

OFFER INFORMATION STATEMENT DATED 21 SEPTEMBER 2010

(Lodged with the Monetary Authority of Singapore on 21 September 2010)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

This Offer Information Statement (as defined herein) is for the purposes of offering, pursuant to the Public Offer and the Placement (both as defined herein), S\$300,000,000 in aggregate principal amount of 2.15 per cent. bonds due 2015 (the “**Bonds**”) (the “**Offer**”) to be issued by Singapore Airlines Limited (the “**Issuer**” or “**Singapore Airlines**”).

The Public Offer of S\$50,000,000 in principal amount of Bonds will be fully underwritten by DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (the “**Public Offer Underwriters**”). The Placement of S\$250,000,000 in principal amount of Bonds will be fully underwritten by DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and United Overseas Bank Limited (the “**Placement Underwriters**”) and, together with the Public Offer Underwriters, the “**Underwriters**”). Both the Public Offer and the Placement will be underwritten at the Issue Price (as defined herein).

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Bonds being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation of the Bonds on the Main Board of the SGX-ST, subject to certain conditions. The Bonds will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Global Certificate (as defined herein) relating thereto having been issued.

Approval in-principle granted by the SGX-ST and the listing of and quotation of the Bonds are not to be taken as an indication of the merits of the Issuer and its subsidiaries (together, the “**SIA Group**”), the Bonds or the Offer. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer of the Bonds, and the Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. **The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or under any securities laws of any state or other jurisdiction of the United States and subject to certain exceptions, may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States (as defined in Regulation S under the Securities Act (“Regulation S”)). The Bonds are being delivered or offered and sold outside the United States to non-U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S.**

No Bonds shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgment of this Offer Information Statement.

Investing in the Bonds involves risks that are described on pages 15 to 20 of this Offer Information Statement.

Issuer



OFFER OF S\$300,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 2.15 PER CENT. BONDS DUE 2015, TO BE ISSUED BY SINGAPORE AIRLINES LIMITED, BY WAY OF:

- (A) **AN OFFER OF S\$50,000,000 IN PRINCIPAL AMOUNT OF BONDS AT THE ISSUE PRICE OF 100 PER CENT. TO THE PUBLIC IN SINGAPORE THROUGH ELECTRONIC APPLICATIONS (AS DEFINED HEREIN) (THE “PUBLIC OFFER”); AND**
- (B) **AN OFFER OF S\$250,000,000 IN PRINCIPAL AMOUNT OF BONDS AT THE ISSUE PRICE OF 100 PER CENT. TO INSTITUTIONAL AND OTHER INVESTORS (THE “PLACEMENT”).**

The Issue Price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). If the Bonds offered under the Public Offer are oversubscribed, the Issuer may, at its discretion and in consultation with DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited as the co-ordinating bookrunners of the Offer (the “**Co-ordinating Bookrunners**”), re-allocate up to S\$100,000,000 in aggregate principal amount of the Bonds from the Placement to the Public Offer to satisfy such excess demand under the Public Offer.

Applications under the Public Offer and the Placement may only be submitted during the time periods described below (or such other time periods as the Issuer at its discretion may, with the approval of the SGX-ST (if required) and the agreement of the relevant Underwriters, decide).

	Opening dates and times	Closing dates and times
Public Offer via ATMs	22 September 2010 at 9.00 a.m.	28 September 2010 at 12.00 noon
Placement	21 September 2010 at 12.00 noon	28 September 2010 at 12.00 noon

Co-ordinating Bookrunners of the Offer and Bookrunners and Underwriters of the Public Offer

DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited United Overseas Bank Limited

Joint Lead Managers, Bookrunners and Underwriters of the Placement

DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited Standard Chartered Bank United Overseas Bank Limited

NOTICE TO INVESTORS

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the section entitled “**Definitions**” of this Offer Information Statement.

Applications for the Bonds under the Public Offer must be made by way of Electronic Applications. Prospective investors who wish to apply for the Bonds under the Public Offer must have a direct Securities Account with CDP. Please refer to Appendix E entitled “**Terms, Conditions and Procedures for Application and Acceptance**” of this Offer Information Statement for more information.

The Bonds are not eligible for inclusion under the CPF Investment Scheme – Ordinary Account. The Bonds are also not eligible for the Supplementary Retirement Scheme (“**SRS**”). Accordingly, prospective investors CANNOT use their CPF Funds or SRS Funds to apply for the initial offer of the Bonds or to later purchase the Bonds.

This Offer Information Statement has been prepared solely for the purpose of the Offer. Persons wishing to subscribe for the Bonds offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, risk factors, and performance and prospects of the Issuer and the SIA Group and the rights and liabilities attaching to the Bonds. They should make, and shall be deemed to have made, their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their business, legal, financial, tax or other professional advisers before deciding whether to subscribe for the Bonds. None of the Issuer or the Underwriters makes any representation to any person regarding the legality of an investment in the Bonds by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each investor shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer and the SIA Group. The Trustee shall not at any time have any responsibility for the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer and any other member of the SIA Group and each investor shall not rely on the Trustee in respect thereof.

No person is or has been authorised by the Issuer or the Underwriters to give any information or to make any representation, other than those contained in this Offer Information Statement, in connection with the issue of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Underwriters. Nothing contained herein is, or may be relied upon as, a promise or representation to any person as to the future performance or prospects of the Issuer or any other member of the SIA Group. Neither the delivery of this Offer Information Statement nor the issue of the Bonds shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Issuer or any other member of the SIA Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All investors should take note of any such announcement, or supplementary or replacement document and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Each of the Underwriters, the Trustee and the Agents makes no representation, warranty or recommendation whatsoever as to the merits of the Issuer, any other member of the SIA Group, the Bonds or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to purchase or subscribe for the Bonds.

Any action an investor may wish to take against the Issuer in accordance with the terms and conditions of the Bonds will require the cooperation of the Trustee. Investors may have no right of direct action against the Issuer and investors will need to contact the Trustee to take action against the Issuer on their behalf in accordance with the terms of the Trust Deed.

The Bonds do not represent deposits with or other liabilities of the Underwriters, the Trustee, the Agents or any of their respective related corporations or any other entity. Repayment under the Bonds is not secured by any means. The Underwriters do not in any way stand behind the capital value or performance of the Bonds. The Issuer is not in the business of deposit-taking and does not hold itself out as accepting deposits nor will it accept deposits on a day to day basis. The Issuer is not subject to the supervision of and is not regulated or authorised by the Authority.

This Offer Information Statement and the accompanying documents may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Prospective investors or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions. Please refer to the section entitled “Subscription and Sale” of this Offer Information Statement for further information.

Selected financial data from the audited income statements of the SIA Group for the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 have been extracted and set out in Appendix A of this Offer Information Statement and selected financial data from the audited balance sheets and cashflow statements of the SIA Group as at and for the financial years ended 31 March 2009 and 31 March 2010 have been set out in Appendices B and C of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the respective audited financial statements, which are available on the website of the Issuer at <http://www.singaporeair.com>. Copies of the annual reports for each of the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 are also available on the website of the Issuer.

The information contained on the website of the Issuer does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the audited and unaudited financial statements (including the relevant notes) before making any investment decision in relation to the Bonds.

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Issuer or their Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, operating results, business strategies, plans and prospects of the Issuer and/or the SIA Group (including statements as to the Issuer’s and/or the SIA Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts and including the statements as to the expansion plans of the Issuer and/or the SIA Group, expected growth in the Issuer and/or the SIA Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s or the SIA Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the SIA Group.

Given the risks, uncertainties and other factors that may cause the actual future results, performance or achievements of the Issuer or the SIA Group to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on those statements. The Issuer’s or the SIA Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of the Issuer, the Underwriters, the Trustee, the Agents or any other person represents or warrants that the Issuer’s or the SIA Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, each of the Issuer, the Underwriters, the Trustee and the Agents disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

Important factors concerning an investment in the Bonds or that could cause actual results to differ materially from the expectations of the Issuer are discussed in the section entitled “**Risk Factors**” of this Offer Information Statement.

DEFINITIONS

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“Agency Agreement”	:	The Agency Agreement to be entered into between (i) the Issuer, (ii) the Paying Agent, (iii) the Registrar and (iv) the Trustee, as amended, varied or supplemented from time to time
“Agents”	:	The Paying Agent and the Registrar
“ATM”	:	Automated teller machine
“Authority”	:	Monetary Authority of Singapore
“Bondholders”	:	A person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof)
“Bonds”	:	S\$300,000,000 in aggregate principal amount of 2.15 per cent. bonds due 2015 to be issued by the Issuer pursuant to the Offer
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	12.00 noon on 28 September 2010 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Issuer subsequent to the date of this Offer Information Statement), being the last time and date for application for the Bonds under both the Public Offer and the Placement
“Companies Act”	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Co-ordinating Bookrunners”	:	DBS Bank, OCBC Bank and UOB, as co-ordinating bookrunners of the Offer
“CPF”	:	Central Provident Fund
“CPF Funds”	:	The CPF account savings of CPF members including the moneys under the CPF Investment Scheme – Ordinary Account
“DBS Bank”		DBS Bank Ltd.
“Deed of Covenant”	:	The deed poll to be executed by the Issuer in favour of the relevant account holders, from time to time, of CDP in relation to the Bonds
“Directors”	:	The directors of the Issuer as at the date of this Offer Information Statement
“Electronic Application”	:	Application for the Bonds made by way of ATMs belonging to the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
“FRS”	:	Financial Reporting Standards

“FY”	:	Financial year ended or, as the case may be, ending 31 March
“Global Certificate”	:	The global certificate representing the Bonds and containing provisions which apply to the Bonds
“Issue Date”	:	The date of issue of the Bonds, expected to be 30 September 2010
“Issue Price”	:	The issue price of the Bonds, which is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds)
“Issuer” or “Singapore Airlines”	:	Singapore Airlines Limited
“ITA”	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
“Joint Lead Managers”	:	DBS Bank, OCBC Bank, SCB and UOB
“Latest Practicable Date”	:	14 September 2010, being the latest practicable date prior to the lodgment of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Master Depository Services Agreement”	:	The Master Depository Services Agreement to be entered into between the Issuer and CDP in relation to the Bonds
“Maturity Date”	:	The maturity date of the Bonds, expected to be 30 September 2015
“OCBC Bank”	:	Oversea-Chinese Banking Corporation Limited
“Offer”	:	The offer of S\$300,000,000 in aggregate principal amount of 2.15 per cent. bonds due 2015 pursuant to the Public Offer and the Placement
“Offer Information Statement”	:	This document, including any supplementary or replacement document issued by the Issuer in connection with the Bonds
“Participating Banks”	:	(i) DBS Bank (including POSB), (ii) OCBC Bank and (iii) UOB and its subsidiary, Far Eastern Bank Limited (collectively, the “UOB Group”)
“Paying Agent”	:	DBS Bank, acting in its capacity as the paying agent for the Bonds
“Placement”	:	The offering of the Bonds to institutional and other investors, outside the United States in reliance on Regulation S
“Placement Bonds”	:	Bonds offered under the Placement
“Placement Underwriters”	:	DBS Bank, OCBC Bank, SCB and UOB

“Placement Underwriting Agreement”	:	The underwriting agreement dated 21 September 2010 entered into in relation to the Placement between the Issuer and each of the Placement Underwriters, certain terms of which have been summarised in paragraph 7 of Part VI “The Offer and Listing - Plan of Distribution” of the Sixteenth Schedule section
“Public Offer”	:	The offering of the Bonds to the public in Singapore through Electronic Applications
“Public Offer Bonds”	:	Bonds offered under the Public Offer
“Public Offer Underwriters”	:	DBS Bank, OCBC Bank and UOB
“Public Offer Underwriting Agreement”	:	The underwriting agreement dated 21 September 2010 entered into in relation to the Public Offer between the Issuer and each of the Public Offer Underwriters, certain terms of which have been summarised in paragraph 7 of Part VI “The Offer and Listing - Plan of Distribution” of the Sixteenth Schedule section
“Registrar”	:	DBS Bank, acting in its capacity as the registrar for the Bonds
“Regulation S”	:	Regulation S under the Securities Act
“SATS Group”	:	Singapore Airport Terminal Services Limited and its subsidiaries
“SCB”	:	Standard Chartered Bank
“SEC”	:	U.S. Securities and Exchange Commission
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities Act”	:	The U.S. Securities Act of 1933, as amended, modified or supplemented from time to time, and the rules and regulations of the SEC promulgated thereunder
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SFR”	:	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended or modified from time to time
“SIA Cargo”	:	Singapore Airlines Cargo Pte Ltd
“SIAEC”	:	SIA Engineering Company Limited
“SIA Group”	:	The Issuer and its subsidiaries
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SilkAir”	:	SilkAir (Singapore) Private Limited
“Sixteenth Schedule section”	:	The section entitled “Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005” of this Offer Information Statement

“SRS”	:	Supplementary Retirement Scheme
“SRS Funds”	:	Moneys contributed to SRS accounts under the SRS
“Underwriting Agreements”	:	The Public Offer Underwriting Agreement and the Placement Underwriting Agreement
“Terms and Conditions”	:	The terms and conditions of the Bonds to be set out in the Trust Deed, the text of which (subject to completion and amendment) is set out in the section entitled “Terms and Conditions of the Bonds”
“Trust Deed”	:	The Trust Deed to be executed by the Issuer to constitute the Bonds and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of Bondholders
“Trustee”	:	The Trust Company (Asia) Limited, acting in its capacity as trustee for the Bondholders
“Underwriters”	:	The Public Offer Underwriters and the Placement Underwriters
“UOB”	:	United Overseas Bank Limited
“U.S.” or the “United States”	:	United States of America
“Euro”	:	The single currency of participating member states of the European Union
“GBP”	:	Pounds Sterling
“KRW”	:	Korean Won
“\$”, “S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” or “U.S. Dollar”	:	United States dollars, the lawful currency of the United States
“%” or “per cent.”	:	Per centum or percentage

The terms **“Depositor”** and **“Depository Agent”** shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

The term **“subsidiary”** shall have the meaning ascribed to it by Section 5 of the Companies Act.

The term **“Bondholder”** as used in this Offer Information Statement shall mean the person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof) or, as the context may require, an individual investor in the Bonds.

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 and *vice versa*. References to persons shall include corporations.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the SFR or the Listing Manual or any amendment or modification thereof and not otherwise defined

in this Offer Information Statement shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the SFR or the Listing Manual or such amendment or modification thereof, as the case may be.

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

SUMMARY OF THE OFFER AND THE BONDS

The following is a summary of the principal terms and conditions of the Bonds and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

The Offer

Issuer : Singapore Airlines Limited

Co-ordinating Bookrunners of the Offer and Bookrunners and Underwriters of the Public Offer : DBS Bank, OCBC Bank and UOB

Joint Lead Managers, Bookrunners and Underwriters of the Placement : DBS Bank, OCBC Bank, SCB and UOB

Offer : S\$300,000,000 in aggregate principal amount of Bonds. The Offer will be the first retail issue of bonds by the Issuer.

The timetable of the Offer may be extended, shortened or modified by the Issuer to such duration as it may think fit, with the approval of the SGX-ST (if required) and the agreement of the relevant Underwriters, and subject to any limitation under any applicable laws.

Public Offer : S\$50,000,000 in aggregate principal amount of Bonds offered at the Issue Price to the public by way of Electronic Applications, which will be fully underwritten by the Public Offer Underwriters at the Issue Price, on the terms and subject to the conditions contained in the Public Offer Underwriting Agreement.

Placement : S\$250,000,000 in aggregate principal amount of Bonds offered at the Issue Price to institutional and other investors, outside the United States in reliance on Regulation S, which will be fully underwritten by the Placement Underwriters at the Issue Price, on the terms and subject to the conditions contained in the Placement Underwriting Agreement.

Re-allocation : The aggregate principal amount of Bonds offered under each of the Public Offer and the Placement is subject to re-allocation in certain circumstances between the Public Offer and the Placement and may not reflect the actual aggregate principal amount of Bonds that will be allocated under the Public Offer or the Placement, as the case may be.

The actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the Bonds offered under the Public Offer are oversubscribed, the Issuer may, at its discretion and in consultation with the Co-ordinating Bookrunners, re-allocate up to S\$100,000,000 in aggregate principal amount of the Bonds from the Placement to the Public Offer to satisfy such excess demand under the Public Offer.

Unless indicated otherwise, all information in this Offer Information Statement assumes that no Bonds have been re-allocated between the Public Offer and the Placement.

Application and Payment Procedures

- : Applications for the Bonds under the Public Offer must be made by way of Electronic Applications. Applications for the Bonds under the Placement must be made directly through the Joint Lead Managers, who will determine, at their discretion, the manner and method for applications under the Placement. More details can be found in “**Terms, Conditions and Procedures for Application and Acceptance**” in Appendix E of this Offer Information Statement. The Bonds will be issued in denominations of S\$1,000 each. An application for the Bonds is subject to a minimum of (i) S\$10,000 in principal amount of Bonds per application under the Public Offer, and (ii) S\$100,000 in principal amount of Bonds per application under the Placement, or, in each case, higher amounts in integral multiples of S\$1,000 thereof.

The Issuer and the Underwriters reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications.

Applications for the Bonds under the Public Offer may be made from 9.00 a.m. on 22 September 2010 to 12.00 noon on 28 September 2010 (or such other time(s) and date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Public Offer Underwriters, decide). Please refer to the section entitled “**Expected Timetable of Key Events**” for more details. Prospective investors applying for the Bonds under the Public Offer must do so by way of Electronic Applications and follow the application procedures set out in “**Additional Terms and Conditions for Electronic Applications**” in Appendix E of this Offer Information Statement.

Applications for the Bonds under the Placement may be made from 12.00 noon on 21 September 2010 to 12.00 noon on 28 September 2010 (or such other time(s) and date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Placement Underwriters, decide). Please refer to the section entitled “**Expected Timetable of Key Events**” for more details. Prospective investors applying for the Bonds under the Placement must get in touch with any of the Joint Lead Managers directly.

Non-Usage of CPF Funds and SRS Funds

- : The Bonds are not eligible for inclusion under the CPF Investment Scheme – Ordinary Account. The Bonds are also not SRS eligible. Accordingly, prospective investors CANNOT use their CPF Funds or SRS Funds to pay the Issue Price to subscribe for the Bonds or to later purchase Bonds.

The Bonds

- Issue Size** : S\$300,000,000 in aggregate principal amount of Bonds.
- Issue Price** : S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). The Public Offer Bonds under the Public Offer are payable in full upon application while the Placement Bonds under the Placement are payable in full on or about the Issue Date unless otherwise agreed by the Issuer and the Joint Lead Managers.
- Maturity Date** : The Bonds have a term of five years and will mature on 30 September 2015.
- Interest** : The Bonds will bear interest from (and including) the Issue Date to (but excluding) the Maturity Date at a rate of 2.15 per cent. per annum payable semi-annually in arrear on each Interest Payment Date. The first interest payment date will be on 30 March 2011 and the last interest payment date will be on 30 September 2015.
- Interest Payment Dates** : 30 March and 30 September in each year.
- Form and Denomination** : The Bonds will be issued in registered form in denominations of S\$1,000 each or integral multiples thereof and will be represented on issue by a Global Certificate registered in the name of CDP, and deposited with CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Bonds. Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
- Status of the Bonds** : The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu* among themselves and equally with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- Redemption at Maturity** : Unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at 100 per cent. of its principal amount on the Maturity Date.
- Redemption for Taxation Reasons** : The Issuer may redeem all (but not some only) of the Bonds early if it becomes obliged to pay any additional amounts for taxation reasons as set out in the Terms and Conditions.
- Purchases** : The Issuer or any related corporation may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds may, at the option of the Issuer or the relevant related corporation, be held, resold and/or cancelled.

Clearing and Settlement : The Bonds will be represented by the Global Certificate. The Bonds will be held in book-entry form (by delivery of the Global Certificate to CDP) pursuant to the rules of the SGX-ST and CDP.

Listing of the Bonds : On 21 September 2010, the SGX-ST granted its in-principle approval for the listing of and quotation of the Bonds on the Main Board of the SGX-ST, subject to certain conditions.

Approval in-principle granted by the SGX-ST and the listing of and quotation of the Bonds are not to be taken as an indication of the merits of the Issuer, any other member of the SIA Group, the Bonds or the Offer. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

Trading of the Bonds : Upon the listing of and quotation of the Bonds on the Main Board of the SGX-ST, the Bonds, when issued, will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Bonds effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

The Bonds may also be traded over-the-counter on the Debt Securities Clearing and Settlement System (DCSS).

Taxation : All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any certificate presented for payment in certain circumstances as set out in the Terms and Conditions.

For further details, see the section entitled “**Singapore Taxation**”.

Events of Default : Please see Condition 9 of the Terms and Conditions (at pages 35 and 36) for more details.

Trustee : The Trust Company (Asia) Limited

Registrar	: DBS Bank
Paying Agent	: DBS Bank
Governing Law	: The Bonds shall be governed by, and construed in accordance with, the laws of Singapore.
Selling Restrictions	: Restrictions apply to offers, sales or transfers of the Bonds in various jurisdictions. In all jurisdictions, offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. For a description of certain restrictions on the offer and issue of the Bonds and the distribution of offering material relating to the Bonds, see the section entitled “ Subscription and Sale ” for more information.
Place of Booking	: Singapore. The office of the Issuer at which the issue of the Bonds will be booked is not subject to regulation or supervision by the Authority in Singapore.

WHERE TO OBTAIN FURTHER INFORMATION

If you have questions, please contact any of DBS Bank, OCBC Bank or the UOB Group at the numbers set out below, which are available 24 hours a day, seven days a week from the date of this Offer Information Statement until the Closing Date, being 28 September 2010.

DBS Bank Tel: 1800 339 6666 (POSB) Tel: 1800 111 1111 (DBS Bank)	OCBC Bank Tel: 1800 363 3333	UOB Group Tel: 1800 2255 862 (1800 CALL UOB)
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Please note that the applicable rules and regulations in Singapore do not allow the persons manning the above numbers to give advice on the merits of the Offer, the Bonds, the Issuer or any other member of the SIA Group or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your business, legal, tax, financial or other professional adviser.

A printed copy of this Offer Information Statement may be obtained on request, subject to availability, during operating hours from selected branches of DBS Bank (including POSB), OCBC Bank and the UOB Group. A copy of this Offer Information Statement is also available on the Authority's OPERA website <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

EXPECTED TIMETABLE OF KEY EVENTS

Lodgment of Offer Information Statement	: 21 September 2010
Opening date and time for applications for the Bonds under the Public Offer	: 22 September 2010 at 9.00 a.m.
Opening date and time for applications for the Bonds under the Placement	: 21 September 2010 at 12.00 noon
Last date and time for applications for the Bonds under the Public Offer	: 28 September 2010 at 12.00 noon
Last date and time for applications for the Bonds under the Placement	: 28 September 2010 at 12.00 noon
Balloting of applications under the Public Offer, if necessary (in the event of an over-subscription of the Bonds). Commence returning or refunding of application moneys to unsuccessful or partially successful applicants	: 29 September 2010
Expected Issue Date of the Bonds	: 30 September 2010
Expected date of commencement of trading of the Bonds on the Main Board of the SGX-ST	: 1 October 2010

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Issuer does not expect the above timetable to be modified. However, the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the relevant Underwriters, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the relevant Underwriters, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider all the information set forth in this Offer Information Statement including the following risk factors that may affect the business, operational results, financial position, performance or prospects of Singapore Airlines or the SIA Group. As the market value of the Bonds is affected by, amongst other things, interest rates, liquidity, exchange rates and Singapore Airlines' business performance, these risk factors could have an effect on the value of the Bonds. The Bonds are thus not considered to be risk-free. The risk factors set out below do not purport to be an exhaustive or comprehensive list of all the risks that may be involved in the business of Singapore Airlines or the SIA Group, or any decision to purchase, own or dispose of the Bonds. There may be additional risks which Singapore Airlines is currently unaware of which may also impair its, or the SIA Group's, business, operational results, financial position, performance or prospects. Prospective investors are advised to consider the nature of their prospective investment in relation to all risks. If any of the following risk factors develop into actual events, the business, operational results, financial position, performance or prospects of Singapore Airlines and/or the SIA Group could be materially and adversely affected. In such cases, the ability of Singapore Airlines to comply with its obligations under the Trust Deed and the Bonds may be adversely affected.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Bonds but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Bonds for their particular circumstances.

Limitations of this Offer Information Statement

This Offer Information Statement is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Bonds only after he has determined that such investment is suitable for his investment objectives. Determining whether an investment in the Bonds is suitable is a prospective investor's responsibility. Neither this Offer Information Statement nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Bonds (nor any part thereof) should be considered as a recommendation by Singapore Airlines, any other member of the SIA Group, the Underwriters or any person affiliated with each of them that any recipient of this Offer Information Statement or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Bonds.

Any recipient of this Offer Information Statement contemplating subscribing for or purchasing or selling any of the Bonds should determine for himself the relevance of the information contained in this Offer Information Statement and any such other document or information (or any part thereof), and his investment should be, and shall be deemed to be, based solely upon his own independent investigation of the financial condition and affairs, and his own appraisal of the creditworthiness of Singapore Airlines, any other member of the SIA Group, the terms and conditions of the Bonds and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with his legal, tax and financial advisers prior to deciding to make an investment in the Bonds.

RISKS RELATING TO SINGAPORE AIRLINES AND/OR THE SIA GROUP

Geo-political events may affect demand for air travel

The SIA Group's business consists substantially of carriage of passengers and freight globally. It will be affected if there is a widespread reduction in the demand for air travel arising from geo-political events that discourage air travel, or that prevent the SIA Group from delivering its services.

Epidemics and natural or other calamities can cause customers and businesses to cancel or postpone international air travel

The outbreak of any contagious disease with human-to-human airborne or contact propagation effects (e.g. mutation of the Avian Flu H5N1 virus) that escalates into a regional or global pandemic may have an adverse impact on all airlines, including Singapore Airlines and SilkAir, that operates to/from affected areas/regions. Air travel will be severely reduced even though international and national response plans to address such events have been developed or are in development. Other natural calamities such as earthquakes, floods, volcanic eruptions or tsunamis may significantly reduce travel over a period of time. Terrorism and war (and threats of terrorism and war) and civil/political strife may also contribute to a

fear of travelling by air, or visiting particular destinations, resulting in a sharp fall in demand for air travel. These events may also result in the closure or restriction of access to airspace or airports. Given that the SIA Group's services depend on the availability of these facilities, its business and operations could be adversely affected by the occurrence of such events.

The airline industry tends to experience adverse financial performance during general economic downturns

International air transportation is intimately linked and correlated with economic growth. Growth or decline in economic activity directly affects demand for business travel by air and for cargo space. Economic downturns can also impact leisure travel as discretionary income is affected.

Since a substantial portion of airline travel, for both business and leisure, is discretionary, the airline industry tends to experience adverse financial performance during general economic downturns. It is difficult to predict the ongoing effects of economic downturns.

The financial crisis in the United States in 2008 and ensuing global recession, and the potential sovereign credit default situation in Europe, are examples of events that may cause or develop into economic declines that could adversely affect the SIA Group's business, financial position and financial performance.

The international aviation market is highly competitive

The SIA Group's hub location in Changi, Singapore, enjoys geographical advantages in linking traffic between regions. Changi Airport faces competition from the development and growth of other hub airports in the Asia-Pacific and/or the Middle East that may draw traffic away or allow traffic to bypass Changi Airport. A decline in traffic may be experienced by the SIA Group should international air traffic patterns shift to other airports and bypass Changi Airport.

The international aviation market is highly competitive. As an international full service carrier, Singapore Airlines competes for passengers with other major full service airlines. Any liberalisation of traffic rights or change of traffic pattern in respect of a major route that the SIA Group operates may result in increasing competition or loss in demand on that route. A significant and prolonged reduction in yields or loss of market share to competitors would impact the SIA Group's operational results.

Airlines with different business models are emerging as potential threats to full service airlines. Such business models include so called low cost airlines and all premium class airlines offering similar routes. Low cost airlines may compete on short haul sectors of up to approximately four hours, or on long haul sectors including Asia-Europe or Asia-Australia. Singapore Airlines believes that the impact of these developments has not been fully played out, particularly in Asia where regulatory constraints and competitive fares still pose major obstacles to such airlines.

The airline industry is a highly regulated industry that may require significant costs to be incurred in meeting existing and new regulations

Safety, environmental and similar regulations impose significant requirements and compliance costs on the SIA Group's business. The airline industry is subject to extensive regulation and Singapore Airlines has little influence over the regulations that apply to it.

For the SIA Group to maintain their air operators' certificates, it has to comply with regulations in Singapore and internationally. These regulations deal mainly with safety issues – from aircraft airworthiness to training of crew. Further, regulatory intervention on environmental issues may become increasingly important. Changes in such regulations, or the administration of such regulations, or the introduction of new laws or regulations could have an adverse impact on the SIA Group's business by increasing costs, impeding normal service, restricting market access and benefiting its competitors.

Increased jet fuel prices may have a significant impact on the SIA Group's earnings

The SIA Group's earnings are affected by changes in the price of jet fuel – for the financial year ended 31 March 2010, a change in price of one U.S. Dollar per barrel of jet fuel would have affected SIA Group's annual fuel costs by S\$44.9 million. Jet fuel prices are subject to many economic and political factors and

events occurring throughout the world that the SIA Group can neither control nor accurately predict, and the SIA Group faces a risk that fuel prices will increase significantly and remain chronically high over the long term.

The SIA Group's strategy for managing the fuel price risk aims to provide the SIA Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps and options with approved counterparties and within approved credit limits. The SIA Group manages this fuel price risk by using swap and option contracts and hedging up to 13 months forward. However, these arrangements do not completely protect the SIA Group against volatility in the price of jet fuel. There can be no assurance that the SIA Group will be able to manage its exposure to fuel costs effectively.

Fluctuations in foreign exchange rates may have an impact on the financial performance of the SIA Group

The SIA Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For FY2010, these accounted for 62.4% of total revenue and 58.6% of total operating expenses. The SIA Group's largest exposures are from U.S. Dollars, Euro, GBP, Swiss Franc, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan, Korean Won and Malaysian Ringgit. For FY2010, the SIA Group generated a surplus in all of these currencies, with the exception of U.S. Dollars. The deficit in U.S. Dollars is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in U.S. Dollars.

The SIA Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for U.S. Dollars and Singapore Dollars. The SIA Group also uses forward foreign currency contracts and foreign currency option contracts to hedge a portion of its future foreign exchange exposure. There can be no assurance that the SIA Group will be able to manage its exposure to the effects of foreign exchange rate fluctuations effectively.

Fluctuations in interest rates may have an impact on the financial performance of the SIA Group

The SIA Group's earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The SIA Group enters into interest rate swaps contracts and interest rate caps contracts to manage interest rate costs on its financial assets and liabilities, with the prior approval of the Board Executive Committee or Boards of subsidiary companies. As at 31 March 2010, the majority of the SIA Group's interest-bearing financial liabilities with maturities above one year had fixed rates of interest. There can be no assurance that the SIA Group will be able to manage its exposure to interest rates effectively.

The investments of the SIA Group are subject to market price risk

The SIA Group owned S\$140.6 million in available-for-sale investments as at 31 March 2010. The market risk associated with these investments is the potential loss resulting from a decrease in market prices.

The SIA Group is exposed to counterparty and credit risk

The SIA Group deals with many counterparties in the ordinary course of its business and is therefore exposed to the credit risk of such counterparties. Any default by a counterparty on its obligations owing the SIA Group may have an adverse effect on the operating results and/or the financial condition of the SIA Group.

Surplus funds are invested in interest-bearing bank deposits and other high quality short-term liquid investments. Counterparty risks are managed by limiting aggregated exposure on all outstanding financial instruments to any individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary. This mitigates the risk of material loss arising in the event of non-performance by counterparties.

The sale of passenger and cargo transportation is largely achieved through International Air Transport Association (“**IATA**”) accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. Receivables and payables among airlines are generally settled either bilaterally or via the IATA clearing house, and are generally netted and settled at weekly intervals, which lead to a clear reduction in the risk of default.

Inadequate liquidity could negatively impact on the business and financial position of the SIA Group

As at 31 March 2010, the SIA Group had at its disposal, cash and short-term deposits amounting to S\$4,471.9 million. In addition, the SIA Group had available short-term credit facilities of about S\$535.1 million. Singapore Airlines also has a S\$1,000,000,000 multi-currency medium term note programme of which S\$500.0 million in aggregate principal amount of notes have been issued in July 2010. Under this multi-currency medium term note programme, notes issued by Singapore Airlines may have maturities as may be agreed with the relevant financial institutions. There can be no assurance that liquidity risks can be fully mitigated.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE BONDS

Suitability of the Bonds

The purchase of the Bonds involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Investors should ensure that they fully understand the nature of all these risks before making a decision to invest in the Bonds. This Offer Information Statement is not and does not purport to be investment advice. Investors should conduct such independent investigation and analysis regarding the Bonds as they deem appropriate. Investors should also consult their own legal, tax, accounting, financial and other professional advisers to assist them in determining the suitability of the Bonds for them as an investment. Investors should make an investment only after they have determined that such investment is suitable for their financial investment objectives. Investors should consider carefully whether the Bonds are suitable for them in light of their experience, objectives, financial position and other relevant circumstances.

Singapore Airlines’ ability to meet its payment obligations under the Bonds

Singapore Airlines expects that its cash flow from operations will be sufficient for it to service and repay all its financial obligations (including the Bonds) as and when they fall due. However, in the event Singapore Airlines suffers deterioration in its financial condition, there is no assurance that Singapore Airlines will have sufficient cash flow to meet payments under the Bonds.

No prior market for and limited liquidity of the Bonds

The Bonds comprise a new issue of securities for which there is currently no established secondary market. There can therefore be no assurance that a secondary market will develop or, if a secondary market does develop, as to the liquidity of that market for the Bonds or that it will continue for the entire tenure of the Bonds. Furthermore, there can be no assurance as to the ability of investors to sell, or the prices at which investors would be able to sell, their Bonds. The Bonds are expected to be listed on the Main Board of the SGX-ST from 1 October 2010, being three days after the Closing Date.

There can be no assurance regarding the development after the Issue Date of the market for the Bonds issued or the ability of the Bondholders or the price at which the Bondholders may be able to sell their Bonds.

The market value of the Bonds may be subject to fluctuation

Trading prices of the Bonds may be influenced by numerous factors, including (i) the market for similar securities, (ii) the respective operating results and/or financial conditions of the SIA Group and (iii) political, economic, financial and any other factors that can affect the capital markets, the industry and the SIA Group. Adverse economic developments in Singapore as well as countries in which the SIA Group operates or has business dealings could have a material adverse effect on the operating results and/or the financial condition of the SIA Group and the market value of the Bonds. As a result, the market price of the Bonds may be above or below the Issue Price.

An investment in the Bonds is subject to interest rate risk

Bondholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. The Bonds are fixed income securities and may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds. The market value of the Bonds may be similarly affected which may result in a capital loss for Bondholders. Conversely, when interest rates fall, the prices of the Bonds and the prices at which the Bonds trade may rise. Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

An investment in the Bonds is subject to inflation risk

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual real returns.

Singapore Taxation

Subject to the fulfilment of certain conditions more particularly described in the section entitled “**Singapore Taxation**” of this Offer Information Statement, the Bonds are proposed to be issued as “qualifying debt securities” for the purposes of the ITA. However, there is no assurance that such Bonds will continue to be “qualifying debt securities” or that the tax concessions in connection therewith will apply throughout the tenure of the Bonds should the relevant tax laws be amended or revoked at any time.

Consequences of Non-availability of Definitive Bond Certificates in respect of Bonds

The Bonds will be in the form of the Global Certificate, and no definitive bond certificates will be issued under any circumstances unless (i) an event of default under the Bonds has occurred and is continuing, (ii) CDP (or any other clearing system (an “**alternative clearing system**”) as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by the Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) CDP announces an intention to permanently cease business and no alternative clearing system is available or (iv) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Bonds and to continue performing its duties set out in the Master Depository Services Agreement and no alternative clearing system is available. **Individual Bondholders must hold their Bonds in a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. For the purpose of the initial allocation of the Bonds, investors under the Public Offer must already have, or must open, a direct Securities Account with CDP.** See the section entitled “**Clearing, Settlement and Custody**” of this Offer Information Statement for further details. An investor’s ability to pledge his interest in the Bonds to any person or otherwise to take action in respect of his interest may be affected by the lack of any definitive bond certificates.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Bonds credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor’s accounts maintained with it to secure any amounts which may be owing by such investor to it.

For so long as the Bonds are represented by the Global Certificate held through CDP, notices that are required to be given to the Bondholders shall be given by being (i) despatched by prepaid registered post (by airmail if to another country) to persons who are for the time being shown in the records of CDP as the holders of the Bonds or (ii) published in a leading English language daily newspaper published in Singapore. Where the Bonds are held by an investor in a securities sub-account with a Depository Agent, for notices under (i) above, such investor will have to rely on his Depository Agent to distribute notices to him which it receives through CDP from Singapore Airlines. Singapore Airlines, the Underwriters, the Trustee, the Registrar and the Paying Agent accept no responsibility for any failure or delay on the part of the Depository Agents in doing so.

For so long as the Bonds are represented by the Global Certificate held through CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Bonds shall be treated as the holder of that principal amount of Bonds for all purposes other than with

respect to the payment of principal or interest on such principal amount in respect of the Bonds. Where the Bonds are held by an investor in his direct Securities Account with CDP, payments in respect of the Bonds will be credited through CDP from Singapore Airlines. Where the Bonds are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. Singapore Airlines, the Underwriters, the Trustee, the Registrar and the Paying Agent accept no responsibility for any failure or delay on the part of the Depository Agents in performing their contractual duties to investors.

Anti-money laundering and terrorism

The Trustee may, but shall not be obliged to, take and instruct any delegate to take any action which the Trustee in its sole discretion considers appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities, including but not limited to the interception and investigation of transactions on the depositor's accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of fund paid into or out of the depositor's accounts. There is a risk that such action may delay or prevent the processing of the depositor's instructions, the settlement of transactions over the depositor's accounts or the Trustee's performance of its obligations under the Trust Deed. In such circumstances, the Trust Deed provides that any delay in the payment by Singapore Airlines under the Trust Deed or the Bonds which is caused by the Trustee taking such action shall not in itself constitute an event of default under the Bonds or a breach of any provisions of the Trust Deed or the Bonds and that Singapore Airlines shall not be liable for any further interest (including default interest) on the Bonds resulting from such non-payment by the Trustee.

Performance of contractual obligations by Singapore Airlines is dependent on other parties

The ability of Singapore Airlines to make payments in respect of the Bonds may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Registrar and/or the Paying Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve Singapore Airlines of its obligations to make payments in respect of the Bonds, Singapore Airlines may not, in such circumstances, be able to fulfil its obligations to the Bondholders.

CLEARING, SETTLEMENT AND CUSTODY

The following is a summary of the clearance, settlement and custody arrangements for the Bonds.

Clearance and Settlement through CDP

The Bonds, upon being accepted for clearance by CDP, will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

The entire issue of the Bonds, upon being accepted for clearance by CDP, is to be held by CDP in the form of the Global Certificate for persons holding the Bonds in Securities Accounts with CDP (the "**Depositors**"). Delivery and transfer of the Bonds between Depositors is by electronic book-entries in the records of CDP only, as reflected in the Securities Accounts of Depositors. Although CDP encourages settlement on the third Market Day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Bonds through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Bonds in such securities sub-accounts for themselves and their clients. Accordingly, the Bonds for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Bonds in direct Securities Accounts with CDP, and who wish to trade such Bonds through the Depository System, must transfer such Bonds to be traded from such direct Securities Accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Bonds in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Agents for the Bonds or any other agents will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Custody Arrangements with Depository Agents

Definitive Bonds, or certificates representing Bonds, will not be issued to individual holders of Bonds (except in the limited circumstances described in the provisions of the Global Certificate). The Bonds will be represented by the Global Certificate representing the total principal amount of the Bonds which will be registered in the name of, and deposited with, CDP.

The Bonds, as represented by the Global Certificate, will be credited to the accounts of the Bondholders with CDP. For so long as the Bonds are represented by the Global Certificate held through a clearing system, the Depository Agents and individual Bondholders with direct Securities Accounts, will be treated as holders of the Bonds for all purposes other than with respect to the payment of principal, interest or other amounts in respect of the Bonds, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate.

Clearing Fees

A clearing fee for the trading of the Bonds on the Main Board of the SGX-ST is payable at the rate of 0.04 per cent. of the transaction value, subject to a maximum of S\$600 per transaction. The clearing fee may be subject to goods and services tax at the prevailing rate (currently seven per cent.).

TRADING

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation of the Bonds on the Main Board of the SGX-ST, subject to certain conditions. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST and the listing of and quotation of the Bonds on the Main Board of the SGX-ST are not to be taken as an indication of the merits of the Issuer, any other member of the SIA Group, the Bonds or the Offer.

Upon the listing of and quotation of the Bonds on the Main Board of the SGX-ST, the Bonds will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. The Bonds may also be traded over-the-counter on the Debt Securities Clearing and Settlement System (DCSS). All dealings in and transactions (including transfers) of the Bonds effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

Dealings in the Bonds will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts.

An investor may open a direct Securities Account with CDP or a securities sub-account with any Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

In addition, the Bonds will be represented by the Global Certificate registered in the name of, and deposited with, CDP and, except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Bonds. Accordingly, prospective investors who wish to subscribe for the Bonds under the Public Offer must already have, or must open, a Securities Account with CDP directly.

Prospective investors who wish to open a Securities Account with CDP directly must do so personally at CDP's office at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Further details can be obtained as follows:

- (i) CDP's hotline at 6535 7511, which is available on Mondays to Fridays from 8.30 a.m. to 5.00 p.m. and on Saturdays from 9.00 a.m. to 12.30 p.m. The hotline is not available on Sundays and public holidays; or
- (ii) CDP's website at <http://www.cdp.com.sg>.

For so long as the Bonds are represented by the Global Certificate held through CDP, interest payable on the Bonds will be determined based on each Bondholder's aggregate holdings in his direct Securities Account. CDP will credit interest payments to a Bondholder into the bank account linked to his Securities Account, or send the Bondholder a cheque by ordinary mail if there is no such link. Investors who wish to apply for a bank account to be linked to their Securities Account may submit a completed application form which may be obtained from CDP. Where the Bonds are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with interest payments.

SUBSCRIPTION AND SALE

The following section contains the selling restrictions on the offer of the Bonds and the distribution of offering materials in various jurisdictions.

GENERAL

This Offer Information Statement does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Bonds in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been taken or will be taken under the requirements of the legislation or regulation of, or of the legal regulatory requirements of any jurisdiction to permit an offering of the Bonds to occur in any jurisdiction (other than Singapore), or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to the Issuer or the Bonds in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority.

Accordingly, the Bonds may not be delivered, offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Bonds may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal advisers prior to applying for the Bonds or making any offer, sale, resale or other transfer of the Bonds.

Each person who purchases the Bonds shall do so in accordance with the securities regulations in each jurisdiction applicable to it.

This Offer Information Statement and/or its accompanying documents are made available to investors solely for their information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

UNITED STATES

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

HONG KONG

Each Underwriter has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong (the “**Securities and Futures Ordinance**”) and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance, Chapter 32 of Hong Kong (the “**Companies Ordinance**”), or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, any advertisement, invitation or document relating to the Bonds, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under

the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Authority in force as at the date of this Offer Information Statement and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offer Information Statement are intended or are to be regarded as advice on the tax position of any holder of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Bonds are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Bonds, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Underwriters and any other persons involved in this Offer Information Statement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

1. INTEREST AND OTHER PAYMENTS

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17% with effect from year of assessment 2010. The applicable rate for non-resident individuals is 20%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the issue of the Bonds is jointly lead-managed by DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and United Overseas Bank Limited, each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), and is issued as debt securities before 31 December 2013, the Bonds would be “**qualifying debt securities**” for the purposes of the ITA, to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the “**Comptroller**”) may direct, of a return on debt securities for the Bonds within such period as the Comptroller may specify and such other particulars in connection with such Bonds as the Comptroller may require to the Comptroller and the Authority and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Bonds is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Bonds using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Bonds derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Bonds within such period as the Comptroller may specify and such other particulars in connection with the Bonds as the Comptroller may require to the Comptroller and the Authority), Qualifying Income from such Bonds made by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10%; and
- (iii) subject to:
 - (aa) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (bb) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and the Authority a return on debt securities for the Bonds within such period as the Comptroller may specify and such other particulars in connection with the Bonds as the Comptroller may require,

Qualifying Income derived from the Bonds is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (A) if during the primary launch of the Bonds, the Bonds are issued to fewer than four persons and 50% or more of the issue of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as “qualifying debt securities”; and

(B) even though the Bonds are “qualifying debt securities”, if, at any time during the tenure of the Bonds, 50% or more of the issue of the Bonds is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Bonds held by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

“**break cost**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“**prepayment fee**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“**redemption premium**”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Bonds without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Bonds is not exempt from tax is required to include such income in a return of income made under the ITA.

2. CAPITAL GAINS

Any gains considered to be in the nature of capital made from the sale of the Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Bonds who are adopting Singapore Financial Reporting Standard 39 (“**FRS 39**”), may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Bonds, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 treatment for Singapore income tax purposes”.

3. ADOPTION OF FRS 39 TREATMENT FOR SINGAPORE INCOME TAX PURPOSES

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Bonds who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

4. ESTATE DUTY

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions which, subject to completion and amendment, will be endorsed on the reverse of each Bond in definitive form (if issued):

The S\$300,000,000 2.15 Per Cent. Bonds Due 2015 (the “**Bonds**”) of Singapore Airlines Limited (the “**Company**”) are constituted by a Trust Deed (the “**Trust Deed**”) dated 30 September 2010 made between (1) the Company and (2) The Trust Company (Asia) Limited (the “**Trustee**”, which expression shall wherever the context so admits include all persons for the time being the trustee or trustees under the Trust Deed), as trustee for the holders of the Bonds (the “**Bondholders**”). The issue of the Bonds was authorised by resolutions of the Board of Directors of the Company passed on 13 September 2010.

Certain provisions of these terms and conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds in definitive form and which also includes provisions which are not summarised herein. The Bonds are issued with the benefit of a Deed of Covenant (the “**Deed of Covenant**”) dated 30 September 2010 executed by the Company. Payments in respect of the Bonds will be made pursuant to an Agency Agreement (the “**Agency Agreement**”) dated 30 September 2010 made between (1) the Company, (2) DBS Bank Ltd., as paying agent (the “**Paying Agent**”, which expression shall wherever the context so admits include any successor paying agent under the Agency Agreement), (3) DBS Bank Ltd., as registrar (the “**Registrar**”, which expression shall wherever the context so admits include any successor registrar under the Agency Agreement), and (4) the Trustee.

Copies of the Trust Deed, the Agency Agreement, the Master Depository Services Agreement (the “**Master Depository Services Agreement**”) dated 30 September 2010 made between (1) the Company and (2) The Central Depository (Pte) Limited (the “**Depository**”) and the Deed of Covenant are available for inspection during normal business hours at the principal office of the Trustee and during normal business hours (with prior appointment) at the specified office of the Paying Agent for the time being. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant and are deemed to have notice of those applicable to them of the Agency Agreement and the Master Depository Services Agreement.

1. **Form, Denomination, Title and Transfer**

(A) **Form and Denomination**

The Bonds are issued in registered form in denominations of S\$1,000 each or integral multiples thereof. The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 1(C), each Certificate shall be numbered serially and represent the entire holding of the Bonds by the same holder.

For so long as any of the Bonds is represented by the Global Certificate held by the Depository, transfers of beneficial interests in the Global Certificate will be effected only through records maintained by the Depository and each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Company, the Trustee, the Paying Agent and the Registrar as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount of such Bonds, for which purpose the holder of the Global Certificate shall be treated by the Company, the Trustee, the Paying Agent and the Registrar as the holder of such principal amount of such Bonds in accordance with and subject to the terms of the Global Certificate and the expressions “**Bondholder**” and “**holder of Bonds**” and related expressions shall be construed accordingly. Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository and any records maintained by the Depository or the Depository’s service providers relating to or connected with the Bonds shall, save in the case of manifest error, be binding and conclusive for all purposes.

(B) **Title**

Title to the Bonds shall pass by transfer and registration in the register that the Company shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate representing it or on the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” or “**holder of any Bond**” or “**holder**” means the person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof).

(C) **Transfers**

One or more Bonds may be transferred in whole or in part upon the surrender (at the specified office of the Registrar) of the Certificate representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate, (or such other forms of transfer in substantially the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Company), duly completed and executed and any other evidence which the Registrar may reasonably require. No transfer of title to any Bond will be valid or effective unless and until entered on the Register. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor; provided that, in the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.

(D) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 1(C) shall be available for delivery within five business days of receipt of a duly completed request for exchange or form of transfer or the surrender of the original Certificate(s) for exchange together with satisfaction of any other requirements imposed by these Conditions. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar to whom delivery or surrender of such request for exchange, form of transfer, or original Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify.

In this Condition 1(D), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar.

(E) **No Charge**

Save as provided in the Agency Agreement, Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Company or the Registrar but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

(F) **Closed Periods**

No Bondholder may require the transfer of a Bond to be registered during (i) the period of 15 days ending on (and including) the due date for any payment of principal or interest in respect of the Bonds, (ii) after the Bonds have been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(A)).

2. **Status of the Bonds**

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company. The Bonds shall at all times rank *pari passu* among themselves and equally with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

3. **Negative Pledge**

The Company has covenanted in the Trust Deed that so long as any Bond remains outstanding (as defined in the Trust Deed), the Company shall not create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**security**"), except for any Permitted Security, on or over its undertaking, assets, property or revenues, present or future, unless, at the same time or prior thereto, the Company's obligations under the Bonds and the Trust Deed (1) are secured equally and rateably therewith to the satisfaction of the Trustee or (2) have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

"**Permitted Security**" means any of the following:

- (i) any security over any fixed asset existing as at the date of the Trust Deed and disclosed to the Trustee in writing on or prior to the date of the Trust Deed (but, except with the prior consent of the Trustee, the amount secured by such security may not be increased);
- (ii) any security over any fixed asset arising solely by operation of law;
- (iii) any security created over any fixed asset acquired by it after the date of the Trust Deed for the sole purpose of financing that acquisition and securing an amount not exceeding the cost of that acquisition;
- (iv) any security created over any asset to secure any of its indebtedness provided that the aggregate amount of the assets securing such indebtedness shall not at any one time exceed an amount equal to 33 per cent. of the Total Fixed Assets; and
- (v) any other security created or outstanding over any fixed asset approved by an Extraordinary Resolution.

In this Condition 3:

- (i) "**Aircraft Amount**" means the aggregate book value, net of depreciation, of aircraft, spares and spare engines, all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited); and
- (ii) "**Total Fixed Assets**" means the Aircraft Amount and the aggregate book value, net of depreciation, of fixed assets (other than aircraft, spares and spare engines), investments in subsidiary companies, associated companies and joint ventures of the Company, and long term investments, all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited)

4. **Interest**

Each Bond bears interest as from 30 September 2010 at the rate of 2.15 per cent. per annum, payable semi-annually in arrear on 30 March and 30 September in each year. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 5, such payment is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with the rate aforesaid (both before and after judgment) until whichever is the earlier of (a) the day on which payment of all sums due in respect of such Bond up to that day is made and (b) the day seven days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 365-day year and the actual number of days elapsed.

5. **Redemption and Purchase**

(A) **Mandatory Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Company shall redeem the Bonds at their principal amount on 30 September 2015 (the “**Maturity Date**”).

The Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this Condition (but without prejudice to Condition 9).

(B) **Redemption for Taxation Reasons**

The Company may redeem all (but not some only) of the Bonds at any time on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the date of issue of the Bonds and (ii) such obligations cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee a certificate signed by a duly authorised officer of the Company stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Company has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(C) **Purchases**

The Company and any of its related corporations may at any time purchase Bonds at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Bonds purchased by the Company or any of its related corporations may be surrendered by the purchaser through the Company to the Paying Agent for cancellation or may at the option of the Company or relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislature, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(D) **Cancellation**

All Certificates representing Bonds purchased by or on behalf of the Company or its related corporations may be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Company in respect of any such Bonds shall be discharged.

6. **Payments**

(A) **Principal and Interest**

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) below.

- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in Singapore dollars by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar before the Record Date, such payment of interest may be made by transfer to an account in Singapore dollars maintained by the payee with a bank.
 - (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Company or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (B) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (C) **Payment Initiation:** Where payment is to be made by transfer to an account in the relevant currency, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of the Registrar, on a day on which the Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (D) **Paying Agent**
- The name of the initial Paying Agent and its specified office are set out at the end of these Conditions. The Paying Agent and the Registrar act solely as agents of the Company and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Company reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another or additional Paying Agents, all in accordance with the terms of the Agency Agreement, provided that they will at all times maintain a Paying Agent having a specified office in Singapore. Notice of any such termination or appointment and of any changes in the specified offices of the Paying Agents will be given to the Bondholders in accordance with Condition 12.
- The Agency Agreement may be amended by the Company, the Trustee, the Paying Agent and the Registrar without the consent of any Bondholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Company and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Company and the Trustee, materially and adversely affect the interests of the Bondholders.
- (E) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a business day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 6(A)(ii) arrives after the due date for payment.
- (F) **Payment on Business Days**
- If any date for payment in respect of any Bond is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In these Conditions, “**business day**” means a day (other than Saturday or Sunday or public holiday) on which commercial banks are open for business in Singapore.

7. **Taxation**

All payments of principal and interest by or on behalf of the Company in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or

within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Company shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Certificate presented for payment:

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of it being connected with Singapore otherwise than by reason only of the holding of such Bond or the receipt of any sums due in respect of such Bond (including, without limitation, the holder being a resident of, or having a permanent establishment in, Singapore); or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond for payment on the last day of such period of 30 days; or
- (c) **Declaration of Residence:** by or on behalf of a holder to whom payment may be made free and clear of such withholding or deduction by making a declaration of residence or other similar claim for exemption and does not make such declaration or claim.

As used in these Conditions, “**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Bondholders in accordance with Condition 12 that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender. Any reference in these Conditions to “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition 7 or pursuant to any undertaking given by the Company in addition to or substitution for it under the Trust Deed.

8. **Prescription**

Claims against the Company for payment in respect of the Bonds shall be prescribed and become void unless made within three years from the appropriate Relevant Date in respect thereof.

9. **Events of Default**

The Trustee at its discretion may, and (i) if so requested in writing by the holders of at least 25 per cent. in principal amount of the Bonds then outstanding subject to such holders holding an aggregate principal amount of Bonds of not less than S\$50,000,000 or (ii) if so directed by an Extraordinary Resolution shall (subject to it being indemnified and/or secured by the Bondholders to its satisfaction), give notice to the Company that the Bonds are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, if any of the following events (“**Events of Default**”) shall have occurred and is continuing:

- (a) the Company fails to pay (i) any principal sum payable on or in respect of any of the Bonds within seven days of its due date, or (ii) interest on or in respect of the Bonds within 14 days of its due date; or
- (b) the Company does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Company by the Trustee; or

- (c) an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or for the judicial management of the Company or the Company ceases or makes a decision to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or
- (d) (i) any other present or future indebtedness of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, Provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more events mentioned above in this paragraph (d) have occurred equals or exceeds S\$50,000,000 or its equivalent; or
- (e) the Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or expressly declares its intention to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the debts of the Company; or
- (f) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done, unless such consent is no longer required or applicable; or
- (g) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company on or over all or a material part of the assets of the Company becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, judicial manager or other similar person); or
- (h) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the undertaking, property, assets or revenues of the Company and is not discharged or stayed within 30 days (or such longer period as the Trustee may permit); or
- (i) it is or will become unlawful for the Company to perform or comply with any one or more of its payment or other material obligations under the Bonds or the Trust Deed; or
- (j) any governmental authority or agency or court seizes, compulsorily acquires, expropriates or nationalises all or a material part of the assets of the Company; or
- (k) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

10. **Enforcement**

At any time after the Bonds shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Company as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in principal amount of the Bonds for the time being outstanding, and (b) it shall have been indemnified and/or secured by or on behalf of the

Bondholders to its satisfaction. No Bondholder may proceed directly against the Company unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

11. Replacement of Bonds

Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange or other relevant regulatory requirements, at the specified office of the Registrar or the Paying Agent (or at the specified office of such other person as may from time to time be designated by the Company for the purpose and notice of whose designation is given to the Bondholders in accordance with Condition 12) upon payment by the claimant of the costs, expenses and duties as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Bond is subsequently surrendered for payment, there will be paid by the claimant to the Company on demand the amount paid or payable by the Company in respect of such Bond) and otherwise as the Company may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Notices

(a) All notices to the Bondholders will be valid if:

- (i) despatched by prepaid registered post (by airmail if to another country) to holders of Bonds at their addresses appearing in the Register (in the case of joint holders to the address of the holder whose name stands first in the Register); or
- (ii) published in a leading English language daily newspaper published in Singapore. The Company shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which any Bonds are for the time being listed.

Any notice given under paragraph (a)(i) above will be deemed to have been given five days following the date of despatch to the holders of Bonds and any notice given under paragraph (a)(ii) will be deemed to have been given on the date of the first publication. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

(b) Until such time as any Certificates are issued and for so long as the Global Certificate representing the Bonds are held in their entirety by the Depository, notices to Bondholders will only be valid if:

- (i) despatched by prepaid registered post (by airmail if to another country) to persons who are for the time being shown in the records of the Depository as the holders of the Bonds; or
- (ii) published in accordance with paragraph (a)(ii) above.

Any notice given under paragraph (b)(i) above shall be deemed to have been given five days following the date of despatch to the holders of Bonds and any notice given under paragraph (b)(ii) above shall be deemed to have been given on the date of the first publication.

(c) Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any Certificate) with the relative Certificate, with the Paying Agent. Whilst any of the Bonds are represented by the Global Certificate, such notice may be given by any holder of a Bond to the Paying Agent through the Depository, in such manner (if any) as the Paying Agent and the Depository may approve for this purpose.

(d) Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Bondholders are known to the Company, notices to such Bondholders will be valid if given individually to all such Bondholders by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

13. Meetings of Bondholders, Modification and Waiver

(A) Meetings

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including proposals to modify by Extraordinary Resolution the terms and conditions of the Bonds or the provisions of the Trust Deed. The Trustee or the Company at any time may, and the Trustee upon the request in writing, at any time after any Bonds shall have become repayable due to default, by Bondholders holding not less than 25 per cent in principal amount of the Bonds for the time being outstanding shall, convene a meeting of the Bondholders. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders whether present or not, except that any Extraordinary Resolution described as a special quorum resolution in the proviso to paragraph 8 of Schedule 3 to the Trust Deed will only be binding if passed at a meeting of the Bondholders (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held provided always that any such Extraordinary Resolution shall only take effect on a date falling 14 days after delivery of a certified true copy of such Extraordinary Resolution from the Trustee to the Company. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(B) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or may agree, without any such consent as aforesaid, to any modification, waiver or authorisation which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of Singapore law.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation determination or substitution), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Company, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Bondholders and, unless the Trustee agrees otherwise, any modification, abrogation or substitution shall be notified by the Company to the Bondholders as soon as practicable thereafter in accordance with Condition 12.

14. Provisions relating to the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Trust Deed contains provisions relating to compliance by the Trustee with laws, policies and regulations relating to, amongst others, anti-money laundering, terrorism and criminal activities and as such, the payment obligations of the Trustee are subject to such laws, policies and regulations. Any delay in the payment under the Trust Deed or the Bonds which is caused by such action shall

not constitute an Event of Default under the Bonds or a breach of any provisions of the Trust Deed or the Bonds. The Company shall not be liable for any further interest (including default interest) on the Bonds resulting from such non-payment.

The Trust Deed also provides that each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Company, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

15. Further Issues

The Company may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all material respects and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Company may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

16. Governing Law

The Bonds and the Trust Deed are governed by, and shall be construed in accordance with, the laws of Singapore.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18. Submission to Jurisdiction

In relation to Bonds which are issued pursuant to the Trust Deed, the courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and, accordingly, any suit, action or proceedings arising out of or in connection with such Bonds may be brought in the courts of Singapore.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART I – FRONT COVER

1. On the front cover of the offer information statement, provide —

- (a) the date of lodgment of the offer information statement;
- (b) the following statements:
 - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; and
 - (ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities being offered for investment.”;
- (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the securities are being offered, its place of incorporation or constitution and the date of incorporation or constitution;
- (d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the securities being offered on that securities exchange, and the name of such securities exchange; and
- (e) a statement that no securities shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

The information required by Part I “**Front Cover**” of this Sixteenth Schedule section has been set out on the cover page of this Offer Information Statement.

PART II - IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Names of Directors	Addresses
Mr Stephen Lee Ching Yen	08-D Airline House 25 Airline Road Singapore 819829
Mr Chew Choon Seng*	08-D Airline House 25 Airline Road Singapore 819829

* On 3 September 2010, the Issuer announced that Mr Chew Choon Seng, the Chief Executive Officer of the Issuer, will retire as a Director of the Issuer at the end of December 2010. Mr Goh Choon Phong will join the Issuer as a Director on 1 October 2010 and will formally take up the position of Chief Executive Officer on 1 January 2011.

Names of Directors**Addresses**

Dr William Fung Kwok Lun

08-D Airline House
25 Airline Road
Singapore 819829

Ms Euleen Goh Yiu Kiang

08-D Airline House
25 Airline Road
Singapore 819829

Mr David Michael Gonski

08-D Airline House
25 Airline Road
Singapore 819829

Mr James Koh Cher Siang

08-D Airline House
25 Airline Road
Singapore 819829

Mrs Christina Ong

08-D Airline House
25 Airline Road
Singapore 819829

Dr Helmut Gunter Wilhelm Panke

08-D Airline House
25 Airline Road
Singapore 819829

Mr Lucien Wong Yuen Kuai

08-D Airline House
25 Airline Road
Singapore 819829**Advisers****2. Provide the names and addresses of -****(a) the issue manager to the offer, if any;**Co-ordinating Bookrunners of
the Offer and Bookrunners of the
Public Offer

:

DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#26-00 OCBC Centre
Singapore 049513United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1 #03-01
Singapore 048624Joint Lead Managers and
Bookrunners of the Placement

:

DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#26-00 OCBC Centre
Singapore 049513

Standard Chartered Bank
6 Battery Road #09-00
Singapore 049909

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1 #03-01
Singapore 048624

(b) the underwriter to the offer, if any; and

Underwriters for the Public Offer : DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#26-00 OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1 #03-01
Singapore 048624

Underwriters for the Placement : DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#26-00 OCBC Centre
Singapore 049513

Standard Chartered Bank
6 Battery Road #09-00
Singapore 049909

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1 #03-01
Singapore 048624

(c) the legal adviser for or in relation to the offer, if any.

Legal Adviser to the Offer as to Singapore law : Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Trustee	:	The Trust Company (Asia) Limited 16 Collyer Quay #26-02 Hitachi Tower Singapore 049318
Registrar	:	DBS Bank Ltd. 60 Alexandra Terrace The Comtech #05-27 Singapore 118502
Paying Agent	:	DBS Bank Ltd. 60 Alexandra Terrace The Comtech #05-27 Singapore 118502
Receiving Banker	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624

PART III - OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

Methods of offer	:	The Public Offer and the Placement.
Number and principal amount of Bonds being offered	:	300,000 Bonds (based on a denomination of S\$1,000 for each Bond), amounting to S\$300,000,000 in aggregate principal amount of Bonds.

Public Offer

50,000 Bonds (based on a denomination of S\$1,000 for each Bond), amounting to S\$50,000,000 in aggregate principal amount of Bonds, subject to re-allocation between the Public Offer and the Placement.

Placement

250,000 Bonds (based on a denomination of S\$1,000 for each Bond), amounting to S\$250,000,000 in aggregate principal amount of Bonds, subject to re-allocation between the Public Offer and the Placement.

Re-allocation

The aggregate principal amount of Bonds offered under each of the Public Offer and the Placement is subject to re-allocation between the Public Offer and the Placement in certain circumstances and may not reflect the actual aggregate principal amount of Bonds that will be allocated under the Public Offer or the Placement, as the case may be.

The actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the Bonds offered under the Public Offer are oversubscribed, the Issuer may, at its discretion and in consultation with the Co-ordinating Bookrunners, re-allocate up to S\$100,000,000 in aggregate principal amount of the Bonds from the Placement to the Public Offer to satisfy such excess demand under the Public Offer.

Unless indicated otherwise, all information in this Offer Information Statement assumes that no Bonds have been re-allocated between the Public Offer and the Placement.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to -
- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Please refer to paragraphs 3 to 7 of Part III “**Offer Statistics and Timetable - Method and Timetable**” of this Sixteenth Schedule section.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

As at the Latest Practicable Date, the Issuer does not expect the timetable under the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Issuer may, at its absolute discretion, and with the approval of the SGX-ST (if required) and the agreement of the relevant Underwriters, extend, shorten or modify the timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the relevant Underwriters, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will publicly announce any changes to the timetable through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

Applications for the Bonds under the Public Offer may only be made by way of Electronic Applications. Applications for the Bonds under the Placement may only be made directly through the Joint Lead Managers, who will determine, at their discretion, the manner and method for applications under the Placement. Please also refer to Appendix E entitled “**Terms, Conditions and Procedures for Application and Acceptance**” of this Offer Information Statement.

4. **State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

Payment by subscribers for the Public Offer Bonds under the Public Offer is to be made in full upon application. Payment by subscribers for the Placement Bonds under the Placement is to be made in full on or about the Issue Date unless otherwise agreed by the Issuer and the Joint Lead Managers. Details of the methods of payment for the Bonds are contained in Appendix E entitled **“Terms, Conditions and Procedures for Application and Acceptance”** of this Offer Information Statement.

Please also refer to the section entitled **“Expected Timetable of Key Events”** of this Offer Information Statement for the last dates and times for applications for the Bonds under the Public Offer and the Placement.

5. **State, where applicable, the methods of and time limits for -**

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

Subject to the receipt of valid applications and payments for the Bonds, the Bonds will be issued on the Issue Date (which is expected to be 30 September 2010), being two days after the Closing Date, and will on issue be represented by the Global Certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Bonds. The Bonds will not be issued in bearer form.

Upon crediting of the Bonds (one Market Day before the Bonds are listed on the Main Board of the SGX-ST) to the Securities Accounts of the relevant subscribers, it is expected that CDP will send to the relevant subscriber, at the relevant subscriber's own risk, within three Market Days after the date on which the Bonds are credited, a notification letter stating the number of Bonds credited to the relevant subscriber's Securities Account.

6. **In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

The Issuer will publicly announce the results of the allotment or allocation of the Bonds under the Public Offer and the Placement through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

The Issuer and the Underwriters reserve the right to reject or accept, in whole or in part, or to scale down, or ballot any application for the Bonds, without assigning any reason therefor, and no enquiry or correspondence on their decision will be entertained.

Manner of Refund

When any application for the Bonds under the Public Offer by way of Electronic Application is invalid or unsuccessful, or is accepted or rejected in part only, the full amount or, as the case may be, the balance of the amount paid on application, will be returned or refunded to such applicants (without interest or any share of revenue or other benefit arising therefrom) by crediting their bank accounts

with the relevant Participating Bank branch, at their own risk, within 24 hours after balloting, the receipt by such bank being a good discharge to the Issuer, the Public Offer Underwriters and CDP of their obligations.

Where the Offer does not proceed for any reason, the amount paid on application will be returned or refunded to such applicants (without interest or any share of revenue or other benefit arising therefrom), at their own risk, within 14 days after the Offer is discontinued, in the manner described in the immediately preceding paragraph.

Please refer to Appendix E entitled “**Terms, Conditions and Procedures for Application and Acceptance**” of this Offer Information Statement for further details.

PART IV - KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please refer to paragraphs 2 to 7 of Part IV “**Key Information - Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The gross proceeds from the Offer will be S\$300,000,000. The Issuer estimates, after deducting estimated costs and expenses associated with the offer and issue of the Bonds, the net proceeds from the issuance of Bonds to be approximately S\$298,050,000.

All net proceeds from the Offer will go to the Issuer to be used for capital expenditure and general corporate or working capital purposes.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

The net proceeds from the Offer will be used for capital expenditure and general corporate or working capital purposes.

Pending the deployment of the net proceeds from the Offer, the net proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets and/or marketable securities or used for other purposes on a short-term basis as the Directors may deem appropriate in the interest of the Issuer.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

For each dollar of gross proceeds of approximately S\$300,000,000 to the Issuer from the Offer, the Issuer will allocate approximately 99.35 cents (representing approximately 99.35 per cent. of the gross proceeds) for capital expenditure and general corporate or working capital purposes and approximately 0.65 cents (representing approximately 0.65 per cent. of the gross proceeds) to pay for the expenses incurred in connection with the Offer.

5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

As disclosed in paragraph 3 of Part IV “**Key Information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section, the Issuer intends to utilise the net proceeds from the Offer for capital expenditure and general corporate or working capital purposes.

As at the date of this Offer Information Statement, there is no intention to use the net proceeds from the Offer to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

As disclosed in paragraph 3 of Part IV “**Key Information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section, the Issuer intends to utilise the net proceeds from the Offer for capital expenditure and general corporate or working capital purposes.

As at the date of this Offer Information Statement, there is no intention to use the net proceeds from the Offer to finance or refinance the acquisition of another business.

7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As disclosed in paragraph 3 of Part IV “**Key Information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section, the Issuer intends to utilise the net proceeds from the Offer for capital expenditure and general corporate or working capital purposes.

As at the date of this Offer Information Statement, the Issuer has not identified any specific indebtedness to be discharged, reduced or retired using a material part of the net proceeds from the Offer. The Issuer may, from time to time, and as part of its ongoing management of its working capital, use part of its working capital to discharge, reduce or retire the indebtedness of the SIA Group.

8. **In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Public Offer of S\$50,000,000 in aggregate principal amount of Bonds is underwritten in full by the Public Offer Underwriters at the Issue Price, severally and not jointly, on the terms and subject to the conditions contained in the Public Offer Underwriting Agreement. The Placement

of S\$250,000,000 in aggregate principal amount of Bonds is underwritten in full by the Placement Underwriters at the Issue Price, severally and not jointly, on the terms and subject to the conditions contained in the Placement Underwriting Agreement.

In consideration of the Public Offer Underwriters' agreement to underwrite S\$50,000,000 in aggregate principal amount of Public Offer Bonds, the Issuer will pay to the Public Offer Underwriters commissions of 0.25 per cent. of the S\$50,000,000 in aggregate principal amount of Public Offer Bonds.

The Issuer has also agreed under the Public Offer Underwriting Agreement to pay brokerage fees to the Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.30 per cent. of the Issue Price of the Bonds.

In consideration of the Placement Underwriters' agreement to underwrite S\$250,000,000 in aggregate principal amount of Placement Bonds, the Issuer will pay to the Placement Underwriters commissions of 0.25 per cent. of the S\$250,000,000 in aggregate principal amount of the Placement Bonds.

Please refer to paragraph 7 of Part VI “**The Offer and Listing - Plan of Distribution**” of this Sixteenth Schedule section for further details of the terms of the Underwriting Agreements.

Information on the Relevant Entity

9. Provide the following information:

(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);

Registered Office / Principal Place of Business	:	Airline House 25 Airline Road Singapore 819829
Telephone Number	:	+65 6541 4030 (Company Secretary)
Facsimile Number	:	+65 6546 7469

(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The principal activities of the SIA Group consist of passenger and cargo air transportation, aircraft engineering services, training of pilots, air charters, tour wholesaling and related activities. These principal activities are carried out through Singapore Airlines and its major subsidiaries such as SIAEC, SIA Cargo and SilkAir.

Singapore Airlines

The Issuer, Singapore Airlines, focuses on its core airline business with key stakes in airline-related services in order to maintain high quality and safety standards. Singapore Airlines also supplements organic growth through strategic stakes in other airlines and related businesses that provide alternative sources of income. An example is its 49.0% stake in Virgin Atlantic Limited.

Passenger Airline Operations

Singapore Airlines has a geographically diversified revenue base and passenger operations. For FY2010, Singapore Airlines derived 72.6% of its passenger revenue from destinations outside East Asia.

Fleet

Singapore Airlines has a modern fleet with relatively few aircraft and engine types. Such fleet commonality reduces maintenance and training costs. As at 31 March 2010, Singapore Airlines' operating fleet consisted of 108 aircraft, with an average age of six years and three months. New aircraft will be added to the fleet. As at 31 March 2010, Singapore Airlines had firm orders for 57 aircraft, with options for a further 46 aircraft. Singapore Airlines will take delivery of four A380-800s and the remaining A330-300s by end of FY2011.

Major subsidiaries

Singapore Airlines conducts its other principal business activities through the subsidiaries described below.

SIAEC

SIAEC is a major provider of aircraft maintenance, repair and overhaul services in the Asia Pacific region. As at 31 March 2010, it provides line maintenance services at Singapore's Changi Airport to more than 50 international carriers. It also provides airframe and component repair on some of the most advanced and widely used commercial aircraft.

SIA Cargo

SIA Cargo operated as a division of Singapore Airlines until 30 June 2001 when it was incorporated as a wholly-owned subsidiary of Singapore Airlines. As at 31 March 2010, it operates a fleet of 11 B747-400 freighters and has also contracted to buy and market the entire cargo capacity of Singapore Airlines' passenger operations.

As at 31 March 2010, SIA Cargo served 70 cities in 36 countries, including seven "freighter only" destinations.

SilkAir

SilkAir is a Singapore-based regional airline that serves destinations in the Asia-Pacific region within five hours flying time of Singapore. As the regional wing of Singapore Airlines, SilkAir extends the SIA Group's footprint in Asia by offering connections from Singapore to many diverse points in the region with its fleet of narrow-bodied A320/319 aircraft. As at 31 March 2010, SilkAir's network has matured steadily with more than 250 scheduled services per week between Singapore and 30 points in Cambodia, China, India, Indonesia, Malaysia, Myanmar, Nepal, the Philippines, Thailand and Vietnam.

The SilkAir network is fully integrated with that of Singapore Airlines, offering optimum flight connectivity through Singapore. As at 31 March 2010, SilkAir operated a fleet of 17 Airbus A320 family aircraft, with eight more of the same family on firm order and options for a further four.

- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since -**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
 - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

General business developments in FY2008

SINGAPORE AIRLINES

Network Development

Singapore Airlines added Houston (Texas, USA) as a new destination to its expanding global network in FY2008. The four-times weekly service to Houston via Moscow started in March 2008. The routing of the flights also had the effect of increasing frequency to Moscow to a daily service.

Frequency was increased between Singapore and cities in Asia and Europe to meet growing demand for air travel.

Including codeshare services with Star Alliance and partner airlines, Singapore Airlines' global route network grew to 149 destinations in 46 countries in FY2008.

Fleet Management

Three new Airbus A380 aircraft were delivered during FY2008. Singapore Airlines was the first to fly the A380 and was the only airline in the world operating the aircraft in FY2008. Singapore Airlines had firm orders for a further 16 A380s and options on six more.

In addition, five new Boeing 777-300ER aircraft were delivered. These raised the number of Boeing 777 aircraft in the operating fleet to 72 in FY2008, reaffirming Singapore Airlines' position as the world's largest operator of the Boeing 777 family.

Five Boeing 747-400s left the operating fleet during FY2008. Two were sold, while three were returned to lessors.

The Rolls-Royce Trent 900 engine was chosen to power the nine additional Airbus A380s, which were ordered in 2006 for delivery between 2010 and 2011.

SUBSIDIARIES

SIAEC

In August 2007, SIAEC acquired 100.0% of Aircraft Maintenance Services Australia Pty Ltd to offer line maintenance services at international airports in Australia.

The acquisition is part of SIAEC's continuing effort to capture a larger slice of the global maintenance, repair and overhaul ("**MRO**") market by extending its reach to new growth markets and to broaden the span of its services to offer total maintenance solutions to airlines. A memorandum of understanding was signed in November 2007 between SIAEC and Saigon Ground Services, a division of the Southern Airport Authorities, to form a line maintenance joint venture at Tan Son Nhat International Airport in Ho Chi Minh City, Vietnam. SIAEC also joined the Airbus Maintenance Training Network in December 2007, giving SIAEC access to Airbus' latest training methodologies.

In March 2008, SIAEC signed a memorandum of understanding with Cebu Air, Inc ("**Cebu Pacific Air**") to set up an aircraft heavy maintenance facility at Clark International Airport in the Philippines.

The joint venture between SIAEC and Cebu Pacific Air involves the construction of three hangars to provide heavy and light maintenance checks to international airlines around the world. The Clark hangars will augment SIAEC's extensive facilities in Singapore and provide SIAEC with the increased capacity and competitive cost structure to capture a larger share of the global MRO outsourcing that is being directed into Asia.

SIAEC has a 65.0% stake in the new venture, which is SIAEC's 21st in its list of joint ventures forged with airlines and original equipment manufacturers. Cebu Pacific Air holds the remaining 35.0% share. The total investment capital for the joint venture was \$81 million.

During FY2008, SIAEC clinched new third-party contracts amounting to \$311.6 million for its airframe maintenance and component overhaul business. For line maintenance at Changi Airport, 21 new contracts were secured.

SIA Cargo

In FY2008, SIA Cargo adopted a variable frequency approach to its freighter network to better match capacity with cargo demand. Scheduled services were reduced during lull periods and additional services were mounted during peak periods. While freighter services to New York,

Dublin, Taipei and Nagoya were suspended, new services to cities such as Hanoi and Leipzig, were launched. Seventh freedom flights were introduced with the launch of a thrice-weekly service between Brussels and the USA.

SIA Cargo expanded its charter customer base. Existing electronics and racehorse shippers continued to pledge their support, and SIA Cargo stepped up its involvement in areas such as concerts and motor sports. 29 charters were operated during FY2008.

SilkAir

SilkAir's charter operations for FY2008 included year-long weekly charters to Christmas Island, series charters to Guiyang and Nanning in China, Surat Thani in Thailand and Darwin, Australia to leverage on seasonal demand.

In July 2007, SilkAir successfully completed the IATA Operational Safety Audit – the first global benchmark for airline safety and quality – which recognises its quality standards and its ability to deliver a safe operation.

General business developments in FY2009

SINGAPORE AIRLINES

Network Development

FY2009 saw mixed development in Singapore Airlines' global network as demand changed course.

More capacity was added in the early part of the year to satisfy strong demand from Asia and South West Pacific. However, the later part of the year saw a sharp fall in demand, prompting capacity contraction.

Services to the Middle East grew significantly with more flights to Istanbul and Dubai, as well as the addition of Riyadh and Kuwait to the Singapore Airlines network. As at the end of FY2009, Singapore Airlines offered four flights a week to both cities.

The A380 service to London and Tokyo was added in FY2009.

In the later months of FY2009, Singapore Airlines had to manage the effects of the global economic downturn worldwide. Services to Amritsar were suspended, and Singapore Airlines announced an 11.0% reduction in capacity across its network to take effect from the beginning of FY2010.

Fleet Management

A new aircraft for use on regional and medium-haul routes joined Singapore Airlines' operating fleet in FY2009. Four new Airbus A330-300s, the first of 19 being acquired on operating leases, were delivered during FY2009.

The A330-300 was introduced onto the Singapore-Brisbane route at the end of FY2009.

Three more Airbus A380 aircraft were also delivered in FY2009, allowing Singapore Airlines to operate daily flights to Tokyo as well as two flights a day to London.

This was in addition to the daily A380 flights to Sydney, which commenced in October 2007. In addition, five new Boeing 777-300ER aircraft were delivered.

Six Boeing 747-400s left the operating fleet during FY2009. One was sold, while five were returned to lessors as planned.

Singapore Airlines' five Airbus A340-500s were reconfigured from a two-class configuration to an all-Business Class service for the non-stop flights to Newark and Los Angeles.

SUBSIDIARIES

SIAEC

In FY2009, SIAEC also signed a fleet management programme contract with Gulf Air Company G.S.C. (“**Gulf Air**”) to maintain Gulf Air’s Airbus fleet over a three-year period. Together with the earlier three-year heavy maintenance contract signed in February 2008, the total value of the contracts with Gulf Air amounted to US\$135 million.

SIAEC also successfully completed its first VIP aircraft cabin configuration. The extensive project involved the conversion of a Boeing 747-400 to incorporate a VIP lounge, customised passenger accommodation, a state-of-the-art entertainment system and satellite communication capability into the aircraft.

Overseas, SIAEC ventured into the Philippines and Vietnam. A joint venture agreement with Cebu Pacific Air was signed to set up an aircraft heavy maintenance facility at Clark International Airport in the Philippines. SIAEC has a 65.0% stake in the new venture, SIA Engineering (Philippines) Corporation, while Cebu Pacific Air holds the remaining 35.0% share.

SIAEC also signed a joint venture agreement with Saigon Ground Services, a division of the Southern Airport Corporation, to set up a line maintenance joint venture at Tan Son Nhat International Airport in Ho Chi Minh City, Vietnam. SIAEC holds 49.0% equity shareholding in the joint venture, with the remaining 51.0% owned by Saigon Ground Services. Subject to economic conditions and business viability, the joint venture may expand its presence to other airports in Vietnam and widen its service offerings at a later stage to include maintenance checks and component overhaul services.

During FY2009, SIAEC clinched new third party contracts amounting to \$121 million for its airframe maintenance and component overhaul business. For line maintenance at Changi Airport, 17 new contracts were secured or renewed.

SIA Cargo

In FY2009, SIA Cargo continued with its variable frequency approach to its freighter network to better match capacity with cargo demand. On a planned basis, services were reduced during lull periods and additional services were scheduled during periods of stronger demand. SIA Cargo also embarked on network restructuring initiatives to rationalise freighter routes for improved network connectivity, and to create new sales opportunities. Charters were mounted to new points such as Santiago (Chile), Quito (Ecuador), Bogota (Colombia), Dar es Salaam (Tanzania), Abuja (Nigeria) and Buenos Aires (Argentina).

During FY2009, nine business partners renewed their participation in the Global Partnership Programme.

SilkAir

In FY2009, SilkAir boosted capacity by 0.4% and in October 2008, added Kuala Lumpur to its network of regional destinations. SilkAir also started operating twice weekly charters to Dili, Timor Leste in August 2008. However, SilkAir suspended flights to Kaohsiung, Taiwan in February 2009 due to weak demand.

In FY2009, SilkAir received two new Airbus A320s.

General business developments in FY2010

SINGAPORE AIRLINES

Network Development

In FY2010, a carefully planned reduction in capacity was carried out, to manage the precipitous decline in travel demand experienced in the first half of FY2010 due to the global economic downturn. The more than 10.0% reduction in capacity over the course of FY2010 enabled Singapore Airlines to manage its operational costs in difficult conditions.

In FY2010, frequency was reduced for a number of services, and the decision was taken to suspend Singapore-Karachi-Lahore and Singapore-Nanjing services, both twice-weekly routes.

Despite the overall downturn in travel demand during FY2010, Singapore Airlines continued to target new growth areas for its network. Munich became the newest addition to the Singapore Airlines network, when five-times weekly Singapore-Munich-Manchester services were introduced on 28 March 2010.

Four new destinations served by the Airbus A380 were introduced during FY2010 – Paris, Hong Kong, Melbourne and Zurich. As at the Latest Practicable Date, there are seven destinations to which Singapore Airlines operates the A380, including Sydney, London and Tokyo.

Fleet Management

Despite the challenging economic environment in FY2010, Singapore Airlines continued to invest in product enhancements, launching a cabin renewal programme on selected Boeing 777-200 and Boeing 777-300 aircraft.

The retrofitted B777-300 aircraft feature Singapore Airlines' new First Class seats, currently found on the B777-300ER aircraft. Both the retrofitted B777-300 and B777-200 aircraft also boast incline lie-flat leather Business Class seats, the same as those found on Singapore Airlines' new Airbus A330-300 aircraft. At the same time, Economy Class cabins are being refurbished with a new contemporary look. Enhancements are also being made to the KrisWorld inflight entertainment system, with improved Audio-Video on Demand features and a more user friendly graphical interface.

The first refitted B777-200 was introduced on the Singapore-Shanghai route on 23 February 2010.

The first aircraft under the B777-300 retrofit programme was operated on 22 July 2009 on the Singapore-Sydney route. During FY2010, seven A330-300 aircraft were delivered, taking over from Singapore Airlines' B777 operations on routes such as Nagoya, Abu Dhabi, Jeddah, Kuwait and Male.

Four more Airbus A380 aircraft were also delivered in FY2010.

Five Boeing 747-400s left the operating fleet during FY2010. Three Boeing 747-400s were returned to lessors as planned while two were parked.

SUBSIDIARIES

SIAEC

Following the signing of a three-year fleet management contract with Gulf Air valued at US\$135 million, this extended SIAEC's fleet management business network to cover Asia, Australia, the US and the Middle East. In June 2009, SIAEC set up a base in Bahrain to support Gulf Air's fleet.

SIAEC also established another overseas base, with the completion of a new hangar at Clark International Airport in the Philippines. Besides catering to Cebu Pacific Air's fleet, the new facility can also carry out work for other airlines.

SIAEC continued to extend its capabilities and capacity through strategic joint ventures. SIAEC signed an agreement with French avionics manufacturer Safran Group to establish an avionics MRO joint venture in Singapore. A memorandum of understanding was signed with Gulf Technics G.S.C.(c), a subsidiary of Mumtalakat Holding Company B.S.C.(c), the investment arm of the Kingdom of Bahrain, to set up and operate an MRO facility in Bahrain.

SIAEC entered into a 10-year service agreement with Panasonic Avionics Corporation, a supplier of aircraft inflight entertainment systems. A memorandum of understanding was also signed with Panasonic Avionics Corporation to form a joint venture.

During the Singapore Airshow 2010, SIAEC opened its new A380 Hangar, the world's first A380 purpose-built hangar. The technologically advanced hangar – the sixth that SIAEC operates at Changi Airport – is equipped with computer controlled docking that can accommodate the A380 and B777, a world's first hangar feature.

SIAEC ended FY2010 with the renewal of its MRO Services Agreement with Singapore Airlines. Under the three-year agreement, with an option for a two-year extension, SIAEC will continue to provide a comprehensive spectrum of MRO and fleet management services to Singapore Airlines.

SIA Cargo

In FY2010, SIA Cargo rationalised its freighter network to align capacity more closely to demand in response to the global economic downturn. Services were reduced during lull periods and additional services were deployed on selected routes during periods of stronger demand, particularly towards the end of 2009. SIA Cargo channelled resources to grow the charter segment of the business in order to supplement scheduled services. It also focused on closer cooperation with its key customers to weather the downturn. Eight business partners renewed their participation in the SIA Cargo's Global Partnership Programme.

SilkAir

SilkAir added two new points – Penang and Hyderabad – to its network in FY2010. Flights to Penang were launched on 1 June 2009, with SilkAir initially taking over two of the three daily flights operated by Singapore Airlines.

On 1 December 2009, SilkAir took over all operations to Penang for the SIA Group. It also took over operations to Hyderabad from Singapore Airlines on 15 June 2009, starting with five times weekly services. The flight frequency was increased to daily from 20 October 2009. In addition to its scheduled services, SilkAir also operated charters to Dili (in Timor Leste), Christmas Island, Darwin and Guiyang, among other points.

SilkAir received two new aircraft during FY2010 – an Airbus A320 in December 2009 and an Airbus A319 in March 2010.

General business developments from 1 April 2010 to the Latest Practicable Date

SINGAPORE AIRLINES

Network Development

Singapore Airlines is implementing schedule changes in the Northern Winter period (i.e. 31 October 2010 to 26 March 2011), which will result in higher frequency on selected routes. The adjustments are in response to further growth in demand for travel.

Capacity to and from Russia and the United States will increase, with flights on the Singapore-Los Angeles and Singapore-Moscow-Houston services operating daily. Both the all-Business Class flight on the Singapore-Los Angeles route and the service to Moscow and Houston currently operate five times per week.

Also, flights on the Singapore-Munich-Manchester services will be operating daily, up from five times a week.

Flights on the Singapore-Seoul service will be operated seven times a week, up from four. This will boost total frequency to and from the South Korean capital to 21 times a week, up from 18 times.

Additional services will also be operated to destinations in Japan. A separate service will operate three-times weekly between Singapore and Osaka, in addition to the current daily flights between both cities. Tokyo Haneda will join the Singapore Airlines network from 31 October 2010 with twice-daily flights.

The current one-stop flights between Singapore and Istanbul via Dubai will be replaced by a non-stop Singapore-Istanbul service, which will operate up to four times a week. A separate Singapore-Dubai service will also be introduced at three times a week. As a result, Dubai will be served 11 times a week.

Singapore Airlines will increase capacity to Australia with a second daily Airbus A380 service on the Singapore-Sydney route. The second 471-seat A380 service will replace the 278-seat Boeing 777-300ER aircraft which currently operates the service. The total Singapore-Sydney frequency will be unchanged at four flights per day.

Save as disclosed in this Offer Information Statement, there has been no material changes in the affairs of the SIA Group since the end of the first quarter ended 30 June 2010.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing -

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

As at the Latest Practicable Date, the equity capital of Singapore Airlines is as follows:

<u>Singapore Airlines</u>	
Share capital - issued and fully paid	S\$1,805,020,867
Number of issued and paid-up ordinary shares	1,195,766,681
One special share (value)	S\$0.50

As at the Latest Practicable Date, the loan capital of Singapore Airlines is as follows:

Singapore Airlines as the Issuer

Securities	Amount issued and outstanding	Coupon per annum
Series 001 Fixed Rate Notes Due 2020 issued pursuant to the S\$1,000,000,000 multi-currency medium term note programme of the Issuer	S\$500,000,000	3.22%
Unsecured long-term Fixed Rate Notes issued by the Issuer repayable on 19 December 2011	S\$900,000,000	4.15%

(e) where -

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

Substantial shareholder (as shown in the Register of Substantial Shareholders)

As at the Latest Practicable Date, the shares held by the substantial shareholder is as follows:

	Number of Singapore Airlines' Shares Held		
	Direct Interest (%)	Deemed Interest (%)	Total (%)
Temasek Holdings (Private) Limited	655,306,600 (54.81%)	5,266,746 (0.44%)	660,573,346 (55.25%)

- (f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

Cargo: Investigations by competition authorities and civil class actions

SIA Cargo and the Issuer are among several airlines that have received notice of criminal and/or regulatory investigations by competition authorities in the US, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland on whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the “**air cargo issues**”). SIA Cargo and the Issuer are cooperating in relation to these inquiries concerning the air cargo issues.

In addition to the notices mentioned above, SIA Cargo and the Issuer are among several airlines to have received a Statement of Objections (the “**SO**”) from the European Commission (the “**EC**”) in December 2007. The SO sets out the EC’s preliminary view of its case against the airlines with respect to alleged competition law infringements but does not prejudge the outcome. SIA Cargo and the Issuer responded to the SO in writing and during an oral hearing in the first half of 2008. The timing and content of any decision by the EC are uncertain, but a decision could be issued in the coming months.

In December 2008, the competition authorities in New Zealand and Australia initiated civil penalty proceedings concerning the air cargo issues. In New Zealand, a statement of claim was issued against 14 airlines including both SIA Cargo and the Issuer. In Australia, statements of claim have been issued against nine airlines including SIA Cargo, but the competition authority has indicated that additional proceedings will be brought against other carriers. These proceedings are at a preliminary stage. An initial defence has been filed in both proceedings.

In October 2009, SIA Cargo was among several airlines to have received notification of alleged infringements in South Korea in the form of an Examiner’s Report and Recommendations (the “**Examiner’s Report**”) to the South Korean Fair Trade Commission (the “**KFTC**”). The Examiner’s Report was a preliminary document and did not constitute findings by the KFTC against SIA Cargo. SIA Cargo provided its written response to the Examiner’s Report and hearings were held in May 2010. On 27 May 2010, the KFTC announced administrative surcharges applicable to 19 airlines including SIA Cargo in respect of the air cargo issues. In SIA Cargo’s case, the administrative surcharge announced was KRW 2.351 billion.

After the investigations commenced, civil class action damages lawsuits were filed in the US, Canada, Australia and South Korea by external parties against several airlines, including SIA Cargo and the Issuer. As at the Latest Practicable Date, these cases still remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

No competition authority, other than the KFTC, has adopted any adverse decision against SIA Cargo and the Issuer, while the civil class action suits have neither been tried on their respective substantive legal merits nor have damages been quantified. Apart from the KFTC decision in respect of air cargo issues, it is premature to make any determination regarding whether the other investigations, proceedings or civil suits can be regarded as contingent liabilities. Accordingly, SIA Cargo has only made a provision of the equivalent of KRW 2.351 billion (approximately S\$2.74 million) in FY2011.

Passengers: Civil class actions and investigations by competition authorities

The Issuer and several airlines have been named in civil class action damages lawsuits in the US and Canada alleging an unlawful agreement to fix surcharges and rates on transpacific flights. As at the date of this Offer Information Statement, these cases are currently in procedural stages and none have been tried thus far on their respective substantive legal merits. The Issuer has also received notice of investigations by competition authorities in various jurisdictions concerning whether competitive aspects of passenger air travel services have been lawfully determined. The Issuer is cooperating with these criminal and regulatory investigations.

As the civil class action suits have neither been tried nor the damages quantified and the investigations by the competition authorities are ongoing, it is premature to make a determination regarding whether the civil suits or investigations can be regarded as contingent liabilities and, therefore, no provision has been made in the financial statements of the Issuer.

Australian travel agents' representative actions

A former Australian travel agent, Leonie's Travel Pty Limited, filed a representative action in the Federal Court of Australia (New South Wales District Registry) on 15 December 2006 naming seven respondents (IATA, Qantas Airways Limited, British Airways plc, Air New Zealand Limited, the Issuer, Malaysian Airline System Berhad, and Cathay Pacific Airways Limited) in a claim on behalf of Australian travel agents for alleged non-payment of commissions to such Australian travel agents on fuel surcharges applied to passenger tickets issued in Australia from May 2004 onwards. IATA was subsequently removed from the proceedings (the "**Leonie's case**").

In May 2007, the applicant's solicitors filed a fresh similar representative application on behalf of Paxtours International Travel Pty Ltd, another Australian travel agent, against Cathay Pacific Airways Limited and the Issuer (the "**Paxtours case**").

By agreement amongst the parties, the Leonie's case was heard with one airline from the respondent group (Qantas) as the lead defendant. The subsequent claims against the other airlines, including the Issuer, were put on hold until the first case is resolved.

The Court dismissed the Leonie's case but the decision was subsequently reversed by the Full Federal Court upon appeal by Leonie's Travel Pty Limited. Qantas applied to the High Court of Australia for special leave to appeal but the application was dismissed and the High Court affirmed that fuel surcharges constituted part of the fare and that commissions were payable on such fuel surcharges. A directions hearing date for Qantas has been set and it is expected that hearings against the other airlines will follow.

As at the Latest Practicable Date, the Issuer's lawyers are evaluating the next course of action for the Issuer.

The Paxtours case has not been heard in court, but proceedings will likely be similar to that of the Leonie's case.

Save as disclosed above, as at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which any member of the SIA Group is a party or which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of this Offer Information Statement, a material effect on the financial position or profitability of the SIA Group.

- (g) **where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date -**
- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**

During the 12 months immediately preceding the Latest Practicable Date, the Issuer issued the following series of notes pursuant to its S\$1,000,000,000 multi-currency medium term note programme:

Description of the notes	Number of notes	Issue Price (per note)	Issue Date
S\$500,000,000 Fixed Rate Notes Due 2020	2,000	S\$250,000	9 July 2010

From 1 April 2009 to the Latest Practicable Date, the Issuer issued shares pursuant to the exercise of options granted under the Singapore Airlines Limited Employee Share Option Plan (“ESOP”):

Date of Grant	Balance as at 01.04.2009	Cancelled during 01.04.2009 to 14.09.2010	Exercised during 01.04.2009 to 14.09.2010	Balance as at 14.09.2010	Exercise Price *	Expiry Date
28.03.2000	4,337,331	(836,929)	(3,500,402)	-	S\$13.13	27.03.2010
03.07.2000	4,605,445	(3,172,677)	(1,432,768)	-	S\$14.44	02.07.2010
02.07.2001	2,316,418	(167,110)	(489,217)	1,660,091	S\$9.75	01.07.2011
01.07.2002	3,406,111	(156,585)	(540,378)	2,709,148	S\$10.61	30.06.2012
01.07.2003	2,524,376	(157,459)	(547,231)	1,819,686	S\$8.13	30.06.2013
01.07.2004	4,219,687	(168,418)	(882,667)	3,168,602	S\$8.49	30.06.2014
01.07.2005	7,441,664	(77,435)	(1,468,895)	5,895,334	S\$9.07	30.06.2015
03.07.2006	10,136,708	(130,113)	(2,091,274)	7,915,321	S\$10.39	02.07.2016
02.07.2007	11,752,920	(468,647)	(6,460)	11,277,813	S\$16.51	01.07.2017
01.07.2008	12,642,832	(460,579)	(860,169)	11,322,084	S\$13.12	30.06.2018
Total	63,383,492	(5,795,952)	(11,819,461)	45,768,079		

* Following approval by the Issuer's shareholders of the declaration of a special dividend of S\$0.50 per share on 31 July 2007, the Board Compensation & Industrial Relations Committee approved a reduction of S\$0.50 in the exercise prices of the share options outstanding on 2 August 2007. The said Committee approved another S\$1.71 reduction in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Issuer's shareholder of the dividend in specie of SATS shares on 31 July 2009. The exercise prices reflected here are the exercise prices after such adjustments.

No share options of the Issuer were granted during the 12 months immediately preceding the Latest Practicable Date. As at the Latest Practicable Date, the number of share options of the Issuer outstanding was 45,768,079.

Save as disclosed above, no securities or equity interests have been issued by the Issuer for cash within the 12 months immediately preceding the Latest Practicable Date.

- (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

The Issuer has not issued any securities or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date. For the avoidance of doubt, the Issuer has granted share awards to senior management staff under its two share-based incentive plans, the Restricted Share Plan (the “RSP”) and the Performance Share Plan (the “PSP”). The movement of share awards granted pursuant to the RSP and the PSP and their fair values at grant date are disclosed in the Issuer's annual reports.

Save as disclosed above, no securities or equity interests have been issued by the Issuer for services within the 12 months immediately preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

The members of the SIA Group have not entered into any material contracts outside the ordinary course of business for the period of two years immediately preceding the date of lodgment of this Offer Information Statement.

PART V - OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from -

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

Please refer to Appendices A and D of this Offer Information Statement.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

	For the quarter ended 30 June 2010	FY2010	FY2009	FY2008
Basic earnings after tax per share (cents)	21.2	18.2	89.6	168.5
Gross dividends per share (cents)	NIL	12.0	40.0	100.0

The issue of the Bonds will have no impact on the earnings per share of the Issuer as at the Issue Date.

Please also refer to Appendices A and D to this Offer Information Statement.

3. In respect of -

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

The following sets out a financial review of the SIA Group's earnings and financial position for each of FY2010, FY2009 and FY2008.

FY2010 compared with FY2009

SIA Group Earnings and Financial Position

The SIA Group was impacted by the downturn in travel demand brought about by the global economic crisis, which began in late 2008. In the first half of FY2010, challenging business conditions resulted in sharp decline for both loads and yields, causing the SIA Group to incur a net loss attributable to equity holders of \$466 million. As the recession began to ease in the second half of FY2010, demand for both air travel and freight saw an upturn. With a strong second half recovery, the SIA Group returned to profitability (with a net profit attributable to equity holders of \$682 million in the second half) and posted a full year net profit attributable to equity holders of \$216 million. This was \$846 million lower (-79.7%) than FY2009.

The SIA Group's revenue in FY2010 fell \$3,289 million (-20.6%) compared to the preceding year to \$12,707 million. The decrease was mainly on account of significantly lower airline and cargo operations as a result of the economic crisis. In addition, contribution from airport terminal and food operations was lower, as SATS Group was deconsolidated from 1 September 2009, after completion of the dividend *in specie* distribution.

The SIA Group's expenditure decreased \$2,449 million (-16.2%) to \$12,644 million. The year-on-year drop was largely on account of lower jet fuel prices, staff cost and other variable cost savings from capacity reductions.

Consequently, the SIA Group posted an operating profit of \$63 million in FY2010, a decrease of \$840 million (-93.0%) over FY2009. SIAEC and SilkAir were profitable at the operating level, with SilkAir registering higher year-on-year profits. In contrast, Singapore Airlines and SIA Cargo reported full year operating losses, as the passenger and cargo businesses were severely affected by the economic downturn, especially in the first half.

The SIA Group's total assets stood at \$22,484 million as at 31 March 2010, down 9.4% from a year ago, mainly as a result of the divestment of SATS Group. Net asset value per share decreased 4.1% to \$11.30.

As at 31 March 2010, the SIA Group's equity attributable to equity holders of the Issuer decreased 3.3% to \$13,469 million. The decrease mainly arose from deconsolidation of SATS Group upon distribution of the dividend *in specie* and payment of dividends during the year. This was partially offset by profit for the year and an increase in fair value reserve. During the year, dividends paid pertained to final dividend of 20 cents per share in respect of FY2009.

The SIA Group's net liquid assets* position increased from \$2,802 million a year ago to \$3,274 million (+\$472 million) as at 31 March 2010, a result of cash generated from operations and deconsolidation of SATS Group (included in last year's debt was an amount of \$200 million which pertained to notes payable issued by SATS Group). Total debt to equity ratio† at 0.10 times was lower by 0.02 times.

For FY2010, the Board recommended a final dividend of 12 cents per share. This amounted to a payout of approximately \$143 million based on the number of issued shares as at 31 March 2010. The dividend cover is 1.5 times.

Capital expenditure was \$1,560 million, 23.2% lower than the year before. Internally generated cash flow of \$2,423 million (-19.1%) was 1.55 times capital expenditure. The decrease in internally generated cash flow was driven primarily by lower proceeds from disposal of aircraft and other assets. About 93% of the capital spending was on aircraft and spare engines.

FY2009 compared with FY2008

SIA Group Earnings and Financial Position

The SIA Group's performance in FY2009 was hit by high prices of fuel in the first half of the financial year and a sharp decline in cargo and passenger traffic in the second half of the financial year. As a result, the SIA Group reported an operating profit of \$904 million, a year-on-year decline of \$1,221 million (-57.5%). This was principally on account of weaker performance by the Issuer and SIA Cargo. All the five main operating companies in the SIA Group posted weaker operating results, with the exception of SIAEC and its subsidiaries, which registered a year-on-year improvement.

The SIA Group's revenue in FY2009 increased by 0.1% to \$15,996 million, \$24 million higher than the year before.

The SIA Group's expenditure increased at a faster pace than revenue growth, rising \$1,245 million (+9.0%) to \$15,092 million. The increase in expenditure was mainly due to higher fuel cost from increase in jet fuel price. The increase was partially offset by lower staff cost, mainly due to lower provision for profit-sharing bonus as a result of weaker operating performance.

The SIA Group earned a profit attributable to equity holders of \$1,062 million for FY2009, \$988 million lower (-48.2%) than the preceding year. The FY2009's earnings included a one-off write-back of \$138 million in prior years' deferred tax provision following a reduction in the Singapore corporate tax rate from 18.0% to 17.0%.

Earnings per share (basic) for the SIA Group fell by 46.8% to 89.6 cents in FY2009, compared to the previous financial year's earnings per share of 168.5 cents.

The SIA Group's total assets stood at \$24,819 million at 31 March 2009, down 6.4% from a year earlier. Net asset value per share decreased 7.8% to approximately \$11.78.

Equity holders' funds decreased 7.9% to \$13,931 million as at 31 March 2009, mainly arising from the payment of dividends during the year and decrease in fair value reserve. During the year, dividends paid included final dividend of 80 cents per share in respect of FY2008 and interim dividend of 20 cents per share in respect of FY2009.

The SIA Group's net liquid assets position fell from \$3,927 million a year ago to \$2,802 million (-\$1,125 million) as at 31 March 2009, as a result of payment of dividends and lower cash generated from operations. Total debt to equity ratio at 0.12 times was marginally higher by 0.01 times.

* Net liquid assets is defined as the sum of cash and bank balances (net of bank overdrafts), investments, loans to third parties, and net of finance lease commitments, loans and fixed rate notes issued.

† Total debt to equity ratio is total debt divided by equity attributable to equity holders of the Issuer.

For FY2009, the Board recommended a total distribution of 40 cents per share, comprising 20 cents interim dividend paid on 4 December 2008 and a recommended final dividend of 20 cents per share. The dividend cover is 2.2 times.

Capital expenditure was \$2,031 million, 2.8% lower than the year before. Internally generated cash flow of \$2,773 million (-44.9%) was 1.37 times of capital expenditure. The decrease in internally generated cash flow was driven primarily by lower cash generated from operations, partially offset by higher proceeds from disposal of aircraft and other assets and dividends received from associated and joint venture companies. About 93% of the capital spending was on aircraft and spare engines.

FY2008 compared with FY2007

SIA Group Earnings and Financial Position

The SIA Group's operating profit for the year was \$2,125 million, a year-on-year improvement of \$810 million (61.6%). This was principally on account of the Issuer (+\$617 million) and SIA Cargo (+\$164 million), although all the five main operating companies in the SIA Group posted better operating results. The SIA Group's revenue grew 10.2% to \$15,973 million in FY2008, \$1,478 million higher than the year before. The improvement was mainly on account of the SIA Group's airline operations which were up \$1,478 million (+10.7%), benefiting from strong passenger yields and higher passenger load factor. The Issuer carried 19.1 million passengers during the full year, an increase of 4.2%. Underpinned by the strong growth in carriage for passenger operations, passenger yield improved 11.0%. The SIA Group's expenditure also increased, albeit at a slower pace than revenue growth, rising \$668 million (+5.1%) to \$13,848 million in FY2008. The increase in expenditure was due mainly to higher fuel cost from increase in jet fuel price and depreciation from delivery of new aircraft.

The SIA Group's profit attributable to equity holders for the financial year was \$2,049 million, \$79 million lower (3.7%) than in the preceding year, which had the benefit of one-off gains totalling \$421 million (from the sale of SIA Building and the sale of investment in Singapore Aircraft Leasing Enterprise Pte. Ltd.) and write-back of deferred tax provision of \$247 million due to the reduction in the statutory tax rate from 20% to 18%. Excluding one-off gains and tax write-back in FY2007, profit attributable to equity holders of the Issuer would have been higher by \$588 million (40.3%), on the back of higher operating profit.

The SIA Group's total assets stood at \$26,515 million at 31 March 2008, up 2.0% from a year earlier. Equity holders' funds increased 0.2% to \$15,125 million.

Following a regular review of the group's capital structure, the Board of Singapore Airlines approved the distribution of surplus capital, which was in excess of the business needs of the SIA Group, to shareholders. To this end, the Issuer, in October 2007, completed a cash distribution of \$2.2 billion to shareholders. There were two parts to the Issuer's cash distribution exercise:

- Payment to shareholders of a special dividend of \$633 million; and
- Return of capital to entitled shareholders through a capital reduction exercise amounting to approximately \$1.6 billion (the "**Capital Distribution Amount**"), via the cancellation of shares.

After payment of the Capital Distribution Amount, the financial position and cash flow generation of the Issuer and the SIA Group was expected to be able to support their capital, operating and investment needs going forward.

The SIA Group's net liquid asset position increased from \$3,810 million to \$3,927 million as at 31 March 2008. The total debt to equity ratio improved marginally by 0.01 times to 0.11 times.

Capital expenditure was \$2,089 million, 31.0% lower than the year before. Internally generated cash flow of \$5,092 million was 2.44 times capital expenditure. The increase in internally generated cash flow was driven primarily by higher cash generated from operations and dividends received from associated and joint venture companies, offset by lower proceeds from disposal of aircraft and other assets.

The following sets out a financial review for the first quarter ended 30 June 2010 compared with the first quarter ended 30 June 2009.

First quarter of FY2011 compared with first quarter of FY2010

SIA Group Financial Performance

The SIA Group earned a net profit of \$253 million in the first quarter of FY2011. This was a turnaround of \$560 million from the loss of \$307 million recorded in the first quarter of FY2010.

The SIA Group's revenue at \$3,466 million grew 20.7% (+\$594 million), reflecting the recovery in load factors and yields.

The SIA Group's expenditure also increased year-on-year but at a slower rate of 0.8% (+\$25 million). This was due mainly to higher expenditure on fuel (+\$313 million or +42.4%), partially offset by smaller loss from fuel hedging (\$78 million in the first quarter of FY2011 versus \$287 million in the first quarter of FY2010), as well as other non-fuel expenditure savings of \$80 million.

The SIA Group's operating profit for the first quarter of FY2011 was \$251 million, a turnaround of \$570 million from the \$319 million operating loss in the first quarter of FY2010.

The Issuer earned an operating profit of \$136 million in the first quarter of FY2011, in contrast to the operating loss of \$271 million in the first quarter of FY2010. All the main companies in the SIA Group were profitable during the period and performed better year-on-year:

SIA Cargo	Operating profit of \$60 million (loss of \$104 million in FY2010)
SIAEC and its subsidiaries	Operating profit of \$36 million (profit of \$12 million in FY2010)
SilkAir	Operating profit of \$15 million (loss of \$3 million in FY2010)

Balance Sheet Review

Equity attributable to owners of the parent increased by \$326 million or 2.4% to \$13,795 million as at 30 June 2010 due mainly to the profit for the quarter (\$253 million) and an improvement in fair value reserves of \$54 million. The improvement in fair value reserves was mainly due to a decrease in fair value loss on outstanding fuel hedging contracts following a reduction in fuel volume hedged as contracts mature and an increase in fair value gain on outstanding foreign exchange currency hedging contracts.

The SIA Group's total assets increased by \$504 million or 2.2% over the preceding year to \$22,988 million as at 30 June 2010 mainly as a result of the increase in cash and bank balances (+\$810 million) due to operational cash inflows. This was partially offset by the decrease in property, plant and equipment of \$208 million arising mainly from depreciation and impairment charges of \$418 million, offset by net acquisitions of \$213 million.

Total SIA Group liabilities rose \$159 million or 1.8% to \$8,894 million as at 30 June 2010 primarily from the \$116 million increase in sales in advance of carriage.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of -**
- (a) **the most recent completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**

Please refer to Appendices B and D of this Offer Information Statement.

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

	For the quarter ended 30 June 2010	FY2010	FY2009
Number of shares	1,192,859,110	1,186,547,790	1,191,608,511
Net asset value (\$) per share	11.56	11.30	11.78

The issue of the Bonds will have no impact on the number of shares or the net assets or liabilities per share of the Issuer.

Please also refer to Appendices B and D of this Offer Information Statement.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of -
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

Please refer to Appendices C and D of this Offer Information Statement.

7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.

In the reasonable opinion of the Directors, after taking into consideration the existing bank facilities available to the SIA Group and the present internal resources of the SIA Group, the working capital available to the SIA Group as at the date of lodgment of this Offer Information Statement is sufficient to meet its present requirements.

8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide -
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

To the best of the Directors' knowledge, the SIA Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the SIA Group's financial position and results or business operations, or the investments by holders of securities in the Issuer.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

Advance bookings indicate that the year-on-year recovery in passenger carriage and yields evident in the first quarter ended 30 June 2010 will be likely to hold up for the rest of 2010.

Similarly, leading indicators, as well as sentiment among shippers and forwarders, suggest that the recent resurgence in air freight may be sustained for the remainder of 2010, although the rate of growth may abate.

On the cost side, uncertainties about demand and supply are reflected in forward prices which are markedly higher than spot prices, and consequently affect the cost of hedging.

Please also refer to the section entitled "**Risk Factors**" of this Offer Information Statement.

Save as disclosed in this Offer Information Statement, the SIA Group is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the SIA Group in respect of the current financial year.

10. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

11. **Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

12. **Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

13. **Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part -**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part -

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

15. Disclose any event that has occurred from the end of -

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 1 July 2010 to the Latest Practicable Date which may have a material effect on the SIA Group's financial position and results.

Meaning of "published"

16. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

PART VI - THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). Payment by subscribers for the Public Offer Bonds under the Public Offer is to be made in full upon application while payment by subscribers for the Placement Bonds under the Placement is to be made in full on or about the Issue Date unless otherwise agreed by the Issuer and the Joint Lead Managers.

The expenses incurred in the Offer will not be specifically charged to subscribers for the Bonds.

For each Electronic Application made through the ATMs of DBS Bank (including POSB) and the UOB Group, a non-refundable administrative fee of S\$2 will be incurred at the point of application. For each Electronic Application made through the ATMs of OCBC Bank, a non-refundable administrative fee of S\$1 will be incurred at the point of application.

- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Issue Price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds) and the Bonds will bear interest at a rate of 2.15 per cent. per annum which has been agreed between the Issuer and the Underwriters pursuant to the Underwriting Agreements taking into account, amongst others, the prevailing market and interest rate conditions.

- 3. If -**
 - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable.

- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange -**
 - (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities -**
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

Not applicable.

- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities -
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

Not applicable.

- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

Not applicable.

- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

Not applicable.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide -

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

Please refer to the section entitled “**Summary of the Offer and the Bonds**” and the section entitled “**Terms and Conditions of the Bonds**” of this Offer Information Statement.

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu* among themselves and equally with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Under Condition 15 of the Terms and Conditions of the Bonds, the Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all material respects and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Issuer may determine at the time of their issue. Any further issues will be subject to the approval of the Board of Directors of the Issuer.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Issuer will offer and issue S\$300,000,000 in aggregate principal amount of the Bonds for subscription by investors at the issue price of S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. in principal amount of the Bonds) with a denomination of S\$1,000 each.

The Offer will comprise the Public Offer and the Placement.

The Public Offer comprises an offering of S\$50,000,000 in principal amount of Bonds offered at the Issue Price to the public in Singapore by way of Electronic Applications, subject to re-allocation between the Public Offer and the Placement.

The Placement comprises an offering of S\$250,000,000 in principal amount of Bonds offered at the Issue Price to institutional and other investors outside the United States in reliance on Regulation S, subject to re-allocation between the Public Offer and the Placement.

The aggregate principal amount of Bonds offered under each of the Public Offer and the Placement is subject to re-allocation between the Public Offer and the Placement in certain circumstances and may not reflect the actual aggregate principal amount of Bonds that will be allocated under the Public Offer or the Placement, as the case may be.

The actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the Bonds offered under the Public Offer are oversubscribed, the Issuer may, at its discretion and in consultation with the Co-ordinating Bookrunners, re-allocate up to S\$100,000,000 in aggregate principal amount of the Bonds from the Placement to the Public Offer to satisfy such excess demand under the Public Offer.

Upon the listing and quotation of the Bonds on the Main Board of the SGX-ST, the Bonds will be traded on the Main Board of the SGX-ST under the book-entry scripless settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

Public Offer Underwriting Agreement

Under the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed, severally and not jointly, to subscribe or procure subscribers for the Public Offer Bonds in accordance with their respective underwriting commitments, on the terms and conditions of the Public Offer Underwriting Agreement.

The underwriting commitments of each of the Public Offer Underwriters are as follows:

Name of Public Offer Underwriter	Aggregate principal amount of Public Offer Bonds
DBS Bank	S\$16,667,000
OCBC Bank	S\$16,667,000
UOB	S\$16,666,000

Each Public Offer Underwriter may arrange sub-underwriting for its underwriting obligations upon such terms and conditions as it deems fit.

The obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement are conditional upon certain events, including, among other things, the following:

- (i) the Placement Underwriting Agreement being entered into on 21 September 2010 and having become unconditional in all respects and not having been terminated;

- (ii) the Issuer having received the approval in-principle from the SGX-ST for the Bonds to be listed on the Main Board of the SGX-ST, the SGX-ST not having withdrawn or changed the terms and conditions of the approval in-principle, the Issuer's compliance with any conditions contained therein and there not having been any event or condition relating to the Issuer that would prevent the commencement of trading of the Bonds on the SGX-ST. Approval in-principle for the listing and quotation of the Bonds was obtained on 21 September 2010; and
- (iii) the Agency Agreement, the Deed of Covenant, the Master Depository Services Agreement and the Trust Deed being executed on or prior to the Issue Date.

The Public Offer Underwriters may by written notice to the Issuer, terminate the Public Offer Underwriting Agreement with immediate effect at any time before 9.30 a.m. on the Issue Date in certain circumstances, including the occurrence of certain "*force majeure* events".

Placement Underwriting Agreement

Under the Placement Underwriting Agreement, the Placement Underwriters have agreed, severally and not jointly, to procure subscribers for, and failing which to subscribe for, the Placement Bonds at the Issue Price in accordance with their respective underwriting commitments, subject to the terms and conditions of the Placement Underwriting Agreement.

The underwriting commitments of each of the Placement Underwriters are as follows:

Name of Placement Underwriter	Aggregate principal amount of Placement Bonds
DBS Bank	S\$62,500,000
OCBC Bank	S\$62,500,000
SCB	S\$62,500,000
UOB	S\$62,500,000

Each Placement Underwriter may sub-place its placement obligations and/or sub-underwrite its underwriting obligations upon such terms and conditions as it deems fit.

The obligations of the Placement Underwriters under the Placement Underwriting Agreement are conditional upon the conditions set out in the Public Offer Underwriting Agreement having been satisfied in full or waived by the Public Offer Underwriters (with the consent of each Placement Underwriter who is not also a Public Offer Underwriter) and the Public Offer Underwriting Agreement having become unconditional in all respects and not having been terminated.

The Placement Underwriters may by written notice to the Issuer setting out the grounds for such termination, terminate the Placement Underwriting Agreement with immediate effect at any time before 9.30 a.m. on the Issue Date in certain circumstances, including the occurrence of certain "*force majeure* events".

Please refer to paragraph 8 of Part IV "**Key Information - Use of Proceeds from Offer and Expenses Incurred**" of this Sixteenth Schedule section for details of the commissions and fees payable by the Issuer to the Underwriters.

PART VII - ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

No statement or report made by an expert is included in this Offer Information Statement.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert -
- (a) state the date on which the statement was made;
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

No statement or report made by an expert is included in this Offer Information Statement

3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.

Noted.

Consents from Issue Managers and Underwriters

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Each of the Co-ordinating Bookrunners and the Bookrunners and Underwriters of the Public Offer has given, and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as one of the Co-ordinating Bookrunners and the Bookrunners and Underwriters of the Public Offer.

Each of the Joint Lead Managers, Bookrunners and Underwriters of the Placement has given, and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as one of the Joint Lead Managers, Bookrunners and Underwriters of the Placement.

Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly -
- (a) the relevant entity's business operations or financial position or results; or
 - (b) investments by holders of securities in the relevant entity.

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Issuer's business operations, financial position or results or investments by holders of securities in the Issuer.

PART VIII - ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Guarantor Entity, Advisers and Agents

1. Provide the names and addresses of -
- (a) the arranger of the offer, if any; and
 - (b) the paying agent of the relevant entity.

Please refer to Part II **“Identity of Directors, Advisers and Agents”** of this Sixteenth Schedule section.

2. In the case of a guaranteed debenture issue, provide -

- (a) the name and address of the guarantor entity; and**
- (b) the name and addresses of each of the directors or equivalent persons of the guarantor entity.**

Not applicable.

3. Provide the name and address of the trustee, fiscal agent, or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative.

The names and addresses of the Trustee, the Registrar and the Paying Agent are set out in Part II **“Identity of Directors, Advisers and Agents”** of this Sixteenth Schedule section.

Trust Deed

The Bonds will be constituted by the Trust Deed to be entered into between the Issuer and The Trust Company (Asia) Limited as trustee of the Bondholders. The Trustee has agreed to act as trustee of the Trust Deed for the benefit of the Bondholders on the terms and subject to the conditions contained in the Trust Deed. The rights and interests of the Bondholders will be contained in the Trust Deed. The Trust Deed will provide for the Trustee to take action on behalf of the Bondholders in certain circumstances, subject to the Trustee being indemnified and/or secured by or on behalf of the Bondholders to its satisfaction. In particular, the Trustee at its discretion may, and (i) if so requested in writing by the holders of at least 25 per cent. in principal amount of the Bonds then outstanding subject to such holders holding an aggregate principal amount of Bonds of not less than S\$50,000,000 or (ii) if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject to it being indemnified and/or secured by the Bondholders to its satisfaction), give notice to the Issuer that the Bonds are immediately due and repayable following the occurrence of an Event of Default (as defined in the Terms and Conditions) under the Bonds. Further, the Trustee will be entitled under the Trust Deed to act on the opinion or advice of, or information obtained from, any expert and will not be responsible for any loss occasioned by so acting.

The Trust Deed will also provide that the Trustee need not do anything to find out if an Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its obligations contained under the Trust Deed and the Bonds.

The other functions, rights and obligations of the Trustee will be set out in the Trust Deed.

Agency Agreement

The administrative matters relating to the Bonds are addressed in the Agency Agreement.

DBS Bank Ltd. will be appointed as the Registrar and the Paying Agent in respect of the Bonds in accordance with the terms and conditions of the Agency Agreement.

The Registrar will maintain a register for the Bonds in accordance with the terms and conditions of the Agency Agreement.

The Paying Agent will, in accordance with the Agency Agreement and the Terms and Conditions, pay or cause to be paid on behalf of the Issuer on and after each due date for payment the amounts due in respect of the Bonds. The Paying Agent shall also arrange on behalf of and at the

request and expense of the Company for notices to be given to the Bondholders in accordance with the Conditions. The functions, rights and obligations of the Registrar and the Paying Agent will be set out in the Agency Agreement.

Master Depository Services Agreement and Deed of Covenant

CDP will be appointed to act as depository for the Bonds on the terms and conditions of the Master Depository Services Agreement and the Deed of Covenant. So long as the Bonds are held by or on behalf of CDP, transactions in the Bonds can only be cleared and settled on a book-entry basis through the computerised system operated by CDP.

The Terms and Conditions of the Bonds are set out in the section entitled “**Terms and Conditions of the Bonds**” of this Offer Information Statement. Copies of the Trust Deed, the Agency Agreement, the Master Depository Services Agreement and the Deed of Covenant will be available for inspection during normal business hours at the principal office of the Trustee at 16 Collyer Quay #26-02, Hitachi Tower, Singapore 049318 and during normal business hours (with prior appointment) at the specified office of the Paying Agent at 60 Alexandra Terrace, The Comtech #05-27, Singapore 118502, from the Issue Date up to and including the date falling six months after the date of this Offer Information Statement.

Offer Statistics

4. State -

- (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
- (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;
- (c) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and
- (d) the currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.

Please refer to the section entitled “**Summary of the Offer and the Bonds**”, paragraph 1 of Part III “**Offer Statistics and Timetable - Offer Statistics**” and paragraphs 1 and 2 of Part VI “**The Offer and Listing - Offer and Listing Details**” of this Sixteenth Schedule section. The Issue Price of each Bond is payable in Singapore dollars.

Principal Terms and Conditions

5. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

- (a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and -
 - (i) if the nominal interest rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;
- (b) the date from which interest accrues and the interest payment dates;
- (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;

- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption;
- (h) the particulars of any security;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;
- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and effect upon acceleration of maturity of the debentures or units of debentures, as the case may be; and
- (n) provisions for modifications of terms and conditions of the debentures or units of debentures, as the case may be.

Please refer to the section entitled “**Summary of the Offer and the Bonds**” and the section entitled “**Terms and Conditions of the Bonds**” of this Offer Information Statement.

Credit Rating

6. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity, its guarantor entity or any of their related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

Not applicable. The Bonds and the Issuer are not rated by any credit rating agency.

Secured Debentures

7. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form -
 - (a) the aggregate value of the tangible assets owned by the relevant entity;
 - (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more, of its guarantor entities; and

- (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

Not applicable. The Bonds are unsecured.

8. Show also, in the summary -

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

Not applicable. The Bonds are unsecured.

9. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

Not applicable. The Bonds are unsecured.

10. Where the tangible assets referred to in paragraph 7 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer.

Not applicable. The Bonds are unsecured.

PART IX - ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART X - ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

Not applicable.

CERTAIN FINANCIAL INFORMATION RELATING TO THE SIA GROUP

Selected financial data from the audited income statements of the SIA Group for the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 have been extracted and set out in Appendix A of this Offer Information Statement and selected financial data from the audited balance sheets and cashflow statements of the SIA Group as at and for the financial years ended 31 March 2009 and 31 March 2010 have been set out in Appendices B and C of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes, which are available on the website of the Issuer at <http://www.singaporeair.com>. Copies of the annual reports for each of the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 are also available on the website of the Issuer.

The SIA Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2010. The adoption of the new and revised FRS and Interpretations of FRS that are mandatory for the financial year beginning on or after 1 April 2010 has no significant impact on the SIA Group.

APPENDIX A

CONSOLIDATED INCOME STATEMENTS OF THE SIA GROUP FOR FY2008, FY2009 AND FY2010

	The SIA Group		
	FY2010	FY2009	FY2008
REVENUE	12,707.3	15,996.3	15,972.5
EXPENDITURE			
Staff costs	2,159.4	2,545.9	2,903.4
Fuel costs	4,194.5	6,408.4	5,025.6
Depreciation	1,713.8	1,649.7	1,488.8
Impairment of property, plant and equipment	6.1	41.4	-
Amortisation of intangible assets	42.7	45.5	42.5
Aircraft maintenance and overhaul costs	342.4	381.6	430.9
Commissions and incentives	316.5	394.5	434.4
Landing, parking and overflying charges	588.6	656.9	665.7
Handling charges	784.9	580.7	582.8
Rentals on leased aircraft	552.9	487.8	381.9
Material costs	375.4	385.3	322.1
Inflight meals	347.7	231.0	255.2
Advertising and sales costs	210.3	240.3	261.5
Insurance expenses	57.6	60.4	71.7
Company accommodation and utilities	142.0	187.2	175.3
Other passenger costs	130.4	146.7	137.8
Crew expenses	153.4	184.7	144.1
Other operating expenses	525.5	464.7	524.3
	12,644.1	15,092.7	13,848.0
OPERATING PROFIT	63.2	903.6	2,124.5
Finance charges	(68.9)	(89.7)	(100.2)
Interest income	49.5	96.0	181.2
Surplus on disposal of aircraft, spares and spare engines	25.4	60.6	49.1
Dividends from long-term investments, gross	33.0	23.7	34.8
Other non-operating items	34.2	29.4	96.8
Share of profits of joint venture companies	56.1	63.9	50.8
Share of profits of associated companies	93.0	111.1	110.2
PROFIT BEFORE TAXATION	285.5	1,198.6	2,547.2
TAXATION			
Taxation expense	(6.0)	(190.0)	(410.3)
Adjustment for reduction in Singapore statutory tax rate	-	138.2	-
	(6.0)	(51.8)	(410.3)
PROFIT FOR THE FINANCIAL YEAR	279.5	1,146.8	2,136.9
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY	215.8	1,061.5	2,049.4
MINORITY INTERESTS	63.7	85.3	87.5
	279.5	1,146.8	2,136.9

Note: The figures above included contribution from SATS Group till 1 September 2009. SATS Group was deconsolidated from the SIA Group with effect from 1 September 2009 after completion of the dividend *in specie* distribution.

APPENDIX B

**CONSOLIDATED BALANCE SHEETS OF THE SIA GROUP
FOR FY2009 AND FY2010**

	The SIA Group	
	FY2010	FY2009
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	1,750.6	1,684.8
Treasury shares	(0.9)	(44.4)
Capital reserve	74.8	86.3
Foreign currency translation reserve	(137.0)	(137.9)
Share-based compensation reserve	185.3	187.3
Fair value reserve	(140.9)	(660.8)
General reserve	11,737.0	12,815.3
	13,468.9	13,930.6
MINORITY INTERESTS	280.4	559.8
TOTAL EQUITY	13,749.3	14,490.4
DEFERRED ACCOUNT	480.7	673.9
DEFERRED TAXATION	2,296.6	2,222.0
LONG-TERM LIABILITIES AND PROVISIONS	1,438.1	1,513.5
	17,964.7	18,899.8
Represented by:		
PROPERTY, PLANT AND EQUIPMENT		
Aircraft, spares and spare engines	13,007.4	13,042.5
Land and buildings	253.6	732.6
Others	1,802.9	2,217.3
	15,063.9	15,992.4
INTANGIBLE ASSETS	80.8	553.0
INVESTMENT PROPERTIES	-	7.0
ASSOCIATED COMPANIES	532.6	855.3
JOINT VENTURE COMPANIES	108.6	127.5
LONG-TERM INVESTMENTS	35.3	43.2
OTHER NON-CURRENT ASSETS	114.4	403.6
CURRENT ASSETS		
Inventories	429.5	503.2
Trade debtors	1,347.8	1,485.5
Deposits and other debtors	66.3	241.9
Prepayments	92.6	101.9
Amounts owing by associated companies	-	0.4
Investments	140.6	655.6
Cash and bank balances	4,471.9	3,848.0
	6,548.7	6,836.5
Less: CURRENT LIABILITIES		
Sales in advance of carriage	1,338.0	1,143.6
Deferred revenue	460.1	500.8
Current tax payable	120.8	348.0
Trade and other creditors	2,498.7	3,581.5
Amounts owing to associated companies	2.0	0.6
Finance lease commitments	64.5	66.9
Loans	-	32.7
Notes payable	-	200.0
Provisions	35.5	35.3
Bank overdrafts	-	9.3
	4,519.6	5,918.7
NET CURRENT ASSETS/(LIABILITIES)	2,029.1	917.8
	17,964.7	18,899.8

APPENDIX C

CONSOLIDATED CASHFLOW STATEMENTS OF THE SIA GROUP FOR FY2009 AND FY2010

	The SIA Group	
	FY2010	FY2009
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	285.5	1,198.6
Adjustments for:		
Depreciation	1,713.8	1,649.7
Impairment of property, plant and equipment	6.1	41.4
Amortisation of intangible assets	42.7	45.5
Impairment of trade debtors	-	12.3
Income from short-term investments	(1.6)	(1.7)
Share-based compensation expense	43.5	68.6
Exchange differences	(2.0)	(3.4)
Amortisation of deferred gain on sale and operating leaseback transactions	(64.7)	(86.1)
Finance charges	68.9	89.7
Interest income	(49.5)	(96.0)
Surplus on disposal of aircraft, spares and spare engines	(25.4)	(60.6)
Surplus on disposal of non-current assets	-	(2.1)
Dividends from long-term investments, gross	(33.0)	(23.7)
Other non-operating items	(34.2)	(29.4)
Share of profits of joint venture companies	(56.1)	(63.9)
Share of profits of associated companies	(93.0)	(111.1)
Operating profit before working capital changes	1,801.0	2,627.8
(Decrease)/Increase in trade and other creditors	(40.9)	(516.5)
Increase/(Decrease) in sales in advance of carriage	194.4	(536.7)
(Increase)/Decrease in trade debtors	(6.6)	428.6
Decrease/(Increase) in deposits and other debtors	157.8	(160.3)
Decrease/(Increase) in prepayments	0.6	3.0
Decrease in inventories	24.2	56.5
(Decrease)/Increase in deferred revenue	(40.7)	65.1
Decrease in amounts owing by associated companies	-	0.1
Increase/(Decrease) in amounts owing to associated companies	1.4	(0.6)
Cash generated from operations	2,091.2	1,967.0
Income taxes paid	(125.0)	(300.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,966.2	1,667.0

	The SIA Group	
	FY2010	FY2009
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(1,560.3)	(2,031.1)
Purchase of intangible assets	(33.8)	(21.6)
Proceeds from disposal of aircraft and other property, plant and equipment	168.5	893.3
Disposal/(Purchase) of short-term investments	533.4	(221.6)
Proceeds from sale of non-equity investments	-	13.6
Investments in associated companies	(1.0)	-
Investments in companies pending incorporation	-	(3.9)
Acquisition of minority interests	-	(0.6)
Acquisition of subsidiary companies, net of cash acquired	-	(457.8)
Disposal of a subsidiary company	(301.9)	-
Repayment of loans by associated companies	4.5	2.8
Proceeds from disposal of shares in a subsidiary company	-	0.3
Proceeds from disposal of non-current assets	-	5.2
Dividends received from associated and joint venture companies	163.6	134.3
Dividends received from investments	33.7	24.5
Interest received from investments and deposits	30.7	84.6
Interest received on loans to associated companies	-	9.8
NET CASH USED IN INVESTING ACTIVITIES	(962.6)	(1,568.2)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(236.9)	(1,185.8)
Dividends paid by subsidiary companies to minority interests	(49.4)	(74.4)
Interest paid	(66.2)	(69.8)
Proceeds from borrowings	2.1	1.9
Repayment of borrowings	(25.0)	(15.2)
Repayment of long-term finance lease commitments	(66.9)	(54.8)
Proceeds from issuance of share capital by subsidiary companies to minority interests	1.0	8.8
Proceeds from exercise of share options	105.7	50.6
Capital reduction	-	-
Proceeds from issuance of shares	-	-
Purchase of treasury shares	-	(64.1)
NET CASH USED IN FINANCING ACTIVITIES	(335.6)	(1,402.8)
NET CASH INFLOW/(OUTFLOW)	668.0	(1,304.0)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	3,838.7	5,119.0
Effect of exchange rate changes	(34.8)	23.7
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,471.9	3,838.7
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	4,069.8	3,540.8
Cash and bank	402.1	307.2
Bank overdrafts	-	(9.3)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,471.9	3,838.7

THE FIRST QUARTER FY2011 FINANCIAL RESULTS OF THE SIA GROUP

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UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2010

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
REVENUE	3,465.8	2,871.4
EXPENDITURE		
Staff costs	527.1	618.3
Fuel costs	1,131.0	1,026.8
Depreciation	407.2	422.2
Impairment of property, plant and equipment	10.8	1.0
Amortisation of intangible assets	6.1	14.9
Aircraft maintenance and overhaul costs	92.5	87.1
Commission and incentives	96.5	73.2
Landing, parking and overflying charges	147.4	146.4
Handling charges	229.5	137.8
Rentals on leased aircraft	138.4	147.7
Material costs	65.6	144.9
Inflight meals	101.8	48.5
Advertising and sales costs	47.9	64.9
Insurance expenses	15.8	15.2
Company accommodation and utilities	26.8	46.5
Other passenger costs	38.7	32.8
Crew expenses	33.7	40.7
Other operating expenses	98.5	121.8
	3,215.3	3,190.7
OPERATING PROFIT/(LOSS)	250.5	(319.3)
Finance charges	(15.5)	(20.7)
Interest income	9.7	12.5
Surplus/(Loss) on disposal of aircraft, spares and spare engines	24.4	(1.8)
Dividends from long-term investments, gross	4.1	3.9
Other non-operating items	3.6	16.7
Share of profits of joint venture companies	19.0	16.4
Share of profits of associated companies	21.7	22.4
PROFIT/(LOSS) BEFORE TAXATION	317.5	(269.9)
TAXATION	(49.6)	(19.2)
PROFIT/(LOSS) FOR THE PERIOD	267.9	(289.1)
PROFIT/(LOSS) ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	252.5	(307.1)
NON-CONTROLLING INTERESTS	15.4	18.0
	267.9	(289.1)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	21.2	(26.0)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	20.9	(26.0)

Note : SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for the quarter ended 30 June 2009 was prepared to exclude the operations of SATS Group. Please refer to Annex 1 for the proforma consolidated profit and loss account.

Notes:

(i) Profit/(Loss) for the period is arrived at after charging/(crediting) the following:

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
Interest income from short-term investments	(0.2)	(0.2)
Dividend income from short-term investments	(0.3)	(0.3)
Income from operating lease of aircraft	(7.1)	--
Amortisation of deferred gain on sale and operating leaseback transactions	(8.1)	(22.8)
Surplus on disposal of short-term investments	(0.7)	(0.3)
Bad debts written off	0.2	0.2
Impairment of trade debtors	0.5	0.5
Writedown on inventories	2.8	2.6
Exchange loss, net	35.2	31.7
Currency hedging gain	(1.9)	(51.6)
Fuel hedging loss recognised in "Fuel costs"	77.5	287.0
Ineffectiveness of fuel hedging contracts recognised in "Fuel costs"	--	(0.2)
(Over)/Under provision of tax in respect of prior years	(1.8)	1.1

(ii) The non-operating items comprise the following:

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
Recognition of liquidated damages	6.9	16.3
(Loss)/Surplus on disposal of other property, plant and equipment	(0.6)	0.1
Amortisation of deferred gain on sale and finance leaseback transactions	--	0.3
Provision for legal claims	(2.7)	--
	3.6	16.7

Revised FRS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. The revised FRS is effective from financial years beginning on or after 1 January 2009. This is a change in disclosure with no impact on the financial position or financial performance of the Group.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

	The Group		The Company	
	1st Quarter 2010-11	1st Quarter 2009-10	1st Quarter 2010-11	1st Quarter 2009-10
PROFIT/(LOSS) FOR THE PERIOD	267.9	(289.1)	134.3	(261.7)
OTHER COMPREHENSIVE INCOME :				
Currency translation differences	(1.1)	(24.9)	--	--
Available-for-sale financial assets	(2.3)	5.9	--	1.2
Cash flow hedges	56.0	273.9	42.1	217.4
Surplus on dilution of interest in subsidiary companies due to share options exercised	3.6	0.9	--	--
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	56.2	255.8	42.1	218.6
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	324.1	(33.3)	176.4	(43.1)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO :				
OWNERS OF THE PARENT	305.4	(44.4)	176.4	(43.1)
NON-CONTROLLING INTERESTS	18.7	11.1	--	--
	324.1	(33.3)	176.4	(43.1)

1(b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2010 (in \$ million)

	The Group		The Company	
	30-Jun 2010	31-Mar 2010	30-Jun 2010	31-Mar 2010
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	1,767.3	1,750.6	1,767.3	1,750.6
Treasury shares	(0.7)	(0.9)	(0.7)	(0.9)
Capital reserve	74.8	74.8	2.5	2.5
Foreign currency translation reserve	(137.9)	(137.0)	--	--
Share-based compensation reserve	187.3	185.3	149.2	147.9
Fair value reserve	(87.2)	(140.9)	(43.2)	(85.3)
General reserve	11,991.1	11,737.0	11,803.2	11,668.5
	13,794.7	13,468.9	13,678.3	13,483.3
NON-CONTROLLING INTERESTS	299.1	280.4	--	--
TOTAL EQUITY	14,093.8	13,749.3	13,678.3	13,483.3
DEFERRED ACCOUNT	452.0	480.7	417.0	443.9
DEFERRED TAXATION	2,263.0	2,296.6	1,909.2	1,945.6
LONG-TERM LIABILITIES AND PROVISIONS	1,446.9	1,438.1	1,052.0	1,033.1
	18,255.7	17,964.7	17,056.5	16,905.9
Represented by:-				
PROPERTY, PLANT AND EQUIPMENT				
Aircraft, spares and spare engines	12,701.4	13,007.4	10,427.5	10,739.5
Land and buildings	288.8	253.6	102.5	105.8
Others	1,866.1	1,802.9	1,643.7	1,520.1
	14,856.3	15,063.9	12,173.7	12,365.4
INTANGIBLE ASSETS	88.2	80.8	51.0	55.0
SUBSIDIARY COMPANIES	--	--	1,835.8	1,805.8
ASSOCIATED COMPANIES	518.1	532.6	1,715.7	1,715.7
JOINT VENTURE COMPANIES	107.6	108.6	--	--
LONG-TERM INVESTMENTS	35.3	35.3	18.8	18.8
OTHER NON-CURRENT ASSETS	118.9	114.4	118.9	114.4
CURRENT ASSETS				
Inventories	439.9	429.5	301.9	309.8
Trade debtors	1,289.0	1,347.8	859.8	958.0
Deposits and other debtors	57.2	66.3	38.9	41.9
Prepayments	95.7	92.6	82.1	82.0
Amounts owing by subsidiary companies	--	--	177.5	141.0
Investments	99.5	140.6	40.0	80.0
Cash and bank balances	5,282.2	4,471.9	5,011.6	4,260.7
	7,263.5	6,548.7	6,511.8	5,873.4
Less: CURRENT LIABILITIES				
Sales in advance of carriage	1,454.2	1,338.0	1,418.5	1,301.9
Deferred revenue	454.0	460.1	454.0	460.1
Current tax payable	192.6	120.8	158.0	96.5
Trade and other creditors	2,534.6	2,498.7	1,875.4	1,876.6
Amounts owing to subsidiary companies	--	--	1,453.2	1,298.0
Amounts owing to associated companies	2.3	2.0	--	--
Finance lease commitments	65.0	64.5	--	--
Provisions	29.5	35.5	10.1	9.5
	4,732.2	4,519.6	5,369.2	5,042.6
NET CURRENT ASSETS	2,531.3	2,029.1	1,142.6	830.8
	18,255.7	17,964.7	17,056.5	16,905.9

1(b) (ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 June 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$65.0 M	NIL	\$64.5 M	NIL

Amount repayable after one year

As at 30 June 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$361.6 M	\$900.0 M	\$374.4 M	\$900.0 M

Details of any collateral

The secured borrowings pertained to finance leases of aircraft (\$426.6 million).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	317.5	(269.9)
Adjustments for:-		
Depreciation	407.2	422.2
Impairment of property, plant and equipment	10.8	1.0
Amortisation of intangible assets	6.1	14.9
Impairment of trade debtors	0.5	0.5
Income from short-term investments	(0.5)	(0.5)
Share-based compensation expense	5.0	16.2
Exchange differences	5.1	4.9
Amortisation of deferred gain on sale and operating leaseback transactions	(8.1)	(22.8)
Finance charges	15.5	20.7
Interest income	(9.7)	(12.5)
(Surplus)/Loss on disposal of aircraft, spares and spare engines	(24.4)	1.8
Dividends from long-term investments, gross	(4.1)	(3.9)
Other non-operating items	(3.6)	(16.7)
Share of profits of joint venture companies	(19.0)	(16.4)
Share of profits of associated companies	(21.7)	(22.4)
Operating profit before working capital changes	676.6	117.1
Increase/(Decrease) in trade and other creditors	100.9	(1.6)
Increase in sales in advance of carriage	116.2	111.1
Decrease in trade debtors	80.4	134.5
Decrease in deposits and other debtors	9.1	126.8
(Increase)/Decrease in prepayments	(3.1)	14.9
Increase in inventories	(10.4)	(3.5)
(Decrease)/Increase in deferred revenue	(6.1)	7.9
Increase in amounts owing by associated companies	--	(0.1)
Increase in amounts owing to associated companies	0.3	2.7
Cash generated from operations	963.9	509.8
Income taxes paid	(17.1)	(36.7)
NET CASH PROVIDED BY OPERATING ACTIVITIES	946.8	473.1

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(313.2)	(393.7)
Purchase of intangible assets	(13.5)	(4.7)
Proceeds from disposal of aircraft and other property, plant and equipment	116.2	56.7
Investments in associated companies	(1.1)	--
Disposal of short-term investments	38.4	489.0
Repayment of loans by associated companies	--	0.2
Dividends received from associated and joint venture companies	50.7	33.1
Dividends received from investments	4.4	4.2
Interest received from investments and deposits	4.3	9.0
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(113.8)	193.8
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid by subsidiary companies to non-controlling interests	--	(0.1)
Interest paid	(24.3)	(22.5)
Proceeds from borrowings	--	0.7
Repayment of borrowings	--	(17.7)
Repayment of long-term lease liabilities	(11.7)	(13.1)
Proceeds from issuance of share capital by subsidiary companies to non-controlling interests	--	1.0
Proceeds from exercise of share options	19.0	2.0
NET CASH USED IN FINANCING ACTIVITIES	(17.0)	(49.7)
NET CASH INFLOW	816.0	617.2
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	4,471.9	3,838.7
Effect of exchange rate changes	(5.7)	(18.0)
CASH AND CASH EQUIVALENTS AT END PERIOD	5,282.2	4,437.9
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	4,872.4	4,057.5
Cash and bank	409.8	381.3
Bank overdrafts	--	(0.9)
CASH AND CASH EQUIVALENTS AT END PERIOD	5,282.2	4,437.9

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

The Group	Attributable to Owners of the Parent								Non-Controlling Interests	Total equity
	Share capital	Treasury Shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 April 2010	1,750.6	(0.9)	74.8	(137.0)	185.3	(140.9)	11,737.0	13,468.9	280.4	13,749.3
Total comprehensive (expense)/income for the period April to June 2010	--	--	--	(0.9)	(1.0)	53.7	253.6	305.4	18.7	324.1
Share-based compensation expense	--	--	--	--	5.0	--	--	5.0	--	5.0
Share options exercised	16.7	--	--	--	(1.3)	--	--	15.4	--	15.4
Share options lapsed	--	--	--	--	(0.5)	--	0.5	--	--	--
Treasury shares reissued pursuant to equity compensation plans	--	0.2	--	--	(0.2)	--	--	--	--	--
Balance at 30 June 2010	1,767.3	(0.7)	74.8	(137.9)	187.3	(87.2)	11,991.1	13,794.7	299.1	14,093.8

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2009 (in \$ million)**

The Group	Attributable to Owners of the Parent								Non-Controlling Interests	Total equity
	Share capital	Treasury Shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
Balance at 1 April 2009	1,684.8	(44.4)	86.3	(137.9)	187.3	(660.8)	12,815.3	13,930.6	559.8	14,490.4
Total comprehensive (expense)/income for the period April to June 2009	--	--	--	(16.3)	(1.1)	279.8	(306.8)	(44.4)	11.1	(33.3)
Issuance of share capital by subsidiary companies	--	--	--	--	--	--	--	--	1.0	1.0
Share-based compensation expense	--	--	--	--	16.2	--	--	16.2	--	16.2
Share options lapsed	--	--	--	--	(0.3)	--	0.3	--	--	--
Treasury shares reissued pursuant to equity compensation plans	--	1.1	0.2	--	(0.2)	--	--	1.1	--	1.1
Dividends	--	--	--	--	--	--	--	--	(0.1)	(0.1)
Balance at 30 June 2009	1,684.8	(43.3)	86.5	(154.2)	201.9	(381.0)	12,508.8	13,903.5	571.8	14,475.3

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

The Company	Share capital	Treasury Shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2010	1,750.6	(0.9)	2.5	147.9	(85.3)	11,668.5	13,483.3
Total comprehensive income for the period April to June 2010	--	--	--	--	42.1	134.3	176.4
Share-based compensation expense	--	--	--	3.2	--	--	3.2
Share options exercised	16.7	--	--	(1.3)	--	--	15.4
Share options lapsed	--	--	--	(0.4)	--	0.4	--
Treasury shares reissued pursuant to equity compensation plans	--	0.2	--	(0.2)	--	--	--
Balance at 30 June 2010	<u>1,767.3</u>	<u>(0.7)</u>	<u>2.5</u>	<u>149.2</u>	<u>(43.2)</u>	<u>11,803.2</u>	<u>13,678.3</u>

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2009 (in \$ million)**

The Company	Share capital	Treasury Shares	Capital Reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2009	1,684.8	(44.4)	(3.7)	135.0	(496.0)	11,623.3	12,899.0
Total comprehensive income/(expense) for the period April to June 2009	--	--	--	--	218.6	(261.7)	(43.1)
Share-based compensation expense	--	--	--	10.8	--	--	10.8
Share options lapsed	--	--	--	(0.2)	--	0.2	--
Treasury shares reissued pursuant to equity compensation plans	--	1.1	0.2	(0.2)	--	--	1.1
Balance at 30 June 2009	<u>1,684.8</u>	<u>(43.3)</u>	<u>(3.5)</u>	<u>145.4</u>	<u>(277.4)</u>	<u>11,361.8</u>	<u>12,867.8</u>

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

Share Capital

During the period April to June 2010, the Company issued 1,250,599 shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan.

Group and Company	Number of Shares	Share Capital (\$ million)
Issued and fully paid share capital		
<u>Ordinary Shares</u>		
Balance at 1 April 2010	1,191,608,511	1,750.6
Share options exercised during the period April to June 2010	1,250,599	16.7
Balance at 30 June 2010	1,192,859,110	1,767.3

As at 30 June 2010, the number of ordinary shares in issue was 1,192,859,110, of which 59,984 were held by the Company as treasury shares. The share capital was \$1,767.3 million. (30 June 2009 : 1,186,547,790 ordinary shares of which 3,812,780 were held as treasury shares.)

Employee Share Option Plan

As at 30 June 2010, the number of share options of the Company outstanding was 50,922,506 (30 June 2009: 62,896,199).

During the period April to June 2010, 1,250,599 shares were exercised under the Singapore Airlines Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.

The movement of share options of the Company during the period April to June 2010 is as follows :

Date of Grant	Balance at 01.04.2010	Cancelled during 01.04.2010 to 30.06.2010	Exercised during 01.04.2010 to 30.06.2010	Balance at 30.06.2010	Exercise price *	Expiry Date
03.07.2000	3,659,525	(30,000)	(672,588)	2,956,937	\$14.44	02.07.2010
02.07.2001	1,864,063	(7,220)	(35,770)	1,821,073	\$9.75	01.07.2011
01.07.2002	2,923,889	(18,050)	(82,316)	2,823,523	\$10.61	30.06.2012
01.07.2003	1,986,948	(22,373)	(45,853)	1,918,722	\$8.13	30.06.2013
01.07.2004	3,410,571	(19,000)	(64,612)	3,326,959	\$8.49	30.06.2014
01.07.2005	6,363,163	(2,660)	(143,855)	6,216,648	\$9.07	30.06.2015
03.07.2006	8,594,136	(8,480)	(179,645)	8,406,011	\$10.39	02.07.2016
02.07.2007	11,444,550	(71,357)	-	11,373,193	\$16.51	01.07.2017
01.07.2008	12,164,475	(59,075)	(25,960)	12,079,440	\$13.12	30.06.2018
	52,411,320	(238,215)	(1,250,599)	50,922,506		

* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.50 per share on 31 July 2007, the Board Compensation & Industrial Relations Committee approved a reduction of \$0.50 in the exercise prices of the shares options outstanding on 2 August 2007. The said Committee approved another \$1.71 reduction in the exercise prices of the share options outstanding on 28 August 2009 following approval by the Company's shareholder of the dividend *in specie* of SATS shares on 31 July 2009. The exercise prices reflected here are the exercise prices after such adjustments.

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

In addition to the Employee Share Option Plan, senior management staff are entitled to two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 28 July 2005.

Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

As at 30 June 2010, the number of outstanding shares granted under the Company's RSP were 1,734,240 (30 June 2009: 1,277,182).

The details of the shares awarded under RSP as follows:

Date of grant	Number of Restricted Shares			
	Balance at 01.04.2010	Granted during 01.04.2010 to 30.06.2010	Vested	Balance at 30.06.2010
RSP				
27.07.2006	72,309	-	-	72,309
01.08.2007	282,099	-	-	282,099
01.07.2008	722,623	-	-	722,623
29.07.2009	657,209	-	-	657,209
	1,734,240	-	-	1,734,240

In addition, during the period April to June 2010, the Board Compensation & Industrial Relations Committee approved the following special time-based RSP :

Date of grant	Number of Restricted Shares			
	Balance at 01.04.2010	Granted during 01.04.2010 to 30.06.2010	Vested	Balance at 30.06.2010
RSP				
01.04.2010	-	20,000	(10,000)	10,000
07.05.2010	-	608,000	(6,500)	601,500
	-	628,000	(16,500)	611,500

As at 30 June 2010, the number of outstanding shares granted under the Company's PSP were 644,163 (30 June 2009: 524,853).

Date of grant	Number of Performance Shares			
	Balance at 01.04.2010	Granted during 01.04.2010 to 30.06.2010	Vested	Balance at 30.06.2010
PSP				
01.08.2007	176,899	-	-	176,899
01.07.2008	248,864	-	-	248,864
29.07.2009	218,400	-	-	218,400
	644,163	-	-	644,163

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2010, the number of ordinary shares in issue was 1,192,859,110, of which 59,984 were held by the Company as treasury shares. (30 June 2009 : 1,186,547,790 ordinary shares of which 3,812,780 were held as treasury shares.)

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the period between April to June 2010, the Company did not purchase any treasury shares (April to June 2009 : NIL).

The Company transferred 16,500 of the treasury shares to employees on vesting of share-based incentive plans. Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of Shares	Treasury Shares (\$ million)
Balance at 1 April 2010	76,484	(0.9)
Treasury shares transferred on vesting of share-based incentive plans	(16,500)	0.2
Balance at 30 June 2010	59,984	(0.7)

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2010. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2010 has no significant impact on the Group.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
Earnings/(Loss) per share (cents)		
- Basic	21.2	(26.0)
- Diluted	20.9	(26.0)

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 30 Jun 2010	As at 31 Mar 2010	As at 30 Jun 2010	As at 31 Mar 2010
Net asset value per ordinary share (\$)	11.56	11.30	11.47	11.32

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE

The Group earned a net profit of \$253 million in April – June 2010. This was a turnaround of \$560 million from the loss of \$307 million recorded in the same quarter a year ago.

Group revenue at \$3,466 million grew 20.7% (+\$594 million), reflecting the recovery in load factors and yields.

Group expenditure also increased year-on-year but at a slower rate of 0.8% (+\$24 million). This was due mainly to higher expenditure on fuel (+\$313 million or +42.4%), partially offset by smaller loss from fuel hedging (\$78 million this year versus \$287 million last year), as well as other non-fuel expenditure savings of \$80 million.

Group operating profit for the quarter was \$251 million, a turnaround of \$570 million from the \$319 million operating loss last year.

The Parent Airline Company earned an operating profit of \$136 million in the first quarter of the 2010-11 financial year, in contrast to the operating loss of \$271 million last year. All the main companies in the Group were profitable during the period and performed better year-on-year.

- | | | | | |
|-------------------|---------------------|----|------------|----------------------------------|
| • SIA Cargo | Operating profit of | \$ | 60 million | (loss of \$104 million in 2009) |
| • SIA Engineering | Operating profit of | \$ | 36 million | (profit of \$12 million in 2009) |
| • SilkAir | Operating profit of | \$ | 15 million | (loss of \$3 million in 2009) |

FIRST QUARTER OPERATING PERFORMANCE

The Parent Airline Company carried 4.0 million passengers during the quarter, a year-on-year increase of 5.5%. Capacity (in available seat-kilometres) was practically unchanged from last year while passenger carriage (in revenue passenger-kilometres) was 8.8% higher. Consequently, passenger load factor improved 6.8 percentage points to 78.4%.

Passenger breakeven load factor at 76.9%, was lower by 7.4 percentage points year-on-year, as passenger yield recovered by 14.7%.

SIA Cargo's freight traffic (in load tonne-kilometres) for the first quarter was up 12.1% year-on-year, against capacity growth (in capacity tonne-kilometres) of 4.5%. As a result, cargo load factor rose 4.4 percentage points to 65.0%.

Cargo yield improved 42.3% compared to the same period in the preceding year. With unit cost increasing at a slower pace (+10.9%), cargo breakeven load factor fell 17.1 percentage points to 60.5%.

BALANCE SHEET REVIEW

Equity attributable to owners of the parent increased by \$325.8 million or 2.4% to \$13,794.7 million as at 30 June 2010 due mainly to the profit for the quarter (\$252.5 million) and an improvement in fair value reserves of \$53.7 million. The improvement in fair value reserves was mainly due to a decrease in fair value loss on outstanding fuel hedging contracts following a reduction in fuel volume hedged as contracts mature and an increase in fair value gain on outstanding foreign exchange currency hedging contracts.

Total Group assets increased by \$503.6 million or 2.2% to \$22,987.9 million as at 30 June 2010 mainly as a result of the increase in cash and bank balances (+\$810.3 million) due to operational cash inflows. This was partially offset by the decrease in property, plant and equipment of \$207.6 million arising mainly from depreciation and impairment charges of \$418.0 million, offset by net acquisitions of \$212.6 million.

Total Group liabilities rose \$159.1 million or 1.8% to \$8,894.1 million as at 30 June 2010 primarily from the \$116.2 million increase in sales in advance of carriage.

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

Advance bookings indicate that the year-on-year recovery in passenger carriage and yields evident in the quarter to June will hold up for the rest of 2010.

Similarly, leading indicators, as well as sentiment among shippers and forwarders, suggest that the recent resurgence in air freight may be sustained in the near term, although the rate of growth may abate.

On the cost side, jet fuel prices have seen trading around the level of USD85 per barrel. Uncertainties about demand and supply are reflected in forward prices which are markedly higher than spot prices, and consequently affect the cost of hedging.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared / recommended for the period ended 30 June 2010.

13 Interested Person Transactions

Interested person transactions ("IPT") conducted during the first quarter of Financial Year 2010-11:

Name of Interested Person	Aggregate value of all IPTs during the financial quarter under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	1st Quarter 2010-11 (\$)	1st Quarter 2010-11 (\$)
Singapore Airport Terminal Services Limited Group		
- Aero Laundry & Linen Services Private Limited	-	2,911,700
- Air India - SATS Joint Venture (50:50)	-	385,107
- Asia Airfreight Terminal Co Ltd	-	3,103,704
- Beijing Airport Inflight Kitchen Limited	-	1,003,953
- Beijing Aviation Ground Services Company Ltd	-	1,708,693
- Maldives Inflight Catering Pte Ltd	-	324,098
- PT Jasa Angkasa Semesta Tbk	-	2,480,279
- SATS Airport Services Pte Ltd	-	6,750,029
- SATS Catering Pte Ltd	-	4,379,059
- SATS HK Limited	-	441,232
- SATS Security Services Private Limited	-	3,513,617
- Singapore Airport Terminal Services Limited	-	99,987,764
- Taj Madras Flight Kitchen Pvt Limited	-	159,377
- Taj SATS Air Catering Ltd	-	906,843
- Tan Son Nhat Cargo Services Ltd (TCS)	-	228,955
Temasek Holdings (Private) Limited and Associates		
- MediaCorp Pte Ltd	-	100,844
Total Interested Person Transactions	-	128,385,254

By Order of the Board

Ethel Tan (Mrs)
Company Secretary
26 July 2010

Singapore Company Registration No.: 197200078R

CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Chew Choon Seng, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter FY2010-11 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



CHEW CHOON SENG
Chief Executive Officer

26 July 2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (in \$ million)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10 Proforma*
REVENUE	3,465.8	2,659.3
EXPENDITURE		
Staff costs	527.1	508.3
Fuel costs	1,131.0	1,026.8
Depreciation	407.2	404.8
Impairment of property, plant and equipment	10.8	1.0
Amortisation of intangible assets	6.1	9.3
Aircraft maintenance and overhaul costs	92.5	87.1
Commission and incentives	96.5	73.2
Landing, parking and overflying charges	147.4	146.4
Handling charges	229.5	212.1
Rentals on leased aircraft	138.4	147.7
Material costs	65.6	53.4
Inflight meals	101.8	106.4
Advertising and sales costs	47.9	57.9
Insurance expenses	15.8	15.2
Company accommodation and utilities	26.8	24.9
Other passenger costs	38.7	32.8
Crew expenses	33.7	40.7
Other operating expenses	98.5	77.7
	<u>3,215.3</u>	<u>3,025.7</u>
OPERATING PROFIT/(LOSS)	250.5	(366.4)
Finance charges	(15.5)	(18.8)
Interest income	9.7	12.3
Surplus/(Loss) on disposal of aircraft, spares and spare engines	24.4	(1.8)
Dividends from long-term investments, gross	4.1	3.9
Other non-operating items	3.6	16.2
Share of profits of joint venture companies	19.0	16.4
Share of profits of associated companies	21.7	13.3
PROFIT/(LOSS) BEFORE TAXATION	317.5	(324.9)
TAXATION	(49.6)	(8.2)
PROFIT/(LOSS) FOR THE PERIOD	<u>267.9</u>	<u>(333.1)</u>
PROFIT/(LOSS) ATTRIBUTABLE TO: OWNERS OF THE PARENT	252.5	(342.7)
NON-CONTROLLING INTERESTS	15.4	9.6
	<u>267.9</u>	<u>(333.1)</u>

* SATS Group was deconsolidated from the Group with effect from 1 September 2009, after completion of the dividend *in specie* distribution. For comparison purposes, a proforma consolidated profit and loss account for the first quarter ended 30 June 2009 was prepared to exclude the operations of SATS Group.

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications are invited for the subscription of the Bonds at the Issue Price on the terms and conditions set out below.

Investors applying for the Bonds by way of Electronic Applications are required to pay S\$1,000 for each Bond applied for (at S\$1 per S\$1 in principal amount of the Bonds), subject to a refund of the full amount or, as the case may be, the balance of the application moneys (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Issuer or the Underwriters) (i) where the application is invalid or unsuccessful, or is rejected or accepted in part only, or (ii) if the Offer does not proceed for any reason.

1. **YOUR APPLICATION IS SUBJECT TO A MINIMUM OF (I) S\$10,000 IN PRINCIPAL AMOUNT OF BONDS PER APPLICATION UNDER THE PUBLIC OFFER, AND (II) S\$100,000 IN PRINCIPAL AMOUNT OF BONDS PER APPLICATION UNDER THE PLACEMENT OR, IN EACH CASE, HIGHER AMOUNTS IN INTEGRAL MULTIPLES OF S\$1,000 THEREOF.**

For example, your application for Bonds under the Public Offer must be made in respect of a minimum of S\$10,000 in principal amount of the Bonds or you may subscribe for a larger amount in integral multiples of S\$1,000, such as S\$11,000 or S\$19,000 in principal amount of the Bonds. Your application for Bonds under the Placement must be made in respect of a minimum of S\$100,000 in principal amount of the Bonds or you may subscribe for a larger amount in integral multiples of S\$1,000, such as S\$101,000 or S\$199,000 in principal amount of the Bonds.

2. Your application for the Public Offer Bonds may only be made by way of ATMs belonging to each of the Participating Banks (being DBS Bank (including POSB), OCBC Bank and UOB and its subsidiary, Far Eastern Bank Limited). Applications for the Placement Bonds may only be made directly through the Joint Lead Managers, who will determine at their discretion, the manner and method for applications under the Placement. **YOU MAY NOT USE YOUR CPF FUNDS OR SRS FUNDS TO APPLY FOR THE BONDS.**
3. Investors who wish to subscribe for the Public Offer Bonds may make an application for the Public Offer Bonds by way of Electronic Applications from 9.00 a.m. on 22 September 2010 to 12.00 noon on 28 September 2010. The Issuer may, with the approval of the SGX-ST (if required) and the agreement of the relevant Underwriters, change the time(s) and/or date(s) stated above at its discretion, subject to all applicable laws and regulations. In particular, the Issuer will, if so agreed with the relevant Underwriters, have the absolute discretion to close the Public Offer and/or the Placement early. In such an event, the Issuer will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>. The Placement Bonds will only be made available to institutional and other investors directly through the Joint Lead Managers, who will determine, at their discretion, the manner and method for applications under the Placement. Those investors who wish to subscribe for the Placement Bonds may make an application directly through the Joint Lead Managers from 12.00 noon on 21 September 2010 to 12.00 noon on 28 September 2010.
4. **Only one application may be made for the benefit of one person for the Public Offer Bonds in his own name. Multiple applications for the Public Offer Bonds will be rejected.**

A person who submits an application for the Public Offer Bonds in his own name should not submit any other applications for the Public Offer Bonds for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Bonds shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Bonds may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and such applications may be referred to the relevant authorities for investigation.

Multiple applications may be made in the case of applications by any person for (i) Placement Bonds offered under the Placement or (ii) Placement Bonds offered under the Placement together with a single application for the Public Offer Bonds under the Public Offer.

5. The Issuer will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. The Issuer will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification.
7. **IF YOU ARE MAKING AN APPLICATION FOR THE PUBLIC OFFER BONDS YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION. IF YOU DO NOT HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION, YOU WILL NOT BE ABLE TO COMPLETE YOUR ELECTRONIC APPLICATION. IF YOU HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP BUT FAIL TO PROVIDE YOUR CDP SECURITIES ACCOUNT NUMBER OR PROVIDE AN INCORRECT CDP SECURITIES ACCOUNT NUMBER IN YOUR ELECTRONIC APPLICATION, AS THE CASE MAY BE, YOUR APPLICATION IS LIABLE TO BE REJECTED.**
8. **THE ISSUER WILL ONLY ACCEPT NOMINEE APPLICATIONS FOR THE PLACEMENT FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
9. Subject to paragraph 10 below, your application is liable to be rejected if your particulars such as your name, National Registration Identity Card ("NRIC") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with the CDP, your application shall be rejected.
10. **If your address contained in the records of the relevant Participating Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.**
11. The Issuer reserves the right to reject any applications for Bonds where the Issuer believes or has reason to believe that such applications may violate the securities laws of any jurisdiction.
12. No person in any jurisdiction outside Singapore receiving this Offer Information Statement may treat the same as an offer or invitation to subscribe for any Bonds unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.
13. This Offer Information Statement has not been and will not be registered in any jurisdiction other than the lodgment of this Offer Information Statement with the Authority in accordance with the requirements of the SFA. The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or unless various relevant securities requirements, whether legal, administrative or otherwise, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Offer Information Statement nor any copy thereto may be published or distributed, directly or indirectly, in whole or in part, in or into the United States and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Bonds have not been and will not be

registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or delivered in the United States except in certain transactions exempt from the registration requirements of the Securities Act. The Bonds are being offered and sold in offshore transactions (as defined in Regulation S) outside the United States in reliance on Regulation S. There will be no public offer of the Bonds in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

14. The Issuer reserves the right to reject any application which does not conform strictly to the instructions set out in this Offer Information Statement or which does not comply with the instructions for Electronic Applications in the ATMs of the relevant Participating Banks or with the terms and conditions of this Offer Information Statement or which is accompanied by an improperly drawn or improper form of remittance.
15. The Issuer and the Underwriters reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications.
16. The Issuer and the Underwriters further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in this Offer Information Statement and in the ATMs of the relevant Participating Banks, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Issuer, the Co-ordinating Bookrunners, as agents of the Issuer, have been authorised to accept, for and on behalf of the Issuer, such other forms of application as the Co-ordinating Bookrunners may deem appropriate.

17. The Bonds may be re-allocated between the Public Offer and the Placement in certain circumstances and the actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the Bonds offered under the Public Offer are oversubscribed, the Issuer may, at its discretion and in consultation with the Co-ordinating Bookrunners, re-allocate up to S\$100,000,000 in aggregate principal amount of the Bonds from the Placement to the Public Offer to satisfy such excess demand under the Public Offer.

18. The Global Certificate will be registered in the name of CDP or its nominee and will be forwarded only to CDP. Upon crediting of the Bonds to your Securities Account (one Market Day before the Bonds are listed on the Main Board of the SGX-ST), it is expected that CDP will send to you, at your own risk, within three Market Days after the date on which the Bonds are credited, a notification letter stating that your Securities Account has been credited with the number of Bonds allocated to you. You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number and application amount from your account with the relevant Participating Bank branch to the SGX-ST, CDP, the Issuer and the Underwriters. This authorisation applies to applications made by way of Electronic Applications.
19. In the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM in accordance with the provisions herein or in the case of an application under the Placement, by submitting an application through the Joint Lead Managers, you:
 - (a) irrevocably agree and undertake to subscribe for the principal amount of Bonds specified in your application (or such smaller principal amount for which the application is accepted) at the Issue Price for each Bond and agree that you will accept such principal amount of Bonds as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, this Offer Information Statement;

- (b) agree that where new circumstances arise, or changes in the affairs of the Issuer or the SIA Group occur after the date of this Offer Information Statement but prior to the issue of the Bonds, and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, and the Issuer makes an announcement of the same to the SGX-ST, your application for the Bonds which was received by the Issuer prior to the release of such announcement will remain valid and irrevocable notwithstanding the release of such announcement. If a supplementary or replacement document is lodged, such supplementary or replacement document will set out the additional terms and conditions relating to applications for the Bonds and applications received by the Issuer prior to the lodgment of such supplementary or replacement document will be subject to such terms and conditions;
 - (c) agree that in the event of any inconsistency between the terms and conditions for application set out in this Offer Information Statement and those set out in the ATMs of the Participating Banks, the terms and conditions set out in this Offer Information Statement shall prevail;
 - (d) in the case of an application by way of an Electronic Application, agree that the aggregate Issue Price for the Bonds applied for is due and payable to the Issuer upon application;
 - (e) in the case of an application under the Placement, agree that the aggregate Issue Price for the Bonds applied for is due and payable to the Issuer on or about the Issue Date, unless otherwise agreed by the Joint Lead Managers;
 - (f) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Issuer and the Underwriters in determining whether to accept your application and/or whether to allocate any Bonds to you;
 - (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and the Issuer and the Underwriters will not infringe any such laws as a result of the acceptance of your application;
 - (h) agree and confirm that you are outside the United States; and
 - (i) understand that the Bonds have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Bonds in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
20. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Bonds allocated to you pursuant to your application, to the Issuer, the Underwriters and/or any other parties so authorised by CDP, the Issuer and/or the Underwriters.
 21. No application will be held in reserve.
 22. No Bonds shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement.
 23. Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Electronic Applications” on pages E-5 to E-11 of this Offer Information Statement.
 24. Any reference to “you” or the “applicant” in this section shall include an individual applying for the Public Offer Bonds by way of an Electronic Application or an individual, a corporation, an approved nominee company and trustee applying for the Placement Bonds (or in such other manner or method as the Joint Lead Managers will determine, at their discretion).

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

Price per unit	:	S\$1 per unit, representing S\$1 in principal amount of the Bonds (being 100 per cent. in principal amount of the Bonds).
Application Amount	:	In multiples of 1,000 units (subject to a minimum of 10,000 units).
Application Period	:	9.00 a.m. on 22 September 2010 to 12.00 noon on 28 September 2010 (or such other time(s) and date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Public Offer Underwriters, decide).

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks. For illustration purposes, the procedures for Electronic Applications through ATMs of the UOB Group (together, the “**Steps**”) are set out in the section “Steps for Electronic Applications” appearing on pages E-9 to E-11 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Bonds through an ATM of one of the Participating Banks.

The Steps set out the actions that you must take at ATMs of the UOB Group to complete an Electronic Application. The actions that you must take at ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks. Applications for the Bonds by way of Electronic Applications will incur a non-refundable fee and/or such related charges as stipulated by the Participating Banks from time to time.

If you are making an Electronic Application:

- (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at their ATMs. An ATM card issued by one Participating Bank cannot be used to apply for the Public Offer Bonds at an ATM belonging to another Participating Bank.
- (b) **You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name.** If you fail to use an ATM card issued in your own name or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.
- (c) Upon the completion of your Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is for retention by you. No report or letter will be sent to you.

If you do not have an existing Securities Account with CDP in your own name at the time of your application, you will not be able to complete your Electronic Application. If you have an existing Securities Account with CDP but fail to provide your Securities Account Number or provide an incorrect Securities Account number in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to the following paragraph, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number contained in the records of the relevant Participating Bank differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

Your Electronic Application shall be made on the terms and subject to the conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below and those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” on pages E-1 to E-11 of this Offer Information Statement.

1. In connection with your Electronic Application for Public Offer Bonds, you are deemed to have confirmed statements to the following effect in the course of activating your Electronic Application:
 - (a) **that you have received a copy of this Offer Information Statement and have read, understood and agreed to all the terms and conditions of application for Bonds in this Offer Information Statement prior to effecting the Electronic Application and agree to be bound by the same;**
 - (b) **that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, and application amount (the “Relevant Particulars”) from your account with the relevant Participating Bank to CDP, the SGX-ST, the Issuer and the Underwriters (the “Relevant Parties”); and**
 - (c) **that the Electronic Application made is your only application for Public Offer Bonds and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key in the ATM. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 1(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **By making an Electronic Application, you confirm that you are not applying for Public Offer Bonds as nominee of any other person and that any Electronic Application that you make is the only application made by you as beneficial owner. You shall make only one Electronic Application for the Public Offer Bonds and shall not make any other application for the Public Offer Bonds.**
3. You must have sufficient funds in your bank account with the Participating Bank at the time you make your Electronic Application, failing which such Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Information Statement or on the screens of the ATMs of the relevant Participating Banks through which your Electronic Application is being made shall be rejected.**
4. You may apply and make payment for your application for the Public Offer Bonds in Singapore currency through any ATM of the relevant Participating Banks using only cash by authorising the Participating Bank to deduct the full amount payable from your bank account(s) with the Participating Bank. An application for Public Offer Bonds under the Public Offer is subject to a minimum of S\$10,000 in principal amount of Bonds per application.
5. You irrevocably agree and undertake to subscribe for and to accept the principal amount of Public Offer Bonds applied for as stated on the Transaction Record or any lesser principal amount of Public Offer Bonds that may be allocated to you in respect of your Electronic Application. In the event that the Issuer decides to allocate any lesser principal amount of such Public Offer Bonds or not to allocate any Public Offer Bonds to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM) of the principal amount of Public Offer Bonds applied for shall signify and shall be treated as your acceptance of the principal amount of Public Offer Bonds that may be allocated to you.
6. The Issuer will not keep any applications in reserve. Where your Electronic Application is unsuccessful or is rejected or accepted in part only, the full amount or, as the case may be, the balance of the application moneys will be returned in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting.

Responsibility for the timely refund of application moneys from unsuccessful or partially unsuccessful Electronic Applications lies with the respective Participating Banks. Therefore, you are strongly advised to consult the relevant Participating Bank as to the status of your Electronic Application and/or the refund of any moneys to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Bonds allocated to you, if any, before trading the Bonds on the Main Board of the SGX-ST. None of the SGX-ST, CDP, the Participating Banks, the Issuer or the Underwriters assumes any responsibility for any loss that may be incurred as a result of your having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

7. If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

You may check the provisional results of your Electronic Application as follows:

Bank	Telephone	Available at	Operating Hours	Service expected from
DBS Bank Ltd.	1800 339 6666 (POSB) 1800 111 1111 (DBS Bank)	Phone Banking ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited	1800 363 3333	Phone Banking / ATM / Internet Banking at http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
UOB Group	1800 2255 862 (1800 CALL UOB)	Phone Banking / ATM - "Other Transactions – IPO Enquiry" / http://www.uobgroup.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Electronic Application through the ATMs of DBS Bank, you may check the results of your application through DBS Bank Phone Banking services.
- (2) If you have made your Electronic Application through the ATMs of OCBC Bank, you may check the results of your application through OCBC Bank ATMs, OCBC Bank Internet Banking or OCBC Bank Phone Banking services.
- (3) If you have made your Electronic Application through the ATMs of the UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking services.

The results of the Offer will be announced by the Issuer through a SGXNET announcement on or about 30 September 2010.

8. Electronic Applications shall close at 12.00 noon on 28 September 2010 or such other time and date as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Public Offer Underwriters, decide.
9. You are deemed to have irrevocably requested and authorised the Issuer to:
- (a) register the Public Offer Bonds allocated to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Bond certificate(s) to CDP; and

- (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the application moneys in Singapore dollars, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of balloting.
10. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, the Issuer and/or the Co-ordinating Bookrunners and if, in any such event, the Issuer, the Co-ordinating Bookrunners and/or the relevant Participating Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Issuer, the Co-ordinating Bookrunners and/or the relevant Participating Bank for the Public Offer Bonds applied for or for any compensation, loss or damage.
11. The Issuer does not recognise the existence of a trust. Any Electronic Application by a trustee must be made in his own name(s) and without qualification. The Issuer will reject any Electronic Application by any person acting as nominee.
12. All particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank.
13. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation and other correspondence from the CDP will be sent to your address last registered with CDP.
14. By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) In consideration of the Issuer making available the Electronic Application facility through the ATMs of the relevant Participating Banks and agreeing to close the offer of the Bonds at 12.00 noon on 28 September 2010 or such other time or date as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Public Offer Underwriters, decide, and by making and completing an Electronic Application:
- (i) your Electronic Application is irrevocable; and
- (ii) your Electronic Application, the acceptance by the Issuer and the contract resulting therefrom under the offer of the Bonds shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and
- (iii) you represent and agree that you are outside the United States and purchasing the Bonds in an offshore transaction (within the meaning of Regulation S) in accordance with Rule 903 of Regulation S;
- (b) none of the Issuer, the Co-ordinating Bookrunners, the Participating Banks or CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to us or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

- (d) in making your application, reliance is placed solely on the information contained in this Offer Information Statement and that none of the Issuer, the Co-ordinating Bookrunners or any other person involved in the offer of the Bonds shall have any liability for any information not so contained.

Steps for Electronic Applications

Step-by-step instructions for Electronic Applications will appear on the ATM screens of the Participating Banks. For illustration purposes, the steps for making an Electronic Application through the ATMs of the UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens of the other Participating Banks may differ from those represented below.

Due to space constraints on the screen of the UOB Group's ATMs, the following terms will appear in abbreviated form:

"&"	:	and
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND BOARD
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"SGX-ST"	:	SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
"TRANS"	:	TRANSACTIONS

- Step 1 : Insert your personal Unicaard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number (PIN).
- 2 : Select "CASHCARD/OTHER TRANS/NETS FLASHPAY".
- 3 : Select "SECURITIES APPLICATION".
- 4 : Select the security counter which you wish to apply for.
- 5 : Read and understand the following statements which will appear on the screen:
- **THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS.**
(Press "ENTER" to continue)
 - **PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT. WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**
(Press "ENTER" to continue)

- 6 : Read and understand the following statements which will appear on the screen:
- **YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/ SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION.**
(Press "ENTER" to continue)
 - **YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER AND CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST AND ISSUER/ VENDOR(S).**
 - **THIS IS YOUR ONLY FIXED PRICE APPLICATION AND IS IN YOUR NAME AND AT YOUR RISK.**
(Press "ENTER" to continue)
- 7 : Screen will display:
- NRIC/PASSPORT NUMBER: XXXXXXXXXXXX**
- IF YOUR NRIC/PASSPORT NUMBER IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**
(Press "CANCEL" or "CONFIRM")
- 8 : Select mode of payment i.e. "CASH ONLY". You will be prompted to select Cash Account type to debit (i.e. "CURRENT ACCOUNT/I-ACCOUNT/CAMPUS ACCOUNT" or "SAVINGS ACCOUNT/Tx-ACCOUNT"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 9 : After you have selected the account, your Securities Account number will be displayed for you to confirm or change (this screen with your Securities Account number will be shown if your Securities Account number is already stored in the ATM system of the UOB Group). If this is the first time you are using the UOB Group's ATM to apply for securities, your Securities Account number will not be stored in the ATM system of the UOB Group, and the following screen will be displayed for your input of your Securities Account number.
- 10 : Read and understand the following terms which will appear on the screen:
1. **YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**
 2. **DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR THIRD PARTIES.**
 3. **PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12 DIGITS) & PRESS ENTER.**
(If you wish to terminate the transaction, please press "CANCEL")
- 11 : Select your nationality and permanent residence status.
- 12 : Key in the quantity of securities you wish to apply for and press "ENTER" key.
- 13 : Check the details of your Electronic Application on the screen and press "ENTER" key to confirm your Electronic Application.

- 14 : Select "NO" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your reference only.