

**SINGAPORE AIRLINES LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration No.: 197200078R

**ANNOUNCEMENT**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE**

**1. INTRODUCTION**

- 1.1 The directors (the “**Directors**”) of Singapore Airlines Limited (the “**Company**”) wish to announce that the Company proposes to undertake a renounceable rights issue (the “**Rights Issue**”) of up to S\$6,196,793,517 in aggregate principal amount of mandatory convertible bonds (the “**Rights 2021 MCBs**”) to Entitled Shareholders (as defined in paragraph 2.2 below) to raise gross proceeds of approximately S\$6.2 billion. The principal terms of the Rights Issue are set out below:

<b><u>Principal Terms of the Rights Issue</u></b>	<b><u>Description</u></b>
<b>Issue Price</b>	: The issue price of the Rights 2021 MCBs (the “ <b>Issue Price</b> ”) will be 100% of the principal amount of the Rights 2021 MCBs or S\$1.00 for each S\$1.00 of principal amount of Rights 2021 MCBs, payable in full upon acceptance and/or application.
<b>Conversion Price</b>	: S\$4.84 per ordinary share in the capital of the Company (“ <b>Share</b> ”), subject to adjustments for full dividend protection and standard anti-dilution adjustments in accordance with the Terms and Conditions of the Rights 2021 MCBs.
<b>Premium (specifying benchmarks and periods)</b>	: As set out in Appendix 2 of the Circular (as defined below), the Conversion Price of the Rights 2021 MCBs (referred to in the Circular as “Additional MCBs”) will initially be the prevailing conversion price of the Rights 2020 MCBs (as defined below). Accordingly, the initial Conversion Price will be S\$4.84 per Share, which represents a premium of 3.0% to S\$4.70, being the last transacted price of the Shares on the Official List of the SGX-ST on 19 May 2021, being the last trading day on which trades were done on the Shares prior to this announcement.
<b>Allotment Ratio</b>	: The Rights 2021 MCBs will be offered on a renounceable basis and issued in the denomination of S\$1.00 for each Rights 2021 MCB, on the basis of 209 Rights MCBs for every 100 existing ordinary Shares held by Entitled Shareholders (which, for the avoidance of doubt, excludes treasury Shares held by the Company and the Special Share held by the Minister for Finance)

as at the Record Date (as defined in paragraph 2.2 below), fractional entitlements to be disregarded.

**Purpose of Rights Issue** : The purpose of the Rights Issue is to:

- (a) strengthen the Company's balance sheet and liquidity position and enable the Company to meet its ongoing financial commitments amidst the severe disruption to global air travel caused by the COVID-19 pandemic; and
- (b) to provide the resources to position the Company for growth as the Company navigates through the ongoing COVID-19 crisis.

Please refer to paragraph 3.1 below for further details.

**Use of Proceeds** : The estimated amount of the gross proceeds from the Rights Issue is approximately S\$6.2 billion.

The Company intends to use the gross proceeds to (a) fund fixed costs and other operating expenses; (b) fund aircraft and aircraft related payments, and investments in digital capabilities; and (c) be used for debt service and other contractual payments.

Please refer to paragraph 3.2 below for further details.

1.2 The Rights Issue will be undertaken pursuant to the authority obtained from the shareholders of the Company (the "**Shareholders**") by ordinary resolution passed at the extraordinary general meeting of the Company held on 30 April 2020, which authority was renewed at the annual general meeting of the Company held on 27 July 2020 for, among others, the issuance of up to S\$6.2 billion in aggregate principal amount of additional mandatory convertible bonds on terms that are substantially similar to those set out in Appendix 2 of the circular to Shareholders dated 15 April 2020 (the "**Circular**").

1.3 As at the date of this announcement, Temasek Holdings (Private) Limited ("**Temasek**"), the majority shareholder of the Company, has a direct and deemed interest in an aggregate of 1,652,457,495 Shares, representing approximately 55.7% of the existing issued share capital of the Company (excluding treasury Shares and the Special Share held by the Minister for Finance).

A wholly-owned subsidiary<sup>1</sup> of Temasek, has given an irrevocable undertaking (the "**Undertaking**") to, *inter alia*, subscribe for, or procure the subscription of, Temasek's *pro rata* entitlement to the Rights 2021 MCBs under the Rights Issue. It has also undertaken to subscribe for, or procure the subscription of, any unsubscribed Rights 2021 MCBs remaining after the fulfilment of all valid applications by other Shareholders for the same under the terms of the Rights Issue ("**Temasek Balance Applications**"). Such Temasek Balance Applications

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<sup>1</sup> Tembusu Capital Pte. Ltd.

shall rank in priority after allocations of excess Rights 2021 MCBs to other Shareholders. No fees will be paid to Temasek in connection with the provision or execution of the Undertaking.

- 1.4 Given the provision of the Undertaking, the Rights Issue will not be underwritten by a financial institution.
- 1.5 The Company has appointed DBS Bank Ltd. as sole lead manager of the Rights Issue (the “**Sole Lead Manager**”), pursuant to the terms of a management agreement entered into between the Company and the Sole Lead Manager on 19 May 2021.

## **2. PARTICULARS OF THE RIGHTS ISSUE**

### **2.1 Terms of the Rights Issue**

<b>Issue size of Rights 2021 MCBs</b>	:	Up to S\$6,196,793,517 in aggregate principal amount of Rights 2021 MCBs.
<b>Gross Proceeds</b>	:	Approximately S\$6.2 billion.
<b>Maturity Date</b>	:	8 June 2030.
<b>Coupon</b>	:	Zero coupon.
<b>Form and Denomination</b>	:	The Rights 2021 MCBs will be constituted by a trust deed to be executed by the Company (the “ <b>Trust Deed</b> ”) and will be issued in registered form and in the denomination of S\$1.00 each.
<b>Status of the Rights MCBs</b>	:	The Rights 2021 MCBs will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Rights 2021 MCBs shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.
<b>Mandatory Conversion at Maturity</b>	:	Unless previously redeemed or purchased and cancelled, the Company shall satisfy its obligation to redeem the Rights 2021 MCBs on the Maturity Date by mandatorily converting the Rights 2021 MCBs into

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Shares (the “**Rights 2021 MCB Conversion Shares**”) on the Maturity Date.

The number of Rights 2021 MCB Conversion Shares to be delivered to a holder of the Rights 2021 MCBs (“**Bondholder**”) in respect of its holding of Rights 2021 MCBs will be determined by dividing the Final Accreted Principal Amount of the Rights MCBs held by such Bondholder as at the Maturity Date by the Conversion Price in effect at the Maturity Date. Please refer to the Appendix for further details.

Fractions of a Rights 2021 MCB Conversion Share will not be issued on conversion and no adjustment or cash payment will be made in respect of such fractions of Rights 2021 MCB Conversion Shares.

For the avoidance of doubt, the Rights 2021 MCBs shall be convertible on the Maturity Date only and not at any time prior to the Maturity Date.

**Redemption at the Option of the Company** : The Rights 2021 MCBs may be redeemable at the option of the Company in whole or in part on every six-month anniversary of the issue date (each a “**Semi-Annual Date**”) at the relevant Accreted Principal Amount as at such Semi-Annual Date. Please refer to the Appendix for further details.

**Final Accreted Principal Amount on Maturity Date** : Assuming that the Rights 2021 MCBs are (i) issued on 24 June 2021; (ii) not previously redeemed or purchased and cancelled prior to the Maturity Date; and (iii) converted on the Maturity Date, the Final Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights 2021 MCBs on the Maturity Date will be S\$1.69797.

The Final Accreted Principal Amount for conversion of the Rights 2021 MCB has been calculated on the basis of a 6% annual yield to conversion, compounded on a semi-annual basis.

**Accreted Principal Amount on a Semi-Annual Date prior to the** : Assuming that all or some of the Rights 2021 MCBs are redeemed on a Semi-Annual Date

## **Maturity Date**

prior to the Maturity Date, the relevant Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights 2021 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights 2021 MCBs multiplied by the relevant redemption price in effect at such Semi-Annual Date.

The redemption price for each Semi-Annual Date as set out in the Appendix of this Application has been calculated on the following basis:

- (a) where the redemption takes place on a Semi-Annual Date falling within the first four years of the date of issue of the Rights 2021 MCBs, an annual yield to call of 4% per annum applied to each year, compounded on a semi-annual basis;
- (b) where the redemption takes place on a Semi-Annual Date falling within the fifth to seventh years of the date of issue of the Rights 2021 MCBs, an annual yield to call of 5% per annum applied to each year commencing from the date of issue of the Rights 2021 MCBs, compounded on a semi-annual basis; and
- (c) where the redemption takes place on a Semi-Annual Date (prior to the Maturity Date) falling within the eighth to ninth years of the date of issue of the Rights 2021 MCBs, an annual yield to call of 6% per annum applied to each year commencing from the date of issue of the Rights 2021 MCBs, compounded on a semi-annual basis.

Please refer to the Appendix for further details.

## **2.2 Eligibility of Shareholders to Participate in the Rights Issue**

The Company proposes to provisionally allot by way of rights to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), which comprise Entitled Depositors and Entitled Scripholders, including Entitled QIBs (each as defined below), on the basis of their shareholdings as at the Record Date.

"**Entitled Depositors**" are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") with The Central Depository (Pte) Limited ("**CDP**") as at the

time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights 2021 MCBs (“**Rights**”) of Entitled Shareholders under the Rights Issue (the “**Record Date**”) and (a) whose registered addresses with CDP are in Singapore as at the Record Date, or (b) who have, at least three market days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Shareholders located, resident or with a registered address outside Singapore.

“**Entitled Scripholders**” are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Company’s Share Registrar, M&C Services Private Limited (the “**Share Registrar**”), registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (a) whose registered addresses with the Company are in Singapore as at the Record Date, or (b) who have, at least three market days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Shareholders located, resident or with a registered address outside Singapore.

“**Entitled QIBs**” are Shareholders (a) who are qualified institutional buyers (as defined under Rule 144A of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)), (b) who are Entitled Shareholders (but for the fact that they are outside of Singapore), (c) who have provided the Company with a signed investor representation letter (in the form provided to such Shareholder by the Company) and (d) whose identities have been agreed by the Company and the Sole Lead Manager.

Entitled Shareholders will be provisionally allotted Rights 2021 MCBs under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitlements to subscribe for the Rights 2021 MCBs will be renounceable and are expected to be tradable on the Main Board of the SGX-ST over a period to be determined by the Directors in compliance with the SGX-ST Listing Manual. Entitled Shareholders will be at liberty to accept (in whole or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the Rights trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for Rights 2021 MCBs in excess of their respective provisional allotments under the Rights Issue.

Fractional entitlements to the Rights 2021 MCBs will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights 2021 MCBs that are not validly taken up by Entitled Shareholders or their respective renounee(s) or purchaser(s) of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system (“**Purchasers**”), any unsold Rights of Foreign Shareholders (as defined in below) and any Rights 2021 MCBs that are not otherwise allotted for whatever reason, be aggregated and used to satisfy excess Rights 2021 MCBs applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three market days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents, subject to certain limited exceptions and/or unless otherwise reasonably determined by the Directors that the Rights 2021 MCBs may be offered based on applicable securities legislation (“**Foreign**

**Shareholders”).**

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Shareholders other than the Entitled Shareholders (“**Ineligible Shareholders**”) to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights, and the net proceeds therefrom will be dealt with in accordance with the terms set out in the Offer Information Statement (as defined in paragraph 6.2 below). Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

If such Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights, the Rights 2021 MCBs represented by such Rights will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Sole Lead Manager, CDP, the Central Provident Fund Board or the Share Registrar and their respective officers in connection therewith.

In the allotment of excess Rights 2021 MCBs, preference will be given to the rounding of odd lots, and Directors and substantial shareholders of the Company who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for rounding of odd lots and allotment of excess Rights 2021 MCBs.

The Rights 2021 MCBs will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Rights 2021 MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Rights 2021 MCBs.

**Accordingly, Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights 2021 MCBs and (if applicable) apply for excess Rights 2021 MCBs, and who wish to trade the Rights 2021 MCBs issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open Securities Accounts if they have not already done so, and provide their Securities Account numbers and NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the forms comprised in their provisional allotment letter.**

### **3. RATIONALE AND PURPOSES OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

#### **3.1 Rationale and Purposes of the Rights Issue**

The COVID-19 pandemic has led to a global collapse in the demand for air travel and resulted in a significant decline in the Company’s passenger revenues. Without a domestic segment, the airlines operated by Company and its subsidiaries (the “**Group**”) are vulnerable to restrictions on free movement of people across national borders.

The significant decline in passenger revenue has materially and adversely affected the Group’s

financial position and the Group recorded a net loss of S\$4,271 million for the financial year ended 31 March 2021 (“FY2020/21”), a deterioration of S\$4,059 million against the net loss of S\$212 million recorded for the financial year ended 31 March 2020. During FY2020/21, the Group’s airline passenger traffic (measured in revenue passenger-kilometres) shrank 97.9% from a year before.

To address the collapse in demand for air travel, the Group scaled back operations, and cut capacity to only 3% of pre-COVID levels in April 2020, compared to January 2020. The Group subsequently grew its passenger capacity in a calibrated manner, reaching 23% at the end of March 2021.

While the growing pace of vaccinations gives hope, new waves of infections around the world means that international travel and immigration restrictions remain largely in place. The Group has since resumed selected services, but it remains uncertain as to when air traffic will recover to pre-COVID-19 levels.

In view of the foregoing, the Company has been actively taking steps to build up its liquidity, and the Rights Issue is a crucial component of such measures. The proceeds from the Rights Issue, which will be treated as equity in the balance sheet of the Company, will allow the Company to maintain a strong equity base and provide it with the foundation to meet its ongoing financial commitments amidst the severe disruption to global air travel caused by the COVID-19 pandemic. The Rights Issue will also provide the resources for growth as the Company navigates through the ongoing COVID-19 crisis.

### **3.2 Use of Proceeds**

The estimated amount of the gross proceeds from the Rights Issue is approximately S\$6.2 billion.

The Company intends to utilise the proceeds for the following purposes:

<b>Purpose</b>	<b>Amount</b>	<b>Percentage of Proceeds</b>	<b>Use of Proceeds</b>
Operating cashflow	S\$2.0 billion	32%	To fund fixed costs and other operating expenses.
Capital expenditure	S\$2.7 billion	44%	To fund aircraft and aircraft related payments, and investments in digital capabilities.
Other fixed commitments	S\$1.5 billion	24%	To be used for debt service and other contractual payments.
<b>Total</b>	<b>S\$6.2 billion</b>	<b>100%</b>	



Pending the deployment of the proceeds from the Rights Issue, the proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue, as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report.

#### **4. IRREVOCABLE UNDERTAKING**

**4.1** A wholly-owned subsidiary<sup>2</sup> of Temasek, has given the Undertaking to, *inter alia*, subscribe for, or procure the subscription of, Temasek's *pro rata* entitlement to the Rights 2021 MCBs under the Rights Issue. It has also undertaken to subscribe for, or procure the subscription of, the Temasek Balance Applications. Such Temasek Balance Applications shall rank in priority after allocations of excess Rights 2021 MCBs to other Shareholders. No fees will be paid to Temasek in connection with the provision or execution of the Undertaking.

**4.2** Given the provision of the Undertaking, the Rights Issue will not be underwritten by a financial institution.

**4.3** The obligations under the Undertaking will not trigger an obligation under the Singapore Code on Take-overs and Mergers to make a general offer for the Shares of the Company.

#### **5. STATEMENT BY THE BOARD**

**5.1** The Board is of the opinion that after taking into consideration the Group's internal resources and present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group. For the reasons outlined in Paragraph 3.1 above, the Board believes that the Rights Issue is in the interest of the Group.

#### **6. APPROVALS**

##### **6.1 Listing Approval**

The Company has on 19 May 2021 received the approval in-principle from the SGX-ST for the listing of and quotation for the Rights 2021 MCBs on the Main Board of the SGX-ST, subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (iii) a written undertaking from the Company that it will comply with Rule 877(10) of the

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<sup>2</sup> Tembusu Capital Pte. Ltd.

Listing Manual with regards to the allotment of any excess Rights 2021 MCBs;

- (iv) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the entity which has given the Undertaking has sufficient financial resources to fulfil the Undertaking in respect of the Rights Issue;
- (v) a written undertaking from the Company that the Terms and Conditions of the Rights 2021 MCBs will comply with Rule 829 of the Listing Manual;
- (vi) a written undertaking from the Company that Rules 820 and 830 of the Listing Manual will be complied with (including a written undertaking from the Company to announce any adjustment made pursuant to the Terms and Conditions of the Rights 2021 MCBs);
- (vii) in respect of the listing of and quotation for the Rights 2021 MCBs on the Main Board of the SGX-ST, a written confirmation from the Company that there is a satisfactory spread of holders of the Rights 2021 MCBs to provide an orderly market for the Rights 2021 MCBs, in compliance with Rule 826 of the Listing Manual; and
- (viii) announcement of the conditions under which the Conversion Price may be adjusted and the conditions under which the Rights 2021 MCBs may be redeemed.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights 2021 MCBs, the Rights 2021 MCB Conversion Shares, the Company and/or its subsidiaries.

It should be noted that the Rights 2021 MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights 2021 MCBs to provide for an orderly market in the Rights 2021 MCBs. Accordingly, in such event, Bondholders will not be able to trade their Rights 2021 MCBs on the SGX-ST. However, the Rights 2021 MCBs may be traded over-the-counter on the Debt Securities Clearing and Settlement System and will be cleared through CDP. In addition, if the Rights 2021 MCBs are converted into Rights 2021 MCB Conversion Shares in accordance with its terms, such Rights 2021 MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

## **6.2 Offer Information Statement**

The Rights Issue is subject to the lodgment of an offer information statement (the “**Offer Information Statement**”) together with all other accompanying documents, to be issued by the Company in connection with the Rights Issue, by the Company with the Monetary Authority of Singapore (the “**MAS**”).

## **7. NOTICE OF RECORD DATE**

Notice of the Record Date for the Rights Issue is contained in a separate announcement titled “Notice of Record Date for Rights Issue” released by the Company today.

## **8. INDICATIVE TIMETABLE OF KEY EVENTS**

The timetable below lists certain important dates and times relating to the Rights Issue. All dates and times referred to below are Singapore dates and times.

Shares trade ex-Rights : Thursday, 27 May 2021 from 9.00 a.m.

Lodgment of the Offer Information Statement, the product highlights sheet and accompanying application forms with the MAS and dissemination of the Offer Information Statement via websites of the Company and the SGX-ST	:	Friday, 28 May 2021
Record Date	:	Friday, 28 May 2021 at 5.00 p.m.
Despatch or electronic dissemination of the Offer Information Statement and product highlights sheet and despatch of the ARE or the PAL, as the case may be, to Entitled Shareholders	:	Wednesday, 2 June 2021
Commencement of trading of Rights	:	Wednesday, 2 June 2021
First date and time for acceptance of and payment for the Rights 2021 MCBs and/or applications and payment for excess Rights 2021 MCBs <sup>(1)</sup>	:	Wednesday, 2 June 2021 (9.00 a.m. for Electronic Applications through ATMs of Participating Banks or Accepted Electronic Service <sup>(2)</sup> )
Last date and time for splitting and trading of Rights <sup>(1)</sup>	:	Thursday, 10 June 2021 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights 2021 MCBs and/or applications and payment for excess Rights 2021 MCBs <sup>(1)</sup>	:	Wednesday, 16 June 2021 at 5.00 p.m. for applications made through CDP or the Share Registrar; and Wednesday, 16 June 2021 at 9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or Accepted Electronic Service <sup>(2)</sup>
Last date and time for application and payment for Rights 2021 MCBs by renounees <sup>(1)</sup>	:	Wednesday, 16 June 2021 at 5.00 p.m. for applications made through CDP or the Share Registrar; and Wednesday, 16 June 2021 at 9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or Accepted Electronic Service <sup>(2)</sup>
Expected date of issuance of Rights 2021 MCBs	:	Thursday, 24 June 2021
Expected date for refund of unsuccessful applications (if made through CDP)	:	Friday, 25 June 2021

Expected date of commencement of trading of : Friday, 25 June 2021  
Rights 2021 MCBs

**Note:**

- (1) This does not apply to Shareholders who previously bought their Shares under the CPF Investment Scheme – Ordinary Account, investors who previously purchased Shares under the Supplementary Retirement Scheme and investors who hold Shares through a finance company and/or Depository Agent. The aforementioned persons should refer to the Offer Information Statement for important details relating to the offer procedures for them.
- (2) This refers to acceptance of the Rights 2021 MCBs and (if applicable) application for excess Rights 2021 MCBs made through an accepted electronic payment service (such as PayNow).

The above timetable is indicative only and is subject to change.

## **9. PREVIOUS EQUITY FUND RAISING**

In 2020, the Company undertook a rights issue (the “**2020 Rights Issue**”) of new Shares (“**Rights Shares**”) and zero coupon mandatory convertible bonds due 2030 convertible into new Shares (“**Rights 2020 MCBs**”). In this regard, the Company issued 1,777,692,486 Rights Shares at an issue price of S\$3.00 for each Rights Share and S\$3,496,128,555 in aggregate principal amount of Rights 2020 MCBs, at an issue price of 100% of their principal amount, raising net proceeds of S\$8.8 billion (after deducting expenses in connection with the 2020 Rights Issue of approximately S\$9.0 million). The Rights Shares and the Rights 2020 MCBs were issued on 8 June 2020.

As at the date of this announcement, S\$8.2 billion of the net proceeds from the 2020 Rights Issue have been used for the intended purposes, being (1) to fund fixed costs and other operating expenses incurred during this period of reduced operations and the subsequent recovery period; (2) for aircraft purchases and aircraft related payments; and (3) debt service and other contractual payments. The unutilised net proceeds of S\$0.6 billion are expected to be used for aircraft purchases and aircraft related payments.

On 3 December 2020, the Company issued S\$850 million in aggregate principal amount of 1.625% convertible bonds due 2025 (the “**Convertible Bonds**”) convertible into Shares, at an issue price of 100% of their principal amount, raising gross proceeds of S\$850 million and net proceeds of approximately S\$841 million. As at the date of this announcement, none of the net proceeds has been used.

## **10. GENERAL**

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Sole Lead Manager, may deem appropriate. Further details of the Rights Issue (including the financial effects of the Rights Issue) will be made available in the Offer Information Statement to be disseminated to Entitled Shareholders in due course.

## **11. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT**

The Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets

Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**BY ORDER OF THE BOARD**

Brenton Wu  
Company Secretary

19 May 2021  
Singapore

**IMPORTANT NOTICE**

This announcement is not for distribution, directly or indirectly, in or into the United States of America (the “**U.S.**”) and is not an offer of securities for sale in the U.S. or in any other jurisdiction. The Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares 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 U.S., and may not be offered, re-sold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. There will be no public offering of the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares in the U.S. Any public offering of securities to be made in the U.S. will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements.

This announcement shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares. This announcement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares or make an offer of the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares and the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The distribution of this announcement and/or the transfer of the Rights, the Rights 2021 MCBs and the Rights 2021 MCB Conversion Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**APPENDIX**

**Summary of the Terms and Conditions of the Rights 2021 MCBs**

<b>Issuer</b>	:	Singapore Airlines Limited.
<b>Basis of Provisional Allotment</b>	:	The Rights 2021 MCBs are offered to Entitled Shareholders on a renounceable basis and will be issued in the denomination of S\$1.00 for each Rights 2021 MCB, on the basis of 209 Rights 2021 MCBs for every 100 existing Shares held by Entitled Shareholders (which, for the avoidance of doubt, excludes treasury Shares held by the Company and the Special Share held by the Minister for Finance) at the Record Date, fractional entitlements to be disregarded.
<b>Issue size of Rights 2021 MCBs</b>	:	Up to S\$6,196,793,517 in aggregate principal amount of Rights 2021 MCBs.
<b>Issue Price</b>	:	100% of the principal amount of the Rights 2021 MCBs, or S\$1.00 for each S\$1.00 in principal amount of the Rights 2021 MCBs. The Rights 2021 MCBs are payable in full upon acceptance and/or application.
<b>Gross Proceeds</b>	:	Approximately S\$6.2 billion.
<b>Maturity Date</b>	:	8 June 2030.
<b>Coupon</b>	:	Zero coupon.
<b>Form and Denomination</b>	:	The Rights 2021 MCBs will be constituted by the Trust Deed and will be issued in registered form and in the denomination of S\$1.00 each.
<b>Status of the Rights 2021 MCBs</b>	:	The Rights 2021 MCBs will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Rights 2021 MCBs shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.
<b>Participation rights in distributions and/or offer of further securities</b>	:	The Bondholders have no participation rights in any distributions and/or offer of further securities made by the Company.

**Conversion Price and Adjustments to Conversion Price** : S\$4.84 per Share, subject to adjustments for full dividend protection and standard anti-dilution adjustments in accordance with the Terms and Conditions of the Rights 2021 MCBs.

The Conversion Price will be subject to adjustments under certain circumstances, as described below:

- (a) consolidation, subdivision, redesignation or reclassification in relation to the Shares which alters the number of Shares in issue;
- (b) capitalisation of profits or reserves;
- (c) capital distribution, dividends or Share repurchases (other than for the purposes of any Employee Share Scheme). In this regard, "Employee Share Scheme" means any scheme of the Company pursuant to which Shares or other securities (including rights or options or awards) are issued, offered or granted to directors or employees or former directors or former employees of the Company, its subsidiaries, associated companies and/or of the Company's holding company or subsidiaries of such holding company.

To the extent that Shares are repurchased by the Company for purposes of delivery to participants under an Employee Share Scheme, such Shares would be earmarked by the Company and where applicable, the earmarking of such Shares will be disclosed in the notification to be provided by the Issuer to the SGX-ST in respect of the Company's repurchases of Shares pursuant to Rule 886 of the Listing Manual;

- (d) rights issues of Shares or options over Shares at less than 90% of the market price;
- (e) rights issues of other securities;
- (f) issues of Shares or options over Shares at less than 90% of the market price;
- (g) issues of securities which carry rights of conversion into, or exchange or subscription for Shares at a consideration per Share at less than 90% of the market price;



- (h) modification of rights of conversion, exchange or subscription attaching to any other securities (other than, among other things, the Rights 2021 MCBs) issued and which are convertible into Shares such that the consideration per Share is less than 90% of the market price;
- (i) issue of securities in the context of an offer to Shareholders; and
- (j) in events or circumstances not otherwise provided in the Terms and Conditions of the Rights 2021 MCBs, subject to, among others, the use by the Company of a leading independent investment bank of international repute (acting as expert) to determine if the adjustment is fair and reasonable, so as to restore the economic position of the Bondholders after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred.

For the avoidance of doubt, no further cash outlay will be required from the Bondholders for the conversion of the Rights 2021 MCBs into Rights 2021 MCB Conversion Shares.

**Initial Conversion Premium** : As set out in Appendix 2 of the Circular, the Conversion Price of the Rights 2021 MCBs (referred to in the Circular as “Additional MCBs”) will initially be the prevailing conversion price of the Rights 2020 MCBs. Accordingly, the initial Conversion Price will be S\$4.84 per Share, which represents a premium of 3.0% to S\$4.70, being the last transacted price of the Shares on the Official List of the SGX-ST on 19 May 2021, being the last trading day on which trades were done on the Shares prior to this announcement.

**Mandatory Conversion at Maturity** : Unless previously redeemed or purchased and cancelled, the Company shall satisfy its obligation to redeem the Rights 2021 MCBs on the Maturity Date by mandatorily converting the Rights 2021 MCBs into Rights 2021 MCB Conversion Shares on the Maturity Date.

The number of Rights 2021 MCB Conversion Shares to be delivered to a Bondholder in respect of his holding of Rights 2021 MCBs will be determined by dividing the Final Accreted Principal Amount of the Rights 2021 MCBs held by such Bondholder as at the Maturity Date by the Conversion Price in effect at the Maturity Date.

Fractions of a Rights 2021 MCB Conversion Share will not be issued on conversion and no cash adjustments will be made in respect of such fractions of Rights 2021 MCB Conversion Shares.

For the avoidance of doubt, the Rights 2021 MCBs shall be convertible on the Maturity Date only and not at any time prior to the Maturity Date.

For so long as the Rights 2021 MCBs are represented by a global bond certificate deposited with CDP, save as provided below, a Bondholder does not need to submit a notice of conversion in order to receive the Rights 2021 MCB Conversion Shares to be delivered upon mandatory conversion of his Rights 2021 MCBs. However, if a Bondholder wishes for his Rights 2021 MCB Conversion Shares to be credited to a specified securities account (other than the securities account in which his Rights 2021 MCBs are held), he should submit a duly completed notice of conversion to the conversion agent before the cut-off date to be prescribed in the Terms and Conditions of the Rights 2021 MCBs (the “**Cut-Off Date**”) (subject to the requirements of CDP). Furthermore, a Bondholder whose registered address is not in Singapore will have to submit a duly completed notice of conversion to the conversion agent as a precondition to delivery of Rights 2021 MCB Conversion Shares. If the Rights 2021 MCBs cease to be represented by a global bond certificate, a Bondholder must complete, execute and deposit by the Cut-Off Date a duly completed notice of conversion with the conversion agent as a precondition to delivery of Rights 2021 MCB Conversion Shares.

The Company shall, at least 30 days before the Cut-Off Date, give notice to the Bondholder of the Cut-Off Date and shall make such announcement of the Cut-Off Date as may be required under any applicable laws, regulations or rules of the SGX-ST.

- Rights 2021 MCB Conversion Shares** :
- The Shares to be delivered following mandatory conversion on the Maturity Date will be delivered fully paid, ranking *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of registration of the Shares.
- Redemption at the Option of the Company** :
- The Rights 2021 MCBs may be redeemed at the option of the Company in whole or in part on every Semi-Annual

Date at the relevant Accreted Principal Amount as at such Semi-Annual Date.

In the case of a partial redemption of Rights 2021 MCBs, the Rights 2021 MCBs will be redeemed on a *pro-rata* basis or selected by such other method, in such place as the Trustee shall approve and in such manner as the Trustee shall deem to be appropriate and fair.

For the avoidance of doubt, the Rights 2021 MCBs are not redeemable at the option of a Bondholder.

**Final Accreted Principal Amount on Maturity Date** : Assuming that the Rights 2021 MCBs are (i) issued on 24 June 2021; (ii) not previously redeemed or purchased and cancelled prior to the Maturity Date; and (iii) converted on the Maturity Date, the Final Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights 2021 MCBs on the Maturity Date will be S\$1.69797.

Accordingly, the number of Rights 2021 MCB Conversion Shares to be delivered to a Bondholder in respect of his holding of Rights 2021 MCBs will be determined by dividing the Final Accreted Principal Amount of the Rights 2021 MCBs held by such Bondholder as at the Maturity Date by the Conversion Price in effect at the Maturity Date.

The Final Accreted Principal Amount for conversion of the Rights 2021 MCBs has been calculated on the basis of a 6% annual yield to conversion, compounded on a semi-annual basis.

**Accreted Principal Amount on a Semi-Annual Date prior to the Maturity Date** : In the event that all or some of the Rights 2021 MCBs are redeemed on a Semi-Annual Date prior to the Maturity Date, the relevant Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights 2021 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights 2021 MCBs multiplied by the relevant redemption price in effect at such Semi-Annual Date.

The redemption price set out below has been calculated on the following basis:

- (a) where the redemption takes place on a Semi-Annual Date falling within the first four years of the Issue Date, an annual yield to call of 4% per annum applied to each year, compounded on a semi-annual basis. By way of illustration, assuming a Rights 2021 MCB in the principal amount of S\$1.00 is redeemed on the eighth Semi-Annual Date (i.e. at the end of the period

falling four years from the Issue Date), the redemption price of that Rights 2021 MCB will be calculated on the basis of the principal amount of the Rights 2021 MCB to be redeemed multiplied by the accretion factor of 117.166% (i.e. the redemption amount would be S\$1.17166);

- (b) where the redemption takes place on a Semi-Annual Date falling within the fifth to seventh years of the Issue Date, an annual yield to call of 5% per annum applied to each year commencing from the Issue Date, compounded on a semi-annual basis. By way of illustration, assuming a Rights 2021 MCB in the principal amount of S\$1.00 is redeemed on the 14<sup>th</sup> Semi-Annual Date (i.e. at the end of the period falling seven years from the Issue Date), the redemption price of that Rights 2021 MCB will be calculated on the basis of the principal amount of the Rights 2021 MCB to be redeemed multiplied by the accretion factor of 141.297% (i.e. the redemption amount would be S\$1.41297); and
- (c) where the redemption takes place on a Semi-Annual Date (prior to the Maturity Date) falling within the eighth to ninth years of the Issue Date, an annual yield to call of 6% per annum applied to each year commencing from the Issue Date, compounded on a semi-annual basis. By way of illustration, assuming a Rights 2021 MCB in the principal amount of S\$1.00 is redeemed on the 17<sup>th</sup> Semi-Annual Date (i.e. being the Semi-Annual Date immediately prior to the Maturity Date), the redemption price of that Rights 2021 MCB will be calculated on the basis of the principal amount of the Rights 2021 MCB to be redeemed multiplied by the accretion factor of 165.285% (i.e. the redemption amount would be S\$1.65285).

<b><u>Semi-Annual Date</u></b>	<b><u>Redemption Price (%)</u></b>
1st Semi-Annual Date	102.000
2nd Semi-Annual Date	104.040
3rd Semi-Annual Date	106.121
4th Semi-Annual Date	108.243
5th Semi-Annual Date	110.408

6th Semi-Annual Date	112.616
7th Semi-Annual Date	114.869
8th Semi-Annual Date	117.166
9th Semi-Annual Date	124.886
10th Semi-Annual Date	128.008
11th Semi-Annual Date	131.209
12th Semi-Annual Date	134.489
13th Semi-Annual Date	137.851
14th Semi-Annual Date	141.297
15th Semi-Annual Date	155.797
16th Semi-Annual Date	160.471
17th Semi-Annual Date	165.285

**Accreted Principal  
Amount upon the Rights  
2021 MCBs becoming due  
and payable as a result of  
an Event of Default**

: Assuming that the Rights 2021 MCBs become due and payable as a result of an Event of Default, the relevant Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights 2021 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights 2021 MCBs multiplied by the relevant redemption price (“**Acceleration Redemption Price**”) as calculated in accordance with the following formula:

$$\text{Acceleration Redemption Price} = \text{Previous Redemption Price} \times (1 + r/2)^{d/p}$$

where,

“**Previous Redemption Price**” means the redemption price on the Semi-Annual Date immediately preceding the date on which the Rights 2021 MCBs become due and payable as a result of an Event of Default (the “**Acceleration Date**”) (or, if the Rights 2021 MCBs become due and payable prior to the first Semi-Annual Date, 100.00%), provided that if the Acceleration Date falls between (a) the 8th Semi-Annual Date and the 9th Semi-Annual Date, the Previous Redemption Price shall be deemed to be 121.840% and (b) the 14th Semi-

Annual Date and the 15th Semi-Annual Date, the Previous Redemption Price shall be deemed to be 151.259%;

“r” means if the Acceleration Date falls (a) on or prior to the 8th Semi-Annual Date, 4.00%, expressed as a fraction, (b) between the 8th Semi-Annual Date and the 14th Semi-Annual Date (inclusive), 5.00%, expressed as a fraction, and (c) from the 14th Semi-Annual Date, 6.00%, expressed as a fraction;

“d” means the number of days from and including the immediately preceding Semi-Annual Date (or, if the Rights 2021 MCBs become due and payable before the first Semi-Annual Date, from and including the Issue Date) to, but excluding, the Acceleration Date, calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed; and

“p” means 180.

<b>Bondholder’s Put Option</b>	:	None.
<b>Events of Default</b>	:	The Terms and Conditions of the Rights 2021 MCBs will provide for Events of Default which are in line with the Company’s Rights 2020 MCBs.  If an Event of Default has occurred and is continuing, the Trustee at its discretion may (but is not obliged to), and if so requested in writing by the holders of not less than 30% in principal amount of the Rights 2021 MCBs then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall (subject to its rights under the Trust Deed to be indemnified and/or secured and/or pre-funded to its satisfaction by the Bondholders), give notice to the Company that the Rights 2021 MCBs are, and they shall accordingly thereby become, immediately due and repayable at the prevailing Accreted Principal Amount as at such date.
<b>Modification for the benefit of the Bondholders</b>	:	Any material modification to the Terms and Conditions of the Rights 2021 MCBs which is for the benefit of the Bondholders but is materially prejudicial to the interests of the Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the Terms and Conditions of the Rights 2021 MCBs.

- Taxation** : All payments of the Accreted Principal Amount by or on behalf of the Company in respect of the Rights 2021 MCBs shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature (the “**Taxes**”) 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 such event, the Company will not pay such additional amounts in respect of any such withholding or deduction from payments in respect of the Rights 2021 MCBs for or on account of any such Taxes.
- Lock Up** : The Company will not issue or sell Shares for a period of 90 days from the Issue Date, save for the grant or vesting of any awards granted under the Company’s share plans or pursuant to the conversion of any Convertible Bonds.
- Stock Borrow** : None.
- Trustee** : HSBC Institutional Trust Services (Singapore) Limited.
- Principal Agent, Registrar, Conversion Agent and Transfer Agent** : The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
- Clearing and Settlement** : The Rights 2021 MCBs will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Rights 2021 MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Rights 2021 MCBs. Rights 2021 MCBs which are represented by the global bond certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
- Governing Law and Jurisdiction** : The Rights 2021 MCBs will be governed by, and construed in accordance with, the laws of Singapore.