



SINGAPORE AIRLINES TO RAISE S\$6.2 BILLION VIA MANDATORY CONVERTIBLE BONDS

Singapore Airlines (SIA) is proposing to undertake the issuance of the second tranche of Mandatory Convertible Bonds (Rights 2021 MCBs), which will raise approximately S\$6.2 billion¹ in additional liquidity for the Company.

Shareholders can participate in the recovery and future growth of the SIA Group by subscribing to the Rights 2021 MCBs. Temasek, SIA's largest shareholder, has provided an undertaking to subscribe to its pro-rata entitlement and any remaining balance of this issuance.

The terms of the Rights 2021 MCBs are as approved by shareholders at the Company's Extraordinary General Meeting on 30 April 2020, and renewed at the Company's Annual General Meeting on 27 July 2020.

Entitled shareholders will be offered on a pro-rata basis the rights to subscribe to 209 MCBs for every 100 existing shares that they hold at the record date. The MCBs will be treated as equity in the Company's balance sheet, strengthening SIA's financial position.

The MCBs are not immediately dilutive and will provide the Company with the flexibility to manage its capital structure, with partial or full redemption allowed on every six-month anniversary of the issue date at the Company's discretion. The holders will be entitled to a yield that accretes and will be payable at the point of any redemption. The MCBs will be automatically converted to ordinary shares if they are not redeemed prior to the maturity date.

¹ This S\$6.2 billion in Mandatory Convertible Bonds (MCBs) is the remaining portion of the S\$9.7 billion 10-year MCBs approved by shareholders at SIA's Extraordinary General Meeting held on 30 April 2020.

The issuance will allow the SIA Group to maintain a strong equity base and provide it with additional options moving forward to raise further debt financing as necessary. It further strengthens the Group's financial foundation to navigate the crisis, and enables it to make the necessary investments to secure its industry-leading position.

Singapore Airlines Chairman Peter Seah said: "Since 1 April 2020, we have raised S\$15.4 billion in fresh liquidity that has given us a strong foundation as we navigated the challenges posed by the Covid-19 pandemic with the support of our stakeholders.

"However, this crisis is not over. While the growing pace of vaccinations has given us hope, new waves of infections around the world mean that restrictions on international travel largely remain in place. The SIA Group has grown its passenger capacity and resumed selected services in a safe and calibrated manner, but industry bodies forecast that air traffic is not expected to recover to pre-Covid-19 levels until 2024.

"The liquidity that we will raise through the MCBs will further strengthen our financial position during these uncertain times, while providing the resources to position the SIA Group for growth and leadership. We have worked hard to retain and prepare our talented people to continue delivering the world-class service that SIA is renowned for. We will also continue to modernise our fleet with new-generation aircraft that allow us to deliver greater comfort and innovative products to customers, and help to drive operating efficiency and lower carbon emissions."

Further details of the MCBs will be made available in the Offer Information Statement, which is expected to be lodged with the Monetary Authority of Singapore on 28 May 2021.

For further information, please
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