

Pricing Supplement

SINGAPORE AIRLINES LIMITED
(Incorporated with limited liability in Singapore)

S\$2,000,000,000
Multi-currency Medium Term Note Programme

SERIES NO: 004
TRANCHE NO: N.A.
S\$430,000,000 3.13 Per Cent. Notes due 2026
Issue Price: 100 per cent.
(ISIN Code: SG76F4000001)

Dealer
DBS Bank Ltd.

Singapore Issuing and Paying Agent
DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

The date of this Pricing Supplement is 15 November 2016

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the "**Notes**") are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 28 February 2014 (as revised, supplemented, amended, updated or replaced from time to time, the "**Information Memorandum**") issued in relation to the S\$2,000,000,000 Multi-currency Medium Term Note Programme of Singapore Airlines Limited (the "**Company**"). Unless otherwise defined in this Pricing Supplement, terms defined in the Information Memorandum shall have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (a) is not resident in Singapore and (b) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act (Chapter 134 of Singapore) (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Signed:  Goh Choon Phong
Director


Duly Authorised Signatory

The terms of the Notes and additional provisions relating to their issue are as follows:

- | | | |
|-----|---|---|
| 1. | Series No.: | 004 |
| 2. | Tranche No.: | Not Applicable |
| 3. | Relevant Currency: | Singapore dollars |
| 4. | Principal Amount of Series: | S\$430,000,000 |
| 5. | Principal Amount of Tranche: | Not Applicable |
| 6. | Denomination Amount: | S\$250,000 |
| 7. | Calculation amount (if different from Denomination Amount): | Not Applicable |
| 8. | Issue Date: | 17 November 2016 |
| 9. | Redemption Amount:
(including early redemption) | Denomination Amount |
| 10. | Interest Basis: | Fixed Rate |
| 11. | Interest Commencement Date: | 17 November 2016 |
| 12. | <u>Fixed Rate Note</u> | |
| | (a) Maturity Date: | 17 November 2026 |
| | (b) Fixed Rate Day Basis: | Actual/365 (Fixed) |
| | (c) Reference Dates(s): | Interest on the Notes will be payable semi-annually in arrear on the dates falling on 17 May and 17 November in each year |
| | (d) Initial Broken Amount: | Not Applicable |
| | (e) Final Broken Amount: | Not Applicable |
| | (f) Interest Rate: | 3.13 per cent. per annum |
| 13. | <u>Floating Rate Notes</u> | Not Applicable |
| 14. | <u>Variable Rate Notes</u> | Not Applicable |
| 15. | <u>Hybrid Notes</u> | Not Applicable |
| 16. | <u>Zero-Coupon Notes</u> | Not Applicable |
| 17. | Company's Redemption Option: | No |
| | Company's Redemption Option Period
(Condition 6(d)): | Not Applicable |

18.	Noteholder's Redemption Option: Noteholder's Redemption Option Period (Condition 6(e)(i)):	No Not Applicable
19.	Company's Purchase Option: Company's Purchase Option Period (Condition 6(b)):	No Not Applicable
20.	Noteholders' VRN Purchase Option: Noteholders' VRN Purchase Option Period (Condition 6(c)(i)):	No Not Applicable
21.	Noteholders' Purchase Option: Noteholders' Purchase Option Period (Condition 6(c)(ii)):	No Not Applicable
22.	Redemption for Taxation Reasons:	Yes
23.	Notes to be represented on issue by:	Permanent Global Note
24.	Temporary Global Note exchangeable for Definitive Notes:	Not Applicable
25.	Temporary Global Note exchangeable for Permanent Global Note:	Not Applicable
26.	Listing:	Not Applicable
27.	Clearing System:	The Central Depository (Pte) Limited
28.	Method of issue of Notes:	Individual Dealer
29.	The following Dealer is subscribing for the Notes:	DBS Bank Ltd.
30.	The aggregate principal amount of Notes issued has been translated in Singapore Dollars at the rate of [•] producing a sum of (for Notes not denominated in Singapore Dollars):	Not Applicable
31.	Supplemental Trust Deed dated 19 August 2003 between Singapore Airlines Limited and HSBC Trustee (Singapore) Limited (as amended and restated pursuant to a Restatement Deed dated 31 October 2008 between Singapore Airlines Limited and HSBC Institutional Trust Services (Singapore) Limited):	Not Applicable
32.	Issuing and Paying Agent:	DBS Bank Ltd.
33.	Agent Bank:	None
34.	Use of proceeds:	The net proceeds arising from the issuance

of the Notes will be used for the general corporate and working capital purposes of the Company

35. Other terms:

As set out in the Appendix to this Pricing Supplement

Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:

None

Any additions or variations to the selling restrictions:

None

Appendix

The section "SINGAPORE TAXATION ON THE NOTES" appearing from pages 68 to 76 of the Information Memorandum shall be deleted in its entirety and substituted with the following:

"SINGAPORE TAXATION ON THE NOTES"

The statements below are general in nature and are based on certain aspects of tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 Notes 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 Notes are advised to consult their own professional tax advisers as to Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Company, the Arrangers nor any other persons involved in the MTN Programme accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

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 the year of assessment 2010. The applicable rate for non-resident individuals is 22% with effect from the year of assessment 2017. 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.

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.

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.

In addition, as the MTN Programme as a whole was arranged by CIBSL and DBS, each of which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Notes issued as debt securities during the period from the date of this Information Memorandum to 31 December 2018 (the “**Relevant Notes**”) would be qualifying debt securities (“**QDS**”) 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 Company, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Company in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes 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 QDS shall not apply if the non-resident person acquires the Relevant Notes 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 “**Specified Income**”) from the Relevant Notes 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 Relevant Notes 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 Company, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Specified Income from the Relevant Notes 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 Company including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (bb) the furnishing by the Company, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Company.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four (4) persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Company, such Relevant Notes would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Company, Specified Income derived from such Relevant Notes held by:
 - (i) any related party of the Company; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Company,

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.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds from such person's operations through a permanent establishment in Singapore. Any person whose

interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Specified Income derived by any investor from QDS (excluding Singapore Government Securities) which: -

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) either –
 - (i) if they are issued before 28 June 2013, cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; or
 - (ii) if they are issued on or after 28 June 2013, cannot have their tenure shortened to less than 10 years from the date of their issue, except under such circumstances as may be prescribed by regulations; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Company, Specified Income from such Relevant Notes derived by:

- (aa) any related party of the Company; or
- (bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Company,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. CAPITAL GAINS

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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 Notes who are adopting Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**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 Notes, 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 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 Notes who may be subject to the tax treatment under the FRS 39 Circular and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. ESTATE DUTY

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