited and the chairman of its audit committee. From 2007 to 2009, he was an independent director of The Straits Trading Company Limited and the chairman of its audit committee. Mr. Ee's profession was that of an auditor until he retired as a partner of Ernst & Young in 2005. He is currently a member of Singapore's Accounting Standards Council, Council Member of the Institute of Certified Public Accountants of Singapore and is Singapore's representative on the International Accounting Standards Advisory Council. Mr. Ee was awarded the Public Service Medal (PBM) in 1993, the Public Service Star (BBM) in 2003 and the Meritorious Service Medal (PJG) in 2007. Mr. Ee will be retiring from his directorship in the Company at the upcoming AGM and will not be seeking re-election.

RACHEL ENG YAAG NGEE

Ms. Rachel Eng Yaag Ngee was appointed to the Board as an Independent Director on 1 December 2009 and is the Chairperson of the NC. She also sits on the RC. Ms. Eng is the Managing Partner of WongPartnership LLP, a firm of advocates and solicitors, with more than 19 years' of experience in legal practice. Her main practice areas are capital markets, real estate investment trusts, corporate finance and transactional and advisory matters. She is a member of the Capital Markets Forum of the International Bar Association as well as the Council of the Law Society of Singapore. She sits on the Board of Trustees of Singapore Institute of Technology and the Advisory Board of the Law School of Singapore Management University. Ms. Eng was admitted to the Singapore Bar in 1992 and graduated from the National University of Singapore in 1991 with a Bachelor of Laws (Honours) degree.

LEE CHONG KWEE

Mr. Lee Chong Kwee was appointed to the Board on 1 December 2009 and was re-elected at the 2010 annual general meeting ("AGM"). He is a Non-Executive Director and nominee of Dahlia Investments Pte. Ltd. and sits on the NC. Mr. Lee is the chairman of Jurong Port Private Limited and holds other directorships. He was previously the group chief executive officer of Pontiac Land Private Ltd (from January to September 2008). Prior to that, he was the chief executive officer Asia-Pacific of Exel (Singapore) Pte Ltd from 1999 to 2005. From 1980 to 1997, Mr. Lee held various positions with Singapore Airlines in Singapore, Hong Kong, U.S., Japan and the United Kingdom. He received a Bachelor of Science (Hons.) degree from the University of Malaya in 1980 and a Certified Diploma in Accounting & Finance from The Chartered Association of Certified Accountants in 1984.

LIM SIEW LAY

Ms. Lim Siew Lay was appointed to the Board on 30 July 2010. She is a Non-Executive Director and nominee of Singapore Airlines and sits on the RC. She is currently divisional vice-president human resources with Singapore Airlines. Ms. Lim joined the inflight services department of Singapore Airlines in 1990 handling portfolios such as quality control, inflight operations and catering contracts. In 2001 she moved to the ground services department and handled portfolios in reservations and ticketing services and ground handling contracts. In 2005, she was appointed as vice-president contracts in charge of ground handling and catering contracts and was seconded to Tradewinds Tours and Travel Pte Ltd as general manager from 2008 to 2009. Prior to her transfer to Singapore Airlines, Ms. Lim started as an accountant with Singapore Airport Terminal Services, a subsidiary of Singapore Airlines then. She graduated with a Bachelor of Accountancy from the National University of Singapore in 1984 and is a certified public accountant with the Institute of Certified Public Accountants Singapore.

PO'AD BIN SHAIK ABU BAKAR MATTAR

Mr. Po'ad Bin Shaik Abu Bakar Mattar was appointed to the Board as an Independent Director on 1 December 2009 and is the Chairman of the AC. He also sits on the RC. Mr. Mattar was with Deloitte & Touche and its predecessor firms from 1971, holding various positions before becoming a senior partner in 2002. Mr. Mattar was the managing partner from 1988 to 2002 and was also on the global board of directors of Deloitte Touche Tohmatsu from 1999 to 2003. He retired from his position as a senior partner in February 2006. Mr. Mattar also sits on other bodies in both the private and public sectors. He was awarded the Public Service Medal (PBM) in 2002, the Public Service Star (BBM) in 2007, and MUIS' Distinguished Service Award (Anugerah Jasa Cemerlang) in 2010. Mr. Mattar graduated with a Bachelor of Accountancy from the University of Singapore in 1971 and a Master in Management from the Asian Institute of Management in 1978. He is a member of the Institute of Certified Public Accountants of Singapore.

TEOH TEE HOOI

Mr. Teoh Tee Hooi was appointed to the Board on 6 September 2007. He is a Non-Executive Director and nominee of Singapore Airlines and sits on the NC. He had been with Singapore Airlines since 1972. He held the post of senior vice-president corporate services before he retired from Singapore Airlines on 3 April 2010. Mr. Teoh will be retiring from his directorship in the Company at the upcoming AGM and will not be seeking re-election.

YAP CHEE KEONG

Mr. Yap Chee Keong was appointed to the Board as an Independent Director on 1 December 2009 and is the Chairman of the RC. He also sits on the AC and NC. Mr. Yap is the lead independent director of The Straits Trading Company Limited as well as a director of CapitaMalls Asia Limited and Hup Soon Global Corporation Ltd. He is also the chairman of the audit committees of these companies. In addition, he is a non-executive director of SPI (Australia) Assets Pty Ltd and UTAC Holdings Ltd, chairman of Singapore District Cooling Pte Ltd, a board member of the Accounting & Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee. Mr. Yap was previously the chief financial officer of the Singapore Power Group (SP) where he was also responsible for corporate planning and strategic investments as well as oversight of the overseas investments of SP which included its Australian investments. Prior to SP, Mr. Yap worked as the chief financial officer and in other senior management roles in several multinational and listed companies. Mr. Yap has 25 years of experience in senior management, strategic planning, merger & acquisitions, corporate finance, treasury, financial management and risk management functions in diverse industries. Mr. Yap holds a Bachelor of Accountancy from the National University of Singapore and is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia.

CHIN YAU SENG

Mr. Chin Yau Seng was appointed to the Board as an Executive Director on 4 July 2011. Prior to joining the company as Executive Director, Mr. Chin was divisional vice-president cabin crew operations, Singapore Airlines. He was previously the chief executive of SilkAir from March 2007 to October 2010. Prior to joining SilkAir, Mr. Chin has held various appointments in Singapore Airlines since 1995, including vice-president company planning & fuel, general manager Greece, regional marketing manager Europe and regional marketing manager North Asia. Mr. Chin was a non-executive director of Tradewinds Tours & Travel Pte Ltd from 2007 to 2010. He currently serves as a member of the School Advisory Committee for Republic Polytechnic's School of Hospitality. He holds a Master of Science degree in Operational Research and a Bachelor of Science (Hons) degree in Accounting and Finance, both from The London School of Economics & Political Science.

senior management

We set out below certain information regarding our Senior Management as at the date of this Annual Report:

CHIN SAK HIN
Chief Financial Officer

Mr. Chin Sak Hin is the Chief Financial Officer of the Company ("CFO") and is responsible for the financial management, control and reporting, risk and treasury management and procurement, financing and leasing, revenue management, investor relations, and strategic planning of the Company. He is a director of Tiger Airways Singapore Pte. Ltd. ("Tiger Airways Singapore") and Tiger Airways Australia Pty Limited ("Tiger Airways Australia") since 1 June 2010. Prior to joining the Company on 3 June 2008, he was the chief financial officer at SIA Engineering Company Limited ("SIAEC"), from January 2007 to May 2008 with overall responsibility for the strategic and financial planning, management and statutory reporting, controllership, tax planning, treasury and risk management, and investor relations of SIAEC and its group of companies. Mr. Chin began his finance/accounting career with Ernst & Young LLP as an audit assistant in April 1982. From September 1983 to December 2006, Mr. Chin worked with Singapore Airlines and held various senior management positions with the airline, most recently as its general manager of New Zealand from June 2003 to December 2006 after being its vice-president (treasury) from July 2000 to May 2003. Mr. Chin graduated with a Bachelor of Accountancy (Hons.) from the National University of Singapore in 1982 and has been a certified public accountant of the Institute of Certified Public Accountants of Singapore since 1993.

ANGELA CHAN MUI CHIN
General Counsel

Ms. Angela Chan joined the Company as General Counsel in January 2011 and leads the Group legal function. Ms. Chan is also the Company Secretary of the Company and Tiger Airways Singapore. Prior to joining the Company, Ms. Chan held senior management roles in listed companies after spending more than 10 years in private legal practice. Ms. Chan graduated with a law degree from the National University of Singapore and was also subsequently awarded a Graduate Diploma in Business Administration from the National University of Singapore. She is an advocate and solicitor of the Supreme Court of Singapore as well as West Malaysia, in addition to being admitted to the New York State bar.

SOH KENG TAAN
Chief Information Officer

Mr. Soh Keng Taan is our Chief Information Officer responsible for the Group IT/IS and corporate marketing function. He has structured these functions and introduced governance processes in support of the expanding needs of the business. He has also made contributions with the introductions of many ancillary revenue opportunities. Prior to joining the Company in March 2008, he spent approximately ten years at ConocoPhillips where he held a number of key leadership positions, most recently as Asia Pacific manager for ConocoPhillips' global information systems application services with responsibility for its regional information systems support and delivery of enterprise wide applications. Mr. Soh graduated with a Bachelor of Science in Computer Science and Information Systems from the National University of Singapore in 1990.

REBECCA TAN-LOKE WON MOI
Chief Human Resource Officer

Ms. Rebecca Tan-Loke Won Moi joined the Company as Chief Human Resource Officer on 1 June 2010 with responsibility for the Group's human resource function. Prior to that she had held various senior HR professional appointments. Most recently, she was the senior vice-president, human resource of Singapore Airport Terminals Services Limited from August 2005 to December 2009. Between February 2003 to July 2005, she was the regional vice-president, human resource of Yeo Hiap Seng Ltd. Before that, she was with Pentex-Schweizer Circuits Ltd as group human resource director. Rebecca graduated with a Bachelor of Business in Business Administration from Royal Melbourne Institute of Technology, Australia in 1995. She also holds a Diploma in Personnel Management from National Productivity Board and a Diploma in Management Studies from Singapore Institute of Management.

STEWART ANDREW ADAMS
Managing Director Tiger Airways Singapore

Mr. Stewart Adams joined Tiger Airways Singapore as Managing Director on 10 January 2011. Mr. Adams is also a director of Tiger Airways Singapore since 28 January 2011 and is responsible for the performance of Tiger Airways Singapore. Mr. Adams has extensive aviation experience having held various managerial positions throughout his 34 years spent within the airline industry. Prior to joining Tiger Airways Singapore, Mr. Adams spent 11 years with bmi, a UK – based aviation group which is a wholly-owned subsidiary of Lufthansa, and was a member of the group operating board of bmi. He also held the position of managing director and was the accountable manager of bmi Regional from early 2006 until he left to join Tiger Airways Singapore.

CRAWFORD GRAHAM RIX
Chief Executive Officer Tiger Airways Australia

Mr. Crawford Graham Rix was appointed as Managing Director of Tiger Airways Australia on 1 June 2010 and subsequently as Chief Executive Officer of Tiger Airways Australia on 27 April 2011. Mr. Rix is also a director of Tiger Airways Australia since 1 June 2010 and is responsible for the performance of Tiger Airways Australia. Mr. Rix was the managing director of bmibaby, a UK-based low cost airline from 2006 to 2010. Prior to that he was the managing director of bmi Regional, the bmi commuter airline, from 2004 to 2006. Previously he held key commercial roles in bmi, TAP Air Portugal and Dan-Air. He holds a Post Graduate Certificate in Business Studies from Derby University.

MICHAEL ROBERT VICKERS COLTMAN
Director of Business Development

Mr. Michael Coltman joined Tiger Airways Australia in September 2009 as Director of Operations, overseeing the addition of aircraft, expansion of the route network, and improvements to on-time performance. He transferred to the Company in September 2010 to implement new projects as the Group expands its presence in Asia. Mr. Coltman has over 14 years of experience in low cost airline management. He served as contracts manager for easyJet from 1997 to 1999 and as general manager, operations/deputy COO for Go Fly Ltd from 1999 to 2002. In 2003 and 2004, Mr. Coltman was on the initial team tasked with securing the Olympic Games for London in 2012. Reporting directly to the chairperson, he recruited members of the bid team and served as project manager for the Olympic Stadium, Aquatic Centre, and sailing venues. In 2004 and 2005, he managed the air operator certificate/licensing process for the set-up of Jetstar's operation in Singapore. Mr. Coltman holds a BA (English) from Kenyon College (1987) and an MBA (International Business) from New York University (1997).

CAPTAIN CHRISTOPHER JOHN WARD
Director Philippines

Captain Christopher Ward joined Tiger Airways Singapore in April 2005 as Director of Operations and was responsible for overseeing the development of the airline in all operational areas whilst ensuring compliance with CAAS regulations. He was subsequently appointed as Managing Director of Tiger Airways Singapore in April 2007. In October 2007, Captain Ward became the inaugural Managing Director of Tiger Airways Australia and supervised the procuring of the air operator's certificate and the implementation of the initial management team and operational staff to establish the new airline. He transferred to the Company in August 2008 and has been involved with other business development projects, most recently developing the relationship with SEAIR in the Philippines. Captain Ward has over 29 years of aviation experience and has held various management and training roles, including chief pilot of British Airways' franchise partner, Maersk Air. He holds Joint Airworthiness Authorities (JAA) and Singaporean Airline Transport Pilot's Licenses (ATPL) with Authorised Flight Examiner (AFE) endorsement and has amassed in excess of 12,000 flying hours in various types of fixed wing and rotary aircraft.

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Corporate Governance

The Board of Directors and management of Tiger Airways Holdings Limited (the "Company") are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

This Report sets out the Company's corporate governance processes, with specific reference to the guidelines of the Code of Corporate Governance 2005 (the "Code").

Board's Conduct of Affairs

Principle 1: Effective Board to lead and control the Company

The principal functions of the Board of Directors of the Company (the "Board") are *inter alia* to make decisions on strategic directions and guidelines for implementation by management, approve periodic plans and major investments and divestments, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, monitor management's performance, and ensure that a framework of prudent and effective controls is in place to enable risks to be assessed and managed.

All Directors are required to exercise independent judgment in the best interests of the Company.

To assist the Board in the discharge of its oversight function, certain functions have been delegated by the Board to various board committees ("Board Committees"). The Board Committees constituted by the Board are the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each of these Board Committees has been set up with clear written terms of reference.

The Board meets at least once every quarter, and more as warranted by particular circumstances. Directors may participate in a Board meeting by means of telephone conference or other similar communications equipment, under the Company's Articles of Association. The number of Board and Board Committee meetings held in FY2010/11, as well as the attendance of each Board member at these meetings, are disclosed below:

Name of Director	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings
Gerard Ee Hock Kim(1)	6/6	5/5	3/3	1/1
Anthony Alfred Peter (Tony) Davis(2)	6/6	4/5	3/3	6/6
Rachel Eng Yaag Ngee	5/6	NA	3/3	6/6
Lee Chong Kwee	6/6	NA	3/3	NA
Po'ad Bin Shaik Abu Bakar Mattar	6/6	5/5	NA	6/6
Teoh Tee Hooi	6/6	NA	3/3	NA
Yap Chee Keong	6/6	5/5	3/3	6/6
Chang Long Wee(3)	5/5	NA	NA	NA
Lim Siew Lay(4)	5/5	NA	NA	4/4

Corporate Governance

Name of Director	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings
Chan Hon Chew(5)	1/1	NA	NA	2/2
Brian Hanna Franke(6)	2/2	NA	NA	3/3
Jack Koh Swee Lim(7)	1/1	NA	NA	NA
Lim Liang Song(8)	2/2	NA	NA	NA
Alexander Maurice Mason(9)	1/1	NA	NA	NA
Number of meetings held in FY2010/11	**6**	**5**	**3**	**6**

(1) Mr. Ee was appointed as a member of the RC on 2 November 2010.
(2) Mr. Davis attended the Board Committee meetings as an ex-officio member in his capacity as the CEO.
(3) Mr. Chang was appointed as Director on 30 July 2010.
(4) Ms. Lim was appointed as Director on 30 July 2010. She was also appointed as a member of the RC on 30 July 2010.
(5) Mr. Chan retired from the Board on 30 July 2010 and ceased to be a member of the RC upon his retirement from the Board.
(6) Mr. Franke resigned from the Board on 18 August 2010 and ceased to be a member of the RC upon his resignation from the Board.
(7) Mr. Koh retired from the Board on 30 July 2010.
(8) Mr. Lim resigned from the Board on 18 August 2010.
(9) Mr. Mason retired from the Board on 30 July 2010.

As a matter of policy, the management will go to the Board for approval on major matters, in particular on acquisitions and divestments, capital expenditure, banking loans, credit facilities and budget approvals.

A formal letter of appointment is sent to newly appointed directors of the Company upon their appointment, setting out their duties and obligations as Director in respect of potential conflicts of interest, interested person transactions and disclosure of directors' interests. All new Directors to the Board are briefed by management on the Group's business activities, its strategic direction and policies. The Company will be looking into providing suitable external training and development programmes to new directors.

Board Composition and Balance

Principle 2: Strong and independent Board

The Board presently comprises 9 Directors, all of whom, except for the Group President and Chief Executive Officer of the Company ("CEO"), are non-executive Directors of the Company ("Non-Executive Directors"). Four of the Directors are considered as independent directors of the Company ("Independent Directors") by the NC. Please refer to the Board of Directors section for their individual profiles.

The NC reviews and determines on an annual basis whether or not a Director is independent, in accordance with the Code and any other salient factors.

Corporate Governance

The NC is of the view that, taking into account the present nature and scope of the Company's business, the Board size is adequate.

The NC is satisfied that the Board comprises Directors who as a group provide core competencies required for the Board to be effective such as accounting or finance, legal, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

Key information regarding the Directors is set out below and in the Board of Directors section of this Annual Report.

Name of Director	Date of Appointment/ Last Re-election	Board Committees served on	Present Principal Directorships and major appointments	Past Principal Directorships and major appointments
Joseph Yuvaraj Pillay (Independent Director and Chairman of the Board)	6 July 2011/ NA	Nil	Nil	Group Companies – Other Companies Singapore Exchange Securities Trading Limited Singapore Exchange Derivatives Trading Limited The Central Depository (Pte) Limited Singapore Exchange Derivatives Clearing Limited SGXLink Pte Ltd SGX Investment (Mauritius) Limited Singapore Exchange Limited
Anthony Alfred Peter (Tony) Davis (Executive Director, and Group President and CEO)	1 February 2007/ 14 December 2009	Nil	Group Companies Tiger Airways Singapore Pte. Ltd. Tiger Airways Australia Pty Limited Other Companies –	Group Companies – Other Companies Incheon Tiger Airways Co., Ltd Advent Air Ltd Singapore Tourism Board New College Nottingham
Chin Yau Seng (Executive Director)	4 July 2011/ NA	Nil	Nil	Group Companies – Other Companies Tradewinds Tours & Travel Pte Ltd
Chang Long Wee (Non-Executive Director)	30 July 2010/ NA	Nil	Group Companies – Other Companies Fuel Accessory Services Technologies Pte Ltd	Group Companies – Other Companies Aeroxchange Ltd.

Corporate Governance

Name of Director	Date of Appointment/ Last Re-election	Board Committees served on	Present Principal Directorships and major appointments	Past Principal Directorships and major appointments
Gerard Ee Hock Kim (Independent Director)	23 November 2009/ 14 December 2009	Audit Committee, Remuneration Committee and Nominating Committee	Group Companies – Other Companies Caring Fleet Services Limited Changi General Hospital Pte Ltd Council for Third Age EDB Investments Pte Ltd Financial Industry Disputes Resolution Centre Limited Lien Foundation The National Kidney Foundation Singapore Health Services Pte Ltd The Great Eastern Life Assurance Company Limited Singapore Institute of Accredited Tax Professionals SAA Global Education Pte Ltd MOH Holdings Pte Ltd Singapore Institute of Management Pte Ltd Symasia Foundation Limited Tax Academy of Singapore Canossa Limited	Group Companies – Other Companies AA Insurance Services Pte. Ltd. (formerly known as AA Financial Planners Pte. Ltd.) AA Vehicle Inspection Centre Pte. Ltd. A.A. Travel and Tours Pte. Ltd. Asian Children's Medical Fund Ltd. Autoswift Recovery Pte Ltd IE Singapore Holdings Pte Ltd Insurance Disputes Resolution Organisation Ltd. NKFS International Pte. Ltd. The Straits Trading Company Limited
Lee Chong Kwee (Non-Executive Director)	1 December 2009/ 30 July 2010	Nominating Committee	Group Companies – Other Companies First Flight Couriers Pvt Ltd Great Wall Airlines Company Limited Jurong Port Pte Ltd Mapletree Investments Pte Ltd Singapore Post Limited Jurong Port Rizhao Holdings Pte Ltd Singapore Storage & Warehouse Pte Ltd Jurong Country Club Rizhao Jurong Port Terminals Company Ltd	Group Companies – Other Companies –

Corporate Governance

Name of Director	Date of Appointment/ Last Re-election	Board Committees served on	Present Principal Directorships and major appointments	Past Principal Directorships and major appointments
Lim Siew Lay (Non-Executive Director)	30 July 2010/ NA	Remuneration Committee	Group Companies – Other Companies –	Group Companies – Other Companies Virgin Holidays Ltd
Po'ad Bin Shaik Abu Bakar Mattar (Independent Director)	1 December 2009/ 14 December 2009	Audit Committee (Chairman) and Remuneration Committee	Group Companies – Other Companies NIE International Private Limited Hong Leong Finance Limited Keppel Offshore & Marine Ltd Rahmatan Lil Alamin Foundation Ltd.	Group Companies – Other Companies PUB Consultants Private Limited
Rachel Eng Yaag Ngee (Independent Director)	1 December 2009/ 14 December 2009	Nominating Committee (Chairperson) and Remuneration Committee	Group Companies – Other Companies 89 Holdings Pte. Ltd. Wopa Services Pte Ltd Law Society of Singapore Singapore Management University, School of Law Singapore Institute of Technology	Group Companies – Other Companies AUPU International Holdings Pte. Ltd. Clifford Chance Pte. Ltd. (formerly known as Clifford Chance Wong Pte. Ltd.) SP Chemicals Ltd.
Teoh Tee Hooi (Non-Executive Director)	6 September 2007/ 14 December 2009	Nominating Committee	Group Companies – Other Companies KAUP Capital Advisors (Singapore) Pte. Ltd.	Group Companies – Other Companies Virgin Atlantic Airways Limited Virgin Travel Group Limited Virgin Atlantic Limited
Yap Chee Keong (Independent Director)	1 December 2009/ 14 December 2009	Remuneration Committee (Chairman), Audit Committee and Nominating Committee	Group Companies – Other Companies Accounting & Corporate Regulatory Authority CapitaMalls Asia Limited Hup Soon Global Corporation Limited Singapore District Cooling Ltd SPI (Australia) Assets Pty Ltd The Assembly of Christians of Singapore Ltd The Straits Trading Company Limited UTAC Holdings Ltd	Group Companies – Other Companies Certain subsidiaries of Singapore Power Limited

Corporate Governance

Chairman and Chief Executive Officer

Principle 3: Chairman and Chief Executive Officer to be separate persons to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making

The chairman of the Company (the "Chairman") and the CEO have separate roles in the Company and the Chairman and the CEO are not related to each other.

The Chairman is an Independent Director of the Company. The Chairman chairs Board meetings, oversees the Board's functions and agenda including the effective contribution of Non-Executive Directors, ensures that the Directors receive accurate, timely and clear information and communicate effectively with the Company's shareholders ("Shareholders") and promotes high standards of corporate governance.

The CEO leads the management team and directs the business of the Group in line with the Group's strategic directions and policies. The CEO keeps in regular communication with the Chairman and the Board to update them on corporate issues and developments.

Board Membership

Principle 4: Formal and transparent process for the appointment of new Directors to the Board

The Company has established the NC to, among other things, make recommendations to the Board on all Board appointments. The NC currently consists entirely of Non-Executive Directors, a majority of whom (including the chairperson, Ms. Rachel Eng Yaag Ngee) are independent. Ms. Eng is not, and is not directly associated with (i.e. accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of) a substantial Shareholder (with interest of 5% or more in the voting shares of the Company.)

The members of the NC comprise Ms. Rachel Eng Yaag Ngee, and Messrs. Gerard Ee Hock Kim, Lee Chong Kwee, Teoh Tee Hooi and Yap Chee Keong.

The responsibilities of the NC include, among others, recommending to the Board candidates for directorships (including executive directorships). On an annual basis, the NC recommends the re-election of Directors retiring under the Company's Articles of Association, having regard to the Directors' contribution and performance and reviews whether a Director is independent (in accordance with the Code and any other salient factors). The NC also reviews the composition of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities and decides, where a Director has multiple board representations, whether the Director is able to and has been adequately carrying out his duties as Director.

The NC uses its best efforts to ensure that the Directors appointed to the Board possess the skill, experience and knowledge in the business, finance and management necessary to the Group's business. Suitable candidates are proposed through the recommendations of the Directors or by the substantial Shareholders of the Company. The NC will then review the resumes of, and interview the proposed new Directors, before recommending them to the Board for appointment.

Pursuant to the Company's Articles of Association, all new appointees to the Board, if not elected by Shareholders at the AGM, will only hold office until the next AGM after the date of their appointment. The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Articles of Association provide for one-third of the Board to retire at each AGM and, where applicable, to submit themselves for re-election.

Corporate Governance

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board

The NC has commenced the implementation of a process for assessing the effectiveness of the Board whereby the Board's performance may be evaluated using objective performance criteria, which allow for comparison with industry peers and address how the Board has enhanced long term shareholders' value. The NC will also separately consider the process to be carried out for assessing the contribution by each Director individually to the effectiveness of the Board.

Access to Information

Principle 6: Board members have complete, adequate and timely information

The Company recognises that management has an obligation to supply the Board with complete and adequate information in a timely manner. Board papers are sent to Directors in advance before the Board meeting to ensure that Directors are adequately prepared for the meeting. Directors who have queries on contents of board papers can make further enquiries of management.

One of the Company Secretaries administers, attends and prepares minutes of Board proceedings. The Company Secretaries assist the Chairman to ensure that board procedures are followed (including ensuring good information flow within the Board and its committees and between management and Directors) and that applicable rules and regulations are complied with. Directors have separate and independent access to management and the Company Secretaries.

The Independent Directors are entitled to seek independent professional advice on Company-related matters (including those relating to their role and responsibility as a director) at the expense of the Company, subject to the costs being approved by the Chairman or the Board in advance as being reasonable.

Remuneration Matters

Principle 7: The procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors should be formal and transparent

The RC comprises entirely of Non-Executive Directors, a majority of whom (including the chairman, Mr Yap Chee Keong) are independent.

The members of the RC comprise Messrs. Yap Chee Keong, Gerard Ee Hock Kim and Po'ad Bin Shaik Abu Bakar Mattar, and Mses Rachel Eng Yaag Ngee and Lim Siew Lay. The RC is responsible for, among other matters, recommending to the Board, in consultation with the Chairman, a remuneration policy framework and guidelines for remuneration of the Directors and key executives, and deciding specific remuneration packages for each of the Directors and the CEO.

Corporate Governance

The RC also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the Directors and key executives and to align the interests of management with that of the Company and Shareholders. This will *inter alia* be through their participation in the Tiger Airways Long Term Incentive Plan approved by shareholders at the Company's EGM on 30 July 2010.

Principle 8: Remuneration of Directors should be adequate but not excessive

Executive Director

The CEO is the only executive director of the Company. His compensation plan is formulated to ensure that it is market competitive and that the rewards are commensurate with his contributions. The compensation package comprises basic salary as well as a performance bonus which relates directly to the financial performance of the Group and personal contributions. During the financial year ended 31 March 2011, he also received share grants under the Tiger Airways Long Term Incentive Plan. The CEO does not receive any directors' fees.

Non-Executive Directors (including Independent Directors)

The fee structure for Non-Executive Directors is based on market practice, with each Director paid a retainer fee of S$30,000 per annum, and in addition, the following additional fees:

Position held	**Additional fees per annum (S$)**
Chairman of the Board	40,000
AC chairman	15,000
NC chairman	10,000
RC chairman	10,000
Member of AC, NC and/or RC	5,000 per Board Committee membership

If a directorship or appointment to a Board Committee is held for a part of the year, the fees are prorated accordingly. Accordingly, each of the Directors (other than the CEO) received the following Directors' fees for FY2010/11:

Name of Director	**Directors' fees amount (S$)**
Gerard Ee Hock Kim	82,069.44
Chang Long Wee	20,161.29*
Lee Chong Kwee	35,000.00
Lim Siew Lay	23,521.51*
Po'ad Bin Shaik Abu Bakar Mattar	50,000.00
Rachel Eng Yaag Ngee	45,000.00
Teoh Tee Hooi	35,000.00
Yap Chee Keong	50,000.00

Corporate Governance

Name of Director	Directors' fees amount (S$)
Chan Hon Chew(1)	11,572.59*
Brian Hanna Franke(2)	13,360.22
Jack Koh Swee Lim(3)	9,919.35*
Lim Liang Song(4)	11,451.61
Alexander Maurice Mason(5)	9,919.35

(1) Mr. Chan retired from the Board on 30 July 2010 and ceased to be a member of the RC upon his retirement from the Board.
(2) Mr. Franke resigned from the Board on 18 August 2010 and ceased to be a member of the RC upon his resignation from the Board.
(3) Mr. Koh retired from the Board on 30 July 2010.
(4) Mr. Lim resigned from the Board on 18 August 2010.
(5) Mr. Mason retired from the Board on 30 July 2010.
* These sums were paid to the Directors' employers and are exclusive of any GST paid.

Taking into account, among others, industry practice and referencing against comparable benchmarks, the RC recommended a revision of the Directors' fee structure which was approved by the Board. Accordingly, it is proposed that commencing from FY2011/12, each Non-Executive Director will be paid a retainer fee of S$40,000 per annum and the following additional fees.

Position held	Additional fees per annum (S$)
Chairman of the Board	40,000
AC chairman	25,000
NC chairman	15,000
RC chairman	17,000
Member of AC, NC and/or RC	10,000 per Board Committee membership

The total amount of Directors' fees for FY2011/12 based on the revised fee structure above will be proposed for Shareholders' approval at the upcoming AGM.

Principle 9: There should be clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality staff. The total compensation package for employees comprise basic salary, variable performance bonus, share grants for eligible employees under the Tiger Airways Long Term Incentive Plan (comprising the Tiger Airways Group Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")) as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. For key executives, the Group adopts a performance-driven approach to compensation with rewards linked to individual, team and corporate performance. The compensation for key executives is reviewed by the RC.

Corporate Governance

The level and mix of the remuneration paid in FY2010/11 to the CEO and next five top key executives of the Company in bands of S$250,000, are set out below:

Name of Executive	Remuneration Band	Salary %	Performance Based Bonuses %	Other Benefits[1] %	Total %	No. of Share Grants under RSP[2]	No. of Share Grants under PSP[2]
Anthony Alfred Peter (Tony) Davis	S$750,001 – S$1,000,000	74.90	25.10	–	100.00	130,000	560,000
Chin Sak Hin	S$500,000 – S$750,001	72.28	26.18	1.54	100.00	80,000	190,000
Cecilia Lim Siok Leng[3]	S$250,001 – S$500,000	65.74	27.83	6.43	100.00	55,000*	–
Crawford Graham Rix[4]	S$250,001 – S$500,000	68.17	–	31.83	100.00	80,000	190,000
Rosalynn Tay Ee Heah[5]	S$250,001 – S$500,000	67.04	26.51	6.45	100.00	80,000*	–
Shelley Roberts[6]	S$250,001 – S$500,000	91.74	–	8.26	100.00	–	–

(1) Other Benefits include CPF contribution/superannuation, annual leave encashment and relocation allowance.

(2) The final number of Shares that will vest under the RSP and PSP respectively, would be dependent on the achievement of pre-determined targets over a one-year period for the RSP and a three-year period for the PSP. The Share Grants which are not vested lapse upon the executive ceasing to be in the employment of the Group.

(3) Ms. Lim was with the Company until 14 January 2011.

(4) Mr. Rix was appointed as Managing Director of Tiger Airways Australia on 1 June 2010.

(5) Ms. Tay was with Tiger Airways Singapore until 10 January 2011.

(6) Ms. Roberts was with Tiger Airways Australia until 31 December 2010.

* These Share Grants have lapsed.

There are no employees who are immediate family members of a Director or the CEO whose remuneration exceeded S$150,000 during FY2010/11.

Further information on the Pre-IPO Tiger Aviation Share Option Scheme which was terminated on the listing of the Company's shares on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") can be found on pages 29 to 31 of this Annual Report. The Shareholders approved the Tiger Airways Long Term Incentive Plan at the Company's EGM on 30 July 2010 and details of this Plan can be found on pages 31 and 32 of this Annual Report.

Corporate Governance

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including quarterly and full-year financial results announcements and other price sensitive public announcements.

The management provides all members of the Board with monthly management accounts which present an assessment of the Company's performance, position and prospects.

Audit Committee

Principle 11: Establishment of Audit Committee with written terms of reference

The AC comprises entirely of Non-Executive Directors (including the chairman, Mr. Po'ad Bin Shaik Abu Bakar Mattar), all of whom are independent. The members of the AC comprise Messrs. Po'ad Bin Shaik Abu Bakar Mattar, Gerard Ee Hock Kim and Yap Chee Keong.

Messrs. Po'ad Bin Shaik Abu Bakar Mattar, Gerard Ee Hock Kim and Yap Chee Keong all have the appropriate accounting background and are members of the Institute of Certified Public Accountants of Singapore.

The duties of the AC include reviewing significant financial reporting issues to ensure the integrity of the financial statements and any formal announcements relating to financial performance, reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors annually, reviewing the adequacy of the internal controls at least annually and the statements to be included in the annual report concerning the adequacy of the internal controls, oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board, reviewing any interested person transactions ("IPTs") as defined in the listing manual of the SGX-ST (the "Listing Manual"), monitoring and reviewing the effectiveness of the internal audit function, and making recommendations to the Board on the appointment of the external auditor, and approving its remuneration and terms of engagement.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

During the year, the AC met with the external auditors without the presence of management.

During the year, the AC performed independent review of the financial statements of the Company before the announcement of the Company's quarterly and full-year financial results. The AC also reviewed and approved both the internal auditors' and the external auditors' plans to ensure that the audit scope for reviewing the significant internal controls of the Company is sufficient. All audit findings and recommendations presented by the internal auditors and external auditors were also reviewed during AC meetings and significant issues were discussed.

In addition, the AC reviewed the independence of the external auditors through discussions with the external auditors as well as reviewed the non-audit fees awarded to them, and has confirmed that the non-audit services performed by the external auditors would not affect their independence.

Corporate Governance

PricewaterhouseCoopers LLP ("PwC") is the Company's out-sourced internal auditors in the financial year under review. Since their appointment, they have conducted a risk workshop for management to identify the key internal control risks faced by the Company, and have developed an audit plan and commenced audits covering the key control risks. The AC has met PwC and discussed their audit plan and work done by them. The AC will work together with PwC to further enhance the internal audit function. The AC also reviewed the adequacy of the internal audit function and is satisfied that the internal auditors are adequately resourced to discharge their duties effectively.

The Company has in place a Whistle Blowing Policy which provides the mechanism by which employees may raise concerns in confidence about possible wrongdoing in financial reporting or other matters. The AC is satisfied that arrangements are in place for independent investigations of such matters and for appropriate follow-up actions.

On a quarterly basis, the AC reviewed the IPTs reported by management in accordance with the Company's Shareholders mandate for IPTs. The IPTs were also reviewed by the internal auditors. All findings were reported during the AC meetings.

Internal Controls

Principle 12: Sound system of internal controls

The Board is ultimately responsible for the overall internal control system and risk management framework within the Tiger Airways group of companies ("Group"), with assistance from the AC. To assist in this process, the Group has outsourced the internal audit function to undertake this function. With input from management, objectives were identified, a risk assessment was carried out and areas of focus established. Risks were then ranked and the internal audit program designed.

The Board is satisfied that with the assistance of the AC, current internal controls and risk management processes are satisfactory for the Group's operations. The Board recognises that the internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Internal Audit

Principle 13: Independent internal audit function

The Company appointed PwC as the Company's internal auditors.

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness and undertaking investigations as directed by the AC. The internal auditors have direct access to the AC and reports to the AC chairman on all issues of concern.

During the year, the internal auditors adopted a risk-based auditing approach that focused on material internal controls, including financial, operational and compliance controls. All internal audit reports were submitted to the AC for deliberation with copies of reports extended to the Chairman and the relevant members of management. The summary of findings and recommendations were also discussed at AC meetings.

The AC monitors and reviews the effectiveness of the internal audit function annually.

Corporate Governance

Communication with Shareholders

Principle 14: Regular, effective and fair communication with Shareholders

The Company's Investor Relations function regularly communicates with Shareholders and receives and attends to their queries and concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and the press. To ensure a level playing field and provide confidence to Shareholders, unpublished price sensitive information is not selectively disclosed.

Principle 15: Greater Shareholder participation at Annual General Meetings

Shareholders are informed of Shareholders' meetings through notices published in the newspapers and reports or circulars sent to all Shareholders.

The Company's Articles of Association allow a Shareholder to appoint up to two proxies to attend and vote in AGMs instead of the Shareholder.

Resolutions at general meetings are, as far as possible, structured separately and may be voted on independently.

The chairpersons of the AC, NC and RC are required to be present and available at general meetings to address Shareholders' questions. External auditors are also present at such meetings to address Shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company Secretaries prepare minutes of Shareholders' meetings, which incorporates substantial comments or queries from Shareholders and responses from the Board and management. These minutes are available to Shareholders upon request.

In preparation for the annual general meeting, Shareholders are encouraged to refer to SGX's investor guides, namely 'An Investor's Guide To Reading Annual Reports' and 'An Investor's Guide To Preparing For Annual General Meetings'. The guides, in both English and Chinese versions, are available at the SGX website via this link:

http://www.sgx.com/wps/portal/marketplace/mp-en/investor_centre/investor_guide

Securities Transactions

Share Trading Policy

The Company has a formal policy on dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to all Directors and employees of the Group. In line with the best practices on securities dealings issued by the SGX-ST, the Company issues notices to the Directors and employees of the Group informing them that they must not deal in the listed securities of the Company a month before the release of the full-year results and two weeks before the release of the quarterly results, and if they are in possession of unpublished material price-sensitive information.

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Tiger Airways Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2011.

Directors

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

Gerard Ee Hock Kim (Chairman)
Anthony Alfred Peter Davis
Chang Long Wee
Rachel Eng Yaag Ngee
Lee Chong Kwee
Lim Siew Lay
Po'ad Bin Shaik Abu Bakar Mattar
Teoh Tee Hooi
Yap Chee Keong

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company 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 the director is a member, or with a company in which the director has a substantial financial interest.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and shares options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Directors' Report

Name of Director	Direct interest At 1.4.10 or date of appointment	At 31.3.11	At 21.4.11
Ordinary shares of the Company			
Anthony Alfred Peter Davis	1,948,410	4,104,210	4,104,210
Share options of the Company			
Anthony Alfred Peter Davis	5,906,070	–	–
Grant of restricted shares[(1)]			
Anthony Alfred Peter Davis	–	130,000	130,000
Grant of performance shares[(2)]			
Anthony Alfred Peter Davis	–	560,000	560,000

(1) The final number of restricted shares to be awarded under Tiger Airways Group Restricted Share Plan (RSP) will range between 0% and 120% of the restricted shares and is dependent on the achievement of pre-determined targets over a 1 year period.

(2) The final number of performance shares to be awarded under Tiger Airways Group Performance Share Plan (PSP) will range between 0% and 200% of the performance shares and is dependent on the achievement of pre-determined targets over a 3 year period.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Equity Compensation Plans of the Company

The Company has in place the Pre-IPO Tiger Aviation Share Options Scheme, (the "Scheme"), and the Tiger Airways Long Term Incentive Plan (the "LTIP").

(i) Pre-IPO Tiger Aviation Share Options Scheme

The Scheme was approved by the Board of Directors of the Company on 24 April 2008 for granting of options to eligible executives, directors and employees of the Group. This is a successor scheme from the Pre-IPO Tiger Airways Share Options Scheme of Tiger Airways Singapore Pte. Ltd. approved by its Board of Directors on 7 December 2004.

All options granted by Tiger Airways Singapore Pte. Ltd. were replaced by options of the Scheme. The grant date is deemed to be the same as those options granted by Tiger Airways Singapore Pte. Ltd..

Directors' Report

The exercise price of the option is determined by the Remuneration Committee and reflects the fair value of the share as at the date of grant. Details of all the options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 31 March 2011 are as follows:

Expiry date	Exercise Price (S$)	Number of Options '000
Between 1 April 2011 and 31 March 2012	0.10	135
	0.13	98
Between 1 April 2015 and 31 March 2016	0.10	132
Between 1 April 2016 and 31 March 2017	0.10	148
Between 1 April 2017 and 31 March 2018	0.13	267
Between 1 April 2018 and 31 March 2019	0.13	1,117
Between 1 April 2019 and 31 March 2020	0.13	45
	0.26	1,572
Total		3,514

Under the Scheme, options will vest:

(i) one year from the date of grant for one third of the allocated share options;
(ii) two years from the date of grant for additional one third of the allocated share options; and
(iii) three years from the date of grant for remaining one third of the allocated share options.

The Scheme is administered by the Remuneration Committee comprising directors namely Mr Yap Chee Keong (Chairman), Mr Gerard Ee Hock Kim, Ms Rachel Eng Yaag Ngee, Ms Lim Siew Lay and Mr Po'ad Bin Shaik Abu Bakar Mattar.

Since the commencement of the Scheme till the end of the financial year:

(i) no options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
(ii) no options have been granted at a discount.

Under the terms of the Scheme, controlling shareholders and their associates, nominee directors or employees, were not eligible to participate in the Scheme.

The Scheme has been terminated since the initial public offering of the Company's shares on 22 January 2010 and no further options will be granted under the Scheme.

Directors' Report

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Scheme are as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to end of financial year	Aggregate options exercised since commencement of the Scheme to end of financial year	Aggregate options cancelled since commencement of the Scheme to end of financial year	Aggregate options outstanding as at end of financial year
Anthony Alfred Peter Davis	–	9,863,775	7,854,480	2,009,295[(1)]	–
Total	–	9,863,775	7,854,480	2,009,295	–

(1) Anthony Alfred Peter Davis had options over 2,009,295 shares cancelled in financial year 2009 and was compensated for the cancellation.

(ii) Long Term Incentive Plan

The LTIP was approved by the shareholders of the Company on 30 July 2010. Pursuant to the approval of the LTIP, senior and middle management employees are eligible to participate in the Tiger Airways Group Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"). The first grants of RSP and PSP were made on 1 September 2010.

The final number of restricted shares and performance shares to be awarded under the RSP and PSP respectively, would be dependent on the achievement of pre-determined targets over a one-year period for the RSP and a three-year period for the PSP. The awards could range between 0% and 120% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

Details of "RSP" and "PSP" are disclosed in Note 26 to the financial statements.

Directors' Report

Details of the shares granted under RSP and PSP to directors of the Company are as follows:

	Shares granted during the financial year	Aggregate shares granted since commencement of the Plan to end of financial year	Aggregate shares awarded as at end of financial year
RSP			
Name of director			
Anthony Alfred Peter Davis	130,000	130,000	–
Total	130,000	130,000	–
PSP			
Name of director			
Anthony Alfred Peter Davis	560,000	560,000	–
Total	560,000	560,000	–

Audit committee

The Audit Committee performed the functions in accordance with its terms of reference, which includes those functions specified in the Singapore Companies Act. The functions performed are detailed in the Report on Corporate Governance.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors:

Gerard Ee Hock Kim
Chairman

Anthony Alfred Peter Davis
Group Chief Executive Officer and President

Singapore
19 May 2011

Statement by Directors

We, Gerard Ee Hock Kim and Anthony Alfred Peter Davis, being two of the directors of Tiger Airways Holdings Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) 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:

Gerard Ee Hock Kim
Chairman

Anthony Alfred Peter Davis
Group Chief Executive Officer and President

Singapore
19 May 2011

Independent Auditors' Report

for the financial year ended 31 March 2011
To the Members of Tiger Airways Holdings Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Tiger Airways Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 36 to 103, which comprise the balance sheets of the Group and the Company as at 31 March 2011, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated 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 control. 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 consolidated financial statements.

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

Independent Auditors' Report

for the financial year ended 31 March 2011
To the Members of Tiger Airways Holdings Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity 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 of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the 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 its subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants

Singapore
19 May 2011

Consolidated Income Statement
for the financial year ended 31 March 2011

	Note	2011 $'000	2010 $'000
Revenue			
Passenger seat revenue		**494,636**	392,095
Ancillary revenue		**127,629**	94,081
Total revenue		**622,265**	486,176
Expenses			
Fuel costs:			
Actual fuel costs		**229,834**	160,469
Fuel hedging (gain)/loss		**(3,450)**	21,727
Staff costs	4	**81,075**	58,474
Aircraft rental		**62,382**	69,797
Airport and handling		**62,673**	49,475
Maintenance, material and repair		**62,850**	55,660
Route charges		**31,524**	30,660
Marketing and distribution costs		**7,203**	5,287
Depreciation	12	**12,707**	584
Exchange loss/(gain)		**9,982**	(6,279)
Others		**18,246**	14,353
		(575,026)	(460,207)
Operating profit	5	**47,239**	25,969
Finance income	6	**1,460**	1,021
Finance expense	7	**(4,651)**	(782)
Exchange gain on borrowings	8	**12,977**	2,056
Expenses relating to initial public offering	9	**–**	(8,290)
		9,786	(5,995)
Profit before taxation		**57,025**	19,974
Taxation			
– Current	10	**(419)**	(1,204)
– Deferred	10	**(16,708)**	9,484
Profit for the year attributable to shareholders of the Company		**39,898**	28,254
Earnings per share (cents per share)			
– Basic	11	**7.4**	7.0
– Diluted	11	**7.3**	6.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2011

	2011 $'000	2010 $'000
Profit for the year	**39,898**	28,254
Other comprehensive (expense)/income:		
Foreign currency translation	**(1,651)**	(18,595)
Net fair value changes on cash flow hedges	**3,747**	24,262
Other comprehensive income for the year, net of tax	**2,096**	5,667
Total comprehensive income for the year attributable to shareholders of the Company	**41,994**	33,921

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

as at 31 March 2011

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**740,309**	320,374	**528,875**	177,866
Investment in subsidiaries	13	**–**	–	**24,355**	24,355
Deferred tax assets	14	**6,716**	16,840	**–**	–
Other receivables	15	**21,360**	16,054	**512**	–
		768,385	353,268	**553,742**	202,221
Current assets					
Inventories	16	**135**	–	**–**	–
Trade receivables	17	**3,529**	1,506	**–**	–
Other receivables	15	**21,270**	19,481	**415**	1,186
Prepayments		**3,330**	4,593	**304**	169
Amounts due from a subsidiary	18	**–**	–	**34,927**	33,635
Derivative financial instruments	19	**8,255**	1,602	**75**	–
Cash and cash equivalents	20	**195,835**	206,738	**173,586**	180,462
		232,354	233,920	**209,307**	215,452
Total assets		**1,000,739**	587,188	**763,049**	417,673
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	26	**251,653**	249,493	**251,653**	249,493
Accumulated (losses)/profits		**(50,368)**	(90,266)	**6,199**	(3,948)
Other reserves	27	**(6,611)**	(9,486)	**1,352**	573
Total equity		**194,674**	149,741	**259,204**	246,118
Non-current liabilities					
Amounts due to a subsidiary	25	**–**	–	**34,611**	21,583
Loans	22	**373,659**	101,923	**186,194**	–
Deferred income	23	**26,161**	23,091	**–**	–
Provisions	24	**9,562**	6,997	**–**	–
Deferred tax liabilities	14	**6,978**	–	**630**	–
		416,360	132,011	**221,435**	21,583
Current liabilities					
Trade payables	21	**109,491**	108,113	**–**	–
Sales in advance of carriage		**91,213**	73,788	**–**	–
Other payables		**7,075**	4,516	**4,835**	2,822
Amounts due to subsidiaries	25	**–**	–	**261,196**	146,838
Derivative financial instruments	19	**5,005**	2,715	**–**	–
Loans	22	**167,203**	109,620	**15,674**	–
Deferred income	23	**6,124**	3,023	**497**	104
Provisions	24	**1,278**	1,764	**–**	–
Provision for taxation		**2,316**	1,897	**208**	208
		389,705	305,436	**282,410**	149,972
Total liabilities		**806,065**	437,447	**503,845**	171,555
Total equity and liabilities		**1,000,739**	587,188	**763,049**	417,673

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 March 2011

	Share capital $'000 (Note 26)	Accumulated losses $'000	Other reserves $'000 (Note 27)	Total $'000
Group				
Opening balance at 1 April 2009	24,355	(118,520)	(15,342)	(109,507)
Profit for the year	–	28,254	–	28,254
Other comprehensive income for the year, net of tax	–	–	5,667	5,667
Total comprehensive income for the year	–	28,254	5,667	33,921
Grant of equity settled share options to employees	–	–	294	294
Proceeds from shares issued, net of share issuance expense	224,027	–	–	224,027
Exercise of employee share options	1,111	–	(105)	1,006
Balance at 31 March 2010 and 1 April 2010	249,493	(90,266)	(9,486)	149,741
Profit for the year	–	39,898	–	39,898
Other comprehensive income for the year, net of tax	–	–	2,096	2,096
Total comprehensive income for the year	–	39,898	2,096	41,994
Grant of equity settled share options to employees	–	–	1,303	1,303
Exercise of employee share options	2,160	–	(524)	1,636
Balance at 31 March 2011	251,653	(50,368)	(6,611)	194,674

Statements of Changes in Equity

for the financial year ended 31 March 2011

	Share capital $'000 (Note 26)	Accumulated (losses)/profits $'000	Other reserves $'000 (Note 27)	Total $'000
Company				
Opening balance at 1 April 2009	24,355	(2,887)	350	21,818
Loss for the year	–	(1,061)	–	(1,061)
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive expense for the year	–	(1,061)	–	(1,061)
Grant of equity settled share options to employees	–	–	294	294
Proceeds from shares issued, net of share issuance expense	224,027	–	–	224,027
Share-based compensation reserve transferred from subsidiary	–	–	34	34
Exercise of employee share options	1,111	–	(105)	1,006
Balance at 31 March 2010 and 1 April 2010	249,493	(3,948)	573	246,118
Profit for the year	–	10,147	–	10,147
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	10,147	–	10,147
Grant of equity settled share options to employees	–	–	1,303	1,303
Exercise of employee share options	2,160	–	(524)	1,636
Balance at 31 March 2011	251,653	6,199	1,352	259,204

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the financial year ended 31 March 2011

	Note	2011 $'000	2010 $'000
Cash flows from operating activities:			
Profit before taxation		57,025	19,974
Adjustments for:			
Depreciation of property, plant and equipment	12	12,707	584
Amortisation of deferred income	5	(3,454)	(3,078)
Amortisation of maintenance reserve payment		719	537
Share-based compensation expense	4	1,303	294
Interest expense	7	4,162	359
Interest income	6	(1,460)	(1,021)
Unrealised gain on revaluation of borrowings	8	(12,902)	(2,056)
Unrealised exchange differences		(1,306)	(8,525)
Operating cash flow before working capital changes		56,794	7,068
Increase in inventories		(135)	–
Increase in trade and other receivables		(9,004)	(2,552)
Increase in sales in advance of carriage		16,917	12,277
Increase in trade and other payables and provisions		5,004	30,820
Increase in deferred income		9,625	–
Decrease in prepayments		1,263	2,109
Cash flows from operations		80,464	49,722
Interest received		627	220
Income tax paid		–	(83)
Net cash flows from operating activities		81,091	49,859
Cash flows from investing activities:			
Purchase of property, plant and equipment	12	(432,642)	(239,417)
Proceeds from disposal of property, plant and equipment		–	43,101
Net cash flows used in investing activities		**(432,642)**	**(196,316)**
Cash flow from financing activities:			
Proceeds from issuance of shares	26	–	233,334
Proceeds from exercise of employee share options		1,636	1,006
Share issuance expense	26	–	(9,307)
Repayment of bank loans		(132,291)	(70,472)
Proceeds from bank loans		474,919	185,352
Interest paid		(3,734)	(359)
Net cash flows from financing activities		340,530	339,554
Net (decrease)/increase in cash and cash equivalents		(11,021)	193,097
Effect of exchange rate changes on cash and cash equivalents		118	426
Cash and cash equivalents at 1 April	20	206,738	13,215
Cash and cash equivalents at 31 March	20	195,835	206,738

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

— 31 March 2011

1. Corporate information

Tiger Airways Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The Company and its subsidiaries are collectively referred to as the "Group".

Its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The principal place of business is located at #035-54, Changi Airport Terminal One, Singapore 819642.

The principal activity of the Company is airline and aircraft management. The principal activities of the subsidiaries are disclosed in Note 13.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000) unless otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

Notes to the Financial Statements
— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
INT FRS 119 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
Revised FRS 24 *Related Party Disclosures*	1 January 2011
Amendments to INT FRS 114 *Prepayments of a Minimum Funding Requirement*	1 January 2011
Improvements to FRSs 2010	1 January 2011, unless otherwise stated
Amendments to FRS 107 *Disclosures – Transfers of Financial Assets*	1 July 2011
Amendments to FRS 12 *Deferred Tax – Recovery of Underlying Assets*	1 January 2012

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2012.

2.4 Basis of consolidation

Business combinations from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Notes to the Financial Statements
— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation (Continued)

Business combinations from 1 January 2010 (Continued)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation (Continued)

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.5 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economics resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economics resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.6 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of aircraft comprises its purchase price and directly attributable costs of bringing the assets to working condition for its intended use and is stated net of manufacturers' credit. Expenditure for heavy maintenance visits on aircraft and engine overhauls is capitalised at cost. Expenditure for other maintenance and repairs is charged to profit or loss.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Aircraft	–	23 years to residual value
Engineering and office equipment, furniture and fittings	–	3 years
Computer equipment	–	3 years
Motor vehicle	–	5 years

Aircraft under construction included in property, plant and equipment are not depreciated as those aircraft are not yet available for use.

Major inspection costs relating to heavy maintenance visits and engine overhauls (including inspection costs provided under "power-by-hour" maintenance agreements) are capitalised and depreciated over the average expected life between major overhauls, estimated to be 6 years. Further details on the accounting policy for airframe and component overhaul repair are disclosed in note 2.23.

The carrying values of property, plant and equipment are reviewed for impairment in accordance with Note 2.8.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. Any change is adjusted prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the Group uses available market valuation to assess the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

(a) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) Special purpose entities

Entities in which the Company holds little or no equity are consolidated as subsidiaries if the Company is assessed to have control over them.

Such control can be demonstrated through predetermination of the entities' activities, exposure to and retention of majority of its residual or ownership risk, and decision-making powers to obtain majority of benefits of the entities.

2.10 Long-term deposits

Long-term deposits are in relation to operating leases and are non-interest bearing.

Long-term deposits are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is included in Note 2.12. Further details on the accounting policy for impairment of financial assets are included in Note 2.13.

Notes to the Financial Statements

— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. For consumables, the net realisable value is estimated based on value in use.

2.12 Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Notes to the Financial Statements
— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.12 Financial assets (Continued)

(a) *Financial assets at fair value through profit or loss* (Continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

The accounting policy for derivatives is included in Note 2.24.

(b) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.13 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.13 Impairment of financial assets (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 Trade and other receivables

Trade receivables are generally non-interest bearing and are collectible within one week to 90 days.

Trade and other receivables are recognised at their original invoice amounts or at cost which represents their fair values on initial recognition. These receivables are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.12.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written-off to profit or loss when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.13.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.16 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

The accounting policy for derivatives is included in Note 2.24.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Notes to the Financial Statements

— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.16 Financial liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Trade payables

Trade payables are normally settled on 30-90 days terms, are initially recognised at fair value (consideration to be paid in the future for goods and services received, whether or not billed to the Group) and subsequently measured at amortised cost using the effective interest rate method.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee benefits

(a) *Defined contribution plans*

As required by law, the Group makes contribution to defined contribution plans in the countries which they operate in. Such contributions are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Notes to the Financial Statements
— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.19 Employee benefits (Continued)

(c) *Long service leave*

The liability for long service leave is accrued and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(d) *Retention payment*

The Group provides benefits to employees in the form of retention payments for certain employees after achieving a stipulated length of service. The liability for these payments is recognised in respect of such employees' service up to the reporting date.

(e) *Equity Compensation Plans*

Employees of the Group receive remuneration in the form of share options and share awards as consideration for services rendered.

Certain employees of the Group are eligible to participate in the Pre-IPO Tiger Aviation Share Options Scheme (the "Scheme"). The Scheme was approved by the Board of Directors of the Company on 24 April 2008. The Scheme has been terminated since the initial public offering of the Company's shares on 22 January 2010 and no further options will be granted under the Scheme.

The Group has also implemented the Tiger Airways Long Term Incentive Plan ("LTIP") where the Tiger Airways Group Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") are awarded to eligible senior and middle management employees, when and after pre-determined performance or service conditions are accomplished. LTIP was approved by the shareholders of the Company on 30 July 2010.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options or shares at the date on which the options or shares are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss as share-based compensation expense, with a corresponding increase in the share base compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Notes to the Financial Statements

— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.19 Employee benefits (Continued)

(e) *Equity Compensation Plans* (Continued)

No expense is recognised for options or shares that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market conditions is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

The share-based compensation reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised or shares are released, the share-based compensation reserve is transferred to share capital if new shares are issued.

2.20 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Operating lease – as lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Gains or losses arising from sale and operating leaseback, determined based on differences between cost of assets and fair values, are recognised in profit or loss. Differences between sale proceeds and fair values are deferred and amortised over the minimum lease terms.

Operating lease – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2.21 (d).

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

Finance lease – as lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue includes only the gross inflows of economic benefits received and receivable by the Group on its own account. Amounts collected on behalf of third parties such as taxes are not economic benefits which flow to the Group and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the Group. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

The following specific recognition criteria must also be met before revenue is recognised:

(a) *Passenger seat revenue*

Passenger seat revenue are recognised as operating revenue when the flight is uplifted. The value of unused tickets is included in current liabilities as sales in advance of carriage.

(b) *Ancillary revenue*

Ancillary revenue earned is generated principally from related services from carriage of passenger and cargo, management service fee and commission income from other related services. Ancillary revenue are recognised in profit or loss in the period the ancillary services are provided.

Notes to the Financial Statements
— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.21 Revenue (Continued)

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.22 Income taxes

(a) *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except that tax relating to items recognised outside profit or loss are recognised either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements
— 31 March 2011

2. **Summary of significant accounting policies** (Continued)

2.22 Income taxes (Continued)

(b) *Deferred tax* (Continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.22 Income taxes (Continued)

(c) *Goods and services tax/sales tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax/sales tax except:

– Where the goods and services tax/sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax/sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables are stated at the amount invoiced which includes goods and services tax/sales tax.

The net amount of goods and services tax/sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.23 Aircraft maintenance and overhaul costs

Aircraft under operating leases

The Group operates several aircraft under operating leases. In accordance with the lease agreements, the Group is legally liable to carry out maintenance of the aircraft over the lease period and to return the aircraft to the lessors under certain stipulated conditions. Provisions are made during the term of such operating leases for the cost of providing major airframe maintenance and certain engine repair and overhaul for such aircraft. Such provisions are made on the basis of estimated future costs of major airframe maintenance, certain engine repair and overhaul and one-off costs incurred at the end of the lease, prior to the return of the aircraft to their lessors.

The Group recognises aircraft maintenance and overhaul costs (except heavy maintenance visits) on an “incurred basis”. For engine overhaul costs covered by “power-by-hour” (fixed rate charged per hour) maintenance agreements, expenses are accrued on the basis of hours flown in accordance with the terms of the relevant agreements. Other maintenance costs contracted with service providers for a fixed monthly sum are recognised on a “time proportionate” basis as the requirement and timing of maintenance is not predictable.

Costs relating to heavy maintenance visit are capitalised and amortised over the shorter of estimated period that the Group will enjoy the benefit of such services and the relevant aircraft lease term.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.23 Aircraft maintenance and overhaul costs (Continued)

Owned Aircraft

(i) *Power by hour arrangements*

The engine maintenance and overhaul expenditure is covered by power-by-the-hour arrangements, where the Group pays fixed monthly amounts to maintenance companies which take responsibility for all engine maintenance. In this case, management estimates the portion of the monthly payments that relate to engine overhauls and defer these amounts as prepaid expenses until the aircraft undergoes component overhaul and repair.

(ii) *Airframe and component overhaul and repair*

At the date of aircraft delivery, management estimates the cost of the aircraft which relates to airframe and component overhaul and repair, and depreciates this amount over the estimated period to the next heavy maintenance visit or engine overhaul. When the aircraft undergoes an airframe and component overhaul and repair, these prepaid expenses are capitalised as property, plant and equipment and depreciated to the next occurrence of the planned major maintenance activity. Any amounts recognised for the previous airframe and component overhaul and repair would be derecognised at the heavy maintenance visits or overhaul.

2.24 Hedge accounting and derivative financial instruments

The Group uses derivative financial instruments such as foreign currency forward contracts and jet fuel collars to hedge its risks associated with foreign currency and jet fuel price fluctuations.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of foreign currency forward contracts and jet fuel collars are determined by reference to valuation reports provided by counterparties.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

Derivatives are classified as fair value through profit and loss unless they qualify for hedge accounting. Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

Notes to the Financial Statements
— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.24 Hedge accounting and derivative financial instruments (Continued)

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to profit or loss. Net gains or losses on derivatives include exchange differences.

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the forecast sale or purchase occurs.

2.25 Segment reporting

The Group is in the business of owning and managing airlines. The Directors are of the view that the Group operates in one segment as defined in FRS 108: Segmental Reporting regardless of regulatory requirements for each airline to have individual operational management. The Director's view is based on revenue generated from both are similar in nature, being Passenger Seat Revenue and Ancillary Revenue. Further to that, the Directors noted that the Group's Board, Chief Executive Officer and senior management reviews the profitability and operations of the Group as one business; procure, own or manage aircraft as a central resource (moving aircraft between airlines as required); distribute and sells tickets through one common website and manage cash resources centrally.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
   - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the Financial Statements

— 31 March 2011

2. Summary of significant accounting policies (Continued)

2.28 Related parties

A party is considered to be related to the Group if:

(a) The party, directly or indirectly through one or more intermediaries,

(i) controls, is controlled by, or is under common control with, the Group;

(ii) has an interest in the Group that gives it significant influence over the Group; or

(iii) has joint control over the Group;

(b) The party is a member of the key management personnel of the Group or its parent;

(c) The party is a close member of the family of any individual referred to in (a) or (b); or

(d) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or

(e) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(a) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Notes to the Financial Statements

— 31 March 2011

3. **Significant accounting judgements and estimates** (Continued)

3.1 **Judgements made in applying accounting policies** (Continued)

(b) *Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(c) *Operating lease commitments – as lessee*

The Group has entered into commercial leases on its aircraft. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risks and rewards of ownership of these aircraft and so accounts for the contracts as operating leases.

(d) *Operating lease commitments – as lessor*

The Group has entered into commercial leases on its aircraft. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the Group retains all the significant risks and rewards of ownership of these aircraft and so accounts for the contracts as operating leases.

(e) *Impairment*

The Group follows the guidance of FRS 39 and 36 on determining when a financial and non-financial asset is impaired and this requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of the asset or financial asset is less than its carrying value; and the financial health of and near-term business outlook for the business operation or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(f) *Consolidation of special purpose entities*

As part of the Group's financing arrangements with the banks, special purpose entities (SPEs) have been set up to finance the purchase of the aircraft. The rights and benefits of the aircraft rest with the SPEs, with the corresponding bank loans entered into by the SPEs with the bank. The Company does not have equity interest in the SPEs.

The Group has guaranteed the obligations under the loans entered into by the SPEs, entered into aircraft forward purchase agreements with the SPEs or entered into finance lease arrangements with the SPEs. Hence, the Group retains majority of the residual risks related to the SPEs and its assets in order to obtain benefits from the activities of the SPEs. Based on these facts and circumstances, management concluded that the Group controls the SPEs and therefore, consolidates these SPEs in its financial statements.

Notes to the Financial Statements
— 31 March 2011

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Depreciation of property, plant and equipment – Aircraft*

Aircraft are depreciated on straight-line basis at rates which are calculated to write-down their cost to their estimated residual values at the end of their operational lives. The Group's current estimate of aircraft residual value is approximately 15% of cost. The estimates regarding the operational lives and residual values of the aircraft fleet are made by the Group based on general life span of aircraft and these are in line with the industry. The operational lives and residual values are reviewed on an annual basis. The carrying amount of the Group's aircraft as at 31 March 2011 was $475,609,000 (2010: $111,675,000).

(b) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets as at 31 March 2011 was $6,716,000 (2010: $16,840,000).

(c) *Share-based compensation*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26.

(d) *Provision for return costs of aircraft*

The Group operates several aircraft under operating leases. Under the lease agreements, the Group is legally liable to carry out maintenance of the aircraft over the lease period and to return the aircraft under certain stipulated condition.

The amount required for the maintenance before the return of the aircraft is the best estimate by management based on cost incurred for similar maintenance. The provision for return costs of aircraft as at 31 March 2011 amounted to $10,840,000 (2010: $8,761,000).

Notes to the Financial Statements
— 31 March 2011

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(e) *Aircraft maintenance and overhaul expenditure*

Owned Aircraft

At the date of aircraft delivery, management estimates the cost of the aircraft which relates to airframe and component overhaul and repair, and depreciates this amount over the estimated period of 6 years to the next heavy maintenance visit or engine overhaul. The estimation of the cost is based on (i) hours expected to be flown or (ii) cost incurred for similar maintenance. As at 31 March 2011, the cost of the aircraft which relates to airframe and component overhaul and repair amounted to $48,364,000 (2010: $12,276,000).

4. Staff costs

	Group	
	2011	**2010**
	$'000	**$'000**
Salaries, bonuses and other costs	**76,385**	55,718
CPF contributions and other defined contributions	**3,387**	2,462
Share-based compensation expense	**1,303**	294
	81,075	58,474

5. Operating profit

	Group	
	2011	**2010**
	$'000	**$'000**
This is stated after charging/(crediting):-		
Amortisation of deferred income	**(3,454)**	(3,078)
Operating lease rental	**66,857**	73,572
Non-audit fees for auditors of the Company	**52**	178
Net fair value loss on foreign currency forward contracts	**6,124**	5,280

6. Finance income

Finance income consists of interest received and receivable from loans and receivables.

Notes to the Financial Statements

— 31 March 2011

7. Finance expense

	Group	
	2011	2010
	$'000	$'000
Interest expenses on bank loans	**5,099**	3,525
Interest expenses on aircraft financing	**4,162**	359
Less: Interest capitalised in property, plant and equipment	**(5,099)**	(3,525)
	4,162	359
Bank charges	**489**	423
	4,651	782

8. Exchange gain on borrowings

	Group	
	2011	2010
	$'000	$'000
Fair value changes on derivative financial instruments	**75**	–
Unrealised gain on revaluation of borrowings	**12,902**	2,056
	12,977	2,056

9. Expenses relating to initial public offering

	Group	
	2011	2010
	$'000	$'000
Professional fee for auditors of the Company	**–**	371
Other professional fees	**–**	1,346
Advertising and printing expenses	**–**	245
Post initial public offering employee incentive	**–**	4,968
Others	**–**	1,360
	–	8,290

Notes to the Financial Statements

— 31 March 2011

10. Taxation

The major components of income tax expense/(credit) for the years ended 31 March are:

	Group	
	2011	2010
	$'000	$'000
Income statement		
Current tax		
Foreign tax	**419**	1,114
Current statutory tax	**–**	90
	419	1,204
Deferred tax		
Benefits from previously unrecognised tax losses	**–**	(12,773)
Origination and reversal of temporary differences	**8,862**	3,289
Reversal of deferred tax assets previously recognised	**6,536**	–
Over provision of deferred tax assets in respect of prior year	**1,310**	–
	16,708	(9,484)
Income tax expense/(credit) recognised in the income statement	**17,127**	(8,280)
Deferred tax debit to other comprehensive income:		
– Net fair value changes on cash flow hedges	**862**	2,929

The reconciliation between income tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2011 and 2010 are as follows:

	2011	2010
Profit before taxation	**57,025**	19,974
Taxation at statutory tax rate of 17% (2010: 17%)	**9,694**	3,396
Adjustments:		
Non-deductible expenses	**463**	1,329
Income not subject to taxation	**(2,181)**	(1,318)
Effect of tax partial exemption	**(7)**	(26)
Effect of different tax rates in other countries	**–**	(68)
Benefits from previously unrecognised tax losses	**–**	(12,773)
Foreign tax	**419**	1,114
Deferred tax assets not recognised	**1,469**	–
Reversal of deferred tax assets previously recognised	**6,536**	–
Effect of tax credit schemes	**(408)**	–
Over provision of deferred tax assets in respect of prior year	**1,310**	–
Others	**(168)**	66
Income tax expense/(credit) recognised in the income statement	**17,127**	(8,280)

Notes to the Financial Statements
— 31 March 2011

11. Earnings per share

Effective 14 December 2009, each of the Company's ordinary shares was sub-divided into 15 ordinary shares ("Share Split").

Basic earnings per share amounts are calculated by dividing profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year after adjusting for the Share Split.

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares after adjusting for the Share Split.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2011	**2010**
	$'000	**$'000**
Profit for the year attributable to shareholders of the Company	**39,898**	28,254
	No. of shares '000	**No. of shares '000**
Weighted average number of ordinary shares for basic earnings per share computation	**538,572**	406,309
Effects of dilution		
– Share options and grants	**10,599**	23,692
Weighted average number of ordinary shares for diluted earnings per share computation	**549,171**	430,001

Since the end of the financial year, employees have exercised the options to acquire 446,530 (2010: 3,139,000) ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before completion of these financial statements.

Notes to the Financial Statements

— 31 March 2011

12. Property, plant and equipment

	Aircraft $'000	Aircraft under construction $'000	Engineering and office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicle $'000	Total $'000
Group						
Cost						
At 1 April 2009	–	124,517	201	368	25	125,111
Additions	–	239,414	1	2	–	239,417
Disposals	–	(43,101)	–	–	–	(43,101)
Transfer	112,193	(112,193)	–	–	–	–
At 31 March 2010 and 1 April 2010	112,193	208,637	202	370	25	321,427
Additions	202,498	229,324	164	656	–	432,642
Transfer	174,011	(174,011)	–	–	–	–
At 31 March 2011	488,702	263,950	366	1,026	25	754,069
Accumulated depreciation						
At 1 April 2009	–	–	133	313	23	469
Depreciation charge for the year	518	–	40	24	2	584
At 31 March 2010 and 1 April 2010	518	–	173	337	25	1,053
Depreciation charge for the year	12,575	–	45	87	–	12,707
At 31 March 2011	13,093	–	218	424	25	13,760
Net book value						
At 31 March 2011	475,609	263,950	148	602	–	740,309
At 31 March 2010	111,675	208,637	29	33	–	320,374

Notes to the Financial Statements

— 31 March 2011

12. Property, plant and equipment (Continued)

	Aircraft $'000	Aircraft under construction $'000	Engineering and office equipment, furniture and fittings $'000	Computer equipment $'000	Total $'000
Company					
Cost					
At 1 April 2009	–	61,440	114	214	61,768
Additions	–	116,381	–	1	116,382
At 31 March 2010 and 1 April 2010	–	177,821	114	215	178,150
Additions	154,780	200,049	52	593	355,474
Transfer	113,920	(113,920)	–	–	–
At 31 March 2011	268,700	263,950	166	808	533,624
Accumulated depreciation					
At 1 April 2009	–	–	78	158	236
Depreciation charge for the year	–	–	24	24	48
At 31 March 2010 and 1 April 2010	–	–	102	182	284
Depreciation charge for the year	4,361	–	22	82	4,465
At 31 March 2011	4,361	–	124	264	4,749
Net book value					
At 31 March 2011	264,339	263,950	42	544	528,875
At 31 March 2010	–	177,821	12	33	177,866

Capitalisation of borrowing costs

The Group has obtained financing in respect of the Pre-Delivery Payment ("PDP") obligations to the aircraft manufacturer.

Aircraft under construction includes borrowing costs incurred in connection with the financing of the PDP obligations to the aircraft manufacturer. During the financial year, the borrowing costs capitalised in aircraft under construction amounted to $7,165,000 (2010: $3,525,000) and $6,958,000 (2010: $2,586,000) for the Group and Company respectively.

Notes to the Financial Statements

— 31 March 2011

12. Property, plant and equipment (Continued)

Assets pledged as security

The Group's aircraft under construction are pledged as security for the related PDP financing obtained from banks (Note 22(a)).

The carrying amounts of aircraft held by the Group and the Company at the end of reporting period amount to $475,609,000 (2010: $111,675,000) and $264,339,000 (2010: $nil). The aircraft are mortgaged to the banks for European Export Credit Agencies ("ECA") financing (Note 22(b)).

Assets under construction

During the financial year, the Company entered into sale and leaseback arrangements for 4 aircraft (2010: nil) under construction. The carrying value of these aircraft under construction as at end of the financial year is $73,450,000 (2010: $nil). Based on the terms and conditions of the sale and leaseback arrangements, the arrangements will be treated as operating leases.

13. Investment in subsidiaries

	Company	
	2011	**2010**
	$'000	**$'000**
Shares, at cost	**24,355**	24,355

	Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2011	2010
	Held by the Company				
*	Tiger Airways Singapore Pte. Ltd.	Singapore	Air transportation	**100**	100
^	Tiger Airways Australia Pty Limited	Australia	Air transportation	**100**	100

* Audited by Ernst & Young LLP, Singapore

^ Audited by Ernst & Young, Australia, a member firm of Ernst & Young Global

Notes to the Financial Statements
— 31 March 2011

13. Investment in subsidiaries (Continued)

Details of the operating special purpose entities (SPEs) controlled and consolidated by the Group at end of financial year are as follows:

Name of entity	Purpose of special purpose entity	Country of incorporation
Felidae Aircraft Limited	Financing of aircraft	Cayman Islands
Winnie Aircraft Limited	Financing of aircraft	Mauritius
Falcon Aircraft Limited	Financing of aircraft	Mauritius

Although the Group does not hold shares in these companies, they are considered as subsidiary companies as the activities of the SPEs are being conducted on behalf of the Group according to its specific business needs and the Company retains the majority of the residual or ownership risks related to the assets held by these companies. These SPEs were incorporated for financing activities purposes and details are as disclosed in Note 22.

14. Deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) as at 31 March relates to the following:

	Group			
	Balance sheet		Income statement	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Deferred tax assets				
Unutilised capital allowances and tax losses	**6,586**	16,065	**9,627**	(9,409)
Provisions	**–**	935	**935**	(75)
Revaluation of fuel hedging contracts to fair value	**–**	(159)	**–**	–
Revaluation of foreign currency forward contract to fair value	**130**	(1)	**–**	–
Total	**6,716**	16,840		
Deferred tax liabilities				
Differences in depreciation for tax purposes	**6,146**	–	**6,146**	–
Revaluation of fuel hedging contracts to fair value	**832**	–	**–**	–
	6,978	–		
Deferred income tax expense/(credit)			**16,708**	(9,484)

Notes to the Financial Statements

— 31 March 2011

14. Deferred tax assets/(liabilities) (Continued)

At the end of the reporting period, the Group has tax losses of approximately $80,973,000 (2010: $44,268,000), that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	Company Balance Sheet	
	2011	**2010**
	$'000	**$'000**
Deferred tax liabilities		
Differences in depreciation for tax purposes	**630**	–

15. Other receivables

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
Long-term deposits	**6,736**	6,496	**–**	–
Maintenance reserve advance payment	**14,624**	9,558	**512**	–
	21,360	16,054	**512**	–
Current assets				
Sundry deposits	**1,661**	2,201	**19**	–
Sundry receivables	**19,609**	17,280	**396**	1,186
	21,270	19,481	**415**	1,186

Long-term deposits are in respect of operating leases of aircraft.

Notes to the Financial Statements

— 31 March 2011

16. Inventories

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Consumables, at cost	**135**	–	**–**	–

17. Trade receivables

Receivables that are past due but not impaired

The Group has trade receivables amounting to $1,752,000 (2010: $639,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2011	2010
	$'000	$'000
Trade receivables past due:		
Lesser than 30 days	**123**	208
30 to 60 days	**133**	205
61 to 90 days	**100**	21
91 to 120 days	**111**	20
More than 120 days	**1,285**	185
	1,752	639

Receivables that are impaired

There are no trade receivables which are impaired at the balance sheet date.

18. Amounts due from a subsidiary

Amounts due from a subsidiary are unsecured, interest-free, repayable upon demand and are expected to be settled in cash. Amounts due from a subsidiary are denominated in Australian dollars.

Notes to the Financial Statements
— 31 March 2011

19. Derivative financial instruments

	Note	Group			
		2011		2010	
		Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Jet fuel collars	(a)	**8,180**	**–**	1,578	(6)
Foreign currency forward contracts	(b)	**75**	**(5,005)**	24	(2,709)
		8,255	**(5,005)**	1,602	(2,715)

	Note	Company			
		2011		2010	
		Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Foreign currency forward contracts	(b)	**75**	–	–	–

(a) *Jet fuel collars*

The jet fuel collars are being used to hedge the financial risk related to the price of fuel. As at 31 March 2011, the notional quantity of the Group's outstanding jet fuel collars was 180,000 US barrels (2010: 310,000 US barrels) with maturity dates of not more than one year.

The cash flow hedges of the expected future jet fuel purchases in the next 12 months were assessed to be highly effective and as at 31 March 2011, a net unrealised gain of $8,180,000 (2010: $1,572,000) with a related deferred tax exposure of $832,000 (2010: $159,000), was included in other comprehensive income in respect of these contracts.

(b) *Foreign currency forward contracts*

Foreign currency forward contracts are contracts to buy or sell fixed amounts of currencies at agreed exchange rates for settlement on agreed future dates. As at 31 March 2011, the notional amount of the Group's outstanding foreign currency forward contracts was US$65.4 million (2010: US$35.3 million) with tenures of not more than one year. As at 31 March 2011, the notional amount of the Company's outstanding foreign currency forward contracts was US$15,000,000 (2010: nil) with tenures of not more than one year.

The cash flow hedges of foreign currency hedge are highly effective and as at 31 March 2011, a net unrealised loss of $4,930,000 (2010: $2,685,000) with a related deferred tax benefit of $130,000 (2010: tax exposure of $1,000) was included in other comprehensive income in respect of these contracts.

Notes to the Financial Statements

— 31 March 2011

20. Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**23,487**	41,051	**1,238**	21,262
Short-term deposits	**172,348**	165,687	**172,348**	159,200
	195,835	206,738	**173,586**	180,462

Short-term deposits are made for varying periods of between one day and three months depending on the expected cash requirements of the Group, and earn interest at the respective short-term deposit rates ranging from 0.09% to 4.57% (2010: 0.04% to 3.78%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Singapore dollar	**137,856**	164,937	**132,884**	159,520
United States dollar	**35,272**	22,873	**31,472**	20,942
Australian dollar	**21,710**	18,237	**9,230**	–
Others	**997**	691	**–**	–
	195,835	206,738	**173,586**	180,462

21. Trade payables

	Group	
	2011	2010
	$'000	$'000
Trade payables	**39,721**	41,483
Unbilled trade payables	**69,770**	66,630
	109,491	108,113

Unbilled trade payables relate to maintenance services, airport related charges and fuel received or used but not yet invoiced by suppliers and airport authorities.

Notes to the Financial Statements

— 31 March 2011

21. Trade payables (Continued)

Trade and unbilled trade payables are denominated in the following currencies:

	Group	
	2011	**2010**
	$'000	**$'000**
Singapore dollar	**41,393**	46,242
United States dollar	**24,486**	25,984
Australian dollar	**36,692**	31,918
Others	**6,920**	3,969
	109,491	108,113

22. Loans

		Group		Company	
	Maturity	**2011**	**2010**	**2011**	**2010**
		$'000	**$'000**	**$'000**	**$'000**
Current:					
Obligations under finance leases	2012	**–**	–	**15,674**	–
Bank loans					
– Secured	2012	**145,403**	89,620	**–**	–
– Unsecured	2012	**21,800**	20,000	**–**	–
		167,203	109,620	**15,674**	–
Non-current:					
Obligations under finance leases	2013 - 2023	**–**	–	**186,194**	–
Bank loans					
– Secured	2013 - 2023	**373,659**	101,923	**–**	–
		373,659	101,923	**186,194**	–

Secured bank loans

Secured bank loans amounting to $79,287,000 (2010: $191,543,000) are denominated in USD.

The secured bank loans bear interest at rates which range from 0.71% to 5.14% (2010: 0.84% to 4.93%) per annum.

Notes to the Financial Statements

— 31 March 2011

22. Loans (Continued)

Unsecured bank loans

The unsecured bank loans bear interest at 1.5% to 3.37% (2010: 1.97% to 4.1%) per annum and are subject to annual review by the banks.

As part of the Group's aircraft financing arrangements with the banks, the following special purpose entities ("SPEs") (Note 13) were incorporated:

(a) *Pre-Delivery Payment ("PDP") financing via Felidae Aircraft Limited ("Felidae")*

During the financial year, the Group entered into PDP financing arrangements with a bank to finance PDPs in respect of the PDP obligations to aircraft manufacturer on 14 aircraft (2010: 11).

The rights and obligations under the aircraft purchase agreement relating to the 14 aircraft (2010:11) have been novated from the Company to Felidae. The secured bank loans relating to the PDP financing arrangement with the bank were entered into by Felidae.

To fund Felidae's obligations and to secure the Company's interest, Felidae and the Company entered into a Forward Purchase Agreement ("FPA") where the Company has agreed to purchase each of the 14 aircraft (2010: 11) upon their applicable delivery dates and the purchase price is defined as the remainder of any amount payable to the manufacturer and the outstanding loan obligations.

The loans are secured via assignment of the aircraft purchase agreement and assignment of the engine warranty and credit agreement to the bank. In addition, the bank takes an assignment of Felidae's rights under the FPA and the Company guarantees the obligations of Felidae.

(b) *ECA financing via Winnie Aircraft Limited ("Winnie") and Falcon Aircraft Limited ("Falcon")*

ECA aircraft financing is in the form of credit support, where a bank or other financial institution lends money to the borrower with the loan guaranteed by the European Export Credit Agencies ("ECA").

The Group entered into ECA financing arrangements with a bank to finance 7 aircraft (2010: 2) delivered during the financial year. Pursuant to the ECA financing, the legal ownership of the aircraft is vested in Winnie and Falcon. Tiger Airways Singapore Pte. Ltd. and Tiger Airways Holdings Limited leased the aircraft pursuant to a finance lease from Winnie and Falcon respectively. The Group has a purchase option to acquire legal ownership of the aircraft from the SPEs at the end of the lease term at a bargain purchase option price.

Obligations under finance leases

As part of the Company's aircraft financing arrangement with a bank, a SPE based in Mauritius was incorporated (Note 22(b)). During the financial year, the legal titles of 5 aircraft (2010: nil) were transferred to the SPE, and the SPE was financed by the bank for a portion of the cost of these aircraft. These bank obligations are guaranteed by the European Export Credit Agency.

Notes to the Financial Statements

— 31 March 2011

22. Loans (Continued)

Obligations under finance leases (Continued)

The Company has entered into aircraft leasing agreements with the SPE and these agreements give the Company an option to purchase the aircraft from the SPE at bargain purchase option prices at the end of the lease term. The lease obligations bear interest at rates which range from 0.71% to 3.29% (2010: Nil) per annum.

23. Deferred income

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Deferred gain on sale and leaseback transactions – operating leases	**5,627**	3,023	**–**	–
Deferred membership revenue	**497**	–	**497**	–
Others	**–**	–	**–**	104
	6,124	3,023	**497**	104
Non-current				
Deferred gain on sale and leaseback transactions – operating leases	**26,161**	23,091	**–**	–
	26,161	23,091	**–**	–

24. Provisions

	Group	
	2011	**2010**
	$'000	**$'000**
Provision for return costs of aircraft		
At 1 April	**8,761**	6,612
Provision during the year	**2,079**	3,089
Provision utilised during the year	**–**	(940)
At 31 March	**10,840**	8,761
Current	**1,278**	1,764
Non-current	**9,562**	6,997
	10,840	8,761

Provisions relate to provision for return costs of aircraft under operating lease. It is expected that these return costs will be incurred by the end of the lease terms.

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— 31 March 2011

25. Amounts due to subsidiaries

	Company	
	2011	**2010**
	$'000	**$'000**
Current	**261,196**	146,838
Non-current	**34,611**	21,583
	295,807	168,421

The amounts due to subsidiaries include an amount of $151,482,000 (2010: $80,143,000) which bears interest of 2.19% to 2.81% (2010: 2.79% to 4.93%) per annum. The remaining balances are non-interest bearing.

Amounts due to subsidiaries are denominated in the following currencies:

	Company	
	2011	**2010**
	$'000	**$'000**
Singapore dollar	**216,520**	88,278
United States dollar	**79,287**	80,143
	295,807	168,421

26. Share capital

	Group and Company			
	2011		**2010**	
	No. of shares '000	**$'000**	**No. of shares '000**	**$'000**
Issued and fully paid ordinary shares				
At 1 April	**530,534**	**249,493**	24,355	24,355
Share spilt of ordinary shares (1:15)	**–**	**–**	365,325	24,355
Issuance of IPO shares	**–**	**–**	155,556	233,334
Share issuance expense	**–**	**–**	–	(9,307)
Exercise of employee share options	**14,114**	**2,160**	9,653	1,111
At 31 March	**544,648**	**251,653**	530,534	249,493

Effective 14 December 2009, each of the Company's ordinary shares was sub-divided into 15 ordinary shares ("Share Split").

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Notes to the Financial Statements

— 31 March 2011

26. Share capital (Continued)

Pre-IPO Tiger Aviation Share Options Scheme (the "Scheme")

The Scheme was approved by the Board of Directors on 24 April 2008 for granting of options to eligible executives, directors and employees of the Group. This is a successor scheme from the Pre-IPO Tiger Airways Share Options Scheme of Tiger Airways Singapore Pte. Ltd., approved by its Board of Directors on 7 December 2004. All options granted by Tiger Airways Singapore Pte. Ltd. were replaced by options of the Scheme. The grant date is deemed to be the same as those options granted by Tiger Airways Singapore Pte. Ltd.. Following the Share Split on 14 December 2009, all options were also sub-divided into 15 options each.

The exercise price of the option is determined by the Remuneration Committee and reflects the fair value of the share as at the date of grant. Details of all the options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 31 March 2011 are as follows:

Expiry date	Exercise Price (S$)	Number of Options '000
Between 1 April 2011 and 31 March 2012	0.10	135
	0.13	98
Between 1 April 2015 and 31 March 2016	0.10	132
Between 1 April 2016 and 31 March 2017	0.10	148
Between 1 April 2017 and 31 March 2018	0.13	267
Between 1 April 2018 and 31 March 2019	0.13	1,117
Between 1 April 2019 and 31 March 2020	0.13	45
	0.26	1,572
Total		3,514

Under the Scheme, options will vest:

(i) one year from the date of grant for one third of the allocated share options;
(ii) two years from the date of grant for additional one third of the allocated share options; and
(iii) three years from the date of grant for remaining one third of the allocated share options.

The contractual life of each option granted is 10 years. There are no cash settlement alternatives.

The Scheme has been terminated since the initial public offering of the Company's shares on 22 January 2010 and no further options will be granted under the Scheme.

The total number of options granted under the Scheme (which are exercisable after the Company's initial public offering) was 28,245,300.

Notes to the Financial Statements

— 31 March 2011

26. Share capital (Continued)

Pre-IPO Tiger Aviation Share Options Scheme (the "Scheme") (Continued)

Movement of share options during the financial year

Information with respect of the number and weighted average exercise prices (WAEP) of, and movements in, equity share options during the year are as follows:

	2011		2010	
	No. ’000	**WAEP ($)**	**No. ’000**	**WAEP ($)**
Outstanding at beginning of year	**17,954**	**0.13**	1,828	1.69
Sub-division of options (1:15)	**–**	**–**	27,427	0.11
Granted during the year	**–**	**–**	2,930	0.24
Cancelled during the year	**(326)**	**0.13**	(2,750)	0.14
Exercised during the year	**(14,114)**	**0.12**	(9,653)	0.11
Outstanding at end of year	**3,514**	**0.19**	17,954	0.13
Exercisable at end of year	**883**	**0.12**	10,387	0.10

- The weighted average fair value of options granted during the financial year ended 31 March 2010 was $0.36.
- The weighted average share price at the date of exercise of the option exercised during the financial year was $1.87 (2010: $1.47)
- The range of exercise prices for options outstanding at the end of the year was $0.10 to $0.26 (2010: $0.08 to $0.26). The weighted average remaining contractual life for these options is 7 years (2010: 7.4 years).

Fair value of share options granted

The fair value of equity share options as at the date of grant is estimated by the Company using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used for the year ended 31 March 2010 are shown below.

	2010
Dividend yield (%)	0
Expected volatility (%)	28
Risk-free interest rate (%)	1.34
Expected life of options (years)	6
Weighted average share price ($)	1.57

The expected life of the options is based on mid-point basis. The expected volatility reflects the assumption that the historical volatility of market comparable is reflective of future trends, which may not necessarily be the actual outcome. No other feature of the option grant was incorporated into the measurement of fair value.

Notes to the Financial Statements

— 31 March 2011

26. Share capital (Continued)

Long Term Incentive Plans

The RSP and PSP are share-based long-term incentive plans for senior and middle management employees, which were approved by shareholders of the Company on 30 July 2010.

The details of the two plans are described below:

	RSP	PSP
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on performance targets achieved over one year performance period based on Group objectives	Award of fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year performance period based on long-term corporate objectives
Performance Conditions	At Group level • Operating Profit Margin • Operating Cost per Available Seat excluding fuel and foreign exchange differences	• Relative Total Shareholder Return (TSR) • Return on Equity
Vesting Condition	Award will vest over 3 years based on achievement of stated performance conditions over a one year performance period.	Vesting based on achievement of stated performance conditions over a three-year performance period
Payout	0%-120% depending on the achievement of pre-set performance targets over the performance period.	0%-200% depending on the achievement of pre-set performance targets over the performance period.

Movement of share awards during the financial year

	Number of Restricted Shares		
Date of grant	**Balance at date of grant**	**Cancelled**	**Balance at 31.3.2011**
1 September 2010	1,600,000	(215,000)	1,385,000

	Number of Performance Shares		
Date of grant	**Balance at date of grant**	**Cancelled**	**Balance at 31.3.2011**
1 September 2010	1,345,000	(45,000)	1,300,000

Notes to the Financial Statements

— 31 March 2011

26. Share capital (Continued)

Long Term Incentive Plans (Continued)

Fair value of share awards granted

The fair value of services received in return for share awards granted is measured by reference to the fair value of shares granted each year under the RSP and PSP. The estimate of the fair value of the services received is measured based on a Monte Carlo model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns.

The inputs to the model used for RSP and PSP are shown below:

	RSP	PSP
Dividend yield	0%	0%
Expected volatility	NA	31.2%
Risk-free interest rate	NA	1.1%
Embedded Total Shareholder's return for the Group	NA	2.61%

NA – Not Applicable

Based on the Monte Carlo model, the estimated fair value at date of grant for each share granted under the RSP and PSP is $1.94 and $2.44 respectively.

When estimating the fair value of the compensation cost, market-based performance conditions shall be taken into account. Therefore, for performance share grants with market-based performance conditions, the compensation cost shall be charged to profit or loss on a basis that fairly reflects the manners in which the benefits will accrue to the employee under the plan over the remaining service period from date of grant to which the performance period relates, irrespective of whether this performance condition is satisfied.

For performance share grants with non-market conditions, the Group revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to profit or loss and share-based compensation reserve.

27. Other reserves

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve	**(10,437)**	(8,786)	**–**	–
Share-based compensation reserve	**1,352**	573	**1,352**	573
Fair value reserve	**2,474**	(1,273)	**–**	–
	(6,611)	(9,486)	**1,352**	573

Notes to the Financial Statements

— 31 March 2011

27. Other reserves (Continued)

(a) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**(8,786)**	9,809	**–**	–
Foreign currency translation	**(1,651)**	(18,595)	**–**	–
At 31 March	**(10,437)**	(8,786)	**–**	–

(b) *Share-based compensation reserve*

Share-based compensation reserve represents the equity-settled share options granted to employees (Note 26). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and share awards and is reduced by the expiry or exercise of the share options.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**573**	384	**573**	350
Grant of equity settled share options to employees	**1,303**	294	**1,303**	294
Exercise of employee share options	**(524)**	(105)	**(524)**	(105)
Share-based compensation reserve transferred from subsidiary	**–**	–	**–**	34
At 31 March	**1,352**	573	**1,352**	573

Notes to the Financial Statements

— 31 March 2011

27. Other reserves (Continued)

(c) *Fair value reserve*

Fair value reserve records the portion of the fair value changes in derivatives that are designated as hedging instruments in cash flow hedges that is determined to be effective.

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**(1,273)**	(25,535)	**–**	–
Net gain/(loss) on:				
– Fair value changes of derivatives	**1,073**	(2,880)	**–**	–
Recognised in the income statement on occurrence of:				
– Fuel hedging contracts	**(3,450)**	19,759	**–**	–
– Bank loans	**–**	2,103	**–**	–
– Foreign currency forward contracts	**6,124**	5,280	**–**	–
At 31 March	**2,474**	(1,273)	**–**	–

28. Commitments

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the year but not recognised in the financial statements are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Capital commitments in respect of aircraft fleet and related equipment	**2,211,000**	2,925,000	**2,211,000**	2,847,000

Notes to the Financial Statements

— 31 March 2011

28. Commitments (Continued)

(b) *Operating lease commitments as lessee*

The Group has 15 A320-200 aircraft (2010: 15), 2 A319 aircraft (2010: 2) and 4 spare engines (2010: 3) under operating leases. The original lease terms for 3 (2010: 3) of the aircraft were 5 years and they were extended by another 12 months following expiry of their original lease terms. The lease agreement for all three aircraft was extended for a further 18 months during the financial year. The original lease terms on the remaining aircraft is for 12 years. None of the operating lease agreements confer on the Group an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

Future lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2011	**2010**
	$'000	**$'000**
Aircraft and spare engines		
Not later than one year	**64,511**	68,383
Later than one year but not later than five years	**220,924**	238,345
Later than five years	**214,719**	286,996
	500,154	593,724

(c) *Operating lease commitments as lessor*

The Group has entered into sub-lease agreement of 2 A319 aircraft during the financial year. The lease terms for the aircraft are 2 years.

Future lease receivables under non-cancellable operating leases at the end of the year are as follows:

	Group	
	2011	**2010**
	$'000	**$'000**
Aircraft		
Not later than one year	**9,677**	–
Later than one year but not later than five years	**6,451**	–
	16,128	–

Notes to the Financial Statements

— 31 March 2011

28. Commitments (Continued)

(d) *Finance lease commitments*

The Company has finance leases for 5 aircraft (2010: Nil). These leases have no terms of renewal but have purchase options at the option of the Company.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2011		2010	
	Minimum lease payments $'000	Present value of payments $'000	Minimum lease payments $'000	Present value of payments $'000
Company				
Not later than one year	**19,144**	**15,674**	–	–
Later than one year but not later than five years	**76,696**	**65,018**	–	–
Later than five years	**129,404**	**121,176**	–	–
Total minimum lease payments	**225,244**	**201,868**	–	–
Less: Amounts representing finance charges	**(23,376)**	**–**	–	–
Present value of minimum lease payments	**201,868**	**201,868**	–	–

29. Related party disclosures

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the year on terms agreed between the parties:

	Group	
	2011 $'000	2010 $'000
Payment for services rendered by a significant shareholder and its subsidiaries	**31,385**	27,728
Sale of spares to a significant shareholder's subsidiary	**–**	1,523

Notes to the Financial Statements

— 31 March 2011

29. Related party disclosures (Continued)

(b) *Compensation of key management personnel*

	Group 2011 $'000	Group 2010 $'000
Short-term employee benefits	**9,865**	6,360
CPF contributions and other defined contributions	**439**	283
Other short-term benefits	**467**	162
Share-based compensation expense	**1,300**	281
	12,071	7,086
Comprise amounts paid to:		
Directors of the Company	**1,475**	974
Other key management personnel	**10,596**	6,112
	12,071	7,086

Key executives' interests in equity compensation plans

Share Option Scheme

At 31 March 2011, key management personnel held options to purchase ordinary shares of the Company under the Share Option Scheme (Note 26) as follows:

Exercise period	Exercise price ($)	Number of Options ('000)
Between 1 April 2006 and 31 March 2012	0.10	135
Between 1 April 2008 and 31 March 2012	0.13	98
Between 1 April 2006 and 31 March 2016	0.10	132
Between 1 April 2007 and 31 March 2017	0.10	148
Between 1 April 2008 and 31 March 2018	0.13	267
Between 1 April 2010 and 31 March 2019	0.13	936
Between 1 April 2010 and 31 March 2020	0.26	1,459
		3,175

During the financial years ended 31 March 2011 and 2010, no share option was granted to directors. For the financial year ended 31 March 2011, the directors exercised options for 5,906,010 ordinary shares (2010: 1,948,410) of the Company at an average exercise price of $0.09 (2010: $0.12) each with a total cash consideration of $502,929 (2010: $235,433) paid to the Company.

Notes to the Financial Statements

— 31 March 2011

29. Related party disclosures (Continued)

Share Option Scheme (Continued)

During the financial year ended 31 March 2010, 2,255,895 options were granted to the abovementioned other key management personnel at an exercise price from $0.13 to $0.26 each, exercisable between 1 April 2010 and 31 March 2020. During the financial year ended 31 March 2011, no share option was granted to other key management personnel. For the financial year ended 31 March 2011, other key management personnel exercised options for 7,583,335 ordinary shares (2010: 7,704,970) of the Company at an average exercise price of $0.14 (2010: $0.10) each with a total cash consideration of $1,047,304 (2010: $791,567) paid to the Company.

Details of the options to subscribe for ordinary shares of the Company granted to directors and key management personnel of the Company who received 5% or more of the total options available under the Scheme (Note 26) are as follows:

Name of participant	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to end of financial year	Aggregate options exercised since commencement of the Scheme to end of financial year	Aggregate options lapsed or cancelled since commencement of the Scheme to end of financial year	Aggregate options outstanding as at end of financial year
Anthony Alfred Peter Davis	–	9,863,775	7,854,480	2,009,295[(1)]	–
Chin Sak Hin	–	1,643,970	1,095,990	–	547,980
Christopher John Ward	–	2,233,065	2,233,065	–	–
Rosalynn Tay Ee Heah	–	2,191,965	2,191,965	–	–
Stephen John Burns	–	1,643,970	1,643,970	–	–
Shelley Roberts	–	1,643,970	1,095,990	547,980	–
Total	–	19,220,715	16,115,460	2,557,275	547,980

No participants other than those mentioned above have received 5% or more of the total options available under the Scheme.

(1) Anthony Alfred Peter Davis had options over 2,009,295 shares cancelled in financial year 2009 and was compensated for the cancellation.

Notes to the Financial Statements

— 31 March 2011

29. Related party disclosures (Continued)

Long Term Incentive Plan (LTIP)

At 31 March 2011, key management personnel were granted shares under RSP and PSP (Note 26) as follows:

Date of grant	Number of Restricted Shares Balance at date of grant	Balance at 31.3.2011
1 September 2010	1,600,000	1,385,000

Date of grant	Number of Performance Shares Balance at date of grant	Balance at 31.3.2011
1 September 2010	1,345,000	1,300,000

The final number of shares to be awarded under both Plans would be dependent on the achievement of pre-determined targets over the specified period of performance. No participants have received 5% or more of the total shares available under LTIP.

30. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, jet fuel price risk, liquidity risk, interest rate risk and credit risk. Management reviews and agrees policies on procedures for the management of these risks.

As derivatives are used for the purpose of risk management, gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or costs being hedged.

Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated revenues and expenses. The Group's largest exposure is from United States Dollars. For the financial year ended 31 March 2011, these accounted for approximately 6% (2010: 7%) of total revenue and 54% (2010: 59%) of total operating expenses.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency.

The Group also uses foreign currency forward contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying USD depending on forecast requirements with settlement dates up to one year.

Notes to the Financial Statements
— 31 March 2011

30. Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

The Group uses foreign currency forward contracts to manage the USD currency exposures. The foreign currency forward contracts are of the same currency as the hedged item. At 31 March 2011, the Group had hedged 20% (2010: 10%) of their forecast USD exposure against SGD until March 2012 and 46% (2010: 37%) of their forecast USD exposure against AUD until March 2012.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit net of tax		**Equity**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
USD – strengthened 1% (2010: 1%)	**(305)**	(887)	**526**	(390)
– weakened 1% (2010: 1%)	**305**	887	**(526)**	390

Jet fuel price risk

The Group's earnings are affected by changes in the price of jet fuel.

The Group's strategy for managing the risk on fuel price aims to provide the Group with protection against sudden and significant increase in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the prudent use of approved instruments such as jet fuel collars with approved counterparties and within approved credit limits.

The Group manages this fuel price risk by using jet fuel collars and hedging up to 15 months forward. A change in price of US$1.00 per barrel of jet fuel affects the Group's annual fuel costs by approximately $2,207,000 (2010: $2,132,000), assuming no change in volume of fuel consumed.

Liquidity risk

As at 31 March 2011, the Group had at its disposal cash and bank balances amounting to $195,835,000 (2010: $206,738,000). The Group has obtained financing in respect of the pre-delivery payment obligations to the aircraft manufacturer. Further to that, the Group is able to generate adequate cash flows in the foreseeable future to enable it to meet its financial obligations as and when they fall due.

Notes to the Financial Statements

— 31 March 2011

30. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2011				
Financial assets				
Trade receivables	**3,529**	**–**	**–**	**3,529**
Other receivables	**21,270**	**–**	**6,736**	**28,006**
Derivative financial instruments	**8,255**	**–**	**–**	**8,255**
Cash and cash equivalents	**195,835**	**–**	**–**	**195,835**
Total undiscounted financial assets	**228,889**	**–**	**6,736**	**235,625**
Financial liabilities				
Trade payables	**109,491**	**–**	**–**	**109,491**
Other payables	**7,075**	**–**	**–**	**7,075**
Loans	**176,232**	**180,644**	**236,851**	**593,727**
Derivative financial instruments	**5,005**	**–**	**–**	**5,005**
Total undiscounted financial liabilities	**297,803**	**180,644**	**236,851**	**715,298**
Total net undiscounted financial liabilities	**(68,914)**	**(180,644)**	**(230,115)**	**(479,673)**
Group				
2010				
Financial assets				
Trade receivables	1,506	–	–	1,506
Other receivables	19,481	–	6,496	25,977
Derivative financial instruments	1,602	–	–	1,602
Cash and cash equivalents	206,738	–	–	206,738
Total undiscounted financial assets	229,327	–	6,496	235,823
Financial liabilities				
Trade payables	108,113	–	–	108,113
Other payables	4,516	–	–	4,516
Loans	119,410	137,848	61,330	318,588
Derivative financial instruments	2,715	–	–	2,715
Total undiscounted financial liabilities	234,754	137,848	61,330	433,932
Total net undiscounted financial liabilities	(5,427)	(137,848)	(54,834)	(198,109)

Notes to the Financial Statements
— 31 March 2011

30. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Company	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2011				
Financial assets				
Other receivables	**415**	**–**	**–**	**415**
Amounts due from a subsidiary	**34,927**	**–**	**–**	**34,927**
Derivative financial instruments	**75**	**–**	**–**	**75**
Cash and cash equivalents	**173,586**	**–**	**–**	**173,586**
Total undiscounted financial assets	**209,003**	**–**	**–**	**209,003**
Financial liabilities				
Other payables	**4,835**	**–**	**–**	**4,835**
Amounts due to subsidiaries	**262,585**	**35,696**	**–**	**298,281**
Loans	**19,144**	**76,696**	**129,403**	**225,243**
Total undiscounted financial liabilities	**286,564**	**112,392**	**129,403**	**528,359**
Total net undiscounted financial liabilities	**(77,561)**	**(112,392)**	**(129,403)**	**(319,356)**

Company	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2010				
Financial assets				
Other receivables	1,186	–	–	1,186
Amounts due from a subsidiary	33,635	–	–	33,635
Cash and cash equivalents	180,462	–	–	180,462
Total undiscounted financial assets	215,283	–	–	215,283
Financial liabilities				
Other payables	2,822	–	–	2,822
Amounts due to subsidiaries	146,838	21,583	–	168,421
Total undiscounted financial liabilities	149,660	21,583	–	171,243
Total net undiscounted financial assets/ (liabilities)	65,623	(21,583)	–	44,040

Notes to the Financial Statements

— 31 March 2011

30. Financial risk management objectives and policies (Continued)

Interest rate risk

The Group's interest rate risk arises from the following:

(i) changes in market interest rates affect the interest income or finance charges of variable interest financial instruments
(ii) changes in market interest rates affect aircraft rental expenses

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit net of tax and equity.

	Effect on profit net of tax $'000	Effect on equity $'000
2011		
– Effect of increase in 1 basis point	**(65)**	**(63)**
– Effect of decrease in 1 basis point	**65**	**63**
2010		
– Effect of increase in 1 basis point	(49)	(49)
– Effect of decrease in 1 basis point	49	49

Information relating to the Group's interest rate exposure is also disclosed in Note 22.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and derivative assets. For other financial assets, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

Notes to the Financial Statements
— 31 March 2011

31. Fair value of financial instruments

The fair value of a financial instrument is the amount the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

Classification of financial instruments

	Derivatives used for hedging $'000	Loans and receivables [Note 31(b)] $'000	Non-financial assets $'000	Total $'000
2011				
Group				
Assets				
Property, plant and equipment	–	–	740,309	740,309
Deferred tax assets	–	–	6,716	6,716
Inventories	–	–	135	135
Trade receivables	–	3,529	–	3,529
Other receivables	–	42,630	–	42,630
Prepayments	–	–	3,330	3,330
Derivative financial instruments	8,255	–	–	8,255
Cash and cash equivalents	–	195,835	–	195,835
	8,255	241,994	750,490	1,000,739

	Derivatives used for hedging $'000	Financial liabilities at amortised cost [Note 31(b)] $'000	Non-financial liabilities $'000	Total $'000
2011				
Group				
Liabilities				
Trade payables	–	109,491	–	109,491
Sales in advance of carriage	–	–	91,213	91,213
Other payables	–	7,075	–	7,075
Loans	–	540,862	–	540,862
Deferred income	–	–	32,285	32,285
Provisions	–	–	10,840	10,840
Derivative financial instruments	5,005	–	–	5,005
Provision for taxation	–	–	2,316	2,316
Deferred tax liabilities	–	–	6,978	6,978
	5,005	657,428	143,632	806,065

Notes to the Financial Statements

— 31 March 2011

31. Fair value of financial instruments (Continued)

Classification of financial instruments (Continued)

	Derivatives used for hedging $'000	Loans and receivables [Note 31(b)] $'000	Non-financial assets $'000	Total $'000
2010				
Group				
Assets				
Property, plant and equipment	–	–	320,374	320,374
Deferred tax assets	–	–	16,840	16,840
Other receivables	–	35,535	–	35,535
Trade receivables	–	1,506	–	1,506
Prepayments	–	–	4,593	4,593
Derivative financial instruments	1,602	–	–	1,602
Cash and cash equivalents	–	206,738	–	206,738
	1,602	243,779	341,807	587,188

	Derivatives used for hedging $'000	Financial liabilities at amortised cost [Note 31(b)] $'000	Non-financial liabilities $'000	Total $'000
2010				
Group				
Liabilities				
Trade payables	–	108,113	–	108,113
Sales in advance of carriage	–	–	73,788	73,788
Other payables	–	4,516	–	4,516
Loans	–	211,543	–	211,543
Deferred income	–	–	26,114	26,114
Provisions	–	–	8,761	8,761
Derivative financial instruments	2,715	–	–	2,715
Provision for taxation	–	–	1,897	1,897
	2,715	324,172	110,560	437,447

Notes to the Financial Statements

— 31 March 2011

31. Fair value of financial instruments (Continued)

Classification of financial instruments (Continued)

	Financial assets at fair value through profit and loss [Note 31(a)] $'000	Loans and receivables [Note 31(b)] $'000	Non-financial assets $'000	Total $'000
2011				
Company				
Assets				
Property, plant and equipment	–	–	528,875	528,875
Investment in subsidiaries	–	–	24,355	24,355
Amounts due from a subsidiary	–	34,927	–	34,927
Other receivables	–	927	–	927
Prepayments	–	–	304	304
Derivative financial instrument	75	–	–	75
Cash and cash equivalents	–	173,586	–	173,586
	75	209,440	553,534	763,049

	Financial liabilities at amortised cost [Note 31(b)] $'000	Non-financial liabilities $'000	Total $'000
2011			
Company			
Liabilities			
Amounts due to subsidiaries	295,807	–	295,807
Other payables	4,835	–	4,835
Loans	201,868	–	201,868
Deferred income	–	497	497
Provision for taxation	–	208	208
Deferred tax liabilities	–	630	630
	502,510	1,335	503,845

Notes to the Financial Statements
— 31 March 2011

31. Fair value of financial instruments (Continued)

Classification of financial instruments (Continued)

	Loans and receivables [Note 31(b)] $'000	Non-financial assets $'000	Total $'000
2010			
Company			
Assets			
Property, plant and equipment	–	177,866	177,866
Investment in subsidiaries	–	24,355	24,355
Amounts due from a subsidiary	33,635	–	33,635
Other receivables	1,186	–	1,186
Prepayments	–	169	169
Cash and cash equivalents	180,462	–	180,462
	215,283	202,390	417,673

	Financial liabilities at amortised cost [Note 31(b)] $'000	Non-financial liabilities $'000	Total $'000
2010			
Company			
Liabilities			
Amounts due to a subsidiary	168,421	–	168,421
Other payables	2,822	–	2,822
Deferred income	–	104	104
Provision for taxation	–	208	208
	171,243	312	171,555

Notes to the Financial Statements

— 31 March 2011

31. Fair value of financial instruments (Continued)

(a) *Fair values of financial instruments that are carried at fair value*

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group Significant other observable inputs (Level 2)	
	2011	**2010**
	$'000	**$'000**
Financial assets:		
Derivatives		
– Jet fuel collars	**8,180**	1,578
– Foreign currency forward contracts	**75**	24
At 31 March	**8,255**	1,602
Financial liabilities:		
Derivatives		
– Jet fuel collars	**–**	6
– Foreign currency forward contracts	**5,005**	2,709
At 31 March	**5,005**	2,715

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There are no financial instruments classified under level 1 or level 3 of the fair value hierarchy.

Notes to the Financial Statements

— 31 March 2011

31. Fair value of financial instruments (Continued)

(a) *Fair values of financial instruments that are carried at fair value* (Continued)

Determination of fair value

The fair value of foreign currency forward contracts is determined by reference to current forward prices for contracts with similar maturity profiles, based on reference to valuation reports provided by counterparties. The fair values of jet fuel collars are determined by reference to available market information and are the mark-to-market values of these contracts, based on reference to valuation reports provided by counterparties.

(b) Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, trade and other receivables, amounts due from/(to) subsidiaries, trade and other payables and loans.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

32. Capital management

The Group is a fast growing company and its intention is to reinvest all earnings back in the business, to fund its capital expenditure.

The Group’s primary objective is to maintain an efficient capital structure, tapping a combination of equity, structured asset financing (using both finance and operating leases) and bank borrowings. This provides flexibility to the Group to pursue its growth opportunities and to provide adequate access to liquidity to mitigate adverse cashflow impact of unforeseen events.

The Directors regularly review the Group’s capital structure; taking into consideration the prevailing economic and trading conditions, current opportunities and future commitments of the Group. It will also consider the availability of source of capital, terms and conditions negotiated with capital providers and the prevailing cost of capital required by the capital providers.

No changes were made in the objectives, policies or processes during the years ended 31 March 2011 and 31 March 2010.

Notes to the Financial Statements

— 31 March 2011

32. Capital management (Continued)

The Group is not subject to any external imposed capital requirements.

The capital for the Group is tabulated below:

	Group	
	2011	**2010**
	$'000	**$'000**
Equity	**194,674**	149,741
Loans	**540,862**	211,543
Total equity and loans	**735,536**	361,284

Segmental analysis

All revenues are derived from the Group's principal activity and business segment of airline and aircraft management. Revenue and assets are analysed by geographical area (by country of origin) as follows:

	Group	
	2011	**2010**
	$'000	**$'000**
Revenue		
Asia	**342,701**	278,218
Australia	**279,564**	207,958
Total revenue	**622,265**	486,176
Property, plant and equipment		
Asia	**740,177**	320,360
Australia	**132**	14
Total property, plant and equipment	**740,309**	320,374

Notes to the Financial Statements

— 31 March 2011

33. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

	Group 2010	
	As re-stated	**As previously reported**
	$'000	**$'000**
Income statement		
Expenses		
Exchange loss/(gain)	(6,279)	–
Others	14,353	6,018
Finance income, net	–	239
Finance income	1,021	–
Finance expense	(782)	–
Exchange gain on borrowings	(2,056)	–

34. Authorisation for issue of financial statements

The financial statements for the year ended 31 March 2011 were authorised for issue in accordance with a resolution of the directors on 19 May 2011.

Interested Person Transactions

Interested persons transactions carried out during the financial year by the Group are as follows:

Name of Interested Person	Aggregate value of interested person transactions during the year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding IPTs less than $100,000)
SIA Engineering Company (Limited)	–	$4,403,074
Aviation Partnership (a subsidiary of SIA Engineering Company (Limited))	–	$119,989
Singapore Airlines Limited	–	$200,000
Tradewinds Tours & Travel Pte Ltd	–	$254,341
Temasek Holdings (Private) Limited (Singapore Airport Terminal Services Limited/ Asia Airfreight Terminal Co. Ltd.)	–	$600,000
Total Interested Persons Transactions	**–**	**$5,577,404**

All the above interested persons transactions were carried out on normal commercial terms.

Material Contracts

There are no material contracts between the Company and its subsidiaries involving the interests of the Group President and Chief Executive Officer, each Director or controlling shareholder (as defined in the SGX-ST Listing Manual) of the Company, either still subsisting at the end of the financial year 2011, or if not then subsisting, entered into since the end of the previous financial year 2010, other than, where applicable:

(a) as disclosed on pages 139 to 144 and page 192 of the Company's IPO prospectus;

(b) the Service Contract signed between the Company and the Group President and Chief Executive Officer, and the appointment letters signed by the Company with the independent Directors;

(c) as disclosed in Note 29 (Related Party Disclosures) of the notes to the financial statements; and

(d) interested person transactions as listed in the Interested Person Transactions section of this Annual Report.

Use of Proceeds

As at 16 June 2011, the status on the use of proceeds raised from the initial public offering of the Company is as follows:

	Allocation $m	Actual utililisation $m	Amount yet to be utilised $m
Funding for acquisition of aircraft and associated aircraft pre-delivery payments	150.3	150.3	Nil
Establishment of new airline and/or operating bases	9.0	Nil	9.0
Repayment of short-term loans	45.6	45.6	Nil
Working capital	18.5	18.5	Nil
Listing expenses	9.9	9.9	Nil
Gross proceeds from IPO	**233.3**	**224.3**	**9.0**

The utilisation is in accordance with the intended use of proceeds of the initial public offering and in accordance with the percentage allocated, as stated in the Prospectus.

Shareholders' Information

as at 16 June 2011

Number of Issued Shares	:	545,095,095 shares
Class of Shares	:	ordinary shares
Voting Rights	:	one vote per ordinary share
No. of Holders	:	10,830 holders

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 999	15	0.14	4,446	0.00
1,000 – 10,000	8,575	79.18	43,943,846	8.06
10,001 – 1,000,000	2,225	20.54	79,150,453	14.52
1,000,001 and above	15	0.14	421,996,350	77.42
	10,830	**100.00**	**545,095,095**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Singapore Airlines Limited	179,009,250	32.84
2.	Citibank Nominees Singapore Pte Ltd	78,340,490	14.37
3.	DBSN Services Pte Ltd	43,220,000	7.93
4.	Dahlia Investments Pte Ltd	40,185,750	7.37
5.	DBS Nominees Pte Ltd	23,499,948	4.31
6.	United Overseas Bank Nominees Pte Ltd	18,853,120	3.46
7.	HSBC (Singapore) Nominees Pte Ltd	12,379,065	2.27
8.	Morgan Stanley Asia (S'pore) Securities Pte Ltd	9,606,000	1.76
9.	DBS Vickers Securities (S) Pte Ltd	6,123,000	1.12
10.	Citibank Consumer Nominees Pte Ltd	3,554,275	0.65
11.	Phillip Securities Pte Ltd	2,031,304	0.37
12.	Raffles Nominees (Pte) Ltd	1,810,648	0.33
13.	Kim Eng Securities Pte. Ltd.	1,219,500	0.22
14.	OCBC Nominees Singapore Pte Ltd	1,149,000	0.21
15.	OCBC Securities Private Ltd	1,015,000	0.19
16.	Seah Chiong Soon	1,000,000	0.18
17.	Teo Kok Kheng	1,000,000	0.18
18.	Bank of Singapore Nominees Pte Ltd	896,000	0.16
19.	Fragrance Group Limited	800,000	0.15
20.	Rosalynn Tay Ee Heah	739,965	0.14
	Total	**426,432,315**	**78.21**

Shareholders' Information

as at 16 June 2011

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 16 June 2011)

	Direct Interest	%	Deemed Interest	%
Singapore Airlines Limited	179,009,250	32.84	–	–
The Capital Group Companies, Inc.	43,892,000	8.05	–	–
Dahlia Investments Pte. Ltd.	40,185,750	7.37	–	–
Temasek Holdings (Private) Limited[(1)]	–	–	222,757,000	40.87
Thomson Capital Pte Ltd[(2)]	–	–	40,185,750	7.37
Tembusu Capital Pte Ltd[(3)]	–	–	42,174,750	7.74

Notes:

(1) Singapore Airlines Limited ("Singapore Airlines"), Dahlia Investments Pte. Ltd ("Dahlia") and Swordfish Investments Pte. Ltd. ("Swordfish") are subsidiaries of Temasek Holdings (Private) Limited ("Temasek"). Accordingly, Temasek is deemed to be interested in shares in the Company held by Singapore Airlines, Dahlia and Swordfish.

(2) Dahlia is a wholly owned subsidiary of Thomson Capital Pte Ltd ("Thomson"). Accordingly, Thomson is deemed to be interested in shares in the Company held by Dahlia.

(3) Dahlia is a wholly owned subsidiary of Thomson which in turn is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. ("Tembusu"). Swordfish is a subsidiary of Seatown Holdings Pte. Ltd. which in turn is a wholly owned subsidiary of Tembusu. Accordingly, Tembusu is deemed to be interested in shares in the Company held by Dahlia and Swordfish.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 16 June 2011, approximately 50.5% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1, 2nd Level, Singapore 068804, on Friday, 29 July 2011 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and Audited Accounts for the financial year ended 31 March 2011 and the Auditors' Report thereon.
(Resolution 1)

2. To re-elect Ms. Rachel Eng Yaag Ngee as a Director retiring by rotation under Article 125 of the Company's Articles of Association and who, being eligible, offers herself for re-election.
(Resolution 2)

3. To re-elect Mr. Yap Chee Keong as a Director retiring by rotation under Article 125 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
(Resolution 3)

4. To re-elect Mr. Joseph Yuvaraj Pillay, retiring under Article 131 of the Company's Articles of Association, as a Director, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
(Resolution 4)

5. To re-elect Mr. Chin Yau Seng as a Director retiring pursuant to Article 131 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
(Resolution 5)

6. To approve payment of Directors' fees of up to $517,000 for the financial year ending 31 March 2012 (FY 2010/2011: up to $425,000).
(Resolution 6)

7. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.
(Resolution 7)

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

8. **Authority to Issue Shares**

That authority be and is hereby given to the Directors of the Company, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("Companies Act") to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

Notice of Annual General Meeting

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

  (1) any new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution is passed; and

  (2) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST ("Listing Manual") for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)

9. **Authority to issue Shares under the Pre-IPO Tiger Aviation Share Option Scheme ("Scheme")**

That the Directors be and are hereby authorised to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Scheme, such authority (unless revoked or varied by the Company in general meeting) to continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 9)

Notice of Annual General Meeting

10. **Authority to grant awards ("Awards") and issue Shares under the Tiger Airways Long Term Incentive Plan ("Plan")**

That the Directors of the Company be and are hereby authorised to:

(a) grant Awards in accordance with the provisions of the Plan; and

(b) allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards granted under the Plan; and

(c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue fully paid-up Shares pursuant to the vesting of any Awards granted by the Directors in accordance with the Plan while this Resolution was in force,

provided that the aggregate number of new Shares to be allotted and issued, when aggregated with the new Shares issued and/or issuable and the existing Shares delivered and/or deliverable in respect of all Awards granted under the Plan, and all Shares, options or awards granted under any other share scheme of the Company in force, shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time, such authority (unless revoked or varied by the Company in general meeting) to continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 10)

11. **Proposed Renewal of the IPT Mandate**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9"), for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to this Notice of Annual General Meeting (the "Appendix"), with any person who falls within the classes of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in the Appendix (the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(Resolution 11)

Notice of Annual General Meeting

12. To transact any other business as may properly be transacted at an Annual General Meeting.

By Order of the Board

Angela Chan
Company Secretary

Singapore, 12 July 2011

Explanatory Notes:-

(i) In relation to Ordinary Resolution 2, Ms. Rachel Eng Yaag Ngee, an independent Director will, upon re-election, continue to serve as the chairperson of the Nominating Committee and a member of the Remuneration Committee.

(ii) In relation to Ordinary Resolution 3, Mr. Yap Chee Keong, an independent Director will, upon re-election, continue to serve as the chairperson of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

(iii) Mr. Gerard Ee Hock Kim and Mr. Teoh Tee Hooi will be retiring by rotation as a Director pursuant to Article 125 of the Company's Articles of Association and will not be offering themselves for re-election.

(iv) Ordinary Resolution 6 is to seek approval for the payment of up to $517,000 to all Directors (other than Mr. Anthony Alfred Peter Davis, the Company's Group President and Chief Executive Officer, and Mr. Chin Yau Seng, Executive Director, whose remuneration are set out in their respective service agreements with the Company) as directors' fees for the financial year ending 31 March 2012. The payment is for services rendered by them as Directors on the Board as well as the various Board Committees. The Directors' fees are calculated based on the formula set out on page 23 of the Annual Report. In the event that the amount proposed is insufficient, approval will be sought at next year's Annual General Meeting for payments to meet the shortfall.

Statement pursuant to Article 74 of the Company's Articles of Association

Ordinary Resolution 8 is to empower the Directors, from the date of the passing of Ordinary Resolution 7 to the date of the next Annual General Meeting, to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the total number of issued Shares (excluding treasury shares), with a sub-limit of 20% of the total number of issued Shares (excluding treasury shares) for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 8 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 8 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Ordinary Resolution 8, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association.

Notice of Annual General Meeting

Ordinary Resolution 9 is to empower the Directors to issue new Shares pursuant to the Scheme. The aggregate number of new Shares to be issued pursuant to the Scheme is subject to the limits set out in the terms of the Scheme. The Scheme was terminated on 22 January 2010, the date on which the Shares commenced trading on the SGX-ST pursuant to its initial public offering. Ordinary Resolution 9 is to authorise the Directors to issue Shares to holders of outstanding options awarded under the Scheme prior to such termination, subject to the terms and conditions of the Scheme.

Ordinary Resolution 10 is to empower the Directors to offer and grant awards and to issue Shares in the capital of the Company pursuant to the Plan, provided that the aggregate number of Shares to be issued under the Plan and the Scheme shall not exceed 10% of the total number of issued Shares in the capital of the Company from time to time.

Ordinary Resolution 11 relates to the renewal of a mandate given by shareholders on 30 July 2010 allowing the Company, its subsidiaries and associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual. Please refer to the Appendix to this Notice of Annual General Meeting for details of the mandate.

Notes

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Such proxy need not be a member of the Company.

2. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Annual General Meeting.

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TIGER AIRWAYS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 1 February 2007)
(Company Registration No. 200701866W)

PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, this Notice of AGM is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We ______________________________ (NRIC/Passport No.) ______________

of ____ (Address)

being a *member/members of TIGER AIRWAYS HOLDINGS LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM of the Company, to be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1, 2nd Level, Singapore 068804, on 29 July 2011 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

No.	Resolution	**For	**Against
ORDINARY BUSINESS			
1	Adoption of Report of the Directors, the Audited Accounts for the financial year ended 31 March 2011 and the Auditor's Report		
2	Re-election of Ms. Rachel Eng Yaag Ngee as a Director		
3	Re-election of Mr. Yap Chee Keong as a Director		
4	Re-election of Mr. Joseph Yuvaraj Pillay as a Director		
5	Re-election of Mr. Chin Yau Seng as a Director		
6	Approval of Directors' fees of up to S$517,000 for financial year ending 31 March 2012		
7	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company and authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
8	Authorisation to Directors to allot and issue new Shares and convertible instruments		
9	Authorisation to Directors to allot and issue new Shares pursuant to the Pre-IPO Tiger Aviation Share Option Scheme		
10	Authorisation to Directors to grant Awards and allot and issue new Shares under the Tiger Airways Long Term Incentive Plan		
11	The Proposed Renewal of the IPT Mandate		

* Delete accordingly
** Indicate your vote "For" or "Against" with a (✓) within the box provided.

Dated this ________ day of ______________ 2011

Total number of Shares Held

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE SIDE

Notes:–

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote instead of him. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, the proportion of the shareholding concerned (expressed as a percentage of the whole) to be represented by each such proxy shall be specified in the instrument appointing the proxy or proxies.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore (the "Companies Act").
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or a duly certified copy thereof, must be deposited at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding of the AGM.

fold along this line (1)

Affix
Postage
Stamp

Attention: The Company Secretary
Tiger Airways Holdings Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

fold along this line (2)

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time of the AGM as certified by The Central Depository (Pte) Limited to the Company and accept as the maximum number of votes which in aggregate the proxy or proxies is or are able to cast on a poll a number which is the number of shares entered against the name of that member in the Depository Register as at 48 hours before the time of the AGM as certified by The Central Depository (Pte) Limited to the Company, whether that number is greater or smaller than the number specified in such instrument appointing a proxy or proxies.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time appointed for holding of the AGM.

Designed and produced by
TOPPAN
TOPPAN VITE PTE. LTD.
(65) 6578 6522

tigerairways.com

tiger airways holdings limited

(company registration number: 200701866w)
(incorporated with limited liability in the
republic of singapore on 1 february 2007)