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## VOLUNTARY CONDITIONAL GENERAL OFFER

by



**DBS Bank Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 196800306E)

for and on behalf of



**Singapore Airlines Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197200078R)

for



**Tiger Airways Holdings Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200701866W)

## OFFER ANNOUNCEMENT

### 1. INTRODUCTION

DBS Bank Ltd. (“**DBS**”) wishes to announce, for and on behalf of Singapore Airlines Limited (the “**Offeror**” or “**SIA**”), that the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) for all the issued ordinary shares (the “**Shares**”) in the capital of Tiger Airways Holdings Limited (the “**Company**” or “**Tiger Airways**”), other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer.

## 2. THE OFFER

**2.1 Terms of the Offer.** Subject to the terms and conditions set out in the formal offer document (the “**Offer Document**”) to be issued by DBS, for and on behalf of the Offeror, the Offeror will make the Offer for all the issued Shares, other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Singapore Code on Take-overs and Mergers (the “**Code**”) on the following basis:

**2.1.1 Consideration.** The consideration for the Offer Shares (as defined in **paragraph 2.1.2** below) tendered in acceptance of the Offer will be as follows:

Each shareholder of the Company (the “**Shareholder**”) who validly accepts the Offer (the “**Accepting Shareholder**”) will be:

- (i) paid S\$0.41 in cash (the “**Offer Price**”) for each Offer Share tendered in acceptance of the Offer; and
- (ii) granted a non-transferable option to subscribe (the “**Option to Subscribe**”) for issued ordinary shares (the “**Offeror Shares**”) in the capital of the Offeror on the following principal terms and conditions:
  - (a) the Option to Subscribe will only be granted to the Accepting Shareholder if the Offer becomes or is declared to be unconditional in all respects in accordance with its terms;
  - (b) the Option to Subscribe will be exercisable by the Accepting Shareholder at any time during a 15 Market Day<sup>1</sup> period (the “**Option Exercise Period**”), which will commence on a date to be announced by the Offeror after the final settlement date in respect of all the Offer Shares validly tendered in acceptance of the Offer. The Offeror Shares will only be issued to the Accepting Shareholder if the Accepting Shareholder has validly exercised the Option to Subscribe during the Option Exercise Period. For the avoidance of doubt, if the Option to Subscribe is not validly exercised by the Accepting Shareholder during the Option Exercise Period, the Option to Subscribe will lapse and be null and void;
  - (c) the subscription price of the Offeror Shares payable by the Accepting Shareholder exercising the Option to Subscribe will be S\$11.1043 (the “**Subscription Price**”) for each Offeror Share; and

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<sup>1</sup> For the purposes of this Announcement, “**Market Day**” means a day on which the SGX-ST (as defined in **paragraph 2.2.2** below) is open for trading of securities.

- (d) the maximum number of Offeror Shares which the Accepting Shareholder may subscribe for pursuant to the Option to Subscribe will be determined as follows (rounded down to the nearest whole Offeror Share):

**Maximum Number of Offeror Shares = A / B**

Where:

“A” = Total Offer Price paid or payable to the Accepting Shareholder pursuant to the terms of the Offer in respect of all the Offer Shares validly tendered by such Accepting Shareholder in acceptance of the Offer

“B” = The Subscription Price

Further details in relation to the Option to Subscribe will be set out in the Offer Document.

For purely illustrative purposes only, based on the Offer Price of S\$0.41 and the Subscription Price of S\$11.1043 and assuming that the Offer becomes or is declared to be unconditional in all respects in accordance with its terms:

- (I) If the Accepting Shareholder validly accepts the Offer in respect of 1,000 Offer Shares, such Accepting Shareholder will receive S\$410 in cash and will be granted the Option to Subscribe for up to 36 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (II) If the Accepting Shareholder validly accepts the Offer in respect of 10,000 Offer Shares, such Accepting Shareholder will receive S\$4,100 in cash and will be granted the Option to Subscribe for up to 369 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (III) If the Accepting Shareholder validly accepts the Offer in respect of 50,000 Offer Shares, such Accepting Shareholder will receive S\$20,500 in cash and will be granted the Option to Subscribe for up to 1,846 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.

**2.1.2 Offer Shares.** The Offer, when made, will be extended to:

- (i) all issued Shares, other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer, but including issued Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer;

- (ii) all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the perpetual convertible capital securities issued by Tiger Airways (the “**PCCS**”) prior to the final closing date of the Offer;
- (iii) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (the “**Options**”) granted under the Pre-IPO Tiger Aviation Share Option Scheme (the “**Tiger Airways Scheme**”) prior to the final closing date of the Offer; and
- (iv) all new Shares unconditionally issued or delivered, or to be issued or delivered, pursuant to the vesting of any outstanding share awards (the “**Awards**”) granted under the Tiger Airways Group Restricted Share Plan and the Tiger Airways Group Performance Share Plan prior to the final closing date of the Offer,

(collectively, the “**Offer Shares**”).

**2.1.3 No Encumbrances.** The Offer Shares will be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (each, an “**Encumbrance**”) and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the “**Announcement Date**”) and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (the “**Distributions**”) declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.

**2.1.4 Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date to the Accepting Shareholder, the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or

- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

**2.2 Conditions to the Offer.** The Offer will be subject to the following conditions:

- 2.2.1 Level of Acceptances of the Offer.** The Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 90 per cent. of the voting rights attributable to all the Shares in issue as at the close of the Offer (including any voting rights attributable to Shares (i) unconditionally issued or to be issued pursuant to the valid conversion and/or exercise of any PCCS and/or Options prior to the final closing date of the Offer or (ii) unconditionally issued or delivered, or to be issued or delivered, pursuant to the vesting of any Awards prior to the final closing date of the Offer) (the “**Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 90 per cent. of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all Shares (a) under the PCCS and the Options been issued and (b) under the Awards been issued and/or delivered, as at the date of such declaration.

As at the Announcement Date, the Company is a subsidiary of the Offeror and the Offeror directly holds 1,393,456,041 Shares, representing approximately 55.77 per cent. of the total number of issued Shares.<sup>2</sup>

- 2.2.2 Approval-in-principle.** The approval-in-principle of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and

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<sup>2</sup> For the purposes of this Announcement, unless otherwise stated, the total number of issued Shares comprises 2,498,626,645 Shares (based on information extracted from an instant information search with the Accounting and Corporate Regulatory Authority of Singapore on 5 November 2015).

quotation of the new Offeror Shares to be issued in connection with the Offer and the PCCS Offer (as defined in **paragraph 3.2** below) on the Official List of the SGX-ST.

The Offeror will make an application to the SGX-ST for the dealing in, listing of and quotation of the new Offeror Shares on the Official List of the SGX-ST and will make the necessary announcement once the approval-in-principle of the dealing in, listing of and quotation of the new Offeror Shares has been obtained from the SGX-ST.

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level equal to or less than 90 per cent. of the voting rights attributable to all the Shares in issue as at the close of the Offer, subject to the approval of the Securities Industry Council of Singapore. In the event that such revision is made during the course of the Offer, the revised Offer will remain open for at least another 14 days and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight days of the notification of such revision.

The Offer is not subject to any other condition. In particular, the Offeror is not required to seek the approval of its shareholders for the Offer, as noted in the announcement dated 6 November 2015 released by the Offeror on the SGX-ST in relation to the Offer.

### **3. THE PCCS OFFER**

**3.1 PCCS.** As at the Announcement Date, based on the latest information available to the Offeror, the Company has outstanding an aggregate of approximately S\$15.1 million<sup>3</sup> in principal amount of 14,119,091 PCCS. The denomination for each PCCS is S\$1.07 and the outstanding PCCS are convertible into 26,738,809 new Shares at the prevailing conversion price of S\$0.565 per Share (the “**PCCS Conversion Price**”). Pursuant to the terms of the PCCS:

**3.1.1** the number of Shares to be issued upon conversion of each PCCS will be determined by dividing the principal amount of each PCCS (being S\$1.07) by the prevailing PCCS Conversion Price;

**3.1.2** if more than one PCCS held by the same holder of PCCS (the “**PCCS Holder**”) is converted at any one time, the number of Shares to be issued to such PCCS Holder upon conversion will be calculated by dividing the aggregate principal amount of the PCCS to be converted by the prevailing PCCS Conversion Price; and

**3.1.3** fractions of a Share will not be issued on conversion of the PCCS.

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<sup>3</sup> Rounded to the nearest one decimal place.

The outstanding PCCS, if converted at the prevailing PCCS Conversion Price, represent approximately 1.05 per cent. of the maximum potential issued share capital of the Company.<sup>4</sup>

**3.2 PCCS Offer.** Pursuant to Rule 19 of the Code, an appropriate offer will be made to the PCCS Holders to acquire the PCCS, other than those already owned or agreed to be acquired by the Offeror as at the date of such offer (the “**PCCS Offer**”).

**3.3 PCCS Consideration.** The consideration for the PCCS tendered in acceptance of the PCCS Offer will be as follows:

Each PCCS Holder who validly accepts the PCCS Offer (the “**Accepting PCCS Holder**”) will be:

**3.3.1** paid the “see-through” price (the “**PCCS Offer Price**”) for the PCCS tendered in acceptance of the PCCS Offer in accordance with Note 1(a) on Rule 19 of the Code. In other words, the PCCS Offer Price will be an amount in cash equal to the Offer Price multiplied by the number of Offer Shares (rounded down to the nearest Offer Share) which would have been issued had the PCCS been converted (based on the aggregate principal amount of the PCCS tendered in acceptance of the PCCS Offer); and

**3.3.2** granted a non-transferable option to subscribe (the “**PCCS Option to Subscribe**”) for Offeror Shares on the following principal terms and conditions:

- (i) the PCCS Option to Subscribe will only be granted to the Accepting PCCS Holder if the Offer becomes or is declared to be unconditional in all respects in accordance with its terms;
- (ii) the PCCS Option to Subscribe will be exercisable by the Accepting PCCS Holder at any time during a 15 Market Day period (the “**PCCS Option Exercise Period**”), which will commence on a date to be announced by the Offeror after the final settlement date in respect of all the PCCS validly tendered in acceptance of the PCCS Offer. The Offeror Shares will only be issued to the Accepting PCCS Holder if the Accepting PCCS Holder has validly exercised the PCCS Option to Subscribe during the PCCS Option Exercise Period. For the avoidance of doubt, if the PCCS Option to Subscribe is not validly exercised by the Accepting PCCS Holder during the PCCS Option Exercise Period, the PCCS Option to Subscribe will lapse and be null and void;

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<sup>4</sup> For the purposes of this Announcement, “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all Shares (i) under the PCCS and the Options been issued and (ii) under the Awards been issued and/or delivered.

- (iii) the subscription price of the Offeror Shares payable by the Accepting PCCS Holder exercising the PCCS Option to Subscribe will be the Subscription Price for each Offeror Share; and
- (iv) the maximum number of Offeror Shares which the Accepting PCCS Holder may subscribe for pursuant to the PCCS Option to Subscribe will be determined as follows (rounded down to the nearest whole Offeror Share):

**Maximum Number of Offeror Shares = A / B**

Where:

“A” = Total PCCS Offer Price paid or payable to the Accepting PCCS Holder pursuant to the terms of the PCCS Offer in respect of all the PCCS validly tendered by such Accepting PCCS Holder in acceptance of the PCCS Offer

“B” = The Subscription Price

Further details in relation to the PCCS Option to Subscribe will be set out in the Offer Document.

For purely illustrative purposes only, based on the Offer Price of S\$0.41, the Subscription Price of S\$11.1043 and the PCCS Conversion Price of S\$0.565 and assuming that the Offer becomes or is declared to be unconditional in all respects in accordance with its terms:

- (a) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 1,000 PCCS, such Accepting PCCS Holder will receive S\$776.13 in cash and will be granted the PCCS Option to Subscribe for up to 69 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (b) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 10,000 PCCS, such Accepting PCCS Holder will receive S\$7,764.58 in cash and will be granted the PCCS Option to Subscribe for up to 699 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (c) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 50,000 PCCS, such Accepting PCCS Holder will receive S\$38,822.90 in cash and will be granted the PCCS Option to Subscribe for up to 3,496 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.



**3.4 Condition.** The PCCS Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms.

**3.5 No Encumbrances.** The PCCS will be acquired (i) free from all Encumbrances and (ii) together with all rights, benefits and entitlements attached thereto as at the date of transfer of the PCCS from the Accepting PCCS Holder to the Offeror (the “**PCCS Transfer Date**”) and thereafter attaching thereto, including but not limited to the right to receive and retain all interest, payments, rights and other distributions declared, paid or made by the Company in respect of the PCCS on or after the PCCS Transfer Date.

**3.6 Offer and PCCS Offer Mutually Exclusive.** For the avoidance of doubt, whilst the PCCS Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the PCCS Offer. The Offer and the PCCS Offer are separate and are mutually exclusive. The PCCS Offer does not form part of the Offer, and *vice versa*.

Without prejudice to the foregoing, if a PCCS Holder converts its PCCS and accepts the Offer in respect of the new Shares issued pursuant to such conversion, it may not accept the PCCS Offer in respect of such converted PCCS. Conversely, if a PCCS Holder wishes to accept the PCCS Offer in respect of its PCCS, it should not convert those PCCS and accept the Offer in respect of the new Shares to be issued pursuant to such conversion.

**3.7 Further Details.** Further details of the PCCS Offer will be set out in the Offer Document.

#### **4. OPTIONS PROPOSAL**

As at the Announcement Date, based on the latest information available to the Offeror, there are 10,865 outstanding Options to subscribe for an aggregate of 10,865 Shares granted under the Tiger Airways Scheme. The Offeror is contemplating making an appropriate proposal or offer to the holders of the Options, further details of which will be set out in the Offer Document.

#### **5. FINANCIAL ASPECTS OF THE OFFER**

**5.1 Offer Price.** The Offer Price for each Offer Share represents the following premium over the historical traded prices of the Shares:

	<b>Benchmark Price</b> <sup>(1)(2)</sup> <b>(S\$)</b>	<b>Premium of the Offer Price to Benchmark Price</b> <sup>(3)</sup> <b>(%)</b>
Last traded price per Share as quoted on the SGX-ST on 5 November 2015 (the “ <b>Last Trading Day</b> ”)	0.310	32
Volume weighted average price (“ <b>VWAP</b> ”) of the Shares as transacted on the SGX-ST for the one-month period up to and including the Last Trading Day	0.303	35

	Benchmark Price <sup>(1)(2)</sup> (S\$)	Premium of the Offer Price to Benchmark Price <sup>(3)</sup> (%)
VWAP of the Shares as transacted on the SGX-ST for the three-month period up to and including the Last Trading Day	0.288	42
VWAP of the Shares as transacted on the SGX-ST for the six-month period up to and including the Last Trading Day	0.300	37
VWAP of the Shares as transacted on the SGX-ST for the one-year period up to and including the Last Trading Day	0.308	33

**Notes:**

- (1) Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.
- (2) Computed based on the Share prices rounded to the nearest three decimal places.
- (3) Rounded to the nearest whole number.

The Offer Price also represents a premium of approximately 15 per cent. to the highest closing price of the Shares in the one-year period up to and including the Last Trading Day of S\$0.355 and exceeds the highest closing price of the Shares since 16 June 2014.<sup>5</sup>

**5.2 Comparison of the Offer Price to Net Asset Value (“NAV”).**<sup>6</sup> The Offer Price represents an approximate 390 per cent. premium over the NAV per Share as at 30 September 2015.

**5.3 Subscription Price.** The Subscription Price is equivalent to the VWAP of the Offeror Shares of S\$11.1043<sup>7</sup> on 5 November 2015, being the Last Trading Day, and represents an approximate 13 per cent. discount to the highest closing price for the Offeror Shares of S\$12.80 for the one-year period up to and including the Last Trading Day.

<sup>5</sup> Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.

<sup>6</sup> In this Announcement, the NAV per Share is S\$0.0837 based on the unaudited consolidated financial statements of the Tiger Airways Group (as defined in **paragraph 10** below) for the second quarter and half year ended 30 September 2015.

<sup>7</sup> Rounded to the nearest four decimal places.

## 6. RATIONALE FOR THE OFFER

The Offeror believes that the Offer will be beneficial to all stakeholders of both SIA and Tiger Airways for the following reasons:

### ***Opportunity for Shareholders to Realise their Investment in Cash at a Compelling Price***

The Offer provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a compelling premium to prevailing market prices and without incurring brokerage fees.

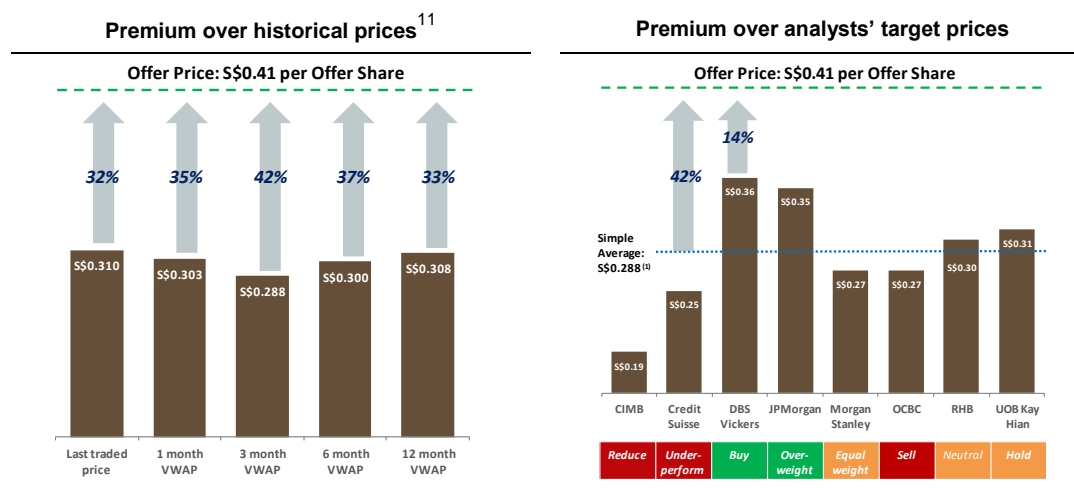
- (i) The Offer Price represents a premium of approximately: (a) 32 per cent. over the last traded price per Share on the Last Trading Day of S\$0.310; (b) 35 per cent. over the VWAP of the Shares for the one-month period up to and including the Last Trading Day of S\$0.303; and (c) 42 per cent. over the VWAP of the Shares for the three-month period up to and including the Last Trading Day of S\$0.288.<sup>8</sup>
- (ii) The Offer Price also represents a premium of approximately 15 per cent. to the highest closing price of the Shares in the one-year period up to and including the Last Trading Day of S\$0.355 and exceeds the highest closing price of the Shares since 16 June 2014.<sup>9</sup>

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<sup>8</sup> Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.

<sup>9</sup> Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.

- (iii) The Offer Price is higher than **all** analysts' price targets as published on Bloomberg between 23 October 2015<sup>10</sup> and the date immediately prior to the Announcement Date.



**Note:**

- (1) Computed based on the simple average of all analysts' price targets rounded to the nearest three decimal places.

**Opportunity for the Accepting Shareholders to Remain Invested in the Long-term Prospects of the SIA Group**

The Accepting Shareholders who wish to remain invested in the long-term prospects of SIA and its subsidiaries (the “**SIA Group**”) can, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, exercise the Option to Subscribe:

- (I) The Subscription Price of the Offeror Shares will be S\$11.1043 per Offeror Share, which is equivalent to the VWAP of the Offeror Shares of S\$11.1043 on 5 November 2015, being the Last Trading Day.
- (II) The Subscription Price represents a discount of approximately 13 per cent. to the highest closing price for the Offeror Shares of S\$12.80 for the one-year period up to and including the Last Trading Day.

SIA believes that given the intense competition in the low-cost airline industry, the enhanced benefits that will result from Tiger Airways being fully part of the SIA Group's portfolio will help ensure that Tiger Airways has a strong future and provide new

<sup>10</sup> Being the date of release of the Tiger Airways Group's unaudited consolidated financial statements for the second quarter and half year ended 30 September 2015.

<sup>11</sup> Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.

opportunities for growth. The Option to Subscribe also provides Shareholders with an opportunity to share in the future of Tiger Airways through a stake in SIA.

***Allow SIA to Harness Full Synergies to Benefit the SIA Group and the Singapore Hub***

SIA intends to delist Tiger Airways and thereby enable full synergies between Tiger Airways and other airlines in the SIA Group, through seamless cooperation in all aspects of the business including commercial activities, network coordination and operational and backroom areas.

This will allow SIA to accelerate and strengthen the benefits to the SIA Group's portfolio strategy, thus enabling the SIA Group to remain flexible and nimble in tapping into market segments that would not otherwise be available to the SIA Group, providing new revenue and profit generation opportunities.

Tiger Airways is currently a listed subsidiary of SIA, and has realised some, but not all, of the synergies and benefits of being integrated with the SIA Group. Some benefits to Tiger Airways from being part of the SIA Group have already been demonstrated, for example, the enhanced ties to Scoot and membership in the KrisFlyer frequent-flyer programme. SIA is confident that full integration of Tiger Airways with the SIA Group would lead to more benefits, including closer collaboration with all airlines in the SIA Group, thereby developing further the strength of Singapore as an aviation hub.

***Allow Tiger Airways to Secure Necessary Support for Long-Term Growth***

SIA believes that the prospects for Tiger Airways to sustain independent growth in the current competitive environment are limited. SIA believes that Tiger Airways, as an independent airline, lacks the scale and network to respond comprehensively to changes in the expanding but intensely competitive low-cost carrier segment of the industry.

SIA further believes that the SIA Group is the best option for Tiger Airways to secure the support necessary to strengthen Tiger Airways' prospects. The objective is to achieve a beneficial outcome for both Tiger Airways and the SIA Group:

- (i) Tiger Airways will benefit from being fully part of the SIA Group, with enhanced synergies that will help it deliver growth and ensure that it has a strong future.
- (ii) The SIA Group will benefit from being able to realise the full extent of synergies within the SIA Group's portfolio, through which all key market segments are served, particularly so through the further development of ties between Tiger Airways and Scoot. Tiger Airways and Scoot will be able to grow more effectively together than either would be able to independently.

However, for as long as Tiger Airways operates as a separate listed entity, the above benefits cannot be fully realised as efforts to fully integrate Tiger Airways' operations and commercial activities with those of the SIA Group would remain subject to Tiger Airways'

separate evaluation, which may not always align with the wider long term considerations of the SIA Group. Tiger Airways' status as a separate listed entity may impede SIA's ability to allocate management and financial resources to Tiger Airways, and in turn may adversely affect Tiger Airways' recovery and its ability to respond swiftly and comprehensively to changes in the expanding but intensely competitive low-cost carrier segment of the airline industry.

Full integration with the SIA Group would enable SIA to make available to Tiger Airways open access to the network and resources of the SIA Group, and require SIA to make substantial investments in systems and commitment of resources. The SIA Group is not prepared to enable such open access nor commit these substantial investments without a higher shareholding in Tiger Airways, and the assurance of a delisted Tiger Airways which SIA is able to manage in an integrated manner.

SIA has demonstrated that it is committed to the development of Tiger Airways, and has consistently provided financial and other support. This includes converting its PCCS at a conversion price higher than the then-prevailing market price in 2014, and consistently being the single largest subscriber in every rights issue undertaken by Tiger Airways.

Hence, in making the Offer, SIA seeks the best interest of Tiger Airways and believes the Offer will improve the competitive positioning of Tiger Airways and the SIA Group.

***Allow the Management of Tiger Airways to Enjoy Better Flexibility and Potential Cost Savings***

The delisting will provide Tiger Airways with better flexibility to manage operations and develop its existing business in collaboration with the SIA Group, without the attendant cost, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.

The delisting will also allow Tiger Airways to dispense with expenses and management effort relating to the maintenance of its listed status.

***Low Trading Liquidity of the Shares***

The trading liquidity of the Shares has been low. The average daily trading volume of the Shares for the one-month, three-month, six-month and 12-month periods preceding the Announcement Date represents less than 0.3 per cent. of the total number of issued Shares.

	<b>1 Month (%)</b>	<b>3 Months (%)</b>	<b>6 Months (%)</b>	<b>12 Months (%)</b>
Average daily trading volume as a percentage of total number of issued Shares <sup>(1)</sup>	0.146	0.148	0.152	0.278

**Note:**

- (1) Based on data extracted from Bloomberg which shows volumes adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues, rounded to the nearest three decimal places.

The Offer therefore represents a clean cash exit opportunity for Shareholders to realise their entire investment in the Shares at a premium over the market prices of the Shares prior to the Announcement Date, an opportunity that may not otherwise be available due to the low trading liquidity of the Shares.

## **7. THE OFFEROR'S INTENTIONS FOR TIGER AIRWAYS**

It is the intention of the Offeror that Tiger Airways continues to develop its airline business, including the realisation of potential commercial and operational synergies with the SIA Group while continuing to maintain the respective mission-critical services and resources of Tiger Airways and the SIA Group.

The Offeror will, following the close of the Offer, conduct a review of Tiger Airways' operations with the aim of integrating them into the SIA Group so as to generate sustainable long-term returns. The review may comprise, *inter alia*, existing joint initiatives and areas of cooperation between Tiger Airways and the SIA Group, as well as identifying new areas of integration in which commercial and operational synergies can be achieved.

The Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which may be regarded to be in the interests of the SIA Group and Tiger Airways.

Save as disclosed above and other than in the ordinary course of business, the Offeror currently has no plans to (i) introduce any major changes to the business of Tiger Airways, (ii) re-deploy the fixed assets of Tiger Airways, (iii) downsize Tiger Airways' operations or (iv) carry out a retrenchment exercise in connection with the Offer.

## **8. LISTING STATUS AND COMPULSORY ACQUISITION**

- 8.1 Listing Status and Trading Suspension.** Under Rule 1105 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of issued Shares (excluding treasury Shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Shares (excluding treasury Shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury Shares), thus causing the percentage of the total number of issued Shares (excluding treasury

Shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Shares (excluding treasury Shares) is at all times held by the public (the “**Free Float Requirement**”). In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued Shares (excluding treasury Shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

**In the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.**

**8.2 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares in issue (excluding treasury Shares) as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

**In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.**

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Shares (excluding treasury Shares) as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.



## 9. DESCRIPTION OF THE OFFEROR

**9.1 The Offeror.** The Offeror is a company incorporated in the Republic of Singapore on 28 January 1972 and listed on the Mainboard of the SGX-ST on 18 December 1985. The Offeror is a Singapore-based airline company which, together with its subsidiaries, provides global passenger and cargo air transportation services and airline related services.

For the financial year ended 31 March 2015 (“**FY2015**”), the SIA Group had revenues of S\$15,565.5 million and net profit before income tax, minority interests and extraordinary items of S\$408.4 million, with net assets of S\$12,463.6 million as at the end of FY2015.

As at the Announcement Date, the directors of the Offeror are Stephen Lee Ching Yen, Peter Seah Lim Huat, Goh Choon Phong, Gautam Banerjee, William Fung Kwok Lun, Hsieh Tsun-yan, Christina Ong, Helmut Gunter Wilhelm Panke and Lucien Wong Yuen Kuai.

**9.2 The Offeror Shares.** The Offeror Shares to be issued and/or transferred upon valid exercise of the Options to Subscribe and the PCCS Options to Subscribe by the Accepting Shareholders and the Accepting PCCS Holders respectively will be satisfied first from the Offeror’s existing Offeror Shares held in treasury and thereafter from newly issued Offeror Shares. All such Offeror Shares to be issued and/or transferred will be credited as fully paid and free from all Encumbrances and will rank *pari passu* in all respects with the existing Offeror Shares as at the date of their issue and/or transfer.

As stated in **paragraph 2.2.2** above, the Offeror will make an application to the SGX-ST for the dealing in, listing of and quotation of the new Offeror Shares on the Official List of the SGX-ST.

Assuming (i) all the Shares under the Options and PCCS are issued and all the Shares under the outstanding Awards are issued and/or delivered, (ii) all Shareholders (other than the Offeror) validly accept the Offer and (iii) all the Accepting Shareholders validly exercise the Options to Subscribe, the Offeror will issue and/or transfer approximately 42,495,477 Offeror Shares (comprising 30,000,000 treasury Offeror Shares and 12,495,477 new Offeror Shares), representing approximately 3.7 per cent. of the existing ordinary share capital of the Offeror.<sup>12</sup>

## 10. DESCRIPTION OF THE COMPANY

Based on publicly available information, Tiger Airways Singapore Pte. Ltd. (“**Tiger Airways Singapore**”) was incorporated in Singapore in December 2003 and held and operated all the assets and business of Tiger Airways Singapore. Tiger Airways was incorporated in Singapore on 1 February 2007 and is a public limited company. In

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<sup>12</sup> For the purposes of this Announcement, the existing ordinary share capital of the Offeror comprises 1,163,309,605 Offeror Shares (excluding Offeror Shares held in treasury).

September 2007, there was a restructuring of operations through a share swap arrangement between Tiger Airways and the then shareholders of Tiger Airways Singapore. The share swap involved the issuance of shares by Tiger Airways to the then shareholders of Tiger Airways Singapore in consideration for the transfer by such shareholders of all their shares in Tiger Airways Singapore to Tiger Airways. Tiger Airways was subsequently listed on the Mainboard of the SGX-ST on 22 January 2010.

The principal activities of Tiger Airways are those of (i) a Singapore-based budget airline that operates flights to destinations in Asia with a fleet of Airbus A320-family aircraft and (ii) an investment holding company.

For FY2015, the Company and its subsidiaries (the “**Tiger Airways Group**”) had revenues of S\$677.4 million and net loss before income tax, minority interests and extraordinary items of S\$272.6 million, with net assets of S\$215.4 million as at the end of FY2015. The Tiger Airways Group is consolidated under and forms part of the SIA Group.

As at the Announcement Date, the directors of the Company are Hsieh Fu Hua, Lee Lik Hsin, Chong Phit Lian, Arthur Lang Tao Yih, Lee Chong Kwee, Ng Chin Hwee, Sirisena Mervyn s/o Piankara Mestrige, Yap Chee Keong and Gerard Yeap Beng Hock.

## **11. DISCLOSURE OF HOLDINGS**

**11.1 Holdings of Company Securities.** As at the Announcement Date, save as set out in this Announcement and **Appendix 1**, none of (i) the Offeror, (ii) the directors of the Offeror and (iii) DBS (each, a “**Relevant Person**”) own, control or have agreed to acquire any (a) Shares, (b) PCCS, (c) Options, (d) Awards, (e) other securities which carry voting rights in the Company or (f) convertible securities, warrants, options, awards or derivatives in respect of the Shares, PCCS or other securities which carry voting rights in the Company (collectively, the “**Company Securities**”).

**11.2 Holdings of Offeror Securities.** As at the Announcement Date, save as set out in this Announcement and **Appendix 2**, none of the Relevant Persons own, control or have agreed to acquire any (i) Offeror Shares, (ii) other securities which carry voting rights in the Offeror or (iii) convertible securities, warrants, options, awards or derivatives in respect of the Offeror Shares or other securities which carry voting rights in the Offeror (collectively, the “**Offeror Securities**”).

**11.3 Other Arrangements.** As at the Announcement Date, save as set out in this Announcement, none of the Relevant Persons have:

**11.3.1** entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities or Offeror Securities which might be material to the Offer;

**11.3.2** received any irrevocable commitment to accept the Offer or the PCCS Offer in respect of any Company Securities;

11.3.3 granted any security interest in respect of any Company Securities in favour of any other person, whether through a charge, pledge or otherwise;

11.3.4 borrowed any Company Securities from any other person (excluding borrowed Company Securities which have been on-lent or sold); or

11.3.5 lent any Company Securities to any other person.

**11.4 Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons after the Announcement Date and the relevant disclosures will be made in the Offer Document.

## **12. CONFIRMATION OF FINANCIAL RESOURCES**

DBS, as the financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price and all acceptances of the PCCS Offer by PCCS Holders on the basis of the PCCS Offer Price.

## **13. DESPATCH OF THE OFFER DOCUMENT**

Further information on the Offer and the PCCS Offer will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer and the PCCS Offer, and enclose the appropriate form(s) of acceptance, will be despatched to Shareholders and PCCS Holders not earlier than 14 days and not later than 21 days from the Announcement Date, provided that there may be restrictions on sending the Offer Document to any overseas jurisdictions as disclosed in **paragraph 14** below. The Offer and the PCCS Offer will remain open for acceptances by Shareholders and PCCS Holders respectively for a period of at least 28 days from the date of posting of the Offer Document.

## **14. OVERSEAS PERSONS**

**14.1 Overseas Persons.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer and PCCS Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer and the PCCS Offer, including details of how the Offer and the PCCS Offer may be accepted.

**For the avoidance of doubt, the Offer and the PCCS Offer will be open to all Shareholders and PCCS Holders (as the case may be), including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

The availability of the Offer and the PCCS Offer to Shareholders and PCCS Holders (as the case may be) whose addresses are outside Singapore as shown in the register of shareholders of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (the “**Overseas Persons**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Further details in relation to Overseas Persons will be contained in the Offer Document.

**14.2 Copy of the Offer Document.** Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror and DBS each reserves the right not to send the Offer Document to such overseas jurisdictions. Any affected Overseas Person may nonetheless obtain copies of the Offer Document during normal business hours from the office of the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623. Alternatively, an affected Overseas Person may write to the Company’s share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

## **15. RESPONSIBILITY STATEMENT**

The directors of the Offeror (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the Tiger Airways Group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by  
**DBS Bank Ltd.**

For and on behalf of  
**Singapore Airlines Limited**

**6 November 2015**

**Any inquiries relating to this Announcement, the Offer or the PCCS Offer should be directed during office hours to the following:**

DBS Bank Ltd.  
Strategic Advisory

Tel: +65 6878 4620

Forward-Looking Statements

*All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future and conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders, PCCS Holders and investors of Tiger Airways and shareholders and investors of the Offeror should not place undue reliance on such forward-looking statements. Neither the Offeror nor DBS guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.*

## APPENDIX 1

### Details of Holdings of Company Securities by the Relevant Persons

Name	Direct Interest		No. of Shares Deemed Interest		Total Interest		No. of PCCS	No. of Options	No. of Awards
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>			
	<b>Offeror</b>	1,393,456,041	55.77	-	-	1,393,456,041			

**Note:**

(1) Calculated based on 2,498,626,645 Shares in issue and rounded to the nearest two decimal places.

## APPENDIX 2

### Details of Holdings of Offeror Securities by the Relevant Persons

Name	No. of Offeror Shares						No. of Offeror Options <sup>(2)</sup>	No. of Offeror Awards <sup>(3)</sup>
	Direct Interest		Deemed Interest		Total Interest			
	No. of Offeror Shares	% <sup>(1)</sup>	No. of Offeror Shares	% <sup>(1)</sup>	No. of Offeror Shares	% <sup>(1)</sup>		
<b>Directors of Offeror</b>								
Stephen Lee Ching Yen	9,400	n.m. <sup>(4)</sup>	-	-	9,400	n.m.	-	-
Goh Choon Phong	617,224	0.05	-	-	617,224	0.05	-	476,975 <sup>(7)</sup>
William Fung Kwok Lun	-	-	200,000 <sup>(5)</sup>	0.02	200,000	0.02	-	-
Christina Ong	100,000	0.01	-	-	100,000	0.01	-	-
Lucien Wong Yuen Kuai	-	-	58,000 <sup>(6)</sup>	n.m.	58,000	n.m.	-	-
<b>DBSH<sup>(8)</sup></b>	337,952 <sup>(9)(10)</sup>	0.03	-	-	337,952	0.03	-	-

**Notes:**

- (1) Calculated based on 1,163,309,605 Offeror Shares in issue (excluding treasury Offeror Shares) and rounded to the nearest two decimal places.
- (2) **“Offeror Options”** means the options granted under the SIA Employee Share Option Plan.
- (3) **“Offeror Awards”** means the share awards granted under the SIA Restricted Share Plan / SIA Restricted Share Plan 2014, the SIA Performance Share Plan / SIA Performance Share Plan 2014, the SIA time-based Restricted Share Plan and/or the SIA Deferred RSP/RSP 2014 Share Awards, granted pursuant to the SIA Restricted Share Plan / SIA Restricted Share Plan 2014.
- (4) **“n.m.”** means not meaningful.
- (5) William Fung Kwok Lun is deemed to be interested in the 200,000 Offeror Shares held by a nominee on behalf of Golden Step Limited, a company controlled by him.
- (6) Lucien Wong Yuen Kuai is deemed to be interested in the 58,000 Offeror Shares held by his spouse.
- (7) Of the 476,975 Offeror Awards:

- (a) 150,606 Offeror Awards are comprised in conditional awards (comprising 121,488 base awards and 29,118 final awards pending release) granted to Goh Choon Phong pursuant to the SIA Restricted Share Plan / SIA Restricted Share Plan 2014, subject to performance targets and other terms and conditions being met;
  - (b) 251,592 Offeror Awards are comprised in conditional awards granted to Goh Choon Phong pursuant to the SIA Performance Share Plan / SIA Performance Share Plan 2014, subject to performance targets and other terms and conditions being met; and
  - (c) 74,777 Offeror Awards are comprised in conditional deferred share awards granted to Goh Choon Phong pursuant to the SIA Restricted Share Plan / SIA Restricted Share Plan 2014, subject to performance targets and other terms and conditions being met.
- (8) “**DBSH**” means DBS Group Holdings Ltd, the parent company of DBS.
- (9) As at 3 November 2015.
- (10) Of the 337,952 Offeror Shares held by DBSH, 100,000 Offeror Shares representing approximately 0.009 per cent. of the Offeror Shares in issue (excluding treasury Offeror Shares) were borrowed from external parties.

In addition to the above, as at 3 November 2015, DBSH is a party to:

- (i) an over-the-counter call option in respect of 38,000 Offeror Shares with an exercise price of S\$11.2320 per Offeror Share and an expiry date of 12 November 2015;
- (ii) an over-the-counter call option in respect of 28,000 Offeror Shares with an exercise price of S\$11.6235 per Offeror Share and an expiry date of 30 November 2015;
- (iii) an over-the-counter call option in respect of 100,000 Offeror Shares with an exercise price of S\$11.6550 per Offeror Share and an expiry date of 13 January 2016; and
- (iv) an over-the-counter call option in respect of 100,000 Offeror Shares with an exercise price of S\$11.4944 per Offeror Share and an expiry date of 14 January 2016.