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VOLUNTARY CONDITIONAL GENERAL OFFER

for and on behalf of

SINGAPORE AIRLINES



SINGAPORE AIRLINES LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 197200078R)

for

tigerair

TIGER AIRWAYS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200701866W)

by

DBS

DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 196800306E)

OFFER DOCUMENT DATED
26 NOVEMBER 2015

**THIS OFFER DOCUMENT IS IMPORTANT
AND REQUIRES YOUR
IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY.**

OFFER PRICE

S\$0.41
FOR EACH
SHARE



OPTION TO
SUBSCRIBE
FOR
SIA SHARES¹

Note 1: At S\$11.1043 per SIA share

If you are in any doubt about the Offer, the PCCS Offer, the Shares Option to Subscribe or the PCCS Option to Subscribe (each as defined herein), you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

DBS Bank Ltd. is acting for and on behalf of Singapore Airlines Limited (the "Offeror") and does not purport to advise the shareholders of Tiger Airways Holdings Limited (the "Company") or the PCCS Holders (as defined herein).

The views of the independent directors of the Company and the independent financial adviser of the Company on the Offer and the PCCS Offer will be made available to you in due course. You may wish to consider their views before taking any decision on the Offer and the PCCS Offer.

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

The procedures for acceptance of the Offer and the PCCS Offer are set out in Appendices 2 and 3 to this Offer Document respectively and in the relevant Acceptance Forms.



**ACCEPTANCES OF THE OFFER AND THE PCCS OFFER SHOULD BE RECEIVED BY
5.30 P.M. (SINGAPORE TIME) ON 28 DECEMBER 2015 (MONDAY) OR SUCH LATER DATE(S)
AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.**

WHAT YOU SHOULD KNOW ABOUT THE OFFER AND THE PCCS OFFER

1

What do I get for my Tiger Airways shares?

If you validly accept the Offer and the Offer becomes or is declared to be fully unconditional, you will get:

A. Cash Offer Price: **S\$0.41 in cash** for each Tiger Airways share

You will be paid S\$0.41 for each Tiger Airways share within 10 days after the Offer has become unconditional, or within 10 days after your valid acceptance is received, whichever is later.

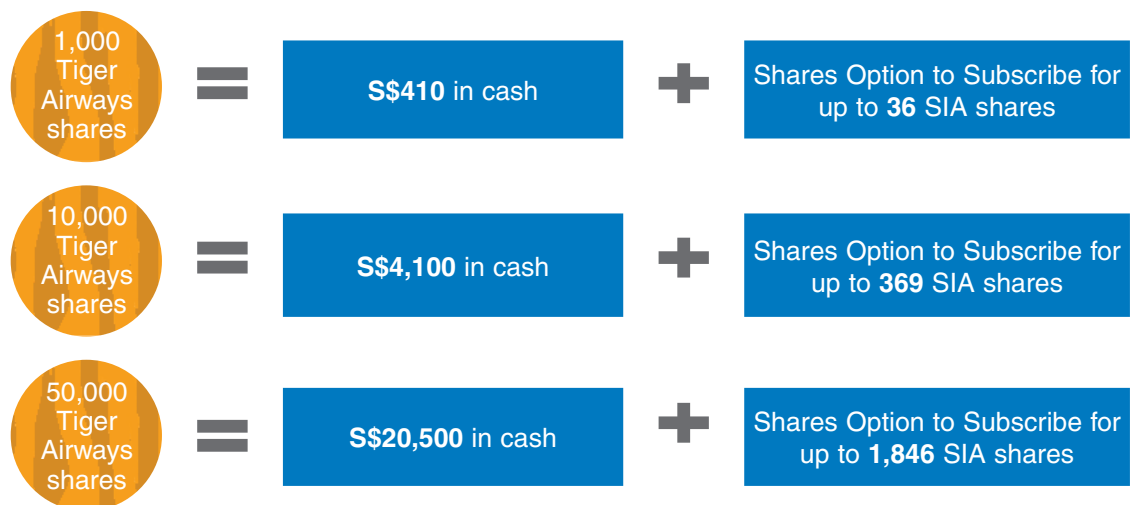
PLUS

B. Shares Option to Subscribe for SIA shares

$$\begin{array}{l} \text{Maximum number of SIA} \\ \text{shares you may subscribe for} \\ \text{(rounded down to the} \\ \text{nearest whole SIA share)} \end{array} = \frac{\text{Total Offer Price you will receive} \\ \text{for your Tiger Airways shares}}{\text{Subscription Price of} \\ \text{S\$11.1043 per SIA share}}$$

Please refer to Question 6 on “How can I exercise my Shares Option to Subscribe and/or my PCCS Option to Subscribe for SIA shares?”

An illustration of the consideration to be received by a Tiger Airways shareholder who validly accepts the Offer:¹



Note 1: Assuming the Offer becomes or is declared to be unconditional in all respects in accordance with its terms.

All capitalised terms shall bear the same meanings as ascribed to them in this Offer Document.

本要约及永久可转换资本证券要约须知

1 提交所持虎航股份会获得多少价款?

您如果有效接受本要约，并且本要约成为或被宣布为完全无条件要约，您将获得：

A. 现金要约价款：每一股虎航股份可获现金S\$0.41

您将在要约成为无条件要约之后的10天内或者在要约方收到您对本要约的有效接受函后的10天内(以较迟日为准)每股获得S\$0.41现金价款。

和

B. 虎航股份要约项下认购新航股份的期权

$$\begin{array}{l} \text{您在期权下可认购的最高} \\ \text{新航股份数量} \\ \text{(向下舍入至最接近的整数新航股份)} \end{array} = \frac{\text{您提交虎航股份获得的总要约价款}}{\text{每股新航股份认购价} \\ \text{S\$11.1043}}$$

请参阅问题 6 “我该如何行使我的虎航股份要约项下认购新航股份的期权和/或我的永久可转换资本证券要约项下认购新航股份的期权?”

下列例子作为参考，说明有效接受本要约的虎航股东所能获得的价款：¹



备注 1：假设要约按照条款成为或被宣布为完全无条件要约。

所有术语的含意均以本要约文件中的定义为准。
此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

What do I get for my perpetual convertible capital securities (PCCS)?

If you validly accept the PCCS Offer and the Offer becomes or is declared to be fully unconditional, you will get:

A. PCCS Offer Price (in cash)

The amount received for the PCCS you validly tender in acceptance of the PCCS Offer will be based on the following “see-through” price:

$$\text{PCCS Offer Price (in cash)} = \text{Offer Price} \times \text{Number of Tiger Airways shares which you would have received if you had converted your PCCS (rounded down to the nearest whole Tiger Airways share)}^1$$

Note 1

$$\text{Number of Tiger Airways shares which you would have received if you had converted your PCCS (rounded down to the nearest whole Tiger Airways share)} = \frac{\text{Number of PCCS tendered in valid acceptance of the PCCS Offer} \times \text{Principal amount per PCCS of S\$1.07}}{\text{Prevailing conversion price of S\$0.565}}$$

PLUS

B. PCCS Option to Subscribe for SIA shares

$$\text{Maximum number of SIA shares you may subscribe for (rounded down to the nearest whole SIA share)} = \frac{\text{Total PCCS Offer Price you will receive for your PCCS}}{\text{Subscription Price of S\$11.1043 per SIA share}}$$

Please refer to Question 6 on “How can I exercise my Shares Option to Subscribe and/or my PCCS Option to Subscribe for SIA shares?”

提交所持永久可转换资本证券会获得多少价款?

您如果有效接受本永久可转换资本证券要约，并且本要约成为或被宣布为完全无条件要约，您将获得：

A. 永久可转换资本证券要约价款（现金支付）

您有效提交永久可转换资本证券所能获得的价款将根据以下方式计算：

$$\text{永久可转换资本证券要约价款 (现金支付)} = \text{要约价} \times \text{您若转换所持的永久可转换资本证券能得到的虎航股份 (向下舍入至最接近的整数虎航股份)}^1$$

备注 1

$$\text{您若转换所持的永久可转换资本证券能得到的虎航股份 (向下舍入至最接近的整数虎航股份)} = \frac{\text{有效提交的永久可转换资本证券数量} \times \text{每份永久可转换资本证券本金额S\$1.07}}{\text{现行换股价S\$0.565}}$$

和

B. 永久可转换资本证券要约项下认购新航股份的期权

$$\text{您在期权下可认购的最高新航股份数量 (向下舍入至最接近的整数新航股份)} = \frac{\text{您提交永久可转换资本证券所获得的总永久可转换资本证券要约价款}}{\text{每股新航股份认购价S\$11.1043}}$$

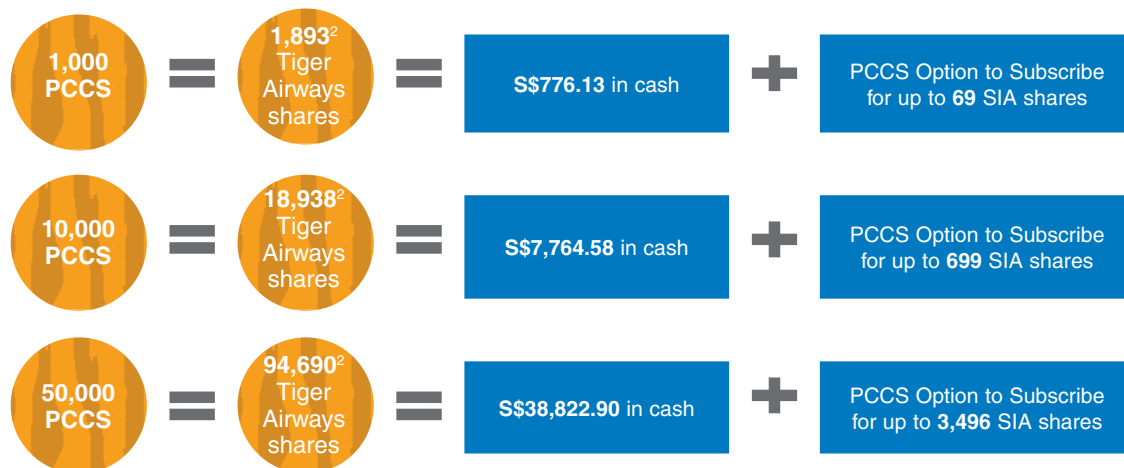
请参阅问题 6 “我该如何行使我的虎航股份要约项下认购新航股份的期权和/或我的永久可转换资本证券要约项下认购新航股份的期权?”

所有术语的含意均以本要约文件中的定义为准。
此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

2

What do I get for my perpetual convertible capital securities (PCCS)? *Cont'd*

An illustration of the consideration to be received by a Tiger Airways PCCS holder who validly accepts the PCCS Offer:¹

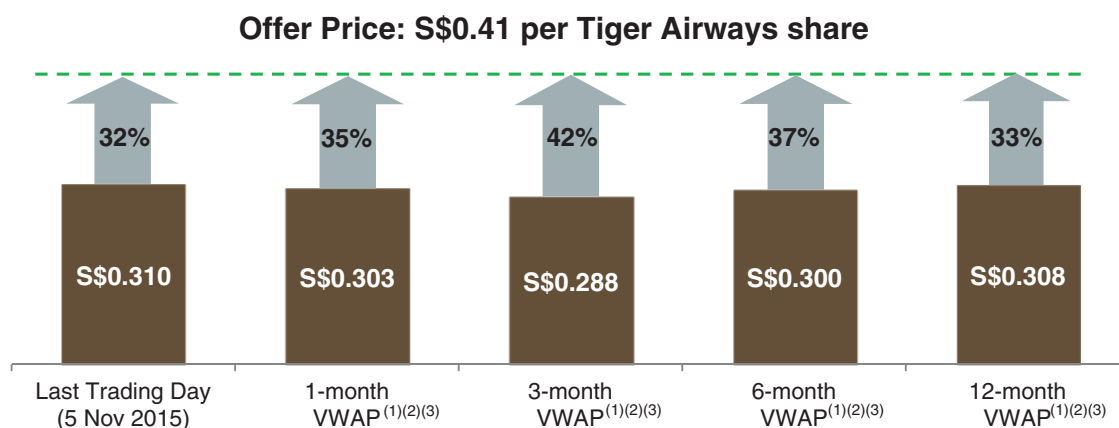


Note 1: Assuming the Offer becomes or is declared to be unconditional in all respects in accordance with its terms.

Note 2: Number of Tiger Airways shares which would have been received if your PCCS were converted (rounded down to the nearest whole Tiger Airways share).

3

How does the Offer Price compare to historical prices?



Notes:

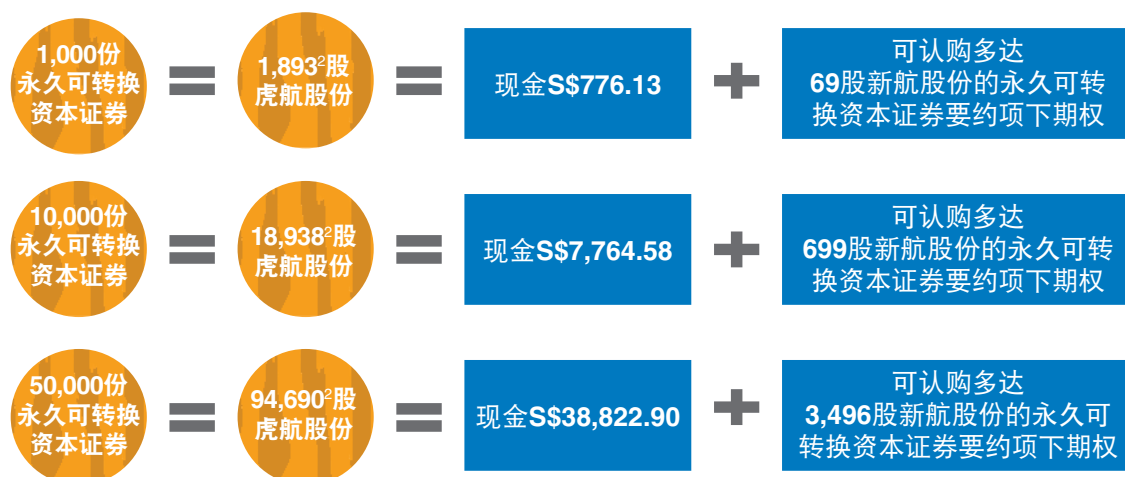
- (1) VWAP refers to the volume weighted average price of the Tiger Airways shares as transacted on the SGX-ST for the 1, 3, 6 and 12-month period (as the case may be) up to and including the Last Trading Day.
- (2) Based on data extracted from Bloomberg L.P. which shows prices adjusted to reflect any changes in the share capital of Tiger Airways due to rights issues.
- (3) Computed based on the Tiger Airways share prices rounded to the nearest three decimal places.

All capitalised terms shall bear the same meanings as ascribed to them in this Offer Document.

2

提交所持永久可转换资本证券会获得多少价款？(续)

下列例子作为参考，说明有效接受本永久可转换资本证券要约的永久可转换资本证券持有者所能获得的价款：¹



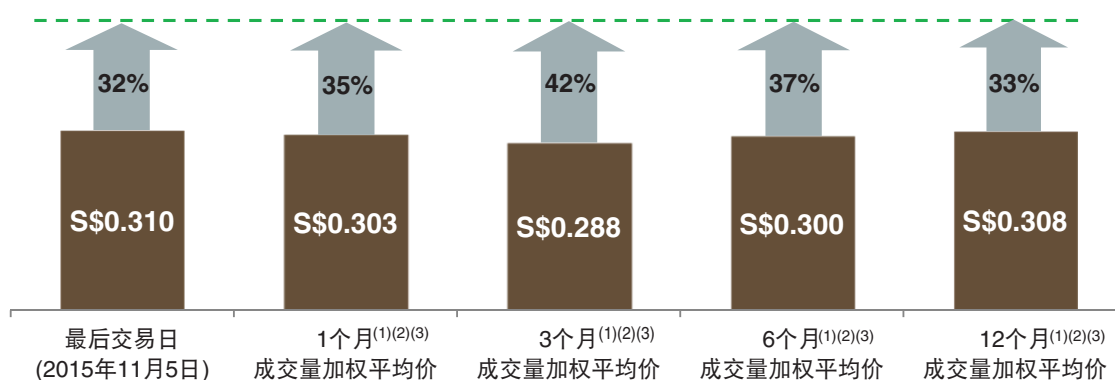
备注 1：假设要约按照条款成为或被宣布为完全无条件要约。

备注 2：若你转换永久可转换资本证券能得到的虎航股份（向下舍入至最接近的整数虎航股份）。

3

要约价与过往股价相比如何？

要约价：每一股虎航股份为 S\$0.41



备注：

- (1) 成交量加权平均价指最后交易日之前（包括最后交易日在内）的1, 3, 6 及12个月虎航股票在新加坡证券交易所的成交量加权平均价。
- (2) 根据从彭博社摘取的数据，过往股价是调整后数据，以反映虎航股本因供股发行而产生的变化。
- (3) 根据虎航股价计算，四舍五入取小数点后三位。

所有术语的含意均以本要约文件中的定义为准。

此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

4

What are the conditions to the Offer?

The Offer is conditional upon:

- A. SIA and parties acting in concert with it owning more than **90%** of Tiger Airways by close of the Offer; and
- B. Approval in-principle of the SGX-ST for the dealing in, listing of and quotation of the new SIA shares to be issued in connection with the Offer and the PCCS Offer (the “**AIP**”). The Offeror has received the AIP from the SGX-ST on 19 November 2015.

5

What does SIA intend to do with Tiger Airways?

SIA intends to delist Tiger Airways from the SGX-ST, and if possible, to privatise it.

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

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

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

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

4

本要约含有什么条件?

本要约的条件包括:

- A. 新航与其一致行动方在要约结束前拥有超过**90%**的虎航股份; 以及
- B. 新加坡证券交易所对与本要约及永久可转换资本证券要约相关的发行的新航新股份之交易、上市和报价给予原则性批准。要约方已经在2015年11月19日获得新加坡证券交易所的该原则性批准。

5

新航对虎航有何计划?

新航有意将虎航从新加坡证券交易所除牌, 并且如果可以的话, 将虎航私有化。

新航目前打算让虎航继续发展其航空业务, 包括在商务和运营方面实现与新航集团潜在的协同效应, 同时继续保留虎航和新航集团各自的关键服务及资源。

新航将在本要约结束之后检讨虎航的运营, 以期使虎航的运营融入新航集团实现可持续性的长期回报。该检讨可包括, 除其他事项外, 现有的虎航与新航集团之间的联合倡议与合作领域, 以及确定新的可实现商务和运营协同效应的整合领域。

新航保留灵活性, 可在任何时候考虑任何新呈现并有利于新航集团与虎航的选择或机会。

除本要约文件披露的内容和正常业务经营过程中所发生的情况外, 新航目前没有计划 (i) 对任何虎航业务引入重大变动, (ii) 重新部署任何虎航的固定资产, (iii) 缩减虎航业务或 (iv) 实施与本要约有关的裁员行动。

How can I exercise my Shares Option to Subscribe and/or my PCCS Option to Subscribe for SIA shares?

- A. The Shares Option to Subscribe/PCCS Option to Subscribe will only be exercisable during a 15 Market Day period, which will commence on a date to be announced after the close of the Offer and after the payment of the cash Offer Price/PCCS Offer Price to all Accepting Shareholders/PCCS Holders has been completed.
- B. The OTS Exercise Notice will be despatched **after** payment of the cash Offer Price/PCCS Offer Price to **all** Accepting Shareholders/PCCS Holders has been completed.

The despatch date will be announced by or on behalf of SIA in due course through SGXNET.

- C. You will only receive SIA shares if you have validly exercised the Shares Option to Subscribe/PCCS Option to Subscribe during the 15 Market Day period.

我该如何行使我的虎航股份要约项下认购新航股份的期权和/或我的永久可转换资本证券要约项下认购新航股份的期权?

- A. 虎航股份要约项下认购新航股份的期权和/或永久可转换资本证券要约项下认购新航股份的期权只能在15天交易日期间内行使。该等期间将从本要约结束后且给所有接受股东 / 永久可转换资本证券持有者的现金要约价款 / 永久可转换资本证券要约价款的支付完成后宣布的日期开始起算。
- B. 认购新航股份的期权行使通知将在给**所有**接受股东 / 永久可转换资本证券持有者的现金要约价款 / 永久可转换资本证券要约价款的支付**完成**之后寄发。

新航或其代表将在合适的时候通过SGXNET公布寄发日。

- C. 只有在15天交易日期间内有效行使虎航股份要约项下认购新航股份的期权 / 永久可转换资本证券要约项下认购新航股份的期权的情况之下，您才会获得新航股份。

HOW CAN I ACCEPT THE OFFER AND/OR THE PCCS OFFER?

1 Locate the relevant Acceptance Form(s)

If you are a Shareholder and/or a PCCS Holder:

- Look for the relevant Acceptance Form(s) in this package.
- Please proceed to Step 2 below.

If you are a CPFIS Investor and/or SRS Investor:

- Please contact your CPF/SRS Agent Banks (namely, DBS, Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited).

If you misplace the Acceptance Form(s):

- Electronic copies are available from the website of the SGX-ST at www.sgx.com.
- Click on the "Company Information" tab → "Company Announcements". Select "TIGER AIRWAYS HOLDINGS LIMITED". The Acceptance Forms are appended to the announcement dated 26 November 2015 relating to the despatch of the Offer Document.
- Alternatively, you may call CDP at **+65 6535 7511** to obtain the Acceptance Form(s).

2 Fill in your details and return the relevant Acceptance Form to accept the Offer and/or the PCCS Offer

- Check or fill in your personal particulars and Securities Account Number.
- Under Part A, fill in the number of Offer Shares or PCCS in the "Free Balance" of your CDP Securities Account that you wish to sell. You can choose to sell all or part of your Offer Shares or PCCS.

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of [Offer Shares / PCCS] to the Securities Account maintained with CDP of the Offeror or the Transferee:

| Please indicate the number of [Offer Shares / PCCS] you wish to tender in acceptance of the [Offer / PCCS Offer] | |
|--|--|
| Part A | Number of [Offer Shares / PCCS] now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the [Offer / PCCS Offer] is accepted |

NOTE: Please refer to paragraphs 2 and 3 on page 2 of this [Shares / PCCS] FAA for instructions on inserting the number of [Offer Shares / PCCS] above.

1 Insert number here

- Fill in the applicable date and proceed to sign off on the bottom right hand corner of the Acceptance Form.

Date _____

Signature(s) / Thumbprint(s) of Depositor(s) / Joint Depositors
For corporations, please sign as per your signing mandate and where appropriate, the Common Seal is to be affixed in accordance with your Memorandum and Articles of Association or relevant constitutive documents.

2 Please date here

3 Please sign here

- Return the completed Acceptance Form in the enclosed pre-addressed envelope so as to arrive NOT LATER THAN 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

All capitalised terms shall bear the same meanings as ascribed to them in this Offer Document.

如何接受本要约及/或永久可转换资本证券要约？

1 请找出相关的要约接受表格

如果您是股东，也是/或是永久可转换资本证券持有者：

- 请找出本要约文件附带的相关要约接受表格。
- 请看以下的步骤2。

如果您是公积金投资计划(CPFIS)项下投资者以及 / 或退休辅助计划(SRS)项下投资者：

- 请与您的公积金/退休辅助计划代理银行（即星展银行、华侨银行、大华银行）联络。

如果您找不到接受表格：

- 电子副本可以从新加坡证券交易所网站www.sgx.com下载。
- 点击“公司信息”标签页 → “公司公告”。选择“TIGER AIRWAYS HOLDINGS LIMITED”。接受表格随附于2015年11月26日有关寄发本要约文件的公告。
- 或者，您可拨打+65 6535 7511联络CDP获得接受表格。

2 填写您的详细信息并交回相关接受表格以示接受本要约以及/或者永久可转换资本证券要约

- 请核对或填写您的个人信息及证券账户号。
- 请在Part A填写您在CDP证券账户的“自由结余”项下打算出售的要约股份或者永久可转换资本证券的数量。您可以选择出售您全部或部分的要约股份或者永久可转换资本证券。

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of [Offer Shares / PCCS] to the Securities Account maintained with CDP of the Offeror or the Transferee.

| | | |
|--------|--|--|
| Part A | Number of [Offer Shares / PCCS] now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the [Offer / PCCS Offer] is accepted | Please indicate the number of [Offer Shares / PCCS] you wish to tender in acceptance of the [Offer / PCCS Offer] |
|--------|--|--|

NOTE: Please refer to paragraphs 2 and 3 on page 2 of this [Shares / PCCS] FAA for instructions on inserting the number of [Offer Shares / PCCS] above.

1 填写欲出售的要约股份或者永久可转换资本证券数量

- 请在表格左下角填写适用日期并在表格右下角签名。

2 填写适用日期

3 请签名

Date

Signature(s) / Thumbprint(s) of Depositor(s) / Joint Depositors

For corporations, please sign as per your signing mandate and where appropriate, the Common Seal is to be affixed in accordance with your Memorandum and Articles of Association or relevant constitutive documents.

- 将填写后的要约接受表格装入随附预付信封并寄出。该邮件必须在不迟于2015年12月28日（星期一）下午5时30分（新加坡时间）（或要约方或其代表可能不时公告的更迟日期）到达指定的地址。

所有术语的含意均以本要约文件中的定义为准。
此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

WHAT ARE THE IMPORTANT DATES AND TIMES?

| | |
|--|---|
| Despatch of the Offer Document | 26 November 2015 (Thursday, Singapore time) |
| Despatch of Tiger Airways' circular containing the views of the Independent Directors | 10 December 2015 (Thursday, Singapore time) or earlier |
| Closing date and time | 5.30 p.m. on 28 December 2015 (Monday, Singapore time) (or such later date(s) as may be announced from time to time by or on behalf of the Offeror) |

DBS HELP LINE

Please call DBS at **+65 6878 4620** during office hours if you have any enquiries about the Offer or the PCCS Offer, or if you need assistance to complete the relevant Acceptance Forms.

IMPORTANT NOTICE

The information in this section is a summary of the Offer and the PCCS Offer and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Offer Document. In the event of any inconsistency or conflict between the terms of this section and the rest of this Offer Document, the terms set out in the rest of this Offer Document shall prevail.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Shareholders, PCCS Holders or any other party. DBS is acting for and on behalf of the Offeror and does not purport to advise any Shareholder or PCCS Holder.

Shareholders and/or PCCS Holders are advised to exercise caution when dealing in their Shares and/or PCCS, and refrain from taking any action in relation to their Shares and/or PCCS which may be prejudicial to their interests.

The views of the Independent Directors and the independent financial adviser will be made available to Shareholders and PCCS Holders in due course. The Independent Directors are required under the Code to despatch their views within 14 days of the posting of this Offer Document. Shareholders and PCCS Holders may wish to consider their advice before taking any action in relation to the Offer and the PCCS Offer.

All capitalised terms shall bear the same meanings as ascribed to them in this Offer Document.

重要的日期和时间是什么？

| | |
|---------------------|--|
| 要约文件寄发日 | 2015年11月26日 (星期四, 新加坡时间) |
| 虎航通函寄发日 (包括独立董事的意见) | 2015年12月10日 (星期四, 新加坡时间)或之前 |
| 截止日期和时间 | 2015年12月28日, 下午5时30分 (星期一, 新加坡时间) (或要约方或要约方代表可能不时公告的更迟日期) |

星展银行的帮助热线

若您对本要约或者永久可转换资本证券要约有任何疑问, 或在填写相关接受表格时需要任何协助, 欢迎在办公时间致电星展银行的帮助热线 **+65 6878 4620**。

重要声明

本节所载资料仅为本要约及永久可转换资本证券要约的概要, 故应受本要约文件其它部分所载的全部内容所限, 并与其一并阅读。若概要与本要约文件其它部分存在任何不一致或相冲突的条款, 则应以本要约文件其它部分中的所列条款为准。

本节所列的任何信息并未意在或可被作为提供给股东、永久可转换资本证券持有人或其他任何各方的意见、推荐或游说。星展银行为了并代表要约方行事, 而并非旨在向任何股东或永久可转换资本证券持有人提供意见。

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独立董事和独立财务顾问的意见将在合适的时候提供给股东和永久可转换资本证券持有人。按新加坡收购及合并守则的规定, 独立董事必须在本要约文件寄发后的14天内寄发其意见书。股东和永久可转换资本证券持有人对本要约及永久可转换资本证券要约采取任何行动前可参考独立董事的意见。

*所有术语的含意均以本要约文件中的定义为准。
此中文版要约简介源自于英文版。如中文版和英文版存在不一致之处, 皆以英文版为准。*

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IMPORTANT NOTICES

SGX-ST's Approval in-Principle

Approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation of the new Offeror Shares (as defined herein) to be issued in connection with the Offer and the PCCS Offer on the Official List of 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 defined herein).

Overseas Persons

The availability of the Offer and the PCCS Offer (including the Option to Subscribe) to Overseas Persons (as defined herein) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer and the PCCS Offer will be open to all Shareholders and PCCS Holders (each as defined herein) (as the case may be), including those to whom this Offer Document, the relevant Acceptance Forms (as defined herein), the Option to Subscribe and/or any related documents may not be sent, provided that this Offer Document, the Acceptance Forms, the Option to Subscribe and/or any related documents do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful, and the Offer and/or the PCCS Offer (including the Option to Subscribe) are not being made into any jurisdiction in which the making or acceptance of the Offer and/or the PCCS Offer (including the Option to Subscribe) would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer and/or the PCCS Offer (including the Option to Subscribe) to Shareholders and/or PCCS Holders in any such jurisdiction.

Overseas Jurisdiction

It is the responsibility of any Overseas Person who wishes to accept the Offer and/or the PCCS Offer (as the case may be) or exercise the Option to Subscribe to satisfy himself as to the full observance of the laws of the relevant jurisdiction(s) in that connection, including the obtaining of any governmental approvals or any other consents which may be required, or compliance with other necessary formalities or legal requirements. If any Shareholder or PCCS Holder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. Overseas Persons should read **Section 16** ("**Overseas Persons**") of this Offer Document.

Miscellaneous

If you have sold or transferred all your Shares or PCCS (each as defined herein) held through CDP (as defined herein), you need not forward this Offer Document and the accompanying Acceptance Forms to the purchaser or transferee, as CDP will arrange for a separate Offer Document and the relevant Acceptance Forms to be sent to the purchaser or transferee. If you have sold or transferred all your Shares not held through CDP, you should immediately hand this Offer Document and the accompanying Acceptance Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document and the Acceptance Forms:

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| “ Acceptance Condition ” | : | Shall have the meaning ascribed to it in Section 2.6.1 of this Offer Document |
| “ Acceptance Forms ” | : | The Shares FAA, the Shares FAT and the PCCS FAA |
| “ Accepting PCCS Holder ” | : | A PCCS Holder who validly accepts the PCCS Offer |
| “ Accepting Shareholder ” | : | A Shareholder who validly accepts the Offer |
| “ Adjusted Offer Price ” | : | Shall have the meaning ascribed to it in Section 2.5.2 of this Offer Document |
| “ AIP ” | : | Shall have the meaning ascribed to it in Section 2.6.2 of this Offer Document |
| “ air cargo issues ” | : | Shall have the meaning ascribed to it in Paragraph 9.1 of Appendix 5 to this Offer Document |
| “ ASA Shares ” | : | Shall have the meaning ascribed to it in Paragraph 3.4 of Appendix 5 to this Offer Document |
| “ ASAs ” | : | Shall have the meaning ascribed to it in Paragraph 3.3 of Appendix 5 to this Offer Document |
| “ Awards ” | : | Outstanding share awards granted under the Tiger Airways RSP and the Tiger Airways PSP |
| “ Base Awards ” | : | Shall have the meaning ascribed to it in Paragraph 3.5.2(i) of Appendix 5 to this Offer Document |
| “ Books Closure Date ” | : | Shall have the meaning ascribed to it in Section 2.5.1 of this Offer Document |
| “ Business Day ” | : | A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore |
| “ CDP ” | : | The Central Depository (Pte) Limited |
| “ CEORSG ” | : | Shall have the meaning ascribed to it in Paragraph 1.5 of Appendix 8 to this Offer Document |
| “ Closing Date ” | : | 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer and the PCCS Offer |
| “ Code ” | : | The Singapore Code on Take-overs and Mergers |
| “ Commencement Date ” | : | 26 November 2015, being the Despatch Date and the date from which the Offer and the PCCS Offer are open for acceptances |
| “ Companies Act ” | : | The Companies Act, Chapter 50 of Singapore |
| “ Company ” or “ Tiger Airways ” | : | Tiger Airways Holdings Limited |

DEFINITIONS

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|-------------------------------------|---|---|
| “Company Securities” | : | (i) Shares; (ii) PCCS; (iii) Options; (iv) Awards; (v) any other securities which carry voting rights in the Company; and (vi) any other convertible securities, warrants, options, awards or derivatives in respect of the Shares, the PCCS or other securities which carry voting rights in the Company |
| “CPF” | : | The Central Provident Fund |
| “CPF Agent Banks” | : | Agent banks included under the CPFIS |
| “CPFIS” | : | Central Provident Fund Investment Scheme |
| “CPFIS Investors” | : | Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS |
| “Date of Receipt” | : | The date of receipt of the relevant Acceptance Form by CDP or the Registrar (as the case may be) on behalf of the Offeror (provided always that such date of receipt falls on or before the Closing Date) |
| “DBS” or “Financial Adviser” | : | DBS Bank Ltd., being the financial adviser to the Offeror |
| “DBS Vickers” | : | DBS Vickers Securities (Singapore) Pte Ltd |
| “DBSH” | : | DBS Group Holdings Ltd, the parent company of DBS |
| “Despatch Date” | : | 26 November 2015, being the date of despatch of this Offer Document |
| “DGCA” | : | Shall have the meaning ascribed to it in Paragraph 9.2 of Appendix 5 to this Offer Document |
| “Dissenting PCCS Holders” | : | Shall have the meaning ascribed to it in Section 12.3 of this Offer Document |
| “Dissenting Shareholders” | : | Shall have the meaning ascribed to it in Section 12.3 of this Offer Document |
| “Distributions” | : | (i) In respect of the Offer Shares, any dividends, rights, other distributions and/or return of capital; and (ii) in respect of the PCCS, any interest, payments, rights and other distributions |
| “Electronic Acceptance” | : | The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents |

DEFINITIONS

- “Encumbrance”** : Any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or any agreement, arrangement or obligation to create any of the foregoing
- “Final Awards”** : Shall have the meaning ascribed to it in **Paragraph 3.5.2(i)** of **Appendix 5** to this Offer Document
- “Final Day Rule”** : Shall have the meaning ascribed to it in **Paragraph 1.4** of **Appendix 1** to this Offer Document
- “Final Settlement Date”** : The last settlement date in respect of the Offer and the PCCS Offer for all the Offer Shares and the PCCS validly tendered in acceptance of the Offer and the PCCS Offer respectively, being a date falling after the final Closing Date but on or before the expiry of 10 days from the final Closing Date (provided that if such date is not a Business Day, the next Business Day)
- “Free Float Requirement”** : Shall have the meaning ascribed to it in **Section 12.2** of this Offer Document
- “FY”** : Financial year ended or ending 31 March, as the case may be
- “HY2016”** : Shall have the meaning ascribed to it in **Paragraph 4** of **Appendix 5** to this Offer Document
- “IATA”** : International Air Transport Association
- “Independent Directors”** : The directors of the Company who are considered independent for the purposes of the Offer and the PCCS Offer
- “in scrip form”** : Shall have the meaning ascribed to it in **Section 16.2** of this Offer Document
- “Last Trading Day”** : 5 November 2015, being the last full Market Day preceding the Offer Announcement Date on which the Shares and the Offeror Shares were traded on the SGX-ST
- “Latest Practicable Date”** : 19 November 2015, being the latest practicable date prior to the printing of this Offer Document
- “Letter of Grant”** : The letter issued or to be issued by the Offeror, granting the Accepting Shareholder or the Accepting PCCS Holder (as the case may be) named therein the Option to Subscribe, in a form to be determined by the Offeror in its absolute discretion
- “Listing Manual”** : The Listing Manual of the SGX-ST
- “Market Day”** : A day on which the SGX-ST is open for the trading of securities
- “maximum potential issued share capital of the Company”** : The total number of Shares which would be in issue had all Shares (i) under the PCCS and the Options been issued and (ii) under the Awards been issued and/or delivered
- “Minister”** : Minister for Finance of Singapore

DEFINITIONS

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|----------------------------|---|---|
| “NAV” | : | Net asset value |
| “NPBT” | : | Net profit before income tax, minority interests and extraordinary items |
| “Offer” | : | The voluntary conditional general offer made by DBS, for and on behalf of the Offeror, for all the Offer Shares on the terms and subject to the conditions set out in this Offer Document, the Shares FAA and the Shares FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror |
| “Offer Announcement” | : | The announcement of the Offer released by DBS, for and on behalf of the Offeror, on the Offer Announcement Date |
| “Offer Announcement Date” | : | 6 November 2015, being the date of the Offer Announcement |
| “Offer Document” | : | This document dated 26 November 2015, including the Acceptance Forms, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time |
| “Offer Period” | : | The period from the Offer Announcement Date until the date the Offer closes, lapses or is withdrawn (whichever is earlier) |
| “Offer Price” | : | The offer price for each Offer Share validly tendered in acceptance of the Offer, as more particularly described in Section 2.3.1 of this Offer Document |
| “Offer Shares” | : | Shall have the meaning ascribed to it in Section 2.2 of this Offer Document |
| “Offer Unconditional Date” | : | The date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms |
| “Offeror” or “SIA” | : | Singapore Airlines Limited |
| “Offeror Articles” | : | The Articles of Association of the Offeror |
| “Offeror Awards” | : | Shall have the meaning ascribed to it in Paragraph 3.5.2 of Appendix 5 to this Offer Document |
| “Offeror Options” | : | Shall have the meaning ascribed to it in Paragraph 3.5.1 of Appendix 5 to this Offer Document |
| “Offeror Scheme” | : | Shall have the meaning ascribed to it in Paragraph 3.5.1 of Appendix 5 to this Offer Document |
| “Offeror Securities” | : | (i) Offeror Shares; (ii) Special Share; (iii) ASA Shares; (iv) Offeror Options; (v) Offeror Awards; |

DEFINITIONS

- (vi) any other securities which carry voting rights in the Offeror; and
 - (vii) any other convertible securities, warrants, options, awards or derivatives in respect of the Offeror Shares, the Special Share, the ASA Shares or other securities which carry voting rights in the Offeror
- “Offeror Shares”** : Ordinary shares in the capital of the Offeror
- “Optionholder”** : Holder of the Options
- “Option to Subscribe”** : The Shares Option to Subscribe and the PCCS Option to Subscribe
- “Options”** : Outstanding options granted under the Tiger Airways Scheme to subscribe for new Shares
- “Options Price”** : Shall have the meaning ascribed to it in **Section 4.2** of this Offer Document
- “Options Proposal”** : Shall have the meaning ascribed to it in **Section 4.2** of this Offer Document
- “OTS Exercise Notice”** : The notice for the exercise of the Option to Subscribe, in a form to be determined by the Offeror in its absolute discretion
- “OTS Exercise Period”** : Shall have the meaning ascribed to it in **Section 2.3.2(ii)** of this Offer Document
- “Overseas Persons”** : Shareholders and/or PCCS Holders whose addresses as shown in the Register of the Company or in the records of CDP (as the case may be) are outside Singapore
- “PCCS”** : The outstanding 2.0 per cent. perpetual convertible capital securities issued by the Company on 22 April 2013, in the denomination of S\$1.07 for each perpetual convertible capital security
- “PCCS Conversion Price”** : Shall have the meaning ascribed to it in **Section 3.1** of this Offer Document
- “PCCS FAA”** : The Form of Acceptance and Authorisation for PCCS in respect of the PCCS Offer, applicable to PCCS Holders whose PCCS are deposited with CDP and which forms part of this Offer Document
- “PCCS Holders”** : Depositors who have PCCS entered against their names in the Depository Register
- “PCCS Offer”** : The offer made by DBS, for and on behalf of the Offeror, for all the PCCS on the terms and subject to the conditions set out in this Offer Document and the PCCS FAA, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
- “PCCS Offer Price”** : The offer price for the PCCS validly tendered in acceptance of the PCCS Offer, as more particularly described in **Section 3.3.1** of this Offer Document

DEFINITIONS

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| “PCCS Option to Subscribe” or “PCCS OTS” | : | Shall have the meaning ascribed to it in Section 3.3.2 of this Offer Document |
| “PCCS Registrar” | : | Boardroom Corporate & Advisory Services Pte. Ltd., the registrar relating to the PCCS |
| “PCCS Transfer Date” | : | Shall have the meaning ascribed to it in Section 3.5 of this Offer Document |
| “Petitioners” | : | Shall have the meaning ascribed to it in Paragraph 9.2 of Appendix 5 to this Offer Document |
| “Register” | : | The register of Shareholders, as maintained by the Registrar |
| “Registrar” | : | Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company |
| “Relevant Day” | : | Shall have the meaning ascribed to it in Paragraph 4.1 of Appendix 1 to this Offer Document |
| “Relevant Legislative Amendment” | : | Shall have the meaning ascribed to it in Section 12.3 of this Offer Document |
| “Relevant Options” | : | Shall have the meaning ascribed to it in Section 4.2(i) of this Offer Document |
| “Relevant Period” | : | The period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date |
| “Relevant Persons” | : | Shall have the meaning ascribed to it in Paragraph 2.9 of Appendix 2 to this Offer Document |
| “Rule 22.6 Period” | : | Shall have the meaning ascribed to it in Paragraph 1.3 of Appendix 1 to this Offer Document |
| “Scoot” | : | Scoot Pte. Ltd. |
| “Securities Account” | : | A securities account maintained by a Depositor with CDP, but does not include a securities sub-account |
| “SFA” | : | The Securities and Futures Act, Chapter 289 of Singapore |
| “SGXNET” | : | Singapore Exchange Network, a system network used by listed companies when sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | Holders of the Shares in issue as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “Shares FAA” | : | The Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of this Offer Document |

DEFINITIONS

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| “Shares FAT” | : | The Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of this Offer Document |
| “Shares Option to Subscribe” or “Shares OTS” | : | Shall have the meaning ascribed to it in Section 2.3.2 of this Offer Document |
| “Shut-Off Notice” | : | Shall have the meaning ascribed to it in Paragraph 1.3 of Appendix 1 to this Offer Document |
| “SIA BCIRC” | : | Shall have the meaning ascribed to it in Paragraph 3.5.2(i) of Appendix 5 to this Offer Document |
| “SIA Cargo” | : | Singapore Airlines Cargo Pte Ltd |
| “SIA Group” | : | SIA and its subsidiaries and “ SIA Group Company ” shall mean each and any of them |
| “SIA Group FY2015 Results” | : | The audited consolidated financial statements of the SIA Group for FY2015 |
| “SIA Group HY2016 Results” | : | The unaudited consolidated interim results of the SIA Group for HY2016 |
| “SIA PSP” | : | Shall have the meaning ascribed to it in Paragraph 3.5.2(i) of Appendix 5 to this Offer Document |
| “SIA RSP” | : | Shall have the meaning ascribed to it in Paragraph 3.5.2(i) of Appendix 5 to this Offer Document |
| “SIC” | : | The Securities Industry Council of Singapore |
| “Special Member” | : | Shall have the meaning ascribed to it in Paragraph 3.3 of Appendix 5 to this Offer Document |
| “Special Share” | : | Shall have the meaning ascribed to it in Paragraph 3.1 of Appendix 5 to this Offer Document |
| “SRS” | : | The Supplementary Retirement Scheme |
| “SRS Agent Banks” | : | Agent banks included under SRS |
| “SRS Investors” | : | Investors who have purchased Shares pursuant to SRS |
| “Subscription Price” | : | Shall have the meaning ascribed to it in Section 2.3.2(iii) of this Offer Document |
| “Tiger Airways Group” | : | Tiger Airways and its subsidiaries, and “ Tiger Airways Group Company ” shall mean each and any of them |
| “Tiger Airways PSP” | : | Tiger Airways Group Performance Share Plan |
| “Tiger Airways RSP” | : | Tiger Airways Group Restricted Share Plan |
| “Tiger Airways Scheme” | : | Pre-IPO Tiger Aviation Share Option Scheme |

DEFINITIONS

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| “Tiger Airways Singapore” | : | Tiger Airways Singapore Pte. Ltd. |
| “VWAP” | : | Volume weighted average price |
| “S\$” and “cents” | : | Singapore dollars and cents respectively, being the lawful currency of Singapore |
| “%” or “per cent.” | : | Percentage or per centum |

Acting in Concert. The expression “**acting in concert**” shall have the meaning ascribed to it in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of a notice by the Offeror shall include the release of an announcement by the Financial Adviser or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositors, etc. The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the Companies Act.

Genders, etc. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Issued Shares. In this Offer Document, the total number of:

- (i) issued Shares as at the Latest Practicable Date is 2,500,082,980; and
- (ii) issued Offeror Shares (excluding treasury Offeror Shares) as at the Latest Practicable Date is 1,163,329,935.

Offer Document. References to “**Offer Document**” shall include the Acceptance Forms, unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Offer Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

Shareholders, PCCS Holders. References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Shareholders and/or PCCS Holders, as the case may be.

Statutes. Any reference in this Offer Document to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended, modified or re-enacted. Any word defined in the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and not otherwise defined in this Offer Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be, unless the context otherwise requires.

Subsidiary, Related Corporation. References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

DEFINITIONS

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

INDICATIVE TIMETABLE

| | | |
|--|---|---|
| Despatch Date and Commencement Date (in respect of the Offer and the PCCS Offer) ⁽¹⁾ | : | 26 November 2015 (Thursday, Singapore time) |
| Closing Date (in respect of the Offer and the PCCS Offer) ⁽²⁾⁽³⁾ | : | 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) or such later date(s) as may be announced from time to time by or on behalf of the Offeror |
| Date of settlement (in respect of the Offer and the PCCS Offer) on which the Offer Price, the PCCS Offer Price and the Letter(s) of Grant are despatched to Accepting Shareholders and Accepting PCCS Holders ⁽¹⁾ | : | <p>In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within 10 days after the Offer Unconditional Date</p> <p>In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within 10 days after the date of receipt of each such acceptance</p> |
| Final Settlement Date (in respect of the Offer and the PCCS Offer) | : | Within 10 days after the Closing Date |
| Expected date of despatch of the OTS Exercise Notice to Accepting Shareholders and Accepting PCCS Holders | : | Within 15 Market Days after the Final Settlement Date (“Day T”) |
| Expected date on which the OTS Exercise Period commences | : | 3 rd Market Day after Day T (“Day Y”) |
| Expected last date for exercise of the Option to Subscribe | : | 15 th Market Day from Day Y (“Day Z”) |
| Expected date of issue and/or transfer of Offeror Shares pursuant to valid exercise of the Option to Subscribe | : | Within 10 Market Days after Day Z |
| Expected date when the Securities Accounts of Accepting Shareholders and Accepting PCCS Holders who validly exercise the Option to Subscribe are credited with Offeror Shares | : | Within 10 Market Days after Day Z |
| Expected date for listing and commencement of trading of Offeror Shares issued and/or transferred pursuant to valid exercise of the Option to Subscribe by Accepting Shareholders and Accepting PCCS Holders | : | Within 10 Market Days after Day Z |

Notes:

- (1) Other than the Despatch Date, the Commencement Date and the date of settlement in respect of the Offer and the PCCS Offer, the other dates set out in the timetable above are indicative only and the actual dates of such events will be announced in due course by or on behalf of the Offeror on SGXNET.
- (2) The Offer and the PCCS Offer must initially be open for 28 days after the Despatch Date.
- (3) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer and/or the PCCS Offer.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS



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

26 November 2015

To: The Shareholders and the PCCS Holders of Tiger Airways Holdings Limited

Dear Sir / Madam,

VOLUNTARY CONDITIONAL GENERAL OFFER BY DBS FOR AND ON BEHALF OF SIA

1. INTRODUCTION

- 1.1 Offer Announcement.** On 6 November 2015, DBS announced, for and on behalf of SIA, that SIA intends to make a voluntary conditional general offer for all the issued Shares other than those already owned or agreed to be acquired by SIA as at the Commencement Date. Based on the latest information available to SIA as at the Latest Practicable Date, SIA and parties acting in concert with it hold in aggregate 1,394,106,157 Shares, representing approximately 55.76 per cent. of the total number of issued Shares.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

- 1.2 Offer Document.** This Offer Document contains the formal offer by DBS, for and on behalf of SIA, to acquire all the Offer Shares and the PCCS other than those Shares and PCCS already owned or agreed to be acquired by SIA as at the Commencement Date. **Please read this Offer Document carefully.**

2. THE OFFER

- 2.1 Offer.** For and on behalf of the Offeror, the Financial Adviser hereby makes the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code.
- 2.2 Offer Shares.** The Offer will be extended to:

- 2.2.1** all issued Shares, other than those already owned or agreed to be acquired by the Offeror as at the Commencement Date, but including issued Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer;
- 2.2.2** all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the PCCS prior to the final Closing Date;
- 2.2.3** all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options granted under the Tiger Airways Scheme prior to the final Closing Date; and
- 2.2.4** all new Shares unconditionally issued or delivered, or to be issued or delivered, pursuant to the vesting of any Awards granted under the Tiger Airways RSP and the Tiger Airways PSP prior to the final Closing Date,

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

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

2.3 Offer Consideration. The consideration for the Offer Shares validly tendered in acceptance of the Offer will be as follows:

Each Accepting Shareholder will be:

2.3.1 paid S\$0.41 in cash (the “**Offer Price**”) for each Offer Share validly tendered in acceptance of the Offer; and

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

- (i) 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;
- (ii) the Shares Option to Subscribe will be exercisable by the Accepting Shareholder at any time during a 15 Market Day period (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;
- (iii) the subscription price of the Offeror Shares payable by the Accepting Shareholder exercising the Shares Option to Subscribe will be S\$11.1043 (the “**Subscription Price**”) for each Offeror Share; and
- (iv) 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 this 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 **Section 8.3** of this Offer Document.

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

- (a) If the Accepting Shareholder validly accepts the Offer in respect of 1,000 Offer Shares, such Accepting Shareholder will receive S\$410 in cash and will be granted the Shares OTS to subscribe for up to 36 Offeror Shares at the Subscription Price of S\$11.1043 for each Offeror Share.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

2.4 No Encumbrances. 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.

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

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

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

2.6 Conditions. The Offer is subject to the following conditions:

2.6.1 Level of Acceptances of the Offer. The Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it before or during the Offer, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 90 per cent. of the voting rights attributable to all the Shares in issue as at the close of the Offer (including any voting rights attributable to Shares (i) unconditionally issued or to be issued pursuant to the valid conversion and/or exercise of any PCCS and/or Options prior to the final Closing Date or (ii) unconditionally issued or delivered, or to be issued or delivered, pursuant to the vesting of any Awards prior to the final Closing Date) (the “**Acceptance Condition**”).

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

As at the Latest Practicable Date:

- (i) the Company is a subsidiary of the Offeror and the Offeror directly holds 1,393,456,041 Shares, representing approximately 55.74 per cent. of the total number of issued Shares; and
- (ii) based on the latest information available to the Offeror, the Offeror and parties acting in concert with it hold in aggregate 1,394,106,157 Shares, representing approximately 55.76 per cent. of the total number of issued Shares and 54.79 per cent. of the maximum potential issued share capital of the Company.

2.6.2 Approval in-principle. The approval in-principle of the SGX-ST for the dealing in, listing of and quotation of the 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**”).

The Offeror has made an application to the SGX-ST for the dealing in, listing of and quotation of the new Offeror Shares to be issued in connection with the Offer and the PCCS Offer on the Official List of the SGX-ST and has, on 19 November 2015, received the AIP from the SGX-ST. Accordingly, as at the Latest Practicable Date, the condition to the Offer relating to the AIP has been fulfilled and the Acceptance Condition remains the only condition to the Offer.

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. In the event that such revision is made during the course of the Offer, the revised Offer will remain open for at least another 14 days and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight days of the notification of such revision.

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

2.7 Warranty. A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all 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.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

2.8 Choices. Shareholders can, in relation to all or part of their Offer Shares, either:

2.8.1 accept the Offer in respect of such Offer Shares in accordance with the procedures set out in **Appendix 2** to this Offer Document; or

2.8.2 take no action and let the Offer lapse in respect of their Offer Shares.

3. THE PCCS OFFER

3.1 PCCS. As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has outstanding an aggregate of approximately S\$14.3 million¹ in principal amount of 13,350,091 PCCS. The denomination for each PCCS is S\$1.07 and the PCCS are convertible into 25,282,473 new Shares at the prevailing conversion price of S\$0.565 per Share (the “**PCCS Conversion Price**”). Pursuant to the terms of the PCCS:

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

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

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

The PCCS, if converted at the prevailing PCCS Conversion Price, represent approximately 0.99 per cent. of the maximum potential issued share capital of the Company.

3.2 PCCS Offer. In addition to extending the Offer to all new Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the PCCS prior to the final Closing Date, in accordance with Rule 19 of the Code, the Financial Adviser, for and on behalf of the Offeror, hereby makes an offer to the PCCS Holders to acquire the PCCS, other than those already owned or agreed to be acquired by the Offeror as at the Commencement Date, in accordance with the terms and subject to the conditions set out in this Offer Document.

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

Each Accepting PCCS Holder will be:

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

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

- (i) the PCCS Option to Subscribe will only be granted to the Accepting PCCS Holder if the Offer becomes or is declared to be unconditional in all respects in accordance with its terms;

¹ Rounded to the nearest one decimal place.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

- (ii) the PCCS Option to Subscribe will be exercisable by the Accepting PCCS Holder at any time during the OTS Exercise Period. The Offeror Shares will only be issued to the Accepting PCCS Holder if the Accepting PCCS Holder has validly exercised the PCCS Option to Subscribe during the OTS Exercise Period. For the avoidance of doubt, if the PCCS Option to Subscribe is not validly exercised by the Accepting PCCS Holder during the OTS Exercise Period, the PCCS Option to Subscribe will lapse and be null and void;
- (iii) the subscription price of the Offeror Shares payable by the Accepting PCCS Holder exercising the PCCS Option to Subscribe will be the Subscription Price for each Offeror Share; and
- (iv) the maximum number of Offeror Shares which the Accepting PCCS Holder may subscribe for pursuant to the PCCS Option to Subscribe will be determined as follows (rounded down to the nearest whole Offeror Share):

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

Where:

- “**A**” : Total PCCS Offer Price paid or payable to the Accepting PCCS Holder pursuant to the terms of the PCCS Offer in respect of all the PCCS validly tendered by such Accepting PCCS Holder in acceptance of the PCCS Offer
- “**B**” : The Subscription Price

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

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

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

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

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

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

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

3.7 Warranty. A PCCS Holder who tenders his PCCS in acceptance of the PCCS Offer will be deemed to unconditionally and irrevocably warrant that he sells such PCCS as or on behalf of the beneficial owner(s) thereof (i) free from all Encumbrances and (ii) together with all rights, benefits and entitlements attached thereto as at 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 on or after the PCCS Transfer Date.

3.8 Choices. PCCS Holders can, in relation to all or part of their PCCS:

3.8.1 (i) convert such PCCS in compliance with the procedures for the conversion of the PCCS set out in the terms and conditions of the PCCS and (ii) thereafter accept the Offer in respect of all or part of the new Shares unconditionally issued or to be issued pursuant to such conversion, in accordance with the procedures set out in **Appendix 2** to this Offer Document;

3.8.2 accept the PCCS Offer in respect of such PCCS in accordance with the procedures set out in **Appendix 3** to this Offer Document; or

3.8.3 take no action and let the PCCS Offer lapse in respect of such PCCS.

4. OPTIONS PROPOSAL

4.1 Options. As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 10,865 Options to subscribe for an aggregate of 10,865 Shares granted under the Tiger Airways Scheme. Under the rules of the Tiger Airways Scheme, the Options are not transferable by the holders thereof.² In view of this restriction, the Offeror will not make an offer to acquire the Options, although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final Closing Date.

4.2 Options Proposal. The Financial Adviser, for and on behalf of the Offeror, will instead make a proposal (the “**Options Proposal**”) to all Optionholders, subject to:

4.2.1 the Offer becoming or being declared to be unconditional in all respects in accordance with its terms; and

4.2.2 the relevant Options continuing to be exercisable into new Shares,

² Except in certain limited circumstances including by will or the laws of descent and distribution.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

where the Offeror will pay an Optionholder a cash amount (as set out in **Section 4.3** of this Offer Document) (the “**Options Price**”) in consideration of each such Optionholder agreeing:

- (i) not to exercise all or any of the Options held by him in respect of which he has accepted the Options Proposal (the “**Relevant Options**”) into new Shares; and
- (ii) not to exercise all or any of his rights as holder of the Relevant Options,

in each case from the date of his acceptance of the Options Proposal to the dates of expiry of the respective Relevant Options. Further, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, the Relevant Options of an Optionholder who accepts the Options Proposal will be cancelled or deemed to be cancelled upon receipt by the Registrar, on behalf of the Offeror, of his valid acceptance of the Options Proposal (whether or not such Relevant Options have been surrendered by the Optionholder).

If the Offer lapses, does not become or is not declared to be unconditional in all respects in accordance with its terms or is withdrawn, the Options Proposal will lapse accordingly. Further, if the Relevant Options cease to be exercisable into new Shares, the Options Proposal in relation to such Relevant Options that cease to be exercisable into new Shares will also lapse.

- 4.3 Options Price.** The Options Price is calculated on a “see-through” basis on the basis of the Offer Price. In other words, the Options Price for an Option will be the amount by which the Offer Price exceeds the subscription price of that Option. If, however, the subscription price of an Option is equal to or more than the Offer Price, the Options Price for such Option will be the nominal amount of S\$0.001.

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.

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

Without prejudice to the foregoing, if an Optionholder exercises his Options in order to accept the Offer in respect of the new Shares issued pursuant to such exercise, he may not accept the Options Proposal in respect of such exercised Options. Conversely, if an Optionholder wishes to accept the Options Proposal in respect of his Options, he should not exercise those Options and accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

- 4.5 Further Information.** A separate letter setting out further details of the Options Proposal made by the Financial Adviser, for and on behalf of the Offeror, to the Optionholders will be despatched to the Optionholders on the Despatch Date.

5. NO AWARDS OFFER

Under the terms of the Tiger Airways RSP and the Tiger Airways PSP, the Awards are not transferable by the holders thereof. In view of this restriction, the Offeror will not be making an offer to acquire, or an appropriate proposal in respect of, the Awards. For the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or delivered or to be issued or delivered pursuant to the vesting of any Awards prior to the final Closing Date.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

6. DETAILS OF THE OFFER AND THE PCCS OFFER

Appendix 1 to this Offer Document sets out further details on (i) the duration of the Offer and the PCCS Offer, (ii) the settlement of the consideration for the Offer and the PCCS Offer, (iii) the requirements relating to the announcement of the level of acceptances of the Offer and the PCCS Offer and (iv) the right of withdrawal of acceptances of the Offer and the PCCS Offer.

7. PROCEDURES FOR ACCEPTANCE

Appendices 2 and 3 to this Offer Document set out the procedures for acceptance of the Offer by a Shareholder and the PCCS Offer by a PCCS Holder, respectively.

8. FURTHER DETAILS RELATING TO THE OPTION TO SUBSCRIBE AND THE OFFEROR SHARES

8.1 Option to Subscribe. The indicative terms and conditions of the Option to Subscribe are set out in **Appendix 4** to this Offer Document.

The consideration for the Offer and the PCCS Offer comprises cash and the Option to Subscribe, and has been structured in this manner in order to provide greater flexibility and value for the Accepting Shareholders and the Accepting PCCS Holders.

The Option to Subscribe is exercisable at the option of the Accepting Shareholders and the Accepting PCCS Holders during the OTS Exercise Period, which will only commence after the Final Settlement Date – that is, after the Offer Price and the PCCS Offer Price have been paid in cash to all the Accepting Shareholders and Accepting PCCS Holders. Therefore, 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. This flexibility maximises value for the Accepting Shareholders and the Accepting PCCS Holders.

The Offer Price and the PCCS Offer Price in cash will be despatched in full to all Accepting Shareholders and Accepting PCCS Holders in respect of all their Offer Shares and PCCS validly tendered in acceptance of the Offer and the PCCS Offer respectively, in accordance with the settlement timetable set out in the Indicative Timetable and also in **Appendices 2 and 3** to this Offer Document. Thereafter, 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.

8.2 Exercise of the Option to Subscribe. The procedures for the exercise of the Option to Subscribe will be set out in the terms and conditions of the Option to Subscribe and the OTS Exercise Notice which will be despatched to the Accepting Shareholders and the Accepting PCCS Holders within 15 Market Days after the Final Settlement Date.

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

As stated in **Section 2.6.2** above, the Offeror has obtained the AIP from the SGX-ST for the dealing in, listing of and quotation of the new Offeror Shares on the Official List of the SGX-ST.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

Assuming (i) all the Shares under the Options and 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 Option to Subscribe, the Offeror will issue and/or transfer approximately 42,494,815 Offeror Shares (comprising 30,000,000 treasury Offeror Shares and 12,494,815 new Offeror Shares), representing approximately 3.7 per cent. of the ordinary share capital of the Offeror as at the Latest Practicable Date.

9. DESCRIPTION OF THE OFFEROR

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

For FY2015, the SIA Group had revenues of S\$15,565.5 million and NPBT of S\$408.4 million, with net assets of S\$12,463.6 million as at the end of FY2015.

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

Appendix 5 to this Offer Document sets out additional information on the Offeror. Information on the Offeror is also available from its website at www.singaporeair.com.

10. DESCRIPTION OF THE COMPANY

Based on publicly available information, Tiger Airways Singapore was incorporated in the Republic of Singapore in December 2003 and held and operated all the assets and business of Tiger Airways Singapore. Tiger Airways was incorporated in the Republic of Singapore on 1 February 2007 and is a public limited company. In September 2007, there was a restructuring of operations through a share swap arrangement between Tiger Airways and the then shareholders of Tiger Airways Singapore. The share swap involved the issuance of shares by Tiger Airways to the then shareholders of Tiger Airways Singapore in consideration for the transfer by such shareholders of all their shares in Tiger Airways Singapore to Tiger Airways. Tiger Airways was subsequently listed on the Mainboard of the SGX-ST on 22 January 2010.

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

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

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

Appendix 6 to this Offer Document sets out additional information on the Company. Information on the Company is also available from its website at www.tigerair.com.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

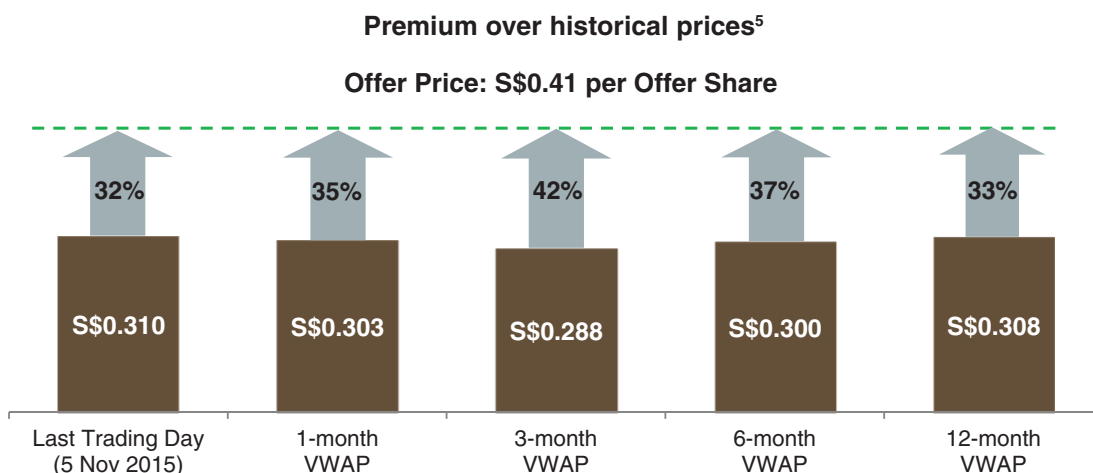
11. RATIONALE FOR THE OFFER

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

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

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

- (i) The Offer Price represents a premium of approximately: (a) 32 per cent. over the last traded price per Share on the Last Trading Day of S\$0.310; (b) 35 per cent. over the VWAP of the Shares for the one-month period up to and including the Last Trading Day of S\$0.303; and (c) 42 per cent. over the VWAP of the Shares for the three-month period up to and including the Last Trading Day of S\$0.288.³
- (ii) The Offer Price also represents a premium of approximately 15 per cent. to the highest closing price of the Shares in the one-year period up to and including the Last Trading Day of S\$0.355 and exceeds the highest closing price of the Shares in the period commencing from 16 June 2014 and up to and including the Last Trading Day.⁴



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

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 Subscription Price of the Offeror Shares will be S\$11.1043 per Offeror Share, which is equivalent to the VWAP of the Offeror Shares of S\$11.1043 on the Last Trading Day.

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

³ 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.

⁴ 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.

⁵ 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.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

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

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

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

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

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

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

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

However, for as long as Tiger Airways operates as a separate listed entity, the above benefits cannot be fully realised as efforts to fully integrate Tiger Airways' operations and commercial activities with those of the SIA Group would remain subject to Tiger Airways' separate evaluation, which may not always align with the wider long term considerations of the SIA Group. Tiger Airways' status as a separate listed entity may impede SIA's ability to allocate management and financial resources to Tiger Airways, and in turn may adversely affect Tiger Airways' recovery and its ability to respond swiftly and comprehensively to changes in the expanding but intensely competitive low-cost carrier segment of the airline industry.

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

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

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

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

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

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

Low Trading Liquidity of the Shares

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

| | 1 month (%) | 3 months (%) | 6 months (%) | 12 months (%) |
|--|----------------|-----------------|-----------------|------------------|
| Average daily trading volume as a percentage of total number of issued Shares ⁽¹⁾ | 0.146 | 0.148 | 0.152 | 0.278 |

Note:

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

The Offer therefore represents a clean cash exit opportunity for Shareholders to realise their entire investment in the Shares at a premium over the market prices of the Shares during the 12-month period prior to the Offer Announcement Date, an opportunity that may not otherwise be available due to the low trading liquidity of the Shares.

12. THE OFFEROR'S INTENTIONS FOR THE COMPANY

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

The Offeror will, following the close of the Offer, conduct a review of Tiger Airways' operations with the aim of integrating them into the SIA Group so as to generate sustainable long-term returns. The review may comprise, *inter alia*, existing joint initiatives and areas of cooperation between Tiger Airways and the SIA Group, as well as identifying new areas of integration in which commercial and operational synergies can be achieved. In connection with such integration plans, the Offeror may also consider putting in place suitable arrangements to transition the Awards granted under the Tiger Airways RSP and the Tiger Airways PSP schemes as appropriate.

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

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

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

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

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

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

12.3 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, 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) as at the final Closing Date (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.

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

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

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

Subject to the relevant provisions of the Companies (Amendment) Act 2014 (the “**Relevant Legislative Amendment**”) coming into force, the compulsory acquisition procedure under Section 215 of the Companies Act will be extended to include “units of shares”, such as the PCCS. As at the Latest Practicable Date, the Relevant Legislative Amendment has not yet come into force. Subject to the Relevant Legislative Amendment coming into force, 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 as at the final Closing Date (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.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the PCCS not acquired under the PCCS Offer.

Further, subject to the Relevant Legislative Amendment coming into force, the Dissenting PCCS Holders will also have the right under and subject to Section 215(3) of the Companies Act (as amended by the Relevant Legislative Amendment) 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 as at the final Closing Date. **Dissenting PCCS Holders who wish to exercise such right (if and when applicable) are advised to seek their own independent legal advice.**

13. FINANCIAL ASPECTS OF THE OFFER

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

| | Benchmark Price ⁽¹⁾⁽²⁾ | Premium of the Offer Price to Benchmark Price ⁽³⁾ |
|--|--------------------------------------|---|
| | (S\$) | (%) |
| Last traded price per Share as quoted on the SGX-ST on the Last Trading Day | 0.310 | 32 |
| 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 | 35 |
| VWAP of the Shares as transacted on the SGX-ST for the three-month period up to and including the Last Trading Day | 0.288 | 42 |
| VWAP of the Shares as transacted on the SGX-ST for the six-month period up to and including the Last Trading Day | 0.300 | 37 |
| VWAP of the Shares as transacted on the SGX-ST for the one-year period up to and including the Last Trading Day | 0.308 | 33 |

Notes:

- (1) Based on data extracted from Bloomberg 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) Rounded to the nearest whole number.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

The Offer Price also represents a premium of approximately 15 per cent. to the highest closing price of the Shares in the one-year period up to and including the Last Trading Day of S\$0.355 and exceeds the highest closing price of the Shares in the period commencing from 16 June 2014 and up to and including the Last Trading Day.⁶

13.2 Comparison of the Offer Price to NAV.⁷ The Offer Price represents an approximate 390 per cent. premium over the NAV per Share as at 30 September 2015.

13.3 Subscription Price. The Subscription Price is equivalent to the VWAP of the Offeror Shares of S\$11.1043⁸ on the Last Trading Day.

14. CONFIRMATION OF FINANCIAL RESOURCES

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

15. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS

15.1 Holdings of and dealings in Company Securities. As at the Latest Practicable Date, save as disclosed in **Appendix 7** to this Offer Document and in this Offer Document, none of the Offeror and parties acting in concert with it:

15.1.1 own, control or have agreed to acquire any Company Securities; and

15.1.2 have dealt for value in any Company Securities during the Relevant Period.

15.2 Holdings of and dealings in Offeror Securities. As at the Latest Practicable Date, save as disclosed in **Appendix 7** to this Offer Document and in this Offer Document, none of the Offeror and parties acting in concert with it:

15.2.1 own, control or have agreed to acquire any Offeror Securities; and

15.2.2 have dealt for value in any Offeror Securities during the Relevant Period.

15.3 Other Arrangements. As at the Latest Practicable Date, save as disclosed in **Appendix 7** to this Offer Document and in this Offer Document, none of the Offeror and parties acting in concert with it have:

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

15.3.2 entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities or Offeror Securities which may be an inducement to deal or refrain from dealing;

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

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

15.3.5 lent any Company Securities to any other person.

⁶ 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.

⁷ For the purpose of comparison of the Offer Price to NAV in this Offer Document, the NAV per Share is S\$0.0837 based on the unaudited consolidated financial statements of the Tiger Airways Group for HY2016.

⁸ Rounded to the nearest four decimal places.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

16. OVERSEAS PERSONS

16.1 Overseas Persons. This Offer Document, the relevant Acceptance Forms, the Option to Subscribe and/or any related documents do not constitute an offer, invitation or solicitation to sell, subscribe for or buy any security or a solicitation of any vote or approval in any jurisdiction where such offer, invitation or solicitation is unlawful or unauthorised, and there shall not be any sale, issuance or transfer of the securities referred to in this Offer Document, the relevant Acceptance Forms, the Option to Subscribe and/or any related documents in any jurisdiction in contravention of applicable law.

For the avoidance of doubt, the Offer and the PCCS Offer are open to all Shareholders and PCCS Holders respectively, including those to whom this Offer Document, the relevant Acceptance Forms, the Option to Subscribe and/or any related documents may not be sent.

The availability of the Offer and the PCCS Offer (including the Option to Subscribe) to Overseas Persons may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

16.2 Copies of Documents. Where there are potential restrictions on sending this Offer Document, the relevant Acceptance Forms, the Option to Subscribe and/or any related documents to any overseas jurisdictions, the Offeror and DBS each reserves the right not to send this Offer Document, the relevant Acceptance Forms, the Option to Subscribe and/or any related documents to such overseas jurisdictions. Any affected Overseas Person may nonetheless obtain copies of this Offer Document, the relevant Acceptance Forms and/or any related documents during normal business hours from (i) the office of the Registrar (if he is holding Shares which are not deposited with CDP (“**in scrip form**”)) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (ii) CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, an affected Overseas Person may write to the Registrar (if he is holding Shares in scrip form) or CDP (if he is a Depositor) to request this Offer Document, the relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

16.3 Overseas Jurisdiction. It is the responsibility of any Overseas Person who wishes to accept the Offer or the PCCS Offer (as the case may be) or exercise the Option to Subscribe to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental approvals or any other consents which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Person shall be liable for any taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror and/or any person acting on its behalf (including the Financial Adviser) shall be fully indemnified and held harmless by such Overseas Persons for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including the Financial Adviser) may be required to pay. In (i) requesting for this Offer Document, the relevant Acceptance Forms and/or any related documents, (ii) accepting the Offer or the PCCS Offer (as the case may be) and/or (iii) exercising the Option to Subscribe, the Overseas Person represents and warrants to the Offeror and the Financial Adviser that he is in full observance of the laws of the relevant jurisdiction in that connection, that he has obtained all governmental approvals or any other consents which may be required and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder or PCCS Holder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

16.4 Notice. The Offeror and the Financial Adviser each reserves the right to notify any matter, including the fact that the Offer and the PCCS Offer have been made, to any or all of the Shareholders and the PCCS Holders (including Overseas Persons) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder or PCCS Holder (including an Overseas Person) to receive or see such announcement or advertisement.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

17. GENERAL

17.1 Valid Acceptances. The Offeror and the Financial Adviser each reserves the right to treat acceptances of the Offer or the PCCS Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated herein or in the relevant Acceptance Forms, as the case may be, or if made otherwise than in accordance with the provisions herein and instructions printed in the relevant Acceptance Forms.

17.2 Information Pertaining to CPFIS Investors and SRS Investors. CPFIS Investors and SRS Investors should receive further information on how to accept the Offer (and if applicable, the PCCS Offer), and how to exercise the Option to Subscribe, from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer (and if applicable, the PCCS Offer) are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date.

CPFIS Investors and SRS Investors will receive the Offer Price (and if applicable, the PCCS Offer Price) payable in respect of the Offer Shares (and if applicable, the PCCS) validly tendered in acceptance of the Offer (and if applicable, the PCCS Offer) through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

17.3 Governing Law and Jurisdiction. The Offer, the PCCS Offer, this Offer Document, the Acceptance Forms and any related documents, all acceptances of the Offer and the PCCS Offer, the Option to Subscribe and the exercise thereof, and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. Each of the Offeror, the accepting Shareholders and the accepting PCCS Holders submits to the non-exclusive jurisdiction of the Singapore courts.

17.4 No Third Party Rights. Unless expressly provided to the contrary in this Offer Document, the Acceptance Forms, the Option to Subscribe and/or any related documents, a person who is not a party to any contracts made pursuant to the Offer, the PCCS Offer, this Offer Document, the Acceptance Forms, the Option to Subscribe and/or any related documents has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

17.5 Accidental Omission. Accidental omission to despatch this Offer Document, the Acceptance Forms, the Option to Subscribe and/or any related documents or any notice or announcement required to be given under the terms of the Offer or the PCCS Offer or any failure to receive the same by any person to whom the Offer or the PCCS Offer is made or should be made, shall not invalidate the Offer or the PCCS Offer in any way.

17.6 Independent Advice. The Financial Adviser is acting for and on behalf of the Offeror and does not purport to advise the Shareholders, the PCCS Holders or any other person. In preparing the letter to Shareholders and PCCS Holders on behalf of the Offeror, the Financial Adviser has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder or PCCS Holder. The views of the Independent Directors on the Offer and the PCCS Offer (including the Option to Subscribe) and the independent financial adviser to the Independent Directors on the Offer and the PCCS Offer (including the Option to Subscribe) will be made available to Shareholders and PCCS Holders in due course and in any event, they are required under the Code to despatch their views within 14 days after the posting of this Offer Document. Shareholders and PCCS Holders may wish to consider their advice before taking any action in relation to the Offer or the PCCS Offer respectively.

LETTER TO SHAREHOLDERS AND PCCS HOLDERS

17.7 General Information. Appendix 8 to this Offer Document sets out additional general information relating to the Offer and the PCCS Offer.

18. RESPONSIBILITY STATEMENT

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

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

Yours faithfully,
DBS Bank Ltd.

For and on behalf of
Singapore Airlines Limited
26 November 2015

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

DBS Bank Ltd.
Strategic Advisory

Tel: +65 6878 4620

APPENDIX 1 – DETAILS OF THE OFFER AND THE PCCS OFFER

1. DURATION OF THE OFFER AND THE PCCS OFFER

1.1 First Closing Date. The Offer and the PCCS Offer are open for acceptance by Shareholders and PCCS Holders respectively for at least 28 days from the Despatch Date, unless the Offer and the PCCS Offer are withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer and the PCCS Offer will close at 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

1.2 Subsequent Closing Date(s). The Offeror is not obliged to extend the Offer and the PCCS Offer if the conditions specified in **Section 2.6 (“Conditions”)** of this Offer Document are not fulfilled or waived (as the case may be) by the Closing Date. However, if the Offer and the PCCS Offer are extended and:

1.2.1 the Offer is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

1.2.2 the Offer is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer and the PCCS Offer will remain open until further notice. In such a case, the Offeror must give Shareholders and PCCS Holders who have not accepted the Offer and the PCCS Offer at least 14 days’ prior notice in writing before it may close the Offer and the PCCS Offer.

1.3 Offer and PCCS Offer to Remain Open for 14 Days after Offer becomes or is declared Unconditional as to Acceptances. In order to give Shareholders and PCCS Holders who have not accepted the Offer and the PCCS Offer respectively the opportunity to accept the Offer and the PCCS Offer after the Offer has become or is declared unconditional as to acceptances, the Offer and the PCCS Offer will remain open for a period (the **“Rule 22.6 Period”**) of not less than 14 days after the date on which the Offer and the PCCS Offer would otherwise have closed.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders and PCCS Holders, as the case may be, at least 14 days’ notice in writing (the **“Shut-Off Notice”**) that the Offer and the PCCS Offer will not be open for acceptance beyond a specified Closing Date, provided that:

1.3.1 the Offeror may not give a Shut-Off Notice in a competitive situation; and

1.3.2 the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 4.1** of this **Appendix 1 (“Timing and Contents”)**, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer and the PCCS Offer would otherwise have closed, whichever is later.

1.4 Final Day Rule. The Offer (whether revised or not) will not be capable:

1.4.1 of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or

1.4.2 of being kept open after such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC’s prior consent (the **“Final Day Rule”**).

Except with the SIC’s consent, all conditions must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

APPENDIX 1 – DETAILS OF THE OFFER AND THE PCCS OFFER

1.5 Revision. The Offeror reserves its right to revise the terms of the Offer and the PCCS Offer at such time and in such manner as it may consider appropriate. If the Offer and the PCCS Offer are revised, the Offer and the PCCS Offer will remain open for acceptances for at least 14 days from the date of posting of the written notification of the revision to Shareholders and PCCS Holders. In any case, where the terms are revised, the benefit of the Offer and the PCCS Offer (as so revised) will be made available to each of the Shareholders and PCCS Holders who have previously accepted the Offer and the PCCS Offer respectively.

2. SETTLEMENT FOR THE OFFER

2.1 When Settlement of the Offer Consideration is Due. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms and to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with such requirements as may be stated in this Offer Document and the relevant Shares FAA or Shares FAT (as the case may be) including, without limitation, (in the case of an accepting Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Offer Shares tendered by such accepting Shareholder in acceptance of the Offer and (in the case of a Depositor) the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer are standing to the credit of the “Free Balance” of the Depositor’s Securities Account at the relevant time, then pursuant to Rule 30 of the Code:

2.1.1 Offer Price. remittances in the form of S\$ cheques for the aggregate Offer Price in respect of the Offer Shares validly tendered in acceptance of the Offer will be despatched to the Accepting Shareholders (or, in the case of Accepting Shareholders holding Offer Shares tendered in acceptance in scrip form, their designated agents, as they may direct) by ordinary post or in such other manner as they may have agreed with CDP for payment of any cash distribution, in each case at the risk of the Accepting Shareholders; and

2.1.2 Shares Option to Subscribe. Letter(s) of Grant will be despatched to the Accepting Shareholders (or, in the case of Accepting Shareholders holding Offer Shares tendered in acceptance in scrip form, their designated agents, as they may direct) by ordinary post, at the risk of the Accepting Shareholders,

as soon as practicable and in any case:

- (i) in respect of acceptances of the Offer which are complete and valid in all respects and are received **on or before** the Offer Unconditional Date, within 10 days after the Offer Unconditional Date; or
- (ii) in respect of acceptances of the Offer which are complete and valid in all respects and are received **after** the Offer Unconditional Date, but on or before the Closing Date, within 10 days after the date of such receipt.

2.2 OTS Exercise Period. Accepting Shareholders may only exercise the Shares Option to Subscribe during the OTS Exercise Period, which will commence on a date to be announced by the Offeror after the Final Settlement Date. The indicative terms and conditions of the Shares Option to Subscribe as set out in **Appendix 4** to this Offer Document contain further details in relation to the procedures and the timing for the allotment, issue and/or transfer of the Offeror Shares upon the valid exercise of the Shares Option to Subscribe by the Accepting Shareholders. The final terms and conditions of the Shares Option to Subscribe will be appended to the Letter(s) of Grant.

APPENDIX 1 – DETAILS OF THE OFFER AND THE PCCS OFFER

3. SETTLEMENT FOR THE PCCS OFFER

3.1 When Settlement of the PCCS Offer Consideration is Due. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms and to the receipt by the Offeror from accepting PCCS Holders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with such requirements as may be stated in this Offer Document and the PCCS FAA including, without limitation, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of PCCS tendered by the Accepting PCCS Holder in acceptance of the PCCS Offer are standing to the credit of the “Free Balance” of the Accepting PCCS Holder’s Securities Account at the relevant time, then pursuant to Rule 30 of the Code:

3.1.1 PCCS Offer Price. remittances in the form of S\$ cheques for the aggregate PCCS Offer Price in respect of the PCCS validly tendered in acceptance of the PCCS Offer will be despatched to the Accepting PCCS Holders by ordinary post or in such other manner as they may have agreed with CDP for payment of any cash distribution, in each case at the risk of the Accepting PCCS Holders; and

3.1.2 PCCS Option to Subscribe. Letter(s) of Grant will be despatched to the Accepting PCCS Holders by ordinary post, at the risk of the Accepting PCCS Holders,

as soon as practicable and in any case:

- (i) in respect of acceptances of the PCCS Offer which are complete and valid in all respects and are received **on or before** the Offer Unconditional Date, within 10 days after the Offer Unconditional Date; or
- (ii) in respect of acceptances of the PCCS Offer which are complete and valid in all respects and are received **after** the Offer Unconditional Date, but on or before the Closing Date, within 10 days after the date of such receipt.

3.2 OTS Exercise Period. Accepting PCCS Holders may only exercise the PCCS Option to Subscribe during the OTS Exercise Period, which will commence on a date to be announced by the Offeror after the Final Settlement Date. The indicative terms and conditions of the PCCS Option to Subscribe as set out in **Appendix 4** to this Offer Document contain further details in relation to the procedures and the timing for the allotment, issue and/or transfer of the Offeror Shares upon the valid exercise of the PCCS Option to Subscribe by the Accepting PCCS Holders. The final terms and conditions of the PCCS Option to Subscribe will be appended to the Letter(s) of Grant.

4. ANNOUNCEMENTS IN RELATION TO THE OFFER AND THE PCCS OFFER

4.1 Timing and Contents. Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day (the “**Relevant Day**”) immediately after the day on which the Offer is due to expire, or the Offer becomes or is declared to be unconditional as to acceptances, or the Offer is revised or extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares and the PCCS (as nearly as practicable):

4.1.1 for which valid acceptances of the Offer and the PCCS Offer respectively have been received;

4.1.2 held by the Offeror and any persons acting in concert with the Offeror prior to the commencement of the Offer Period (as defined under the Code); and

4.1.3 acquired or agreed to be acquired by the Offeror and any persons acting in concert with the Offeror during the Offer Period (as defined under the Code),

and will specify the respective percentages of the total number of Shares in issue and the total PCCS represented by such numbers.

APPENDIX 1 – DETAILS OF THE OFFER AND THE PCCS OFFER

- 4.2 Suspension.** If the Offeror is unable, within the time limit, to comply with any of the requirements of **Paragraph 4.1** of this **Appendix 1** (“**Timing and Contents**”), the SIC will consider requesting the SGX-ST to suspend dealings in the Shares, the PCCS and, where appropriate, in the Offeror Shares, until the relevant information is given.
- 4.3 Valid Acceptances for Offer Shares.** Subject to **Section 17.1** (“**Valid Acceptances**”) of this Offer Document, in computing the number of Offer Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects. Acceptances of the Offer will only be treated as valid for the purposes of the Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.
- 4.4 Announcements.** In this Offer Document, references to the making of any announcement or the giving of a notice by the Offeror include the release of an announcement by the Financial Adviser or advertising agents for and on behalf of the Offeror to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.
- 5. RIGHT OF WITHDRAWAL OF ACCEPTANCES**
- 5.1 Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer and the PCCS Offer shall be irrevocable.
- 5.2 Right of Withdrawal of Shareholders and PCCS Holders.** A Shareholder who has tendered acceptances under the Offer or a PCCS Holder who has tendered acceptances under the PCCS Offer, may:
- 5.2.1** withdraw his acceptance immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in Rule 28.1 of the Code and **Paragraph 4.1** of this **Appendix 1** (“**Timing and Contents**”) by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **Paragraph 4.1** of this **Appendix 1** (“**Timing and Contents**”);
- 5.2.2** withdraw his acceptance after 14 days from the first Closing Date, if the Offer has not by then become or been declared to be unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances;
- 5.2.3** withdraw his acceptance immediately if a competing offer for the Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation: if the Offer becomes or is declared to be unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such other offer immediately; and
- 5.2.4** withdraw his acceptance within eight days of notification by the Offeror of any revision of the Acceptance Condition.

APPENDIX 1 – DETAILS OF THE OFFER AND THE PCCS OFFER

5.3 Procedures for Withdrawal of Acceptances. To withdraw his acceptance under the Offer and the PCCS Offer:

5.3.1 a Shareholder holding Shares which **are not deposited with** CDP must give written notice to the Offeror at **Singapore Airlines Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623;** and

5.3.2 a Shareholder holding Shares or a PCCS Holder holding PCCS which **are deposited with** CDP must give written notice to the Offeror at **Singapore Airlines Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934.**

In relation to the Offer and the PCCS Offer, a notice of withdrawal shall be effective only if signed by the Accepting Shareholder, the Accepting PCCS Holder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. THE OFFER

1.1 Depositors

1.1.1 Depositors whose Securities Accounts are credited with Offer Shares. If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Offer Document together with a Shares FAA. If you do not receive a Shares FAA, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from (i) CDP at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588** or (ii) the Registrar at **50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**.

Acceptance. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

- (i) complete the Shares FAA in accordance with this Offer Document and the instructions printed on the Shares FAA. In particular, you must state in **Part A** on page 1 of the Shares FAA the number of Offer Shares in respect of which you wish to accept the Offer. If you:
 - (a) do not specify such number; or
 - (b) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date,**

you shall be deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the Shares FAA is received by CDP on the Closing Date);**

- (ii) sign the Shares FAA in accordance with this **Appendix 2** and the instructions printed on the Shares FAA; and
- (iii) deliver the completed and signed Shares FAA in its entirety (no part may be detached or otherwise mutilated):
 - (a) by hand to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588;** or
 - (b) by post, in the enclosed pre-addressed envelope at your own risk, to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934,**

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed Shares FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the Shares FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Offer Document and the accompanying Shares FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and Shares FAA to be sent to the purchaser or transferee. Purchasers of the Offer Shares should note that CDP will, for and on behalf of the Offeror, send a copy of this Offer Document and the Shares FAA by ordinary post at the purchasers’ own risk to their respective addresses as they appear in the records of CDP.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the Shares FAA and this Offer Document as if the Shares FAA had been completed and delivered to CDP.

1.1.2 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with a Shares FAA. If you do not receive a Shares FAA, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from (i) CDP at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588** or (ii) the Registrar at **50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**.

Acceptance. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (i) complete and sign the Shares FAA in accordance with this **Appendix 2** and the instructions printed on the Shares FAA; and
- (ii) deliver the completed and signed Shares FAA in its entirety (no part may be detached or otherwise mutilated):
 - (a) by hand to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or
 - (b) by post, in the enclosed pre-addressed envelope at your own risk, to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed Shares FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the Shares FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

1.1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to the “Free Balance” of your Securities Account only after the “Free Balance” of your Securities Account has been credited with such additional number of Offer Shares purchased.

1.1.4 Rejection. If upon receipt by CDP, on behalf of the Offeror, of the Shares FAA, it is established that such Offer Shares have not been or will not be credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of CDP, the Financial Adviser and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accept any responsibility or liability in relation to such rejections, including the consequences thereof.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date if the Date of Receipt is on the Closing Date. None of CDP, the Financial Adviser and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accept any responsibility or liability in relation to such rejections, including the consequences thereof.

1.1.5 General. No acknowledgement will be given by CDP for submissions of the Shares FAA. All communications, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number through CDP Online if you have registered for the CDP Internet Access Service, or through CDP Phone Service if you have a T-PIN.

1.1.6 Suspense Account. Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the Shares FAA, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Offer Price for such Offer Shares (including, without limitation, earmarking, blocking and/or transferring the relevant number of such Offer Shares from the “Free Balance” of your Securities Account to a “Suspense Account”). Such Offer Shares will be held in the “Suspense Account” until the Offer Price for such Offer Shares has been despatched to you.

1.1.7 Notification. In the event the Offer becomes or is declared unconditional in all respects in accordance with its terms, upon the Offeror’s despatch of consideration for the Offer Shares in respect of which you have accepted the Offer, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price for such Offer Shares by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, in each case at your own risk.

1.1.8 Return of Offer Shares. In the event that the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will transfer the aggregate number of Offer Shares in respect of which you have accepted the Offer and tendered for acceptance under the Offer to the “Free Balance” of your Securities Account as soon as possible but, in any event, within 14 days from the lapse or withdrawal of the Offer.

1.1.9 No Securities Account. If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the Shares FAA will be rejected.

1.1.10 Acceptances received on Saturday, Sunday or public holiday. For the avoidance of doubt, Shares FAAs received by CDP on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

1.2 Holders of Offer Shares in Scrip Form

1.2.1 Shareholders whose Offer Shares are not deposited with CDP. If you hold Offer Shares in scrip form, you should receive this Offer Document together with a Shares FAT.

1.2.2 Acceptance. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (i) complete the Shares FAT in accordance with this Offer Document and the instructions printed on the Shares FAT. In particular, you must state in **Part (A)** of the Shares FAT the number of Offer Shares in respect of which you wish to accept the Offer and state in **Part (B)** of the Shares FAT the share certificate number(s) of the relevant share certificate(s). If you:
 - (a) do not specify a number in **Part (A)** of the Shares FAT; or
 - (b) specify a number in **Part (A)** of the Shares FAT which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the Shares FAT,you shall be deemed to have accepted the Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the Shares FAT;
- (ii) sign the Shares FAT in accordance with this **Appendix 2** and the instructions printed on the Shares FAT; and
- (iii) deliver:
 - (a) the completed and signed Shares FAT in its entirety (no part may be detached or otherwise mutilated);
 - (b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Memorandum and Articles of Association of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the Shares FAT;
 - (c) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such Offer Shares is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror, or any person nominated in writing by the Offeror or a person authorised by either); and
 - (d) any other relevant document(s),

either:

- (1) by hand to **Singapore Airlines Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**; or
- (2) by post, in the enclosed pre-addressed envelope at your own risk, to **Singapore Airlines Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed Shares FAT is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the Shares FAT, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1.2.3 Receipt. No acknowledgement of receipt of any Shares FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other document(s) required will be given by the Offeror, the Financial Adviser or the Registrar.

1.2.4 Return of Offer Shares. In the event the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the Shares FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you by ordinary post to your address as it appears in the records of the Registrar at your own risk as soon as possible but, in any event, within 14 days of the lapse or withdrawal of the Offer.

1.2.5 Acceptances received on Saturday, Sunday or public holiday. For the avoidance of doubt, Shares FATs received by the Registrar on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

2. GENERAL

2.1 Disclaimer. The Offeror, the Financial Adviser, CDP and/or the Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Offer through the Shares FAA and/or Shares FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Offer Document and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Adviser, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

2.2 Discretion. The Offeror and the Financial Adviser each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the Shares FAA and/or the Shares FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and in the Shares FAA and/or the Shares FAT. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Adviser, CDP and/or the Registrar accept any responsibility or liability for such a decision, including the consequences of such a decision.

2.3 Scripless and Scrip Offer Shares. If you hold some Offer Shares with CDP and others in scrip form, you should complete the Shares FAA for the former and the Shares FAT for the latter in accordance with the respective procedures set out in this **Appendix 2** and the respective Acceptance Forms if you wish to accept the Offer in respect of such Offer Shares.

2.4 Deposit Time. If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Offer Shares, you should complete the Shares FAT and follow the procedures set out in **Paragraph 1.2** of this **Appendix 2** ("**Holders of Offer Shares in Scrip Form**").

2.5 Correspondences. All communications, certificates, notices, documents and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto (or, for the purposes of remittances only, to such different name and addresses as may be specified by you in the Shares FAA or the Shares FAT, as the case may be, at your own risk).

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 2.6 Evidence of Title.** Delivery of the duly completed and signed Shares FAA and/or Shares FAT, as the case may be, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror, to the Offeror (or its nominee) and/or CDP and/or the Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), CDP and the Registrar of the right and title of the person signing it to deal with the same and with the Offer Shares to which it relates.
- 2.7 Loss in Transmission.** The Offeror, the Financial Adviser, CDP and/or the Registrar, as the case may be, shall not be liable for any loss in transmission of the Shares FAA and/or the Shares FAT.
- 2.8 Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the Shares FAA and/or the Shares FAT, as the case may be, shall be irrevocable and any instructions or subsequent Shares FAA(s) and/or Shares FAT(s) received by CDP and/or the Registrar, as the case may be, after the Shares FAA and/or Shares FAT, as the case may be, has been received, shall be disregarded.
- 2.9 Personal Data Privacy.** By completing and delivering a Shares FAA and/or a Shares FAT, each person (i) consents to the collection, use and disclosure of his personal data by Boardroom Corporate & Advisory Services Pte. Ltd., Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Offeror, the Financial Adviser and the Company (the “**Relevant Persons**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of such warranty.

APPENDIX 3 – PROCEDURES FOR ACCEPTANCE OF THE PCCS OFFER

1. THE PCCS OFFER

1.1 Depositors

1.1.1 Depositors whose Securities Accounts are credited with PCCS. If you have PCCS standing to the credit of the “Free Balance” of your Securities Account, you should receive this Offer Document together with a PCCS FAA. If you do not receive a PCCS FAA, you may obtain a copy, upon production of satisfactory evidence that you are a PCCS Holder, from (i) CDP at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588** or (ii) the PCCS Registrar at **50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**.

Acceptance. If you wish to accept the PCCS Offer in respect of all or any of your PCCS, you should:

(i) complete the PCCS FAA in accordance with this Offer Document and the instructions printed on the PCCS FAA. In particular, you must state in **Part A** on page 1 of the PCCS FAA, the number of PCCS in respect of which you wish to accept the PCCS Offer. If you:

(a) do not specify such number; or

(b) specify a number which exceeds the number of PCCS standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date,**

you shall be deemed to have accepted the PCCS Offer in respect of all the PCCS standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the PCCS FAA is received by CDP on the Closing Date);**

(ii) sign the PCCS FAA in accordance with this **Appendix 3** and the instructions printed on the PCCS FAA; and

(iii) deliver the completed and signed PCCS FAA in its entirety (no part may be detached or otherwise mutilated):

(a) by hand to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588;** or

(b) by post, in the enclosed pre-addressed envelope at your own risk, to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934,**

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed PCCS FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the PCCS FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

If you have sold or transferred all your PCCS held through CDP, you need not forward this Offer Document and the accompanying PCCS FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and PCCS FAA to be sent to the purchaser or transferee. Purchasers of the PCCS should note that CDP will, for and on behalf of the Offeror, send a copy of this Offer Document and the PCCS FAA by ordinary post at the purchasers’ own risk to their respective addresses as they appear in the records of CDP.

APPENDIX 3 – PROCEDURES FOR ACCEPTANCE OF THE PCCS OFFER

If you are a Depository Agent, you may accept the PCCS Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted not later than 5.30 p.m. (Singapore time) on the Closing Date. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the PCCS FAA and this Offer Document as if the PCCS FAA had been completed and delivered to CDP.

1.1.2 Depositors whose Securities Accounts will be credited with PCCS. If you have purchased PCCS on the SGX-ST and such PCCS are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with a PCCS FAA. If you do not receive a PCCS FAA, you may obtain a copy, upon production of satisfactory evidence that you are a PCCS Holder, from (i) CDP at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588** or (ii) the PCCS Registrar at **50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**.

Acceptance. If you wish to accept the PCCS Offer in respect of all or any of your PCCS, you should, after the “Free Balance” of your Securities Account has been credited with such number of PCCS purchased:

- (i) complete and sign the PCCS FAA in accordance with this **Appendix 3** and the instructions printed on the PCCS FAA; and
- (ii) deliver the completed and signed PCCS FAA in its entirety (no part may be detached or otherwise mutilated):
 - (a) by hand to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or
 - (b) by post, in the enclosed pre-addressed envelope at your own risk, to **Singapore Airlines Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed PCCS FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the PCCS FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

1.1.3 Depositors whose Securities Accounts are and will be credited with PCCS. If you have PCCS credited to the “Free Balance” of your Securities Account, and have purchased additional PCCS on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the PCCS Offer in respect of the PCCS standing to the credit of the “Free Balance” of your Securities Account and may accept the PCCS Offer in respect of the additional PCCS purchased which are in the process of being credited to the “Free Balance” of your Securities Account only after the “Free Balance” of your Securities Account has been credited with such additional number of PCCS.

1.1.4 Rejection. If upon receipt by CDP, on behalf of the Offeror, of the PCCS FAA, it is established that such PCCS have not been or will not be credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such PCCS), your acceptance is liable to be rejected. None of CDP, the Financial Adviser and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accept any responsibility or liability in relation to such rejections, including the consequences thereof.

APPENDIX 3 – PROCEDURES FOR ACCEPTANCE OF THE PCCS OFFER

If you purchase PCCS on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such PCCS is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such PCCS by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date if the Date of Receipt is on the Closing Date. None of CDP, the Financial Adviser and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accept any responsibility or liability in relation to such rejections, including the consequences thereof.

- 1.1.5 General.** No acknowledgement will be given by CDP for submissions of the PCCS FAA. All communications, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of PCCS credited to your Securities Account. You can verify such number through CDP Online if you have registered for the CDP Internet Access Service, or through CDP Phone Service if you have a T-PIN.
- 1.1.6 Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the PCCS FAA, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the PCCS in respect of which you have accepted the PCCS Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the PCCS Offer Price for such PCCS (including, without limitation, earmarking, blocking and/or transferring the relevant number of such PCCS from the “Free Balance” of your Securities Account to a “Suspense Account”). Such PCCS will be held in the “Suspense Account” until the PCCS Offer Price for such PCCS has been despatched to you.
- 1.1.7 Notification.** In the event the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, upon the Offeror’s despatch of consideration for the PCCS in respect of which you have accepted the PCCS Offer, CDP will send you a notification letter stating the number of PCCS debited from your Securities Account together with payment of the PCCS Offer Price for such PCCS by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distribution, in each case at your own risk.
- 1.1.8 Return of PCCS.** In the event that the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will transfer the aggregate number of PCCS in respect of which you have accepted the PCCS Offer and tendered for acceptance under the PCCS Offer to the “Free Balance” of your Securities Account as soon as possible but, in any event, within 14 days from the lapse or withdrawal of the Offer.
- 1.1.9 No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the PCCS Offer, your acceptance as contained in the PCCS FAA will be rejected.
- 1.1.10 Acceptances received on Saturday, Sunday or public holiday.** For the avoidance of doubt, PCCS FAAs received by CDP on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

2. GENERAL

- 2.1 Disclaimer.** The Offeror, the Financial Adviser, CDP and/or the PCCS Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the PCCS Offer through the PCCS FAA, which is not entirely in order or which does not comply with the terms of this Offer Document and the PCCS FAA or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the PCCS Offer, it is your responsibility to ensure that the PCCS FAA is properly completed and executed in all respects

APPENDIX 3 – PROCEDURES FOR ACCEPTANCE OF THE PCCS OFFER

and submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Adviser, CDP and/or the PCCS Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

- 2.2 Discretion.** The Offeror and the Financial Adviser each reserves the right to treat acceptances of the PCCS Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the PCCS FAA, or if made otherwise than in accordance with the provisions of this Offer Document and in the PCCS FAA. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Adviser, CDP and/or the PCCS Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 2.3 Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post to your respective addresses as they appear in the records of CDP, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the PCCS FAA, at your own risk).
- 2.4 Evidence of Title.** Delivery of the duly completed and signed PCCS FAA together with the relevant document(s) of title (if any) and/or other relevant document(s) required by the Offeror, to the Offeror and/or CDP and/or the PCCS Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), CDP and the PCCS Registrar of the right and title of the person signing it to deal with the same and with the PCCS to which it relates.
- 2.5 Loss in Transmission.** The Offeror, the Financial Adviser, CDP and/or the PCCS Registrar, as the case may be, shall not be liable for any loss in transmission of the PCCS FAA.
- 2.6 Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, the acceptance of the PCCS Offer made by you using the PCCS FAA, shall be irrevocable and any instructions or subsequent PCCS FAA(s) received by CDP and/or the PCCS Registrar, as the case may be, after the PCCS FAA has been received, shall be disregarded.
- 2.7 Personal Data Privacy.** By completing and delivering a PCCS FAA, each person (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the purpose of facilitating his acceptance of the PCCS Offer, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of such warranty.

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

The indicative terms and conditions of the Option to Subscribe are set out below. The final terms and conditions of the Option to Subscribe will be appended to the Letter(s) of Grant.

TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

1. DEFINITIONS

For the purposes of these Terms and Conditions and subject as otherwise provided herein:

“Accepting Holder” means an Accepting Shareholder or an Accepting PCCS Holder (as the case may be);

“Accepting PCCS Holder” means a PCCS Holder who validly accepts the PCCS Offer and/or (if applicable) a PCCS Holder whose PCCS are acquired by SIA pursuant to a Section 215 Acquisition;

“Accepting Shareholder” means a Shareholder who validly accepts the Offer and/or a Shareholder whose Tiger Airways Shares are acquired by SIA pursuant to a Section 215 Acquisition;

“Board” means the board of directors for the time being of SIA;

“Business Day” means a day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore;

“CDP” means The Central Depository (Pte) Limited;

“Closing Date” means 5.30 p.m. (Singapore time) on 28 December 2015 (Monday) or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer and the PCCS Offer;

“Companies Act” means the Companies Act, Chapter 50 of Singapore;

“Depositor”, “Depository” and “Depository Agent” shall have the respective meanings ascribed to them in Section 130A of the Companies Act;

“Letter of Grant” means the letter issued or to be issued by SIA granting the Accepting Holder named therein the Option to Subscribe, in a form to be determined by SIA in its absolute discretion;

“Listing Manual” means the Listing Manual of the SGX-ST;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Offer” means the voluntary conditional general offer made by DBS Bank Ltd., for and on behalf of SIA, for all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document;

“Offer Document” means the offer document dated 26 November 2015 issued by or on behalf of SIA, including the accompanying acceptance forms, and any other document(s) which may be issued by or on behalf of SIA, to amend, revise, supplement or update the document(s) from time to time;

“Offer Price” means the offer price for each Offer Share validly tendered in acceptance of the Offer and/or acquired pursuant to a Section 215 Acquisition, as more particularly described in the Offer Document;

“Offer Shares” mean:

- (i) all issued Tiger Airways Shares, other than those already owned or agreed to be acquired by the Offeror as at 26 November 2015, but including issued Tiger Airways Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer;

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

- (ii) all new Tiger Airways Shares unconditionally issued or to be issued pursuant to the valid conversion of any of the PCCS prior to the final Closing Date;
- (iii) all new Tiger Airways Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding options granted under the Pre-IPO Tiger Aviation Share Option Scheme prior to the final Closing Date; and
- (iv) all new Tiger Airways Shares unconditionally issued or delivered, or to be issued or delivered, pursuant to the vesting of any outstanding share awards granted under the Tiger Airways Group Restricted Share Plan and the Tiger Airways Group Performance Share Plan prior to the final Closing Date;

“Offeror Shares” mean the ordinary shares in the capital of SIA;

“Option Shares” mean the Offeror Shares to be issued and/or transferred by SIA pursuant to the valid exercise of the Option to Subscribe during the OTS Exercise Period;

“Option to Subscribe” or **“OTS”** means the non-transferable option to subscribe for Offeror Shares on these Terms and Conditions, granted by SIA in a Letter of Grant in accordance with the Offer, the PCCS Offer and/or a Section 215 Acquisition;

“OTS Exercise Date” means the date (being a Market Day) on which the OTS Exercise Notice is validly lodged with SIA (or as it may direct) in accordance with the instructions set out in the OTS Exercise Notice;

“OTS Exercise Notice” means the notice for the exercise of the Options to Subscribe, in a form to be determined by SIA in its absolute discretion;

“OTS Exercise Period” shall mean the 15 Market Day period set out in the OTS Exercise Notice, during which the OTS Exercise Notice may be lodged with SIA (or as it may direct) in accordance with the instructions set out in the OTS Exercise Notice;

“OTS Holders” mean the holders of the Options to Subscribe;

“PCCS” means the outstanding 2.0 per cent. perpetual convertible capital securities issued by Tiger Airways on 22 April 2013, in the denomination of S\$1.07 for each perpetual convertible capital security;

“PCCS Holders” mean Depositors who have PCCS entered against their names in the Depository Register;

“PCCS Offer” means the offer made by DBS Bank Ltd., for and on behalf of SIA, for all the PCCS on the terms and subject to the conditions set out in the Offer Document;

“PCCS Offer Price” means the offer price for each PCCS validly tendered in acceptance of the PCCS Offer and/or (if applicable) acquired pursuant to a Section 215 Acquisition, as more particularly described in the Offer Document;

“Section 215 Acquisition” means any acquisition of Tiger Airways Shares and/or (if applicable) the PCCS pursuant to Section 215 of the Companies Act, as set out in the Offer Document;

“Securities Account” means a securities account maintained by a Depositor with the Depository, but does not include a securities sub-account;

“SGX-ST” means Singapore Exchange Securities Trading Limited;

“Shareholders” mean holders of the Tiger Airways Shares;

“SIA” or the **“Offeror”** means Singapore Airlines Limited;

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

“**Subscription Price**” has the meaning ascribed to it in Condition 5;

“**Terms and Conditions**” mean the terms and conditions of the Option to Subscribe;

“**Tiger Airways**” means Tiger Airways Holdings Limited; and

“**Tiger Airways Shares**” mean ordinary shares in the capital of Tiger Airways.

Any reference in these Terms and Conditions to any enactment is a reference to that enactment as for the time being amended, modified, supplemented or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and not otherwise defined in these Terms and Conditions shall, where applicable, have the meaning assigned to that word under the Companies Act, the Listing Manual or that amendment, modification, supplement or re-enactment, as the case may be, unless the context otherwise requires.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference to a time of day and date in these Terms and Conditions shall be a reference to Singapore time and date, unless otherwise specified.

2. OPTION TO SUBSCRIBE

- 2.1 The Option to Subscribe is granted by SIA in accordance with the terms of the Offer, PCCS Offer, or any Section 215 Acquisition, each as set out in the Offer Document.
- 2.2 Each Option to Subscribe is granted pursuant to a Letter of Grant, and carries the right to subscribe for Option Shares in accordance with these Terms and Conditions and the OTS Exercise Notice.
- 2.3 The Options to Subscribe will not be granted to Accepting Holders who are directors of SIA or their associates (as defined in the Listing Manual). Any Option to Subscribe granted to an Accepting Holder who is a director of SIA or his/her associate shall be void.

3. OPTION SHARES

The maximum number of Option Shares which an OTS Holder may subscribe for pursuant to all Options to Subscribe granted to that OTS Holder under the Offer, the PCCS Offer and/or a Section 215 Acquisition (as the case may be) will be set out in the OTS Exercise Notice, and will be determined as follows (rounded down to the nearest whole Option Share):

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

Where:

- “**A**” : (i) In the case of an Option to Subscribe granted to an Accepting Shareholder, the total Offer Price paid or payable to the Accepting Shareholder in respect of all the Offer Shares validly tendered by or acquired from such Accepting Shareholder pursuant to the Offer or the Section 215 Acquisition (as the case may be).
- (ii) In the case of an Option to Subscribe granted to an Accepting PCCS Holder, the total PCCS Offer Price paid or payable to the Accepting PCCS Holder in respect of all the PCCS validly tendered by or acquired from such Accepting PCCS Holder pursuant to the PCCS Offer or the Section 215 Acquisition (as the case may be).
- “**B**” : The Subscription Price

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

4. TITLE

- 4.1 The Option to Subscribe is personal to the Accepting 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.
- 4.2 If two or more persons are entered in the register of Shareholders or the register of PCCS Holders of Tiger Airways as joint holders of the Tiger Airways Shares or PCCS (as the case may be), for the purposes of the Option to Subscribe:
- 4.2.1 they shall be treated as one holder of the Option to Subscribe; and
- 4.2.2 SIA shall not be bound to grant more than one Option to Subscribe for Offer Shares or PCCS (as the case may be) registered jointly in the names of several persons and delivery of an Option to Subscribe to the joint holder whose name stands first in the register of Shareholders or register of PCCS Holders (as the case may be) of Tiger Airways shall be sufficient delivery to all.

5. SUBSCRIPTION PRICE

- 5.1 The subscription price for each Option Share under an Option to Subscribe is S\$11.1043 (the “**Subscription Price**”).
- 5.2 The Subscription Price is not subject to any adjustment under any circumstance.

6. RIGHTS TO EXERCISE OPTIONS TO SUBSCRIBE

- 6.1 The Option to Subscribe is exercisable, in whole or in part, during the OTS Exercise Period applicable to that Option to Subscribe provided that the Option to Subscribe shall not be exercisable if:
- 6.1.1 the exercise of the Option to Subscribe will result in such OTS Holder or the related group of such OTS Holder having an interest, directly or indirectly, in more than five per cent. of the Offeror Shares in issue. “**Related group of OTS Holder**” shall include such relationship as the Board in its opinion may determine from time to time;
- 6.1.2 the exercise of the Option to Subscribe will result in the transfer of a controlling interest in SIA;
- 6.1.3 the exercise of the Option to Subscribe will result in the aggregate foreign shareholding in SIA exceeding the “prescribed percentage” (as defined in the Articles of Association of SIA); and
- 6.1.4 the exercise of the Option to Subscribe will result in a contravention or breach of the Memorandum and Articles of Association of SIA or any applicable laws and regulations, including any applicable legal or other requirements in the jurisdictions where the OTS Holder is resident or located.
- 6.2 In any of the following events, namely:
- 6.2.1 upon the bankruptcy or insolvency of the Accepting Holder or the happening of any other event which results in the Accepting Holder being deprived of the legal or beneficial ownership of such Option to Subscribe;
- 6.2.2 the death of an Accepting Holder; or
- 6.2.3 an order made or a resolution passed for the winding-up of the Accepting Holder,

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

an Option to Subscribe then held by that Accepting Holder shall, to the extent unexercised, lapse without any claim whatsoever against SIA, unless otherwise determined by SIA in its absolute discretion.

- 6.3** The Option to Subscribe shall, to the extent unexercised, immediately lapse without any claim against SIA if an order is made or a resolution passed for the winding-up of SIA on the basis, or by reason, of its insolvency.

7. EXERCISE OF OPTIONS TO SUBSCRIBE

- 7.1** The OTS Holder may exercise the Option to Subscribe by completing and delivering the OTS Exercise Notice in accordance with the instructions set out in the OTS Exercise Notice.

- 7.2** The Option to Subscribe can only be exercised using an OTS Exercise Notice.

- 7.3** The OTS Exercise Notice will be issued to the Accepting Shareholder and/or the Accepting PCCS Holder and despatched by ordinary post at their own risk, based on the records of SIA. Presentation of the Letter of Grant by a holder thereof to SIA shall not entitle such holder to an OTS Exercise Notice.

- 7.4** If more than one Letter of Grant is issued by SIA to:

7.4.1 an Accepting Shareholder in respect of all the Offer Shares validly tendered by and/or acquired from such Accepting Shareholder in the Offer and/or a Section 215 Acquisition (as the case may be); or

7.4.2 an Accepting PCCS Holder in respect of all the PCCS validly tendered by and/or (if applicable) acquired from such Accepting PCCS Holder in the PCCS Offer and/or a Section 215 Acquisition (as the case may be),

SIA will only issue one OTS Exercise Notice to that Accepting Shareholder or Accepting PCCS Holder (as the case may be) in respect of the maximum number of Option Shares that Accepting Shareholder or Accepting PCCS Holder (as the case may be) is entitled to pursuant to the Offer, the PCCS Offer or the Section 215 Acquisition (as the case may be), as determined in accordance with Condition 3, unless otherwise determined by SIA in its absolute discretion.

- 7.5** The Option to Subscribe may be exercised only once in respect of all or part of the Option Shares. For the avoidance of doubt, if an OTS Holder exercises the Option to Subscribe in respect of only part of the maximum number of Option Shares set out in the OTS Exercise Notice, that Option to Subscribe will lapse and be null and void in respect of any balance number of Option Shares under that OTS Exercise Notice.

- 7.6** The OTS Exercise Notice, duly completed, must be accompanied by a remittance for the aggregate Subscription Price in respect of the Option Shares for which that Option to Subscribe is being exercised and any other documentation which SIA may require and in accordance with the instructions set out in the OTS Exercise Notice, failing which the Option to Subscribe shall not be treated as validly exercised.

- 7.7** Payments of the aggregate Subscription Price are to be made in accordance with the instructions set out in the OTS Exercise Notice.

- 7.8** Upon the valid exercise of the Option to Subscribe by an OTS Holder, SIA shall allot and issue and/or transfer Option Shares and take all necessary steps to ensure that (i) the certificates relating to such Option Shares in the name of the Depository are despatched to the Depository and (ii) such Option Shares are credited to the Securities Account of such OTS Holder as specified in the OTS Exercise Notice as soon as practicable and in any event, no later than 10 Market Days after the expiry of the OTS Exercise Period, provided that in the case of an OTS Holder whose Offer Shares had been in scrip form and who does not specify a Securities Account number or

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

provides an invalid Securities Account number in the OTS Exercise Notice, SIA shall despatch, as soon as practicable but in any event not later than 10 Market Days after the expiry of the OTS Exercise Period, by ordinary post to the address specified in the OTS Exercise Notice or such other mode as SIA may deem fit, and at the risk of such OTS Holder, the certificates relating to such Option Shares registered in the name of such OTS Holder.

7.9 Subject to the Companies Act and the Listing Manual, SIA shall have the flexibility to deliver Option Shares to OTS Holders upon the valid exercise of their Options to Subscribe by way of:

7.9.1 an allotment and issue of new Offeror Shares; and/or

7.9.2 the transfer of existing Offeror Shares, including any Offeror Shares held by SIA in treasury.

7.10 Where new Offeror Shares are issued upon the valid exercise of an Option to Subscribe, SIA shall, as soon as practicable after such issue, apply to the SGX-ST for the dealing in, listing of and quotation of such Offeror Shares on the Official List of the SGX-ST.

7.11 At the expiry of the OTS Exercise Period, any Options to Subscribe which have not been exercised will lapse and cease to be valid for any purpose.

8. STATUS OF OPTION SHARES

Option Shares acquired on the valid exercise of an Option to Subscribe shall be subject to all the provisions of the Memorandum and Articles of Association of SIA, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Offeror Shares, the Record Date for which is on or after the relevant date of issue and/or transfer of the Offeror Shares, and shall in all other respects rank *pari passu* with other existing Offeror Shares then in issue. “**Record Date**” means the date fixed by SIA for the purposes of determining entitlements to dividends or other distributions to, or rights of holders of, Offeror Shares.

9. FURTHER ISSUES

Subject to these Terms and Conditions, SIA shall be at liberty to issue Offeror Shares to its shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as SIA sees fit but the OTS Holders shall not have any participating rights in such issue.

10. REPLACEMENT OF OTS EXERCISE NOTICE

Should any OTS Exercise Notice be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the office of the share registrar of SIA upon payment by the claimant of the replacement fee of S\$2.14 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law) for the Option to Subscribe granted and on such terms as to evidence, indemnity, advertisement and undertaking as SIA may reasonably require. Mutilated or defaced OTS Exercise Notices must be surrendered before replacements will be issued.

11. VARIATION OF CAPITAL

If a variation in the share capital or reserves of SIA (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if SIA shall make a declaration of a dividend (whether in cash or *in specie*), the Subscription Price, class and/or number of Option Shares comprised in an Option to Subscribe to the extent unexercised shall not be adjusted.

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

12. ADMINISTRATION

- 12.1** The Board shall have the power, from time to time, to make and vary such terms and conditions of the Options to Subscribe as they deem fit. Any matter pertaining or pursuant to the Options to Subscribe and any dispute and uncertainty as to the interpretation of these Terms and Conditions or any rule, regulation or procedure hereunder or as to any rights under the Options to Subscribe shall be determined by SIA in its absolute discretion.
- 12.2** The grant of the Options to Subscribe shall not impose on SIA or the Board (or any of its members) any liability whatsoever in connection with:
- 12.2.1** the lapsing or early expiry of any Options to Subscribe;
- 12.2.2** the failure or refusal by the Board to exercise, or the exercise by the Board of, any discretion under the Options to Subscribe; and/or
- 12.2.3** any decision or determination of the Board made pursuant to any Terms and Conditions.
- 12.3** Any decision or determination of the Board made pursuant to any of these Terms and Conditions shall be final, binding and conclusive (including, for the avoidance of doubt, any decisions pertaining to disputes as to these Terms and Conditions or any rule, regulation or procedure hereunder or as to any rights under the Options to Subscribe). The Board shall not be required to furnish any reasons for any decision or determination made by it.

13. COMMUNICATIONS

- 13.1** Any notice required to be given by the OTS Holder to SIA shall be sent or made to the registered office of SIA or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Board, as may be set out in the OTS Exercise Notice.
- 13.2** Any notices or documents required to be given to an OTS Holder or any correspondence to be made between SIA and the OTS Holder shall be given or made by the Board (or such person(s) as it may from time to time direct) on behalf of SIA and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of SIA (or CDP) or the last known address, electronic mail address or facsimile number of the OTS Holder, or published on SGXNET (and such notice shall be deemed delivered when published).

14. TAXES

All taxes (including income tax) arising from the exercise of any Option to Subscribe by any OTS Holder shall be borne by that OTS Holder.

15. COSTS AND EXPENSES

- 15.1** The Offeror shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Offeror Shares pursuant to the exercise of any Option to Subscribe in CDP's name, the deposit of share certificate(s) with CDP and the OTS Holder's Securities Account with CDP.
- 15.2** Save for the taxes referred to in Condition 14 above and such other costs and expenses expressly provided in the Option to Subscribe to be payable by the OTS Holder, all fees, costs and expenses incurred by SIA in relation to the Option to Subscribe, including but not limited to the fees, costs and expenses relating to the allotment and issue and/or transfer of the Option Shares pursuant to the valid exercise of any Option to Subscribe, shall be borne by SIA.

APPENDIX 4 – TERMS AND CONDITIONS OF THE OPTION TO SUBSCRIBE

16. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board and SIA shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to SIA's delay in delivering the Option Shares or applying for or procuring the listing of the Offeror Shares on the Official List of the SGX-ST.

17. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Board and its decision shall be final and binding in all respects.

18. GOVERNING LAW

The Options to Subscribe shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. Each of the OTS Holders and SIA submits to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B OF SINGAPORE

No person other than SIA or an OTS Holder shall have any right to enforce any provision of the Options to Subscribe by virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

| Name | Address | Description |
|-----------------------------|---|--|
| Stephen Lee Ching Yen | Airline House 09-D 25 Airline Road Singapore 819829 | Non-Executive and Independent Chairman |
| Peter Seah Lim Huat | 12 Marina Boulevard Marina Bay Financial Centre, Tower 3 Level 45 Singapore 018982 | Non-Executive and Independent Deputy Chairman |
| Goh Choon Phong | Airline House 09-D 25 Airline Road Singapore 819829 | Executive and Non-Independent Director |
| Gautam Banerjee | Marina Bay Financial Centre Tower 2, Suite 13-01/02, 10 Marina Boulevard Singapore 018983 | Non-Executive and Independent Director |
| William Fung Kwok Lun | 11th Floor, LiFung Tower 888 Cheung Sha Wan Road Kowloon, Hong Kong SAR | Non-Executive and Independent Director |
| Hsieh Tsun-yan | 11 Balmoral Park #09-06 Balmoral Hills Singapore 259845 | Non-Executive and Independent Director |
| Christina Ong | Como House 6B Orange Grove Road Singapore 258332 | Non-Executive and Independent Director |
| Helmut Gunter Wilhelm Panke | Kirchbachweg 2 81479 Munich, Germany | Non-Executive and Independent Director |
| Lucien Wong Yuen Kuai | One Marina Boulevard #28-00 Singapore 018989 | Non-Executive and Non-Independent Director |

2. PRINCIPAL ACTIVITIES

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

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

3. SHARE CAPITAL

- 3.1 Share Capital.** As at the Latest Practicable Date, there are two classes of shares in the capital of the Offeror which are in issue, namely the Offeror Shares and the non-tradable special share (the “**Special Share**”).

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1,856.1 million, consisting of 1,199,851,018 Offeror Shares (of which 36,521,083 Offeror Shares are held in treasury) and one non-tradable Special Share. No new Offeror Shares or Special Shares have been issued since 31 March 2015.

- 3.2 Offeror Shares.** The rights and privileges attached to the Offeror Shares are stated in the Offeror Articles. For ease of reference, selected texts of the Offeror Articles relating to (i) the rights of holders of Offeror Shares in respect of capital, dividends and voting and (ii) certain transfer restrictions in respect of Offeror Shares have been reproduced in **Appendix 10** to this Offer Document.

- 3.3 Special Share.** The Offeror’s ability to operate its existing route network and flight frequency is derived solely from and dependent entirely on the Air Service Agreements (the “**ASAs**”) concluded between the Government of Singapore and the governments of other countries. The ASAs are therefore critical to the Offeror’s operations. In almost all the ASAs, it is a condition that the Offeror must at all times be “effectively controlled” and “substantially owned” by Singapore nationals for the tenure of the respective ASAs.

In order to comply with the above requirement, one non-tradable Special Share was issued to the Minister. The Special Share enjoys all the rights attached to Offeror Shares. In addition, pursuant to Article 3A of the Offeror Articles, no resolution may be passed on certain matters without the prior written approval of the registered holder of the Special Share (the “**Special Member**”). For ease of reference, selected texts of the Offeror Articles relating to the rights of the Special Member with respect to the Special Share have been reproduced in **Appendix 10** to this Offer Document.

- 3.4 ASA Shares.** The Offeror can also issue non-tradable redeemable cumulative preference shares to the Minister and these shares carry full voting rights as the Offeror Shares (the “**ASA Shares**”). The ASA Shares will be issued only when the directors of the Offeror determine that the operating rights of the Offeror and any of its subsidiaries under any of the ASAs are threatened by reason of the nationality of the majority shareholders and the directors of the Offeror determine that such allotment and issue is necessary and desirable to protect such operating rights. As at the Latest Practicable Date, the Offeror has not issued any ASA Shares.

For ease of reference, selected texts of the Offeror Articles relating to the rights of the holders of the ASA Shares with respect to the ASA Shares have been reproduced in **Appendix 10** to this Offer Document.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

3.5 Other Offeror Securities. As at the Latest Practicable Date, the Offeror also has:

3.5.1 Offeror Options: an aggregate of 21,848,020 outstanding options (“**Offeror Options**”) granted under the SIA Employee Share Option Plan (the “**Offeror Scheme**”)⁹ which may be exercised into an aggregate of 21,848,020 Offeror Shares, further details of which are set out below:

| Date of Grant | Number of Offeror Options | Number of Offeror Shares into which the Offeror Options are exercisable | Exercise Price per Offeror Option (S\$) | Exercise Period |
|---------------|---------------------------|---|---|-----------------------------|
| 3 July 2006 | 4,280,829 | 4,280,829 | 9.34 | 3 July 2007 to 2 July 2016 |
| 2 July 2007 | 9,163,887 | 9,163,887 | 15.46 | 2 July 2008 to 1 July 2017 |
| 1 July 2008 | 8,403,304 | 8,403,304 | 12.07 | 1 July 2009 to 30 June 2018 |
| Total | 21,848,020 | 21,848,020 | | |

3.5.2 Offeror Awards: an aggregate of 2,717,464 outstanding share awards (the “**Offeror Awards**”) comprising the following:

(i) **SIA RSP and SIA PSP awards:** an aggregate of 2,409,221 Offeror Awards granted under the SIA Restricted Share Plan and the SIA Restricted Share Plan 2014 (collectively, the “**SIA RSP**”) and the SIA Performance Share Plan and the SIA Performance Share Plan 2014 (collectively, the “**SIA PSP**”), being the share-based incentive plans for senior executives and key senior management of the Offeror, details of which are set out below:

| Date of Grant | Number of outstanding Offeror Awards (comprising Base Awards ⁽¹⁾ and Final Awards ⁽²⁾) | Performance Condition | Vesting Condition |
|----------------|---|---|--|
| SIA RSP | | | |
| 10 July 2012 | 102,188 | At both SIA level and SIA Group level: | Based on the meeting of stated performance conditions over a two-year performance period, 50 per cent. of awards will vest. The balance will vest equally over the subsequent two years with fulfilment of service requirements. |
| 15 July 2013 | 186,175 | | |
| 3 July 2014 | 689,073 | | |
| 3 July 2015 | 715,092 | | |
| SIA PSP | | | |
| 15 July 2013 | 228,425 | <ul style="list-style-type: none"> • Absolute TSR⁽⁴⁾ outperform COE⁽⁵⁾ • Relative TSR against selected airline peer index companies | Based on the meeting of stated performance conditions over a three-year performance period. |
| 3 July 2014 | 248,568 | | |
| 3 July 2015 | 239,700 | | |
| Total | 2,409,221 | | |

⁹ The Offeror Scheme comprises the Senior Executive Share Option Scheme and the Employee Share Option Scheme for senior executives and all other employees of the Offeror respectively.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

Notes:

- (1) Under the SIA RSP and the SIA PSP, conditional Offeror Awards (the “**Base Awards**”) are granted to eligible participants annually.
 - (2) Depending on the achievement of pre-determined targets over a two-year performance period (for the SIA RSP) and a three-year performance period (for the SIA PSP), the Board Compensation & Industrial Relations Committee of the Offeror (the “**SIA BCIRC**”) will determine an achievement factor which will then be applied to the Base Awards to determine the final number of Offeror Shares to be awarded at the end of the respective performance periods (the “**Final Awards**”). The achievement factor could range from zero per cent. to 150 per cent. for the SIA RSP and zero per cent. to 200 per cent. for the SIA PSP.
 - (3) Earnings before Interest, Taxes, Depreciation, Amortisation and Rentals on leased aircraft.
 - (4) Total Shareholder Return.
 - (5) Cost of Equity.
- (ii) **Time-based RSP Awards:** an aggregate of 5,426 special Time-based RSP Awards granted to the senior management of the Offeror on 7 May 2010 pursuant to the approval of the SIA BCIRC in FY2011. For retirees of the Offeror, 50 per cent. of the Offeror Shares will vest on the retirement date and the remaining 50 per cent. will vest one year after the retirement date. For employees of the Offeror still in service, 50 per cent. of the Offeror Shares vested in 2013 and the balance will vest equally in 2014 and 2015; and
- (iii) **Deferred RSP/RSP 2014 Awards:** an aggregate of 302,817 Deferred RSP/RSP 2014 Awards granted to the senior management of the Offeror, details of which are set out below:

| Date of Grant | Number of outstanding Deferred RSP/RSP 2014 Awards | Vesting Condition |
|-------------------|--|--|
| 4 September 2013 | 154,557 | The final award, which includes the accumulated dividend yield (based on the sum of Offeror share dividend yields declared with ex-dividend dates occurring during the vesting period), will cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition and provided that individual performance remains satisfactory. |
| 28 August 2014 | 73,470 | |
| 10 September 2015 | 74,790 | |
| Total | 302,817 | |

As at the Latest Practicable Date, save for the Offeror Options and the Offeror Awards, the Offeror does not have any other outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights affecting the Offeror Shares.

3.6 Changes to the Share Capital. For FY2013, FY2014 and FY2015 and up until the Latest Practicable Date, there has been no re-organisation in the share capital of the Offeror.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

3.7 Share Buyback. Particulars of purchases of the Offeror Shares made by the Offeror during the period commencing on the date falling six months prior to the Offer Announcement Date, and ending on the Latest Practicable Date (pursuant to the share purchase mandates renewed at the annual general meetings of the Offeror held on 30 July 2014 and 30 July 2015), are as follows:

| Date of Purchase | Total number of Offeror Shares Purchased | Price paid for each Offeror Share | | | Total consideration paid for the Offeror Shares ⁽¹⁾ |
|-------------------|--|-----------------------------------|--------------|--------------|--|
| | | Highest (S\$) | Lowest (S\$) | Single (S\$) | |
| 16 June 2015 | 126,500 | 10.45 | 10.42 | – | 1,322,013.67 |
| 31 July 2015 | 407,200 | 10.71 | 10.63 | – | 4,361,751.22 |
| 3 August 2015 | 381,600 | 10.58 | 10.45 | – | 4,008,686.16 |
| 4 August 2015 | 724,900 | 10.4 | 10.24 | – | 7,471,998.04 |
| 5 August 2015 | 496,400 | 10.3 | 10.19 | – | 5,086,093.63 |
| 6 August 2015 | 324,900 | 10.4 | 10.19 | – | 3,354,737.25 |
| 11 August 2015 | 522,700 | 10.38 | 10.21 | – | 5,375,813.07 |
| 12 August 2015 | 446,600 | 10.32 | 10.16 | – | 4,567,305.48 |
| 13 August 2015 | 268,600 | 10.26 | 10.16 | – | 2,745,557.10 |
| 14 August 2015 | 326,100 | 10.2 | 10.11 | – | 3,311,270.70 |
| 17 August 2015 | 269,700 | 10.09 | 10.01 | – | 2,708,768.59 |
| 18 August 2015 | 195,200 | 10.15 | 10.07 | – | 1,980,664.97 |
| 19 August 2015 | 294,200 | 10.13 | 10.03 | – | 2,971,743.32 |
| 20 August 2015 | 421,000 | 10.03 | 9.92 | – | 4,208,351.20 |
| 21 August 2015 | 369,400 | 10.03 | 9.91 | – | 3,678,463.67 |
| 24 August 2015 | 630,800 | 9.92 | 9.68 | – | 6,175,820.69 |
| 25 August 2015 | 574,800 | 9.96 | 9.59 | – | 5,659,491.56 |
| 26 August 2015 | 107,400 | 9.87 | 9.67 | – | 1,048,592.16 |
| 1 September 2015 | 365,100 | 9.92 | 9.86 | – | 3,611,046.26 |
| 2 September 2015 | 188,800 | 9.94 | 9.84 | – | 1,866,337.44 |
| 3 September 2015 | 128,700 | 9.94 | 9.82 | – | 1,274,887.34 |
| 4 September 2015 | 152,300 | 9.9 | 9.86 | – | 1,506,180.99 |
| 7 September 2015 | 118,100 | 9.87 | 9.81 | – | 1,163,252.26 |
| 8 September 2015 | 12,500 | 9.86 | 9.86 | 9.86 | 123,385.58 |
| 14 September 2015 | 312,200 | 10.04 | 9.87 | – | 3,119,808.42 |
| 15 September 2015 | 267,800 | 10.06 | 9.94 | – | 2,684,109.31 |
| 21 September 2015 | 5,200 | 10.21 | 10.2 | – | 53,112.40 |

Note:

(1) The total consideration includes related costs and charges but excludes the applicable goods and services tax.

4. FINANCIAL SUMMARY

Set out below is certain financial information extracted from the Offeror’s Annual Reports for FY2013, FY2014 and FY2015 respectively and from the unaudited consolidated interim results of the Offeror for the second quarter and half year of FY2016 ended 30 September 2015 (“**HY2016**”, and such interim results, the “**SIA Group HY2016 Results**”). The financial information for FY2013, FY2014 and FY2015 should be read in conjunction with the audited consolidated financial statements of the Offeror for FY2013, FY2014 and FY2015. In addition, the financial information for HY2016 should be read in conjunction with the SIA Group HY2016 Results.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

4.1 Selected Financial Information relating to Income Statements for FY2013, FY2014, FY2015 and HY2016

| | HY2016 (Unaudited) S\$ million | FY2015 (Audited) S\$ million | FY2014 (Audited) S\$ million | FY2013 (Audited) S\$ million |
|--|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Revenue | 7,578.1 | 15,565.5 | 15,243.9 | 15,098.2 |
| Exceptional items | – | 34.5 | (38.3) | (19.9) |
| Profit before tax | 366.3 | 442.9 | 367.9 | 469.6 |
| Profit after tax | 320.7 | 406.7 | 424.4 | 441.6 |
| Non-controlling interests | 15.9 | 38.8 | 64.9 | 62.7 |
| Basic earnings per Offeror Share (cents) | 26.1 | 31.4 | 30.6 | 32.2 |

Set out below is also a summary of the dividends per Offeror Share declared in respect of each of FY2013, FY2014, FY2015 and HY2016 by the Offeror. Such information has also been extracted from the Offeror's Annual Reports for FY2013, FY2014 and FY2015 and the SIA Group HY2016 Results.

Cents

In respect of HY2016

- Interim dividend 10.0 per Offeror Share, tax exempt (one-tier)

In respect of FY2015

- Interim dividend 5.0 per Offeror Share, tax exempt (one-tier)
- Final dividend 17.0 per Offeror Share, tax exempt (one-tier)

In respect of FY2014

- Interim dividend 10.0 per Offeror Share, tax exempt (one-tier)
- Final dividend 11.0 per Offeror Share, tax exempt (one-tier)
- Special dividend 25.0 per Offeror Share, tax exempt (one-tier)

In respect of FY2013

- Interim dividend 6.0 per Offeror Share, tax exempt (one-tier)
- Final dividend 17.0 per Offeror Share, tax exempt (one-tier)

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

4.2 Statements of Assets and Liabilities as at 31 March 2015 (audited) and 30 September 2015 (unaudited)

| | The Group | | The Company | |
|--|----------------|----------------|----------------|----------------|
| | 30 Sep 2015 | 31 Mar 2015 | 30 Sep 2015 | 31 Mar 2015 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | |
| Share capital | 1,856.1 | 1,856.1 | 1,856.1 | 1,856.1 |
| Treasury shares | (387.7) | (326.3) | (387.7) | (326.3) |
| Other reserves | 11,130.2 | 10,933.8 | 10,327.3 | 10,049.5 |
| | 12,598.6 | 12,463.6 | 11,795.7 | 11,579.3 |
| NON-CONTROLLING INTERESTS | | | | |
| | 465.8 | 466.5 | – | – |
| TOTAL EQUITY | 13,064.4 | 12,930.1 | 11,795.7 | 11,579.3 |
| DEFERRED ACCOUNT | 257.4 | 141.7 | 222.4 | 115.1 |
| DEFERRED TAXATION | 1,676.2 | 1,599.6 | 1,347.3 | 1,325.5 |
| LONG-TERM LIABILITIES | 1,364.3 | 1,370.0 | 1,003.1 | 1,001.0 |
| PROVISIONS | 862.4 | 936.9 | 605.6 | 682.9 |
| DEFINED BENEFIT PLANS | 158.4 | 160.4 | 150.2 | 152.4 |
| | 17,383.1 | 17,138.7 | 15,124.3 | 14,856.2 |
| Represented by:- | | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | | |
| Aircraft, spares and spare engines | 10,271.7 | 9,957.5 | 7,278.0 | 7,700.3 |
| Land and buildings | 202.9 | 209.4 | 57.3 | 59.9 |
| Others | 3,430.2 | 3,356.3 | 2,502.3 | 2,146.2 |
| | 13,904.8 | 13,523.2 | 9,837.6 | 9,906.4 |
| INTANGIBLE ASSETS | 506.0 | 497.6 | 165.1 | 159.4 |
| SUBSIDIARY COMPANIES | – | – | 3,844.4 | 3,364.7 |
| ASSOCIATED COMPANIES | 920.2 | 922.2 | 515.0 | 472.4 |
| JOINT VENTURE COMPANIES | 154.5 | 167.9 | – | – |
| LONG-TERM INVESTMENTS | 1,137.0 | 1,125.0 | 1,112.2 | 1,100.2 |
| OTHER RECEIVABLES | 169.8 | 163.9 | 20.2 | 17.9 |
| DEFERRED ACCOUNT | 14.3 | 56.4 | – | 36.3 |
| CURRENT ASSETS | | | | |
| Inventories | 191.5 | 202.0 | 116.8 | 131.7 |
| Trade debtors | 1,437.5 | 1,486.9 | 955.9 | 993.7 |
| Deposits and other debtors | 57.3 | 43.4 | 38.7 | 22.5 |
| Prepayments | 141.9 | 124.6 | 110.1 | 92.9 |
| Amounts owing by subsidiary companies | – | – | 290.9 | 311.5 |
| Investments | 236.2 | 168.6 | 171.3 | 102.7 |
| Derivative assets | 86.1 | 114.4 | 76.1 | 107.0 |
| Cash and bank balances | 4,872.8 | 5,254.1 | 4,248.1 | 4,646.5 |
| Assets held for sale | 72.8 | 71.0 | – | – |
| | 7,096.1 | 7,465.0 | 6,007.9 | 6,408.5 |
| Less: CURRENT LIABILITIES | | | | |
| Sales in advance of carriage | 1,752.9 | 1,464.7 | 1,580.2 | 1,328.6 |
| Deferred revenue | 630.6 | 612.5 | 630.6 | 612.5 |
| Current tax payable | 120.1 | 161.9 | 76.4 | 111.4 |
| Trade and other creditors | 2,834.8 | 2,906.5 | 2,149.6 | 2,088.6 |
| Amounts owing to subsidiary companies | – | – | 939.8 | 1,048.7 |
| Finance lease commitments | 34.4 | 54.1 | – | – |
| Loans | 90.2 | 93.0 | – | – |
| Notes payable | – | 300.0 | – | 300.0 |
| Provisions | 201.8 | 170.2 | 172.8 | 138.0 |
| Derivative liabilities | 854.8 | 1,019.6 | 828.7 | 981.8 |
| | 6,519.6 | 6,782.5 | 6,378.1 | 6,609.6 |
| NET CURRENT ASSETS/(LIABILITIES) | 576.5 | 682.5 | (370.2) | (201.1) |
| | 17,383.1 | 17,138.7 | 15,124.3 | 14,856.2 |

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and financing of the Offer and the PCCS Offer and as disclosed in the SIA Group HY2016 Results and any other information on the SIA Group which is publicly available (including without limitation, the announcements released by the SIA Group on the SGX-ST), there have been no material changes in the financial position of the Offeror since 31 March 2015, being the date of the last published audited accounts of the Offeror.

6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the SIA Group set out in Note 2 to the SIA Group FY2015 Results have been extracted from the Offeror's Annual Report for FY2015 and reproduced in **Appendix 9** to this Offer Document.

A copy of SIA's Annual Report for FY2015 (which contains notes to the SIA Group FY2015 Results) is available for inspection at the registered office of the Offeror during normal business hours until the Closing Date and on the website of the SGX-ST at www.sgx.com.

7. CHANGES IN ACCOUNTING POLICIES

There have been no changes to the significant accounting policies of the SIA Group since 31 March 2015, being the date of the last published audited accounts of the Offeror, which will cause the figures set out in this **Appendix 5** to be not comparable to a material extent.

8. INDEBTEDNESS

As at 30 September 2015, the SIA Group has the following outstanding borrowings, debt securities and guarantees:

| | (S\$' million) |
|---|----------------|
| Secured borrowings and debt securities⁽¹⁾ | |
| • Amount repayable in one year or less, or on demand | 115.0 |
| • Amount repayable after one year | 243.5 |
| Unsecured borrowings and debt securities⁽²⁾ | |
| • Amount repayable in one year or less, or on demand | 9.6 |
| • Amount repayable after one year | 1,026.5 |
| Guarantees⁽³⁾ | |
| The future lease payment obligations of IndiGo guaranteed by an SIA Group Company as at 30 September 2015 under the non-cancellable operating lease agreement between the aircraft lessors and IndiGo are as follows: | |
| • Not later than one year | 50.8 |
| • Later than one year but not later than five years | 89.4 |

Notes:

- (1) The secured borrowings and debt securities comprise the secured bank loans of S\$288.5 million and finance leases of aircraft of S\$70.0 million. The secured bank loans are secured via assignment of the aircraft purchase agreement, assignment of engine warranty and credit agreement as well as mortgage of the aircraft.
- (2) The unsecured borrowings and debt securities comprise unsecured notes and bonds issued by SIA, revolving credit facility and bank loan.
- (3) As at 30 September 2015, the Tiger Airways Group provided guarantees to the aircraft lessors for all the 12 aircraft that were sub-leased to IndiGo.

There are no material changes between 30 September 2015 and the Latest Practicable Date to the abovementioned borrowings, debt securities and guarantees. Save as disclosed above and taking into account that there are no said material changes, apart from intra-group indebtedness and guarantees, as at the Latest Practicable Date, none of the SIA Group Companies has any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, guarantees or other material contingent liabilities.

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed below and in any other information on the SIA Group which is publicly available (including without limitation, the announcements released by the SIA Group on the SGX-ST):

- (i) none of the SIA Group Companies is engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the SIA Group taken as a whole; and
- (ii) the directors of the Offeror are not aware of any proceedings pending or threatened against any SIA Group Company or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the SIA Group taken as a whole.

9.1 Cargo business: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, SIA Cargo, an SIA Group Company, and SIA were among several airlines that received notice of investigations by competition authorities in the United States, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the “air cargo issues”). The proceedings in the United States, South Korea, South Africa, Australia and New Zealand have all ended. As at the Latest Practicable Date, the proceedings in the following jurisdictions remain pending:

- (i) on 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and SIA, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR74.8 million (equivalent to S\$135.7 million based on the exchange rate¹⁰ of EUR1.00: S\$1.81448) was imposed on SIA Cargo and SIA. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. This amount has been reflected as exceptional items in the SIA Group’s accounts in FY2011. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the decision; and
- (ii) in January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and SIA of CHF1.7 million (equivalent to S\$2.3 million based on the exchange rate¹¹ of CHF1.00: S\$1.41439) in respect of the air cargo issues. This amount has been reflected as exceptional items in the SIA Group’s accounts in FY2014. SIA Cargo and SIA have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and SIA. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo’s customers. In relation to these civil damage lawsuits and threatened lawsuits:

- (a) the plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo’s customers served a claim against SIA Cargo and other airlines. SIA Cargo is defending this proceeding;
- (b) SIA Cargo and SIA have reached settlements (without admitting any liability) with the plaintiffs in Canada, the United States and Australia; and
- (c) in 2012, 2013 and 2015, SIA Cargo reached settlements (without admitting any liability) with certain of its customers to resolve all pending and potential future civil damage claims regarding the air cargo issues.

¹⁰ Source: IATA (October 2010)

¹¹ Source: IATA (December 2013)

APPENDIX 5 – ADDITIONAL INFORMATION ON THE OFFEROR

Apart from Canada, the United States and Australia, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

As at the Latest Practicable Date, apart from the exceptional items noted above, SIA has not made any provision in its financial statements for the aforementioned pending civil suits and threatened claims as the outcome is uncertain.

9.2 Passengers business: Civil Class Actions

SIA and several other airlines have been named in civil class action lawsuits in the United States and Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights.

In respect of the litigation in Canada, the case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As at the Latest Practicable Date, SIA has not made any provision in its financial statements for this civil class action lawsuit, as the lawsuit has neither been tried nor alleged damages quantified.

In respect of the litigation in the United States, SIA entered into a settlement agreement (with no admission of liability) with the plaintiffs in August 2014 which is subject to court approval. In accordance with the agreement, SIA has made payment of USD9.2 million (equivalent to S\$11.4 million based on the exchange rate¹² of USD1.00: S\$1.23983) into an escrow account pending court approval.

On 1 September 2011, legal proceedings were filed by the IATA Agents Association of India and Osaka Air Travels Ltd. (collectively, “**Petitioners**”) before the High Court of Kerala, India, principally against the Ministry of Civil Aviation and the Directorate General of Civil Aviation of India (“**DGCA**”), SIA, SilkAir (Singapore) Private Limited (an SIA Group Company) and other airlines. The proceedings sought to quash a DGCA order dated 28 July 2011 which stated that the payment of commission to designated agents by airlines is entirely a commercial arrangement between them, and does not require interference by the DGCA. On 27 November 2012, the High Court of Kerala, India dismissed the suit against the airline defendants. An appeal challenging the order of dismissal was filed by the Petitioners on 14 January 2013. As there were several procedural defects made by the Petitioners, this matter has not been taken up by the court to date. Once the defects are corrected by the Petitioners, the matter will be listed for hearing. As at the Latest Practicable Date, the Petitioners have not cured the defects and the matter has, therefore, not come up for hearing.

10. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in the Annual Reports of the Offeror for FY2013, FY2014 and FY2015, the SIA Group HY2016 Results and any other information on the SIA Group which is publicly available (including without limitation, the announcements released by the SIA Group on the SGX-ST), there are no material contracts entered into with an interested person (within the meaning of the Note on Rule 23.12 of the Code), not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Offeror during the period commencing three years before the Offer Announcement Date and ending on the Latest Practicable Date.

11. REGISTERED AND PRINCIPAL OFFICE

The registered office and principal office of the Offeror is at Airline House, 25 Airline Road, Singapore 819829.

¹² Source: IATA (July 2014)

APPENDIX 6 – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

| Name | Address | Description |
|--|--|---|
| Hsieh Fu Hua | 22 Nassim Hill #01-02 Loft, The Singapore (258468) | Chairman and Independent Director |
| Lee Lik Hsin | 1 Sin Ming Walk #15-35 The Gardens at Bishan Singapore (575574) | Executive Director and Chief Executive Officer |
| Chong Phit Lian | 33 Hertford Road Singapore (219387) | Non-Executive Director (Non-Independent) |
| Arthur Lang Tao Yih | 63 Eng Kong Terrace Toh Tuck Hill Singapore (599017) | Independent Director |
| Lee Chong Kwee | 9 Jalan Membina #23-05 Central Green Condominium Singapore (169483) | Non-Executive Director (Non-Independent) |
| Ng Chin Hwee | 12 Cooling Close Singapore (558173) | Non-Executive Director (Non-Independent) |
| Sirisena Mervyn s/o Piankara Mestrige | 14 Namly Rise Shamrock Park Singapore (267121) | Non-Executive Director (Non-Independent) |
| Yap Chee Keong | 11 Countryside Grove Singapore (789966) | Lead Independent Director |
| Gerard Yeap Beng Hock | 327 River Valley Road #22-01 Yong An Park Singapore (238359) | Non-Executive Director (Non-Independent) |

2. SHARES

As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has:

- (i) an issued and paid-up share capital of S\$917,051,490 divided into 2,500,082,980 Shares in issue;¹³
- (ii) an aggregate of 13,350,091 PCCS in an aggregate principal amount of approximately S\$14.3 million;
- (iii) an aggregate of 10,865 Options to subscribe for an aggregate of 10,865 Shares granted under the Tiger Airways Scheme; and

¹³ As at the Latest Practicable Date, the Company does not have any treasury shares.

APPENDIX 6 – ADDITIONAL INFORMATION ON THE COMPANY

- (iv) an aggregate of 18,994,795 Awards granted under the Tiger Airways RSP and the Tiger Airways PSP.

Save for the PCCS, the Options and the Awards as disclosed above, as at the Latest Practicable Date, the Offeror is not aware of any other outstanding instruments convertible into, rights to subscribe for and options or derivatives in respect of, the Shares or securities carrying voting rights in the Company.

3. MATERIAL CHANGES IN FINANCIAL POSITION

To the best knowledge of the Offeror, as at the Latest Practicable Date, save as disclosed in the unaudited consolidated financial statements of the Tiger Airways Group for HY2016 and any other information on the Company which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST), there are no material changes in the financial position or prospects of the Company since the date of the last balance sheet laid before the Shareholders in general meeting.

4. REGISTERED OFFICE

The registered office of the Company is at 17 Changi Business Park Central 1, #04-06/09, Honeywell Building, Singapore 486073.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

1. COMPANY SECURITIES

1.1 Holdings of Company Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, the interests in Company Securities held by the Offeror and parties acting in concert with it are set out below:

| Name | No. of Shares | | | | | | | | |
|----------------------------------|-----------------|---------------------|----------------------|------------------|----------------|------------------|-------------|----------------|---------------|
| | Direct Interest | | Deemed Interest | | Total Interest | | No. of PCCS | No. of Options | No. of Awards |
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | | | |
| Offeror | 1,393,456,041 | 55.74 | – | – | 1,393,456,041 | 55.74 | – | – | – |
| Offeror's Concert Parties | | | | | | | | | |
| Alan Chan Wai Fook | 164,000 | 0.01 | – | – | 164,000 | 0.01 | – | – | – |
| Daniel Wong Chee Chung | 279,116 | 0.01 | – | – | 279,116 | 0.01 | – | – | – |
| Ivan Neo Seok Kok | 15,000 | n.m. ⁽²⁾ | – | – | 15,000 | n.m. | – | – | – |
| Lee Kong Yang | 27,000 | n.m. | – | – | 27,000 | n.m. | – | – | – |
| Lee Yang Loong | 60,000 | n.m. | – | – | 60,000 | n.m. | – | – | – |
| Ng Chin Hwee | 100,000 | n.m. | – | – | 100,000 | n.m. | – | – | – |
| Wang Wei Jun (George) | – | – | 5,000 ⁽³⁾ | n.m. | 5,000 | n.m. | – | – | – |

Notes:

- (1) The shareholding percentage is calculated based on 2,500,082,980 Shares in issue and rounded to the nearest two decimal places.
- (2) "n.m." means not meaningful.
- (3) Wang Wei Jun (George) is deemed to be interested in the 5,000 Shares held by his spouse.

1.2 Dealings in Company Securities

Based on the latest information available to the Offeror, the details of dealings in Company Securities during the Relevant Period by the Offeror and parties acting in concert with it are set out below:

| Name | Dealing date | No. of Shares bought | No. of Shares sold | Transaction price per Share (\$\$) |
|--------------------|-----------------|----------------------|--------------------|------------------------------------|
| Alan Chan Wai Fook | 25 August 2015 | 100,000 | – | 0.26 |
| DBS Vickers | 22 October 2015 | 6,500 | – | 0.3050 |
| DBS Vickers | 23 October 2015 | – | 6,500 | 0.3100 |

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

2. OFFEROR SECURITIES

2.1 Holdings of Offeror Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, the interests in Offeror Securities held by the Offeror and parties acting in concert with it are set out below:

2.1.1 Offeror Shares, Offeror Options and Offeror Awards

| Name | No. of Offeror Shares | | | | | | No. of Offeror Options | No. of Offeror Awards |
|----------------------------------|-----------------------|---------------------|------------------------|------------------|-----------------------|------------------|------------------------|-------------------------|
| | Direct Interest | | Deemed Interest | | Total Interest | | | |
| | No. of Offeror Shares | % ⁽¹⁾ | No. of Offeror Shares | % ⁽¹⁾ | No. of Offeror Shares | % ⁽¹⁾ | | |
| Offeror's Directors | | | | | | | | |
| Stephen Lee Ching Yen | 9,400 | n.m. ⁽²⁾ | – | – | 9,400 | n.m. | – | – |
| Goh Choon Phong | 617,224 | 0.05 | – | – | 617,224 | 0.05 | – | 476,975 ⁽³⁾ |
| William Fung Kwok Lun | – | – | 200,000 ⁽⁴⁾ | 0.02 | 200,000 | 0.02 | – | – |
| Christina Ong | 100,000 | 0.01 | – | – | 100,000 | 0.01 | – | – |
| Lucien Wong Yuen Kuai | – | – | 58,000 ⁽⁵⁾ | n.m. | 58,000 | n.m. | – | – |
| Offeror's Concert Parties | | | | | | | | |
| Alan Chan Wai Fook | 7,504 | n.m. | – | – | 7,504 | n.m. | 9,000 ⁽⁶⁾ | 13,897 ⁽⁷⁾ |
| Anne Ang Lian Choo | 12,967 | n.m. | – | – | 12,967 | n.m. | – | – |
| Betty Wong Big Yee | 49,626 | n.m. | – | – | 49,626 | n.m. | 9,000 ⁽⁸⁾ | 19,001 ⁽⁹⁾ |
| Campbell David McGregor Wilson | 7,769 | n.m. | – | – | 7,769 | n.m. | 7,600 ⁽¹⁰⁾ | 27,404 ⁽¹¹⁾ |
| Chew Sor Lay | 200 | n.m. | – | – | 200 | n.m. | – | – |
| Chia Siok Hua | 21,395 | n.m. | – | – | 21,395 | n.m. | – | 18,685 ⁽¹²⁾ |
| Chin Yau Seng | 25,667 | n.m. | – | – | 25,667 | n.m. | 13,500 ⁽¹³⁾ | 52,025 ⁽¹⁴⁾ |
| Christopher Cheng Kian Hai | 98,549 | 0.01 | – | – | 98,549 | 0.01 | – | 108,900 ⁽¹⁵⁾ |
| Foo Chai Woo | 37,097 | n.m. | – | – | 37,097 | n.m. | 9,000 ⁽¹⁶⁾ | 19,001 ⁽¹⁷⁾ |
| Foo Kean Shuh | 11,315 | n.m. | – | – | 11,315 | n.m. | 12,920 ⁽¹⁸⁾ | 16,913 ⁽¹⁹⁾ |
| Goh Soon Fong | 38,014 | n.m. | – | – | 38,014 | n.m. | 6,300 ⁽²⁰⁾ | 12,277 ⁽²¹⁾ |
| Ivan Neo Seok Kok | 9,000 | n.m. | – | – | 9,000 | n.m. | – | – |
| Joey Seow Eng Wan | 16,781 | n.m. | – | – | 16,781 | n.m. | 10,450 ⁽²²⁾ | 13,897 ⁽²³⁾ |
| Johnny Eng Hwee Kwang | 1,000 | n.m. | – | – | 1,000 | n.m. | – | – |
| Kunduvura Balagopal | 1,425 | n.m. | – | – | 1,425 | n.m. | – | 5,400 ⁽²⁴⁾ |
| Lau Hwa Peng | 57,488 | n.m. | – | – | 57,488 | n.m. | 13,500 ⁽²⁵⁾ | 22,961 ⁽²⁶⁾ |
| Lee Kong Yang | 8,870 | n.m. | – | – | 8,870 | n.m. | 12,540 ⁽²⁷⁾ | – |
| Lee Wen Fen | 9,593 | n.m. | – | – | 9,593 | n.m. | – | 49,539 ⁽²⁸⁾ |
| Lee Yang Loong | 5,000 | n.m. | – | – | 5,000 | n.m. | – | – |

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

| Name | Direct Interest | | No. of Offeror Shares | | Total Interest | | No. of Offeror Options | No. of Offeror Awards |
|------------------------------|-----------------------------|------|------------------------|------|-----------------------|------|------------------------|-------------------------|
| | No. of Offeror Shares | %(1) | Deemed Interest | | No. of Offeror Shares | %(1) | | |
| | | | No. of Offeror Shares | %(1) | | | | |
| Leslie Thng Kan Chung | 5,874 | n.m. | – | – | 5,874 | n.m. | 14,060 ⁽²⁹⁾ | 18,271 ⁽³⁰⁾ |
| Lim Siew Heng (Alan) | 11,020 | n.m. | 4,940 ⁽³¹⁾ | n.m. | 15,960 | n.m. | 12,350 ⁽³²⁾ | 5,400 ⁽³³⁾ |
| Lu Chung Yuan | 6,160 | n.m. | – | – | 6,160 | n.m. | 11,210 ⁽³⁴⁾ | 13,897 ⁽³⁵⁾ |
| Mak Swee Wah | 334,278 | 0.03 | – | – | 334,278 | 0.03 | 20,000 ⁽³⁶⁾ | 209,219 ⁽³⁷⁾ |
| Manohar Khatani | 4,000 | n.m. | – | – | 4,000 | n.m. | – | – |
| Marvin Tan Meng Hung | 28,241 | n.m. | – | – | 28,241 | n.m. | 11,400 ⁽³⁸⁾ | 48,987 ⁽³⁹⁾ |
| Ng Chin Hwee | 237,009 | 0.02 | – | – | 237,009 | 0.02 | – | 211,669 ⁽⁴⁰⁾ |
| Ooi Chuin Ling | – | – | – | – | – | – | 5,225 ⁽⁴¹⁾ | 16,400 ⁽⁴²⁾ |
| Png Kim Chiang | 1,000 | n.m. | 2,000 ⁽⁴³⁾ | n.m. | 3,000 | n.m. | – | – |
| Quay Chew Eng | 36,286 | n.m. | – | – | 36,286 | n.m. | 9,000 ⁽⁴⁴⁾ | 28,499 ⁽⁴⁵⁾ |
| Ron Foo Siang Guan | – | – | 22,200 ⁽⁴⁶⁾ | n.m. | 22,200 | n.m. | – | – |
| Stephen Barnes | 1,400 | n.m. | – | – | 1,400 | n.m. | – | 43,208 ⁽⁴⁷⁾ |
| Tan Kai Ping | 45,501 | n.m. | – | – | 45,501 | n.m. | 13,500 ⁽⁴⁸⁾ | 98,941 ⁽⁴⁹⁾ |
| Tan Kai Soo | 1,000 | n.m. | – | – | 1,000 | n.m. | – | – |
| Walter Lien Chong Ngee | 4,100 | n.m. | – | – | 4,100 | n.m. | – | – |
| Wang Wei Jun (George) | 1,000 | n.m. | – | – | 1,000 | n.m. | – | 7,560 ⁽⁵⁰⁾ |
| Yeo Boon Ling | 16,854 | n.m. | – | – | 16,854 | n.m. | 5,700 ⁽⁵¹⁾ | 16,057 ⁽⁵²⁾ |
| DBSH | 337,952 ⁽⁵³⁾⁽⁵⁴⁾ | 0.03 | – | – | 337,952 | 0.03 | – | – |
| SIA Singapore Provident Fund | – | – | 18,200 ⁽⁵⁵⁾ | n.m. | 18,200 | n.m. | – | – |

Notes:

- (1) The shareholding percentage is calculated based on 1,163,329,935 Offeror Shares in issue (excluding treasury Offeror Shares) and rounded to the nearest two decimal places.
- (2) “n.m.” means not meaningful.
- (3) Of the 476,975 Offeror Awards:
 - (i) 150,606 Offeror Awards are comprised in conditional awards (comprising 121,488 Base Awards and 29,118 Final Awards pending release) granted to Goh Choon Phong pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 251,592 Offeror Awards are comprised in conditional awards granted to Goh Choon Phong pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 74,777 Offeror Awards are comprised in conditional deferred share awards granted to Goh Choon Phong pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (4) William Fung Kwok Lun is deemed to be interested in the 200,000 Offeror Shares held by a nominee on behalf of Golden Step Limited, a company controlled by him.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

- (5) Lucien Wong Yuen Kuai is deemed to be interested in the 58,000 Offeror Shares held by his spouse.
- (6) The 9,000 Offeror Options held by Alan Chan Wai Fook may be exercised into 9,000 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (7) The 13,897 Offeror Awards are comprised in conditional awards (comprising 10,933 Base Awards and 2,964 Final Awards pending release) granted to Alan Chan Wai Fook pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (8) The 9,000 Offeror Options held by Betty Wong Big Yee may be exercised into 9,000 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (9) The 19,001 Offeror Awards are comprised in conditional awards (comprising 15,307 Base Awards and 3,694 Final Awards pending release) granted to Betty Wong Big Yee pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (10) Of the 7,600 Offeror Options held by Campbell David McGregor Wilson:
 - (i) 3,800 Offeror Options may be exercised into 3,800 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share; and
 - (ii) 3,800 Offeror Options may be exercised into 3,800 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share.
- (11) The 27,404 Offeror Awards are comprised in conditional awards (comprising 22,961 Base Awards and 4,443 Final Awards pending release) granted to Campbell David McGregor Wilson pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (12) The 18,685 Offeror Awards are comprised in conditional awards (comprising 15,307 Base Awards and 3,378 Final Awards pending release) granted to Chia Siok Hua pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (13) The 13,500 Offeror Options held by Chin Yau Seng may be exercised into 13,500 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (14) Of the 52,025 Offeror Awards:
 - (i) 31,589 Offeror Awards are comprised in conditional awards (comprising 29,029 Base Awards and 2,560 Final Awards pending release) granted to Chin Yau Seng pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 16,716 Offeror Awards are comprised in conditional awards granted to Chin Yau Seng pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 3,720 Offeror Awards are comprised in conditional deferred share awards granted to Chin Yau Seng pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (15) Of the 108,900 Offeror Awards:
 - (i) 50,174 Offeror Awards are comprised in conditional awards (comprising 39,483 Base Awards and 10,691 Final Awards pending release) granted to Christopher Cheng Kian Hai pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 36,594 Offeror Awards are comprised in conditional awards granted to Christopher Cheng Kian Hai pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 22,132 Offeror Awards are comprised in conditional deferred share awards granted to Christopher Cheng Kian Hai pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (16) The 9,000 Offeror Options held by Foo Chai Woo may be exercised into 9,000 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (17) The 19,001 Offeror Awards are comprised in conditional awards (comprising 15,307 Base Awards and 3,694 Final Awards pending release) granted to Foo Chai Woo pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

- (18) Of the 12,920 Offeror Options held by Foo Kean Shuh:
- (i) 4,560 Offeror Options may be exercised into 4,560 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share;
 - (ii) 4,560 Offeror Options may be exercised into 4,560 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (iii) 3,800 Offeror Options may be exercised into 3,800 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (19) The 16,913 Offeror Awards are comprised in conditional awards (comprising 13,039 Base Awards and 3,874 Final Awards pending release) granted to Foo Kean Shuh pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (20) The 6,300 Offeror Options held by Goh Soon Fong may be exercised into 6,300 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (21) The 12,277 Offeror Awards are comprised in conditional awards (comprising 9,313 Base Awards and 2,964 Final Awards pending release) granted to Goh Soon Fong pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (22) Of the 10,450 Offeror Options held by Joey Seow Eng Wan:
- (i) 5,225 Offeror Options may be exercised into 5,225 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (ii) 5,225 Offeror Options may be exercised into 5,225 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (23) The 13,897 Offeror Awards are comprised in conditional awards (comprising 10,933 Base Awards and 2,964 Final Awards pending release) granted to Joey Seow Eng Wan pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (24) The 5,400 Offeror Awards are comprised in Base Awards granted to Kunduvara Balagopal pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (25) The 13,500 Offeror Options held by Lau Hwa Peng may be exercised into 13,500 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (26) The 22,961 Offeror Awards are comprised in conditional awards (comprising 19,087 Base Awards and 3,874 Final Awards pending release) granted to Lau Hwa Peng pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (27) Of the 12,540 Offeror Options held by Lee Kong Yang:
- (i) 4,180 Offeror Options may be exercised into 4,180 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share;
 - (ii) 4,180 Offeror Options may be exercised into 4,180 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (iii) 4,180 Offeror Options may be exercised into 4,180 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (28) Of the 49,539 Offeror Awards:
- (i) 32,189 Offeror Awards are comprised in conditional awards (comprising 27,247 Base Awards and 4,942 Final Awards pending release) granted to Lee Wen Fen pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 12,000 Offeror Awards are comprised in conditional awards granted to Lee Wen Fen pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 5,350 Offeror Awards are comprised in conditional deferred share awards granted to Lee Wen Fen pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

- (29) The 14,060 Offeror Options held by Leslie Thng Kan Chung:
- (i) 5,700 Offeror Options may be exercised into 5,700 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share;
 - (ii) 4,560 Offeror Options may be exercised into 4,560 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (iii) 3,800 Offeror Options may be exercised into 3,800 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (30) The 18,271 Offeror Awards are comprised in conditional awards (comprising 15,307 Base Awards and 2,964 Final Awards pending release) granted to Leslie Thng Kan Chung pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (31) Lim Siew Heng (Alan) is deemed to be interested in the 4,940 Offeror Shares held by his spouse.
- (32) Of the 12,350 Offeror Options held by Lim Siew Heng (Alan):
- (i) 5,225 Offeror Options may be exercised into 5,225 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at S\$12.07 per Offeror Share;
 - (ii) 5,700 Offeror Options may be exercised into 5,700 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (iii) 1,425 Offeror Options may be exercised into 1,425 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (33) The 5,400 Offeror Awards are comprised in Base Awards granted to Lim Siew Heng (Alan) pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (34) Of the 11,210 Offeror Options held by Lu Chung Yuan:
- (i) 4,560 Offeror Options may be exercised into 4,560 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share;
 - (ii) 4,560 Offeror Options may be exercised into 4,560 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (iii) 2,090 Offeror Options may be exercised into 2,090 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (35) The 13,897 Offeror Awards are comprised in conditional awards (comprising 10,933 Base Awards and 2,964 Final Awards pending release) granted to Lu Chung Yuan pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (36) The 20,000 Offeror Options held by Mak Swee Wah may be exercised into 20,000 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (37) Of the 209,219 Offeror Awards:
- (i) 75,305 Offeror Awards are comprised in conditional awards (comprising 60,744 Base Awards and 14,561 Final Awards pending release) granted to Mak Swee Wah pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 100,636 Offeror Awards are comprised in conditional awards granted to Mak Swee Wah pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 33,278 Offeror Awards are comprised in conditional deferred share awards granted to Mak Swee Wah pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (38) Of the 11,400 Offeror Options held by Marvin Tan Meng Hung:
- (i) 5,700 Offeror Options may be exercised into 5,700 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share; and
 - (ii) 5,700 Offeror Options may be exercised into 5,700 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

- (39) Of the 48,987 Offeror Awards:
- (i) 28,148 Offeror Awards are comprised in conditional awards (comprising 24,000 Base Awards and 4,148 Final Awards pending release) granted to Marvin Tan Meng Hung pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 15,259 Offeror Awards are comprised in conditional awards granted to Marvin Tan Meng Hung pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 5,580 Offeror Awards are comprised in conditional deferred share awards granted to Marvin Tan Meng Hung pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (40) Of the 211,669 Offeror Awards:
- (i) 75,305 Offeror Awards are comprised in conditional awards (comprising 60,744 Base Awards and 14,561 Final Awards pending release) granted to Ng Chin Hwee pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 100,636 Offeror Awards are comprised in conditional awards granted to Ng Chin Hwee pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 35,728 Offeror Awards are comprised in conditional deferred share awards granted to Ng Chin Hwee pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (41) Of the 5,225 Offeror Options held by Ooi Chuin Ling:
- (i) 3,800 Offeror Options may be exercised into 3,800 Offeror Shares during the exercise period of 1 July 2009 to 30 June 2018 at the exercise price of S\$12.07 per Offeror Share; and
 - (ii) 1,425 Offeror Options may be exercised into 1,425 Offeror Shares during the exercise period of 2 July 2008 to 1 July 2017 at the exercise price of S\$15.46 per Offeror Share.
- (42) The 16,400 Offeror Awards are comprised in Base Awards granted to Ooi Chuin Ling pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (43) Png Kim Chiang is deemed to be interested in the 2,000 Offeror Shares held by his spouse.
- (44) The 9,000 Offeror Options held by Quay Chew Eng may be exercised into 9,000 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (45) The 28,499 Offeror Awards are comprised in conditional awards (comprising 22,961 Base Awards and 5,538 Final Awards pending release) granted to Quay Chew Eng pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (46) Ron Foo Siang Guan is deemed to be interested in:
- (i) the 2,800 Offeror Shares held by his spouse; and
 - (ii) the 19,400 Offeror Shares held by Alliance Consultancy Corporation, a body corporate owned by him and his spouse.
- (47) Of the 43,208 Offeror Awards:
- (i) 23,387 Offeror Awards are comprised in Base Awards granted to Stephen Barnes pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 14,391 Offeror Awards are comprised in conditional awards granted to Stephen Barnes pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 5,430 Offeror Awards are comprised in conditional deferred share awards granted to Stephen Barnes pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (48) The 13,500 Offeror Options held by Tan Kai Ping may be exercised into 13,500 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

- (49) Of the 98,941 Offeror Awards:
- (i) 46,534 Offeror Awards are comprised in conditional awards (comprising 39,483 Base Awards and 7,051 Final Awards pending release) granted to Tan Kai Ping pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met;
 - (ii) 34,135 Offeror Awards are comprised in conditional awards granted to Tan Kai Ping pursuant to the SIA PSP, subject to performance targets and other terms and conditions being met; and
 - (iii) 18,272 Offeror Awards are comprised in conditional deferred share awards granted to Tan Kai Ping pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (50) The 7,560 Offeror Awards are comprised in Base Awards granted to Wang Wei Jun (George) pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (51) The 5,700 Offeror Options held by Yeo Boon Ling may be exercised into 5,700 Offeror Shares during the exercise period of 3 July 2007 to 2 July 2016 at the exercise price of S\$9.34 per Offeror Share.
- (52) The 16,057 Offeror Awards are comprised in conditional awards (comprising 13,093 Base Awards and 2,964 Final Awards pending release) granted to Yeo Boon Ling pursuant to the SIA RSP, subject to performance targets and other terms and conditions being met.
- (53) As at 18 November 2015.
- (54) Of the 337,952 Offeror Shares held by DBSH, 100,000 Offeror Shares representing approximately 0.01 per cent. of the Offeror Shares in issue (excluding treasury Offeror Shares) were borrowed from external parties.
- (55) SIA Singapore Provident Fund is deemed to be interested in the 18,200 Offeror Shares held by its fund manager, Nikko Asset Management Asia Ltd.

2.1.2 Other Offeror Securities

As at the Latest Practicable Date, DBSH is a party to the following over-the-counter call options in respect of an aggregate 228,000 Offeror Shares:

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

2.2 Dealings in Offeror Securities

Based on the latest information available to the Offeror, the details of dealings in Offeror Securities during the Relevant Period by the Offeror and parties acting in concert with it are set out below:

2.2.1 Offeror Shares

| Name | Dealing Date | No. of Offeror Shares Bought | No. of Offeror Shares Sold | Transaction Price per Offeror Share (\$) |
|--------------------|-----------------|------------------------------|----------------------------|--|
| Alan Chan Wai Fook | 13 October 2015 | – | 5,000 | 11.11 |
| DBSH | 6 August 2015 | 9,000 | – | 10.3200 |
| DBSH | 11 August 2015 | 84,300 | – | 10.2506 |

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

| Name | Dealing Date | No. of Offeror Shares Bought | No. of Offeror Shares Sold | Transaction Price per Offeror Share (S\$) |
|---|-------------------|------------------------------|----------------------------|---|
| DBSH | 19 August 2015 | 5,000 | – | 10.0800 |
| DBSH | 25 August 2015 | – | 85,100 | 9.8958 |
| DBSH | 26 August 2015 | – | 20,000 | 9.9150 |
| DBSH | 28 August 2015 | 12,000 | – | 10.0000 |
| DBSH | 31 August 2015 | – | 10,000 | 9.9400 |
| DBSH | 8 September 2015 | – | 100,000 | 9.9650 |
| DBSH | 17 September 2015 | – | 56,000 | 10.5985 |
| DBSH | 18 September 2015 | – | 10,100 | 10.6185 |
| DBSH | 22 September 2015 | – | 41,600 | 10.7285 |
| DBSH | 23 September 2015 | – | 70,000 | 10.7071 |
| DBSH | 28 September 2015 | – | 30,000 | 10.6300 |
| DBSH | 29 September 2015 | – | 90,000 | 10.6322 |
| DBSH | 2 October 2015 | – | 700 | 10.7286 |
| DBSH | 9 October 2015 | 120,000 | – | 10.6925 |
| DBSH | 14 October 2015 | – | 76,100 | 11.0253 |
| DBSH | 15 October 2015 | – | 27,000 | 11.1163 |
| DBSH | 16 October 2015 | 20,000 | – | 11.0150 |
| DBSH | 19 October 2015 | – | 28,200 | 11.0223 |
| DBSH | 20 October 2015 | – | 35,000 | 11.0229 |
| DBSH | 23 October 2015 | 20,000 | – | 11.1200 |
| DBSH | 28 October 2015 | 2,800 | – | 11.0500 |
| DBSH | 28 October 2015 | – | 5,000 | 11.0800 |
| DBS Vickers | 25 August 2015 | 600 | – | 9.7700 |
| DBS Vickers | 25 August 2015 | – | 600 | 9.7800 |
| DBS Vickers | 4 September 2015 | 1,000 | – | 9.8600 |
| DBS Vickers | 4 September 2015 | – | 1,000 | 9.8600 |
| DBS Vickers | 7 October 2015 | 100 | – | 10.7400 |
| DBS Vickers | 7 October 2015 | – | 100 | 10.7000 |
| DBS Vickers | 15 October 2015 | 1,000 | – | 11.0500 |
| DBS Vickers | 15 October 2015 | – | 1,000 | 11.0300 |
| SIA Singapore Provident Fund ⁽¹⁾ | 9 September 2015 | 2,500 | – | 10.2473 |

Note:

- (1) The dealing was done by Nikko Asset Management Asia Ltd., as fund manager for SIA Singapore Provident Fund.

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

2.2.2 Other Offeror Securities

| Name | Dealing Date | Nature of Dealing | No. of Offeror Shares relating to the Derivative | Expiry date | Exercise/ Strike Price per Offeror Share | Consideration (Paid) or Received |
|------|-------------------|--|--|-------------------|--|----------------------------------|
| DBSH | 13 August 2015 | Exercise of an equity-linked note which comprises a put option on Offeror Shares | 100,000 | 13 August 2015 | S\$10.5800 per Offeror Share | – |
| DBSH | 13 August 2015 | Exercise (by the counterparty) of an over-the-counter put option | 100,000 | 13 August 2015 | S\$10.5827 per Offeror Share | – |
| DBSH | 17 August 2015 | Expiry of an over-the-counter call option | 30,000 | 17 August 2015 | S\$11.4342 per Offeror Share | – |
| DBSH | 24 August 2015 | Expiry of an over-the-counter call option | 30,000 | 24 August 2015 | S\$11.7300 per Offeror Share | – |
| DBSH | 25 August 2015 | Purchase of an over-the-counter call option | 100,000 | 26 October 2015 | S\$10.5152 per Offeror Share | S\$(6,745.60) |
| DBSH | 28 August 2015 | Purchase of an over-the-counter call option | 100,000 | 28 October 2015 | S\$10.8756 per Offeror Share | S\$(6,874.20) |
| DBSH | 31 August 2015 | Expiry of an over-the-counter call option | 30,000 | 31 August 2015 | S\$11.6994 per Offeror Share | – |
| DBSH | 8 September 2015 | Exercise of an equity-linked note which comprises a put option on Offeror Shares | 50,000 | 8 September 2015 | S\$10.9600 per Offeror Share | – |
| DBSH | 8 September 2015 | Exercise of an equity-linked note which comprises a put option on Offeror Shares | 9,200 | 8 September 2015 | S\$10.8900 per Offeror Share | – |
| DBSH | 17 September 2015 | Purchase of an over-the-counter call option | 100,000 | 19 October 2015 | S\$11.0775 per Offeror Share | S\$(3,703.05) |
| DBSH | 29 September 2015 | Purchase of an over-the-counter call option | 100,000 | 29 October 2015 | S\$11.2140 per Offeror Share | S\$(4,389.48) |
| DBSH | 29 September 2015 | Expiry of an over-the-counter call option | 100,000 | 29 September 2015 | S\$11.8296 per Offeror Share | – |
| DBSH | 12 October 2015 | Purchase of an over-the-counter call option | 38,000 | 12 November 2015 | S\$11.2320 per Offeror Share | S\$(2,380.32) |

APPENDIX 7 – DISCLOSURES RELATING TO HOLDINGS OF, DEALINGS IN AND OTHER ARRANGEMENTS IN THE COMPANY SECURITIES AND THE OFFEROR SECURITIES

| Name | Dealing Date | Nature of Dealing | No. of Offeror Shares relating to the Derivative | Expiry date | Exercise/ Strike Price per Offeror Share | Consideration (Paid) or Received |
|------|------------------|---|--|------------------|--|----------------------------------|
| DBSH | 13 October 2015 | Purchase of an over-the-counter call option | 100,000 | 13 January 2016 | S\$11.6550 per Offeror Share | S\$(11,211.00) |
| DBSH | 14 October 2015 | Purchase of an over-the-counter call option | 100,000 | 14 January 2016 | S\$11.4944 per Offeror Share | S\$(11,056.47) |
| DBSH | 19 October 2015 | Expiry of an over-the-counter call option | 100,000 | 19 October 2015 | S\$11.0775 per Offeror Share | – |
| DBSH | 26 October 2015 | Exercise of an over-the-counter call option | 100,000 | 26 October 2015 | S\$10.5152 per Offeror Share | – |
| DBSH | 28 October 2015 | Exercise of an over-the-counter call option | 100,000 | 28 October 2015 | S\$10.8756 per Offeror Share | – |
| DBSH | 28 October 2015 | Purchase of an over-the-counter call option | 28,000 | 30 November 2015 | S\$11.6235 per Offeror Share | S\$(1,239.84) |
| DBSH | 29 October 2015 | Expiry of an over-the-counter call option | 100,000 | 29 October 2015 | S\$11.2140 per Offeror Share | – |
| DBSH | 12 November 2015 | Expiry of an over-the-counter call option | 38,000 | 12 November 2015 | S\$11.2320 per Offeror Share | – |

3. OTHER ARRANGEMENTS

On 22 September 2015, DBSH entered into a securities borrowing arrangement in respect of 300,000 Offeror Shares. On 2 November 2015, DBSH on-lent 300,000 Offeror Shares.

APPENDIX 8 – GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 No Agreement having any Connection with or Dependence upon the Offer and the PCCS Offer. As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with it and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Offer and the PCCS Offer.

1.2 Transfer of Offer Shares and PCCS. As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Offer Shares or PCCS acquired pursuant to the Offer or the PCCS Offer respectively will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares or PCCS to any of its related companies (as defined in the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

1.3 No Payment or Benefit to Directors of the Company. As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or any of its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer and the PCCS Offer.

1.4 No Agreement Conditional upon Outcome of the Offer and the PCCS Offer. As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror and (ii) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer and the PCCS Offer or otherwise in connection with the Offer and the PCCS Offer.

1.5 Transfer Restrictions. The Memorandum and Articles of Association of the Company do not contain any restrictions on the right to transfer the Offer Shares. The Offeror, however, notes that in relation to the awards granted by the Company under the CEO restricted share grant (“CEORSG”):

1.5.1 page 28 of the Company’s Annual Report for FY2015 states that “*CEORSG awards vest into ordinary shares immediately upon grant and will be held by the recipient CEO until the expiry of his employment contract.*”; and

1.5.2 page 44 of the Company’s Annual Report for FY2015 states that “*Awards of the CEO restricted shares pursuant to the CEORSG take into consideration of the contractual terms of the service agreement with the eligible participants. CEO restricted shares vest immediately. A moratorium on the disposal of shares is applicable during his term of service as the Chief Executive Officer of the Company, until his term of office has been completed, and/or upon resignation or retirement.*”

Title to the PCCS may be transferable in accordance with their respective terms and conditions.

1.6 Directors’ Service Contracts. As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between the Offeror or any party acting in concert with it and any director of the Offeror, whereby the total emoluments received by the directors of the Offeror will be affected as a consequence of the Offer, the PCCS Offer or any other associated relevant transaction.

1.7 No Material Change in Information. Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

APPENDIX 8 – GENERAL INFORMATION

2. GENERAL

2.1 Costs and Expenses. All costs and expenses of or incidental to the preparation and circulation of this Offer Document (other than professional fees and other costs incurred or to be incurred by the Company relating to the Offer and the PCCS Offer) and stamp duty and transfer fees resulting from acceptances of the Offer and the PCCS Offer will be paid by the Offeror.

2.2 Consent. The Financial Adviser, the Registrar and the PCCS Registrar have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion of their names and all references to their names in the form and context in which they appear in this Offer Document.

3. MARKET QUOTATIONS

3.1 Shares

3.1.1 Closing Prices. The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the Latest Practicable Date, (ii) the Last Trading Day and (iii) the last Market Day of each month from May 2015 to October 2015 (being the six calendar months preceding the Offer Announcement Date) and the corresponding premia based on the Offer Price:

| Date | Closing Price on the SGX-ST (S\$) | Premium based on the Offer Price (%) |
|--|-----------------------------------|--------------------------------------|
| 19 November 2015 (the Latest Practicable Date) | 0.405 | 1.2 |
| 5 November 2015 (the Last Trading Day) | 0.310 | 32.3 |
| 30 October 2015 | 0.290 | 41.4 |
| 30 September 2015 | 0.300 | 36.7 |
| 31 August 2015 | 0.270 | 51.9 |
| 31 July 2015 | 0.300 | 36.7 |
| 30 June 2015 | 0.290 | 41.4 |
| 29 May 2015 | 0.310 | 32.3 |

3.1.2 Highest and Lowest Prices. During the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date, the highest closing price for the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$0.415, which was last transacted on 12 November 2015, and the lowest closing price for the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$0.245, which was last transacted on 24 August 2015.

3.2 PCCS

3.2.1 Closing Prices. The following table sets out the closing prices of the PCCS on the SGX-ST (as reported by Bloomberg L.P.) on (i) the Latest Practicable Date, (ii) the Last Trading Day and (iii) the last Market Day of each month from May 2015 to October 2015 (being the six calendar months preceding the Offer Announcement Date):

| Date | Closing Price on the SGX-ST (S\$) |
|--|-----------------------------------|
| 19 November 2015 (the Latest Practicable Date) | 0.758 |
| 5 November 2015 (the Last Trading Day) | 0.605 |
| 30 October 2015 | 0.605 |
| 30 September 2015 | 0.587 |
| 31 August 2015 | 0.606 |
| 31 July 2015 | 0.620 |
| 30 June 2015 | 0.690 |
| 29 May 2015 | 0.700 |

APPENDIX 8 – GENERAL INFORMATION

3.2.2 Highest and Lowest Prices. During the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date, the highest closing price for the PCCS on the SGX-ST, as reported by Bloomberg L.P., was S\$0.790, which was last transacted on 11 November 2015, and the lowest closing price for the PCCS on the SGX-ST, as reported by Bloomberg L.P., was S\$0.586, which was last transacted on 18 September 2015.

3.3 Offeror Shares

3.3.1 Closing Prices. The following table sets out the closing prices of the Offeror Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the Latest Practicable Date, (ii) the Last Trading Day and (iii) the last Market Day of each month from May 2015 to October 2015 (being the six calendar months preceding the Offer Announcement Date):

| Date | Closing Price on the SGX-ST (S\$) |
|--|-----------------------------------|
| 19 November 2015 (the Latest Practicable Date) | 10.580 |
| 5 November 2015 (the Last Trading Day) | 11.150 |
| 30 October 2015 | 10.800 |
| 30 September 2015 | 10.700 |
| 31 August 2015 | 9.920 |
| 31 July 2015 | 10.740 |
| 30 June 2015 | 10.730 |
| 29 May 2015 | 11.350 |

3.3.2 Highest and Lowest Prices. During the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date, the highest closing price for the Offeror Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$11.850, which was last transacted on 6 May 2015, and the lowest closing price for the Offeror Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$9.690, which was last transacted on 24 August 2015.

4. DOCUMENTS FOR INSPECTION

4.1 Copies of the following documents may be inspected at the registered office of the Offeror during normal business hours for the period for which the Offer and the PCCS Offer remain open for acceptance:

4.1.1 the Annual Reports of the Offeror for FY2013, FY2014 and FY2015 and the SIA Group HY2016 Results;

4.1.2 the letters of consent of the Financial Adviser, the Registrar and the PCCS Registrar referred to in **Paragraph 2.2** of this **Appendix 8 (“Consent”)**;

4.1.3 the Memorandum and Articles of Association of the Offeror; and

4.1.4 the Offer Announcement.

Notes to the Financial Statements

31 March 2015

1 General

Singapore Airlines Limited (“the Company”) is a limited liability company incorporated in the Republic of Singapore which is also the place of domicile. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is a subsidiary company of Temasek Holdings (Private) Limited, incorporated in the Republic of Singapore.

The registered office of the Company is at Airline House, 25 Airline Road, Singapore 819829.

The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities. The principal activity of the Company consists of passenger air transportation.

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2015.

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group and the Company are consistent with those used in the previous financial year.

(a) Basis of preparation

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

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

The financial statements are presented in Singapore Dollars (SGD) and all values in the tables are rounded to the nearest million as indicated.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2014, the Group adopted all the new and revised standards and interpretations of FRS (INT FRS) that are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2 Summary of Significant Accounting Policies (continued)

(c) Standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|--|--|
| Amendments to FRS 19 Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| Improvements to FRS (January 2014) | 1 July 2014 |
| Improvements to FRS (February 2014) | 1 July 2014 |
| FRS 114 Regulatory Deferral Accounts | 1 January 2016 |
| Amendments to FRS 1: Disclosure Initiative | 1 January 2016 |
| Amendments to FRS 110, FRS 112 and FRS 28: Investment entities: Applying the Consolidation Exception | 1 January 2016 |
| Amendments to FRS 16 Property, Plant and Equipment and FRS 41: Agriculture: Bearer Plants | 1 January 2016 |
| Amendments to FRS 27: Equity Method in Separate Financial Statements | 1 January 2016 |
| Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to FRS 111: Accounting for Acquisitions of Interest in Joint Operations | 1 January 2016 |
| Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| Improvements to FRS (November 2014) | 1 January 2016 |
| FRS 115 Revenue from Contracts with Customers | 1 January 2017 |
| FRS 109 Financial Instruments | 1 January 2018 |

Except for FRS 115 and FRS 109, the Management expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115.

FRS 109 Financial Instruments

In December 2014, the Accounting Standards Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109.

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the separate financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. A list of the Group's subsidiary companies is shown in Note 23 to the financial statements.

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

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

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

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

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

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2(f). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit and loss account on the acquisition date.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Parent, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Parent.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent.

2 Summary of Significant Accounting Policies (continued)

(e) Subsidiary, associated and joint venture companies

In the Company's separate financial statements, investments in subsidiary and associated companies are accounted for at cost less accumulated impairment losses.

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee, if and only if, the Group has all of the following:

- power over the investee
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies. A list of the Group's associated companies is shown in Note 24 to the financial statements.

A joint venture company is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. A list of the Group's joint venture companies is shown in Note 25 to the financial statements.

The Group accounts for its investments in associated and joint venture companies using the equity method from the date on which it becomes an associated or joint venture company.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated or joint venture company's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associated or joint venture companies are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated or joint venture companies. The profit or loss reflects the share of results of operations of the associated or joint venture companies. Distributions received from associated or joint venture companies reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated or joint venture companies, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associated or joint venture companies are eliminated to the extent of the interest in the associated or joint venture companies.

When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated or joint venture company.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(e) Subsidiary, associated and joint venture companies (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated or joint venture company. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated or joint venture company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated or joint venture company and its carrying value and recognises the amount in profit or loss.

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associated or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated or joint venture company on the same basis as would have been required if that associated or joint venture company had directly disposed of the related assets or liabilities.

When an investment in an associated company becomes an investment in a joint venture company or an investment in joint venture company becomes an investment in an associated company, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associated or joint venture company is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

When an available-for-sale investment becomes an investment in an associated company, the changes in fair value previously recognised in fair value reserve are reversed through other comprehensive income to bring the investment back to its original cost.

(f) Intangible assets

(i) Computer software

Computer software acquired separately is measured initially at cost. Following initial acquisition, computer software is stated at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 10 years and assessed for impairment whenever there is an indication that the computer software may be impaired. Advance and progress payments are not amortised. The amortisation period and method are reviewed at least annually.

(ii) Deferred engine development cost

This relates to the Group's share of engine development payments made in connection with its participation in aircraft engine development projects with other companies. Amortisation of such intangibles begins only when the aircraft engines are available for sale. These deferred engine development costs are amortised on a straight-line basis over the period of expected sales of the aircraft engines, which is estimated to be over a period of 20 years. The amortisation period and amortisation method would be reviewed annually in light of experience and changing circumstances, and adjusted prospectively, as appropriate at the end of each reporting period.

2 Summary of Significant Accounting Policies (continued)**(f) Intangible assets (continued)****(iii) Brand and trademarks**

The brand and trademarks were acquired in business combinations. The useful life of the brand is estimated to be indefinite because based on the assumption that the subsidiary company is operating as a going concern, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group. The trademarks are amortised on a straight line basis over its finite useful life of 23 to 24 years.

(iv) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Goodwill impairment is determined by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

(v) Others

Purchased landing slots are measured initially at cost. Following initial recognition, landing slots are measured at cost less accumulated impairment losses, if any. Landing slots based within the European Union are not amortised, as regulations provide that these landing slots have an indefinite useful life, and are tested for impairment annually.

Licences were acquired in business combinations. These intangible assets are amortised on a straight-line basis over an estimated useful life of 3 years.

(g) Foreign currencies

The Management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

Foreign currency transactions are converted into SGD at exchange rates which approximate bank rates prevailing at dates of transactions.

All foreign currency monetary assets and liabilities are translated into SGD using year-end exchange rates. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(g) Foreign currencies (continued)

Gains and losses arising from conversion of monetary assets and liabilities are taken to the profit and loss account.

For the purpose of the consolidated financial statements, the net assets of the foreign subsidiary, associated and joint venture companies are translated into SGD at the exchange rates ruling at the end of the reporting period. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at the prevailing exchange rates. The resulting gains or losses on exchange are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations on or after 1 April 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in other comprehensive income relating to that foreign operation is recognised in the profit and loss account as a component of the gain or loss on disposal.

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of all aircraft is stated net of manufacturers' credit. Aircraft and related equipment acquired on an exchange basis are stated at amounts paid plus the fair value of the fixed asset traded-in. Expenditure for heavy maintenance visits on aircraft, engine overhauls and landing gear overhauls, is capitalised at cost. Expenditure for engine overhaul costs covered by power-by-hour (fixed rate charged per hour) maintenance agreements is recorded as advance payment and capitalised upon completion of an overhaul. Expenditure for other maintenance and repairs is charged to the profit and loss account. When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group's share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

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

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their operational lives. Operational lives, residual values and depreciation method are reviewed annually in the light of experience and changing circumstances, and adjusted prospectively, if appropriate.

Freehold land, advance and progress payments are not depreciated.

Fully depreciated assets are retained in the financial statements until they are no longer in use. No depreciation is charged after assets are depreciated to their residual values.

2 Summary of Significant Accounting Policies (continued)**(i) Depreciation of property, plant and equipment (continued)****(i) Aircraft, spares and spare engines**

The Group depreciates its new passenger aircraft, spares and spare engines over 15 to 20 years to 5% to 10% residual values.

The Group depreciates its new freighter aircraft over 20 years to 5% residual values. For used freighter aircraft, the Group depreciates them over the remaining life (20 years less age of aircraft) to 5% residual values.

Major inspection costs relating to landing gear overhauls, heavy maintenance visits and engine overhauls (including inspection costs provided under power-by-hour maintenance agreements) are capitalised and depreciated over the average expected life between major overhauls, estimated to be 4 to 10 years.

Training aircraft are depreciated over 5 to 15 years to 10% to 20% residual values.

Flight simulators are depreciated over 5 to 10 years to nil residual values.

(ii) Land and buildings

Freehold buildings, leasehold land and buildings are depreciated to nil residual values as follows:

| | | |
|--|---|--|
| Company owned office premises | – | according to lease period or 30 years, whichever is the shorter. |
| Company owned household premises | – | according to lease period or 10 years, whichever is the shorter. |
| Other premises | – | according to lease period or 5 years, whichever is the shorter. |
| Leasehold hotel properties held by an associated company | – | according to lease period of 99 years, up to 2081. |

(iii) Others

Plant and equipment, office and computer equipment are depreciated over 1 to 15 years to nil residual values.

(j) Leases

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

(i) Finance lease – as lessee

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

For sale and finance leaseback, differences between sales proceeds and net book values are taken to the statement of financial position as deferred gain or loss on sale and leaseback transactions, included under deferred account and amortised over the minimum lease terms.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the average expected life between major overhauls (estimated to be 4 to 8 years).

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(j) Leases (continued)

(ii) Operating lease – as lessee

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

Gains or losses arising from sale and operating leaseback of aircraft are determined based on fair values. Excess of sales proceeds over fair values are taken to the statement of financial position as deferred gain on sale and leaseback transactions, included under deferred account and amortised over the minimum lease terms. If the sales proceeds are below fair values, the loss is recognised in the profit and loss account except that, if the loss is compensated for by future lease payments at below market values, the deferred loss is included under deferred account and is amortised over the minimum lease period.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the remaining lease term period or the average expected life between major overhauls (estimated to be 4 to 10 years).

(iii) Operating lease – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Aircraft leased out under operating leases are included under property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Rental income is recognised on a straight-line basis over the lease term.

(k) Inventories

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

(l) Financial assets

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

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

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

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

2 Summary of Significant Accounting Policies (continued)**(l) Financial assets (continued)****(i) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as fair value through profit or loss. Financial assets are classified as held for trading if they are acquired principally for the purpose of selling in the short-term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives are also classified under this category unless they are designated as effective hedging instruments. Gains or losses on financial assets held at fair value through profit or loss are recognised in the profit and loss account.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the end of the reporting period.

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit and loss account when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated in this category, or not classified in any other categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised in other comprehensive income, except that impairment losses and interest are recognised in the profit and loss account. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the profit and loss account as a reclassification adjustment when the investment is derecognised.

(m) Investments

Investments held by the Group are classified as available-for-sale or held-to-maturity. Investments classified as available-for-sale are stated at fair value, unless there is no active market for trading. Fair value is determined in the manner described in Note 37(b). Investments with no active market for trading are stated at cost less accumulated impairment losses as their fair value cannot be reliably measured. Held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. The accounting policy for both categories of financial assets is stated in Note 2(l).

(n) Trade debtors and other receivables

Trade debtors, including amounts owing by subsidiary, associated and joint venture companies, deposits and other debtors are classified and accounted for as loans and receivables. Other non-current receivables are also classified and accounted for in the same way. The accounting policy for this category of financial assets is stated in Note 2(l).

Further details on the accounting policy for impairment of financial assets are stated in Note 2(q).

Notes to the Financial Statements

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2 Summary of Significant Accounting Policies (continued)

(o) Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks. The accounting policy for this category of financial assets is stated in Note 2(l), under loans and receivables.

(p) Impairment of non-financial assets

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

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

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

(q) Impairment of financial assets

The Group also assesses at the end of each reporting period whether a financial asset or a group of financial assets is impaired.

(i) Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The impairment loss is recognised in the profit and loss account.

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

2 Summary of Significant Accounting Policies (continued)**(q) Impairment of financial assets (continued)****(i) Financial assets carried at amortised cost (continued)**

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

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

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit and loss account, is transferred from other comprehensive income to the profit and loss account. Reversals of impairment losses in respect of equity instruments are not recognised in the profit and loss account; increase in the fair value after impairment are recognised directly in other comprehensive income.

In the case of non-equity investments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit and loss account. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a non-equity investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account, the impairment loss is reversed in the profit and loss account.

(r) Financial liabilities

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

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(r) Financial liabilities (continued)

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

(i) Financial liabilities at fair value through profit or loss

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

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

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

(ii) Other financial liabilities

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

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

(s) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(t) Loans, notes payable and borrowings

Loans, notes payable and other borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

(u) Trade and other creditors

Trade and other creditors and amounts owing to subsidiary and associated companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

2 Summary of Significant Accounting Policies (continued)**(v) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

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

Provision for warranty claims is made for engine overhaul, repairs and maintenance of aircraft (excluding line maintenance) based on past experience of the level of repairs.

Provision for return costs to meet contractual return aircraft minimum conditions, at the end of the lease terms for the aircraft under operating leases, are recorded equally over the lease terms.

(w) Maintenance reserve

Maintenance reserve relates to payments made by the lessee for maintenance activities undertaken during the lease period. The Group will reimburse the lessee for agreed maintenance work done as and when incurred. The Group records the amounts received as maintenance reserve. At the expiry of the lease term, excess maintenance reserve is recognised in the profit and loss account.

(x) Share capital and share issuance expenses

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

(y) Treasury shares

When shares are reacquired by the Company, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

(z) Frequent flyer programme

The Company operates a frequent flyer programme called “KrisFlyer” that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits, estimated based on expected utilisation of these benefits, is deferred until they are utilised. These are included under deferred revenue on the statement of financial position. Any remaining unutilised benefits are recognised as revenue upon expiry.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(aa) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income taxes are recognised in the profit and loss account except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiary, associated and joint venture companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2 Summary of Significant Accounting Policies (continued)**(aa) Taxation (continued)****(ii) Deferred tax (continued)**

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

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

(iii) Indirect taxes

Revenues, expenses and assets are recognised net of the amount of indirect tax except:

- Where the indirect tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the indirect tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of indirect tax included.

The net amount of indirect tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

(ab) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, training of pilots, air charters and tour wholesaling and related activities. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

Passenger and cargo sales are recognised as operating revenue when the transportation is provided. The value of unused tickets and air waybills is included in current liabilities as sales in advance of carriage. The value of tickets and air waybills is recognised as revenue if unused after two years and one year respectively.

Revenue from repair and maintenance of aircraft, engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

Rental income from lease of aircraft is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(ac) Income from investments

Dividend income from investments is recognised when the Group's right to receive the payment is established.

Interest income from investments and fixed deposits is recognised using the effective interest method.

(ad) Employee benefits

(i) Equity compensation plans

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

The Group has in place, the Singapore Airlines Limited Employee Share Option Plan, the SIA Engineering Company Limited Employee Share Option Plan and the Pre-IPO Tiger Aviation Share Options Scheme for granting of share options to senior executives and all other employees. The exercise price approximates the market value of the shares at the date of grant.

The Group has also implemented the Singapore Airlines Limited Restricted Share Plan and Performance Share Plan, the SIA Engineering Company Limited Restricted Share Plan and Performance Share Plan and Tiger Airways Group Restricted Share Plan, Performance Share Plan and CEO Restricted Share Grant for awarding of fully paid ordinary shares to senior executives and key Senior Management, when and after pre-determined performance or service conditions are accomplished.

Details of the plans are disclosed in Note 5 to the financial statements.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. In valuing the share options and share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company and non-vesting conditions.

This cost is recognised in the profit and loss account as share-based compensation expense, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

2 Summary of Significant Accounting Policies (continued)**(ad) Employee benefits (continued)****(ii) Defined benefit plans**

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any).

The cost of providing benefits under the defined benefits plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expense in profit or loss.

Remeasurements comprising actuarial gains and losses, and return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(ae) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements.

Notes to the Financial Statements

31 March 2015

2 Summary of Significant Accounting Policies (continued)

(af) Training and development costs

Training and development costs, including start-up programme costs, are charged to the profit and loss account in the financial year in which they are incurred.

(ag) Borrowing costs

Borrowing costs incurred to finance advance and progress payments for aircraft are capitalised as part of advance and progress payments until the aircraft are commissioned for operation or the projects are completed. All other borrowing costs are recognised as finance charges in the period in which they are incurred.

(ah) Claims and liquidated damages

Claims for liquidated damages, in relation to a loss of income, are recognised in the profit and loss account when a contractual entitlement exists, the amount can be reliably measured and receipt is virtually certain. When the claims do not relate to a compensation for loss of income, the amounts are taken to the statement of financial position as deferred credit, included under deferred account, as a reduction to the cost of the assets when the assets are capitalised and also for future reduction of operating lease expenses.

(ai) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, cross currency swap contracts, interest rate swap contracts, interest rate cap contracts, jet fuel option contracts, jet fuel, Brent and crack swap contracts and jet fuel collar contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

The Group also sets aside USD deposits to match forecast capital expenditure requirements. To create a USD-denominated asset in the statement of financial position to match against the expected USD liability for capital expenditure, the Group accumulates USD over a period of 10 months in advance of forecast aircraft payments. The exchange gains and losses of the USD held would be recognised in the carrying value of the aircraft.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedged item or transaction, the hedging instrument, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's (or transaction's) cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they are designated.

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

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the fair value reserve Note 16(d), while the ineffective portion is recognised in the profit and loss account.

Amounts taken to the fair value reserve are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. If the hedged item is a non-financial asset or liability, the amounts taken to the fair value reserve are transferred to the initial carrying amount of the non-financial asset or liability.

2 Summary of Significant Accounting Policies (continued)

(aj) Segment reporting

(i) Business segment

For management purposes, the Group is organised into operating segments based on the nature of the services provided which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the Management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 4, including the factors used to identify the reportable segments and the measurement basis of segment information. The significant business segments of the Group are airline operations, engineering services and cargo operations.

(ii) Geographical segment

The analysis of revenue by area of original sale from airline operations is derived by allocating revenue to the area in which the sale was made. Revenue from other operations, which consist principally of engineering services and cargo operations, is derived in East Asia and therefore, is not shown.

Assets, which consist principally of flight and ground equipment, support the entire worldwide transportation system, and are mainly located in Singapore. An analysis of assets and capital expenditure of the Group by geographical distribution has therefore not been included.

(ak) Exceptional items

Exceptional items are separate items of income and expense of such size, nature or incidence that their separate disclosure is relevant to explain the performance of the Group for the year.

3 Significant Accounting Estimates

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(a) Impairment of property, plant and equipment – aircraft fleet

Impairment is recognised when events and circumstances indicate that the aircraft may be impaired and the carrying amounts of the aircraft exceed the recoverable amounts. Recoverable amount is defined as the higher of an aircraft's fair value less costs to sell and its value-in-use. The fair value less costs to sell computation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. In determining the recoverable amounts of the aircraft, certain estimates regarding the current fair market value of the aircraft are made. The current fair market value is determined based on desktop valuations from an independent appraisal for fleet with similar operational lives. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period.

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

The rights of the Special Member with respect to the Special Share, the rights of the holder of ASA Shares with respect to the ASA Shares and the rights of shareholders of the Offeror in respect of capital, dividends and voting and certain transfer restrictions in respect of the Offeror Shares as set out in the Offeror Articles are as follows:

All capitalised terms used in the following extracts shall have the same meanings given to them in the Offeror Articles, a copy of which is available for inspection at the registered office of the Offeror during normal business hours until the Closing Date.

(A) SPECIAL SHARE

“SPECIAL SHARE

- 3A. (a) *The Company shall allot the Special Share to the Minister for Finance (Incorporated). The Special Share shall not, subject to paragraph (g) below, be transferable except with the prior approval of the Directors and the Company in general meeting nor shall the Special Share be listed for quotation on the official list of the Stock Exchange or any other Exchange.* *Rights of Special Member*
- (b) *The Special Member shall be entitled to receive notices of all general meetings, reports and balance sheets, to attend all general meetings and to speak and vote at such meetings.*
- (c) *The Special Member shall be entitled to appoint, reappoint, terminate or remove any Director or alternate Director of the Company.*
- (d) *Without prejudice to the generality of the foregoing, the Special Share shall carry the right to approve any resolution to be passed by the Company (whether in general meeting or by its Board of Directors) relating to the following matters and no resolution on any of such matters shall be passed, except with the prior written approval of the Special Member:*
- (i) *the appointment, reappointment, termination or removal of any Director of the Company (including any alternate Director);*
 - (ii) *any amendment, removal or alteration of the effect of any provision of the Memorandum or Articles of Association concerning or affecting the rights attached to the Special Share;*
 - (iii) *any amendment, removal or alteration of the effect of any provision of the Memorandum or Articles of Association concerning or affecting the rights attached to the Special Share;*
 - (iv) *any issue of any shares ranking equal or in priority to the Special Share;*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

- (v) *any removal of, or amendment or alteration to the Memorandum or the Articles of Association or the substitution of another Memorandum or Articles of Association thereof; and*
- (vi) *the winding up or dissolution of the Company.*
- (e) *Notwithstanding any provision in these presents to the contrary, the amendment, deletion, or alteration of this Article 3A and any other provision of these presents relating to the rights and powers of the Special Member or any part thereof shall be deemed to be a variation of the rights attaching to the Special Share, and shall accordingly only be effective with the prior consent in writing of the Special Member and without such consent shall not be done or caused to be done.*
- (f) *Where the prior written approval of the Special Member is required or a matter is to be determined according to the opinion of the Special Member or any action is to be taken by the Special Member pursuant to these Articles, any decision of or opinion expressed or any action taken by the Special Member shall be final and conclusive, shall be binding on all parties concerned and shall not be subject to, or referred by any party for, any judicial review.*
- (g) *The Special Member may at any time, with the prior consent of the Company, request by notice in writing to convert the Special Share at an amount equal to its previous nominal amount into an ordinary share credited as fully paid.”*

(B) ASA SHARES

“ASA SHARES

- 4A. (1) *In Articles 4A(1) to 4A(7) inclusive, the following expressions shall, unless the context otherwise requires, have the following meanings:*

Definitions

“Air Services Agreement” means an air services agreement entered into between the Government of Singapore and the government of another country for regulating the conduct of air services between Singapore and that country;

“ASA Dividend” means a dividend payable on an ASA Share calculated at the rate of one per cent. per annum on the amount paid up on the ASA Share at the relevant time (or such other amount as may be prescribed by the Directors prior to the allotment of the ASA Shares);

“ASA Shares” means the redeemable cumulative preference shares in the capital of the Company issued or to be issued pursuant to this Article 4A;

*Definition
(Amended on
31 July 2006)*

“ASA Shareholder” means the registered holder of the ASA Shares;

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

“Distributable Profits” means the amount certified by the auditors for time being of the Company to be the profits available to the Company for distribution as a dividend in compliance with Section 403 of the Act;

“Dividend Pari Passu Shares” means any other series or classes of shares in the capital of the Company ranking pari passu with the ASA Shares as to participation in the profits of the Company;

“Intervening Act” means the refusal, withholding, suspension or revocation or any Operating Right applied for, granted to or enjoyed by the Company or any subsidiary of the Company, or the imposition of any condition or limitation upon any such Operating Right which materially inhibits the exercise thereof, in either case by any state, authority or person in reliance upon any provision or by reason of any matter or circumstance relating to the nationality of persons owning or controlling (however described) the Company;

“Operating Right” means all or any part of any authority, permission, license or privilege whether granted or enjoyed pursuant to an Air Services Agreement or otherwise, which enables an air service to be operated; and

“Ordinary Shares” means the ordinary shares in the capital of the Company, provided that if all Ordinary Shares are replaced by other securities (all of which are identical), the expression “Ordinary Shares” shall thereafter refer to such other securities.

*Definition
(Amended on
31 July 2006)*

(2) *The purpose of this Article 4A is to ensure that so long as and to the extent that the holding or enjoyment by the Company or any subsidiary of the Company of any Operating Right is conditional on the Company being to any degree owned or controlled by Singapore nationals, the Company is so owned and controlled.*

*Purpose of
Article 4A*

(3) *The Company may from time to time and at any time allot and issue to the Minister for Finance (Incorporated) ASA Shares at such issue price and on such terms and conditions as the Directors may deem fit, if the Directors shall determine that;*

*ASA Shares may
be allotted to the
Minister for Finance
(incorporated)*

(a) *such allotment and issue of ASA Shares is necessary or desirable in order to protect any Operating Right of the Company or any subsidiary of the Company or the status of the Company or such subsidiary as a Singapore airline by reason of the fact that:*

(i) *an Intervening Act has taken place;*

(ii) *an Intervening Act is contemplated, threatened, intended or may take place;*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

- (iii) *To the extent that the ASA Dividend or any part thereof is not paid on the ASA Shares on any date for payment of the ASA Dividend, it shall continue to accumulate from and including, the relevant date for payment of the ASA Dividend. No interest shall accrue on any arrears of the ASA Dividend.*
- (iv) *If there shall be arrears of ASA Dividend on any date for payment of the ASA Dividend and the Company has sufficient Distributable Profits to cover such arrears (after taking into account, for this purpose, any other payments or distributions to be made at any time on or in respect of any Dividend Pari Passu Shares), the Company shall make payment of such arrears of ASA Dividend to the ASA Shareholder on such date for payment of the ASA Dividend.*
- (v) *All accrued and arrears of ASA Dividend shall be payable to the ASA Shareholder pari passu with any payment or distribution on or in respect of any Dividend Pari Passu Shares but otherwise in preference to any other payment of dividend or other distribution on, or capitalisation issue in respect of, any other class of shares in the capital of the Company.*
- (b) **CAPITAL** *Capital*
- The ASA Shareholder shall have the right in the event of a winding-up of the Company to participate rateably with the holders of Ordinary Shares in all arrears of dividend down to the commencement of the winding up (whether earned or declared or not), to participate rateably with the holders of Ordinary Shares in the capital paid up on all shares of the Company and to participate rateably with the holders of Ordinary Shares in the residue (if any) of such surplus assets as shall remain after paying off of the capital paid up on all shares of the Company.*
- For the avoidance of doubt, the ASA Shareholder shall have no right to participate in the profits of the Company beyond the rights conferred under this Article.*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

(c) **EARLY REDEMPTION AT THE OPTION OF THE COMPANY**

*Early Redemption
at the option of the
company
(Amended on 31
July 2006)*

- (i) *Subject to the provisions of Section 70 of the Act, the Company shall redeem all or any part of the ASA Shares for the time being outstanding and fully paid up by payment of the capital, paid thereon upon giving to an ASA Shareholder notice in writing, being not less than thirty (30) days prior to such redemption, if a determination is made by the Directors that the redemption of the ASA Shares which are specified in the notice will not cause or be likely to cause a determination being made under Article 4A(3).*

- (ii) *The notice of redemption specified in subparagraph (i) above shall specify the particular ASA Share to be redeemed and the date fixed for redemption, which date shall be not less than thirty (30) days after the date of such notice of redemption. On or before the date fixed for redemption, the ASA Shareholder whose ASA Shares are to be redeemed shall deliver to the Company the certificates of the ASA Shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any ASA Shares not redeemable on that occasion, a fresh certificate for such ASA Shares shall be delivered to the holder delivering such certificate to the Company.*

- (iii) *If by reason of any provision of the Act, the Company is unable to make payment of any amount due in respect of the ASA Shares (whether in respect of the ASA Dividend, the amount payable on redemption or otherwise) then the Company shall from time to time (subject to the maximum amount and extent permitted by law, and on the earliest date on which such payments may lawfully be made) make payments on account of the amount so owing on a pro-rata basis until such amount has been paid in full, and such payments shall be made in the following order:*
 - (aa) *payment of all outstanding ASA Dividend which have accrued or which may accrue up the date of redemption; and*

 - (bb) *payment of the amount payable on redemption as of the date of any such payment*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

(d) **FINAL REDEMPTION**

*Final Redemption
(Amended on 31
July 2006)*

- (i) *Subject to the provisions of Section 70 of the Act, the Company shall redeem all the ASA Shares for the time being outstanding and fully paid up by payment of the capital paid thereon on the date falling five years from the date of issue of such ASA Shares (or such later date as the Directors deem appropriate).*
- (ii) *On or before the date fixed for redemption, the ASA Shareholder whose ASA Shares are to be redeemed shall deliver to the Company the certificates of the ASA Shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any ASA Shares not redeemable on that occasion, a fresh certificate for such ASA Shares shall be delivered to the holder delivering such certificate to the Company.*
- (iii) *If by reason of any provision of the Act, the Company is unable to make payment of any amount due in respect of the ASA Shares (whether in respect of the ASA Dividend, the amount payable on redemption or otherwise) then the Company shall from time to time (subject to the maximum amount and extent permitted by law, and on the earliest date on which such payments may lawfully be made) make payments on account of the amount so owing on a pro-rata basis until such amount has been paid in full, and such payments shall be made in the following order:*
 - (aa) *payment of all outstanding ASA Dividend which have accrued or which may accrue up to the date of redemption; and*
 - (bb) *payment of the amount payable on redemption as of the date of any such payment.*

(e) **LIQUIDATION**

*Liquidation of
Company
(Amended on 31
July 2006)*

- In the event of the Company's liquidation, the holder of an ASA Share which has not been redeemed shall be subject to the payment on each ASA Share it holds at the time of liquidation, an amount equal to the higher of:*
- (i) *the issue price of the ASA Share, less the amount already paid up on that ASA Share; and*
 - (ii) *the Liquidation Value of each Ordinary Share, less the amount already paid up on each ASA Share.*

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For the purpose of this Article, the “Liquidation Value” means the liquidation value of an ASA Share as certified by the liquidator appointed in relation to the liquidation of the Company.

(f) **VOTING**

*Voting Rights of
ASA Shareholder*

The ASA Shareholder:

- (i) shall be entitled to receive copies of the reports and accounts (including the balance sheet and profit and loss account), circulars and notices of general meetings, being the same as those which the holders of Ordinary Shares are entitled to receive and to attend all general meetings and to speak and vote at such meetings; and*
- (ii) shall be entitled to attend, speak and vote at any class meeting of the ASA Shareholder.*

Where the ASA Shareholder is entitled to vote on any resolution then, at the relevant general meeting of the Company or the relevant class meeting of the ASA Shareholder, on a show of hands the ASA Shareholder who is present in person or by proxy or attorney or duly authorised representative shall have one vote and on a poll the ASA Shareholder who is present in person or by proxy or attorney or duly authorised representative shall have one vote for each ASA Share. The provisions of these Articles relating to votes of members shall (subject to and except to the extent inconsistent with this Article 4A) apply mutatis mutandis to votes of the ASA Shareholder at any general meeting.

(g) **MEETINGS**

Meetings

The provisions of these Articles relating to general meetings, notice of and proceedings at general meetings and votes of Members shall (subject to and except to the extent inconsistent with this Article 4A) apply mutatis mutandis to any separate class meeting of the ASA Shareholder.

(h) **NON-TRANSFERABILITY**

*Non-transferability of
ASA Shares*

The ASA Shares will be in registered form and shall not be transferable except with the prior approval of the Directors and the Company in general meeting. The ASA Shares shall not be listed for quotation on the official list of the Stock Exchange or any other exchange.

- (5) *The Register of the ASA Shareholder may at the discretion of the Company be closed during such periods when the Register of Members and/or the Register of Transfers of the Company is/are closed or deemed to be closed, during such period to determine the entitlement to the ASA Dividend or during such other periods as the Company may determine.*

*Closure of register
of ASA Shareholder*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

(6) *Any notice or other document may be given by Company to the ASA Shareholder either personally or by sending it through the post in a prepaid letter or by cable, telex, facsimile transmission, telegram or other tangible and legible form of electronic or similar form of communication addressed to the ASA Shareholder at his registered office as appearing in the Register of the ASA Shareholder. Any notice or other document, if sent by post, shall be deemed to have been served or delivered at the time when the letter containing the same is posted. In proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and served by prepaid post. Any notice or other document, if served by cable, telex, facsimile transmission, telegram or other tangible and legible form of electronic or similar form of communication shall be deemed to have been served upon receipt thereof. Production of a copy of a notice sent by telex, facsimile transmission or other tangible and legible form of electronic or similar form of communication bearing an acknowledgement of receipt of the transmission in accordance with normal procedures under the system in use shall be sufficient proof of receipt thereof.*

Service of notice or documents to ASA Shareholder

(7) *In the event of any conflict or inconsistency between the provisions of this Article 4A and the other provisions of these Articles, then (in favour of the ASA Shareholder) the provisions of this Article 4A shall prevail.”*

Conflict of provisions

(C) OFFEROR SHARES

1. The rights of shareholders of the Offeror in respect of capital

“SHARE CAPITAL AND VARIATION OF RIGHTS

4. *Subject to the prior approval of the Company in general meeting, shares in the Company may be issued by the Directors. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the Directors, subject to any ordinary resolution of the Company may determine;*

*Issue of Shares
(Amended on 31
July 2006)*

Provided always that:

(a) *unless with the prior approval of the Directors or except as permitted below, no ordinary shares shall be issued or transferred to any person or related group of persons if, in the opinion of the Directors, such person or related group of persons would, by reason of such issue or transfer have an interest directly or indirectly in more than 5 per cent. of the ordinary shares issued by the Company for the time being;*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
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- (b) *no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting;*
- (c) *(subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 51(1) with such adaptations as are necessary shall apply;*
- (d) *any other issues of shares, the aggregate of which would exceed the limits referred to in Article 51(2), shall be subject to the approval of the Company in general meeting; and*
- (e) *preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed, and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears. The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

Notwithstanding any other provision of these Articles, Temasek Holdings (Private) Limited and/or such other person or persons approved by the Directors shall be entitled to have an interest in more than 5 per cent. of the issued ordinary shares of the Company on such terms and conditions as the Directors may think fit.

5. *Subject to the Act, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are liable to be redeemed at the option of the Company or the shareholder.*

*Redeemable
preference shares*

5A. TREASURY SHARES

The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

*Implementation of
Article 5A on 31
July 2006*

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

6. *If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class and other than the Special Share which variation shall require the prior written approval of the Special Member) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourth of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.* *Variation of rights*
7. *The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally with, or in priority to such shares.* *Creation or issue of further shares with special rights*
8. *Subject to and in accordance with the provisions of the Act, the Company may purchase or may acquire shares issued by it on such terms as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.* *Share buy-backs (Amended on 31 July 2006)*
9. *Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.* *Power to charge interest on capital*

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

10. *The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*
- Power to pay commission and brokerage (Amended on 31 July 2006)*

11. *Except as required by law, no person other than CDP shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the person (other than the CDP) whose name is entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.*
- Exclusion of equities*

...

CONVERSION OF SHARES INTO STOCK

46. *The Company may by ordinary resolution passed at a general meeting, convert any paid-up shares into stock and reconvert any stock into paid-up shares.*
- Power to convert into stock (Amended on 31 July 2006)*
47. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum.*
- Transfer of stock (Amended on 31 July 2006)*
48. *The holders of stock shall according to the number of stock units held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by the stock units which would not if existing in shares have conferred that privilege or advantage.*
- Rights of Stockholders (Amended on 31 July 2006)*
49. *Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “shares” and “shareholder” therein shall include “stock” and “stockholder”.*
- Interpretation*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

ALTERATION OF CAPITAL

50. *The Company may from time to time by ordinary resolution-*
- Power to consolidate
subdivide and
convert shares
(Amended on 31
July 2006)*
- (a) *consolidate and divide all or any of its shares;*
- (b) *subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and*
- (c) *subject to the provisions of the Act, convert any class of shares into any other class of shares.*
51. (1) *Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted by the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to the members in proportion, as nearly as the circumstances admit, to the number of shares held by them respectively. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in accordance with this Article. Notwithstanding the foregoing, where the new shares to be offered are ordinary shares, no shares held by a member other than ordinary shares shall be taken into account for the purposes of determining the proportions in which such ordinary shares are to be offered to such member as aforesaid.*
- Offer of new shares
(Amended on 26
July 2003)*
- (2) *Notwithstanding Article 51(1), the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:*
- Amended on
31 July 2006*
- (a) (i) *issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

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

- (b) *(notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force,*

provided that:

- (1) *the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;*

- (2) *in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the Listing Manual of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these Articles; and*

- (3) *(unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*

52. *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*

*Power to reduce
share capital
(Amended on 31
July 2006)*

...

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

**BONUS ISSUES AND CAPITALIZATION OF PROFITS AND
RESERVES**

133. *The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Article 51(2)):*

Power to issue free bonus shares and/or to capitalise reserves (Amended on 31 July 2006)

(a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:*

(i) *the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or*

(ii) *(in the case of an ordinary resolution passed pursuant to Article 51(2)) such other date as may be determined by the Directors,*

in proportion to their then holdings of shares; and/or

(b) *capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:*

(i) *the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or*

(ii) *(in the case of an ordinary resolution passed pursuant to Article 51(2)) such other date as may be determined by the Directors,*

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

134. *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 133, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- Power of Directors to give effect to bonus issues and capitalizations (Amended on 31 July 2006)*
- 134A. *In addition and without prejudice to the powers provided for by Articles 133 and 134, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit.*
- Power to issue free shares and/or to capitalise reserves for employee share plans (Amended on 31 July 2006)*

...

WINDING UP

138. *If the Company shall be wound up, subject to due provision being made satisfying the claims of any holders of shares having attached thereto any special rights in regard to the repayment of capital, the surplus assets shall be applied in repayment of the capital paid up or credited as paid up on the shares at the commencement of the winding up. If the surplus assets shall be insufficient to repay the whole of the capital paid up or credited as paid up on the shares, such assets shall be distributed (as nearly as practicable) in proportion to the capital paid up or credited as paid up on the shares at the commencement of the winding up.*
- Distribution of surplus assets*
139. *If the Company shall be wound up, the liquidators may, with the sanction of a special resolution, divide among the members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the members, but so that if any division is resolved or otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 306 of the Act. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidators amongst the members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the members subject to the right of dissent and consequential rights conferred by the said Section.”*
- Distribution of assets in specie*

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

2. The rights of shareholders of the Offeror in respect of dividends

“DIVIDENDS AND RESERVES

- | | | |
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| <p>124.</p> | <p><i>The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.</i></p> | <p><i>Dividends</i></p> |
| <p>125.</p> | <p><i>The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.</i></p> | <p><i>Interim Dividend</i></p> |
| <p>126.</p> | <p><i>No dividend shall be paid otherwise than out of profits or shall bear interest against the Company.</i></p> | <p><i>Payment of dividends</i></p> |
| <p>127.</p> | <p><i>The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.</i></p> | <p><i>Power to carry profit to reserve</i></p> |
| <p>128.</p> | <p><i>Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:</i></p> <p style="margin-left: 20px;"><i>(i) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and</i></p> <p style="margin-left: 20px;"><i>(ii) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.</i></p> <p style="margin-left: 20px;"><i>For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored. Without prejudice to the generality of the foregoing, the amount of dividends paid on the Special Share shall be pro rata to the amount of dividends paid on the ordinary shares.</i></p> | <p><i>Apportionment of dividends (Amended on 31 July 2006)</i></p> |
| <p>129.</p> | <p><i>The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.</i></p> | <p><i>Deduction of debts due to Company</i></p> |

**APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION
OF THE OFFEROR**

- 129A. *The payment by the Company of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by, for the benefit of, the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the CDP returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.*
- Unclaimed Dividends
(Implementation of
Article on 31 July
2006)*
130. *Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other Company or in any one or more of such ways and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the right of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.*
- Payment of dividend
in specie*
131. *Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the provisions of these presents, the payment by the Company to the CDP of any dividend payable to a Depositor shall, to the extent of the payment made to the CDP, discharge the Company from any liability to the Depositor in respect of that payment.*
- Dividends payable
by cheque or
warrant*

APPENDIX 10 – SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE OFFEROR

132. *A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.* *Effect of transfer*

3. The rights of shareholders of the Offeror in respect of voting

“GENERAL MEETINGS

53. *An annual general meeting of the Company shall be held once in every year and not more than 15 months after the holding of the last annual general meeting. All general meetings other than the annual general meetings shall be called extraordinary general meetings.* *Annual General Meeting*
54. *Any Director may whenever he thinks fit convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.* *Calling
Extraordinary
General Meeting*
55. *The time and place of any meeting shall be determined by the convenors of the meeting.* *Time and place of
meeting*

NOTICE OF GENERAL MEETING

56. (1) *A meeting of the Company at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days’ notice in writing at the least and an annual general meeting and any other extraordinary general meeting by 14 days’ notice in writing at the least; Provided that a meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed;* *Notice of meetings
(Amended on 31
July 2006)*
- (a) *in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and*
- (b) *in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting.*
- At least 14 days’ notice of any meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the Company may be listed.*
- (2) *The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and in case of special business the general nature of the business.* *Period and form of
notice*

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| (3) | <i>Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.</i> | <i>Nature of special business to be specified</i> |
| (4) | <i>In every notice calling a meeting there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of him and that a proxy need not also be a member.</i> | <i>Notice of right to appoint proxies</i> |
| 57. | <i>All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the report of the Directors and auditors, the appointment or re-appointment of Directors to fill vacancies arising on retirement at such meeting whether by rotation or otherwise, the fixing of the remuneration of the Directors proposed to be paid under Article 77, and the appointment and fixing of the remuneration of the auditors.</i> | <i>Special business (Amended on 26 July 2003)</i> |
| 58. | (1) <i>Notice of every general meeting shall be given in any manner authorised by these Articles to:-</i> | <i>Persons who should be given notice</i> |
| | (a) <i>every member holding shares conferring the right to attend and vote at the meeting;</i> | |
| | (b) <i>the Directors (including alternate Directors) of the Company;</i> | |
| | (c) <i>the auditors of the Company; and</i> | |
| | (d) <i>every stock exchange upon which the Company is listed.</i> | |
| | (2) <i>No other person shall be entitled to receive notices of general meetings; provided that if the meeting be called for the alteration of the Company's objects, the provisions of the Act regarding notices to debenture holders shall be complied with.</i> | <i>Notice given to debenture holders when necessary</i> |
| | (3) <i>The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.</i> | <i>Accidental omission to give and non-receipt of notice</i> |

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PROCEEDINGS AT GENERAL MEETING

59. *No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy shall form a quorum. Provided that (a) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (b) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.* *Quorum (Amended on 31 July 2006)*
60. *If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place as the original meeting, or to such other day and at such other time and place as the Directors may determine.* *Adjournment if quorum not present*
61. *The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Deputy Chairman, if any, of the Board of Directors shall preside as Chairman of the meeting. If there is no such Deputy Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall appoint a Director as Chairman of the meeting or if only one Director is present he shall preside as Chairman of the meeting. If no Director is present or if all Directors present are unwilling to act, the members present shall elect one of their number to be Chairman of the meeting.* *Chairman*
62. *The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.* *Adjournments (Amended on 31 July 2006)*
63. *At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded-* *Method of voting (Amended on 31 July 2006)*
- (a) *by the Chairman;*
- (b) *by at least three members present in person or by proxy and entitled to vote at the meeting;*

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- (c) *by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
- (d) *by a member or members present in person or by proxy and holding not less than 10 per cent. of the total number of paid-up shares of the Company (excluding treasury shares),*

Provided always that no poll shall be demanded on the choice of a Chairman or on a question of adjournment.

Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

64. *If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded.* *Taking a poll
(Amended on 31
July 2006)*
65. *In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.* *Chairman's
casting vote*

VOTES OF MEMBERS

66. *Subject to any rights or restrictions for the time being attached to any class or classes of shares and to Article 5A, at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person or by proxy shall have one vote. Provided That if a member is represented by two proxies, only one of the proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him in his sole discretion) shall vote on a show of hands. On a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.* *Voting rights of
members (Amended
on 31 July 2006)*
67. *In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members of (as the case may be) the Depository Register.* *Voting rights of joint
holders*

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68. *Any corporation which is a member may authorise any person to act as its representative to attend, speak and vote at any general meeting of the Company.* *Corporations acting by representatives*
69. *Every member shall be entitled to be present and to vote at any general meeting either personally or by proxy in respect of any shares (other than ASA Shares) upon which all calls due to the Company have been paid. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant general meeting as supplied by the CDP to the Company.* *Right to vote*
70. *No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.* *Objection*
71. (1) *A member may appoint not more than two proxies to attend at the same general meeting, provided that the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.* *Appointment of proxies (Amended on 26 July 2003)*
- Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy; if no proportion is specified, the Company shall be entitled to deem the appointment to be in the alternative.*
- (2) *The instrument appointing a proxy or representative shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised and the signatures of an instrument of proxy need not be witnessed. Where the Depositor nominates proxies pursuant to Article 71(1) above, the instrument of proxy shall be under the hand of the Depositor or his attorney duly authorised in writing, or if the Depositor is a corporation, under its common seal or under the hand of its officer or attorney duly authorised in writing. A proxy or representative may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Subject to any requirements as may be prescribed by the Stock Exchange, the instrument appointing a proxy shall be in any usual or common form or in any other form which the Directors may approve.*

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- (3) *If the person appointing a proxy is a Depositor, the instrument appointing the proxy shall not be rendered invalid by reason only of any discrepancy between the number of shares specified in the instrument of proxy and the number of shares credited to the Securities Account of such Depositor as at the Cut-off Time (as defined in Article 72(2)(a)).*
72. (1) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*
- Deposit of instrument appointing a proxy*
- (2) *The Company shall be entitled and bound: -*
- (a) *to reject any instrument of proxy lodged if the appointor, being the Depositor, is not shown, in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant general meeting (“Cut-off Time”) supplied by CDP to the Company, to have shares credited to his Securities Account; and*
- (b) *on a poll to accept as validly cast by a Depositor or his duly appointed proxy or proxies, votes in respect of the number of shares corresponding to not more than the number of shares credited to his Securities Account, as shown in the records of CDP as at Cut-off Time supplied by the CDP to the Company, whether the number is greater or smaller than the proportion specified in Article 71(1).*
73. *A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.”*
- Intervening death or insanity of principal not to revoke proxy*

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4. Certain transfer restrictions

“TRANSFER OF SHARES

27. *Subject to these Articles any member may transfer all or any of his shares. Every transfer must be in writing and in the form approved by the Directors or in any other form for the time being approved by any stock exchange upon which the Company may be listed. The instrument of transfer of a share shall be signed both by the transferor and by the transferee and be witnessed, Provided That an instrument of transfer in respect of which the transferee is CDP shall be effective although it is not signed or witnessed by or on behalf of CDP. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.* *Form of Transfer*
- ...
30. *Other than the ASA Shares, the Directors may decline to register any transfer of shares not being fully paid shares to a person not approved by them and may also decline to register any transfer of shares on which the Company has a lien.* *Directors right to decline to register transfer of shares*
31. (1) *The Directors may decline to accept any instrument of transfer unless:-* *Instruments of transfer (Amended on 31 July 2006)*
- (a) *such fee not exceeding \$2.00 as the Directors may from time to time determine is paid to the Company in respect thereof;*
 - (b) *the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;*
 - (c) *the instrument of transfer is deposited at the office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person to do so;*
 - (d) *such fee not exceeding \$1.00 as the Directors may from time to time determine is paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares; and*

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- (e) *the instrument of transfer has a declaration attached to it duly made by or on behalf of the transferee stating:-*
- (i) *(where the transferee is an individual) whether or not the transferee is a citizen or permanent resident of the Republic of Singapore;*
 - (ii) *(where the transferee is a corporation) whether or not citizens or permanent residents of Singapore or any body corporate constituted by any statute of Singapore have an interest, in the aggregate, in at least 50 per cent. of the issued share capital of such corporation;*
 - (iii) *(where the transferee is a legal entity other than an individual or a corporation) whether or not it is owned or controlled by the Government of Singapore or any authority thereof;*
 - (iv) *in any case, whether such transfer when registered would result in any person or related group of persons having an interest directly or indirectly in more than 5 per cent of the issued ordinary shares of the Company; and*
 - (v) *(where the transferee is a nominee) such particulars of interest in the shares comprised in such instrument of transfer as would otherwise have to be given under the provisions of the preceding sub-paragraphs.*
31. (2) (a) *The Directors may:*
- (i) *if a declaration accompanying an instrument of transfer of shares contains any statement which is false in any material particular; or*
 - (ii) *if it shall come to the notice of the Directors that any member has become a foreign person by reason of any change in his nationality (in the case of an individual) or its constitution or shareholding (in the case of a corporation) and such member has an interest directly or indirectly in shares which if not for such change would not fall within the meaning of “foreign shareholdings” as defined in Article 32(d); or*
 - (iii) *if any person or related group of persons (the “relevant person”) have, in the opinion of the Directors, an interest directly or indirectly in more than 5 per cent. of the ordinary shares issued by the Company (“surplus shares”) for the time being without the approval of the Directors, or if any approval given by the Directors is subsequently revoked; or*

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32. (a) *The Directors may refuse to register the transfer of any share if in their opinion:*
- Directors' right to refuse transfer of shares (Amended on 31 July 2006)*
- (i) *such transfer when registered will result in foreign shareholdings, in the aggregate exceeding the prescribed percentage of the issued shares of the Company; or*
- (ii) *except as permitted under Article 4, such transfer when registered would result in any person or related group of persons having an interest directly or indirectly in more than 5 per cent of the issued ordinary shares of the Company; or*
- (iii) *such transfer is made to an individual who, or to a corporation or to any other legal entity which, will hold the shares as a nominee.*

In these Articles, the words "related group of persons" shall include such relationship as the Directors, in their opinion may determine from time to time.

- (b) *In these Articles, "prescribed percentage" shall mean such percentage of the issued shares of the Company as the Directors in their absolute discretion may from time to time prescribe as the permitted percentage for foreign shareholdings.*
- Definition of "prescribed percentage" (Amended on 31 July 2006)*

- (c) *In these Articles "foreign persons" shall mean:-*
- Definition of "foreign persons"*
- (i) *an individual who is not a citizen or permanent resident of Singapore; or*
- (ii) *a corporation, wherever incorporated, in which citizens or permanent residents of Singapore or any body corporate constituted by any statute of Singapore do not have an interest, in the aggregate, in at least 50 per cent of the issued share capital of such corporation; or*
- (iii) *any legal entity (other than an individual or a corporation) which is not owned or controlled by the Government of Singapore or any authority thereof and which is considered by the Directors to be a foreign person.*

- (d) *In these Articles, "foreign shareholdings" shall mean holdings in*
- Definition of "foreign shareholdings"*
- (i) *shares in which foreign persons have an interest; and*
- (ii) *shares represented by certificates with the word "Foreign" endorsed thereon, whether or not any foreign person may have any interest in them.*

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- (e) *In computing the percentage of issued shares in which foreign persons have an interest the Directors shall include as part thereof:-*
- Computation of extent of Foreign Interest (Amended on 31 July 2006)*
- (i) *any share held by joint holders if at least one of them is a foreign person;*
- (ii) *the maximum number of shares which would be issued to holders of securities convertible into issued shares of the Company if such securities were converted in full; and*
- (iii) *any shareholdings in respect of which the status of the beneficial ownership or control is in the process of clarification or determination or in the opinion of the Directors cannot positively be determined notwithstanding any change in the beneficial ownership or control thereof.*
- (f) *If the Directors shall refuse to register the transfer of any share they shall within one month of the date which the application for transfer was made serve on the transferor and transferee a notice in writing stating the reasons justifying the refusal and a notice of refusal as required by the Act.”*
- Directors to give reason for refusal to transfer*

