

Prepared on: 19 March 2019

## SINGAPORE AIRLINES LIMITED

### OFFER OF UP TO S\$500,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 3.03 PER CENT. BONDS DUE 2024 (SUBJECT TO THE UPSIZE OPTION) BY SINGAPORE AIRLINES LIMITED (“THE BONDS”)<sup>1</sup>

*Prior to making a decision to purchase the Bonds, you should carefully consider all the information contained in the Information Memorandum<sup>2</sup> (including the Pricing Supplement). This **PRODUCT HIGHLIGHTS SHEET SHOULD NOT BE READ BY ITSELF** but in conjunction with the Information Memorandum (including the Pricing Supplement). You will be subject to various risks and uncertainties, including the potential loss of the entire principal amount invested. If you are in doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.*

This offer to investors in Singapore is made in reliance on an exemption granted by the Monetary Authority of Singapore (“the Authority”) pursuant to the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016. It is not made in or accompanied by a prospectus that is registered by the Authority.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Bonds contained in the Information Memorandum (including the Pricing Supplement). It complements the Information Memorandum (including the Pricing Supplement).
- You should not purchase the Bonds if you do not understand the nature of an investment in bonds, our business or are not comfortable with the accompanying risks.

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| <b>Issuer</b>  | Singapore Airlines Limited  | <b>Place of incorporation</b>   | Singapore  |
| <b>Issue price and denomination of the Bonds</b>   | 100% (or S\$1,000 per S\$1,000 in principal amount of the Bonds) (the “Issue Price”).<br>The Bonds will be issued in registered form in denominations of S\$1,000 each. | <b>Estimated amount to be raised in this offer, and percentage<sup>3</sup> of the Bonds offered to (a) Institutional Investors and Relevant Persons; and (b) Retail Investors<sup>4</sup></b> | Based on the initial offer size of S\$500,000,000 and the maximum offer size of S\$750,000,000: <ul style="list-style-type: none"> <li>● Gross proceeds – S\$500,000,000 to S\$750,000,000.</li> <li>● Net proceeds – approximately S\$497,000,000 to S\$747,000,000.</li> </ul> Based on the initial offer size of S\$500,000,000: <ul style="list-style-type: none"> <li>● S\$200,000,000 of the Bonds are offered to institutional investors and relevant persons.</li> <li>● The remaining S\$300,000,000 of the Bonds are offered to retail investors.</li> </ul> |
| <b>Description of the Bonds, including maturity date, tenure, coupon rate and frequency of coupon payments</b> | S\$500,000,000 in aggregate principal amount of 5-year bonds with interest of 3.03% per annum, made in two payments each year, maturing on 28 March 2024.               | <b>Listing status of Issuer and the Bonds</b>   | <ul style="list-style-type: none"> <li>● Issuer – Primary listing on the Mainboard of the “SGX-ST” since December 1985.</li> <li>● Bonds – To be listed on the Mainboard of SGX-ST from 29 March 2019. Trading will be in board lots of S\$1,000 in principal amount of the Bonds.</li> </ul>  |
| <b>Lead Manager/ Arranger</b>  | <ul style="list-style-type: none"> <li>● DBS Bank Ltd.</li> <li>● Oversea-Chinese Banking Corporation Limited</li> <li>● United Overseas Bank Limited</li> </ul>        | <b>Underwriter(s)</b>   | <ul style="list-style-type: none"> <li>● DBS Bank Ltd.</li> <li>● Oversea-Chinese Banking Corporation Limited</li> <li>● United Overseas Bank Limited</li> </ul>   |

<sup>1</sup> Subject to the Allocation Condition, the Upsize Option and the Re-allocation.

<sup>2</sup> The Information Memorandum (including the Pricing Supplement) is available for collection, subject to availability, during operating hours from selected branches of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited. A copy of each of the Information Memorandum, the Pricing Supplement and this Product Highlights Sheet is also accessible at [www.sgx.com](http://www.sgx.com).

<sup>3</sup> The actual percentage offered and subsequently issued to institutional investors and relevant persons and retail investors may differ from the above percentages.

<sup>4</sup> Relevant persons include accredited investors and other persons referred to in section 275(2) of the Securities and Futures Act. Retail investors are persons other than institutional investors and relevant persons.

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| <b>Credit rating of the Issuer and the Bonds (if any) and Credit Rating Agencies</b> | <ul style="list-style-type: none"> <li>• The Issuer is not rated by any credit rating agency.</li> <li>• The Bonds are not rated by any credit rating agency.</li> </ul> | <b>Satisfaction of eligibility criteria for exemption set out in regulation 5(1) or 6(1) of the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016</b> | <p>The Issuer has met the following eligibility criteria –</p> <ul style="list-style-type: none"> <li>• All of the shares in the Issuer are listed for quotation on the SGX-ST, and traded on the SGX-ST, and for a continuous period of five years immediately before the time of the offer, all of those shares were so listed and traded.</li> <li>• The Issuer’s market capitalisation is not less than S\$1 billion (or its equivalent in a foreign currency) for each of the 180 market days prior to the offer.</li> <li>• Debentures issued by the Issuer in the previous five years immediately before the time of the offer satisfy both of the following: <ul style="list-style-type: none"> <li>• the total value of all of those debentures that are or were listed for quotation on the SGX-ST, as at the date they were issued, was not less than S\$1 billion (or its equivalent in a foreign currency); and</li> <li>• there has not been a default in the repayment of moneys under any of those debentures.</li> </ul> </li> </ul> |
| <b>Trustee for holders of the Bonds</b>  | Perpetual (Asia) Limited   | <b>Paying Agent/ Registrar</b>  | Deutsche Bank AG, Singapore Branch  |
| <b>Mode of application</b>   | <ul style="list-style-type: none"> <li>• Automated teller machines</li> <li>• Internet banking</li> <li>• Mobile banking</li> </ul>                                      | <b>Opening/closing date(s) and time(s) for application</b>  | <p>Opening date and time for applications under the Public Offer: 20 March 2019 at 9.00 a.m.</p> <p>Last date and time for applications under the Public Offer: 26 March 2019 at 12 noon.</p> <p>Opening date and time for applications under the Placement: After announcement on SGXNET of the Information Memorandum, the Pricing Supplement and this Product Highlights Sheet on 19 March 2019.</p> <p>Last date and time for applications under the Placement: 26 March 2019 at 8 p.m.</p>   |

#### INVESTMENT SUITABILITY

##### WHO IS THE INVESTMENT SUITABLE FOR?

- The Bonds are suitable for you if you:
  - want regular income at a fixed rate rather than capital growth;
  - want priority in payouts over share dividends in an insolvency situation;
  - are prepared to lose the principal investment if the Issuer fails to repay the amount due under the Bonds; and
  - are prepared to hold your investment until maturity or to exit the Bonds only by sale in the secondary market which may be unprofitable or impossible.

## KEY FEATURES

### Background Information

#### WHO ARE YOU INVESTING WITH?

The Issuer was incorporated under the laws of Singapore on 28 January 1972. It provides commercial airline services to destinations in Asia, America, Australia, Europe, Middle East, Africa, and New Zealand from its hub at Singapore's Changi Airport. The substantial shareholder (as shown in the Register of Substantial Shareholders) of the Issuer, Temasek, directly holds approximately 55.5% of the total share capital of the Issuer. Temasek is wholly-owned by the government of Singapore. As at 31 March 2018, the major subsidiaries of the Group were SIA Engineering Company Limited, Singapore Airlines Cargo ("SIA Cargo"), SilkAir (Singapore) Private Limited and Scoot Tigerair Pte. Ltd. SIA Cargo was subsequently reintegrated into the Issuer on 1 April 2018. The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities.

Refer to "The Issuer" commencing from page 68 of the Information Memorandum

#### WHAT ARE YOU INVESTING IN?

We are offering up to S\$500,000,000 million in aggregate principal amount of the Bonds in the Public Offer and the Placement (subject to the Upsize Option). The Bonds are issued pursuant to the Programme. The issue price is S\$1,000 per S\$1,000 in principal amount of the Bonds. Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed on 28 March 2024. Holders of the Bonds will receive interest from 28 March 2019 to 28 March 2024 at a rate of 3.03% per annum, made in two payments on 28 March and 28 September each year.

Refer to "Terms and Conditions of the Bonds" commencing page 27 of the Information Memorandum and the Pricing Supplement

The Bonds constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations (other than subordinated obligations and priorities created by law) of the Issuer.

The Bonds may be redeemed at the option of the Issuer for certain taxation reasons set forth in "Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption for Taxation Reasons".

### Key Financial Information

#### Financial results for nine months ended 31 December

##### Key profit and loss information for nine months ended 31 December for

|                        | FY 2019      | FY 2018<br>(restated) |
|------------------------|--------------|-----------------------|
|                        | (\$ million) | (\$ million)          |
| Revenue                | 12,248.1     | 11,788.8              |
| Expenditure            | 11,434.5     | 10,573.4              |
| Operating Profit       | 813.6        | 1,215.4               |
| Profit before taxation | 654.6        | 1,237.1               |

##### Key balance sheet information as at

|                        | 31 December<br>2018 | 31 March<br>2018<br>(restated) |
|------------------------|---------------------|--------------------------------|
|                        | (\$ million)        | (\$ million)                   |
| Cash and Bank Balances | 1,324.6             | 2,568.3                        |
| Total Assets           | 27,510.8            | 25,892.5                       |
| Equity Holders' Funds  | 12,263.8            | 12,860.3                       |
| Total Liabilities      | 14,857.4            | 12,664.1                       |

##### Key cash flow information for nine months ended 31 December for

|  | FY 2019      | FY 2018<br>(restated) |
|--|--------------|-----------------------|
|  | (\$ million) | (\$ million)          |
| Profit before taxation                                 | 654.6        | 1,237.1               |
| Net cash provided by operating activities              | 1,778.9      | 1,683.6               |
| Net cash used in investing activities                  | (4,407.9)    | (3,881.7)             |
| Net cash provided by financing activities              | 1,375.3      | 1,220.8               |
| Net cash outflow                                       | (1,253.7)    | (977.3)               |
| Cash and cash equivalents at the beginning of the year | 2,568.3      | 3,380.5               |
| Effect of exchange rate changes                        | 10.0         | (9.9)                 |
| Cash and cash equivalents at the end of the year       | 1,324.6      | 2,393.3               |

Refer to "Selected Financial Information" commencing from page 80 and "Financial Review" commencing from page 82 of the Information Memorandum and "Index to Financial Statements" commencing from page F-1 of the Information Memorandum

| <b>Financial results for the financial year ended 31 March<sup>5</sup></b>   |  |                      |
|--|--|----------------------|
| <b>Key profit and loss information</b>   | <b>FY2018</b>  | <b>FY2017</b>        |
|  | <b>(S\$ million)</b>   | <b>(S\$ million)</b> |
| Revenue  | 15,806.1   | 14,868.5             |
| Expenditure  | 14,748.8   | 14,245.7             |
| Operating Profit   | 1,057.3  | 622.8                |
| Profit before taxation   | 1,101.0  | 518.6                |
| <b>Key balance sheet information</b>   | <b>FY2018</b>  | <b>FY2017</b>        |
|  | <b>(S\$ million)</b>   | <b>(S\$ million)</b> |
| Cash and Bank Balances   | 2,568.3  | 3,380.5              |
| Total Assets   | 27,549.2   | 24,720.0             |
| Equity Holders' Funds  | 14,251.2   | 13,083.0             |
| Total Liabilities  | 12,929.9   | 11,249.8             |
| <b>Key cash flow information</b>   | <b>FY2018</b>  | <b>FY2017</b>        |
|  | <b>(S\$ million)</b>   | <b>(S\$ million)</b> |
| Profit before taxation   | 1,101.0  | 518.6                |
| Net cash provided by operating activities  | 2,610.9  | 2,532.9              |
| Net cash used in investing activities  | (4,581.3)  | (2,943.5)            |
| Net cash provided by financing activities  | 1,187.9  | (224.6)              |
| Net cash outflow   | (782.5)  | (635.2)              |
| Cash and cash equivalents at the beginning of the year   | 3,380.5  | 3,972.4              |
| Effect of exchange rate changes  | (29.7)   | 43.3                 |
| Cash and cash equivalents at the end of the year   | 2,568.3  | 3,380.5              |
| <b>Trends, Uncertainties, Demands, Commitments or Events Reasonably Likely to Have a Material Effect</b>   |  |                      |
| <p>Overall passenger bookings in the forward months are tracking capacity growth, however uncertainties surrounding US-China tariffs and their consequent effects on global trade flows, as well as Brexit, are clouding the overall demand outlook for both passenger and cargo. The Issuer will continue to be nimble and proactive in responding to pockets of weakness or opportunity by rebalancing supply across the network.</p> <p>To reduce volatility on fuel prices, the Group has hedged 80% of its fuel requirement in Jet Fuel Singapore for the fourth quarter of FY2019, and up to 45% of the Group's projected annual fuel consumption in Brent oil up to FY2024.</p> <p>The Group's three-year transformation programme helped enhance customer experience and grow revenue, while realising operational and cost efficiencies. The recent opening of KrisLab will enable the Group to fully embrace digitalisation and technology in all aspects of its business operations.</p> <p><b>The above is a summary of the section "Trend Information and Profit Forecast or Profit Estimate" of the Information Memorandum and these are not the only trends, uncertainties, demands, commitments or events that could affect the Issuer. Please also refer to the section "Risk Factors" of the Information Memorandum.</b></p> | <p><i>Refer to "Trend Information and Profit Forecast or Profit Estimate" on page 93 of the Information Memorandum</i></p> |                      |
| <b>Use of Proceeds</b>   |  |                      |
| The net proceeds will be used to fund aircraft purchases and aircraft related payments.  | <p><i>Refer to "Use of Proceeds" on page 9 of the Pricing Supplement</i></p>   |                      |
| <b>KEY RISKS</b>   |  |                      |
| <b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b>  |  |                      |
| <p><b>Investing in the Bonds involves substantial risks. Set out below are some of the key risks of investing in the Bonds. This list is not exhaustive, and does not represent all the risks associated with, and considerations relevant to, the Bonds or your decision to purchase the Bonds. Please refer to the section "Risk Factors" of the Information Memorandum for more information on risk factors. These risk factors could affect our ability to fulfil our obligations to holders of the Bonds, or the price or value of the Bonds, and may cause you to lose some or all of your investment.</b></p>   | <p><i>Refer to "Risk factors" commencing from page 55 of the Information Memorandum</i></p>                                |                      |

<sup>5</sup> Financial results based on FY2018 Annual Report. There has been a restatement of financial results due to the adoption of IFRS 1 from 1<sup>st</sup> April 2018.

| Business-Related Risks  |   |
|---|---|
| <p><b>Geo-political Risks</b></p> <p>The Issuer's business consists substantially of carriage of passengers and freight globally. It will be affected if there is a widespread reduction in the demand for air travel arising from geo-political events that cause customers to reduce or avoid air travel, or that prevent the Issuer from delivering its services. Uncertain and unfavourable economic conditions and, in particular, future political and economic factors which have the effect of reducing expenditure for air travel and freight services, may materially and adversely affect the Issuer's business, financial condition and results of operations or prospects.</p> <p><b>Epidemic, Calamity and Terrorism Risks</b></p> <p>The outbreak of any contagious disease with human-to-human airborne or contact propagation effects that escalates into a regional or global pandemic may have an adverse impact on all airlines, including the Issuer which may operate to or from such affected areas/regions. Air travel will be severely reduced even though international and national response plans to address such events have been developed or are in development. Other natural calamities such as earthquakes, floods, volcanic eruptions or tsunamis may devastate destinations and significantly reduce travel to those areas for a period of time. Terrorism and war (and threats of terrorism and war) and civil/political strife may also contribute to a fear of travelling by air, or visiting particular destinations, resulting in a sharp fall in demand for air travel. These events may also result in the closure or restriction of access to airspace or airports. Given that the Issuer's services depend on the availability of these facilities, its business and operations could be adversely affected by the occurrence of such events.</p> <p><b>Economic Risks</b></p> <p>International air transportation is intimately linked and correlated with economic growth. Growth or decline in economic activity directly affects demand for business travel by air and for cargo space. Economic downturns can also impact leisure travel as discretionary income is affected. Since a substantial portion of airline travel, for both business and leisure, is discretionary, the airline industry tends to experience adverse financial performance during an economic downturn. The Group's business depends substantially on the general economic conditions in Asia. As the airline industry is generally characterised by high fixed costs, including aircraft costs such as aircraft depreciation, lease rentals, maintenance and repair costs, a drop in revenue levels as a result of a slower economic cycle could have an adverse impact on the Group's financial performance. It is difficult to predict the duration and effects of an economic downturn, which may be aggravated by volatility in the financial sector and the capital markets, leading to significant market-wide liquidity problems.</p> <p><b>Competition Risks</b></p> <p>The Issuer's hub location in Changi, Singapore, enjoys geographical advantages in linking traffic between regions. Changi Airport faces competition from the development and growth of other hub airports in the Asia-Pacific and/or the Middle East that may draw traffic away or allow traffic to by-pass Changi Airport. A decline in traffic may be experienced by the Issuer should international air traffic patterns shift to other airports and by-pass Changi Airport. The international aviation market is highly competitive. As an international full service carrier, the Issuer competes for passengers with other major full service airlines. Any liberalisation of traffic rights or change of traffic pattern in respect of a major route that the Group operates will result in increasing competition or loss in demand on that route. A significant and prolonged reduction in yields or loss of market share to competitors would impact the Issuer's operational results. Airlines with different business models continue to pose potential threats to full service airlines. Such business models include low cost airlines and all premium class airlines offering similar routes.</p> <p><b>Jet Fuel Price Risk</b></p> <p>Historically, fuel costs have been subject to wide price fluctuations based on geopolitical issues and supply and demand. Due to the variety of factors that affect the price of fuel, the cost of fuel cannot be predicted with any degree of certainty. The Group's earnings are affected by changes in the price of jet fuel.</p> | <p><i>Refer to page 55 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 55 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to pages 55-56 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 56 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to pages 56-57 under "Risk factors" of the Information Memorandum</i></p> |
| Legal, Regulatory and Enforcement Risks   |   |
| <p><b>Regulatory Risks</b></p> <p>Safety, environmental and similar regulations impose significant requirements and compliance costs on the Issuer's business. For the Issuer to maintain its air operator's certificate, it has to comply with regulations in Singapore and elsewhere. These regulations deal mainly with safety issues from aircraft airworthiness to training of crew. Governments across the world have also become more active in regulatory intervention on issues ranging from environmental protection to anti-corruption and</p>   | <p><i>Refer to page 56 under "Risk factors" of the Information Memorandum</i></p>   |

consumer welfare. Changes in such regulations, or the administration of such regulations, could have an adverse impact on the Group's business by increasing costs, impeding normal service, restricting market access and benefiting its competitors. In some instances, governments may adopt restrictive policies with respect to the issuance of certain permits and approvals.

#### **Litigation Risk**

The Group's operations involve inherent risks to both persons and property. For example, an aviation accident could result in the loss of life and/or the loss of cargo. Defending private actions can be costly and time-consuming. If a judgment against the Group were to be rendered, the Group may be exposed to substantial financial liabilities, which may not be covered or adequately covered by insurance. Due to risks of litigation, the Group is also exposed to liability arising from the normal operations of its airline business.

#### **The Bonds are not secured**

The Bonds constitute unsecured obligations of the Issuer. Accordingly, on a winding-up of the Issuer at any time prior to maturity of any Bonds, the Bondholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Bonds and/or Coupons owed to the Bondholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Bonds, to discharge all outstanding payment and other obligations under the Bonds and/or Coupons owed to the Bondholders.

#### **Singapore Taxation Risk**

The Bonds to be issued from time to time under the Programme during the period from the date of the Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the "Taxation on the Bonds" section of the Information Memorandum. However, there is no assurance that such Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

#### **The Trustee may request that the Bondholders provide pre-funding, indemnity and/or security to its satisfaction**

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Bonds and the taking of enforcement steps pursuant to Condition 11 of the Bonds), the Trustee may, at its discretion, request the Bondholders to provide pre-funding and/or an indemnity and/or security to its satisfaction before it takes action on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if not pre-funded, indemnified and/or secured to its satisfaction. The Trustee may not be able to take action, notwithstanding the provision of pre-funding, indemnity or security to it, in breach of the terms of the Trust Deed constituting the Bonds and/or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations.

#### **Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Bondholders**

There can be no assurance that the Issuer will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material and adverse effect on the Bondholders.

Where the Issuer is insolvent and undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. Further, an application by the Issuer for a moratorium may not in itself constitute an event of default under the terms and conditions of the Bonds and the Trustee may not be able to declare the Bonds immediately due and payable upon the occurrence of such an event. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to sue the Issuer, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

*Refer to page 59 under "Risk factors" of the Information Memorandum*

*Refer to pages 61-62 under "Risk factors" of the Information Memorandum*

*Refer to page 61 under "Risk factors" of the Information Memorandum*

*Refer to pages 65 under "Risk factors" of the Information Memorandum*

*Refer to pages 65-66 under "Risk factors" of the Information Memorandum*

| Market and Credit Risks   |   |
|---|---|
| <p><b>Changes in market interest rates may adversely affect the value of fixed rate Bonds</b></p> <p>The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.</p> <p><b>Inflation Risk</b></p> <p>Bondholders may suffer erosion on the real return of their investments due to inflation. Bondholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual real returns, as the principal repayment and interest payments on the Bonds may not keep pace with inflation.</p> <p><b>The Bonds are redeemable in the event of certain withholding taxes being applicable</b></p> <p>The Issuer has the right to redeem the Bonds at any time subject to certain specified exceptions in the event that it has or will become obliged to pay additional amounts on account of any existing or future withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements.</p> <p><b>There is no assurance that the Issuer will have sufficient cash flow to meet payment obligations under the Bonds</b></p> <p>There is no assurance that the Issuer will have sufficient cash flow to meet payment obligations under the Bonds as and when they fall due, in the event the Issuer suffers a material deterioration in its financial condition. In such event, the ability of the Issuer to comply with its payment obligations under the Trust Deed and the Bonds may be adversely affected.</p> <p><b>Exchange rate risks and exchange controls may result in Bondholders receiving less interest or principal than expected</b></p> <p>The Issuer will pay principal and interest on the Bonds in the currency specified. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit other than the currency in which the Bonds are denominated.</p> | <p><i>Refer to page 66 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 61 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 62 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 61 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to page 65 under "Risk factors" of the Information Memorandum</i></p> |
| Liquidity Risks   |   |
| <p><b>There may be no active trading market for the Bonds</b></p> <p>The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The lack of liquidity may have a severely adverse effect on the market value of the Bonds.</p> <p><b>Fluctuation of Market Value of Bonds</b></p> <p>Trading prices of the Bonds are influenced by numerous factors, including (a) the market for similar securities, (b) the operating results and/or financial condition of the Issuer and/or its subsidiaries and/or associated companies (if any) and (c) political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally.</p>  | <p><i>Refer to page 60 under "Risk factors" of the Information Memorandum</i></p> <p><i>Refer to pages 60-61 under "Risk factors" of the Information Memorandum</i></p>   |
| Other Pertinent Risks   |   |
| <p><b>Liquidity Risk</b></p> <p>As at 31 December 2018, the Group had at its disposal, cash and short-term deposits amounting to S\$1,324.6 million. In addition, the Group had available short-term credit facilities of about S\$1,659.2 million. The Group also has a Medium Term Note Programme ("MTN Programme") under which it may issue notes to meet liquidity requirements. As at 31 December 2018, the size of the MTN Programme was S\$5,000.0 million and S\$1,370.0 million was un-utilised. Under the MTN Programme, notes issued by the Issuer may have varying maturities as agreed with the relevant financial institutions. Should any of the Group's existing credit/borrowing facilities be cancelled, reduced or otherwise not be made available to the Group, the Group's liquidity and cash flow position may be materially and adversely affected.</p>  | <p><i>Refer to page 60 under "Risk factors" of the Information Memorandum</i></p>   |

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| <p><b>Modifications, waivers and events of default</b></p> <p>The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.</p> | <p><i>Refer to page 63 under "Risk factors" of the Information Memorandum</i></p> |
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### DEFINITIONS

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| Allocation Condition:   | The condition that no Bond shall be issued unless not less than 20% of the Bonds are issued to institutional investors and relevant persons (excluding any amount of Bonds issued or to be issued to the Joint Lead Managers and Bookrunners for their own accounts)   |
| Bondholders:            | The holders of the Bonds   |
| FY:                     | Financial Year ended 31 March  |
| Group:                  | The Issuer and its subsidiaries  |
| Information Memorandum: | The information memorandum dated 13 March 2019 in relation to the Programme  |
| Issuer:                 | Singapore Airlines Limited   |
| ITA:                    | Income Tax Act, Chapter 134 of Singapore   |
| MAS:                    | The Monetary Authority of Singapore  |
| Placement:              | The offering of S\$200 million in aggregate principal amount of Bonds at the Issue Price to institutional and other investors, subject to the Allocation Condition, the Upsize Option and the Re-allocation  |
| Pricing Supplement:     | The pricing supplement dated 19 March 2019, to be read in conjunction with the Information Memorandum, specifying the relevant issue details in relation to the Bonds  |
| Programme:              | The S\$2,000,000,000 Medium Term Bond Programme of the Issuer  |
| Public Offer:           | The offering of up to S\$300 million in aggregate principal amount of Bonds at the Issue Price to retail investors in Singapore through Electronic Applications (as defined in the Information Memorandum), subject to the Allocation Condition, the Upsize Option and the Re-allocation   |
| Re-allocation:          | Subject to the Allocation Condition, the Issuer may, at its discretion and in consultation with the Joint Lead Managers and Bookrunners, re-allocate the aggregate principal amount of Bonds offered between the Public Offer and the Placement  |
| SGX-ST:                 | The Singapore Exchange Securities Trading Limited  |
| Trustee:                | Perpetual (Asia) Limited   |
| Trust Deed:             | The trust deed dated 13 March 2019 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time   |
| Upsize Option:          | Subject to the Allocation Condition, in the event of oversubscription in the Public Offer and/or the Placement, the Issuer may, at its discretion and in consultation with the Joint Lead Managers and Bookrunners, and prior to the issue date (i) increase the issue size of the Bonds under the Public Offer and/or the Placement and (ii) determine the final allocation of such oversubscription between the Public Offer and the Placement, such that the maximum issue size under the Public Offer and the Placement shall not exceed S\$750,000,000 in aggregate principal amount of the Bonds |

### CONTACT INFORMATION

If you have questions, please contact DBS Bank Ltd. at 1800 111 1111, POSB at 1800 339 6666, Oversea-Chinese Banking Corporation Limited at 1800 363 3333, United Overseas Bank Limited at 1800 222 2121 until 12 noon on 26 March 2019.