

THIS DOCUMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

TIGER AIRWAYS HOLDINGS LIMITED

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

LETTER FROM THE BOARD OF DIRECTORS

Board of Directors:

Mr Hsieh Fu Hua (Chairman and Independent Director)
Mr Lee Lik Hsin (Executive Director and Chief Executive Officer)
Ms Chong Phit Lian (Non-Executive Director (Non-Independent))
Mr Lang Tao Yih, Arthur (Independent Director)
Mr Lee Chong Kwee (Non-Executive Director (Non-Independent))
Mr Ng Chin Hwee (Non-Executive Director (Non-Independent))
Mr Sirisena Mervyn s/o Piankara Mestridge (Non-Executive Director (Non-Independent))
Mr Yap Chee Keong (Independent Director)
Mr Yeap Beng Hock Gerard (Non-Executive Director (Non-Independent))

Registered Office:

17 Changi Business Park
Central 1
#04-06/09
Honeywell Building
Singapore 486073

11 January 2016

To: The Shareholders, PCCS Holders and Optionholders of the Company

Dear Sir/Madam

REVISION OF VOLUNTARY CONDITIONAL GENERAL OFFER BY SINGAPORE AIRLINES LIMITED

1. BACKGROUND

1.1 Offer, PCCS Offer and Options Proposal

On 6 November 2015, DBS Bank Ltd. ("**DBS**") announced, for and on behalf of Singapore Airlines Limited (the "**Offeror**"), that the Offeror intends to make a voluntary conditional general offer for all the issued Shares, other than those already owned or agreed to be acquired by the Offeror as at the Commencement Date.

The details of the Offer and the PCCS Offer are contained in the offer document dated 26 November 2015 (the "**Offer Document**").

The details of the Options Proposal are contained in the separate letter despatched to Optionholders on 26 November 2015.

1.2 Revision of the Offer

On 4 January 2016, DBS, for and on behalf of the Offeror, issued an announcement (the "**Offer Revision Announcement**") that the Offer is being revised in the manner described in the Offer Revision Announcement.

The revisions are as follows:

- (a) the Offer Price, the PCCS Offer Price and the Options Price have been increased and the Offeror does not intend to revise the Final Offer Price (as defined in Section 2.1 of this Supplemental Letter); and
- (b) the closing date of the Offer has been extended to 5.30 p.m. (Singapore time) on 22 January 2016 (Friday), or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the **"Closing Date"**).

A copy of the Offer Revision Announcement is available on the website of the SGX-ST at www.sgx.com. Shareholders, PCCS Holders and Optionholders are advised to read the Offer Revision Announcement carefully.

This supplemental letter ("Supplemental Letter**"), which supplements the circular to Shareholders, PCCS Holders and Optionholders dated 9 December 2015 (the "**Circular**"), is important as it contains the recommendation of the Independent Directors and the advice of Maybank Kim Eng Securities Pte. Ltd. ("**MKES**"), the independent financial adviser to the Independent Directors in respect of the Offer, the PCCS Offer and the Options Proposal. This Supplemental Letter requires the immediate attention of the Shareholders, PCCS Holders and Optionholders who are advised to read it carefully.**

If you are in any doubt in relation to this Supplemental Letter or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Supplemental Letter.

1.3 Definitions

Unless otherwise stated, all terms and expressions used in this Supplemental Letter shall have the meanings given to them in the Circular. References to the **"Latest Practicable Date"** in this Supplemental Letter refer to 4 January 2016.

1.4 Revision Notification

Shareholders, PCCS Holders and Optionholders should have by now received a copy of the written notification (the **"Revision Notification"**) issued by DBS, for and on behalf of the Offeror, setting out, *inter alia*, the revisions to the Offer, the PCCS Offer and the Options Proposal.

Shareholders, PCCS Holders and Optionholders are advised to read the revised terms and conditions of the Offer, the PCCS Offer and the Options Proposal set out in the Offer Revision Announcement and the Revision Notification carefully.

A copy of the Revision Notification should have by now been made available on the website of the SGX-ST at www.sgx.com. Shareholders, PCCS Holders and Optionholders are advised to read the Revision Notification carefully.

1.5 Purpose of this Supplemental Letter

The purpose of this Supplemental Letter is to provide Shareholders, PCCS Holders and Optionholders with relevant information pertaining to the Offer, the PCCS Offer and the Options Proposal and to set out the recommendation of the Independent Directors and the advice of MKES to the Independent Directors in respect of the Offer, the PCCS Offer and the Options Proposal.

Shareholders, PCCS Holders and Optionholders should consider carefully the recommendation of the Independent Directors and the advice of MKES to the Independent Directors in respect of the Offer, the PCCS Offer and/or the Options Proposal (as the case may be) as set out in this Supplemental Letter before deciding whether or not to accept the Offer, the PCCS Offer and/or the Options Proposal (as the case may be).

2. REVISION OF OFFER PRICE

2.1 Final Offer Price

As set out in paragraph 2.1 of the Offer Revision Announcement, the Offeror is revising the Offer Price of S\$0.41 in cash for each Offer Share to the Final Offer Price (as defined below) as follows (the **“Offer Price Revision”**):

For each Offer Share: S\$0.45 in cash (the **“Final Offer Price”)**

Paragraph 2.1 of the Offer Revision Announcement further states that **the Offeror does not intend to revise the Final Offer Price.**

Therefore, in accordance with Rule 20.2 of the Singapore Code on Take-overs and Mergers (the **“Code”**), the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, *inter alia*, where the right to do so has been specifically reserved. The Offeror has reserved 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 SIC.

Accordingly, the final consideration for the Offer Shares validly tendered in acceptance of the Offer is as follows:

Each Accepting Shareholder will be:

- (a) paid the Final Offer Price for each Offer Share validly tendered in acceptance of the Offer; and
- (b) granted a non-transferable option to subscribe (the **“Shares Option to Subscribe”** or the **“Shares OTS”**) for the ordinary shares in the capital of the Offeror (the **“Offeror Shares”**) on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting Shareholders if they wish to exercise the Shares Option to Subscribe) remains unchanged.

Shareholders who have earlier validly accepted the Offer are entitled to receive the Final Offer Price and the Shares Option to Subscribe, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.

Paragraph 2.1 of the Offer Revision Announcement further states that for purely illustrative purposes, based on the Final Offer Price of S\$0.45 in cash 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\$450 in cash and will be granted the Shares OTS to subscribe for up to 40 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\$4,500 in cash and will be granted the Shares OTS to subscribe for up to 405 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\$22,500 in cash and will be granted the Shares OTS to subscribe for up to 2,026 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.

2.2 No Encumbrances

Paragraph 2.2 of the Offer Revision Announcement states that the Offer Shares will be acquired (a) fully paid, (b) free from any Encumbrances and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

2.3 Adjustment for Distributions

Paragraph 2.3 of the Offer Revision Announcement states that, without prejudice to the foregoing, the Final 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 Offer Announcement Date.

Paragraph 2.3 of the Offer Revision Announcement further states that accordingly, in the event that any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to the Accepting Shareholder, the Final 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:

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

3. REVISION OF PCCS OFFER PRICE

3.1 Final PCCS Offer Price

Paragraph 3.1 of the Offer Revision Announcement states that as a consequence of the Offer Price Revision, the PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer is accordingly revised, in accordance with Note 1(a) on Rule 19 of the Code, to be the “see-through” price based on the Final Offer Price (the “**Final PCCS Offer Price**”),

which is an amount in cash equal to the Final 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 validly tendered in acceptance of the PCCS Offer) (the **"PCCS Offer Price Revision"**).

Paragraph 3.1 of the Offer Revision Announcement further states that **as the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price will also not be revised.**

Accordingly, the final consideration for the PCCS validly tendered in acceptance of the PCCS Offer is as follows:

Each Accepting PCCS Holder will be:

- (a) paid the Final PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer; and
- (b) granted a non-transferable option to subscribe (the **"PCCS Option to Subscribe"** or **"PCCS OTS"**, and together with the Shares Option to Subscribe, the **"Option to Subscribe"**) for the Offeror Shares on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting PCCS Holders if they wish to exercise the PCCS Option to Subscribe) remains unchanged.

PCCS Holders who have earlier validly accepted the PCCS Offer are entitled to receive the Final PCCS Offer Price and the PCCS Option to Subscribe, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the PCCS Offer is required to be taken by PCCS Holders who have already validly accepted the PCCS Offer.

Paragraph 3.1 of the Offer Revision Announcement further states that for purely illustrative purposes, based on the Final Offer Price of S\$0.45 in cash, 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:

- (i) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 1,000 PCCS, such Accepting PCCS Holder will receive S\$851.85 in cash and will be granted the PCCS OTS to subscribe for up to 76 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (ii) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 10,000 PCCS, such Accepting PCCS Holder will receive S\$8,522.10 in cash and will be granted the PCCS OTS to subscribe for up to 767 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.
- (iii) If the Accepting PCCS Holder validly accepts the PCCS Offer in respect of 50,000 PCCS, such Accepting PCCS Holder will receive S\$42,610.50 in cash and will be granted the PCCS OTS to subscribe for up to 3,837 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.

3.2 No Encumbrances

Paragraph 3.2 of the Offer Revision Announcement states that the PCCS will be acquired (a) free from all Encumbrances and (b) 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 Distributions declared, paid or made by the Company in respect of the PCCS on or after the PCCS Transfer Date.

4. REVISION OF OPTIONS PRICE

Paragraph 4 of the Offer Revision Announcement states that as a consequence of the Offer Price Revision, the Options Price is accordingly revised to be the “see-through” price calculated on the basis of the Final Offer Price (the “**Final Options Price**”, and such revision, the “**Options Price Revision**”). In other words, the Final Options Price for an Option will be the amount by which the Final Offer Price exceeds the subscription price of that Option. If, however, the subscription price of an Option is equal to or more than the Final Options Price, the Final Options Price for such Option will be the nominal amount of S\$0.001.

Paragraph 4 of the Offer Revision Announcement further states that **as the Offeror does not intend to revise the Final Offer Price, the Final Options Price will also not be revised.**

For the avoidance of doubt, an Optionholder who validly accepts the Options Proposal will not receive any Option to Subscribe in respect of the Offeror Shares.

Optionholders who have earlier validly accepted the Options Proposal are entitled to receive the Final Options Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the relevant Options continuing to be exercisable into Shares. Accordingly, no further action in respect of the Options Proposal is required to be taken by Optionholders who have already validly accepted the Options Proposal.

5. APPROVAL-IN-PRINCIPLE

Paragraph 5 of the Offer Revision Announcement states that as a consequence of the Offer Price Revision, assuming (a) all the Shares under the Options and the PCCS are issued and all the Shares under the Awards are issued and/or delivered, (b) all Shareholders (other than the Offeror) validly accept the Offer and (c) all the Accepting Shareholders validly exercise the Shares Options to Subscribe, the maximum number of Offeror Shares to be issued and/or transferred by the Offeror pursuant to or in connection with the Offer would be revised to 46,545,636 Offeror Shares, representing approximately four per cent. of the ordinary share capital of the Offeror as at the date of the Offer Revision Announcement¹. The Offeror Shares to be issued and/or transferred pursuant to or in connection with the Offer are intended to be satisfied first from the existing 30,000,000 treasury Offeror Shares and thereafter from 16,545,636 newly issued Offeror Shares.

As set out in the announcement issued by or on behalf of the Offeror on 20 November 2015, the Offeror has received the approval in-principle from the SGX-ST for the dealing in, listing of and quotation of up to 12,495,477 new Offeror Shares to be issued in connection with the Offer and the PCCS Offer on the Official List of the SGX-ST (the “**AIP**”) on 19 November

¹ Based on the Offer Revision Announcement, the total number of issued Offeror Shares (excluding treasury Offeror Shares) comprises 1,163,423,578 as at the date of the Offer Revision Announcement.

2015. The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Offeror, its subsidiaries, the Offeror Shares, the Offer, the PCCS Offer and the Option to Subscribe.

As set out in paragraph 5 of the Offer Revision Announcement, pursuant to the Offer Price Revision, a further application will be made to the SGX-ST for its approval in-principle for the dealing in, listing of and quotation of the additional 4,050,159 new Offeror Shares to be issued pursuant to or in connection with the Offer Price Revision and the PCCS Offer Price Revision (the “**Additional AIP**”). All such new Offeror Shares, when issued, 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.

As set out in the Offer Document, the condition to the Offer in relation to the AIP had been fulfilled. For the avoidance of doubt, notwithstanding the Offer Price Revision and the PCCS Offer Price Revision, the Offer is not conditional upon the Offeror’s receipt of the Additional AIP.

6. EXTENSION OF CLOSING DATE

Paragraph 8 of the Offer Revision Announcement states that pursuant to Rule 20.1 of the Code, the Offer and the PCCS Offer must be kept open for at least 14 days from the date of posting of the Revision Notification to Shareholders and PCCS Holders.

DBS announced, for and on behalf of the Offeror, in the Offer Revision Announcement that accordingly, the Closing Date of the Offer and the PCCS Offer (and consequently, the closing date for acceptances of the Options Proposal) is extended from 5.30 p.m. (Singapore time) on 8 January 2016 (Friday) to **5.30 p.m. (Singapore time) on 22 January 2016 (Friday)** (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

7. OTHER TERMS

As set out in paragraph 9 of the Offer Revision Announcement, save for the Offer Price Revision, the PCCS Offer Price Revision, the Options Price Revision and the extended Closing Date, each as set out above, (a) all the other terms and conditions of the Offer and the PCCS Offer as set out in the Offer Document and (b) all the other terms and conditions of the Options Proposal as set out in the Options Proposal Letter remain unchanged.

8. ADVICE AND RECOMMENDATIONS

8.1 Independent Directors

Mr Hsieh Fu Hua, Mr Lang Tao Yih, Arthur and Mr Yap Chee Keong are independent for the purposes of the Offer, the PCCS Offer and the Options Proposal and are required to make a recommendation to Shareholders, PCCS Holders and Optionholders in respect of the Offer, the PCCS Offer and the Options Proposal respectively.

For the reasons set out in Section 11.2 of the Circular, Mr Ng Chin Hwee, Mr Sirisena Mervyn s/o Piankara Mestridge, Mr Yeap Beng Hock Gerard, Mr Lee Chong Kwee, Ms Chong Phit Lian and Mr Lee Lik Hsin have been exempted by the SIC from the requirement of making a recommendation to Shareholders, PCCS Holders and Optionholders on the Offer, the PCCS Offer and the Options Proposal. Nonetheless, all the Directors are jointly and severally responsible for the accuracy of facts stated and the completeness of the information given by the Company to Shareholders, PCCS Holders and Optionholders, including information contained in announcements and documents issued by or on behalf of the Company in connection with the Offer, the PCCS Offer and the Options Proposal.

8.2 General

SHAREHOLDERS, PCCS HOLDERS AND OPTIONHOLDERS ARE ADVISED TO READ THE LETTER FROM MKES (THE “SUPPLEMENTAL IFA LETTER”) SET OUT IN APPENDIX I TO THIS SUPPLEMENTAL LETTER CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER, THE PCCS OFFER AND/OR THE OPTIONS PROPOSAL (AS THE CASE MAY BE).

8.3 MKES’ Advice to the Independent Directors

The advice of MKES to the Independent Directors in respect of the revised terms and conditions of the Offer, the PCCS Offer and the Options Proposal is set out in the Supplemental IFA Letter annexed as Appendix I to this Supplemental Letter.

(a) Considerations in relation to the Offer and the PCCS Offer

Some of the considerations relied upon by MKES in arriving at its advice to the Independent Directors are set out in paragraph 12 of the Supplemental IFA Letter. The reproduction of certain paragraphs of these considerations is set out below and should be read in conjunction with, and in the context of, the full text of the Supplemental IFA Letter.

(i) *No Further Price Increase*

As disclosed in the Offer Revision Announcement, the Offeror does not intend to revise the Final Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, *inter alia*, where the right to do so has been specifically reserved. As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price and the Final Options Price will also not be revised.

(ii) *Listing Status of the Company*

As stated in the Offer Document, 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.

(iii) *Implications of Delisting for Shareholders*

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. In the event the Company is delisted, it is likely to be difficult for Shareholders who do not accept the Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Final Offer Price. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

(iv) Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act (as amended with effect from 3 January 2016), if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the Commencement Date 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) (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), 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 on the same terms as those offered under the Offer.

As stated in the Offer Document, 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.

Following certain amendments to the Companies Act which have come into force on 3 January 2016, the compulsory acquisition procedure under Section 215 of the Companies Act (as amended) has been extended to include “units of shares”, such as the PCCS. Accordingly, in the event that the Offeror receives valid acceptances of the PCCS Offer and/or acquires such number of PCCS from the Commencement Date otherwise than through valid acceptances of the PCCS Offer in respect of not less than 90 per cent. of the total number of PCCS that remains outstanding (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror would be entitled to exercise the right to compulsorily acquire all the PCCS of the PCCS Holders who have not accepted the PCCS Offer on the same terms as those offered under the PCCS Offer.

As stated in the Offer Document, in such event, the Offeror intends to exercise its right to compulsorily acquire all the PCCS not acquired under the PCCS Offer.

(v) The Offeror Reserves the Right to Waive the Acceptance Condition

As stated in paragraph 2.1 of the Offer Revision Announcement, 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 SIC. Please refer to paragraph 2.6 of the Offer Document for further details on how this will be effected.

Shareholders who are in doubt of their position should seek independent professional advice.

(b) Conclusion and Recommendation of MKES

The conclusion and recommendation of MKES in respect of the revised terms and conditions of the Offer, the PCCS Offer and the Options Proposal has been extracted from the Supplemental IFA Letter and is reproduced in italics below. This should be read in conjunction with, and in the context of, the full text of the Supplemental IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Supplemental IFA Letter.

13 CONCLUSION AND RECOMMENDATION

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, PCCS Offer and Options Proposal, we have taken into account, inter alia, the following key considerations summarised below:

13.1 Offer

- (a) The closing prices of the Shares have been recorded in a band between S\$0.245 and S\$0.365 per Share over the one-year period prior to and including the Last Trading Day. The Shares have not traded above the Final Offer Price during the one-year period prior to and including the Last Trading Day. The Final Offer Price represents a premium of 23.3% over the highest closing price of S\$0.365 per Share and 83.7% premium over the lowest closing price of S\$0.245 per Share recorded in the one-year period prior to and including the Last Trading Day;*
- (b) The Company's daily closing share prices have been recorded in a band between S\$0.405 and S\$0.415 per Share in the period between the Offer Announcement Date and the Latest Practicable Date. The Shares have not traded above the Final Offer Price between the Offer Announcement Date and the Latest Practicable Date;*
- (c) Based on our comparison of the Final Offer Price against the Company's VWAP² over the various timeframes, the Final Offer Price represents premia of approximately 46.1%, 50.0%, 56.3% and 48.5% over the VWAP of the Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day, respectively. The Final Offer Price represents a premium of approximately 9.8% over the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date. The Final Offer Price represents a premium of 9.8% over the last traded price of the Shares on the Latest Practicable Date;*

2 Volume weighted average price

- (d) *In the one-year period up to and including the Last Trading Day and the Latest Practicable Date, the Company's average daily trading volume as a percentage of its free float and average daily trading value as a percentage of its market capitalisation is above the mean and the median liquidity measure of the top 15 largest companies by market capitalisation traded on the SGX-ST, as well as the SGX-ST listed companies (excluding the Company) with market capitalisation of between S\$900 million and S\$1,200 million as at the Latest Practicable Date. The analysis suggests that the trading of the Shares does not suffer from illiquid trading conditions and that the historical market price of the Shares provides a meaningful reference point for comparison with the Final Offer Price;*
- (e) *The premia implied by the Final Offer Price over the three-month and six-month VWAP of the Shares prior to and including the Last Trading Day, are above the range as implied by the respective offer prices in respect of the Precedent Privatisations. The premia implied by the Final Offer Price over the one-month VWAP of the Shares prior to and including the Last Trading Day and the last trading price of the Shares on the Last Trading Day, are above the mean and the median premia as implied by the respective offer prices in respect of the Precedent Privatisations;*
- (f) *The equivalent LTM³ EV/EBITDA, LTM³ AEV/EBITDAR and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Comparable Companies set out in this letter. The equivalent LTM³ EV/Revenue multiple for the Company implied by the Final Offer Price is within the range indicated by the Comparable Companies set out in this letter;*
- (g) *The equivalent LTM³ EV/Revenue, LTM³ EV/EBITDA and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Precedent Transactions set out in this letter;*
- (h) *The Final Offer Price represents a premium of 56.5% to the average Share price target estimates of S\$0.29 by research brokers as at the Last Trading Day, according to Bloomberg L.P., Thomson Research and research reports available to us. The Final Offer Price represents a premium of 21.6% to the average Share price target estimates of S\$0.37 by research brokers as at the Latest Practicable Date based on broker research price targets released between the Offer Announcement Date and the Latest Practicable Date, according to Bloomberg L.P., Thomson Research and research reports available to us;*

3 Refers to last twelve months ended 30 September 2015.

- (i) *With respect to the Option to Subscribe, it is personal to the Accepting Shareholder/Accepting PCCS Holder to whom it is granted and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of SIA. The Accepting Shareholder/Accepting PCCS Holder who is granted such option would not be able to monetize the Option to Subscribe in the open market;*

 - a. *the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders that is separate from the decision as to whether to accept the Offer; and*
 - b. *the Offeror Share price as at the Latest Practicable Date is below the Subscription Price. Investors may not be able to realize value immediately upon exercise of Option to Subscribe when the prevailing market price of the Offeror Share is below Subscription Price, as such investors can purchase the Offeror Shares at a lower price on market.*
- (j) *We note that as disclosed in the Offer Revision Announcement, the Offeror does not intend to revise the Final Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, inter alia, where the right to do so has been specifically reserved;*
- (k) *There is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer;*
- (l) *We note that the Offeror has reserved 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 SIC;*
- (m) *If the Offeror succeeds in garnering acceptances such that less than 10% of the total number of issued Shares remains in the public hands, the SGX-ST will suspend the trading of the Shares. Those shareholders who did not accept the Offer would be unable to sell shares on the SGX-ST;*
- (n) *The Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer in the event that the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the Commencement Date 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) (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date). As at the Latest Practicable Date, the Offeror and parties acting in concert with the Offeror own, and SIA has received acceptances in respect of, in aggregate, 77.48% of total issued share capital of the Company;*

- (o) *As informed by the Directors, the Company has not received any competing offer and there is no publicly available evidence of an alternative offer for the Shares from any third party as at the Latest Practicable Date. In the event of an alternative or competing offer, we note that unless the Offeror accepts such alternative or competing offer, any offer made by any third parties would not be capable of becoming unconditional;*
- (p) *Discussions with representatives of the Company;*
- (q) *Review of relevant Company announcement and fillings; and*
- (r) *Other relevant considerations.*

13.2 PCCS Offer

- (a) *With respect to the PCCS Offer, as the Final PCCS Offer Price is calculated on the basis of a “see-through” price, the consideration a PCCS Holder would receive from accepting the PCCS Offer would be the same as if the PCCS Holder were to convert the PCCS to Shares in the Company and accept the Offer. Accordingly, our analysis and conclusion with respect to the Final Offer Price and the Option to Subscribe will similarly be relevant to the PCCS Holders;*
- (b) *The Final PCCS Offer Price represents premia of approximately 33.0%, 33.0%, 40.2% and 35.1% over the average trading price of the PCCS for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively⁴;*
- (c) *The Final PCCS Offer Price represents a premium of approximately 40.9% over the last traded price of the PCCS on the SGX-ST as at 23 October 2015⁴;*
- (d) *The Final PCCS Offer Price represents a premium of approximately 12.7% over the last traded price of the PCCS on the SGX-ST as at 28 December 2015, being the last trading day prior to the Latest Practicable Date⁴;*
- (e) *Following the close of the Offer and PCCS Offer, should the Shares be delisted, there will be no clear market price for the underlying Shares of the PCCS;*
- (f) *The PCCS is a perpetual security in respect of which there is no fixed redemption date, hence, the PCCS does not provide PCCS Holders with the ability to redeem at the principal amount;*

⁴ According to the illustration provided in the Offer Revision Announcement, in respect of 10,000 PCCS.

- (g) Ordinary PCCS distribution rate is 2% p.a. in respect of the period from (and including) the issue date of the PCCS to (but excluding) the ordinary PCCS distribution payment date falling five years from the Step Down Date; and is 0% p.a. from (and including) the Step Down Date onward. No ordinary PCCS distribution shall accrue in respect of any period from (and including) the Step Down Date;
- (h) As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price will also not be revised.

13.3 Options Proposal

We note that as the Options Price is calculated on a “see-through” basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to convert the Options and accept the Offer. Accordingly, our analysis and conclusion with respect to the Offer will similarly be relevant to the Optionholders. As the Offeror does not intend to revise the Final Offer Price, the Final Options Price will also not be revised.

13.4 Recommendation

*Having considered the aforesaid points including the various factors as set out in this letter and information made available to us as at the Latest Practicable Date, **we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable.***

Based on our opinion, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Final Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

*Having also considered these points including the various factors as set out in this letter and information made available to us as at the Latest Practicable Date, **we are of the opinion that the financial terms of the PCCS Offer are, on balance, fair and reasonable.***

*We also note that as the Final PCCS Offer Price is calculated on a “see-through” basis, the consideration a PCCS Holder would receive from accepting the PCCS Offer would be the same as if the PCCS Holder were to convert the PCCS and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to PCCS Holders. **Accordingly, we advise the Independent Directors to recommend that PCCS Holders accept the PCCS Offer or sell their PCCS or Shares, after converting their PCCS, in the open market if they can obtain a price higher than the Final Offer Price after taking into account all brokerage commissions or transaction costs in connection with open market transactions.***

The Accepting Shareholders and the Accepting PCCS Holders will have the flexibility to decide how they wish to utilise their cash consideration, whether to acquire the Offeror Shares through the exercise of the Option to Subscribe or through the open market or not at all. Accepting Shareholders and the Accepting PCCS Holders who wish to remain invested in the long-term prospects of the SIA Group and share in the future of Tiger Airways through a stake in SIA 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.

The decision to exercise the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders that is separate from the decision on whether to accept the Offer, and is subject to various factors, including but not limited to investment objectives of each Accepting Shareholder and Accepting PCCS Holder.

As each Shareholder and PCCS Holder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder and PCCS Holder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

As the Offer is being extended on the same terms and conditions to all new Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Options Proposal, we recommend that the Independent Directors provide the same advice to the Optionholders whose exercise price is lower than the Final Offer Price as is provided to the Shareholders.

*In respect of the Options Proposal, we note that as the Options Price is calculated on a “see-through” basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to convert the Options and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to Optionholders. **Accordingly, we advise the Independent Directors to recommend Optionholders to accept the Options Proposal or sell their Shares, after exercising their Options, in the open market if they can obtain a price higher than the Final Offer Price after deducting expenses.***

8.4 Recommendation of the Independent Directors

As set out in Section 11.4 of the Circular, the Independent Directors had previously recommended that Shareholders, PCCS Holders and Optionholders accept the Offer, the PCCS Offer and the Options Proposal based on the initial terms and conditions of the Offer, the PCCS Offer and the Options Proposal respectively.

Subsequent to the Offer Revision Announcement, the Independent Directors, having considered carefully (a) the revised terms and conditions of the Offer, the PCCS Offer and the Options Proposal (such revised terms and conditions including, but not limited to, the increase in the Offer Price, the PCCS Offer Price and the Options Price, and that the Offeror does not intend to revise the Final Offer Price as highlighted in Section 2.1 of this Supplemental Letter and paragraph 12.1 of the Supplemental IFA Letter), and (b) the advice given by MKES to the Independent Directors in the Supplemental IFA Letter, have set out their recommendation on the Offer, the PCCS Offer and the Options Proposal respectively, below:

(i) Offer

The Independent Directors concur with MKES' assessment of the Offer and its recommendation thereon, as set out in the Supplemental IFA Letter and Section 8.3 of this Supplemental Letter. **Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.**

(ii) PCCS Offer

The Independent Directors concur with MKES' assessment of the PCCS Offer and its recommendation thereon, as set out in the Supplemental IFA Letter and Section 8.3 of this Supplemental Letter. **Accordingly, the Independent Directors recommend that PCCS Holders ACCEPT the PCCS Offer.**

(iii) Options Proposal

The Independent Directors concur with MKES' assessment of the Options Proposal and its recommendation thereon, as set out in the Supplemental IFA Letter and Section 8.3 of this Supplemental Letter. **Accordingly, the Independent Directors recommend that Optionholders ACCEPT the Options Proposal.**

In making the above recommendations, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Shareholder, PCCS Holder or Optionholder. As different Shareholders, PCCS Holders and Optionholders would have different investment profiles and objectives, the Independent Directors recommend that any specific Shareholder, PCCS Holder and Optionholder who may require specific advice in relation to his Shares, PCCS and/or Options should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Shareholders, PCCS Holders and Optionholders should read and consider carefully the recommendation of the Independent Directors and the advice of MKES to the Independent Directors in respect of the Offer, the PCCS Offer and the Options Proposal in their entirety before deciding whether to accept or reject the Offer, the PCCS Offer and/or the Options Proposal (as the case may be). Shareholders, PCCS Holders and Optionholders are also urged to read the Offer Document and the Revision Notification carefully.

9. ACTION TO BE TAKEN BY SHAREHOLDERS AND PCCS HOLDERS

9.1 Acceptance Procedures for Shareholders and PCCS Holders

Shareholders and PCCS Holders who wish to accept the Offer and/or the PCCS Offer (as the case may be) must do so **not later than 5.30 p.m. (Singapore time) on the Closing Date.**

Shareholders and PCCS Holders should refer to paragraph 12.1 of the Offer Revision Announcement and Appendices 2 and 3 to the Offer Document for the procedures for acceptance of the Offer and PCCS Offer.

Shareholders and PCCS Holders who do not wish to accept the Offer and/or PCCS Offer need not take further action in respect of the Offer Document and the Acceptance Forms which have been sent to them.

9.2 Acceptance Procedures for CPFIS Investors and SRS Investors

CPFIS Investors and SRS Investors should refer to paragraph 12.2 of the Offer Revision Announcement for more information relevant to them.

9.3 Acceptance Procedures for Optionholders

Optionholders should refer to paragraph 12.3 of the Offer Revision Announcement and the Options Proposal Letter for more information relevant to them.

Acceptances of the Options Proposal must be received not later than 5.30 p.m. (Singapore time) on the Closing Date.

10. ADDITIONAL GENERAL INFORMATION

Additional general information relating to the Company (updated from the information set out in Appendix II to the Circular) is set out in Appendix II to this Supplemental Letter.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The recommendation of the Independent Directors to Shareholders, PCCS Holders and Optionholders set out in Section 8.4 of this Supplemental Letter is the sole responsibility of the Independent Directors. Save for the foregoing, the Directors (including any Director who may have delegated detailed supervision of this Supplemental Letter) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Supplemental Letter (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer, the PCCS Offer, the Options Proposal and the Supplemental IFA Letter) are fair and accurate and that there are no other material facts not contained in this Supplemental Letter, the omission of which would make any statement in this Supplemental Letter misleading.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Company are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in this Supplemental Letter has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the Offer Revision Announcement, the Revision Notification and the Supplemental IFA Letter) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources, or as the case may be, accurately reflected or reproduced in this Supplemental Letter.

The Directors jointly and severally accept full responsibility accordingly.

Yours faithfully
For and on behalf of the Board

Mr Hsieh Fu Hua
Chairman and Independent Director

SUPPLEMENTAL IFA LETTER FROM MKES TO THE INDEPENDENT DIRECTORS

11 January 2016

To: The Independent Directors (As defined below)
Tiger Airways Holdings Limited
17 Changi Business Park Central 1
#04-06/09 Honeywell Building
Singapore 486073

Dear Sir/Madam,

VOLUNTARY CONDITIONAL GENERAL OFFER BY DBS BANK LTD., FOR AND ON BEHALF OF SINGAPORE AIRLINES LIMITED.

1 INTRODUCTION

On 6 November 2015 (the **"Offer Announcement Date"**), DBS Bank Ltd. (**"DBS"** or **"Financial Adviser"**) announced, for and on behalf of Singapore Airlines Limited (**"SIA"** or the **"Offeror"**), 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 (**"Tiger Airways"** or the **"Company"**) and the perpetual convertible capital securities issued by Tiger Airways (the **"PCCS"**), other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer.

On 26 November 2015 (the **"Commencement Date"**), DBS, for and on behalf of the Offeror, announced that the offer document dated 26 November 2015 (the **"Offer Document"**) had been despatched to the Shareholders and the PCCS Holders. Correspondingly, the proposal letter dated 26 November 2015 (the **"Options Proposal Letter"**) and the Options Proposal Acceptance Letter had also been despatched to all holders of Options (the **"Optionholders"**).

On 28 December 2015, DBS announced, for and on behalf of the Offeror, that the closing date of the Offer and the PCCS Offer (and consequently the closing date for acceptances of the Options Proposal) will be extended from 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) to 5.30 p.m. (Singapore time) on 8 January 2016 (Friday) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

On 4 January 2016, DBS announced, for and on behalf of the Offeror, that the Offeror has revised the Offer Price to the Final Offer Price (as defined below) of S\$0.45 in cash for each Offer Share (the **"Offer Price Revision"**, and such announcement, the **"Offer Revision Announcement"**). The closing date of the Offer has been extended from 5.30 p.m. (Singapore time) on 8 January 2016 (Friday) to 5.30 p.m. (Singapore time) on 22 January 2016 (Friday) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror) (the **"Closing Date"**).

Maybank Kim Eng Securities Pte. Ltd. (**"MKES"**) has been appointed by the Company as the independent financial adviser (**"IFA"**) to advise the directors of the Company who are considered to be independent (the **"Independent Directors"**) in respect of the Offer, the PCCS Offer and the Options Proposal.

This letter sets out, *inter alia*, our evaluation of the Offer and the PCCS Offer, from a financial perspective, for inclusion in the supplemental letter (the **"Supplemental Letter"**) to be sent to Shareholders in connection with the Offer and the PCCS Offer.

Shareholders who validly accept the Offer (the **"Accepting Shareholders"**) will be (i) paid a cash consideration of S\$0.45 per Share (the **"Final Offer Price"**); and (ii) granted a non-transferable option to subscribe (the **"Shares Option to Subscribe"** or **"Shares OTS"**) for Offeror Shares on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting Shareholders if they wish to exercise the Shares Option to Subscribe) remains unchanged.

As a consequence of the Offer Price Revision, the PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer is accordingly revised, in accordance with Note 1(a) on Rule 19 of the Singapore Code on Take-overs and Mergers (the “**Code**”), to be the “see-through” price based on the Final Offer Price (the “**Final PCCS Offer Price**”, and such revision, the “**PCCS Offer Price Revision**”).

PCCS Holders who validly accept the PCCS Offer (the “**Accepting PCCS Holders**”) will be (i) paid the Final PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer; and (ii) granted a non-transferable option to subscribe (the “**PCCS Option to Subscribe**” or “**PCCS OTS**”, and together with the Shares Option to Subscribe, the “**Option to Subscribe**”) for the Offeror Shares on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting PCCS Holders if they wish to exercise the PCCS Option to Subscribe) remains unchanged.

As a consequence of the Offer Price Revision, the Options Price is accordingly revised to be the “see-through” price calculated on the basis of the Final Offer Price (the “**Final Options Price**”, and such revision, the “**Options Price Revision**”).

The Offeror does not intend to revise the Final Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, *inter alia*, where the right to do so has been specifically reserved. As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price and the Final Options Price will also not be revised.

Unless the context requires otherwise, all capitalised terms used and not defined herein shall have the same meanings given to them in circular dated 9 December 2015 (the “**Circular**”), the Offer Document and the Supplemental Letter.

2 TERMS OF REFERENCE

We do not, by this letter, comment on or warrant the merits of the Offer, the PCCS Offer and the Options Proposal other than to form an opinion, for the purposes of compliance with the Code, as to whether the financial terms of the Offer, the PCCS Offer and the Options Proposal are fair and reasonable.

We have confined our evaluation to the financial terms of the Offer, the PCCS Offer and the Options Proposal. In arriving at our opinion, we have taken cognizance of factors which we believe are of general importance to an evaluation, from a financial point of view, of the Offer, the PCCS Offer and the Options Proposal. This Letter outlines and summarises some of the matters, bases, factors or assumptions which we have used in our assessment. However, they are by no means exhaustive or a reproduction of all the matters, bases, factors or assumptions which we have used in our assessment. Our terms of reference do not require us to evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Offer, the PCCS Offer and the Options Proposal or on the future prospects of the Company (or any of its related or associated companies). Our terms of reference also do not require us to comment on the financial merits and/or risks of the Offer, the PCCS Offer and the Options Proposal where the assessment of such financial merits and/or risks involves our review of non-publicly available information of the companies involved to which we have no access and with which we have not been furnished. We have also not conducted a comprehensive review of the business, operations and financial condition of the Group. Such evaluation or comment, if any, remains the sole responsibility of the Directors and the management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this letter.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares, PCCS, Options or the assets of the Company. We are therefore not addressing the relative merits of the Offer, the PCCS Offer and the Options Proposal as compared to any alternative transaction (if any) previously considered by the Company (or the Shareholders, PCCS Holders or Optionholders) or that otherwise may be available to the Company (or the Shareholders, PCCS Holders or Optionholders), or as compared to any alternative offer that might otherwise be available in the future.

The Directors have confirmed to us that all relevant information duly required for our performance of services as an IFA hereunder has been provided to us, that such information provided and representations made to us are true, complete and accurate as at the 4 January 2016 (the “**Latest Practicable Date**”), and that there are no omissions of which would cause any information disclosed to us to be inaccurate, incomplete or misleading. We have further assumed that all statements of fact,

belief, opinion and intention made by the Directors in relation to the Offer, the PCCS Offer and the Options Proposal have been reasonably made after due and careful enquiry.

We have relied upon the assurances of the Directors that the Supplemental Letter has been approved by the Directors (including those who may have delegated detailed supervision of the Supplemental Letter). We have also relied upon such confirmation by the Directors and the assurances of the Directors made pursuant to the Directors' responsibility statement set out in paragraph 11 of the Supplemental Letter, that the Directors (including those who may have delegated detailed supervision of the Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Supplemental Letter (excluding those expressed in this letter) and those expressed by or in relation to the Offeror, the Company and DBS are fair and accurate and that no material facts have been omitted which might cause the Supplemental Letter to be misleading in any material respect. The Directors jointly and severally accept responsibility accordingly. Where any information provided to us has been extracted from published or otherwise publicly available sources, the responsibility of the Directors has been to ensure that having made reasonable inquiries, such information was accurately extracted from these sources, or as the case may be, reflected or reproduced in the Supplemental Letter.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company, which form a substantial basis for this opinion. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and we have not been furnished with any such independent evaluation or appraisal. For the purpose of our evaluation of the Offer, the PCCS Offer and the Options Proposal, from a financial point of view, we have not relied on any financial projections or forecasts in respect of the Company, its subsidiaries or associated companies. We are not required to express, and we do not express, any view on the growth prospects, earnings potential or valuation of the Company. We also do not express any view herein as to the prices at which the Shares and the PCCS may trade assuming the absence of the Offer and the PCCS Offer or if the Offer and the PCCS Offer are not effected.

In addition, we have assumed that the Offer, the PCCS Offer and the Options Proposal will be consummated in accordance with the terms set forth in the Offer Document and the Offer Revision Announcement without any waiver, amendment or delay in the fulfilment of any terms or conditions or the imposition of any terms or conditions. We have assumed that all governmental, regulatory or other approvals and consents required for the Offer, the PCCS Offer and the Options Proposal will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer, the PCCS Offer and the Options Proposal.

We will receive a fee from the Company for the delivery of this letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of our trading, brokerage, asset management and financing activities, we and our affiliates have actively traded, and may continue to actively trade, the debt or equity securities or senior loans of the Company or the Offeror (and parties acting in concert with them) or any other company that may be involved in the Offer, the PCCS Offer and the Options Proposal, for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities. We and our affiliates may also seek to provide services to the Company, the Offeror (and parties acting in concert with each of the Company and the Offeror) in the future and expect to receive fees for rendering such services.

The preparation of this letter, our financial evaluation of the Offer, the PCCS Offer and the Options Proposal and our opinion in this letter are based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, as well as publicly available information and information provided to us by the Company as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. Shareholders, PCCS Holders and Optionholders should further take note of any announcements relevant to their consideration of the Offer, PCCS Offer and Options Proposal which may be released by the Company and/or the Offeror after the Latest Practicable Date. In arriving at our view, we have taken into account certain other factors and have been required to make certain assumptions. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

As stated in paragraph 8.1 of the Offer Document, the Accepting Shareholders and the Accepting PCCS Holders will have the flexibility to decide how they wish to utilise their cash consideration, whether to acquire the Offeror Shares through the exercise of the respective Shares Option to Subscribe and PCCS Option to Subscribe or through the open market or not at all.

In particular, the decision to exercise the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders, which is separate from the decision on whether to accept the Offer or the PCCS Offer, and is subject to various factors, including but not limited to investment objectives of each Shareholder and PCCS Holder, respectively. We further highlight that the realizable value from the Option to Subscribe depends on several factors, such as future prospects and share price of the Offeror Shares. We have not been furnished or given access to any non-publicly available information of the Offeror and we have not conducted any analysis on the share price of the Offeror Shares.

In rendering our advice and giving our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder, PCCS Holder or Optionholder. As each Shareholder, PCCS Holder and Optionholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder, PCCS Holder and Optionholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

We are not legal, tax or regulatory advisers. We are financial advisers only and have relied upon, without independent verification, the assessment of the Company by its advisers with respect to legal, tax or regulatory requirements.

Whilst this letter may be reproduced in the Supplemental Letter, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part hereof) for any purpose other than in relation to the Offer, the PCCS Offer and the Options Proposal at any time and in any manner without the prior written consent of MKES in each specific case. We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Supplemental Letter (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Supplemental Letter (other than this letter). This letter is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, the PCCS Offer and the Options Proposal, and the recommendations made by them to the Shareholders, PCCS Holders and Optionholders with regard to the respective Offer, PCCS Offer and Options Proposal shall remain the responsibility of the Independent Directors. Our opinion should not, in any event, be relied on as a recommendation to, or confer any rights or remedies upon, any third party, including without limitation, Shareholders, PCCS Holders, Optionholders, employees or creditors of the Company. This letter does not constitute a recommendation to any Shareholder, PCCS Holder and Optionholder as to whether they should accept or reject the Offer, the PCCS Offer and the Options Proposal, respectively, or any matters related thereto. Our advice in relation to the Offer, the PCCS Offer and the Options Proposal should be considered in the context of the entirety of this letter and the Supplemental Letter.

3 THE OFFER

The principal terms of the Offer as extracted from the Offer Revision Announcement are set out below. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document and the Offer Revision Announcement carefully.

3.1 Final Offer Price

As stated in paragraph 2 of the Offer Revision Announcement, DBS announced, for and on behalf of the Offeror, that the Offeror has revised the Offer Price of S\$0.41 in cash for each Offer Share to the Final Offer Price as follows:

For each Offer Share: S\$0.45 in cash

DBS announced, for and on behalf of the Offeror, that the Offeror does not intend to revise the Final Offer Price.

Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, inter alia, where the right to do so has been specifically reserved. 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 (the “SIC”).

Accordingly, the final consideration for the Offer Shares validly tendered in acceptance of the Offer is as follows:

Each Accepting Shareholder will be:

- (a) paid the Final Offer Price for each Offer Share validly tendered in acceptance of the Offer; and
- (b) granted a Shares Option to Subscribe or the Shares OTS for the Offeror Shares on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting Shareholders if they wish to exercise the Shares Option to Subscribe) remains unchanged.

Shareholders who have earlier validly accepted the Offer are entitled to receive the Final Offer Price and the Shares Option to Subscribe, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.

3.2 No Encumbrances

As stated in paragraph 2 of the Offer Revision Announcement, the Offer Shares will be acquired (i) fully paid, (ii) free from any Encumbrances and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

3.3 Adjustment for Distributions

As stated in paragraph 2 of the Offer Revision Announcement, without prejudice to the foregoing, the Final 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 Offer Announcement Date.

Accordingly, in the event that any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to the Accepting Shareholder, the Final 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.

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

4 THE PCCS OFFER

The principal terms of the PCCS Offer as extracted from the Offer Revision Announcement are set out below. Shareholders are advised to read the terms and conditions of the PCCS Offer set out in the Offer Document and the Offer Revision Announcement carefully.

4.1 Final PCCS Offer Price

As stated in paragraph 3 of the Offer Revision Announcement, as a consequence of the Offer Price Revision, the PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer is accordingly revised, in accordance with Note 1(a) on Rule 19 of the Code, to be the “see-through” price based on the Final Offer Price (the “**Final PCCS Offer Price**”), which is an amount in cash equal to the Final 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 validly tendered in acceptance of the PCCS Offer).

As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price will also not be revised.

Accordingly, the final consideration for the PCCS validly tendered in acceptance of the PCCS Offer is as follows:

Each Accepting PCCS Holder will be:

- (a) paid the Final PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer; and
- (b) granted a PCCS Option to Subscribe or PCCS OTS for the Offeror Shares on the principal terms and conditions as set out in the Offer Document. For the avoidance of doubt, the Subscription Price of S\$11.1043 for each Offeror Share (which is only payable by the Accepting PCCS Holders if they wish to exercise the PCCS Option to Subscribe) remains unchanged.

PCCS Holders who have earlier validly accepted the PCCS Offer are entitled to receive the Final PCCS Offer Price and the PCCS Option to Subscribe, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the PCCS Offer is required to be taken by PCCS Holders who have already validly accepted the PCCS Offer.

4.2 No Encumbrances

As stated in paragraph 3 of the Offer Revision Announcement, 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 Distributions declared, paid or made by the Company in respect of the PCCS on or after the PCCS Transfer Date.

5 THE OPTIONS PROPOSAL

The principal terms of the Options Proposal as extracted from the Offer Revision Announcement are set out below. Shareholders are advised to read the terms and conditions of the Options Proposal set out in the Options Proposal Letter, Offer Document and the Offer Revision Announcement carefully.

As stated in paragraph 4 of the Offer Revision Announcement, as a consequence of the Offer Price Revision, the Options Price is accordingly revised to be the “see-through” price calculated on the basis of the Final Offer Price (the “**Final Options Price**”). In other words, the Final Options Price for an Option will be the amount by which the Final Offer Price exceeds the subscription price of that Option. If, however, the subscription price of an Option is equal to or more than the Final Options Price, the Final Options Price for such Option will be the nominal amount of S\$0.001.

As the Offeror does not intend to revise the Final Offer Price, the Final Options Price will also not be revised.

For the avoidance of doubt, an Optionholder who validly accepts the Options Proposal will not receive any Option to Subscribe in respect of the Offeror Shares.

Optionholders who have earlier validly accepted the Options Proposal are entitled to receive the Final Options Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the relevant Options continuing to be exercisable into Shares. Accordingly, no further action in respect of the Options Proposal is required to be taken by Optionholders who have already validly accepted the Options Proposal.

6 OTHER TERMS

Save for the Offer Price Revision, the PCCS Offer Price Revision, the Options Price Revision and the extended Closing Date, each as set out above, (i) all the other terms and conditions of the Offer and the PCCS Offer as set out in the Offer Document and (ii) all the other terms and conditions of the Options Proposal as set out in the Options Proposal Letter remain unchanged.

7 APPROVAL IN-PRINCIPLE

As a consequence of the Offer Price Revision, assuming (i) all the Shares under the Options and the PCCS are issued and all the Shares under the 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 Shares Options to Subscribe, the maximum number of Offeror Shares to be issued and/or transferred by the Offeror pursuant to or in connection with the Offer would be revised to 46,545,636 Offeror Shares, representing approximately four per cent. of the ordinary share capital of the Offeror as at the date of this Announcement¹. The Offeror Shares to be issued and/or transferred pursuant to or in connection with the Offer are intended to be satisfied first from the existing 30,000,000 treasury Offeror Shares and thereafter from 16,545,636 newly issued Offeror Shares.

As set out in the announcement issued by or on behalf of the Offeror on 20 November 2015, the Offeror has received the approval in-principle from Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation of up to 12,495,477 new Offeror Shares to be issued in connection with the Offer and the PCCS Offer on the Official List of the SGX-ST (the “**AIP**”) on 19 November 2015. The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Offeror, its subsidiaries, the Offeror Shares, the Offer, the PCCS Offer and the Option to Subscribe.

Pursuant to the Offer Price Revision, a further application will be made to the SGX-ST for its approval in-principle for the dealing in, listing of and quotation of the additional 4,050,159 new Offeror Shares to be issued pursuant to or in connection with the Offer Price Revision and the PCCS Offer Price Revision (the “**Additional AIP**”). All such new Offeror Shares, when issued, 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.

As set out in the Offer Document, the condition to the Offer in relation to the AIP had been fulfilled. For the avoidance of doubt, notwithstanding the Offer Price Revision and the PCCS Offer Price Revision, the Offer is not conditional upon the Offeror’s receipt of the Additional AIP.

8 DESCRIPTION OF THE OFFEROR

Please refer to paragraph 9 of the Offer Document for the description of the Offeror.

9 OFFEROR’S RATIONALE AND INTENTIONS

Please refer to paragraph 11 of the Offer Document for the rationale for the Offer and paragraph 12 of the Offer Document for the Offeror’s intentions for the Company. We would recommend Independent Directors to advise Shareholders, PCCS Holders and Optionholders to read those sections carefully.

¹ Based on 1,163,423,578 Offeror Shares (excluding treasury Offeror Shares) as stated in the Offer Revision Announcement.

10 ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

10.1 General Bases and Assumptions

The figures and underlying financial data used in our analyses in this section of this letter have been extracted from, amongst others, Bloomberg L.P., S&P Capital IQ, SGX-ST filings and relevant public documents of the respective companies covered by such sources as at the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, express or implied, on the accuracy, completeness or adequacy of such information. We note that the accounting policies used by the comparable companies or the targets of the comparable transactions may be different. The differences between accounting principles used by the Company and the comparable companies or the targets of the comparable transactions may therefore render comparisons between these companies not meaningful or less useful than if the same accounting policy had been used consistently. In addition, we wish to highlight that the comparable companies or the targets of the comparable transactions may differ from the Company in terms of location, business mix, scale, capital structure, profitability, geographical spread and track record. Any conclusions drawn from comparisons made may therefore not necessarily reflect the possible market valuation of the Company.

In the course of our analysis, we have assumed that the share capital of the Company comprises 2,500,461,741 issued Shares, 13,150,091 PCCS which are convertible into 24,903,712 new Shares at the prevailing conversion price of S\$0.565 per Share and 10,865 Options to subscribe for an aggregate of 10,865 new Shares as at the Latest Practicable Date. We note that there are 16,650,184 outstanding Awards granted under the Tiger Airways Share Plans, and the Offeror will not make any proposal to acquire the Awards, as stated in paragraph 5 of the Offer Document. For the purpose of our analysis, we have considered the fully diluted share capital comprising 2,525,376,318 Shares. These 2,525,376,318 Shares include Shares which would have been issued had all Shares under the PCCS and the Options been issued, but exclude any Shares which may be issued pursuant to the outstanding Awards.

10.2 Methodology

In assessing the fairness and reasonableness of the financial terms of the Offer from a financial perspective as at the Latest Practicable Date, the main factors which we consider to be pertinent and to have a significant bearing on our assessment are as follows:

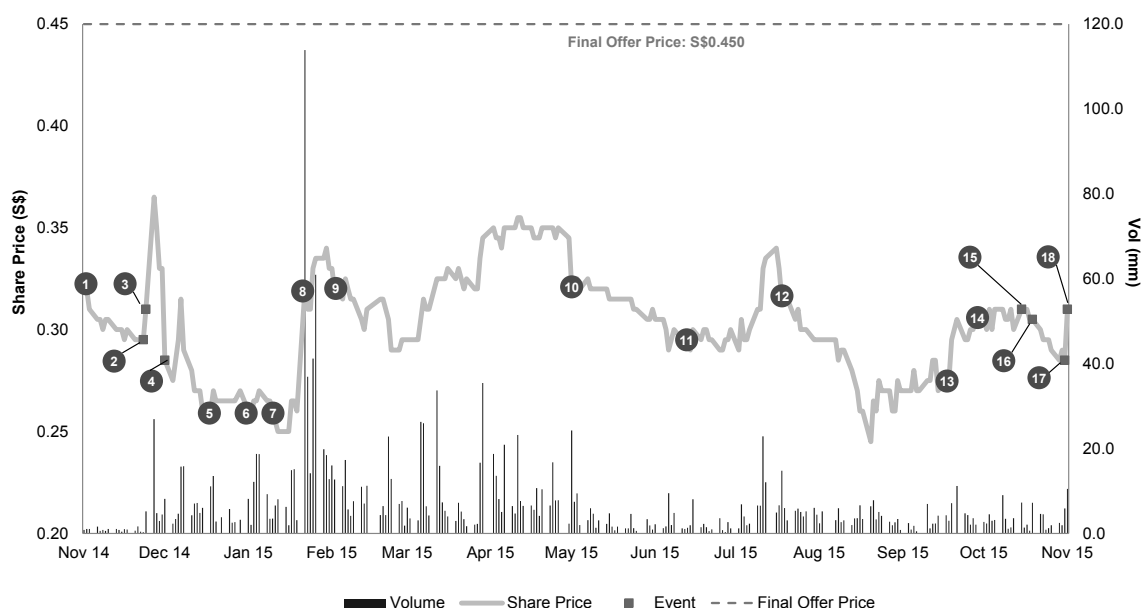
- (a) share price analysis to assess how the Final Offer Price compares to the historical share price of the Company over different observation periods;
- (b) liquidity analysis to assess whether the historical share price of the Company provides a meaningful reference point for comparison against the Final Offer Price;
- (c) precedent take-over analysis to compare the premium/discount of the Final Offer Price over the historical share price of the Company to selected take-over offer transactions in Singapore;
- (d) trading comparable analysis to assess the valuation multiples implied by the Final Offer Price in comparison with trading multiples of comparable companies;
- (e) precedent transaction analysis to assess the valuation multiples implied by the Final Offer Price in comparison with multiples of comparable transactions; and
- (f) research broker estimates analysis to assess how the Final Offer Price compares to research broker estimates for the Company.

The evaluation parameters are discussed in greater detail in the ensuing paragraphs.

10.3 Historical Share Price Trading Analysis

- (a) Historical Share Price Performance and Trading Volume for the one-year period prior to and including 5 November 2015 (the “**Last Trading Day**”, being the date immediately prior to the Offer Announcement Date)⁽¹⁾

We set out in the chart below, the closing price and daily trading volume of the Shares for the one-year period prior to and including the Last Trading Day.



Note:

(1) Based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.

	Date	Synopsis
1	06-Nov-2014	The Company announced that it had on 5 November 2014 received the approval in-principle from the SGX-ST for the dealing in, listing of and quotation of up to 1,169,842,389 new ordinary shares in the capital of the Company (the "2015 Rights Shares"), in connection with its proposed renounceable non-underwritten rights issue (the "2015 Rights Issue") at an issue price of S\$0.20 for each rights share on the basis of 85 rights shares for every 100 existing ordinary shares
2	27-Nov-2014	Resolution approved and passed for both the proposed sale of the Company's entire 40% shareholding interest in Tiger Airways Australia Pty Ltd ("Tiger Australia") and the proposed 2015 Rights Issue
3	28-Nov-2014	The Company announced that the Competition Commission of Singapore (the "CCS") issued its Grounds of Decision clearing the merger notification submitted by the Offeror and the Company in relation to, among others, the acquisition by the Offeror of additional Shares pursuant to the undertaking provided by the Offeror in support of the 2015 Rights Issue and the Company
4	5-Dec-2014	SIA announced that it converted all 189,390,367 non-voting PCCS issued by Tiger Airways held by it into 358,668,482 new Tiger Airways Shares at the adjusted conversion price of S\$0.565. The shareholding percentage interest of SIA in Tiger Airways increased from approximately 40.0 per cent. to approximately 56.0 per cent. of the total number of issued Tiger Airways Shares as a result
5	22-Dec-2014	The Company announced that of the gross proceeds of S\$297 million raised from the 2013 Rights Issue and PCCS offering, a further S\$7 million has been disbursed, since the last utilisation of proceeds announcement on 16 October 2014, towards repayment of existing loans

6	05-Jan-2015	The Company announced that the 2015 Rights Shares are to be allotted and issued on 7 January 2015 and listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 8 January 2015
7	14-Jan-2015	The Company announced since the CCS's grant of anti-trust immunity ("ATI") on 8 August 2014, Scoot and the Company have seen a doubling of passengers connecting between the two airlines on account of more competitive airfares, co-ordinated joint promotions and the launch of new itineraries only available by combining the routes of both airlines
8	26-Jan-2015	The Company reported a profit after tax of S\$2.2 million for the quarter ended 31 December 2014, a turnaround from a loss after tax of S\$118.5 million recorded in the corresponding quarter of prior year
9	06-Feb-2015	The Company completed the proposed sale of its entire 40% shareholding interest in Tiger Australia under a share purchase agreement entered into between the Company, Virgin Australia Holdings Limited and VAH Newco No. 1 Pty Ltd
10	05-May-2015	The Company reported an operating loss of S\$2.3 million in the quarter ended 31 March 2015, compared to an operating loss of S\$24.2 million recorded in the previous corresponding quarter
11	17-Jun-2015	The Company announced that of the gross proceeds of S\$229.4 million raised from the 2015 Rights Issue, a total of S\$31.3 million has been materially disbursed for (1) progressive repayment of existing loans, (2) funding for aircraft, spare engines and other aircraft parts, and associated pre-delivery payments, and (3) 2015 Rights Issue expenses
12	22-Jul-2015	The Company reported an operating profit of S\$0.6 million in the quarter ended 30 June 2016, compared to an operating loss of S\$16.4 million recorded in the previous corresponding quarter
13	21-Sep-2015	The Company's and Cebu Pacific's strategic alliance agreement was approved by the CCS
14	02-Oct-2015	The Company announced that of the gross proceeds of S\$229.4 million raised from the 2015 Rights Issue, a total of S\$25.5 million has been materially disbursed for (1) progressive repayment of existing loans, and (2) funding for aircraft, spare engines and other aircraft parts, and associated pre-delivery payments
15	19-Oct-2015	The Company announced that Scoot and Tiger Airways will expand their co-operation when Scoot launches daily services to Guangzhou, China on 16 January 2016. Scoot's Boeing 787 Dreamliner service will replace one daily flight currently operated by the Company, and the two airlines will together operate twice daily services and manage the route jointly
16	23-Oct-2015	The Company reported a S\$12.8 million net loss for the second quarter ended 30 September 2015 which was 93.0% lower than the S\$182.4 million loss reported a year ago
17	04-Nov-2015	The Company and Airbus entered into a Flight Hour Services – Tailored Support Package agreement, under which Airbus will provide Fleet Technical Management and Inventory Technical Management for Tiger Airways' A320ceo aircraft. The 10-year contract commences in early 2016. Expected cost savings will be approximately US\$20 million over the term of the contract
18	05-Nov-2015	Last Trading Day prior to the announcement of the Offer

Sources: Bloomberg L.P. and company filings

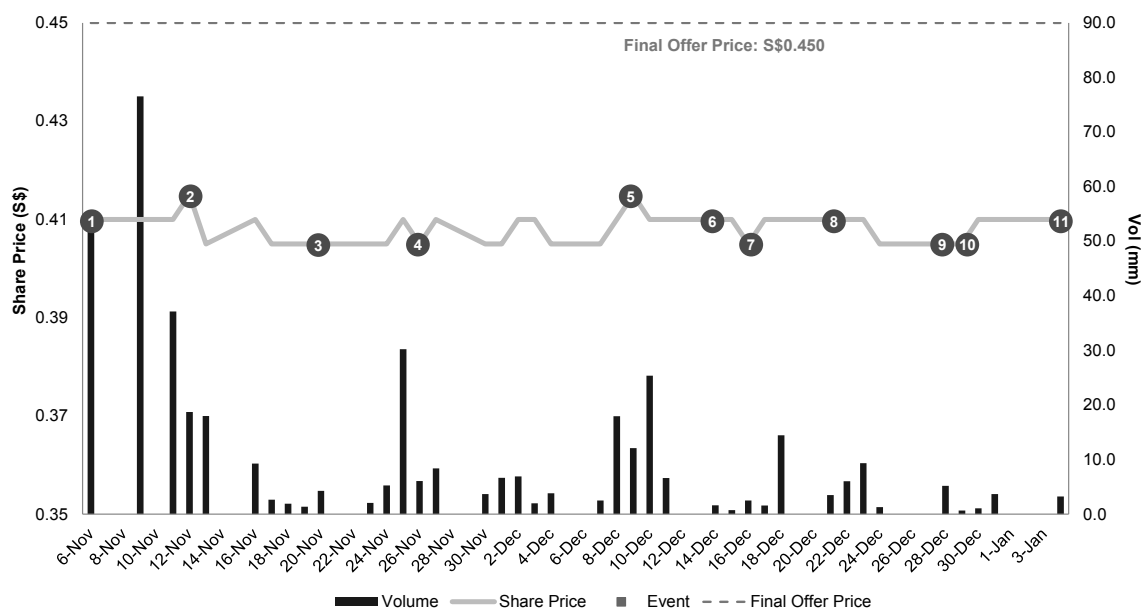
The closing prices of the Shares have been recorded in a band between S\$0.245 and S\$0.365 per Share² over the one-year period prior to and including the Last Trading Day. The Shares have not traded above the Final Offer Price during the one-year period prior to and including the Last Trading Day.

The Final Offer Price represents a premium of 23.3% over the highest closing price of S\$0.365 per Share and 83.7% premium over the lowest closing price of S\$0.245 per Share recorded in the one-year period prior to and including the Last Trading Day.

(b) Historical Share Price Performance and Trading Volume from the Offer Announcement Date to the Latest Practicable Date⁽¹⁾

We also set out in the chart below, the closing price and daily trading volume of the Shares from the Offer Announcement Date prior to and including the Latest Practicable Date.

² Based on the closing price of the Shares extracted from Bloomberg L.P.



Note:

(1) Based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues

	Date	Synopsis
1	06-Nov-2015	DBS announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer and the PCCS Offer
2	12-Nov-2015	MKES appointed by the Company to advise the Independent Directors for the purposes of the Offer and the PCCS Offer
3	20-Nov-2015	The Company announced that the Offeror has on 19 November 2015 obtained AIP from the SGX-ST for the dealing in, listing of and quotation of up to 12,495,477 New Offeror Shares on the Official List of the SGX-ST. The AIP was granted subject to the compliance with the SGX-ST's listing requirements; and submission of a written undertaking from the Offeror that it will comply with Rule 804 of the Listing Manual of the SGX-ST
4	26-Nov-2015	DBS, for and on behalf of the Offeror, announced that the Offer Document had been despatched to the Shareholders and the PCCS Holders, and the Options Proposal Letter and the Options Proposal Acceptance Letter had also been despatched to the Optionholders. The Company also announced an offeree circular containing, inter alia, the advice of the IFA and the recommendation of the Independent Directors will also be despatched to Shareholders and PCCS Holders no later than 10 December 2015
5	9-Dec-2015	The Board of Tiger Airways informed Shareholders, PCCS Holders and Optionholders that the Company had despatched the Circular to Shareholders, PCCS Holders and Optionholders
6	14-Dec-2015	DBS, for and on behalf of the Offeror, posted a reminder letter dated 14 December 2015 in relation to the Offer
7	16-Dec-2015	Dymon Asia Multi-Strategy Master Fund (" Dymon Fund ") acquired 1,080,000 voting Shares of Tiger Airways for S\$442,800 via market transaction. Temasek Holdings (Private) Limited is a passive investor in the Dymon Fund. After the transaction, Temasek Holdings (Private) Limited's deemed interest in the Shares of Tiger Airways which arises from the interest held by SIA and Dymon Fund increased from 55.99% to 56.03%
8	21-Dec-2015	SIA issued a statement in relation to the open letter from Securities Investors Association (Singapore) (" SIAS ") dated 18 December 2015 regarding the Offer. In the statement, SIA reiterated that it believes the Offer is compelling, with the offer price representing premiums of between 32% and 42% over the last traded price; and the one-month and three-month volume weighted average prices of Tiger Airways Shares preceding the announcement of the Offer

9	28-Dec-2015	DBS announced, for and on behalf of the Offeror, that the closing date of the Offer and the PCCS Offer (and consequently the closing date for acceptances of the Options Proposal) will be extended from 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) to 5.30 p.m. (Singapore time) on 8 January 2016 (Friday) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror)
10	29-Dec-2015	DBS announced, for and on behalf of the Offeror, that the number of Shares (i) owned, controlled, acquired or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (either before or during the Offer) and (ii) validly tendered pursuant to valid acceptances of the Offer received by the Offeror as at 5.00 p.m. (Singapore time) on 28 December 2015 is 1,862,804,279 representing approximately 74.50% of the total issued share capital of the Company ³ . The number of PCCS (i) owned, controlled, acquired or agreed to be acquired by the Offeror and its parties acting in concert with the Offeror (either before or during the PCCS Offer) and (ii) validly tendered pursuant to valid acceptances of the PCCS Offer received by the Offeror as at 5.00 p.m. (Singapore time) on 28 December 2015 is 6,458,451 representing approximately 49.11% of the total number of outstanding PCCS ⁴
11	04-Jan-2016	DBS announced, for and on behalf of the Offeror, that the Offeror has revised the Offer Price to the Final Offer Price of S\$0.45 in cash for each Offer Share. As a consequence of the Offer Price Revision, the Final PCCS Offer Price for the PCCS validly tendered in acceptance of the PCCS Offer is accordingly revised to be the “see-through” price based on the Final Offer Price. In addition, the Final Options Price is accordingly revised to be the “see-through” price calculated on the basis of the Final Offer Price. The Closing Date of the Offer has been extended from 5.30 p.m. (Singapore time) on 8 January 2016 (Friday) to 5.30 p.m. (Singapore time) on 22 January 2016 (Friday) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror)
11	04-Jan-2016	DBS announced, for and on behalf of the Offeror, that the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its parties acting in concert with the Offeror and (ii) Shares validly tendered in acceptance of the Offer as at 5.00 p.m. (Singapore time) on 4 January 2016 is 1,937,268,798 representing approximately 77.48% of the total issued share capital of the Company ⁵ . Total number of (i) PCCS owned, controlled or agreed to be acquired by the Offeror and its parties acting in concert with the Offeror and (ii) PCCS validly tendered in acceptance of the PCCS Offer as at 5.00 p.m. (Singapore time) on 4 January 2016 is 6,624,998 representing approximately 50.38% of the total number of outstanding PCCS ⁶ .

Sources: Bloomberg L.P. and company filings

The Company's daily closing share prices have been recorded in a band between S\$0.405 and S\$0.415 per Share in the period between the Offer Announcement Date and the Latest Practicable Date. The Shares have not traded above the Final Offer Price between the Offer Announcement Date and the Latest Practicable Date.

(c) Volume Weighted Average Price (“VWAP”) Analysis

The Final Offer Price represents the following premia over the historical traded prices of the Shares:

Description	Benchmark Price (S\$) ⁽¹⁾⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
Last traded price per Share as quoted on the SGX-ST on the Latest Practicable Date	0.410	9.8
VWAP of the Shares as transacted on the SGX-ST for the period between the Offer Announcement Date and the Latest Practicable Date	0.410	9.8
Last traded price per Share as quoted on the SGX-ST on the Last Trading Day	0.310	45.2
VWAP of the Shares as transacted on the SGX-ST for the one-month period up to and including the Last Trading Day	0.303	48.5
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	56.3

³ For purposes of computation, the total number of issued and paid-up Shares is 2,500,461,741 as at 28 December 2015.

⁴ For purposes of computation, the total number of the outstanding PCCS is 13,150,091 as at 28 December 2015.

⁵ For purposes of computation, the total number of issued and paid-up Shares is 2,500,461,741 as at 4 January 2016.

⁶ For purposes of computation, the total number of the outstanding PCCS is 13,150,091 as at 4 January 2016.

Description	Benchmark Price (S\$) ⁽¹⁾⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
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	50.0
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	46.1

Notes:

- (1) Based on data extracted from Bloomberg L.P. 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) Figures rounded to the nearest 1 decimal place.

- (i) The Final Offer Price represents a premium of approximately 46.1%, 50.0%, 56.3% and 48.5% over the VWAP of the Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day, respectively;
- (ii) The Final Offer Price represents a premium of approximately 45.2% over the last traded price of the Shares on the SGX-ST on the Last Trading Day;
- (iii) The Final Offer Price represents a premium of approximately 9.8% over the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date; and
- (iv) The Final Offer Price represents a premium of approximately 9.8% over the last traded price of the Shares on the SGX-ST on the Latest Practicable Date.

We note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer. In addition, we note that our analysis of the past price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be influenced by amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiments.

10.4 Liquidity Analysis

Ordinarily, share prices may be affected by different factors including relative liquidity, free float⁷ and investor interest or market sentiment at any given point in time. In considering the Final Offer Price relative to the Company's historical share price, we have considered the relative liquidity of the Company in comparison with companies that make up the top 15 companies traded on the SGX-ST in Singapore based on market capitalisation and the SGX-ST companies (excluding the Company) with market capitalisation of between S\$900 million and S\$1,200 million as at the Latest Practicable Date. This analysis is to check whether historical trading prices provide a meaningful reference point for comparison against the Final Offer Price.

- (a) Liquidity Analysis of the Top 15 SGX-ST Listed Companies by Market Capitalisation⁽¹⁾

Company Name	Market Cap (S\$ billion)	Free Float ⁽²⁾	12M ADTV / Free float ⁽³⁾	12M ADTV / Market Cap ⁽⁴⁾
Singapore Telecommunications Limited	57.24	49.00%	0.29%	0.16%
Jardine Matheson Holdings Limited	48.77	38.85%	0.10%	0.04%
Jardine Strategic Holdings Limited	43.16	17.51%	0.11%	0.02%
DBS Group Holdings Ltd	40.73	70.73%	0.26%	0.21%
Oversea-Chinese Banking Corporation Limited	35.56	66.10%	0.20%	0.15%
United Overseas Bank Limited	30.59	76.00%	0.22%	0.19%
Hongkong Land Holdings Limited	23.80	49.99%	0.22%	0.11%
Wilmar International Limited	18.33	28.33%	0.38%	0.11%
Thai Beverage Public Company Limited	17.33	27.71%	0.17%	0.05%

⁷ The term "free float" is calculated based on the issued shares of a company that are held by the public. The term "public" shall have the meaning ascribed to it in the Listing Manual. The acceptances in the Offer are not excluded in the free float calculation.

Company Name	Market Cap (S\$ billion)	Free Float ⁽²⁾	12M ADTV / Free float ⁽³⁾	12M ADTV / Market Cap ⁽⁴⁾
CapitalLand Limited	13.98	53.18%	0.52%	0.28%
Jardine Cycle & Carriage Limited	13.70	25.66%	0.29%	0.07%
Singapore Airlines Limited	12.79	43.71%	0.27%	0.12%
Keppel Corporation Limited	11.61	66.00%	0.43%	0.35%
Dairy Farm International Holdings Limited	11.62	16.21%	0.13%	0.03%
Global Logistic Properties Limited	9.91	43.11%	0.87%	0.43%
Mean	25.94	44.81%	0.30%	0.15%
Median	18.33	43.71%	0.26%	0.12%
Maximum	57.24	76.00%	0.87%	0.43%
Minimum	9.91	16.21%	0.10%	0.02%
Tiger Airways Holdings Limited (one-year prior to and including the Last Trading Day) ⁽⁵⁾⁽⁷⁾	0.78	44.17%	0.62%	0.28%
Tiger Airways Holdings Limited (one-year prior to and including the Latest Practicable Date) ⁽⁶⁾⁽⁷⁾	1.03	44.17%	0.71%	0.26%

Sources: Bloomberg L.P. and companies' filings

Notes:

- (1) All figures as at the Latest Practicable Date
- (2) Free float percentages are based on latest Company's filings and data extracted from Bloomberg L.P.
- (3) 12-month average daily trading volume leading up to and including the Latest Practicable Date, divided by free float number of shares
- (4) 12-month average daily trading value leading up to and including the Latest Practicable Date, divided by market capitalisation
- (5) Market capitalisation figures are based on the total number of issued Shares of the Company and Share Price as at the Last Trading Day
- (6) Market capitalisation figures are based on the total number of issued Shares of the Company and Share Price as at the Latest Practicable Date
- (7) Based on free float number of shares as at 1 December 2015

With respect to the table above, we note that in the one-year period up to and including the Last Trading Day and the Latest Practicable Date, the Company's average daily trading volume as a percentage of its free float and average daily trading value as a percentage of its market capitalisation is above the mean and the median liquidity measure of the top 15 largest companies by market capitalisation traded on the SGX-ST.

- (b) Liquidity Analysis of the SGX-ST Listed Companies with Market Capitalisation of between S\$900 million and S\$1,200 million⁽¹⁾

Company Name	Market Cap (S\$ billion)	Free Float ⁽²⁾	12M ADTV / Free float ⁽³⁾	12M ADTV / Market Cap ⁽⁴⁾
GuocoLeisure Limited	1.18	32.21%	0.18%	0.06%
Far East Hospitality Trust	1.17	34.04%	0.13%	0.05%
Bukit Sembawang Estates Limited	1.17	41.00%	0.03%	0.01%
ARA Asset Management Limited	1.16	38.16%	0.19%	0.09%
CWT Limited	1.12	35.20%	0.42%	0.15%
Pacific Century Regional Developments Limited	1.10	13.10%	0.60%	0.08%
UOB-Kay Hian Holdings Limited	1.08	34.72%	0.04%	0.01%
Hong Leong Finance Limited	1.04	44.78%	0.03%	0.01%
Gallant Venture Ltd.	1.04	13.45%	0.15%	0.02%
Frasers Hospitality Trust	1.02	40.10%	0.08%	0.03%
OUE Hospitality Trust	1.01	56.21%	0.14%	0.09%
Frasers Commercial Trust	0.99	72.83%	0.15%	0.12%
COSCO Corporation (Singapore) Limited	0.99	46.51%	0.41%	0.22%
Ezion Holdings Limited	0.95	55.74%	1.78%	1.50%
Asian Pay Television Trust	0.93	89.00%	0.20%	0.22%
Super Group Ltd.	0.92	19.17%	0.63%	0.16%
First Real Estate Investment Trust	0.90	65.08%	0.14%	0.10%
Mean	1.05	43.02%	0.31%	0.17%
Median	1.04	40.10%	0.15%	0.09%
Maximum	1.18	89.00%	1.78%	1.50%
Minimum	0.90	13.10%	0.03%	0.01%
Tiger Airways Holdings Limited (one-year prior to and including the Last Trading Day) ⁽⁵⁾⁽⁷⁾	0.78	44.17%	0.62%	0.28%
Tiger Airways Holdings Limited (one-year prior to and including the Latest Practicable Date) ⁽⁶⁾⁽⁷⁾	1.03	44.17%	0.71%	0.26%

Sources: Bloomberg L.P. and companies' filings

Notes:

- (1) All figures as at the Latest Practicable Date
- (2) Free float percentages are based on latest Company's filings and data extracted from Bloomberg L.P.
- (3) 12-month average daily trading volume leading up to and including the Latest Practicable Date, divided by free float number of shares
- (4) 12-month average daily trading value leading up to and including the Latest Practicable Date, divided by market capitalisation
- (5) Market capitalisation figures are based on the total number of issued Shares of the Company and Share Price as at the Last Trading Day
- (6) Market capitalisation figures are based on the total number of issued Shares of the Company and Share Price as at the Latest Practicable Date
- (7) Based on free float number of shares as at 1 December 2015

With respect to the table above, we note that in the one-year period up to and including the Last Trading Day and the Latest Practicable Date, the Company's average daily trading volume as a percentage of its free float and the average daily traded value as a percentage of its market capitalisation is above the mean and the median liquidity measure of the SGX-ST listed companies (excluding the Company) with market capitalisation of between S\$900 million and S\$1,200 million as at the Latest Practicable Date.

(c) Historical Trading Volume

As at the Latest Practicable Date, the Company had a free float of approximately 44.2 per cent. The Independent Directors should also note that the average daily trading volume on the SGX-ST of the Shares is approximately 6,881,122 Shares per day during the one year period up to and including the Last Trading Day and that the free float turned 160 times during this period.

We have also considered the historical trading volume of the Shares for the one-month, two-month, three-month, six-month, nine-month and one-year periods prior to and including the Last Trading Day and the Latest Practicable Date, and the period from the Offer Announcement Date to the Latest Practicable Date as set out in the table below.

Reference Period	Average Daily Trading Volume	ADTV / Free float ⁽¹⁾⁽²⁾	ADTV / Market Cap ⁽³⁾
One-year period prior to and including the Last Trading Day	6,881,122	0.62%	0.28%
Nine-month period prior to and including the Last Trading Day	5,842,269	0.53%	0.24%
Six-month period prior to and including the Last Trading Day	3,969,009	0.36%	0.15%
Three-month period prior to and including the Last Trading Day	3,666,160	0.33%	0.14%
Two-month period prior to and including the Last Trading Day	3,604,426	0.33%	0.14%
One-month period prior to and including the Last Trading Day	3,607,525	0.33%	0.14%
Last Trading Day	10,478,800	0.95%	0.41%
Offer Announcement Date	52,190,000	4.73%	2.09%
One-year period prior to and including the Latest Practicable Date	7,869,335	0.71%	0.26%
Nine-month period prior to and including the Latest Practicable Date	5,980,804	0.54%	0.20%
Six-month period prior to and including the Latest Practicable Date	6,352,785	0.58%	0.22%
Three-month period prior to and including the Latest Practicable Date	7,962,875	0.72%	0.31%
Two-month period prior to and including the Latest Practicable Date	10,523,393	0.95%	0.42%
One-month period prior to and including the Latest Practicable Date	6,175,415	0.56%	0.25%
From Offer Announcement Date to the Latest Practicable Date	10,643,090	0.96%	0.42%
Latest Practicable Date	3,269,200	0.30%	0.13%

Source: Bloomberg L.P.

Notes:

- (1) 12-month average daily trading volume leading prior to and including the Latest Practicable Date, divided by free float number of shares
- (2) Based on free float number of shares as at 1 December 2015
- (3) 12-month average daily trading value leading prior to and including the Latest Practicable Date, divided by market capitalisation

Overall, the above analysis suggests that the trading of the Shares does not suffer from illiquid trading conditions and that the historical market price of the Shares provides a meaningful reference point for comparison with the Final Offer Price.

The past liquidity of the Shares especially for the period after the Offer Announcement Date should not in any way be relied upon as an indication of the future liquidity of the Shares. There is no assurance that the liquidity of the Shares will remain at these levels after the Offer closes or lapses.

10.5 Precedent Take-over Premia Analysis

We note that it is the intention of the Offeror, and the purpose of the Offer, to privatise and delist the Company from the Official List of the SGX-ST (the **"Proposed Delisting"**). The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the Shares (excluding treasury shares) are held in public hands.

Take-overs of companies listed on the SGX-ST generally fall into the categories of (i) privatisation transactions, whether by way of scheme of arrangement (**"Scheme of Arrangement"** or **"SOA"**) under Section 210 of the Companies Act, voluntary general offer under the Code (**"Voluntary General Offer"** or **"VGO"**) or mandatory general offer under the Code (**"Mandatory General Offer"** or **"MGO"**), where the offeror intends to acquire the entire share capital of the target company, leading to the eventual delisting of the target company from the Official List of the SGX-ST; (ii) delisting offers under Rule 1307 of the Listing Manual (**"Voluntary Delisting"** or **"VD"**) where the primary intention of the offeror is to delist the target company from the Official List of the SGX-ST.

For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Final Offer Price vis-a-vis those in respect of recent selected privatisations and delistings of companies listed on the SGX-ST Mainboard. We have selected SOA, VGO, MGO and VD transactions announced and completed between 1 January 2014 and the Latest Practicable Date where the transaction size implied by the respective offer is greater than S\$100 million, regardless of whether the offeror succeeds in acquiring the entire issued share capital of the target (the **"Precedent Privatisations"**).

We set out in the table below the premium/discount implied by the offer price of the Precedent Privatisations in Singapore to the last transacted price and the VWAPs of the respective targets for the one-month, three-month and six-month periods prior to the respective offer announcements.

Company	Announced Date	Type	Premium / (Discount) of offer price ⁽¹⁵⁾ over/(to)			
			Last transacted price (%)	One-month VWAP (%)	Three-month VWAP (%)	Six-month VWAP (%)
Singapore Land Limited ⁽¹⁾	24-Feb-14	VGO	11.2	16.9	13.9	11.0
Olam International Limited ⁽²⁾	14-Mar-14	VGO	11.8	24.3	33.0	39.9
China XLX Fertiliser Ltd. ⁽³⁾	31-Mar-14	VD	23.1	28.9	24.8	22.2
Capitamalls Asia Limited ⁽⁴⁾	14-Apr-14	VGO	31.5	35.8	34.2	27.6
Hotel Properties Limited ⁽⁵⁾	14-Apr-14	MGO	29.4	33.8	35.1	32.2
Goodpack Limited ⁽⁶⁾	27-May-14	SOA	23.2	30.8	31.3	34.3
Forterra Trust ⁽⁷⁾	04-Nov-14	MGO	32.4	51.1	49.7	39.8
UE E&C Ltd. ⁽⁸⁾	28-Nov-14	VGO	5.0	12.3	17.0	21.1
CH Offshore Ltd ⁽⁹⁾	11-Dec-14	VGO	18.3	20.1	17.0	16.8
STATS ChipPAC ⁽¹⁰⁾	30-Dec-14	VGO	55.3	39.1	42.6	47.5
LCD Global Investments Limited ⁽¹¹⁾	12-Jan-15	VGO	10.0	11.5	13.4	13.4
Keppel Land ⁽¹²⁾	23-Jan-15	VGO	20.0	25.0	28.8	28.2
United Envirotech Ltd. ⁽¹³⁾	05-Mar-15	VGO	12.6	16.5	20.2	28.1
Mean			21.8	26.6	27.8	27.9
Median			20.0	25.0	28.8	28.1
Max			55.3	51.1	49.7	47.5
Min			5.0	11.5	13.4	11.0
Tiger Airways⁽¹⁴⁾	04-Jan-16	VGO	45.2	48.5	56.3	50.0

Sources: Bloomberg L.P. and relevant offer documents. Includes Singapore general offer transactions and mandatory general offers, excludes scheme of arrangements

Notes:

(1) Time reference in calculating the premia is 19 February 2014, the last trading day prior to the offer announcement date

- (2) Time reference in calculating the premia is 12 March 2014 being the last full day of trading in the shares on the SGX-ST prior to the offer announcement date
- (3) Time reference in calculating the premia is 6 December 2013 being the last business day on which the shares were traded on the SGX-ST and the Stock Exchange of Hong Kong Limited ("SEHK") prior to the possible offer announcement date
- (4) Time reference in calculating the premia is 11 April 2014 being the last full trading day of the shares on the SGX-ST immediately preceding the offer announcement date
- (5) Time reference in calculating the premia is 11 April 2014 being the last traded market day prior to the offer announcement date
- (6) Time reference in calculating the premia is 18 March 2014 being the last full trading day prior to the holding announcement date when the company first announced that it has been approached on a possible offer for the shares
- (7) Time reference in calculating the premia is 3 November 2014 being the last traded market day prior to the offer announcement date
- (8) Time reference in calculating the premia is 21 March 2014 being the last trading date before SGX-ST's query regarding the unusual price movements in the shares of the company. On 24 March 2014, SGX-ST initiated a query regarding the trading activity of the company, and the company responded with a trading halt and announced that its controlling shareholder, United Engineers Limited, is currently in discussions with a third party in connection with the sale of its shareholding in the company
- (9) Time reference in calculating the premia is 10 December 2014 being the last trading day prior to the offer announcement date
- (10) Time reference in calculating the premia is 14 May 2014 being the last trading date before SGX-ST's query regarding the unusual price movements in the shares of the company. Offer price based on the total of the offer price and the distribution of US\$89,119,520 following the completion of the internal restructuring exercise
- (11) Time reference in calculating the premia is 9 January 2015 being the last trading day prior to the offer announcement date
- (12) Time reference in calculating the premia is 20 January 2015 being the last full market day preceding the date of announcement on which the shares were traded on the SGX-ST
- (13) Time reference in calculating the premia is 1 July 2014 being the last full market day preceding the holding announcement date when the company announced a holding announcement stating that it has been approached to explore a potential acquisition of shares in the company
- (14) Time reference in calculating the premia is 5 November 2015 being the Last Trading Day
- (15) Offer price based on the final bid price per share

Based on the above analysis, we note the following:

- (a) The premium of approximately 45.2% implied by the Final Offer Price over the last traded price of the Shares on the Last Trading Day is within the range and higher than the mean and median premium of 21.8% and 20.0%, respectively, implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Privatisations;
- (b) The premium of approximately 48.5% implied by the Final Offer Price over the one-month VWAP of the Shares prior to and including the Last Trading Day is within the range and higher than the mean and median premium of 26.6% and 25.0%, respectively, as implied by the respective offer prices over the one-month VWAP of the shares with respect to the Precedent Privatisations;
- (c) The premium of approximately 56.3% implied by the Final Offer Price over the three-month VWAP of the Shares prior to and including the Last Trading Day is above the range, as implied by the respective offer prices over the three-month VWAP of the shares in respect of the Precedent Privatisations; and
- (d) The premium of approximately 50.0% implied by the Final Offer Price over the six-month VWAP of the Shares prior to and including the Last Trading Day is above the range, as implied by the respective offer prices over the six-month VWAP of the shares in respect of the Precedent Privatisations.

The Independent Directors should note that the level of premium (if any) that an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, inter alia, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Hence, each Precedent Privatisation should be assessed based on its own merits.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisations and would not, therefore, be directly comparable to the list of companies in terms of, inter alia, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, capital structure, profitability, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial position and other relevant criteria. Accordingly, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisations. Therefore, any comparison of the Offer with the Precedent Privatisations is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.

The list of Precedent Privatisations indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premium/(discount) implied by the offer prices in respect of the Precedent Privatisations over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/(discount) for the recent Precedent Privatisations. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition. MKES makes no representations or warranties, express or implied, on the accuracy completeness of such information.

10.6 Valuation Ratios

We have applied the following valuation ratios in our analysis:

Valuation Multiples	Description
EV/Revenue	“EV” or “enterprise value” is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt less investments in associates, and cash and cash equivalents. The EV/Revenue ratio illustrates the market value of a company’s business relative to its historical revenue, without regard to the company’s capital structure.
EV/EBITDA	“EV” or “enterprise value” is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt less investments in associates, and cash and cash equivalents. “EBITDA” stands for historical earnings before interest, tax, depreciation and amortization expenses, excluding share of associates’ and joint ventures’ income and other exceptional items. The EV/EBITDA ratio illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s capital structure.
AEV/EBITDAR	“AEV” or “adjusted enterprise value” is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debt and aircraft and engine operating lease payments capitalized at a factor of 7.0 times less investments in associates, cash and cash equivalents. “EBITDAR” stands for historical earnings before interest, tax, depreciation and amortization expenses and aircraft and engine operating lease payments, excluding share of associates’ and joint ventures’ income and other exceptional items. AEV/EBITDAR multiples allow for a comparison of trading multiples independent of the financing structure of the fleet.
P/B	“P/B” or “price-to-book” multiple illustrates the ratio of the market price of a company’s shares relative to its historical book net asset value (“NAV”) per share as recorded in its financial statements. The NAV of a company is defined as its total assets (including intangible assets and goodwill) less its total liabilities, and excludes, where applicable, minority interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at its book value, the proceeds of which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/E	“P/E” or “price-to-earnings” ratio illustrates the ratio of the market price of a company’s shares relative to its earnings per share. The P/E ratio is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation and intangible assets.

In applying the above ratios, we have considered whether the multiples of the Company, implied by the Final Offer Price, lie above, within or below the mean and median and minimum and maximum of the range implied by the relevant ratios considered set out in Sections 10.7 and 10.8 of this letter. We consider each ratio equally and do not view any particular ratio as more important than others.

10.7 Trading Comparable Analysis

We have considered the valuation ratios of selected listed companies principally engaged in the commercial airline industry and regarded as low-cost carriers which are in our opinion, broadly comparable to the Company (the “Comparable Companies”). A summary profile of the Comparable Companies is set out below.

(a) A brief description of the Comparable Companies selected for our analysis is set out below:

Company	Target Description	Market Capitalisation (\$mm)
Southeast Asia low-cost carriers		
Cebu Air, Inc. (“Cebu Pacific”)	Cebu Pacific offers scheduled air travel services to passengers, as well as airport-to-airport cargo services on its domestic and international routes. It operates flights to 29 cities in 18 countries in North Asia, the Association of Southeast Asian Nations (ASEAN), Australia, and the Middle East. Cebu Pacific also provides ancillary services, such as cancellation and rebooking options; in-flight merchandising, including sale of duty-free products on international flights; baggage services; and travel-related products and services. Cebu Pacific has a strategic alliance with Tiger Airways. Cebu Pacific was incorporated in 1988 and is headquartered in Pasay City, the Philippines.	1,516
AirAsia Bhd (“AirAsia”)	AirAsia provides air transportation services primarily in Malaysia. It operates scheduled passenger flights and chartered flights; and offers cargo transportation services. It also engages in tour operating business; and leases aircraft. AirAsia operates a fleet of 150 Airbus A320 aircraft flying 88 destinations. AirAsia was founded in 2001 and is based in Sepang, Malaysia. AirAsia also holds 45% of the shares of Thai AirAsia Co., Ltd.	1,180
Asia Aviation PCL (“Asia Aviation”)	Asia Aviation was incorporated on February 14, 2006. It provides airline services in Thailand. It also offers point-to-point services; and ancillary services. Asia Aviation’s route network covers a total of 36 cities in 9 countries in Asia, including 21 international destinations and 15 domestic destinations from its 40 Airbus A320 aircraft fleet. Asia Aviation was founded in 2004 and is headquartered in Bangkok, Thailand. Asia Aviation holds 55% of the shares of Thai AirAsia Co., Ltd.	986
AirAsia X Bhd (“AirAsia X”)	AirAsia X is the long-haul, low-cost affiliate carrier of the AirAsia Group that currently flies to destinations in the Asia Pacific region. The airline currently serves 18 destinations across Asia, Australia and the Middle East. AirAsia X operates a core fleet of 26 A330-300s. It has three additional aircraft for non-scheduled lease and charter operations. The airline has carried over 10 million guests since it commenced long-haul service in 2007.	245
Other international low-cost carriers		
Southwest Airlines Co. (“Southwest Airlines”)	Southwest Airlines operates a major passenger airline that provides scheduled air transportation in the United States and near-international markets. Southwest Airlines commenced service on June 18, 1971. Southwest Airlines ended 2014 serving 93 destinations in 40 states and five near-international countries.	38,960
Ryanair Holdings PLC (“Ryanair”)	Ryanair provides scheduled-passenger airline services in Ireland, the United Kingdom, continental Europe, and Morocco. It operates more than 1,800 daily flights from 76 bases, connecting 200 destinations in 31 countries on a fleet of over 300 Boeing 737 aircraft. Ryanair was founded in 1985 and is headquartered in Swords, Ireland.	30,203
EasyJet PLC (“EasyJet”)	EasyJet operates as an airline carrier on over 600 routes across more than 30 countries across Europe with a fleet of over 200 Airbus aircraft. It is also engaged in trading and leasing aircrafts. EasyJet was founded in 1995 and is based in Luton, the United Kingdom.	14,442
JetBlue Airways Corporation (“JetBlue”)	JetBlue is a passenger carrier company providing air transportation services. In 2014, JetBlue carried over 32 million passengers with an average of 825 daily flights and served 87 destinations in the United	9,842

	States, the Caribbean and Latin America. JetBlue was incorporated in Delaware in August 1998, commenced service on February 11, 2000.	
Spring Airlines Co., Ltd. (" Spring Airlines ")	Spring Airlines is the aviation subsidiary of Shanghai Spring International Travel Service. Spring Airlines is primarily engaged in the airline transportation of passengers and freight. It operates domestic and international routes for passengers and cargoes. Spring Airlines was founded in 2005 and is based in Shanghai, China.	9,794
InterGlobe Aviation Limited (" InterGlobe Aviation ")	InterGlobe Aviation operates on a low-cost carrier business model through Indigo and focuses primarily on the domestic Indian air travel market. InterGlobe Aviation commenced operations in August 2006 and has a fleet of 96 aircrafts as at 30 April 2015, all of which are Airbus A320 aircraft.	9,751
Virgin Australia Holdings Limited (" Virgin Australia ")	Virgin Australia operates domestic and international airline business in Australia. It operates through Virgin Australia Domestic, Virgin Australia International, Velocity, and Tigerair Australia segments. Virgin Australia's aircrafts fly to a range of Australian domestic ports, including regional network operations, as well as international destinations comprising of Trans-Pacific, Middle East, Trans-Tasman, Pacific Island, and South East Asian routes. It has strategic alliances with Air New Zealand Limited, Etihad Airways P.J.S.C, Singapore Airlines Limited, and Delta Air Lines Inc. Virgin Australia was formerly known as Virgin Blue Holdings Limited and changed its name to Virgin Australia Holdings Limited in 2011. Virgin Australia was founded in 2000 and is based in Bowen Hills, Australia.	1,619
SpiceJet Limited (" SpiceJet ")	SpiceJet is a domestic low-budget air carrier which provides scheduled flights between major cities in India. SpiceJet has a fleet size of 58 aircraft covering 51 destinations. SpiceJet was incorporated in 1984 and is headquartered in Gurgaon, India.	1,046

Sources: Capital IQ and companies' filings

We wish to highlight that the Comparable Companies are not exhaustive and they differ from the Company in terms of, inter alia, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, listing venue, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide. Accordingly, the Comparable Companies may not provide a meaningful basis for valuation comparison. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

(b) Valuation ratios of the Comparable Companies

Company	Listing Exchange	Trading Currency	Stock Price (Local currency)	Market Cap ⁽¹⁾ (\$\$ mm)	Enterprise value ⁽²⁾ (\$\$ mm)	Adjusted Enterprise value ⁽³⁾ (\$\$ mm)	EV/ revenue LTM	EV/ EBITDA ⁽⁴⁾ LTM	AEV/ EBITDAR ⁽⁴⁾ LTM	P/E ⁽⁴⁾ LTM	P/B
Southeast Asia low-cost carriers											
Cebu Pacific ⁽⁵⁾	PSE	PHP	82.60	1,516	2,457	3,278	1.5 x	8.6 x	8.2 x	14.1 x	2.1 x
AirAsia ⁽⁶⁾	KLSE	MYR	1.29	1,180	4,680	5,290	2.5 x	9.7 x	9.3 x	NM	0.9 x
Asia Aviation ⁽⁷⁾	SET	THB	5.15	986	1,599	2,690	1.4 x	11.8 x	9.2 x	17.1 x	1.3 x
AirAsia X ⁽⁸⁾	KLSE	MYR	0.18	245	721	2,158	0.7 x	28.3 x	9.4 x	NM	1.5 x
Other international low-cost carriers											
Southwest Airlines ⁽⁹⁾	NYSE	USD	41.96	38,960	38,349	40,818	1.4 x	5.6 x	5.7 x	14.5 x	3.9 x
Ryanair ⁽¹⁰⁾	ISE	EUR	14.87	30,203	28,706	29,998	3.0 x	10.5 x	10.3 x	16.9 x	4.3 x
EasyJet ⁽¹¹⁾	LSE	GBP	17.37	14,442	13,531	15,202	1.4 x	7.8 x	7.7 x	12.6 x	3.1 x
JetBlue ⁽¹²⁾	NasdaqGS	USD	21.88	9,842	10,988	12,218	1.2 x	5.6 x	5.7 x	16.9 x	2.3 x
Spring Airlines ⁽¹³⁾	SHSE	RMB	56.03	9,794	9,968	NA	5.6 x	NA	NA	31.4 x	7.0 x
InterGlobe Aviation ⁽¹⁴⁾	BSE	INR	1,262.00	9,751	10,030	13,130	3.2 x	19.6 x	13.8 x	28.2 x	NM
Virgin Australia ⁽¹⁵⁾	ASX	AUD	0.45	1,619	3,204	5,187	0.7 x	10.9 x	9.0 x	NM	1.5 x
SpiceJet ⁽¹⁶⁾	BSE	INR	81.40	1,046	1,325	2,316	1.5 x	NM	24.6 x	NM	NM
Southeast Asia low-cost carriers											
Mean ⁽¹⁷⁾							1.5 x	14.6 x	9.0 x	15.6 x	1.4 x
Median ⁽¹⁷⁾							1.4 x	10.7 x	9.2 x	15.6 x	1.4 x
Max ⁽¹⁷⁾							2.5 x	28.3 x	9.4 x	17.1 x	2.1 x
Min ⁽¹⁷⁾							0.7 x	8.6 x	8.2 x	14.1 x	0.9 x
Overall											
Mean ⁽¹⁷⁾							2.0 x	11.8 x	10.3 x	19.0 x	2.8 x
Median ⁽¹⁷⁾							1.4 x	10.1 x	9.2 x	16.9 x	2.2 x
Max ⁽¹⁷⁾							5.6 x	28.3 x	24.6 x	31.4 x	7.0 x
Min ⁽¹⁷⁾							0.7 x	5.6 x	5.7 x	12.6 x	0.9 x
Tiger Airways (at last traded price Prior to Offer Announcement)⁽¹⁸⁾											
SGA ⁽¹⁹⁾	SGX-ST	SGD	0.31	783	775	1,321	1.1 x	20.6 x	11.4 x	NM	3.7 x
Tiger Airways (at Final Offer Price)⁽²⁰⁾											
SGA ⁽¹⁹⁾	SGX-ST	SGD	0.45	1,136	1,129	1,675	1.6 x	30.0 x	14.5 x	NM	5.4 x

Sources: Bloomberg L.P., Capital IQ and companies' financials and filings

Notes:

- (1) Market capitalisation is calculated based on share price from Capital IQ as at the Latest Practicable Date multiplied by total ordinary shares outstanding and foreign exchange conversion rates as at the Latest Practicable Date.
- (2) Enterprise value has been calculated as market capitalisation + net debt + minority interest – interest in associates.
- (3) Adjusted enterprise value has been calculated as market capitalisation + net debt + minority interest – interest in associates + 7 times aircraft and engine operating lease payment.
- (4) EBITDA, EBITDAR and net income attributable to equity holders of the company have been adjusted for one-off and extraordinary items per footnotes below. Tax effect on these adjustments applied using marginal tax rate as disclosed in the company filings.
- (5) Financial information reflects data for the last twelve months ("LTM") for the period ended 30 September 2015. Enterprise value has been adjusted for pension liabilities and investment in joint venture. Net income figure has been adjusted for foreign exchange gain/loss and loss on sale of aircraft. Tax effect on these adjustments applied using statutory tax rate of 30%.
- (6) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for AFS financial assets and derivative financial instruments (foreign currency contracts and interest rate contracts). EBITDA figure has been adjusted for gain on disposal of property, plant and equipment and gain on disposal of available-for-sale financial assets. Negative net income reported for AirAsia for the last twelve months for the period ended 30 September 2015.
- (7) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for short-term and long-term investments and employee benefit obligations. Net income figure has been adjusted for foreign exchange gain/loss. Tax effect on these adjustments applied using statutory tax rate of 20%.
- (8) Financial information reflects data for the last twelve months for the period ended 30 September 2015. EBITDA has been adjusted for penalty on early termination of term loan, impairment of receivables, property, plant and equipment written off, foreign exchange loss, gain on disposal of aircraft and engine. Negative net income reported for AirAsia X for the last twelve months for the period ended 30 September 2015.
- (9) Financial information reflects data for the last twelve months for the period ended 30 September 2015. EBITDA and net income figures have been adjusted for acquisition and integration costs, labor ratification bonuses, special revenue adjustment and litigation settlement. Tax effect on these adjustments applied using statutory tax rate of 39%.
- (10) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for short-term financial assets. Net income figure has been adjusted for foreign exchange gain/loss and gain on disposal of available for sale financial asset. Tax effect on these adjustments applied using statutory tax rate of 12.5%.
- (11) Financial information reflects data for the last twelve months for the period ended 30 September 2015.
- (12) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for short-term and long-term investments. EBITDA figure has been adjusted for insurance recovery for a damaged engine, gain from sale of an engine and gain from one-time legal settlement. Net income figure has been adjusted for insurance recovery for a damaged engine, gain from sale of an engine, gain from one-time legal settlement and gain on sale of a subsidiary. Tax effect on these adjustments applied using statutory tax rate of 35%.
- (13) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Depreciation and amortisation and aircraft and engine operating lease payment data is not available for the last nine months ended 30 September 2014 and 30 September 2015. Net income figure has been adjusted for gain/loss on disposal of assets. Tax effect on these adjustments applied using statutory tax rate of 25%.
- (14) Financial information reflects data for the last twelve months for the period ended 30 June 2015. Enterprise value has been adjusted for long-term investment. Negative shareholders' funds reported for the period ended 30 June 2015.

- (15) Financial information reflects data for the last twelve months for the period ended 30 June 2015. EBITDA has been adjusted for foreign exchange gain, restructuring and transaction costs and impairment losses. Negative net income reported for Virgin Australia for the last twelve months for the period ended 30 June 2015.
- (16) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Negative EBITDA, net income and negative shareholders' funds reported for SpiceJet for the last twelve months for the period ended 30 September 2015.
- (17) Multiples that are non-meaningful ("NM") or are not available ("NA") are excluded from the computation of the mean, median, max and min.
- (18) Implied equity value is calculated using the last traded price of S\$0.31 per Share as quoted on the SGX-ST on the Last Trading Day and the fully diluted share capital of Tiger Airways had all Shares under the PCCS and the Options been issued. Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for long-term investment. EBITDA figure has been adjusted for exchange gain/loss. Negative earnings reported for Tiger Airways for the last twelve months for the period ended 30 September 2015.
- (19) Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for short-term investment. EBITDA and net income figures have been adjusted for exceptional items, surplus/loss on disposal of aircraft, spares and spare engines, other non-operating items, impairment of property, plant and equipment, compensation for changes in aircraft delivery slots, amortisation of deferred gain on sale and operating leaseback transactions, surplus on disposal of short-term investments, bad debts written off, impairment of trade debtors, net exchange loss, writedown on inventories, overprovision/underprovision of tax in respect of prior years. Tax effect on these adjustments applied using statutory tax rate of 17%.
- (20) Implied equity value is calculated using the Final Offer Price of S\$0.45 per Share and the fully diluted share capital of Tiger Airways had all Shares under the PCCS and the Options been issued as at the Latest Practicable Date. Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for long-term investment. EBITDA figure has been adjusted for exchange gain/loss. Negative earnings reported for Tiger Airways for the last twelve months for the period ended 30 September 2015.

The Independent Directors should note that the analysis of trading multiples indicates that the equivalent LTM EV/EBITDA, LTM AEV/EBITDAR and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Comparable Companies set out above. The equivalent LTM EV/Revenue multiple for the Company implied by the Final Offer Price is within the range indicated by the Comparable Companies set out above.

10.8 Precedent Transaction Analysis

We have reviewed selected transactions completed between 1 January 2013 and the Latest Practicable Date, involving the acquisitions of equity interests in selected companies that operate in the commercial airline industry and for which information is publicly available (the "**Precedent Transactions**"). Furthermore, in order to compile a list of representative transactions, we have included transactions where the transaction sizes are more than S\$100 million and the acquirer acquired secondary shares in the target company.

- (a) A brief description of the target companies in the Precedent Transactions selected for our analysis is set out below:

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
Asia Pacific Transactions			
Xiamen Airlines Company Limited (" Xiamen Airlines ")	8-Dec-15, 20-Jun-15	Xiamen Airlines provides passenger and cargo air transportation services. It operates more than 220 domestic routes, and almost 50 international and regional routes, and flies more than 3,200 flights each week. With bases in Xiamen, Fuzhou and Hangzhou, Xiamen Airlines' flight network covers major cities in China and extends to Hong Kong, Macao, Taiwan and Southeast Asian countries. Xiamen Airlines has six branches in Fuzhou, Hangzhou, Tianjin, Nanchang, Beijing, and Hunan, one operation base in Quanzhou, 48 domestic and international business departments and offices and owns Hebei Airlines as its subsidiary. Xiamen Airlines has a fleet of 123 aircraft with a total of 20,555 seats, and an average airplane service age of 5.61 years. Xiamen Airlines was founded in 1984 and is based in Xiamen, China.	11.0% (8-Dec-15) 15.0% (20-Jun-15)
Tianjin Airlines Co., Ltd. (" Tianjin Airlines ")	14-Apr-15	Tianjin Airlines provides air transportation services. It was formerly known as Grand China Express Airlines Company Ltd. and changed its name to Tianjin Airlines Co., Ltd. On June 8th, 2009, Tianjin Airlines was established with co-investment from HNA Group company Ltd, Tianjin Duty-free Zone Investment Company Ltd and Hainan Airlines Co., Ltd. Tianjin Airlines is based in Tianjin, China.	48.2%
Philippine Airlines Inc (" PAL "), Air Philippines Corporation (" AirPhil ")	08-Sep-14	PAL, the Philippine national flag carrier, is primarily engaged in air transport of passengers and cargo within the Philippines and several international destinations. AirPhil owns and operates an airline under the PAL Express brand name. The transaction was completed through sale of the 49% equity interest in Trustmark Holdings Corporation (" Trustmark ") and Zuma Holdings and Management Corporation (" Zuma "), which represented indirect ownership interests of 43.23% and 48.98% in PAL and AirPhil,	49.0%

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
		respectively as well as the sale of stakes in the relevant asset owning entities.	
Malaysian Airline System Bhd ("Malaysian Airline System")	08-Aug-14	Malaysian Airline System is a public limited liability company, incorporated and domiciled in Malaysia. The holding company is Khazanah Nasional Berhad which is incorporated and domiciled in Malaysia. Malaysian Airline System is principally engaged in the business of air transportation and the provision of related services.	30.6%
Hebei Airlines Co. Ltd ("Hebei Airlines")	17-Jul-14	Hebei Airlines is a company incorporated in China and its principal business activity is the operation of international and domestic air routes, and cargo, mail and luggage transportation business; agency business between airlines; service business related to air transportation; provision of general aviation services; aircraft management business; aircraft maintenance; agency business between airlines, and ground service; in-flight duty free goods; aircraft leasing and sales agent for aviation accident insurance; aviation food producing and sale, insurance industry and agency services; other aviation business and related business, including advertising for such businesses; logistics, trading and storage.	95.4%
Air New Zealand Limited ("Air New Zealand")	20-Nov-13	Air New Zealand provides passenger and cargo air transportation services on scheduled airlines primarily in New Zealand, Australia, the Pacific Islands, the United Kingdom, Europe, Asia, North America, and Europe. Air New Zealand was formerly known as Tasman Empire Airways Limited and changed its name to Air New Zealand Limited in April 1965. Air New Zealand was founded in 1940 and is based in Auckland, New Zealand.	20.0%
Tianjin Airlines	19-Oct-13	Tianjin Airlines provides air transportation services. It was formerly known as Grand China Express Airlines Company Ltd. and changed its name to Tianjin Airlines Co., Ltd. On June 8th, 2009, Tianjin Airlines was established with co-investment from HNA Group company Ltd, Tianjin Duty-free Zone Investment Company Ltd and Hainan Airlines Co., Ltd. Tianjin Airlines is based in Tianjin, China.	14.0%
Virgin Australia Holdings Limited ("Virgin Australia")	24-Apr-13	Virgin Australia operates domestic and international airline business in Australia. It operates through Virgin Australia Domestic, Virgin Australia International, Velocity, and Tigerair Australia segments. It flies to a range of Australian domestic ports, including regional network operations, as well as international destinations comprising of Trans-Pacific, Middle East, Trans-Tasman, Pacific Island, and South East Asian routes. It has strategic alliances with Air New Zealand Limited, Etihad Airways P.J.S.C, Singapore Airlines Limited, and Delta Air Lines Inc. Virgin Australia was formerly known as Virgin Blue Holdings Limited and changed its name to Virgin Australia Holdings Limited in 2011. Virgin Australia was founded in 2000 and is based in Bowen Hills, Australia.	9.9%
Tiger Airways	20-Dec-13	Tiger Airways was incorporated in the Republic of Singapore on 1 February 2007 and is a public limited company. Tiger Airways is a budget carrier which operates flights to destinations in Asia.	7.3%
Global Transactions			
Grupo Aeromexico SAB de CV ("Grupo Aeromexico")	18-Nov-15	Grupo Aeromexico, together with its subsidiaries, provides air transport services for passengers, goods, and cargo in Mexico and internationally. The company also offers aircraft maintenance, aircraft crew training, ground handling, and equipment leasing services. In addition, it engages in the real estate activities; trading of franchise systems; and design and deployment of loyalty programs. The company was founded in 1934 and is based in Mexico City, Mexico.	32.0%
International Consolidated Airlines Group, S.A. ("IAG")	(30-Jan-15), (26-June-13)	IAG together with its subsidiaries, provides passenger and cargo transportation services in the United Kingdom, Spain, the United States, and rest of the world. Formed in January 2011, IAG is the parent company of Aer Lingus, British Airways, Iberia and Vueling. IAG is a Spanish registered company with corporate office in London, United Kingdom.	10.0% (30 Jan 15) 12.1% (26 Jun 13)

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
Aer Lingus Group plc ("Aer Lingus")	18-Dec-14	Aer Lingus, together with its subsidiaries, provides air travel services in the Ireland. It offers passenger and cargo transportation services from Ireland to the United Kingdom, Europe, and the United States. Aer Lingus was founded in 1936 and is headquartered in Dublin, Ireland.	98.1%

Sources: Relevant offer documents and companies' filings

(b) Precedent Transactions

The Precedent Transactions are provided for illustrative purposes only. The Precedent Transactions and the acquired companies may not be directly comparable with the Company and may vary with respect to, amongst other factors, the geographical spread of activities, business mix and model, scale of operations, asset intensity, accounting policies, risk profile, track record and future prospects. Accordingly, the Precedent Transactions may not provide a meaningful basis for valuation comparison. We further wish to highlight that underlying financial data used to calculate the EV/Revenue, EV/EBITDA and P/B multiples in our analysis have been extracted from the relevant companies' financials and filings as at the relevant announcement date of each transaction. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

Announced	Target	Acquirer	% Acquired	Deal value (\$mm)	Enterprise value (\$mm)	EV / Revenue LTM	EV / EBITDA LTM	P/B LTM
Asia Pacific Transactions⁽¹⁾								
08-Dec-15	Xiamen Airlines ⁽²⁾	Fujian Investment Group Co., Ltd.	11.0%	354	2,939	0.8x	NA	1.4x
20-Jun-15	Xiamen Airlines ⁽³⁾	Xiamen C&D Corporation Limited	15.0%	473	2,879	0.8x	NA	1.4x
14-Apr-15	Tianjin Airlines ⁽⁴⁾	Hainan Airlines Co., Ltd	48.2%	1,750	5,128	3.2x	17.7x	1.5x
08-Sep-14	PAL, AirPhil ⁽⁵⁾	Lucio C. Tan Group of Companies	49.0%	1,113	NA	NA	NA	3.7x
08-Aug-14	Malaysian Airline System ⁽⁶⁾	Khazanah Nasional Berhad	30.6%	539	5,267	0.9x	NM	1.4x
17-Jul-14	Hebei Airlines ⁽⁷⁾	Xiamen Airlines Company Limited	95.4%	136	497	2.2x	NM	0.5x
20-Nov-13	Air New Zealand ⁽⁸⁾	Group of investors	20.0%	377	2,058	0.4x	2.7x	1.0x
19-Oct-13	Tianjin Airlines ⁽⁹⁾	Hainan Airlines Co., Ltd	14.0%	222	3,698	3.5x	13.1x	1.1x
24-Apr-13	Virgin Australia ⁽¹⁰⁾	Singapore Airlines Limited	9.9%	156	2,874	0.6x	7.0x	1.1x
Mean						1.5x	10.1x	1.5x
Median						0.8x	10.0x	1.4x
Max						3.5x	17.7x	3.7x
Min						0.4x	2.7x	0.5x
Global Transactions⁽¹⁾								
18-Nov-15	Grupo Aeromexico ⁽¹¹⁾	Delta Air Lines, Inc.	32.0%	842	3,627	0.9x	8.3x	3.0x
30-Jan-15	IAG ⁽¹²⁾	Qatar Airways	10.0%	2,034	25,380	0.8x	6.3x	3.8x
18-Dec-14	Aer Lingus ⁽¹³⁾	IAG	98.1%	2,180	1,287	0.5x	5.1x	1.7x
26-Jun-13	IAG ⁽¹⁴⁾	Not Disclosed	12.1%	1,125	11,954	0.4x	6.9x	1.2x
Mean						0.7x	6.7x	2.4x
Median						0.7x	6.6x	2.3x
Max						0.9x	8.3x	3.8x
Min						0.4x	5.1x	1.2x
Overall Mean						1.3x	8.4x	1.8x
Overall Median						0.8x	6.9x	1.4x
Overall Max						3.5x	17.7x	3.8x
Overall Min						0.4x	2.7x	0.5x
20-Dec-13	Tiger Airways ⁽¹⁵⁾	SIA	7.3%	49	925	1.0x	18.9x	1.7x
04-Jan-16	Tiger Airways (at Final Offer Price) ⁽¹⁶⁾	SIA	44.8%	509	1,129	1.6x	30.0x	5.4x

Sources: Relevant Offer Documents, Mergermarket, Capital IQ and companies' financials and filings for selected transactions announced since January 2013

Notes:

- (1) Multiples that are NM or NA are excluded from the computation of the mean, median, max and min. NM indicates negative multiples.
- (2) Fujian Investment Group Co., Ltd. agreed to purchase 11% equity interest in Xiamen Airlines at a consideration price of c.RMB1.6 billion. Financial information reflects data for the last twelve months for the period ended 31 December 2014. Enterprise value has been adjusted for long-term investments
- (3) As per the announcement, Xiamen C&D Corporation Limited agreed to purchase an additional 15% equity interest in Xiamen Airlines at a consideration price of RMB2.2 billion. Financial information reflects data for the last twelve months for the period ended 31 December 2014. Enterprise value has been adjusted for long-term investments.
- (4) As per the announcement, Hainan Airlines agreed to purchase 48.2% equity interest in Tianjin Airlines for RMB8 billion. Financial information reflects data for the last twelve months for the period ended 31 December 2014. Enterprise value has been adjusted for long-term investments. EBITDA figure has been adjusted for asset value impairment and investment return.
- (5) Based on disclosures made by San Miguel Corporation confirming the (i) sale of the 49% equity interest in Trustmark and Zuma, including indirect ownership interests of 43.23% and 48.98% in PAL and AirPhil, respectively; and (ii) sale of the equity interest and cancellation of subscription rights on the shares of stock of Fortunate Star Limited ("**Fortunate Star**") for an aggregate consideration of US\$874 million or an equivalent of PHP38,616 million. Book value based on the sum of net asset values of Trustmark and Zuma and the carrying value of the equity stake in Fortunate Star as of 31 December 2013.
- (6) Deal value is based on offer price of RM0.27 per share as per announcement dated 08 August 2014. Malaysian Airline System's ordinary shareholders, other than Khazanah Nasional Berhad, will receive a total repayment amount of RM1,381,965,840 which represents a cash amount of RM0.27 for each ordinary share of RM0.10 in Malaysian Airline System under the selective capital reduction and repayment exercise of Malaysian Airline System. Financial information reflects data for the last twelve months for the period ended 30 June 2014 for Malaysian Airline System. Enterprise value has been adjusted for long-term investments. Perpetual Sukuk has been treated as equity. Negative EBITDA reported for Malaysian Airline System for the last twelve months for the period ended 30 June 2014.
- (7) Xiamen Airlines agreed to purchase a 95.4% equity interest in Hebei Airlines for a total consideration of RMB680 million. Financial information reflects data for the last twelve months for the period ended 31 December 2013. Enterprise value has been adjusted for finance lease. EBITDA figure has been adjusted for impairment loss.
- (8) A group of investors acquired a 20% stake in Air New Zealand at NZD1.68 per share for approximately NZD365 million. Financial information reflects data for the last twelve months for the period ended 30 June 2013. Enterprise value has been adjusted for investment in quoted equity instruments and other entities. EBITDA has been adjusted for loss on disposal of property, plant and equipment, intangibles and assets held for resale, impairment on property, plant and equipment, intangibles and assets held for resale, foreign exchange gain and loss on foreign exchange derivatives.
- (9) As per the announcement, Hainan Airlines agreed to purchase 14.0% equity interest in Tianjin Airlines for RMB1,093 million. Financial information reflects data for the last twelve months for the period ended 31 December 2012. Enterprise value has been adjusted for long-term investment and finance lease.
- (10) Implied equity value is calculated based on an offer price of A\$0.48 per Virgin Australia share. Financial information reflects data for the last twelve months for the period ended 31 December 2012.
- (11) As per the announcement, Delta Air Lines, Inc. agreed to purchase an additional 32% equity interest in Grupo Aeromexico through a cash tender offer for MXP\$43.59 per share. Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for financial assets.
- (12) Qatar Airways Limited acquired a 9.99% stake in IAG for approximately GBP1.0 billion (or approximately EUR1.3 billion converted at the exchange rate as at the date of the announcement). Financial information reflects data for the last twelve months for the period ended 31 December 2014. Enterprise value has been adjusted for non-current assets held for sale. EBITDA figure has been adjusted for foreign currency loss.
- (13) As per the announcement dated 2 September 2015, IAG received valid acceptance of 529,779,029 Aer Lingus shares, representing 98.1% of the existing issued share capital of Aer Lingus. Each Aer Lingus shareholder will receive EUR2.55 in cash per Aer Lingus share comprising a cash payment of EUR2.50 per share and a cash dividend of EUR0.05 per share. Financial information reflects data for the last twelve months for the period ended 30 June 2014 due to lack of disclosures for the period ended 30 September 2014. EBITDA figure has been adjusted for realised gains on forward foreign currency contracts and net foreign exchange losses on operating activities.
- (14) Bankia, SA., Investment Arm sold its 12.1% stake in IAG for approximately EUR680 million. Financial information reflects data for the last twelve months for the period ended 31 December 2012 due to lack of disclosures for the period ended 31 March 2013. Enterprise value has been adjusted for available-for-sale financial assets.
- (15) Deal value is calculated using the offer price of S\$0.67788 per Share and 72,334,350 Shares acquired by SIA (as disclosed in the announcement by SIA dated 20 December 2013). Percentage acquired is based on the total issued share capital of Tiger Airways as at the announcement date. Implied equity value is calculated using the offer price of S\$0.67788 per Share and the fully diluted share capital of Tiger Airways had all Shares under the PCCS and the Options been issued. Financial information reflects data for the last twelve months for the period ended 30 September 2013. Enterprise value has been adjusted for long-term investment. EBITDA figure has been adjusted for exchange gain and loss. Tigerair Australia's financial results were consolidated under Tiger Airways up to 7 July 2013 when Tiger Airways subsequently disposed its 60% interest in Tigerair Australia. While deal value is less than S\$100 million, transaction is included for reference given that SIA was the acquirer and Tiger Airways was the target company.
- (16) Deal value is calculated using the Final Offer Price of S\$0.45 per Share and the fully diluted share capital of Tiger Airways excluding Shares held by SIA and parties acting in concert with it as at the Latest Practicable Date. Percentage acquired is computed by dividing the total number of Shares SIA would have acquired assuming full acceptance is attained for the Offer, PCCS Offer and Options Proposal by the fully diluted share capital of Tiger Airways had all Shares under the PCCS and the Options been issued. Financial information reflects data for the last twelve months for the period ended 30 September 2015. Enterprise value has been adjusted for long-term investment. EBITDA figure has been adjusted for exchange gain and loss.

The Independent Directors should note that the analysis of Precedent Transaction multiples indicates that the equivalent LTM EV/Revenue, LTM EV/EBITDA and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Precedent Transactions set out above.

10.9 Broker Research Price Targets for the Shares

We have reviewed certain research reports by research brokers in relation to the Shares as compiled from Bloomberg L.P., Thomson Research and research reports available to us.

The table below summarises the key points of various research notes and reports:

Brokers research price targets for Tiger Airways as at:	Last Trading Day (05 November 2015)			Between the Offer Announcement Date and the Latest Practicable Date		
Research Broker	Date	Rating	Target Price (S\$)	Date	Rating	Target Price (S\$)
OCBC Investment Research	5-Nov-15	Sell	0.27	6-Nov-15	Accept the Offer	0.27 ⁽¹⁾
Morgan Stanley	26-Oct-15	Equal-weight	0.27	7-Dec-15	Equal-weight / In-line	0.41
UOB Kay Hian	26-Oct-15	Hold	0.31	–	–	–
RHB	26-Oct-15	Neutral	0.30	9-Nov-15	Take profit	0.41
Credit Suisse	23-Oct-15	Underperform	0.25	–	–	–
J.P. Morgan	23-Oct-15	Overweight	0.35	6-Nov-15	Overweight	0.35
CIMB	23-Oct-15	Reduce	0.19	9-Dec-15	Hold	0.41
DBS Vickers	23-Oct-15	Buy	0.36	–	–	–
Mean			0.29			0.37

Source: Bloomberg L.P. and Thomson Research

Note:

(1) Represents the estimated fair value of Tiger Airways' Share as disclosed in the research report.

Based on the above, we note that:

- (a) The Final Offer Price represents a premium of 56.5% to the average Share price target estimates by research brokers as at the Last Trading Day; and
- (b) The Final Offer Price represents a premium of 21.6% to the average Share price target estimates released by research brokers between the Offer Announcement Date and the Latest Practicable Date.

We wish to highlight that the above broker research reports are not exhaustive and the estimated price target for the Shares and other statements/opinions in these reports represent the individual views of the respective research brokers (and not MKES) based on the circumstances (including inter alia, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the respective equity research reports. The opinions of the research brokers may change over time as a result of, among other things, changes in market conditions, the Company's corporate developments and the emergence of new information relevant to the Company. As such the estimated price targets in these equity research reports may not be an accurate prediction of future market prices of the Shares.

10.10 Assessment of the Option to Subscribe

We refer to the terms and conditions of the Shares Option to Subscribe and PCCS Option to Subscribe set out in Appendix 4 of the Offer Document. Please note that our assessment on the Shares Option to Subscribe in this section of the letter is also applicable to the PCCS Option to Subscribe.

As set out in paragraph 2.3 of the Offer Document, each Accepting Shareholder will be granted a non-transferable Shares Option to Subscribe for the Offeror Shares in the capital of the Offeror on the following principal terms and conditions:

- (a) the Shares 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 Shares Option to Subscribe will be exercisable by the Accepting Shareholder at any time during the OTS Exercise Period, which will commence on a date to be announced by the Offeror after the Final Settlement Date. The Offeror Shares will only be issued to the Accepting Shareholder if the Accepting Shareholder has validly exercised the Shares Option to Subscribe during the OTS Exercise Period. For the avoidance of doubt, if the Shares Option to Subscribe is not validly exercised by the Accepting Shareholder during the OTS Exercise Period, the Shares 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 Shares Option to Subscribe will be S\$11.1043 for each Offeror Share; and

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

$$\text{Maximum Number of Offeror Shares} = A \div B$$

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

The indicative terms and conditions of the Shares Option to Subscribe are set out in Appendix 4 to the Offer Document. Details relating to the Offeror Shares to be issued and/or transferred pursuant to the valid exercise of the Shares Option to Subscribe by Accepting Shareholders are set out in paragraph 8.3 of the Offer Document.

As set out in paragraph 3.3 of the Offer Document, each Accepting PCCS Holder will be granted a non-transferable PCCS Option to Subscribe for the Offeror Shares, and the terms of such PCCS OTS are set out therein.

We note that the Option to Subscribe is available only to Accepting Shareholders and Accepting PCCS Holders in the event the Offer turns unconditional. Hence any Shareholders or PCCS Holders that do not accept the respective Offer or PCCS Offer and instead sell their Shares or PCCS in the open market will not be entitled to receive the Option to Subscribe.

Theoretical Realizable Value Analysis

We have evaluated the Option to Subscribe based on a theoretical realizable value of the offer proceeds which is illustrated in the section below. While we note that a traditional option could be valued with a Black-Scholes option-pricing model⁸, this model is not appropriate to evaluate the Option to Subscribe as the Option to Subscribe is personal to the Accepting Shareholder/Accepting PCCS Holder to whom it is granted and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of SIA. As such, the Black-Scholes option-pricing model is not relevant as the Accepting Shareholder or Accepting PCCS Holder who is granted such an option would not be able to monetize the Option to Subscribe in the open market.

In view of the above, we are of the opinion that the Option to Subscribe may be evaluated as an option to invest in the Offeror Shares with proceeds received from accepting the Offer, based on the respective investment objectives and profiles of each investor.

We have evaluated the theoretical realizable value of the Option to Subscribe under various possible future price outcomes of the Offeror Shares as illustrated below.

Illustrative Realizable Value Analysis

Accepting Shareholders and Accepting PCCS Holders who are granted the Option to Subscribe may realize its value only through sale of the subscribed Offeror Shares received upon exercise of the Option to Subscribe. Assuming no transaction cost, the theoretical realizable value of the Option to Subscribe at various illustrative Offeror Share price levels are set out in the tables below.

We note that the Offeror Share price as at the Latest Practicable Date is below the Subscription Price. Investors may not be able to realize value immediately upon exercise of Option to Subscribe when the prevailing market price of the Offeror Share is below Subscription Price, as such investors can purchase the Offeror Shares at a lower price on market.

⁸ Black-Scholes option-pricing model, which is traditionally used for pricing options, requires input of various factors such as exercise period, exercise price as well as other subjective assumptions, including but not limited to the spot price of the underlying stock on the date of granting and pricing of the option, the expected volatility of the underlying stock price and the term of the option. As at the Latest Practicable Date, there is no specified grant date for the Option to Subscribe and hence there is no visibility on the spot price of the Offeror Shares during the OTS Exercise Period. Therefore, the calculated option price would vary if factors change and different assumptions are used. The only finalised inputs at the Latest Practicable Date are the exercise period (OTS Exercise Period) and the exercise price (Subscription Price).

We also note that the number of Offeror Shares which the Accepting Shareholder or Accepting PCCS Holder may subscribe for pursuant to the Option to Subscribe will be rounded down to the nearest whole Offeror Share. As stated in paragraph 8.1 of the Offer Document, the Accepting Shareholders and the Accepting PCCS Holders who wish to exercise the Option to Subscribe may exercise the Option to Subscribe in full or in part, and have the flexibility to choose to subscribe for whole board lots of Offeror Shares and, accordingly, avoid being issued with odd lots of Offeror Shares which may be less liquid than board lots of Offeror Shares.

Illustrative Theoretical Realizable Value⁽¹⁾ for 1,000 Tiger Airways Shares

		Latest Practicable Date⁽²⁾	Subscription Price	52 Week High⁽²⁾
Illustrative Offeror Share Price (S\$)	A	10.9900	11.1043	12.9100
Subscription Price (S\$)	B	11.1043	11.1043	11.1043
Cash Proceeds from Final Offer Price⁽³⁾ (S\$)	C	450.00	450.00	450.00
Number of Offeror Shares under the Option to Subscribe ⁽⁴⁾	D = C / B, rounded down to whole share	40	40	40
Cash Required to Subscribe to Offeror Shares (S\$)	E = B x D	444.17	444.17	444.17
Remaining Cash (S\$)	F = C – E	5.83	5.83	5.83
Cash Proceeds from Selling Subscribed Offeror Shares at Illustrative Offeror Share Price (A) (S\$)	G = A x D	439.60	444.17	516.40
Realizable Value (S\$)	H = F + G	445.43	450.00	522.23
Difference between Realizable Value (H) and Cash Proceeds from Final Offer Price (C) (S\$)	I = H - C	-4.57	0.00	72.23

Illustrative Theoretical Realizable Value⁽¹⁾ for 10,000 Tiger Airways Shares

		Latest Practicable Date⁽²⁾	Subscription Price	52 Week High⁽²⁾
Illustrative Offeror Share Price (S\$)	A	10.9900	11.1043	12.9100
Subscription Price (S\$)	B	11.1043	11.1043	11.1043
Cash Proceeds from Final Offer Price⁽³⁾ (S\$)	C	4,500.00	4,500.00	4,500.00
Number of Offeror Shares under the Option to Subscribe ⁽⁴⁾	D = C / B, rounded down to whole share	405	405	405
Cash Required to Subscribe to Offeror Shares (S\$)	E = B x D	4,497.24	4,497.24	4,497.24
Remaining Cash (S\$)	F = C – E	2.76	2.76	2.76
Cash Proceeds from Selling Subscribed Offeror Shares at Illustrative Offeror Share Price (A) (S\$)	G = A x D	4,450.95	4,497.24	5,228.55
Realizable Value (S\$)	H = F + G	4,453.71	4,500.00	5,231.31
Difference between Realizable Value (H) and Cash Proceeds from Final Offer Price (C) (S\$)	I = H - C	-46.29	0.00	731.31

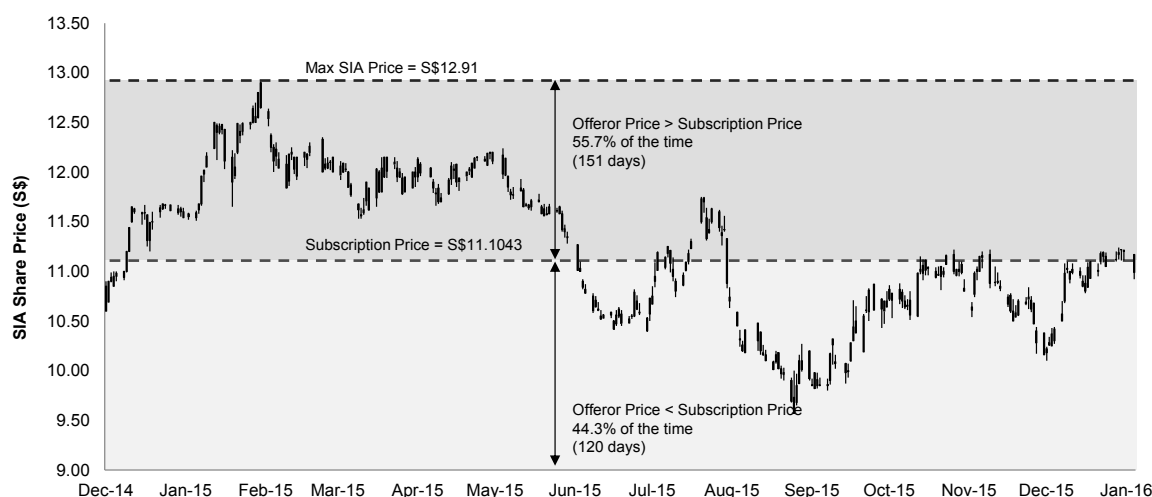
Illustrative Theoretical Realizable Value⁽¹⁾ for 50,000 Tiger Airways Shares

		Latest Practicable Date⁽²⁾	Subscription Price	52 Week High⁽²⁾
Illustrative Offeror Share Price (S\$)	A	10.9900	11.1043	12.9100
Subscription Price (S\$)	B	11.1043	11.1043	11.1043
Cash Proceeds from Final Offer Price⁽³⁾ (S\$)	C	22,500.00	22,500.00	22,500.00
Number of Offeror Shares under the Option to Subscribe ⁽⁴⁾	D = C / B, rounded down to whole share	2,026	2,026	2,026
Cash Required to Subscribe to Offeror Shares (S\$)	E = B x D	22,497.31	22,497.31	22,497.31
Remaining Cash (S\$)	F = C – E	2.69	2.69	2.69
Cash Proceeds from Selling Subscribed Offeror Shares at Illustrative Offeror Share Price (A) (S\$)	G = A x D	22,265.74	22,497.31	26,155.66
Realizable Value (S\$)	H = F + G	22,268.43	22,500.00	26,158.35
Difference between Realizable Value (H) and Cash Proceeds from Final Offer Price (C) (S\$)	I = H - C	-231.57	0.00	3,658.35

Note:

- (1) Calculation does not take into account transaction costs as well as any potential discount resulting from odd lots
(2) As at the Latest Practicable Date
(3) Calculated by multiplying number of Shares held by the Final Offer Price
(4) Assumes the Accepting Shareholder or Accepting PCCS Holder exercises the Option to Subscribe in full

The chart below indicates the historical share price of Offeror Shares between 1 December 2014 and the Latest Practicable Date. We note that in this period, Offeror Shares have traded above the Subscription Price for 151 days, representing 55.7% of the trading days during the period.

Share Performance of Offeror Shares for the period between 1 December 2014 and the Latest Practicable Date

Historical trading prices may not be an appropriate guide for future trading price of the Offeror Shares. MKES' opinion does not, in any manner, comment on the prices at which the Offeror Shares may trade following consummation of the transaction or any time in the future.

As stated in paragraph 8.1 of the Offer Document, the Accepting Shareholders and the Accepting PCCS Holders will have the flexibility to decide how they wish to utilise their cash consideration, whether to acquire the Offeror Shares through the exercise of the Option to Subscribe or through the open market or not at all.

In addition, as stated in paragraph 11 of the Offer Document, the Accepting Shareholders and the Accepting PCCS Holders who wish to remain invested in the long-term prospects of 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. The Option to Subscribe also provides Shareholders and PCCS Holders with an opportunity to share in the future of Tiger Airways through a stake in SIA.

We wish to emphasise that the decision to exercise the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders, that is separate from the decision on whether to accept the Offer or the PCCS Offer, and is subject to various factors, including but not limited to investment objectives of each Accepting Shareholder and Accepting PCCS Holder respectively. We further highlight that the realizable value from the Option to Subscribe depends on several factors, such as future prospects and share price of the Offeror Shares. We have not been furnished or given access to any non-publicly available information of the Offeror and we have not conducted any analysis on the share price of the Offeror Shares.

In rendering our advice and giving our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder and PCCS Holder. As each Shareholder and PCCS Holder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder and PCCS Holder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

11 ASSESSMENT OF THE PCCS OFFER

As set out in paragraph 3 of the Offer Revision Announcement, in accordance with Note 1(a) on Rule 19 of the Code, the Final PCCS Offer Price is the “see-through” price based on the Final Offer Price, which is an amount in cash equal to the Final 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 validly tendered in acceptance of the PCCS Offer). Each Accepting PCCS Holder will also be granted a PCCS Option to Subscribe for Offeror Shares.

In the course of our evaluation of the PCCS Offer, we have given due consideration to, inter alia, the following factors:

- (a) Final PCCS Offer Price and Conversion Price;
- (b) historical price and trading analysis of the PCCS;
- (c) other valuation methodologies;
- (d) conditionality of the PCCS Offer;
- (e) no fixed redemption date for the PCCS; and
- (f) step down of the PCCS distribution rate.

In addition, the PCCS Offer is calculated on a “see-through” basis. Please also refer to our assessment of the financial terms of the Offer in Sections 10.1 to 10.9, assessment on the Share Option to Subscribe in Section 10.10 and other considerations in relation to the Offer highlighted in Section 12 of this letter, which are applicable to the PCCS Holders.

11.1 Final PCCS Offer Price and Conversion Price

In accordance with Note 1(a) on Rule 19 of the Code, the Final PCCS Offer Price is the “see-through” price based on the Final Offer Price, which is an amount in cash equal to the Final 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 validly tendered in acceptance of the PCCS Offer).

As set out in paragraph 3.1 of the Offer Revision Announcement, based on the Final Offer Price of S\$0.45 in cash, 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\$851.85 in cash and will be granted the PCCS OTS to subscribe for up to 76 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\$8,522.10 in cash and will be granted the PCCS OTS to subscribe for up to 767 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\$42,610.50 in cash and will be granted the PCCS OTS to subscribe for up to 3,837 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.

According to the illustration provided in the Offer Revision Announcement, in respect of 10,000 PCCS, the Accepting PCCS Holder will receive S\$0.8522 for each of the PCCS validly tendered. The Final PCCS Offer Price therefore equates to a discount of 20.4% to the principal amount of S\$1.07 per PCCS. We note that this discount arises from the fact that the PCCS Conversion Price of S\$0.565 per Share is higher than the Final Offer Price of S\$0.45 per Share.

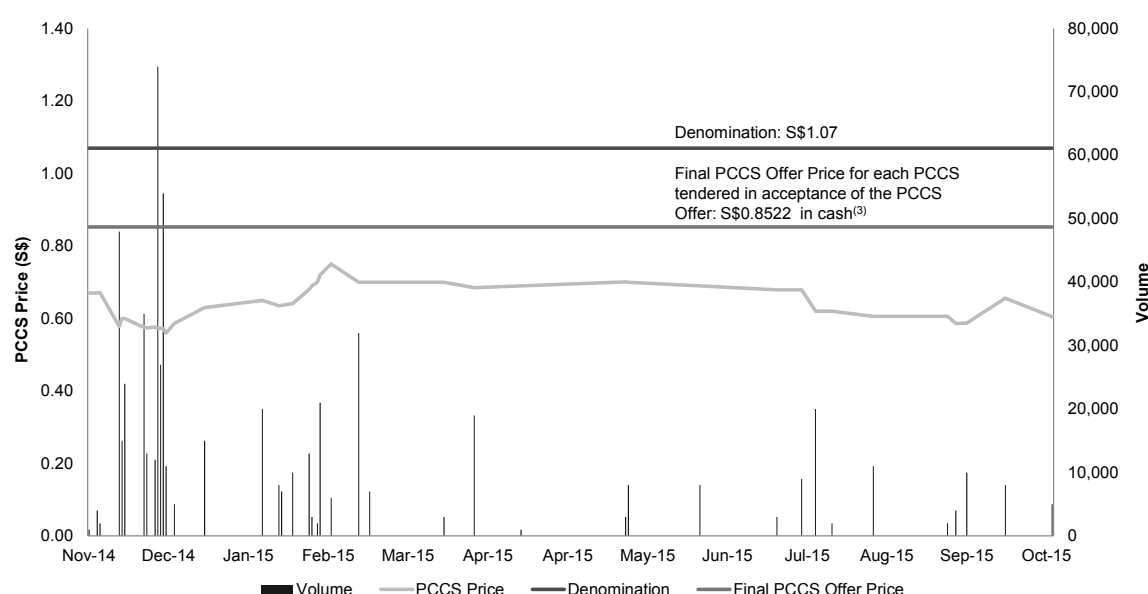
Finally, we note that as the Final PCCS Offer Price is calculated on the basis of a “see-through” price, the consideration an Accepting PCCS Holder would receive from accepting the PCCS Offer would be the same as if the Accepting PCCS Holder were to convert the PCCS held to Shares and accept the Final Offer Price.

11.2 Historical Price and Trading Analysis of the PCCS

We have compared the Final PCCS Offer Price to the historical and current price performance of the PCCS over different observation periods.

We set out in the chart below, the closing price and daily trading volume of the PCCS for the one-year period prior to and including the Last Trading Day.

PCCS performance for the one-year period prior to and including the Last Trading Day^{(1), (2)}



Source: Bloomberg L.P. as at the Last Trading Day

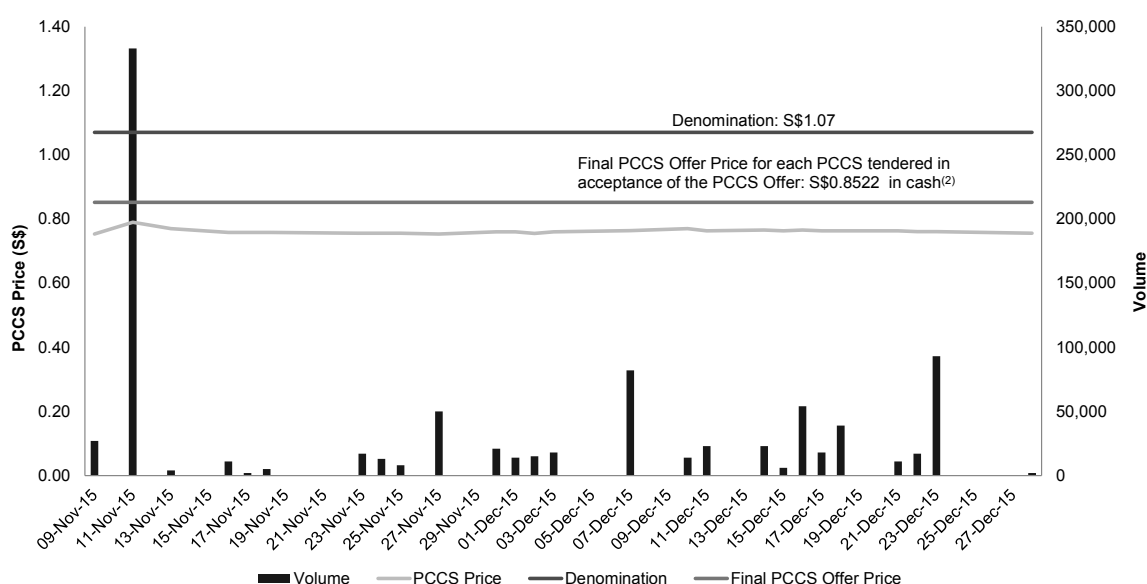
Notes:

- (1) Based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes due to the 2015 Rights Issue
- (2) The PCCS's last trading activity prior to the Offer Announcement Date was recorded on 23 October 2015
- (3) According to the illustration for 10,000 PCCS provided in paragraph 3.1 of the Offer Revision Announcement

We note that during the one-year period prior to and including the Last Trading Day, the price of the PCCS decreased by 9.7 per cent., and has been below the Final PCCS Offer Price for the same period.

We set out in the chart below, the closing price and daily trading volume of the PCCS from the Offer Announcement Date up to and including the Latest Practicable Date.

PCCS performance from the Offer Announcement Date up to and including the Latest Practicable Date⁽¹⁾



Source: Bloomberg L.P. as at the Latest Practicable Date

Notes:

- (1) Based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes due to the 2015 Rights Issue
- (2) According to the illustration for 10,000 PCCS provided in paragraph 3.1 of the Offer Revision Announcement

We note that during the period from the Offer Announcement Date to the Latest Practicable Date, the price of the PCCS increased by 0.4 per cent., based on closing price of S\$0.753 on 9 November 2015 and S\$0.756 on 28 December 2015.

The Final PCCS Offer Price represents the following premia over the historical traded prices of the PCCS:

Number of PCCS Validly Tendered			1,000	10,000	50,000
Illustrative Final PCCS Offer Price Per PCCS ^{(1),(2)}			S\$0.8519	S\$0.8522	S\$0.8522
	Price Basis	Price (\$\$)	Final PCCS Offer Price % Premium/ (Discount)		
Latest Practicable Date	Last traded price as at 28-Dec-2015	0.756	12.7%	12.7%	12.7%
Last traded price prior to the Offer Announcement Date	Last traded price as at 23-Oct-2015	0.605	40.8%	40.9%	40.9%
One-week period up to and including the Last Trading Day	Average ⁽³⁾	Not Traded	NA	NA	NA

One-month period up to and including the Last Trading Day	Average ⁽³⁾	0.631	35.0%	35.1%	35.1%
Three-month period up to and including the Last Trading Day	Average ⁽³⁾	0.608	40.1%	40.2%	40.2%
Six-month period up to and including the Last Trading Day	Average ⁽³⁾	0.641	32.9%	33.0%	33.0%
One-year period up to and including the Last Trading Day	Average ⁽³⁾	0.641	32.9%	33.0%	33.0%

Sources: Bloomberg L.P. as at the Latest Practicable Date

Notes:

- (1) According to the illustration provided in the Offer Revision Announcement and rounded to 4 decimal places
- (2) Rounded to 4 decimal places to reflect rounding of Shares received from the PCCS Conversion
- (3) Simple average of daily last traded prices during the relevant periods

According to the illustration provided in the Offer Revision Announcement, in respect of 10,000 PCCS,

- (i) The Final PCCS Offer Price represents premia of approximately 33.0%, 33.0%, 40.2% and 35.1% over the average trading price of the PCCS for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day, respectively;
- (ii) The Final PCCS Offer Price represents a premium of approximately 40.9% over the last traded price of the PCCS on the SGX-ST as at 23 October 2015; and
- (iii) The Final PCCS Offer Price represents a premium of approximately 12.7% over the last traded price of the PCCS on the SGX-ST as at 28 December 2015, being the last trading day prior to the Latest Practicable Date.

We also note that there is no assurance that the price of the PCCS will remain at current levels. In addition, the past price performance of the PCCS is not indicative of the future price performance of the PCCS. Following the close of the Offer and PCCS Offer, should the Shares be delisted, there will be no clear market price for the underlying Shares of the PCCS.

11.3 Other Valuation Methodologies

We note that, in addition to the “see-through” price methodology prescribed by the Code, there exist other fundamental valuation methodologies, such as binomial and trinomial models, through which the PCCS may be priced. The outputs from such models are driven by a number of input variables, which, depending on the specific assumptions adopted, can lead to higher or lower prices for the PCCS relative to the “see-through” price methodology.

These variables include, inter alia: the volatility estimation, the credit spread and the stock-borrow cost. It should be noted that the theoretical value of the PCCS using these other methodologies may not reflect the actual price of the PCCS to be transacted in the market, and there can be no assurance that an active trading of the PCCS will ensue or will trade at close to the theoretical value as suggested by these other methodologies.

11.4 Conditionality of the PCCS Offer

We note that the PCCS Offer is subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms. If the Offer lapses, the PCCS Offer shall lapse accordingly. 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.

11.5 No Fixed Redemption Date for the PCCS

We note that, the PCCS is a perpetual security in respect of which there is no fixed redemption date, hence the PCCS does not provide PCCS Holders with the ability to redeem at the principal amount. Following the close of the PCCS Offer, PCCS Holders who do not accept the PCCS Offer will continue to be exposed to credit risk of the Company.

11.6 Step Down of the PCCS Distribution Rate

We note that, the ordinary PCCS distribution rate is 2% per annum (“p.a.”) in respect of the period from (and including) the issue date of the PCCS to (but excluding) the ordinary PCCS distribution payment date falling five years from the issue date (the “**Step Down Date**”); and is 0% p.a. from (and including) the Step Down Date onward. No ordinary PCCS distribution shall accrue in respect of any period from (and including) the Step Down Date.

12 OTHER CONSIDERATIONS IN RELATION TO THE OFFER AND THE PCCS OFFER

12.1 No Further Price Increase

We note that as disclosed in the Offer Revision Announcement, the Offeror does not intend to revise the Final Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, *inter alia*, where the right to do so has been specifically reserved. As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price and the Final Options Price will also not be revised.

Shareholders should note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer and the PCCS Offer (in the event they become or are declared unconditional in all respects), make a second offer to, or acquire any Shares or PCCS from, any Shareholder or PCCS Holder (as the case may be) on terms better than those made available under the Offer or the PCCS Offer (as the case may be).

Shareholders should also note that, under the Code, except with the consent of the SIC, in the case the Offer and, as such, the PCCS Offer have been announced or posted but have not become or been declared unconditional in all respects and have been withdrawn or have lapsed, neither the Offeror, any persons who acted in concert with it in the course of the original offer nor any person who is subsequently acting in concert with any of them may within twelve (12) months from the date on which the Offer and the PCCS Offer are withdrawn or lapse:

- (a) announce an offer or possible offer for the Company, or
- (b) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

12.2 Listing Status of the Company

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 it 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.

As stated in the Offer Document, 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.

12.3 Implications of Delisting for Shareholders

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. In the event the Company is delisted, it is likely to be difficult for Shareholders who do not accept the Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Final Offer Price. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1, 7.2, 7.4.1 and 7.4.2 of the Listing Manual.

Shareholders should note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer and the PCCS Offer (in the event they become or are declared unconditional in all respects), make a second offer to, or acquire any Shares or PCCS from, any Shareholder or PCCS Holder (as the case may be) on terms better than those made available under the Offer or the PCCS Offer (as the case may be).

12.4 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) (as amended with effect from 3 January 2016), if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the Commencement Date 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)⁹ (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), 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.

As stated in the Offer Document, 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 (as amended with effect from 3 January 2016), 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). Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

Following certain amendments to the Companies Act which have come into force on 3 January 2016, the compulsory acquisition procedure under Section 215 of the Companies Act (as amended) has been

⁹ Following certain amendments to the Companies Act which have come into force on 3 January 2016, pursuant to the new Section 215(1C) of the Companies Act, (i) Shares that are issued after the date of the Offer and (ii) relevant treasury Shares (as defined under the Companies Act) that cease to be held as treasury Shares after the date of the Offer, will be disregarded in determining the 90 per cent. threshold for compulsory acquisition under Section 215(1) of the Companies Act.

extended to include “units of shares”, such as the PCCS. Accordingly, in the event that the Offeror receives valid acceptances of the PCCS Offer and/or acquires such number of PCCS from the Commencement Date otherwise than through valid acceptances of the PCCS Offer in respect of not less than 90 per cent. of the total number of PCCS that remains outstanding¹⁰ (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror would be entitled to exercise the right to compulsorily acquire all the PCCS of the PCCS Holders who have not accepted the PCCS Offer (the “**Dissenting PCCS Holders**”) on the same terms as those offered under the PCCS Offer.

As stated in the Offer Document, in such event, the Offeror intends to exercise its right to compulsorily acquire all the PCCS not acquired under the PCCS Offer.

Further, following certain amendments to the Companies Act which have come into force on 3 January 2016, the Dissenting PCCS Holders will also have the right under and subject to Section 215(3) of the Companies Act (as amended with effect from 3 January 2016) to require the Offeror to acquire their PCCS in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the PCCS Offer, such number of PCCS which, together with the PCCS held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of PCCS that remains outstanding. Dissenting PCCS Holders who wish to exercise such right are advised to seek their own independent legal advice.

12.5 The Offeror Reserves the Right to Waive the Acceptance Condition

As stated in paragraph 2.1 of the Offer Revision Announcement, 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 SIC. Please refer to paragraph 2.6 of the Offer Document for further details on how this will be effected.

Shareholders who are in doubt of their position should seek independent professional advice.

13 CONCLUSION AND RECOMMENDATION

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, PCCS Offer and Options Proposal, we have taken into account, inter alia, the following key considerations summarised below:

13.1 Offer

- (a) The closing prices of the Shares have been recorded in a band between S\$0.245 and S\$0.365 per Share over the one-year period prior to and including the Last Trading Day. The Shares have not traded above the Final Offer Price during the one-year period prior to and including the Last Trading Day. The Final Offer Price represents a premium of 23.3% over the highest closing price of S\$0.365 per Share and 83.7% premium over the lowest closing price of S\$0.245 per Share recorded in the one-year period prior to and including the Last Trading Day;
- (b) The Company’s daily closing share prices have been recorded in a band between S\$0.405 and S\$0.415 per Share in the period between the Offer Announcement Date and the Latest Practicable Date. The Shares have not traded above the Final Offer Price between the Offer Announcement Date and the Latest Practicable Date;
- (c) Based on our comparison of the Final Offer Price against the Company’s VWAP¹¹ over the various timeframes, the Final Offer Price represents premia of approximately 46.1%, 50.0%, 56.3% and 48.5% over the VWAP of the Shares for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day, respectively. The

¹⁰ Following certain amendments to the Companies Act which have come into force on 3 January 2016, pursuant to the new Section 215(1C) read with the new Section 215(8A) of the Companies Act, PCCS that are issued after the date of the PCCS Offer (if any) will be disregarded in determining the 90 per cent. threshold for compulsory acquisition under Section 215(1) of the Companies Act.

¹¹ Volume weighted average price

Final Offer Price represents a premium of approximately 9.8% over the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date. The Final Offer Price represents a premium of 9.8% over the last traded price of the Shares on the Latest Practicable Date;

- (d) In the one-year period up to and including the Last Trading Day and the Latest Practicable Date, the Company's average daily trading volume as a percentage of its free float and average daily trading value as a percentage of its market capitalisation is above the mean and the median liquidity measure of the top 15 largest companies by market capitalisation traded on the SGX-ST, as well as the SGX-ST listed companies (excluding the Company) with market capitalisation of between S\$900 million and S\$1,200 million as at the Latest Practicable Date. The analysis suggests that the trading of the Shares does not suffer from illiquid trading conditions and that the historical market price of the Shares provides a meaningful reference point for comparison with the Final Offer Price;
- (e) The premia implied by the Final Offer Price over the three-month and six-month VWAP of the Shares prior to and including the Last Trading Day, are above the range as implied by the respective offer prices in respect of the Precedent Privatisations. The premia implied by the Final Offer Price over the one-month VWAP of the Shares prior to and including the Last Trading Day and the last trading price of the Shares on the Last Trading Day, are above the mean and the median premia as implied by the respective offer prices in respect of the Precedent Privatisations;
- (f) The equivalent LTM¹² EV/EBITDA, LTM¹² AEV/EBITDAR and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Comparable Companies set out in this letter. The equivalent LTM¹² EV/Revenue multiple for the Company implied by the Final Offer Price is within the range indicated by the Comparable Companies set out in this letter;
- (g) The equivalent LTM¹² EV/Revenue, LTM¹² EV/EBITDA and P/B multiples for the Company implied by the Final Offer Price are above the mean and median indicated by the Precedent Transactions set out in this letter;
- (h) The Final Offer Price represents a premium of 56.5% to the average Share price target estimates of S\$0.29 by research brokers as at the Last Trading Day, according to Bloomberg L.P., Thomson Research and research reports available to us. The Final Offer Price represents a premium of 21.6% to the average Share price target estimates of S\$0.37 by research brokers as at the Latest Practicable Date based on broker research price targets released between the Offer Announcement Date and the Latest Practicable Date, according to Bloomberg L.P., Thomson Research and research reports available to us;
- (i) With respect to the Option to Subscribe, it is personal to the Accepting Shareholder/Accepting PCCS Holder to whom it is granted and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of SIA. The Accepting Shareholder/Accepting PCCS Holder who is granted such option would not be able to monetize the Option to Subscribe in the open market;
 - a. the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders that is separate from the decision as to whether to accept the Offer; and
 - b. the Offeror Share price as at the Latest Practicable Date is below the Subscription Price. Investors may not be able to realize value immediately upon exercise of Option to Subscribe when the prevailing market price of the Offeror Share is below Subscription Price, as such investors can purchase the Offeror Shares at a lower price on market.
- (j) We note that as disclosed in the Offer Revision Announcement, the Offeror does not intend to revise the Final Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Final Offer Price, in any way, except, *inter alia*, where the right to do so has been specifically reserved;

¹² Refers to last twelve months ended 30 September 2015.

- (k) There is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer;
- (l) We note that the Offeror has reserved 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 SIC;
- (m) If the Offeror succeeds in garnering acceptances such that less than 10% of the total number of issued Shares remains in the public hands, the SGX-ST will suspend the trading of the Shares. Those shareholders who did not accept the Offer would be unable to sell shares on the SGX-ST;
- (n) The Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer in the event that the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the Commencement Date 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) (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date). As at the Latest Practicable Date, the Offeror and parties acting in concert with the Offeror own, and SIA has received acceptances in respect of, in aggregate, 77.48% of total issued share capital of the Company;
- (o) As informed by the Directors, the Company has not received any competing offer and there is no publicly available evidence of an alternative offer for the Shares from any third party as at the Latest Practicable Date. In the event of an alternative or competing offer, we note that unless the Offeror accepts such alternative or competing offer, any offer made by any third parties would not be capable of becoming unconditional;
- (p) Discussions with representatives of the Company;
- (q) Review of relevant Company announcement and fillings; and
- (r) Other relevant considerations.

13.2 PCCS Offer

- (a) With respect to the PCCS Offer, as the Final PCCS Offer Price is calculated on the basis of a "see-through" price, the consideration a PCCS Holder would receive from accepting the PCCS Offer would be the same as if the PCCS Holder were to convert the PCCS to Shares in the Company and accept the Offer. Accordingly, our analysis and conclusion with respect to the Final Offer Price and the Option to Subscribe will similarly be relevant to the PCCS Holders;
- (b) The Final PCCS Offer Price represents premia of approximately 33.0%, 33.0%, 40.2% and 35.1% over the average trading price of the PCCS for the one-year, six-month, three-month and one-month periods prior to and including the Last Trading Day respectively¹³;
- (c) The Final PCCS Offer Price represents a premium of approximately 40.9% over the last traded price of the PCCS on the SGX-ST as at 23 October 2015¹³;
- (d) The Final PCCS Offer Price represents a premium of approximately 12.7% over the last traded price of the PCCS on the SGX-ST as at 28 December 2015, being the last trading day prior to the Latest Practicable Date¹³;
- (e) Following the close of the Offer and PCCS Offer, should the Shares be delisted, there will be no clear market price for the underlying Shares of the PCCS;
- (f) The PCCS is a perpetual security in respect of which there is no fixed redemption date, hence, the PCCS does not provide PCCS Holders with the ability to redeem at the principal amount;

¹³ According to the illustration provided in the Offer Revision Announcement, in respect of 10,000 PCCS.

- (g) Ordinary PCCS distribution rate is 2% p.a. in respect of the period from (and including) the issue date of the PCCS to (but excluding) the ordinary PCCS distribution payment date falling five years from the Step Down Date; and is 0% p.a. from (and including) the Step Down Date onward. No ordinary PCCS distribution shall accrue in respect of any period from (and including) the Step Down Date;
- (h) As the Offeror does not intend to revise the Final Offer Price, the Final PCCS Offer Price will also not be revised.

13.3 Options Proposal

We note that as the Options Price is calculated on a “see-through” basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to convert the Options and accept the Offer. Accordingly, our analysis and conclusion with respect to the Offer will similarly be relevant to the Optionholders. As the Offeror does not intend to revise the Final Offer Price, the Final Options Price will also not be revised.

13.4 Recommendation

Having considered the aforesaid points including the various factors as set out in this letter and information made available to us as at the Latest Practicable Date, **we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable.**

Based on our opinion, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Final Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

Having also considered these points including the various factors as set out in this letter and information made available to us as at the Latest Practicable Date, **we are of the opinion that the financial terms of the PCCS Offer are, on balance, fair and reasonable.**

We also note that as the Final PCCS Offer Price is calculated on a “see-through” basis, the consideration a PCCS Holder would receive from accepting the PCCS Offer would be the same as if the PCCS Holder were to convert the PCCS and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to PCCS Holders. **Accordingly, we advise the Independent Directors to recommend that PCCS Holders accept the PCCS Offer or sell their PCCS or Shares, after converting their PCCS, in the open market if they can obtain a price higher than the Final Offer Price after taking into account all brokerage commissions or transaction costs in connection with open market transactions.**

The Accepting Shareholders and the Accepting PCCS Holders will have the flexibility to decide how they wish to utilise their cash consideration, whether to acquire the Offeror Shares through the exercise of the Option to Subscribe or through the open market or not at all. Accepting Shareholders and the Accepting PCCS Holders who wish to remain invested in the long-term prospects of the SIA Group and share in the future of Tiger Airways through a stake in SIA 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.

The decision to exercise the Option to Subscribe represents an investment decision for the Accepting Shareholders and Accepting PCCS Holders that is separate from the decision on whether to accept the Offer, and is subject to various factors, including but not limited to investment objectives of each Accepting Shareholder and Accepting PCCS Holder.

As each Shareholder and PCCS Holder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder and PCCS Holder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

As the Offer is being extended on the same terms and conditions to all new Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Options Proposal, we

recommend that the Independent Directors provide the same advice to the Optionholders whose exercise price is lower than the Final Offer Price as is provided to the Shareholders.

In respect of the Options Proposal, we note that as the Options Price is calculated on a “see-through” basis, the consideration an Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to convert the Options and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to Optionholders. **Accordingly, we advise the Independent Directors to recommend Optionholders to accept the Options Proposal or sell their Shares, after exercising their Options, in the open market if they can obtain a price higher than the Final Offer Price after deducting expenses.**

We wish to emphasise that we have been appointed to render our opinion on the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company.

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder, PCCS Holder or Optionholder. As each Shareholder, PCCS Holder or Optionholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder, PCCS Holder or Optionholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The Independent Directors should note that trading of the Shares is subject to, inter alia, the performance and prospects of the Company, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns, developments or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders, the PCCS Holders and the Optionholders that the opinion and advice of MKES should not be relied upon by any Shareholder, PCCS Holder or Optionholder as the sole basis for deciding whether or not to accept the respective Offer, PCCS Offer and Options Proposal.

This letter is addressed to the Independent Directors solely for their benefit, in connection with and for the purpose of their consideration of the Offer. Any recommendation to the Shareholders, the PCCS Holders and the Optionholders remains the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and there is no implication with regard to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours faithfully

Maybank Kim Eng Securities Pte. Ltd.

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr Hsieh Fu Hua	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Chairman and Independent Director
Ms Chong Phit Lian	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Non-Executive Director (Non-Independent)
Mr Lang Tao Yih, Arthur	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Independent Director
Mr Lee Chong Kwee	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Non-Executive Director (Non-Independent)
Mr Lee Lik Hsin	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Executive Director and Chief Executive Officer
Mr Ng Chin Hwee	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Non-Executive Director (Non-Independent)
Mr Sirisena Mervyn s/o Piankara Mestrige	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Non-Executive Director (Non-Independent)

Name	Address	Designation
Mr Yap Chee Keong	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Independent Director
Mr Yeap Beng Hock Gerard	17 Changi Business Park Central 1 #04-06/09 Honeywell Building Singapore 486073	Non-Executive Director (Non-Independent)

2. DESCRIPTIONS OF THE OFFEROR AND THE COMPANY

Descriptions of the Offeror and the Company are set out in Section 8 of the Circular and paragraph 2 of Appendix II to the Circular respectively.

3. SHARE CAPITAL

3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$917,263,995 comprising 2,500,461,741 issued Shares.

3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles. An extraction of the relevant provisions in the Articles relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix III to the Circular. The Articles are available for inspection at the registered address of the Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

3.3 Number of Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, 3,826,300 new Shares have been issued since the end of FY2015, being the last financial year of the Company. Details of the issues of such new Shares are set out below:

	Number of Shares	Share Capital S\$'000
Balance as at 1 April 2015	2,496,635,441	915,523
Shares vested under the CEO Restricted Share Grant	864,871	273
Shares vested under the Tiger Airways RSP	1,126,333	438
Shares issued upon conversion of the PCCS	1,835,096	1,030
Balance as at the Latest Practicable Date	2,500,461,741	917,264

3.4 Options and Convertible Instruments

Save as disclosed below, as at the Latest Practicable Date, there are no other outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares:

(a) Outstanding PCCS

As at the Latest Practicable Date, the Company has outstanding an aggregate of approximately S\$14,070,597.37 in principal amount of 13,150,091 PCCS. The denomination for each PCCS is S\$1.07 and the outstanding PCCS are convertible into 24,903,712 new Shares at the prevailing conversion price of S\$0.565 per Share.

(b) Outstanding Options under the Tiger Airways Scheme

As at the Latest Practicable Date, there are 10,865 outstanding Options to subscribe for an aggregate of 10,865 Shares granted under the Tiger Airways Scheme.

(c) Outstanding Awards under the Tiger Airways Share Plans

As at the Latest Practicable Date, there are outstanding Awards granted under the Tiger Airways Share Plans pursuant to which up to an aggregate of 16,650,184 Shares may be vested and released (subject to the fulfilment of the terms of the Awards and the achievement of pre-determined performance targets) as further set out below:

Date of Award	Balance as at 1 April 2015	Awards Granted	Vested Awards	Cancelled Awards	Outstanding Awards
Tiger Airways RSP					
30 October 2013	959,371	–	(446,519)	(78,281)	434,571
11 February 2014	49,382	–	(24,630)	(24,752)	–
13 August 2014	2,147,479	–	(655,184)	(400,793)	1,091,502
13 August 2015	–	3,364,900	–	(336,000)	3,028,900
	3,156,232	3,364,900	(1,126,333)	(839,826)	4,554,973
Tiger Airways PSP					
30 October 2013	2,993,214	–	–	–	2,993,214
11 February 2014	246,549	–	–	(246,549)	–
30 March 2015	3,920,515	–	–	(667,218)	3,253,297
13 August 2015	–	6,756,500	–	(907,800)	5,848,700
	7,160,278	6,756,500	–	(1,821,567)	12,095,211

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interests in any Offeror Securities as at the Latest Practicable Date.

4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

Save as disclosed below, none of the Directors has any direct or indirect interests in any Offeror Securities as at the Latest Practicable Date:

(a) Offeror Shares

Name	Direct Interest		Deemed Interest	
	No. of Offeror Shares	% ⁽¹⁾	No. of Offeror Shares	% ⁽¹⁾
Mr Lang Tao Yih, Arthur	6,000	n.m. ⁽²⁾	—	—
Mr Lee Lik Hsin	5,253	n.m. ⁽²⁾	—	—
Mr Ng Chin Hwee	237,009	0.02	—	—
Mr Sirisena Mervyn s/o Piankara Mestrige	27,234	n.m. ⁽²⁾	263,996 ⁽³⁾	0.02
Mr Yeap Beng Hock Gerard	184,839	0.02	2,000 ⁽⁴⁾	n.m. ⁽²⁾

Notes:

- (1) Based on the latest information available to the Company, the total number of issued shares of the Offeror is 1,163,438,738 (excluding treasury Offeror Shares) as at the Latest Practicable Date.
- (2) "n.m." means not meaningful.
- (3) Mr Sirisena Mervyn s/o Piankara Mestrige is deemed to be interested in the 263,996 Offeror Shares held in a nominee account.
- (4) Mr Yeap Beng Hock Gerard is deemed to be interested in the 2,000 Offeror Shares held by his spouse.

(b) Offeror Options

	No. of Offeror Options
Mr Lee Lik Hsin	6,888 ⁽¹⁾
Mr Yeap Beng Hock Gerard	14,000 ⁽²⁾

Notes:

- (1) Of the 6,888 Offeror Options held by Mr Lee Lik Hsin:
 - (i) 1,188 Offeror Options may be exercised into 1,188 Offeror Shares at the exercise price of S\$9.34 per Offeror Share. These Offeror Options are due to expire on 2 July 2016.
 - (ii) 5,700 Offeror Options may be exercised into 5,700 Offeror Shares at the exercise price of S\$15.46 per Offeror Share. These Offeror Options are due to expire on 1 July 2017.
- (2) The 14,000 Offeror Options held by Mr Yeap Beng Hock Gerard may be exercised into 14,000 Offeror Shares at the exercise price of S\$9.34 per Offeror Share. These Offeror Options are due to expire on 2 July 2016.

(c) Offeror Awards

	No. of Offeror Awards
<u>Conditional Awards under the SIA RSP⁽¹⁾</u>	
Mr Lee Lik Hsin	
– Base Awards	19,983
– Final Awards (Pending Release)	4,781 ⁽²⁾
Mr Ng Chin Hwee	
– Base Awards	60,744
– Final Awards (Pending Release)	14,561
Mr Sirisena Mervyn s/o Piankara Mestridge	
– Base Awards	19,983
Mr Yeap Beng Hock Gerard	
– Base Awards	27,638
– Final Awards (Pending Release)	7,489
<u>Conditional Awards under the SIA PSP⁽³⁾</u>	
Mr Lee Lik Hsin	
– Base Awards	24,594
Mr Ng Chin Hwee	
– Base Awards	100,636
Mr Sirisena Mervyn s/o Piankara Mestridge	
– Base Awards	24,594
Mr Yeap Beng Hock Gerard	
– Base Awards	29,276
<u>Awards of Time-based Restricted Shares</u>	
Mr Yeap Beng Hock Gerard	
– Base Awards	5,426
<u>Conditional Awards of Deferred Shares⁽⁴⁾</u>	
Mr Lee Lik Hsin	
– Base Awards	15,722
Mr Ng Chin Hwee	
– Base Awards	35,728
Mr Sirisena Mervyn s/o Piankara Mestridge	
– Base Awards	21,582
Mr Yeap Beng Hock Gerard	
– Base Awards	21,772

Notes:

- (1) The actual number of final awards of fully paid ordinary shares will range from 0% to 150% of the base awards and is contingent on the achievements against targets over the two-year performance periods relating to the relevant awards.
- (2) The Circular had previously reflected this figure as 4,871. The correct figure should be 4,781 as reflected in this Supplemental Letter.
- (3) The actual number of final awards of fully paid ordinary shares will range from 0% to 200% of the base awards and is contingent on the achievements against targets over the three-year performance periods relating to the relevant awards.
- (4) The awards of fully paid ordinary shares will vest at the end of three (3) years from the date of the grant of the award. At the end of the vesting period, an additional final award will be vested equal to the base award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period).

4.4 Dealings in Offeror Securities by the Directors

Save as disclosed below, none of the Directors has dealt for value in any Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date:

- (a) Mr Yeap Beng Hock Gerard had on 4 June 2015 exercised 16,150 Offeror Options into 16,150 Offeror Shares at an exercise price of S\$8.02 per share; and
- (b) Mr Sirisena Mervyn s/o Piankara Mestridge had on 22 July 2015 entered into a covered call option agreement with DBS Bank (Singapore) Global Financial Markets in respect of 30,000 Offeror Shares of a contract value of S\$351,900. The call option expired on 24 August 2015 with the option not being exercised because the conditions were not met.

4.5 Interests of the Directors in Company Securities and Awards

Save as disclosed below, none of the Directors has any direct or deemed interests in any Company Securities and Awards as at the Latest Practicable Date:

(a) Shares

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr Hsieh Fu Hua ⁽²⁾	—	—	666,000 ⁽³⁾	0.03
Mr Lee Lik Hsin ⁽²⁾	864,871	0.03	—	—
Mr Ng Chin Hwee ⁽²⁾	100,000	n.m. ⁽⁴⁾	—	—

Notes:

- (1) Based on the total number of issued Shares being 2,500,461,741 as at the Latest Practicable Date.
- (2) Please also see paragraph 4.11 below on the Director's intentions in respect of his Shares in relation to the Offer.
- (3) The Shares are held directly by Binjai Inc. Mr Hsieh Fu Hua is the settlor and one of the beneficiaries of a trust which owns 100% of Binjai Inc, an underlying investment company.
- (4) "n.m." means not meaningful.

(b) Awards under the Tiger Airways Share Plans

	No. of Awards
<u>Conditional Award under the Tiger Airways PSP⁽¹⁾</u>	
Mr Lee Lik Hsin	3,876,917

Note:

- (1) Depending on the achievement of pre-determined performance targets over a specified performance period, the final number of performance shares to be released can range from 0% to 200% of the number stated.

4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Offeror Securities owned or controlled by MKES

As at the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, owns or controls any Offeror Securities.

4.8 Dealings in Offeror Securities by MKES

Save for the following transactions made by MKES, during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, has dealt for value in the Offeror Securities.

Date	No. of Offeror Shares Bought	No. of Offeror Shares Sold	Transaction Price per Offeror Share (S\$)
09 Oct 2015	–	1,000	10.71
09 Oct 2015	1,000	–	10.79
07 Oct 2015	1,000	–	10.64
07 Oct 2015	–	1,000	10.70
02 Oct 2015	1,000	–	10.69
02 Oct 2015	–	1,000	10.78
29 Sep 2015	2,000	–	10.60
29 Sep 2015	–	2,000	10.64
28 Sep 2015	1,000	–	10.60
28 Sep 2015	–	1,000	10.72
28 Aug 2015	–	1,000	10.12
28 Aug 2015	1,000	–	10.21
18 Aug 2015	–	1,000	10.09
18 Aug 2015	1,000	–	10.09
04 Aug 2015	2,000	–	10.32
04 Aug 2015	–	2,000	10.28

Date	No. of Offeror Shares Bought	No. of Offeror Shares Sold	Transaction Price per Offeror Share (S\$)
06 Jul 2015	–	1,000	11.07
06 Jul 2015	1,000	–	11.04
03 Jul 2015	–	400	11.04
03 Jul 2015	400	–	11.09
02 Jul 2015	–	1,000	10.90
02 Jul 2015	1,000	–	10.93
30 Jun 2015	–	2,000	10.57
30 Jun 2015	2,000	–	10.60
24 Jun 2015	–	1,500	10.60
24 Jun 2015	1,500	–	10.66
22 Jun 2015	1,000	–	10.48
22 Jun 2015	–	1,000	10.54
11 Jun 2015	1,000	–	10.55
11 Jun 2015	–	1,000	10.57
04 Jun 2015	1,000	–	10.90
04 Jun 2015	–	1,000	10.91
29 May 2015	–	1,000	11.39
29 May 2015	1,000	–	11.34
28 May 2015	1,000	–	11.40
28 May 2015	–	1,000	11.37
22 May 2015	2,300	–	11.64
22 May 2015	–	2,300	11.59
21 May 2015	2,000	–	11.58
21 May 2015	–	2,000	11.61
19 May 2015	3,000	–	11.65
19 May 2015	–	3,000	11.64
14 May 2015	–	2,000	11.63
14 May 2015	2,000	–	11.67
11 May 2015	–	200	11.85
11 May 2015	200	–	11.89
08 May 2015	–	1,000	11.83
08 May 2015	1,000	–	11.75
07 May 2015	–	1,200	11.81
07 May 2015	1,200	–	11.80

4.9 Company Securities owned or controlled by MKES

As at the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, owns or controls any Company Securities.

4.10 Dealings in Company Securities by MKES

Save for the following transactions made by MKES, during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of MKES, or any of the other entities of the Maybank Group with established offices in Singapore, has dealt for value in the Company Securities.

Date	No. of Shares Bought	No. of Shares Sold	Transaction Price per Share (S\$)
09 Nov 2015	100	–	0.41000
09 Nov 2015	–	100	0.41000
05 Nov 2015	–	125,100	0.29001
05 Nov 2015	100	–	0.29500
05 Nov 2015	–	135,800	0.29074
05 Nov 2015	85,800	–	0.29232
05 Nov 2015	–	330,000	0.29227
05 Nov 2015	180,000	–	0.29498
04 Nov 2015	404,000	–	0.29376
04 Nov 2015	–	279,000	0.29500
04 Nov 2015	–	304,700	0.29467
04 Nov 2015	354,700	–	0.29501
04 Nov 2015	311,100	–	0.29500
04 Nov 2015	–	161,100	0.29500
03 Nov 2015	9,500	–	0.29000
03 Nov 2015	–	9,500	0.29000
26 Oct 2015	200,100	–	0.30500
26 Oct 2015	–	200,100	0.30500
23 Oct 2015	200,000	–	0.30500
23 Oct 2015	–	200,000	0.30500
23 Oct 2015	82,000	–	0.30500
23 Oct 2015	–	82,000	0.30500
19 Oct 2015	150,000	–	0.31000
19 Oct 2015	–	150,000	0.31000
14 Oct 2015	–	300	0.30000
14 Oct 2015	–	100,000	0.30500
13 Oct 2015	–	83,000	0.31000
13 Oct 2015	200,000	–	0.30750
13 Oct 2015	–	200,000	0.31000
12 Oct 2015	–	117,900	0.30642
12 Oct 2015	100,100	–	0.31000
12 Oct 2015	113,500	–	0.30706
12 Oct 2015	–	113,500	0.31000
12 Oct 2015	200,000	–	0.30750
12 Oct 2015	–	100,000	0.31500
12 Oct 2015	–	3,050,500	0.31126
12 Oct 2015	3,050,500	–	0.31167

Date	No. of Shares Bought	No. of Shares Sold	Transaction Price per Share (\$\$)
09 Oct 2015	201,100	—	0.30503
09 Oct 2015	—	100,000	0.31000
09 Oct 2015	372,000	—	0.30500
09 Oct 2015	—	698,800	0.30500
08 Oct 2015	—	404,800	0.30641
08 Oct 2015	54,500	—	0.31000
08 Oct 2015	170,000	—	0.30412
08 Oct 2015	—	470,000	0.30486
08 Oct 2015	270,100	—	0.30260
08 Oct 2015	—	340,000	0.30603
07 Oct 2015	500,300	—	0.30500
07 Oct 2015	—	150,000	0.30500
07 Oct 2015	500,000	—	0.30500
07 Oct 2015	—	200,000	0.30500
07 Oct 2015	496,700	—	0.30500
07 Oct 2015	—	100,000	0.30500
06 Oct 2015	—	123,700	0.30485
06 Oct 2015	123,700	—	0.30500
05 Oct 2015	29,800	—	0.30000
05 Oct 2015	—	29,800	0.30000
01 Oct 2015	—	140,000	0.30000
01 Oct 2015	—	176,900	0.30000
30 Sep 2015	—	30,100	0.29998
30 Sep 2015	170,100	—	0.29500
30 Sep 2015	176,900	—	0.29500
25 Sep 2015	—	50,000	0.30000
25 Sep 2015	—	50,000	0.30000
25 Sep 2015	50,000	—	0.30000
23 Sep 2015	—	50,000	0.29500
23 Sep 2015	100,000	—	0.29500
22 Sep 2015	—	290,000	0.28000
22 Sep 2015	290,000	—	0.28000
22 Sep 2015	200,000	—	0.28000
22 Sep 2015	—	200,000	0.28000
22 Sep 2015	—	187,200	0.28000
22 Sep 2015	187,200	—	0.28000
21 Sep 2015	—	29,300	0.27500
21 Sep 2015	29,300	—	0.27500
16 Sep 2015	—	30,200	0.28000
16 Sep 2015	30,200	—	0.28000
16 Sep 2015	100	—	0.28500
16 Sep 2015	—	100	0.28000
31 Aug 2015	—	263,500	0.26500

Date	No. of Shares Bought	No. of Shares Sold	Transaction Price per Share (\$\$)
31 Aug 2015	263,500	–	0.26500
28 Aug 2015	–	58,400	0.27786
28 Aug 2015	–	60,000	0.28000
28 Aug 2015	–	50,000	0.27500
27 Aug 2015	318,400	–	0.26844
27 Aug 2015	–	260,000	0.27115
27 Aug 2015	227,200	–	0.27021
27 Aug 2015	–	167,200	0.27500
27 Aug 2015	222,300	–	0.27017
27 Aug 2015	–	172,300	0.27500
19 Aug 2015	–	100,000	0.27500
19 Aug 2015	100,000	–	0.27500
13 Aug 2015	–	266,900	0.29000
13 Aug 2015	266,900	–	0.28626
12 Aug 2015	100,100	–	0.29000
12 Aug 2015	–	100,100	0.29000
12 Aug 2015	100	–	0.29000
12 Aug 2015	–	100	0.28500
28 Jul 2015	–	217,400	0.30006
28 Jul 2015	217,400	–	0.30155
27 Jul 2015	–	228,400	0.31500
27 Jul 2015	228,400	–	0.31500
21 Jul 2015	175,200	–	0.33000
21 Jul 2015	–	175,200	0.33000
20 Jul 2015	100	–	0.34000
20 Jul 2015	–	100	0.33500
15 Jul 2015	–	100,100	0.31500
15 Jul 2015	–	900	0.31500
15 Jul 2015	900	–	0.31000
15 Jul 2015	–	100,500	0.31000
15 Jul 2015	2,190,600	–	0.32510
15 Jul 2015	–	2,190,600	0.32500
14 Jul 2015	100,100	–	0.30500
14 Jul 2015	100,500	–	0.30500
07 Jul 2015	–	100,000	0.30500
07 Jul 2015	100,000	–	0.30500
07 Jul 2015	–	100	0.30500
07 Jul 2015	100	–	0.30500
05 Jun 2015	–	100	0.30500
05 Jun 2015	100	–	0.30500

4.11 Intentions of the Directors in respect of their Shares

As at the Latest Practicable Date, the Directors who had held Shares on the Commencement Date, namely Mr Hsieh Fu Hua, Mr Lee Lik Hsin and Mr Ng Chin Hwee, have already tendered their acceptance of the Offer in respect of their shareholdings in full.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

Save for the proposal by the committee of Directors authorised and appointed by the Board to administer the Tiger Airways Share Plans to encash the entitlement of Shares under the Awards on a deferred payment basis, as at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Tiger Airways Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Tiger Airways Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company and any of its subsidiaries, taken as a whole.

8. FINANCIAL INFORMATION

8.1 Consolidated Income Statements

Certain financial information extracted from the audited consolidated income statements of the Tiger Airways Group for the last three (3) financial years (FY2015, FY2014 and FY2013) and the unaudited consolidated income statement of the Tiger Airways Group for the half year ended 30 September 2015 is summarised in Appendix II to the Circular.

8.2 Consolidated Statements of Financial Position

The audited consolidated statements of financial position of the Tiger Airways Group for the last two (2) financial years (ended 31 March 2015 and 2014) and the unaudited consolidated statement of financial position of the Tiger Airways Group as at 30 September 2015 are summarised in Appendix II to the Circular.

8.3 Significant Accounting Policies

A summary of the significant accounting policies of the Tiger Airways Group is set out in Note 2 to the audited consolidated financial statements of the Tiger Airways Group for FY2015, copies of which are available for inspection at the registered address of the Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal office hours for the period during which the Offer and the PCCS Offer remains open for acceptance.

Note 7 to the unaudited consolidated financial statements of the Tiger Airways Group for the half year ended 30 September 2015 as announced by the Company sets out changes in accounting policies of the Tiger Airways Group beginning on or after 1 April 2015 and is set out in Appendix II to the Circular.

8.4 Other Changes to the Financial Statements and Accounting Estimates

A summary of the (i) restatement of consolidated income statement and statements of financial position, (ii) changes in accounting estimates, (iii) maintenance, material and repair, and (iv) aircraft and engine leasing arrangements of the Tiger Airways Group for FY2015 and FY2016 is set out in Appendix II to the Circular.

8.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Tiger Airways Group (including but not limited to the Company's announcement on the unaudited consolidated financial statements of the Tiger Airways Group for the half year ended 30 September 2015), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 31 March 2015, being the date of the Company's last published audited consolidated financial statements.

8.6 Material Change in Information

Save as disclosed in this Supplemental Letter and save for the information relating to the Company and the Offer and the PCCS Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

9. GENERAL

- 9.1** All expenses and costs incurred by the Company in relation to the Offer and the PCCS Offer will be borne by the Company.
- 9.2** The independent financial adviser, MKES, has given and has not withdrawn its written consent to the issue of this Supplemental Letter with the inclusion of its name in this Supplemental Letter, its advice to the Independent Directors set out in Section 8.3 of this Supplemental Letter, the Supplemental IFA Letter set out in Appendix I to this Supplemental Letter and all references thereto in the form and context in which they appear in this Supplemental Letter.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer and the PCCS Offer remains open for acceptance:

- (a) the memorandum and articles of association of the Company;
- (b) annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the Company's announcement on the unaudited consolidated financial statements of the Group for the half year ended 30 September 2015 and its accompanying notes;
- (d) the Supplemental IFA Letter as set out in Appendix I to this Supplemental Letter; and
- (e) the letter of consent from MKES referred to in paragraph 9.2 of Appendix II to this Supplemental Letter.