

CIRCULAR DATED 15 APRIL 2020

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares ("Shares") in the capital of Singapore Airlines Limited (the "Company" or "Singapore Airlines"), please forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares (each as defined herein) on the Main Board of the SGX-ST, subject to certain conditions. The Rights Shares, the Rights MCBs and/or the Rights MCB Conversion Shares (as the case may be) will be admitted to the Official List of the SGX-ST and official quotation is expected to commence after their issuance and after all relevant conditions imposed by the SGX-ST are satisfied, including a sufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs, all certificates for the Rights Shares and the global bond certificate for the Rights MCBs have been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders (as defined herein) will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Rights MCBs, the Rights MCB Conversion Shares, the Rights (as defined herein), the Company and/or its subsidiaries.

This Circular 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 Shares, the Rights MCBs and the Rights 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 Shares, the Rights MCBs and the Rights 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 Circular shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares. This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares or make an offer of the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares and the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of providing Shareholders with the information pertaining to the EGM (as defined herein), convening the EGM and seeking Shareholders' approval for the resolutions to be proposed at the EGM. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular and/or the sale or transfer of the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular 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.

This Circular has been made available on SGXNet and the Company's website and may be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/). A printed copy of this Circular will NOT be despatched to Shareholders.

**Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to paragraph 14 of this Circular and the Company's announcement dated 15 April 2020 entitled "Extraordinary General Meeting in relation to the Rights Issue and the Additional Issue" which has been uploaded together with this Circular on SGXNet for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/).



**CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

- (1) **THE PROPOSED RENOUNCEABLE RIGHTS ISSUE (THE "RIGHTS ISSUE") OF:**
  - (A) **UP TO 1,777,692,486 NEW SHARES (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$3.00 FOR EACH RIGHTS SHARE (THE "ISSUE PRICE OF THE RIGHTS SHARES"), ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
  - (B) **UP TO S\$3,496,128,555 IN AGGREGATE PRINCIPAL AMOUNT OF MANDATORY CONVERTIBLE BONDS (THE "RIGHTS MCBs"), IN THE DENOMINATION OF S\$1.00 FOR EACH RIGHTS MCB, ON THE BASIS OF 295 RIGHTS MCBs FOR EVERY 100 EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (2) **THE PROPOSED ISSUE OF UP TO APPROXIMATELY S\$6.2 BILLION IN AGGREGATE PRINCIPAL AMOUNT OF ADDITIONAL MANDATORY CONVERTIBLE BONDS (THE "ADDITIONAL MCBs")**

*Sole Financial Adviser for the Rights Issue*



*Joint Lead Managers for the Rights Issue*



**Morgan Stanley**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form : 27 April 2020 at 11.30 a.m.  
Date and time of EGM : 30 April 2020 at 11.30 a.m.  
Place of EGM : The EGM will be held by way of electronic means

## CONTENTS

	Page
1. INTRODUCTION .....	11
2. PROPOSED RIGHTS ISSUE AND ADDITIONAL ISSUE .....	13
3. RATIONALE OF THE RIGHTS ISSUE AND THE ADDITIONAL ISSUE AND USE OF PROCEEDS .....	28
4. IRREVOCABLE UNDERTAKING .....	29
5. STATEMENT BY THE BOARD .....	30
6. FINANCIAL EFFECTS OF THE RIGHTS ISSUE AND THE ADDITIONAL ISSUE ..	30
7. REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL .....	35
8. RECORD DATE .....	35
9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS .....	35
10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	36
11. EXTRAORDINARY GENERAL MEETING .....	36
12. OFFER INFORMATION STATEMENT .....	36
13. ADJUSTMENTS TO SHARE AWARDS .....	37
14. ACTION TO BE TAKEN BY SHAREHOLDERS .....	37
15. DIRECTORS' RECOMMENDATIONS .....	37
16. DIRECTORS' RESPONSIBILITY STATEMENT .....	38
17. STATEMENT BY THE SOLE FINANCIAL ADVISER .....	38
18. CONSENT .....	38
19. DOCUMENTS FOR INSPECTION .....	39
APPENDIX 1 – SUMMARY OF THE TERMS AND CONDITIONS OF THE RIGHTS MCBS .....	40
APPENDIX 1A – ADJUSTMENTS TO THE CONVERSION PRICE OF THE RIGHTS MCBS AS SPECIFIED IN THE TERMS AND CONDITIONS .....	50
APPENDIX 2 – SUMMARY OF THE TERMS AND CONDITIONS OF THE ADDITIONAL MCBS .....	60
APPENDIX 3 – ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE .....	70
APPENDIX 4 – REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL ..	74
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	88

## DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

- “9M2018/2019”** : The nine months ended 31 December 2018
- “9M2019/2020”** : The nine months ended 31 December 2019
- “Accreted Principal Amount”** : In respect of each S\$1.00 in principal amount of Rights MCBs or, as the case may be, Additional MCBs:
- (a) in the case of a redemption of all or some of the Rights MCBs or, as the case may be, Additional MCBs on a Semi-Annual Date prior to the Maturity Date, an amount equivalent to S\$1.00 in principal amount of Rights MCBs or, as the case may be, Additional MCBs multiplied by the relevant redemption price in effect at such Semi-Annual Date, as further described in Appendix 1 and Appendix 2 of this Circular; and
  - (b) in the case where all or some of the Rights MCBs or, as the case may be, Additional MCBs become due and payable as a result of an event of default under the Terms and Conditions or, as the case may be, the terms and conditions of the Additional MCBs, an amount equivalent to S\$1.00 in principal amount of Rights MCBs or, as the case may be, Additional MCBs multiplied by the relevant redemption price as calculated in accordance with the relevant prescribed formula, as further described in Appendix 1 and Appendix 2 of this Circular
- “Additional Issue”** : The issue of Additional MCBs and Additional MCB Conversion Shares
- “Additional Issue Resolution”** : The resolution proposed to approve the Additional Issue, as set out in the Notice of EGM
- “Additional MCB Conversion Shares”** : The new Shares to be allotted and issued by the Company upon conversion of the Additional MCBs, subject to the terms and conditions of the Additional MCBs
- “Additional MCB Holder”** : A registered holder of Additional MCBs, except that where the registered holder is CDP, the term **“Additional MCB Holder”** shall, in relation to such Additional MCBs and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Additional MCBs will be credited

<b>“Additional MCBs”</b>	:	The additional mandatory convertible bonds to be allotted and issued, the key terms of which are set out in Appendix 2 of this Circular, and to be offered by the Company to Shareholders on a <i>pro-rata</i> basis by way of one or more further rights issues at such future dates and times as may be determined by the Company at its sole discretion
<b>“Announcement”</b>	:	The announcement made by the Company on 26 March 2020 relating to the Rights Issue and the Additional Issue
<b>“ARE”</b>	:	Application form for Rights Shares and excess Rights Shares or, as the case may be, for Rights MCBs and excess Rights MCBs to be issued to Entitled Depositors in respect of their Rights under the Rights Issue
<b>“ARS”</b>	:	Application form for Rights Shares or, as the case may be, Rights MCBs to be issued to Purchasers in respect of their purchase of Rights traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“ATM”</b>	:	Automated teller machine of a Participating Bank
<b>“Board of Directors”</b>	:	The board of Directors of the Company, as at the date of this Circular
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 15 April 2020 in relation to the Rights Issue Resolution and the Additional Issue Resolution
<b>“Closing Date”</b>	:	The time and date to be determined by the Directors, being the last time and date for acceptance of and/or excess application and payment for the Rights Shares and the Rights MCBs under the Rights Issue
<b>“Companies Act”</b>	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Company” or “Singapore Airlines”</b>	:	Singapore Airlines Limited
<b>“Constitution”</b>	:	The Constitution of the Company
<b>“Conversion Price”</b>	:	The price at which a Rights MCB Conversion Share will be issued upon mandatory conversion of the Rights MCBs, initially being S\$4.84 per Share. The Conversion Price is subject to adjustments under certain circumstances in accordance with the Terms and Conditions. For the avoidance of doubt, no further cash outlay will be required from the Rights MCB Holders for the conversion of the Rights MCBs into Rights MCB Conversion Shares

<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Funds”</b>	:	CPF Investible Savings
<b>“CPF Investment Account”</b>	:	The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
<b>“CPFIS”</b>	:	CPF Investment Scheme
<b>“CPFIS Members”</b>	:	Shareholders who have previously purchased Shares using their CPF Funds under the CPF Investment Account
<b>“Cut-Off Date”</b>	:	The date falling not later than such number of trading days prior to the Maturity Date as to be specified in the Terms and Conditions or, as the case may be, the terms and conditions of the Additional MCBs
<b>“Depository Agreement”</b>	:	The application form in respect of the Rights MCBs to be executed by the Company and to be accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein as amended, varied or supplemented from time to time
<b>“Directors”</b>	:	The directors of the Company as at the date of this Circular
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held by way of electronic means at 11.30 a.m. on 30 April 2020, notice of which is set out on pages 88 to 92 of this Circular
<b>“Entitled Depositors”</b>	:	Shareholders with Shares standing to the credit of their Securities Accounts as at the Record Date and (i) whose registered addresses with CDP are in Singapore as at the Record Date, or (ii) 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
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date and (i) whose registered addresses with the Company are in Singapore as at the Record Date, or (ii) 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

<b>“Entitled Shareholders”</b>	:	Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	:	Earnings per Share
<b>“Final Accreted Principal Amount”</b>	:	(a) in respect of each S\$1.00 in principal amount of Rights MCBs for purposes of conversion of the Rights MCBs on the Maturity Date, an amount equivalent to S\$1.80611; or  (b) in respect of each S\$1.00 in principal amount of Additional MCBs for purposes of conversion of the Additional MCBs on the Maturity Date, an amount calculated on the basis of a 6% annual yield to conversion, compounded on a semi-annual basis,  as the case may be
<b>“Foreign Purchasers”</b>	:	Purchasers of the Rights whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system
<b>“Foreign Shareholders”</b>	:	Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“FY2016/2017”</b>	:	Financial year ended 31 March 2017
<b>“FY2017/2018”</b>	:	Financial year ended 31 March 2018
<b>“FY2018/2019”</b>	:	Financial year ended 31 March 2019
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Ineligible Shareholders”</b>	:	Shareholders other than the Entitled Depositors and the Entitled Scripholders
<b>“Issue Price of the Rights MCBs”</b>	:	The issue price of the Rights MCBs, being 100.0 per cent. of the principal amount of the Rights MCBs or S\$1.00 for each S\$1.00 in principal amount of the Rights MCBs
<b>“Issue Price of the Rights Shares”</b>	:	The issue price of the Rights Shares, being S\$3.00 for each Rights Share
<b>“Issuer”</b>	:	The issuer of the Rights MCBs and the Additional MCBs, being the Company
<b>“Joint Lead Managers”</b>	:	DBS Bank Ltd. and Morgan Stanley Asia (Singapore) Pte.
<b>“Latest Practicable Date”</b>	:	8 April 2020, being the latest practicable date prior to the printing of this Circular

<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“Long Stop Date”</b>	:	The date falling 15 months from the date of approval of the Rights Issue Resolution and the Additional Issue Resolution at the EGM
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“MAS”</b>	:	The Monetary Authority of Singapore
<b>“Maturity Date”</b>	:	The maturity date of the Rights MCBs and the Additional MCBs, being the 10th anniversary of the date of issue of the Rights MCBs
<b>“MCBs”</b>	:	The Rights MCBs and the Additional MCBs
<b>“Notice of EGM”</b>	:	The notice of EGM set out on pages 88 to 92 of this Circular
<b>“Offer Information Statement”</b>	:	The offer information statement, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the MAS in connection with the Rights Issue
<b>“PAL”</b>	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the Rights of such Entitled Scripholders under the Rights Issue
<b>“Participating Banks”</b>	:	The banks that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with the CDP are in Singapore, for acceptances of the Rights Shares or, as the case may be, the Rights MCBs and applications for excess Rights Shares or, as the case may be, excess Rights MCBs to be made under the Rights Issue
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM as set out in this Circular
<b>“Purchaser”</b>	:	A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system

- “Record Date”** : 5.00 p.m. on 8 May 2020 (or such other time and date as the Directors may determine), being the time and date at and on which, subject to the approval of the Rights Issue being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares and Rights MCBs of Entitled Shareholders under the Rights Issue
- “Rights”** : Rights to subscribe for (a) three (3) Rights Shares for every two (2) existing Shares; and (b) 295 Rights 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded. The offer of the Rights Shares and the Rights MCBs under the Rights Issue will be made concurrently but capable of acceptance independently of each other
- “Rights Issue”** : The proposed renounceable rights issue by the Company of:
- (a) up to 1,777,692,486 Rights Shares, at the Issue Price of the Rights Shares, on the basis of three (3) Rights Shares for every two (2) 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded; and
  - (b) up to S\$3,496,128,555 in aggregate principal amount of Rights MCBs, at the Issue Price of the Rights MCBs, in the denomination of S\$1.00 for each Rights MCB, on the basis of 295 Rights 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded,
- on the terms and conditions of the Offer Information Statement
- “Rights Issue Resolution”** : The resolution proposed to approve the issue of Rights Shares, Rights MCBs and Rights MCB Conversion Shares pursuant to the Rights Issue, as set out in the Notice of EGM
- “Rights MCB Conversion Shares”** : The new Shares to be allotted and issued by the Company upon conversion of the Rights MCBs on the Maturity Date, subject to the Terms and Conditions



<b>“Rights MCB Holder”</b>	:	A registered holder of Rights MCBs, except that where the registered holder is CDP, the term <b>“Rights MCB Holder”</b> shall, in relation to such Rights MCBs and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Rights MCBs are credited
<b>“Rights MCBs”</b>	:	The mandatory convertible bonds to be allotted and issued by the Company pursuant to the Rights Issue, the key terms of which are set out in Appendix 1 of this Circular
<b>“Rights Shares”</b>	:	The new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<b>“Semi-Annual Date”</b>	:	A date falling on each six-month anniversary of the date of issue of the Rights MCBs or, as the case may be, the Additional MCBs
<b>“SFA”</b>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	M & C Services Private Limited
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<b>“Shares”</b>	:	The ordinary shares in the capital of the Company
<b>“Singapore”</b>	:	The Republic of Singapore
<b>“Sole Financial Adviser”</b>	:	DBS Bank Ltd.
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Approved Banks”</b>	:	Approved banks in which SRS Investors hold their accounts under the SRS
<b>“SRS Investors”</b>	:	Investors who have previously purchased Shares under the SRS

<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that voting share, or those voting shares, is not less than five per cent. of the total votes attached to all the voting shares in the Company (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated))
<b>“Temasek”</b>	:	Temasek Holdings (Private) Limited
<b>“Tembusu”</b>	:	Tembusu Capital Pte. Ltd., a wholly-owned subsidiary of Temasek
<b>“Terms and Conditions”</b>	:	The terms and conditions of the Rights MCBs to be set out in the Trust Deed
<b>“TERP”</b>	:	S\$4.40 per Share, being the theoretical market price of each Share assuming the completion of the Rights Issue, and which is calculated based on the last transacted price of the Shares on the Official List of the SGX-ST of S\$6.50 on 25 March 2020, being the last trading day on which trades were done on the Shares prior to the Announcement, and the total number of Shares following the issuance of the Rights Shares
<b>“Trust Deed”</b>	:	The Trust Deed to be executed by the Company to constitute the Rights MCBs and containing, <i>inter alia</i> , the provisions for the protection of the rights and interests of Rights MCB Holders
<b>“Undertaking”</b>	:	The undertaking dated 26 March 2020 given by a wholly-owned subsidiary of Temasek (namely, Tembusu) to the Company, details of which are set out in paragraph 4 of this Circular
<b>“Unit Share Market”</b>	:	The unit share market of the SGX-ST
<b>“U.S.” or “United States”</b>	:	The United States of America
<b>“%” or “per cent.”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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

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

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.

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

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

# SINGAPORE AIRLINES LIMITED

(Incorporated in the Republic of Singapore)  
Company Registration No.: 197200078R

## Directors:

Peter Seah Lim Huat (*Chairman*)  
Goh Choon Phong (*Chief Executive Officer*)  
Gautam Banerjee (*Independent Director*)  
Simon Cheong Sae Peng (*Independent Director*)  
David Gledhill (*Independent Director*)  
Goh Swee Chen (*Independent Director*)  
Dominic Ho Chiu Fai (*Independent Director*)  
Hsieh Tsun-yan (*Independent Director*)  
Lee Kim Shin (*Independent Director*)

## Registered Office:

Airline House  
25 Airline Road  
Singapore 819829

15 April 2020

To: The Shareholders of Singapore Airlines Limited

Dear Sir/Madam,

## 1. INTRODUCTION

1.1 **Proposed Rights Issue and Additional Issue.** On 26 March 2020, the Company announced that the Directors propose to carry out a renounceable Rights Issue to raise gross proceeds of approximately S\$8.8 billion, pursuant to which:

- (a) up to 1,777,692,486 Rights Shares will be offered at the Issue Price of the Rights Shares of S\$3.00 for each Rights Share, on the basis of three (3) Rights Shares for every two (2) 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded, to raise gross proceeds of approximately S\$5.3 billion; and
- (b) up to S\$3,496,128,555 in aggregate principal amount of Rights MCBs will be offered at the Issue Price of the Rights MCBs, in the denomination of S\$1.00 for each Rights MCB, on the basis of 295 Rights 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded, to raise gross proceeds of approximately S\$3.5 billion.

The offer of the Rights Shares and the Rights MCBs under the Rights Issue will be made concurrently but capable of acceptance independently of each other.

A wholly-owned subsidiary of Temasek (namely, Tembusu) has given the Undertaking to the Company to, *inter alia*, procure Temasek to vote in favour of the resolutions to approve the Rights Issue and the Additional Issue, and subscribe for, or procure the subscription of, Temasek's *pro-rata* entitlement to the Rights Shares and the Rights MCBs under the Rights Issue. It has also undertaken to subscribe for, or procure the subscription of, any unsubscribed Rights Shares and Rights MCBs remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue.

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

The Company has appointed DBS Bank Ltd. as the Sole Financial Adviser for the Rights Issue and DBS Bank Ltd. and Morgan Stanley Asia (Singapore) Pte. as Joint Lead Managers for the Rights Issue.

Subsequent to the Rights Issue, the Company may undertake a further issuance of up to approximately S\$6.2 billion in aggregate principal amount of Additional MCBs, the key terms of which are set out in Appendix 2 of this Circular, and to be offered by the Company to Shareholders on a *pro-rata* basis by way of one or more further rights issues at such future dates and times as may be determined by the Company at its sole discretion. The Company envisages that any such further Additional Issue will, if undertaken, take place prior to the Long Stop Date.

Please see paragraph 2 of this Circular for further information on the proposed Rights Issue and Additional Issue.

- 1.2 **Approval in-principle.** The Company also announced on 13 April 2020 that the SGX-ST had granted approval in-principle for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. The Rights Shares, the Rights MCBs and/or the Rights MCB Conversion Shares (as the case may be) will be admitted to the Official List of the SGX-ST and official quotation is expected to commence after their issuance and after all relevant conditions imposed by the SGX-ST are satisfied, including a sufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs, all certificates for the Rights Shares and the global bond certificate for the Rights MCBs have been issued and the notification letters from CDP have been despatched.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights MCBs, the Rights MCB Conversion Shares, the Rights, the Company and/or its subsidiaries.

- 1.3 **EGM.** The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek Shareholders' approval at the EGM for, the Rights Issue and the Additional Issue. Notice of the EGM is set out on pages 88 to 92 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

## 2. PROPOSED RIGHTS ISSUE AND ADDITIONAL ISSUE

2.1 **Principal Terms.** The principal terms of the Rights Issue are summarised below.

### Rights Shares

**Basis of Provisional Allotment** : The Rights Shares are proposed to be offered to Entitled Shareholders on a renounceable basis on the basis of three (3) Rights Shares for every two (2) 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 (Incorporated)) as at the Record Date, fractional entitlements to be disregarded.

For the avoidance of doubt, a Shareholder is not required to hold a minimum of two (2) Shares as at the Record Date in order to be entitled to Rights Shares. For illustrative purposes, an Entitled Shareholder who holds less than two (2) Shares as at the Record Date will be offered one (1) Rights Share, after disregarding fractional entitlements.

**Number of Rights Shares** : Based on the issued share capital of the Company as at the Latest Practicable Date of 1,185,128,324 Shares (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)), the Company will issue up to 1,777,692,486 Rights Shares.

**Issue Price of the Rights Shares** : S\$3.00 for each Rights Share. The Rights Shares are payable in full upon acceptance and/or application.

**Discount** : The Issue Price of the Rights Shares represents (a) a discount of approximately 53.8 per cent. to the last transacted price of the Shares on the Official List of the SGX-ST of S\$6.50 on 25 March 2020, being the last trading day on which trades were done on the Shares prior to the Announcement, and (b) a discount of approximately 31.8 per cent. to the TERP of S\$4.40 per Share.

The Issue Price of the Rights Shares and discount have been determined after taking into account precedent transactions, the transaction size and discussions with the Sole Financial Adviser.

**Gross Proceeds from the issue of the Rights Shares** : Approximately S\$5.3 billion.

**Status of the Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares.

**Listing and trading of the Rights Shares** : On 11 April 2020, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. 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 Shares, the Rights, the Company and/or its subsidiaries.

Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares 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) in relation to the Rights Shares 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 which are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Shares.

### **Rights MCBs**

**Basis of Provisional Allotment** : The Rights MCBs are proposed to be offered to Entitled Shareholders on a renounceable basis and issued in the denomination of S\$1.00 for each Rights MCB, on the basis of 295 Rights 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 (Incorporated)) at the Record Date, fractional entitlements to be disregarded.

For the avoidance of doubt, a Shareholder is not required to hold a minimum of 100 Shares as at the Record Date in order to be entitled to Rights MCBs. For illustrative purposes, an Entitled Shareholder who holds one (1) Share as at the Record Date will be offered two (2) Rights MCBs, after disregarding fractional entitlements.

<b>Size of the Rights MCBs</b>	:	Up to S\$3,496,128,555 in aggregate principal amount of Rights MCBs.
<b>Issue Price of the Rights MCBs</b>	:	100 per cent. of the principal amount of the Rights MCBs or S\$1.00 for each S\$1.00 in principal amount of Rights MCBs.
<b>Gross Proceeds from the issue of the Rights MCBs</b>	:	Approximately S\$3.5 billion.
<b>Maturity Date</b>	:	The 10th anniversary of the date of issue of the Rights MCBs.
<b>Coupon</b>	:	Zero coupon.
<b>Form and Denomination</b>	:	The Rights MCBs will be issued in registered form and in the denomination of S\$1.00 each.
<b>Status of the Rights MCBs</b>	:	The Rights MCBs will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.
<b>Mandatory Conversion at Maturity</b>	:	Unless previously redeemed or purchased and cancelled, the Issuer shall satisfy its obligation to redeem the Rights MCBs on the Maturity Date by mandatorily converting the Rights MCBs into Rights MCB Conversion Shares on the Maturity Date (being the 10th anniversary of the date of issue of the Rights MCBs).

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

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



For the avoidance of doubt, the Rights 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 MCBs are represented by a global bond certificate deposited with CDP, save as provided below, a Rights MCB Holder does not need to submit a notice of conversion in order to receive the Rights MCB Conversion Shares to be delivered upon mandatory conversion of his Rights MCBs. However, if a Rights MCB Holder wishes for his Rights MCB Conversion Shares to be credited to a specified securities account (other than the securities account in which his Rights MCBs are held), he should submit a duly completed notice of conversion to the conversion agent before the Cut-Off Date (subject to the requirements of CDP). Furthermore, a Rights MCB Holder 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 MCB Conversion Shares. If the Rights MCBs cease to be represented by a global bond certificate, a Rights MCB Holder 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 MCB Conversion Shares.

The Issuer shall, at least one month before the Cut-Off Date, give notice to the Rights MCB Holders 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 MCBs Conversion Price** : The price at which the Rights MCB Conversion Shares shall be issued upon mandatory conversion based on the Final Accreted Principal Amount of the Rights MCBs (being equivalent to S\$1.80611 for each S\$1.00 in principal amount of Rights MCBs) shall initially be S\$4.84 per Share but shall be subject to adjustment in certain events in accordance with the Terms and Conditions (as further described in Appendix 1A of this Circular). The initial Conversion Price of S\$4.84 is at a premium of 10.0 per cent. to the TERP of S\$4.40 per Share.

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

**Adjustments to Rights  
MCBs Conversion Price**

: 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 purposes of any Employee Share Scheme). In this regard, **“Employee Share Scheme”** means any scheme of the Issuer pursuant to which Shares or other securities (including rights or options or awards) are issued, offered or granted to directors and employees or former directors or employees of the Issuer, its subsidiaries, associated companies and/or of the Issuer’s holding company or subsidiaries of such holding company.

To the extent that Shares are repurchased by the Issuer for purposes of delivery to participants under an Employee Share Scheme, such Shares would be earmarked by the Issuer 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 Issuer’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 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, subject to, among others, the use by the Issuer 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 Rights MCB Holders 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,

except that no adjustments will be made to the Conversion Price by virtue of, among other things, the issue of the Additional MCBs prior to the Long Stop Date or the issue of any Rights Shares.

A list of the events which would result in adjustments to the Conversion Price and the details of the adjustment formulae are set out in Appendix 1A of this Circular.

**Rights MCB Conversion Shares** : For illustrative purposes, assuming S\$3,496,128,555 in aggregate principal amount of Rights MCBs remain outstanding on the Maturity Date, based on the initial Conversion Price of S\$4.84 per Share, the number of Rights MCB Conversion Shares to be allotted and issued by the Issuer pursuant to the full conversion of all of the outstanding Rights MCBs based on their Final Accreted Principal Amount on the Maturity Date (as further described below), will be 1,304,626,600 Rights MCB Conversion Shares.

**Redemption at the Option of the Issuer** : The Rights MCBs may be redeemable at the option of the Issuer 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.

In the case of a partial redemption of Rights MCBs, the Rights 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 MCBs are not redeemable at the option of a Rights MCB Holder.

**Final Accreted Principal Amount on Maturity Date** : Assuming that the Rights MCBs are not previously redeemed or purchased and cancelled and are converted on the Maturity Date, the Final Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights MCBs on the Maturity Date will be S\$1.80611.

The Final Accreted Principal Amount for conversion of the Rights 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 Maturity Date** : Assuming that all or some of the Rights 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 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights 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 Appendix 1 of this Circular 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 MCBs, 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 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 date of issue of the Rights MCBs), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights MCB 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 date of issue of the Rights MCBs, an annual yield to call of 5% per annum applied to each year commencing from the date of issue of the Rights MCBs, compounded on a semi-annual basis. By way of illustration, assuming a Rights MCB in the principal amount of S\$1.00 is redeemed on the 14th Semi-Annual Date (i.e. at the end of the period falling seven years from the date of issue of the Rights MCBs), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights 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 tenth years of the date of issue of the Rights MCBs, an annual yield to call of 6% per annum applied to each year commencing from the date of issue of the Rights MCBs, compounded on a semi-annual basis. By way of illustration, assuming a Rights MCB in the principal amount of S\$1.00 is redeemed on the 19th Semi-Annual Date (i.e. being the Semi-Annual Date immediately prior to the Maturity Date), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights MCB to be redeemed multiplied by the accretion factor of 175.351% (i.e. the redemption amount would be S\$1.75351).

Please refer to Appendix 1 of this Circular for further details on the redemption price.

**Events of Default**

- : The Terms and Conditions will provide for Events of Default which are generally in line with the Issuer's S\$2,000,000,000 Medium Term Bond Programme, except for (a) amendments to clarify that the cessation of, or a decision to cease, all or a material part of the Issuer's business or operations will not constitute an Event of Default if it arises from the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic (as further described below); (b) an increase in the cross default threshold to S\$100,000,000; and (c) including as an Event of Default the failure to deliver Rights MCB Conversion Shares.

In particular, it would be an Event of Default if, among other things, the Issuer ceases or makes a decision to cease to carry on all or a material part of its business or operations (other than a cessation of business or operations arising as a result of the COVID-19 Aviation Sector Disruption (as defined below)), or an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or for the judicial management of the Issuer, in each case, 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 of the Rights MCB Holders.

**“COVID-19 Aviation Sector Disruption”** means the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic.

If an Event of Default has occurred and is continuing, the Trustee at its discretion may, and if so requested in writing by the holders of not less than 30 per cent. in principal amount of the Rights MCBs then outstanding or if so directed by an extraordinary resolution of the Rights MCB Holders shall (subject to its rights under the Trust Deed to be indemnified and/or secured and/or prefunded to its satisfaction by the Rights MCB Holders), give notice to the Issuer that the Rights MCBs are, and they shall accordingly thereby become, immediately due and repayable at the prevailing Accreted Principal Amount as at such date.

**Modification for the benefit of the Rights MCB Holders**

: Any material modification to the terms of the Rights MCBs which is for the benefit of the Rights MCB Holders 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 of the Rights MCBs.

**Listing**

: On 11 April 2020, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. 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 MCBs, the Rights MCB Conversion Shares, the Rights, the Company and/or its subsidiaries.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

## Trading

: Upon the listing of and quotation for the Rights MCBs and Rights MCB Conversion Shares on the Main Board of the SGX-ST, the Rights MCBs and Rights MCB Conversion Shares, when issued, will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. The Rights MCBs may also be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in and transactions (including transfers) in relation to the Rights MCBs and Rights MCB Conversion Shares 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*", copies of which are available from CDP, and in the case of the Rights MCBs, additionally, the Depository Agreement, as the same may be amended from time to time.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

The Rights MCBs will be traded on the Main Board of the SGX-ST in board lots of 100 Rights MCBs with a principal amount of S\$100. Rights MCB Holders who hold odd lots of Rights MCBs (that is, lots other than board lots of 100 Rights MCBs with a principal amount of S\$100) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Rights MCBs in board lots of one Rights MCB with a principal amount of S\$1.00 on the Unit Share Market.

In the case of the Rights MCB Conversion Shares, for the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market.

Rights MCB Holders or, as the case may be, Shareholders who hold odd lots of Rights MCBs or, as the case may be, Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Rights MCBs or, as the case may be, Shares.

**Clearing and Settlement** : The Rights 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 MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Rights MCBs. Rights 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.

Please refer to Appendices 1 and 1A of this Circular for additional details on the Rights MCBs.

#### **Other Principal Terms of the Rights Issue**

**Use of proceeds** : The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the Rights Issue, for operating cashflow, capital expenditure and other fixed commitments or to repay any bridge financing facilities for these purposes.

**Estimated net proceeds** : The total estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$10.0 million) are expected to be approximately S\$8.8 billion.

**Eligibility to participate in the Rights Issue** : As there may be prohibitions or restrictions against the offering of Rights Shares, Rights MCBs and Rights MCB Conversion Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please see Appendix 3 of this Circular for details on the eligibility of Shareholders to participate in the Rights Issue.

**Acceptance, excess application and payment** : The offer of the Rights Shares and the Rights MCBs under the Rights Issue will be made concurrently but capable of acceptance independently of each other.



Entitled Shareholders will be at liberty to accept, decline or renounce their Rights and will be eligible to apply for additional Rights Shares or, as the case may be, additional Rights MCBs in excess of their provisional allotments under the Rights Issue. Entitled Depositors will also be able to trade their Rights on the SGX-ST during the Rights trading period prescribed by the SGX-ST.

Fractional entitlements to the Rights Shares or, as the case may be, the Rights MCBs will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for Rights Shares or, as the case may be, Rights MCBs (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.

In the allotment of excess Rights Shares or, as the case may be, Rights MCBs, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders 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 Shares or, as the case may be, excess Rights MCBs.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for excess Rights Shares or, as the case may be, excess Rights MCBs, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

**Use of CPF Funds**

: CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Shares and (if applicable) application for excess Rights Shares.

Such CPFIS Members who wish to accept their Rights Shares and (if applicable) apply for excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with the terms and conditions of the Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept their Rights Shares and (if applicable) apply for excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.

The Rights MCBs are not eligible for inclusion under the CPFIS. Accordingly, CPF Funds **CANNOT** be used to pay for the acceptance of Rights MCBs, (if applicable) application for excess Rights MCBs or to purchase provisional allotments of Rights MCBs from the market.

CPFIS Members who have previously bought their Shares using CPF Funds and wish to accept their Rights MCBs and (if applicable) apply for excess Rights MCBs will need to instruct their respective approved CPF agent banks with whom they hold their CPF Investment Accounts, to accept the Rights MCBs and (if applicable) apply for excess Rights MCBs on their behalf using cash and in accordance with the terms and conditions of the Offer Information Statement. In this regard, the Rights MCBs will not be held through the CPF Investment Account.

**Use of SRS Funds**

: SRS Investors must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Shares and/or Rights MCBs and (if applicable) application for excess Rights Shares and/or excess Rights MCBs.

Such investors who wish to accept their Rights Shares and/or Rights MCBs and (if applicable) apply for excess Rights Shares and/or excess Rights MCBs using SRS monies, must instruct the relevant SRS Approved Banks in which they hold their SRS accounts to accept their Rights Shares and/or Rights MCBs and (if applicable) apply for excess Rights Shares and/or excess Rights MCBs on their behalf in accordance with the terms and conditions of the Offer Information Statement.

Such investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights Shares and/or Rights MCBs and (if applicable) apply for excess Rights Shares and/or excess Rights MCBs on their behalf.

SRS monies may not, however, be used for the purchase of the provisional allotments of Rights Shares and/or Rights MCBs directly from the market.

**Undertaking** : Please refer to paragraph 4 of this Circular for details of the terms of the Undertaking.

**Governing law** : Laws of Singapore

The terms and conditions of the Rights Issue and the Terms and Conditions of the Rights MCBs are subject to such changes as the Directors may, in consultation with the Sole Financial Adviser and Joint Lead Managers, deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be lodged with the MAS and despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the Rights Issue Resolution being approved by the Shareholders at the EGM.

2.2 **Conditions for the Rights Issue.** Shareholders should note that the Rights Issue is subject to the following conditions:

- (a) the approval of Shareholders at the EGM for the Rights Issue, including the allotment and issue of the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares;
- (b) the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST which was granted on 11 April 2020, not having been withdrawn as at the date of completion of the Rights Issue; and
- (c) the lodgment of the Offer Information Statement, together with all other accompanying documents, with the MAS.

2.3 **SGX-ST Conditions.** On 11 April 2020, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Rights Issue;
- (c) 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;
- (d) a written confirmation from the Company that the Terms and Conditions will comply with Rules 829(1), 829(2) and 829(3) of the Listing Manual;
- (e) 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);
- (f) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares and excess Rights MCBs;
- (g) 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; and
- (h) in respect of the listing of and quotation for the Rights 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 MCBs to provide an orderly market for the Rights MCBs, in compliance with Rule 826 of the Listing Manual.

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 Shares, the Rights MCBs, the Rights MCB Conversion Shares, the Company and/or its subsidiaries.

2.4 **Notification under Section 309B of the SFA.** The provisional allotments of Rights Shares and Rights MCBs, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares (including further Rights MCB Conversion Shares arising from any adjustments made to the Conversion Price of the Rights MCBs as set out in the terms and conditions of the Rights MCBs) 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).

2.5 **Additional Issue.** Subsequent to the Rights Issue, the Company may undertake a further issuance of up to approximately S\$6.2 billion in aggregate principal amount of Additional MCBs, the key terms of which are set out in Appendix 2 of this Circular, and to be offered by the Company to Shareholders on a *pro-rata* basis by way of one or more further rights issues at such future dates and times as may be determined by the Company at its sole discretion. At the time of each of such further rights issues, an application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Additional MCBs and the Additional MCB Conversion Shares on the Main Board of the SGX-ST.

The Company envisages that any such further Additional Issue will, if undertaken, take place prior to the Long Stop Date. If the Additional Issue Resolution is approved at the EGM, such authority will expire at the next annual general meeting of the Company (“AGM”) or at the date by which the Company is required to hold the AGM (whichever is the earlier) (the “Expiry Date”). In the event that the Company wishes to undertake the Additional Issue after the Expiry Date, the Company will seek Shareholders’ approval to renew the authority in respect of the Additional Issue at its forthcoming AGM, on the same terms as the Additional Issue Resolution. A wholly-owned subsidiary of Temasek (namely, Tembusu), has undertaken to the Company to procure that Temasek vote in favour of the resolution relating to such renewal, subject to such authority expiring on, *inter alia*, the Long Stop Date.

The Additional MCBs will be convertible into Additional MCB Conversion Shares, which when issued and delivered will rank *pari passu* with the existing Shares at such relevant times, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of registration of the Additional MCB Conversion Shares. The initial conversion price of the Additional MCBs will be the prevailing Conversion Price of the Rights MCBs at the time of issue of the Additional MCBs (but including any adjustments below the specified threshold which have not been taken into account under the Terms and Conditions), but shall be subject to adjustments in accordance with the terms and conditions of the Additional MCBs. Please refer to Appendix 2 of this Circular for additional details on the Additional MCBs.

For illustrative purposes, assuming S\$6.2 billion in aggregate principal amount of Additional MCBs are issued on the same date as the Rights MCBs and such Additional MCBs remain outstanding on the Maturity Date and are converted at a conversion price of S\$4.84 per Share, the number of Additional MCB Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of all of the outstanding Additional MCBs based on their Final Accreted Principal Amount on the Maturity Date will be 2,299,680,786 Additional MCB Conversion Shares. For the avoidance of doubt, the actual date of issue of the Additional MCBs can only be determined if and when an Additional Issue is undertaken and the date of issue of the Additional MCBs would invariably be after the issue date of the Rights MCBs.

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

- 3.1 **Rationale and Purposes of the Rights Issue and the Additional 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 Group’s passenger revenues from February 2020. Without a domestic segment, the airlines operated by the Group are more vulnerable when governments increasingly restrict the free movement of people across national borders, or ban air travel altogether. As announced by the Company on 17 and 23 March 2020, the Company is actively taking steps to contain its costs by making significant cuts to capacity, grounding 128 of its 147 aircraft, while its subsidiary, Scoot, grounded 47 of its 49 aircraft. Salary cuts have been taken by management, and the Directors have agreed to cut their fees. The Company also said it was taking steps to build up its liquidity. The Rights Issue, as well as any proposed issue of the Additional MCBs, are crucial components of such measures to build up its liquidity. The issue of the Rights Shares and the Rights MCBs and any future issue of the Additional MCBs, which will be treated as equity in the balance sheet of the Company, will strengthen the Company’s balance sheet and liquidity position. The proceeds from the Rights Issue will enable the Company to meet its ongoing financial commitments, weathering the severe disruption to global air travel caused by the COVID-19 pandemic. The availability of a further S\$6.2 billion in funding pursuant to the issue (if any) of the Additional MCBs will also provide the Company with the resources, from a position of strength, to capitalise on any opportunities that may arise following the abatement of the

COVID-19 pandemic, and position the Company for growth as soon as the ongoing crisis resolves. The Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company.

- 3.2 **Use of Proceeds.** Taking into consideration the Undertaking, the total estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$10.0 million) are expected to be approximately S\$8.8 billion.

The Company intends to utilise the net proceeds from the Rights Issue for the following purposes or to repay any bridge financing facilities for these purposes:

<b>Purpose</b>	<b>Amount</b>	<b>Percentage of Proceeds</b>	<b>Use of Proceeds</b>
Operating cashflow	S\$3.7 billion	42%	To fund fixed costs and other operating expenses incurred during this period of reduced operations and the subsequent recovery period
Capital expenditure	S\$3.3 billion	38%	To be used for aircraft purchases and aircraft related payments
Other fixed commitments	S\$1.8 billion	20%	To be used for debt service and other contractual payments
<b>Total</b>	<b>S\$8.8 billion</b>	<b>100%</b>	

The Company is of the view that the net proceeds raised from the Rights Issue will be sufficient to meet the Company's present funding requirements and to enable the Company to meet its obligations and continue to operate as a going concern.

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 As at the Latest Practicable Date, Temasek, the majority shareholder of the Company, holds directly 657,306,600 Shares, representing approximately 55.46 per cent. of the existing issued share capital of the Company (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)).
- 4.2 A wholly-owned subsidiary of Temasek (namely, Tembusu) has given the Undertaking to the Company to, *inter alia*, procure Temasek to vote in favour of the resolutions to approve the Rights Issue and the Additional Issue, and subscribe for, or procure the subscription of, (a) Temasek's *pro-rata* entitlement to the Rights Shares and the Rights MCBs under the Rights Issue; and (b) Temasek's *pro-rata* entitlement to Additional MCBs in any future

Additional Issues undertaken prior to the Long Stop Date. It has also undertaken to subscribe for, or procure the subscription of, any unsubscribed Rights Shares and Rights MCBs and, if applicable, any unsubscribed Additional MCBs, remaining after the fulfilment of valid applications by other Shareholders for the same under the terms of the Rights Issue and in any future Additional Issues undertaken prior to the Long Stop Date (“**Temasek Balance Applications**”). Such Temasek Balance Applications shall rank in priority after allocations of excess Rights Shares, excess Rights MCBs and excess Additional MCBs to other Shareholders. No fees will be paid to Temasek or Tembusu in connection with the Undertaking. The aggregate subscription amount payable by the subscribing entity(ies) for Rights Shares, Rights MCBs and Additional MCBs pursuant to the Undertaking shall not exceed S\$15.0 billion (being up to approximately S\$5.3 billion in respect of the Rights Shares and up to an aggregate of approximately S\$9.7 billion in respect of the Rights MCBs and Additional MCBs). The Undertaking will expire on, *inter alia*, the Long Stop Date. Accordingly, any Additional Issues undertaken after the Long Stop Date will not be covered by the Undertaking.

4.3 Given the Undertaking, the Rights Issue and any future Additional Issues undertaken prior to the Long Stop Date will not be underwritten by a financial institution.

4.4 As Temasek holds more than 50 per cent. of the issued share capital of the Company, 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

The Board is of the opinion that after taking into consideration the Group’s 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. The Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company. For the reasons outlined in paragraph 3.1 of this Circular, the Board believes the Rights Issue is in the interest of the Group.

## 6. FINANCIAL EFFECTS OF THE RIGHTS ISSUE AND THE ADDITIONAL ISSUE

6.1 The pro forma financial effects of the Rights Issue and the Additional Issue as presented herein:

(a) are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Rights Issue and the Additional Issue;

(b) are based on the audited consolidated financial statements of the Group for FY2018/2019;

(c) assume that the Rights Shares, the Rights MCBs, the Rights MCB Conversion Shares, the Additional MCBs or, as the case may be, the Additional MCB Conversion Shares had been issued, in respect of profit and loss statement on 1 April 2018, and in respect of balance sheet on 31 March 2019;

(d) assume, for illustrative purposes only, that:

(i) 1,777,692,486 Rights Shares are allotted and issued, and S\$3,496,128,555 principal amount of Rights MCBs are created and issued, under the Rights Issue;

- (ii) 1,304,626,600 Rights MCB Conversion Shares are allotted and issued upon conversion of all the Rights MCBs;
  - (iii) up to S\$6.2 billion principal amount of Additional MCBs are created and issued pursuant to the Additional Issue on the same date as the Rights MCBs. For the avoidance of doubt, the actual date of issue of the Additional MCBs can only be determined if and when an Additional Issue is undertaken and the date of issue of the Additional MCBs would invariably be after the issue date of the Rights MCBs; and
  - (iv) 2,299,680,786 Additional MCB Conversion Shares are allotted and issued upon conversion of all the Additional MCBs; and
- (e) do not take into account any theoretical ex-rights adjustment factor.

## 6.2 Share Capital

The issue of the Rights MCBs and the Additional MCBs will not have an immediate effect on the issued share capital of the Company.

	<b>Number of Shares</b>	<b>S\$' million</b>
Issued share capital (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)) as at the Latest Practicable Date	1,185,128,324	1,856.1
<b><u>Rights Issue</u></b>		
Add: Rights Shares to be issued	1,777,692,486	5,323.1 <sup>(1)</sup>
Issued share capital (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)) after the Rights Issue	2,962,820,810	7,179.2
Add: Rights MCB Conversion Shares to be issued	1,304,626,600	3,496.1 <sup>(2)</sup>
Issued share capital (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)) after the conversion of all the Rights MCBs	4,267,447,410	10,675.3
<b><u>Additional Issue</u></b>		
Add: Additional MCB Conversion Shares to be issued	2,299,680,786	6,162.7 <sup>(2)</sup>
Issued share capital (excluding treasury Shares held by the Company and the Special Share held by the Minister for Finance (Incorporated)) after the conversion of all the Additional MCBs	6,567,128,196	16,838.0

### Notes:

- (1) Assuming the net proceeds from the issue of the Rights Shares, after deducting estimated expenses incurred in connection with the Rights Issue, of S\$5.3 billion and further assuming all of the expenses from the Rights Issue are capitalised.
- (2) Assuming the Rights MCBs are converted into Rights MCB Conversion Shares based on the initial Conversion Price of S\$4.84 and the Additional MCBs are converted into Additional MCB Conversion Shares based on a conversion price of S\$4.84, and, in each case, before deducting issue expenses.



### 6.3 NTA

	<b>As at 31 March 2019</b>
<b><u>NTA</u></b>	
NTA before Rights Issue (S\$' million)	12,835.5
<b><u>Rights Issue</u></b>	
Net proceeds from the Rights Issue (S\$' million) <sup>(1)</sup>	<u>8,819.2</u>
NTA after adjusting for the Rights Issue but before conversion of the Rights MCBs (S\$' million) <sup>(1)</sup>	<u>21,654.7</u>
NTA after adjusting for the Rights Issue assuming conversion of all the Rights MCBs (S\$' million) <sup>(1)</sup>	21,654.7
<b><u>Additional Issue</u></b>	
Gross proceeds from the Additional Issue (S\$' million)	<u>6,162.7</u>
NTA after adjusting for the Additional Issue but before conversion of the Additional MCBs (S\$' million)	<u>27,817.4</u>
NTA after adjusting for the Additional Issue assuming conversion of all the Additional MCBs (S\$' million)	27,817.4
<b><u>NTA per Share</u></b>	
Number of Shares before the Rights Issue	1,183,665,134
NTA per Share (S\$)	10.84
<b><u>Rights Issue</u></b>	
Number of Shares after the Rights Issue but before conversion of the Rights MCBs	2,961,357,620
NTA per Share after the Rights Issue but before conversion of the Rights MCBs (S\$) <sup>(1)</sup>	7.31
Number of Shares after the Rights Issue assuming conversion of all the Rights MCBs	4,265,984,220
NTA per Share after the Rights Issue assuming conversion of all the Rights MCBs (S\$) <sup>(1)</sup>	5.08
<b><u>Additional Issue</u></b>	
Number of Shares after the Additional Issue but before conversion of the Rights MCBs and Additional MCBs	2,961,357,620
NTA per Share after the Additional Issue but before conversion of the Rights MCBs and Additional MCBs (S\$)	9.39

	<b>As at 31 March 2019</b>
Number of Shares after the Additional Issue assuming conversion of all the Rights MCBs but before conversion of the Additional MCBs	4,265,984,220
NTA per Share after the Additional Issue assuming conversion of all the Rights MCBs but before conversion of the Additional MCBs (S\$)	6.52
Number of Shares after the Additional Issue assuming conversion of all the Rights MCBs and Additional MCBs	6,565,665,006
NTA per Share after the Additional Issue assuming conversion of all the Rights MCBs and Additional MCBs (S\$)	4.24

**Note:**

- (1) Assuming the net proceeds from the Rights Issue, after deducting estimated expenses incurred in connection with the Rights Issue of S\$10.0 million.

#### 6.4 Gearing

	<b>As at 31 March 2019</b>
Total net borrowings (S\$' million)	3,710.4
Shareholders' equity (S\$' million)	13,286.8
Net gearing (times)	0.28

#### **Rights Issue**

Total net (cash) <sup>(1)</sup> /borrowings after Rights Issue but before conversion of the Rights MCBs (S\$' million)	(5,108.8)
Shareholders' equity after Rights Issue but before conversion of the Rights MCBs (S\$' million)	22,106.0
Net gearing <sup>(2)</sup> after Rights Issue but before conversion of the Rights MCBs (times)	(0.23)
Total net (cash) <sup>(1)</sup> /borrowings after Rights Issue assuming conversion of all the Rights MCBs (S\$' million)	(5,108.8)
Shareholders' equity after Rights Issue assuming conversion of all the Rights MCBs (S\$' million)	22,106.0
Net gearing <sup>(2)</sup> after Rights Issue assuming conversion of all the Rights MCBs (times)	(0.23)

#### **Additional Issue**

Total net (cash) <sup>(1)</sup> /borrowings after Additional Issue but before conversion of the Additional MCBs (S\$' million)	(11,271.5)
Shareholders' equity after Additional Issue but before conversion of the Additional MCBs (S\$' million)	28,268.7

	<b>As at 31 March 2019</b>
Net gearing <sup>(2)</sup> after Additional Issue but before conversion of the Additional MCBs (times)	(0.40)
Total net (cash) <sup>(1)</sup> /borrowings after Additional Issue assuming conversion of all the Additional MCBs (S\$' million)	(11,271.5)
Shareholders' equity after Additional Issue assuming conversion of all the Additional MCBs (S\$' million)	28,268.7
Net gearing <sup>(2)</sup> after Additional Issue assuming conversion of all the Additional MCBs (times)	(0.40)

**Notes:**

(1) Net cash means cash and bank balances are more than total borrowings.

(2) Net gearing refers to the ratio of net (cash)/borrowings to shareholders' equity.

## 6.5 Earnings per Share

	<b>FY2018/2019</b>
Net profit attributable to Shareholders (S\$' million)	682.7
<b><u>Weighted average number of Shares</u></b>	
Weighted average number of Shares (in million)	1,183.3
<b><u>Rights Issue</u></b>	
Weighted average number of Shares after Rights Issue but before conversion of the Rights MCBs (in million)	2,961.0
Weighted average number of Shares after Rights Issue assuming conversion of all the Rights MCBs (in million)	4,265.6
<b><u>Additional Issue</u></b>	
Weighted average number of Shares after Additional Issue assuming conversion of all the Additional MCBs (in million)	6,565.3
<b><u>EPS</u></b>	
EPS (cents)	57.7
<b><u>Rights Issue</u></b>	
EPS after Rights Issue but before conversion of the Rights MCBs (cents)	23.1
EPS after Rights Issue assuming conversion of all the Rights MCBs (cents)	16.0
<b><u>Additional Issue</u></b>	
EPS after Additional Issue assuming conversion of all the Additional MCBs (cents)	10.4

## 7. REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for FY2016/2017, FY2017/2018 and FY2018/2019 and 9M2019/2020 are set out in Appendix 4 of this Circular.

## 8. RECORD DATE

Subject to the Rights Issue Resolution being approved at the EGM, the Register of Members and Share Transfer Books of the Company will be closed at 5:00 p.m. on 8 May 2020 (or such other time and date as the Directors may determine) to determine the provisional allotments of the Entitled Shareholders under the Rights Issue.

## 9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

9.1 **Directors' Interests.** As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:

Director	Number of Shares		Number of Shares		Number of Shares comprised in outstanding share awards
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	
Peter Seah Lim Huat	24,800	n.m. <sup>(2)</sup>	–	–	–
Goh Choon Phong	1,132,149	0.10	–	–	532,445 <sup>(3)</sup>
Gautam Banerjee	7,100	n.m. <sup>(2)</sup>	–	–	–
Simon Cheong Sae Peng	6,870	n.m. <sup>(2)</sup>	–	–	–
David Gledhill	2,700	n.m. <sup>(2)</sup>	–	–	–
Goh Swee Chen	1,300	n.m. <sup>(2)</sup>	–	–	–
Dominic Ho Chiu Fai	8,600	n.m. <sup>(2)</sup>	–	–	–
Hsieh Tsun-yan	6,100	n.m. <sup>(2)</sup>	–	–	–
Lee Kim Shin	5,300	n.m. <sup>(2)</sup>	–	–	–

### Notes:

(1) Based on 1,185,128,324 Shares in issue (and disregarding 14,722,694 Shares held in treasury and the Special Share held by the Minister for Finance (Incorporated)) as at the Latest Practicable Date.

(2) Not meaningful.

(3) Of the 532,445 Shares:

- 75,000 Shares are comprised in conditional awards granted to Goh Choon Phong pursuant to the SIA Restricted Share Plan 2014 ("SIA RSP 2014"), subject to performance targets and other terms and conditions being met;
- 97,300 Shares are comprised in final awards pending release granted to Goh Choon Phong pursuant to the SIA RSP 2014;
- 235,250 Shares are comprised in conditional awards granted to Goh Choon Phong pursuant to the SIA Performance Share Plan 2014, subject to performance targets and other terms and conditions being met;
- 44,600 Shares are comprised in conditional deferred share awards granted to Goh Choon Phong pursuant to the SIA RSP 2014, subject to performance targets and other terms and conditions being met; and
- 80,295 Shares are comprised in conditional transformation share awards granted to Goh Choon Phong pursuant to the SIA RSP 2014, subject to performance targets and other terms and conditions being met.

9.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the Substantial Shareholder in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Number of Shares		Number of Shares	
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
Temasek	657,306,600	55.46	2,954,589 <sup>(2)</sup>	0.24

**Notes:**

- (1) Based on 1,185,128,324 Shares in issue (and disregarding 14,722,694 Shares held in treasury and the Special Share held by the Minister for Finance (Incorporated)) as at the Latest Practicable Date.
- (2) Temasek is deemed interested in the 2,954,589 Shares in which its subsidiary and associated company have direct or deemed interests.

## 10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the Undertaking, none of the Directors or Substantial Shareholders or their respective associates has any direct or indirect interest in the Rights Issue and the Additional Issue other than through their respective shareholdings (direct or indirect) in the Company.

## 11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 88 to 92 of this Circular, will be held by way of electronic means on 30 April 2020 at 11.30 a.m. (or any adjournment thereof), for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of EGM.

## 12. OFFER INFORMATION STATEMENT

The Offer Information Statement will be despatched by the Company to Entitled Shareholders subject to, *inter alia*, the approval of the Rights Issue Resolution being obtained at the EGM. Acceptances and applications under the Rights Issue can be made through the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE, in the case of Entitled Depositors;
- (c) the ARS, in the case of Purchasers whose registered addresses with CDP are in Singapore; and
- (d) the ATMs of the Participating Banks, in the case of Entitled Depositors or their renounees or Purchasers.

The procedures for, and the terms and conditions applicable to, the acceptances, renunciations and/or sales of the Rights and for the excess applications for the Rights Shares or, as the case may be, Rights MCBs pursuant to the Rights Issue, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

## 13. ADJUSTMENTS TO SHARE AWARDS

The Company's Board Compensation and Industrial Relations Committee may, at its sole discretion, determine whether any adjustments would be required with respect to the share awards granted under the SIA RSP 2014 and the SIA Performance Share Plan 2014 (the "**Share Plans**") to take into account the Rights Issue so that the participants under the Share Plans will not be adversely affected thereby. Details of such adjustments (if any) will be communicated separately to such participants.

## 14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 **No Attendance at EGM.** Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.

14.2 **Alternative Arrangements.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Shareholders should refer to the Company's announcement dated 15 April 2020 entitled "Extraordinary General Meeting in relation to the Rights Issue and the Additional Issue" which has been uploaded together with this Circular on SGXNet for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/).

## 15. DIRECTORS' RECOMMENDATIONS

### 15.1 Rights Issue Resolution

The Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in paragraph 3.1 of this Circular, are of the opinion that the Rights Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Rights Issue Resolution to be proposed at the EGM.

### 15.2 Additional Issue Resolution

The Directors, having considered, *inter alia*, the rationale for the Additional Issue as set out in paragraph 3.1 of this Circular, are of the opinion that the Additional Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Additional Issue Resolution to be proposed at the EGM.

### 15.3 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Rights Issue Resolution or, as the case may be, the Additional Issue, are advised to read this Circular carefully in its entirety, including the terms and conditions, rationale and financial effects of the Rights Issue or, as the case may be, the Additional Issue. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

## **16. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Rights Issue Resolution and the proposed Additional Issue Resolution and the Group which are relevant to the proposed Rights Issue Resolution and the proposed Additional Issue Resolution, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## **17. STATEMENT BY THE SOLE FINANCIAL ADVISER**

To the best of the Sole Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Rights Issue Resolution and the proposed Additional Issue Resolution and the Group which are relevant to the proposed Rights Issue Resolution and the proposed Additional Issue Resolution, and the Sole Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

## **18. CONSENT**

DBS Bank Ltd., as the Sole Financial Adviser and Joint Lead Manager for the Rights Issue, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

Morgan Stanley Asia (Singapore) Pte., as Joint Lead Manager for the Rights Issue, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

## 19. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Airline House, 25 Airline Road, Singapore 819829 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the Annual Reports of the Company for FY2016/2017, FY2017/2018 and FY2018/2019; and
- (c) the letters of consent referred to in paragraph 18 of this Circular.

The Annual Reports of the Company for FY2016/2017, FY2017/2018 and FY2018/2019 may also be accessed at the URL at [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/annual-report/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/annual-report/).

Yours faithfully  
for and on behalf of  
the Board of Directors of  
**Singapore Airlines Limited**

Peter Seah Lim Huat  
Chairman



## APPENDIX 1

### SUMMARY OF THE TERMS AND CONDITIONS OF THE RIGHTS MCBs

Shareholders should note that the Terms and Conditions are subject to finalisation.

Issuer	:	Singapore Airlines Limited.
Issuance size	:	Up to S\$3,496,128,555.
Offering	:	The Rights MCBs will be offered pursuant to the Rights Issue to the Entitled Shareholders of the Issuer as at the Record Date.
Issue Price of the Rights MCBs	:	100 per cent. of the principal amount of the Rights MCBs or S\$1.00 for each S\$1.00 in principal amount of the Rights MCBs.
Maturity Date	:	The date falling 10 years from the issue date of the Rights MCBs.
Coupon	:	Zero coupon.
Form and Denomination	:	The Rights MCBs will be constituted by the Trust Deed and will be issued in registered form and in the denomination of S\$1.00 each.
Status of the Rights MCBs	:	The Rights MCBs will constitute direct, unconditional, unsubordinated, and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Rights 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.
Participation rights in distributions and/or offer of further securities	:	The Rights MCB Holders have no participation rights in any distributions and/or offer of further securities made by the Issuer.
Conversion Terms	:	The Rights MCBs shall be convertible into Rights MCB Conversion Shares on the Maturity Date only and not at any time prior to the Maturity Date.
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.

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 purposes of any Employee Share Scheme). In this regard, "**Employee Share Scheme**" means any scheme of the Issuer pursuant to which Shares or other securities (including rights or options or awards) are issued, offered or granted to directors and employees or former directors or employees of the Issuer, its subsidiaries, associated companies and/or of the Issuer's holding company or subsidiaries of such holding company.

To the extent that Shares are repurchased by the Issuer for purposes of delivery to participants under an Employee Share Scheme, such Shares would be earmarked by the Issuer 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 Issuer'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 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, subject to, among others, the use by the Issuer 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 Rights MCB Holders 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,

except that no adjustments will be made to the Conversion Price by virtue of, among other things, the issue of the Additional MCBs prior to the Long Stop Date or the issue of any Rights Shares.

A list of the events which would result in adjustments to the Conversion Price and the details of the adjustment formulae are set out in Appendix 1A of this Circular.

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

Initial Conversion Premium : 10% above S\$4.40, being the TERP

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

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

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

For the avoidance of doubt, the Rights 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 MCBs are represented by a global bond certificate deposited with CDP, save as provided below, a Rights MCB Holder does not need to submit a notice of conversion in order to receive the Rights MCB Conversion Shares to be delivered upon mandatory conversion of his Rights MCBs. However, if a Rights MCB Holder wishes for his Rights MCB Conversion Shares to be credited to a specified securities account (other than the securities account in which his Rights MCBs are held), he should submit a duly completed notice of conversion to the conversion agent before the Cut-Off Date (subject to the requirements of CDP). Furthermore, a Rights MCB Holder 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 MCB Conversion Shares. If the Rights MCBs cease to be represented by a global bond certificate, a Rights MCB Holder 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 MCB Conversion Shares.

The Issuer shall, at least one month before the Cut-Off Date, give notice to the Rights MCB Holders 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 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 Issuer : The Rights MCBs may be redeemable at the option of the Issuer 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 MCBs, the Rights 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 MCBs are not redeemable at the option of a Rights MCB Holder.

Final Accreted Principal Amount on Maturity Date : Assuming that the Rights MCBs are not previously redeemed or purchased and cancelled and are converted on the Maturity Date, the Final Accreted Principal Amount in respect of each S\$1.00 in principal amount of Rights MCBs on the Maturity Date will be S\$1.80611.

The Final Accreted Principal Amount for conversion of the Rights 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 Maturity Date : Assuming that all or some of the Rights 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 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights 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 date of issue of the Rights MCBs, 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 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 date of issue of the Rights MCBs), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights 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 date of issue of the Rights MCBs, an annual yield to call of 5% per annum applied to each year commencing from the date of issue of the Rights MCBs, compounded on a semi-annual basis. By way of illustration, assuming a Rights MCB in the principal amount of S\$1.00 is redeemed on the 14th Semi-Annual Date (i.e. at the end of the period falling seven years from the date of issue of the Rights MCBs), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights 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 tenth years of the date of issue of the Rights MCBs, an annual yield to call of 6% per annum applied to each year commencing from the date of issue of the Rights MCBs, compounded on a semi-annual basis. By way of illustration, assuming a Rights MCB in the principal amount of S\$1.00 is redeemed on the 19th Semi-Annual Date (i.e. being the Semi-Annual Date immediately prior to the Maturity Date), the redemption price of that Rights MCB will be calculated on the basis of the principal amount of the Rights MCB to be redeemed multiplied by the accretion factor of 175.351% (i.e. the redemption amount would be S\$1.75351).

<u>Semi-Annual Date</u>	<u>Redemption Price (%)</u>
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
18th Semi-Annual Date	170.243
19th Semi-Annual Date	175.351

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

: Assuming that all or some of the Rights 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 MCBs will be an amount equivalent to S\$1.00 in principal amount of Rights MCBs multiplied by the relevant redemption price (“**Acceleration Redemption Price**”) as calculated in accordance with the following formula:

Acceleration Redemption Price = Previous Redemption Price x (1 + r/2)<sup>d/p</sup>

where (for purposes of this Appendix 1 of this Circular only),

“**Previous Redemption Price**” means the redemption price on the Semi-Annual Date immediately preceding the date on which the Rights MCBs become due and payable as a result of an Event of Default (the “**Acceleration Date**”) (or, if the Rights MCBs become due and payable prior to the first Semi-Annual Date, 100.00 per cent.), 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 per cent. and (b) the 14th Semi-Annual Date and the 15th Semi-Annual Date, the Previous Redemption Price shall be deemed to be 151.259 per cent.;

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

“**d**” means the number of days from and including the immediately preceding Semi-Annual Date (or, if the Rights MCBs become due and payable before the first Semi-Annual Date, from and including the date of issue of the Rights MCBs) 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

Rights MCB Holder’s Put Option	:	None.
Events of Default	:	The Terms and Conditions will provide for Events of Default which are generally in line with the Issuer’s S\$2,000,000,000 Medium Term Bond Programme, except for (a) amendments to clarify that the cessation of, or a decision to cease, all or a material part of the Issuer’s business or operations will not constitute an Event of Default if it arises from the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic (as further described below); (b) an increase in the cross default threshold to S\$100,000,000; and (c) including as an Event of Default the failure to deliver Rights MCB Conversion Shares.

In particular, it would be an Event of Default if, among other things, the Issuer ceases or makes a decision to cease to carry on all or a material part of its business or operations (other than a cessation of business or operations arising as a result of the COVID-19 Aviation Sector Disruption (as defined below)), or an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or for the judicial management of the Issuer, in each case, 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 of the Rights MCB Holders.

**“COVID-19 Aviation Sector Disruption”** means the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic.

If an Event of Default has occurred and is continuing, the Trustee at its discretion may, and if so requested in writing by the holders of not less than 30 per cent. in principal amount of the Rights MCBs then outstanding or if so directed by an extraordinary resolution of the Rights MCB Holders shall (subject to its rights under the Trust Deed to be indemnified and/or secured and/or prefunded to its satisfaction by the Rights MCB Holders), give notice to the Issuer that the Rights MCBs are, and they shall accordingly thereby become, immediately due and repayable at the prevailing Accreted Principal Amount as at such date.

- Modification for the benefit of the Rights MCB Holders : Any material modification to the terms of the Rights MCBs which is for the benefit of the Rights MCB Holders 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 of the Rights MCBs.
- Taxation : All payments of the Accreted Principal Amount by or on behalf of the Issuer in respect of the Rights MCBs shall be made free and clear of, and without withholding or deduction for, 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 Issuer will not pay such additional amounts in respect of any such withholding or deduction from payments in respect of the Rights MCBs for or on account of any such Taxes.



- Lock Up : The Issuer will not issue or sell Shares for a period of 90 days from the date of issue of the Rights MCBs, save for the Rights Shares, the Additional MCBs and the grant or vesting of any awards granted under the Issuer's share plans.
- 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.
- Listing : On 11 April 2020, the SGX-ST granted approval in-principle for the listing of and quotation for the Rights MCBs and the Rights MCB Conversion Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 2.3 of this Circular. 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 MCBs, the Rights MCB Conversion Shares, the Rights, the Company and/or its subsidiaries.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

- Trading : Upon the listing of and quotation for the Rights MCBs and Rights MCB Conversion Shares on the Main Board of the SGX-ST, the Rights MCBs and Rights MCB Conversion Shares, when issued, will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. The Rights MCBs may also be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in and transactions (including transfers) in relation to the Rights MCBs and Rights MCB Conversion Shares 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*", copies of which are available from CDP, and in the case of the Rights MCBs, additionally, the Depository Agreement, as the same may be amended from time to time.

It should be noted that the Rights MCBs may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Rights MCBs to provide for an orderly market in the Rights MCBs. Accordingly, in such event, Rights MCB Holders will not be able to trade their Rights MCBs on the SGX-ST. However, the Rights 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 MCBs are converted into Rights MCB Conversion Shares in accordance with its terms, such Rights MCB Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

The Rights MCBs will be traded on the Main Board of the SGX-ST in board lots of 100 Rights MCBs with a principal amount of S\$100. Rights MCB Holders who hold odd lots of Rights MCBs (that is, lots other than board lots of 100 Rights MCBs with a principal amount of S\$100) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Rights MCBs in board lots of one Rights MCB with a principal amount of S\$1.00 on the Unit Share Market.

In the case of the Rights MCB Conversion Shares, for the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market.

Rights MCB Holders or, as the case may be, Shareholders who hold odd lots of Rights MCBs or, as the case may be, Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Rights MCBs or, as the case may be, Shares.

- Clearing and Settlement : The Rights 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 MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Rights MCBs. Rights 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 MCBs will be governed by, and construed in accordance with, the laws of Singapore.

## APPENDIX 1A

### ADJUSTMENTS TO THE CONVERSION PRICE OF THE RIGHTS MCBS AS SPECIFIED IN THE TERMS AND CONDITIONS

An extract of Conditions 5.3 to 5.5 of the Terms and Conditions setting out the list of events which would result in adjustments to the Conversion Price of the Rights MCBS and the details of the adjustment formulae is set out below. Shareholders should note that the Terms and Conditions are subject to finalisation.

#### 5.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in certain events set out in the Trust Deed, including the following events (save and except that no adjustments will be made to the Conversion Price by virtue of the issue of any further Bonds in accordance with Condition 14, the issue of any Additional MCBS or the issue of any Rights Shares):

##### 5.3.1 Consolidation, subdivision, redesignation or reclassification

If and whenever there shall be a consolidation, subdivision, redesignation or reclassification in relation to the Shares which alters the number of Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A** = is the aggregate number of Shares in issue immediately before such alteration; and
- B** = is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

##### 5.3.2 Capitalisation of profits or reserves

The issue of Shares by the Issuer credited as fully paid to any persons in whose name Shares are registered (the "**Shareholders**"), by way of capitalisation of profits or reserves, including a free distribution or bonus issue of Shares, other than an issue of Shares constituting a Scrip Dividend.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A** = is the aggregate number of Shares in issue immediately before such issue; and
- B** = is the aggregate number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or, where a Record Date is set, immediately after such Record Date.

### 5.3.3 Capital Distribution

The payment or making of any Capital Distribution (as defined below) by the Issuer to the Shareholders (except where the Conversion Price falls to be adjusted under Condition 5.3.2 or Condition 5.3.10).

In such an event, if and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A** = is the Current Market Price of one Share on the last Trading Day (as defined below) preceding the date on which the Capital Distribution is publicly announced; and
- B** = is the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one Share, determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the Capital Distribution (or, in the case of a purchase of Shares by or on behalf of the Issuer or any Subsidiary (as defined below) of the Issuer, by the number of Shares in issue immediately following such purchase and treating as not being in issue any Shares so purchased).

Such adjustment shall become effective on the date that such Capital Distribution is made or, where a Record Date is set, immediately after such Record Date or, in the case of a purchase of Shares, the date on which such purchase is made.

### 5.3.4 Rights issues of Shares or options over Shares

The issue of Shares to all or substantially all Shareholders as a class by the Issuer by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A** = is the number of Shares in issue immediately before such announcement;
- B** = is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and
- C** = is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

#### 5.3.5 Rights issues of other securities

The issue of any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by the Issuer by way of rights, or the grant to all or substantially all Shareholders as a class by way of rights of any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A** = is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B** = is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Investment Bank, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) in respect of the securities.

#### 5.3.6 Issues at less than Current Market Price

The issue (otherwise than as mentioned in Condition 5.3.4) by the Issuer wholly for cash of any Shares (other than Shares issued and delivered on the conversion of the Bonds or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in Condition 5.3.4) options, warrants or other rights to subscribe for or purchase Shares in each case at a price per Share which is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A** = is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B** = is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C** = is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

#### 5.3.7 Other issues at less than Current Market Price

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Condition 5.3.7, the issue wholly for cash by the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 5.3.4, 5.3.5 or 5.3.6) or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity of any securities (other than the Bonds, which term for this purpose excludes any further bonds issued in accordance with Condition 14 and consolidated and forming a single series therewith, and any other Additional MCBs) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be delivered by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A** = is the number of Shares in issue immediately before such issue;
- B** = is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be delivered on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C** = is the maximum number of Shares to be delivered on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

### 5.3.8 Modification of rights of conversion, etc.

Any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Bonds, which term for this purpose includes any further bonds issued in accordance with Condition 14 and consolidated and forming a single series therewith, and any other Additional MCBs) as are mentioned in Condition 5.3.7 (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A** = is the number of Shares in issue immediately before such modification;
- B** = is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C** = is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 5.3.8 or Condition 5.3.7 in each case, 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 in order to give effect to the intended results of such adjustment.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

#### 5.3.9 Other offers to Shareholders

The issue, sale or distribution by or on behalf of the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 5.3.4, 5.3.5, 5.3.6 and 5.3.7).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A** = is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B** = is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Investment Bank, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

#### 5.3.10 Other events

If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 5.3, or if the Issuer determines that an adjustment made pursuant to this Condition 5.3 is inappropriate or incorrect, the Issuer shall at its own expense request a leading independent investment bank of international repute (acting as expert), selected by the Issuer and notified in writing to the Trustee (an "**Independent Investment Bank**"), to determine as soon as practicable what adjustment to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, in each case, 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 in order to give effect to the intended results of such adjustment, provided that where the circumstances giving rise to any adjustment pursuant to this Condition 5.3 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5.3 as may be advised by an Independent Investment Bank to be in their opinion appropriate 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 in order to give the intended result.



## 5.4 Definitions

For the purposes of these Conditions:

- 5.4.1 “**Additional MCBs**” means any additional mandatory convertible bonds issued or, to be issued, by the Issuer pursuant to the authority granted under the extraordinary general meeting held on ● and any subsequent renewal of such authority at the immediately following annual general meeting.
- 5.4.2 “**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.
- 5.4.3 “**Capital Distribution**” means:
- (i) any distribution (whether of cash or assets in specie) by the Issuer for any financial period whenever paid or made and however described and whether payable out of profits or reserves (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 5.3.2) by way of capitalisation of reserves), provided that where a Scrip Dividend is announced, then the Scrip Dividend in question shall be treated as a cash dividend of an amount equal to the greater of (a) such cash dividend and (b) the Current Market Price of the Shares to be issued as a Scrip Dividend, as at the date on which the Scrip Dividend is publicly announced; and
  - (ii) a purchase of Shares (other than any purchase of Shares for the purposes of the Issuer’s Employee Share Scheme (as defined in the Trust Deed)) by or on behalf of the Issuer or any of its Subsidiaries, where such purchase shall be deemed to be constitute a Capital Distribution in the amount of the aggregate price paid (before expenses) in respect of such Shares purchased by the Issuer.
- 5.4.4 “**closing price**” for the Shares for any Trading Day shall be the closing market price quoted on the SGX-ST or, as the case may be, as quoted by an Alternative Stock Exchange on such Trading Day.
- 5.4.5 “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the closing prices quoted on the SGX-ST or an Alternative Stock Exchange for one Share (being a Share carrying full entitlement to dividend) for the 15 consecutive Trading Days ending on the Trading Day immediately preceding such date.

Provided that if at any time during the said 15 Trading Day period, the Shares shall have been quoted ex-dividend and during some other part of that period, the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or

(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said 15 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

- 5.4.6 “**Fair Market Value**” means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend, (ii) the fair market value of any other cash amount shall be the amount of such cash, (iii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day on which such options, warrants or other rights are publicly traded.
- 5.4.7 “**Relevant Cash Dividend**” means any cash dividend specifically declared by the Issuer.
- 5.4.8 “**Rights Shares**” means the up to 1,777,692,486 shares issued by the Issuer in respect of which approval to issue such shares was obtained from the Shareholders at the extraordinary general meeting held on ●.
- 5.4.9 “**Scrip Dividend**” means a dividend in cash, to the extent satisfied by the issue of Shares paid-up out of profits or reserves, being a dividend which the Shareholders concerned would or could otherwise have received in cash and includes such part of a dividend in cash for which a Shareholder has exercised an election to receive Shares in lieu of cash.
- 5.4.10 “**Subsidiary**” means any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore) of the Issuer.
- 5.4.11 “**Trading Day**” means a day when the SGX-ST or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported in respect of the relevant Shares on the SGX-ST or, as the case may be, the Alternative Stock Exchange for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

## 5.5 Adjustment provisions

- 5.5.1 On any adjustment, the relevant Conversion Price shall be rounded down to the nearest S\$0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price unless the Issuer deems it necessary. Any adjustment not made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment (such amount, the “**Stub Amount**”). If, on the Maturity Date, there is any Stub Amount which has not been taken into account in any adjustment, the Conversion Price in effect on the Maturity Date prior to the Mandatory Conversion shall be adjusted to reflect the Stub Amount for the purpose of the Mandatory Conversion. Notice of any adjustment shall be given to Bondholders in accordance with Condition 15 as soon as practicable after the determination thereof.
- 5.5.2 In making any calculation for the purposes of Conditions 5.3 and 5.4, such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (i) any consolidation or subdivision of the Shares, (ii) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (iii) the modification of any rights to dividends of Shares.
- 5.5.3 Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Independent Investment Bank the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by the Independent Investment Bank to be in their opinion appropriate in order to give such intended result.
- 5.5.4 No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any existing Employee Share Scheme from time to time (and which Employee Share Scheme is in compliance with the listing rules of the SGX-ST or, if applicable, those of an Alternative Stock Exchange) or pursuant to the conversion of the Bonds.
- 5.5.5 No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 5.3.1 or to correct an error.
- 5.5.6 In the event a takeover offer (including by way of a scheme of arrangement or amalgamation) is made for the Issuer, the Bondholders shall be entitled to participate in any such takeover offer to the extent so provided in the terms of the takeover offer and in accordance with applicable law and regulations governing the terms of the takeover offer.

- 5.5.7 If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Issuer may, and shall if requested by the Trustee (acting on the instructions of holders of not less than 30 per cent. in principal amount of the Bonds), consult an Independent Investment Bank. Any such determination and opinion or advice of the Independent Investment Bank procured under these Conditions shall, to the extent requested by the Trustee, be provided to the Trustee, and shall in the absence of manifest error, be conclusive and binding on all concerned. Notwithstanding the above, the Trustee may and shall (if requested by holders of not less than 30 per cent. in principal amount of the Bonds) within (i) 7 days of a notice of change of Conversion Price given pursuant to Condition 5.7 or (ii) upon receiving a copy of the Independent Investment Bank's opinion or advice, appoint at its own expense another investment bank (the "**Trustee IFA**") to review the opinion or advice from the Independent Investment Bank. If there is a difference in opinion between the Independent Investment Bank and the Trustee IFA, the opinion of the Trustee IFA shall prevail.
- 5.5.8 Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any determination in relation to or to calculate or verify any calculation of any such adjustment, and neither the Trustee nor any Agent will be responsible or liable to Bondholders for any loss arising from any failure by it to do so.

## APPENDIX 2

### SUMMARY OF THE TERMS AND CONDITIONS OF THE ADDITIONAL MCBs

Shareholders should note that the terms and conditions of the Additional MCBs are subject to finalisation.

Issuer	:	Singapore Airlines Limited.
Offering	:	Subsequent to the Rights Issue and subject to the approval of Shareholders at the EGM for the Additional Issue, up to S\$6.2 billion in aggregate principal amount of the Additional MCBs may be offered by way of one or more further rights issues at such future dates and times as may be determined by the Issuer at its sole discretion.
Issue Price of the Additional MCBs	:	100 per cent. of the principal amount of the Additional MCBs or S\$1.00 for each S\$1.00 in principal amount of the Additional MCBs.
Maturity Date	:	The maturity date of all Additional MCBs shall be the same as the Maturity Date of the Rights MCBs, being the date falling 10 years from the issue date of the Rights MCBs.
Coupon	:	Zero coupon.
Form and Denomination	:	The Additional MCBs will be constituted by a trust deed and will be issued in registered form and in the denomination of S\$1.00 each.
Status of the Additional MCBs	:	The Additional MCBs will constitute direct, unconditional, unsubordinated, and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Additional 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.
Participation rights in distributions and/or offer of further securities	:	The Additional MCB Holders will have no participation rights in any distributions and/or offer of further securities made by the Issuer.

Conversion Terms : The Additional MCBs shall be convertible into Additional MCB Conversion Shares on the Maturity Date only and not at any time prior to the Maturity Date.

Conversion Price and Adjustments to Conversion Price : The conversion price of each Additional MCB will initially be the prevailing Conversion Price of the Rights MCBs (but including any adjustments below the specified threshold which have not been taken into account under the Terms and Conditions). The conversion price of each Additional MCB will be subject to adjustments for full dividend protection and standard anti-dilution adjustments in accordance with the terms and conditions of the Additional 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 purposes of any Employee Share Scheme). In this regard, "**Employee Share Scheme**" means any scheme of the Issuer pursuant to which Shares or other securities (including rights or options or awards) are issued, offered or granted to directors and employees or former directors or employees of the Issuer, its subsidiaries, associated companies and/or of the Issuer's holding company or subsidiaries of such holding company.

To the extent that Shares are repurchased by the Issuer for purposes of delivery to participants under an Employee Share Scheme, such Shares would be earmarked by the Issuer 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 Issuer'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 the Additional 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 Additional MCBs, subject to, among others, the use by the Issuer 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 Additional MCB Holders, 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,

except that no adjustments will be made to the conversion price by virtue of, among other things, the issue of any further Additional MCBs within the mandate of the authority granted for the Additional Issue.

The events which would result in adjustments to the conversion price of the Additional MCBs and the applicable adjustment formulae will be materially similar to the adjustment events and the adjustment formulae in relation to the Conversion Price of the Rights MCBs (as set out in Appendix 1A of this Circular).

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

Mandatory Conversion at Maturity :

Unless previously redeemed or purchased and cancelled, the Issuer shall satisfy its obligation to redeem the Additional MCBs on the Maturity Date by mandatorily converting the Additional MCBs into Additional MCB Conversion Shares on the Maturity Date.

The number of Additional MCB Conversion Shares to be delivered to an Additional MCB Holder in respect of his holding of Additional MCBs will be determined by dividing the Final Accreted Principal Amount of the Additional MCBs held by such Additional MCB Holder as at the Maturity Date by the conversion price in effect at the Maturity Date.

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

For so long as the Additional MCBs are represented by a global bond certificate deposited with CDP, save as provided below, an Additional MCB Holder does not need to submit a notice of conversion in order to receive the Additional MCB Conversion Shares to be delivered upon mandatory conversion of his Additional MCBs. However, if an Additional MCB Holder wishes for his Additional MCB Conversion Shares to be credited to a specified securities account (other than the securities account in which his Additional MCBs are held), he should submit a duly completed notice of conversion to the conversion agent before the Cut-Off Date (subject to the requirements of CDP). Furthermore, an Additional MCB Holder 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 Additional MCB Conversion Shares. If the Additional MCBs cease to be represented by a global bond certificate, an Additional MCB Holder 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 Additional MCB Conversion Shares.

The Issuer shall, at least one month before the Cut-Off Date, give notice to the Additional MCB Holders 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.

Additional 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 Issuer : The Additional MCBs may be redeemable at the option of the Issuer 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 Additional MCBs, the Additional MCBs will be redeemed on a *pro-rata* basis or selected by such other method in such place as the trustee for the Additional MCBs shall approve and in such manner as the trustee for the Additional MCBs shall deem to be appropriate and fair.

For the avoidance of doubt, the Additional MCBs will not be redeemable at the option of an Additional MCB Holder.

Final Accreted Principal Amount on Maturity Date : Assuming that the Additional MCBs are not previously redeemed or purchased and cancelled and are converted on the Maturity Date, the Final Accreted Principal Amount as at the Maturity Date for conversion of the Additional MCBs will be calculated on the basis of a 6% annual yield to conversion, compounded on a semi-annual basis.

For illustrative purposes, if the date of issue of the Additional MCBs is the first anniversary of the date of issue of the Rights MCBs, the Final Accreted Principal Amount in respect of each S\$1.00 in principal amount of Additional MCBs will be S\$1.70243. For the avoidance of doubt, the actual date of issue of the Additional MCBs can only be determined if and when an Additional Issue is undertaken and the date of issue of the Additional MCBs would invariably be after the issue date of the Rights MCBs.

Accreted Principal Amount on a Semi-Annual Date prior to the Maturity Date : Assuming that all or some of the Additional 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 Additional MCBs will be an amount equivalent to S\$1.00 in principal amount of Additional 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 date of issue of the Additional MCBs, an annual yield to call of 4% per annum applied to each year, compounded on a semi-annual basis. By way of illustration, assuming an Additional 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 date of issue of the Additional MCBs), the redemption price of that Additional MCB will be calculated on the basis of the principal amount of the Additional 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 date of issue of the Additional MCBs, an annual yield to call of 5% per annum applied to each year commencing from the date of issue of the Additional MCBs, compounded on a semi-annual basis. By way of illustration, assuming an Additional MCB in the principal amount of S\$1.00 is redeemed on the 14th Semi-Annual Date (i.e. at the end of the period falling seven years from the date of issue of the Additional MCBs), the redemption price of that Additional MCB will be calculated on the basis of the principal amount of the Additional 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) from the eighth year of the date of issue of the Additional MCBs onwards, an annual yield to call of 6% per annum applied to each year commencing from the date of issue of the Additional MCBs, compounded on a semi-annual basis. By way of illustration, assuming an Additional MCB in the principal amount of S\$1.00 is redeemed on the 19th Semi-Annual Date (i.e. being the Semi-Annual Date immediately prior to the Maturity Date), the redemption price of that Additional MCB will be calculated on the basis of the principal amount of the Additional MCB to be redeemed multiplied by the accretion factor of 175.351% (i.e. the redemption amount would be S\$1.75351). The relevant redemption price in effect at the respective Semi-Annual Dates will be as follows.

<u>Semi-Annual Date</u>	<u>Redemption Price (%)</u>
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 (if applicable)	165.285
18th Semi-Annual Date (if applicable)	170.243
19th Semi-Annual Date (if applicable)	175.351

For the avoidance of doubt, the actual date of issue of the Additional MCBs can only be determined if and when an Additional Issue is undertaken and the date of issue of the Additional MCBs would invariably be after the issue date of the Rights MCBs.

Whether the redemption price in effect at the 17th Semi-Annual Date, the 18th Semi-Annual Date or, as the case may be, the 19th Semi-Annual Date as described above is applicable to the Additional MCBs depends on the actual date of issue of the Additional MCBs.

For illustrative purposes, if the Additional MCBs are issued on a date falling after the first six-month anniversary of the date of issue of the Rights MCBs, the Maturity Date of the Additional MCBs will fall on a date prior to the 19th Semi-Annual Date and accordingly, the redemption price in effect at the 19th Semi-Annual Date as described above would not be applicable to the Additional MCBs.

Accreted Principal Amount upon the Additional MCBs becoming due and payable as a result of an event of default

:

Assuming that all or some of the Additional 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 Additional MCBs will be an amount equivalent to S\$1.00 in principal amount of Additional MCBs multiplied by the relevant redemption price (“**Additional MCB Acceleration Redemption Price**”) as calculated in accordance with the following formula:

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

where (for purposes of this Appendix 2 of this Circular only),

“**Previous Redemption Price**” means the redemption price on the Semi-Annual Date immediately preceding the date on which the Additional MCBs become due and payable as a result of an event of default (the “**Acceleration Date**”) (or, if the Additional MCBs become due and payable prior to the first Semi-Annual Date, 100.00 per cent.), 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 recalculated on the basis of an annual yield to call of 5% per annum (compounded on a semi-annual basis) commencing from the date of issue of the Additional MCBs and (b) the 14th Semi-Annual Date and the 15th Semi-Annual Date, the Previous Redemption Price shall be recalculated on the basis of an annual yield to call of 6% per annum (compounded on a semi-annual basis) commencing from the date of issue of the Additional MCBs;

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

“**d**” means the number of days from and including the immediately preceding Semi-Annual Date (or, if the Additional MCBs become due and payable before the first Semi-Annual Date, from and including the date of issue of the Additional MCBs) 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

Additional MCB Holder’s Put Option

:

None.

Events of Default : The terms and conditions of the Additional MCBs will provide for events of default which are generally in line with the Issuer’s S\$2,000,000,000 Medium Term Bond Programme, except for (a) amendments to clarify that the cessation of, or a decision to cease, all or a material part of the Issuer’s business or operations will not constitute an event of default if it arises from the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic (as further described below); (b) an increase in the cross default threshold to S\$100,000,000; and (c) including as an event of default the failure to deliver Additional MCB Conversion Shares.

In particular, it would be an event of default if, among other things, the Issuer ceases or makes a decision to cease to carry on all or a material part of its business or operations (other than a cessation of business or operations arising as a result of the COVID-19 Aviation Sector Disruption (as defined below)), or an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or for the judicial management of the Issuer, in each case, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the trustee of the Additional MCBs or by an extraordinary resolution of the Additional MCB Holders.

If such event has occurred and is continuing, the trustee for the Additional MCBs at its discretion may, and if so requested in writing by the holders of not less than 30 per cent. in principal amount of the Additional MCBs then outstanding or if so directed by an extraordinary resolution of the Additional MCB Holders shall (subject to its rights under the trust deed to be indemnified and/or secured and/or prefunded to its satisfaction by the Additional MCB Holders), give notice to the Issuer that the Additional MCBs are, and they shall accordingly thereby become, immediately due and repayable at the prevailing Accreted Principal Amount as at such date.

**“COVID-19 Aviation Sector Disruption”** means the disruption and other business stoppages affecting the Issuer and its subsidiaries as a consequence of the COVID-19 pandemic.

Modification for the benefit of Additional MCB Holders : Any material modification to the terms of the Additional MCBs which is for the benefit of the Additional MCB Holders 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 of the Additional MCBs.

Taxation	:	All payments of the Accreted Principal Amount by or on behalf of the Issuer in respect of the Additional MCBs shall be made free and clear of, and without withholding or deduction for, any 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 Issuer will not pay such additional amounts in respect of any such withholding or deduction from payments in respect of the Additional MCBs for or on account of any such Taxes.
Lock Up	:	The Issuer will not issue or sell Shares for a period of 90 days from the date of issue of the Additional MCBs, save for any further Additional MCBs and the grant or vesting of any awards granted under the Issuer's share plans.
Stock Borrow	:	None.
Trustee	:	To be appointed.
Principal Agent, Registrar, Conversion Agent and Transfer Agent	:	To be appointed.
Listing	:	At the time of each of such further rights issues of Additional MCBs, an application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Additional MCBs and the Additional MCB Conversion Shares on the Main Board of the SGX-ST.
Clearing and Settlement	:	The Additional 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 Additional MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Additional MCBs. Additional 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 Additional MCBs will be governed by, and construed in accordance with, the laws of Singapore.

## APPENDIX 3

### ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

#### (a) *Entitled Shareholders*

Entitled Shareholders will be entitled to participate in the Rights Issue and to receive the Offer Information Statement, together with the ARE or the PAL, as the case may be, at their respective Singapore addresses.

Entitled Depositors who do not receive the Offer Information Statement and the ARE may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares and Rights MCBs under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders will be at liberty to accept (in full 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 are eligible to apply for excess Rights Shares or, as the case may be, excess Rights MCBs in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares or, as the case may be, Rights MCBs will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares or, as the case may be, such Rights MCBs that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold Rights of Foreign Shareholders and any Rights Shares or, as the case may be, Rights MCBs that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the Constitution, be aggregated and used to satisfy excess Rights Shares or, as the case may be, excess Rights 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. In the allotment of excess Rights Shares or, as the case may be, excess Rights MCBs, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders 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 the Company will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares or, as the case may be, excess Rights MCBs.

***All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.***

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for excess Rights Shares or, as the case may be, excess Rights MCBs, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the ARE, the ARS and the PAL to be despatched by the Company in due course.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to lodge their share certificates with CDP well in advance of the Record Date so that their Securities Accounts may be credited by CDP with their Shares prior to the Record Date and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with their Shares on the twelfth (12th) Market Day from the date of lodgment of their share certificates with CDP or such later date as CDP may determine.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP. Entitled Depositors are encouraged to submit any request to update their records or to effect any change in address well in advance of the Record Date. Any such request to CDP to update their records or to effect any change in address must reach CDP at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589, at least three Market Days before the Record Date.

The Rights MCBs will be represented by a global bond certificate registered in the name of CDP, and deposited with CDP. As described in “Principal Terms – Rights MCBs – Clearing and Settlement” under paragraph 2.1 of this Circular, except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Rights MCBs represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Rights MCBs.

**Accordingly, Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights MCBs and (if applicable) apply for excess Rights MCBs, and who wish to trade the Rights 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 PALs.**

**(b) Foreign Shareholders**

The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents, and the purchase, exercise of or subscription for Rights and/or the Rights Shares or, as the case may be, Rights MCBs by any persons who have registered addresses outside Singapore, or who are resident in, or citizens of countries other than Singapore, may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

***Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares and Rights MCBs will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares or, as the case may be, Rights MCBs by Foreign Shareholders will be valid. The Company may, in its sole discretion, permit participation in the Rights Issue by certain Foreign Shareholders in certain jurisdictions, subject in all cases to compliance with applicable laws in the relevant jurisdictions.***



The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the Rights through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the Rights credited to their Securities Accounts should make the necessary arrangements with their respective Depository Agents or stockbrokers in Singapore.

**Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.**

Depositors who wish to maintain a mailing address (“**Rights Mailing Address**”) with CDP for the purpose of receiving the Rights Issue documents should inform CDP in writing at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589. Depositors are encouraged to submit any request to register a Rights Mailing Address or to effect any change in address well in advance of the Record Date. Any such request to register a Rights Mailing Address or to effect any change in address must reach CDP by not later than three Market Days before the Record Date.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue should provide such an address in Singapore by notifying in writing the Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not later than three Market Days before the Record Date.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation, warranty or confirmation. The Company further reserves the right to reject any acceptances of the Rights Shares or, as the case may be, Rights MCBs and/or applications for excess Rights Shares or, as the case may be, excess Rights MCBs where it believes, or has reason to believe, that such acceptances and/or applications may violate any applicable legislation of any jurisdiction.

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 Ineligible Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that the gross proceeds from such sales will exceed the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Record Date and sent to them **AT THEIR OWN RISK** by ordinary post, **provided that** where the amount of net proceeds to be distributed to any single Ineligible Shareholder or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds 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 Financial Adviser, the Joint Lead Managers, CDP, the CPF Board or the Share Registrar and their respective officers in connection therewith.

Where such Rights are sold on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide 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 Financial Adviser, the Joint Lead Managers, CDP, the CPF Board or the Share Registrar and their respective officers in respect of such sales or the proceeds thereof, the Rights or the Rights Shares or, as the case may be, Rights MCBs represented by such Rights.

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 Shares or, as the case may be, Rights 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 Financial Adviser, the Joint Lead Managers, CDP, the CPF Board or the Share Registrar and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Ineligible Shareholders.

***Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares or, as the case may be, Rights MCBs unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.***

Further details will be set out in the Offer Information Statement.

## APPENDIX 4

### REVIEW OF PAST PERFORMANCE AND WORKING CAPITAL

#### REVIEW OF PAST PERFORMANCE

The audited consolidated income statements of the Group for FY2016/2017 (i.e. for the financial year ended 31 March 2017), FY2017/2018 (i.e. for the financial year ended 31 March 2018) and FY2018/2019 (i.e. for the financial year ended 31 March 2019) and the unaudited consolidated income statements of the Group for 9M2018/2019 (i.e. for the nine months ended 31 December 2018) and 9M2019/2020 (i.e. for the nine months ended 31 December 2019) are set out below.

(in S\$' million)	FY2016/ 2017	FY2017/ 2018	FY2018/ 2019	9M2018/ 2019	9M2019/ 2020
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>REVENUE</b>	14,868.5	15,806.1	16,323.2	12,248.1	12,795.1
<b>EXPENDITURE</b>					
Staff costs	2,616.2	2,709.0	2,816.9	2,101.1	2,290.0
Fuel costs	3,747.5	3,899.3	4,587.1	3,487.5	3,555.9
Depreciation	1,552.1	1,148.1	1,327.9	968.4	1,521.1
Impairment of property, plant and equipment	3.9	30.2	–	–	1.0
Amortisation of intangible assets	39.8	44.4	61.9	48.9	42.0
Aircraft maintenance and overhaul costs	898.3	918.6	899.2	680.2	651.0
Commission and incentives	387.1	437.5	472.5	343.9	395.1
Landing, parking and overflying charges	809.3	853.4	884.0	666.8	700.4
Handling charges	1,197.1	1,299.0	1,315.0	993.9	996.8
Rentals on leased aircraft	895.9	804.9	679.7	513.4	81.6
Inflight meals	543.7	532.6	550.4	412.0	436.4
Advertising and sales costs	304.3	291.4	331.8	228.8	265.2
Company accommodation and utilities	115.4	92.0	93.5	68.6	38.1
Other passenger costs	176.3	172.2	188.0	138.2	148.1
Crew expenses	156.8	160.4	168.1	124.4	133.8
Impairment of amount owing by a joint venture company	–	–	–	–	31.9
Other operating expenses	802.0	864.3	880.1	658.4	645.1
	14,245.7	14,257.3	15,256.1	11,434.5	11,933.5

(in S\$' million)	<b>FY2016/ 2017</b>	<b>FY2017/ 2018</b>	<b>FY2018/ 2019</b>	<b>9M2018/ 2019</b>	<b>9M2019/ 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OPERATING PROFIT</b>	622.8	1,548.8	1,067.1	813.6	861.6
Finance charges	(46.1)	(89.8)	(116.1)	(88.0)	(169.5)
Interest income	73.9	60.9	41.9	33.9	34.0
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(31.7)	16.1	(5.8)	(0.1)	10.9
Dividends from long-term investments	5.5	6.2	3.1	0.8	3.2
Dividends from asset held for sale	39.5	–	–	–	–
Other non-operating items	(103.2)	19.3	(47.4)	1.3	(20.0)
Share of profits/(losses) of joint venture companies	20.9	41.0	23.2	(2.7)	33.3
Share of losses of associated companies	(63.0)	(9.3)	(97.4)	(104.2)	(69.1)
<b>PROFIT BEFORE TAXATION</b>	518.6	1,593.2	868.6	654.6	684.4
<b>TAXATION</b>	(76.7)	(247.7)	(147.0)	(147.1)	(132.8)
<b>PROFIT FOR THE FINANCIAL YEAR/PERIOD</b>	441.9	1,345.5	721.6	507.5	551.6
<b>PROFIT ATTRIBUTABLE TO:</b>					
<b>OWNERS OF THE COMPANY</b>	360.4	1,301.6	682.7	480.1	520.4
<b>NON-CONTROLLING INTERESTS</b>	81.5	43.9	38.9	27.4	31.2
	441.9	1,345.5	721.6	507.5	551.6

The audited consolidated statements of financial position of the Group as at 1 April 2017, 31 March 2018 and 31 March 2019 and the unaudited consolidated statement of financial position of the Group as at 31 December 2019 are set out below.

(in S\$' million)	As at 1 April 2017 (Audited)*	As at 31 March 2018 (Audited)	2019 (Audited)	As at 31 December 2019 (Unaudited)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(194.7)	(183.5)	(171.5)	(156.0)
Other reserves	9,622.7	11,187.7	11,602.2	10,449.4
	11,284.1	12,860.3	13,286.8	12,149.5
<b>NON-CONTROLLING INTERESTS</b>	387.2	368.1	396.4	399.0
<b>TOTAL EQUITY</b>	11,671.3	13,228.4	13,683.2	12,548.5
<b>DEFERRED ACCOUNT</b>	234.5	123.3	83.9	36.9
<b>DEFERRED TAXATION</b>	1,524.9	1,840.6	2,040.3	1,957.0
<b>LONG-TERM LIABILITIES</b>	1,794.	3,199.8	6,512.4	8,621.3
<b>PROVISIONS</b>	910.3	821.5	702.5	933.2
<b>DEFINED BENEFIT PLANS</b>	131.2	113.2	104.5	101.6
	16,266.9	19,326.8	23,126.8	24,198.5

Represented by:

<b>PROPERTY, PLANT AND EQUIPMENT</b>	14,286.4	18,169.2	22,176.3	25,075.2
<b>RIGHT-OF-USE ASSETS</b>	–	–	–	1,536.2
<b>INTANGIBLE ASSETS</b>	423.5	435.3	451.3	474.5
<b>SUBSIDIARY COMPANIES</b>	–	–	–	–
<b>ASSOCIATED COMPANIES</b>	1,056.9	1,048.8	1,104.5	861.1
<b>JOINT VENTURE COMPANIES</b>	160.2	150.6	171.7	187.1
<b>LONG-TERM INVESTMENTS</b>	405.7	346.0	343.9	312.8
<b>OTHER LONG-TERM ASSETS</b>	479.3	722.7	713.7	435.2
<b>DEFERRED ACCOUNT</b>	61.1	52.9	44.1	–

(in S\$' million)	As at 1 April 2017 (Audited)*	As at 31 March 2018 (Audited)	2019 (Audited)	As at 31 December 2019 (Unaudited)
<b>CURRENT ASSETS</b>				
Deferred account	11.8	9.9	8.9	–
Derivative assets	85.0	351.4	371.4	252.5
Inventories	178.4	179.3	229.9	241.0
Trade debtors	1,143.3	1,400.9	1,527.2	1,244.6
Amounts owing by subsidiary companies	–	–	–	–
Deposits and other debtors	127.4	87.8	93.8	110.3
Prepayments	211.0	184.6	164.9	157.9
Other short-term assets	21.4	27.0	42.8	44.5
Investments	539.9	157.8	116.8	134.2
Cash and bank balances	3,380.5	2,568.3	2,944.0	1,571.0
	5,698.7	4,967.0	5,499.7	3,756.0
<b>Less: CURRENT LIABILITIES</b>				
Borrowings	42.0	20.6	231.1	835.1
Lease liabilities	–	–	–	459.8
Current tax payable	80.3	134.1	87.3	74.3
Trade and other creditors	3,295.9	2,817.0	3,163.6	3,186.7
Amounts owing to subsidiary companies	–	–	–	–
Sales in advance of carriage	1,650.8	2,442.1	2,715.4	2,642.4
Deferred revenue	707.8	556.1	610.9	696.7
Deferred account	86.0	64.8	44.9	25.0
Derivative liabilities	119.7	161.9	89.5	126.2
Provisions	322.4	369.1	435.7	393.4
	6,304.9	6,565.7	7,378.4	8,439.6
<b>NET CURRENT LIABILITIES</b>	<b>(606.2)</b>	<b>(1,598.7)</b>	<b>(1,878.7)</b>	<b>(4,683.6)</b>
	16,266.9	19,326.8	23,126.8	24,198.5

**\*Note:** The Group adopted International Financial Reporting Standards (“IFRS”) with effect from 1 April 2018. In adopting the new framework, the Group applied the specific transition requirements in IFRS 1 First-time Adoption of IFRS in the preparation of the opening IFRS statement of financial position at 1 April 2017 (the Group’s date of transition).

The audited consolidated statements of cash flows of the Group for FY2016/2017 (i.e for the financial year ended 31 March 2017), FY2017/2018 (i.e. for the financial year ended 31 March 2018) and FY2018/2019 (i.e. for the financial year ended 31 March 2019) and the unaudited consolidated statement of cash flows of the Group for 9M2019/2020 (i.e. for the nine months ended 31 December 2019) are set out below.

(In S\$' million)	FY2016/ 2017 (Audited)	FY2017/ 2018 (Audited)	FY2018/ 2019 (Audited)	9M2019/ 2020 (Unaudited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	518.6	1,593.2	868.6	684.4
Adjustments for:				
Depreciation	1,552.1	1,148.1	1,327.9	1,521.1
Impairment of property, plant and equipment	3.9	30.2	–	1.0
Amortisation of intangible assets	39.8	44.4	61.9	42.0
(Writeback of impairment)/Impairment of trade debtors	(1.3)	1.0	5.7	2.2
Impairment of amount owing by a joint venture company	–	–	–	31.9
Writedown of inventories	5.8	7.4	5.4	1.7
Income from short-term investments	(1.8)	(1.8)	(1.1)	(1.0)
Provisions	304.8	282.9	302.2	159.9
Share-based compensation expense	15.2	13.1	21.0	15.7
Exchange differences	(47.1)	25.9	(2.4)	(8.9)
Amortisation of deferred (gain)/loss on sale and operating leaseback transactions	(6.0)	(3.9)	4.3	–
Finance charges	46.1	89.8	116.1	169.5
Interest income	(73.9)	(60.9)	(41.9)	(34.0)
Loss/(Surplus) on disposal of aircraft, spares and spare engines	31.7	(16.1)	5.8	(10.9)
Dividends from long-term investments	(5.5)	(6.2)	(3.1)	(3.2)
Dividends from asset held for sale	(39.5)	–	–	–
Net gain on financial assets mandatorily measured at fair value through profit or loss (“FVTPL”)	(1.6)	(6.3)	(0.7)	(1.5)
Other non-operating items	103.2	(19.3)	47.4	20.0
Share of profits of joint venture companies	(20.9)	(41.0)	(23.2)	(33.3)
Share of losses of associated companies	63.0	9.3	97.4	69.1

(In S\$' million)	FY2016/ 2017 (Audited)	FY2017/ 2018 (Audited)	FY2018/ 2019 (Audited)	9M2019/ 2020 (Unaudited)
Operating cash flow before working capital changes	2,486.6	3,089.8	2,791.3	2,625.7
Increase/(Decrease) in trade and other creditors	31.7	(756.1)	(28.1)	(239.2)
Increase/(Decrease) in sales in advance of carriage	8.1	791.3	273.3	(73.0)
Decrease/(Increase) in trade debtors	82.0	(283.8)	(206.1)	245.1
Decrease/(Increase) in deposits and other debtors	17.4	38.0	(10.9)	(17.7)
(Increase)/Decrease in prepayments	(78.5)	26.4	19.7	(26.4)
Increase in inventories	(2.3)	(8.3)	(66.6)	(12.8)
Increase/(Decrease) in deferred revenue	38.4	(151.7)	54.8	85.8
<b>Cash generated from operations</b>	<b>2,583.4</b>	<b>2,745.6</b>	<b>2,827.4</b>	<b>2,587.5</b>
Payment of fines and settlements	–	(139.0)	–	–
Income taxes (paid)/refunded	(50.5)	4.3	(26.3)	(16.0)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,532.9</b>	<b>2,610.9</b>	<b>2,801.1</b>	<b>2,571.5</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(3,944.7)	(5,209.5)	(5,562.3)	(4,114.2)
Purchase of intangible assets	(43.6)	(59.8)	(105.4)	(61.7)
Proceeds from disposal of aircraft and other property, plant and equipment	45.4	108.3	180.2	68.2
Proceeds from sale and leaseback transactions	–	–	–	117.2
Purchase of long-term investments	(0.6)	–	(5.0)	–
Proceeds from disposal of long-term investments	20.2	31.4	157.6	30.3
Purchase of short-term investments	(1,038.0)	(688.1)	(798.8)	(409.7)
Proceeds from disposal of short-term investments	1,570.4	1,126.6	850.6	428.9
Dividends received from associated and joint venture companies	78.4	104.6	108.2	56.0
Dividends received from investments	6.4	9.0	5.2	5.3
Dividends received from asset held for sale	39.5	–	–	–
Interest received from investments and deposits	76.9	65.6	47.8	35.4
Proceeds from finance leases	–	–	–	6.9
Proceeds from disposal of a subsidiary company, net of cash disposed	–	–	1.6	–



(In S\$' million)	FY2016/ 2017 (Audited)	FY2017/ 2018 (Audited)	FY2018/ 2019 (Audited)	9M2019/ 2020 (Unaudited)
Proceeds from disposal of assets held for sale	405.5	–	–	–
Loan to an associated company	(54.4)	–	–	–
Proceeds from repayment of loan from an associated company	116.4	–	–	–
Proceeds from capital reduction of an associated company	–	3.3	–	–
Investments in associated companies	(225.3)	(93.8)	(205.6)	(141.0)
Investments in joint venture companies	–	–	(40.5)	(11.9)
Loan to a joint venture company	–	–	–	(18.1)
Proceeds from liquidation of an associated company	–	–	–	5.1
Proceeds from disposal/partial disposal of associated companies	4.0	21.1	4.0	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,943.5)</b>	<b>(4,581.3)</b>	<b>(5,362.4)</b>	<b>(4,003.3)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(521.3)	(248.3)	(449.8)	(355.5)
Dividends paid by subsidiary companies to non-controlling interests	(37.6)	(50.1)	(34.4)	(30.7)
Issuance of share capital by a subsidiary company	8.2	–	19.5	1.0
Interest paid	(41.1)	(75.7)	(124.5)	(146.1)
Proceeds from issuance of bonds	430.0	1,600.0	1,350.0	–
Proceeds from borrowings	1.8	5.0	2,280.4	1,540.2
Repayment of borrowings	(192.0)	(20.3)	(93.7)	(524.9)
Repayment of long-term lease liabilities	(21.5)	(23.7)	–	–
Repayment of lease liabilities	–	–	–	(431.8)
Proceeds from exercise of share options	33.2	1.0	–	–
Purchase of treasury shares	(134.3)	–	–	–
Proceeds from exercise of share options pursuant to the VGO of Tiger Airways	301.2	–	–	–
Acquisition of non-controlling interests without a change in control	(51.2)	–	(4.7)	–
Payment of transaction costs related to borrowings	–	–	(11.1)	(3.0)
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(224.6)</b>	<b>1,187.9</b>	<b>2,931.7</b>	<b>49.2</b>

(In S\$' million)	FY2016/ 2017 (Audited)	FY2017/ 2018 (Audited)	FY2018/ 2019 (Audited)	9M2019/ 2020 (Unaudited)
<b>NET CASH (OUTFLOW)/INFLOW</b>	(635.2)	(782.5)	370.4	(1,382.6)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>	3,972.4	3,380.5	2,568.3	2,944.0
Effect of exchange rate changes	43.3	(29.7)	5.3	9.6
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	3,380.5	2,568.3	2,944.0	1,571.0
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Fixed deposits	2,386.9	1,809.1	1,623.0	246.3
Cash and bank balances	993.6	759.2	1,321.0	1,324.7
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	3,380.5	2,568.3	2,944.0	1,571.0

## REVIEW OF PERFORMANCE

### FY2017/2018 compared to FY2016/2017

#### *Group Revenue*

Group revenue rose S\$937 million (+6.3 per cent.) year-on-year to S\$15,806 million. Revenue from Singapore Airlines (the “**Parent Airline Company**”) was higher, driven by growth in passenger carriage (+3.2 per cent.), partly offset by lower yield (-1.0 per cent.), and incidental income arising from changes in estimated breakage rates for the KrisFlyer programme (S\$178 million). These were partially negated by the absence of up-front recognition of revenue from unutilised tickets recorded in the previous year (S\$145 million). Scoot and SilkAir reported revenue gains, boosted by passenger carriage growth from expanded operations, albeit with some dilution in yield. Cargo revenue rose by S\$266 million, lifted by higher loads carried (+5.3 per cent.) and yield (+8.9 per cent.), on strength in trade conditions in the year.

#### *Group Expenditure*

Group expenditure rose S\$12 million (+0.1 per cent.) year-on-year to S\$14,257 million. Higher fuel prices and fuel volume uplifted contributed S\$671 million, partially offset by a fuel hedging gain versus a loss last year (S\$439 million), and a weaker U.S. dollar against the Singapore dollar (S\$80 million), resulting in an increase of S\$152 million in net fuel cost (+4.1 per cent.). Non-fuel costs decreased S\$140 million (-1.4 per cent.), partly attributable to decrease in depreciation due to write down of aircraft values upon adoption of IFRS 1, partially offset by double-digit capacity expansion at Scoot and SilkAir.

### *Group Operating Profit*

The Group's operating profit was S\$926 million higher at S\$1,549 million (+148.6 per cent.) for the financial year ended 31 March 2018. With the exception of SilkAir, operating performance for all other major companies in the Group improved over last year. Singapore Airlines earned an operating profit of S\$1,092 million in the financial year, a S\$706 million improvement compared to last year. SIA Cargo reported an operating profit of S\$246 million, S\$243 million higher year-on-year.

### *Net Profit for the Group*

Net profit for the Group rose S\$942 million (+261.7 per cent.) to S\$1,302 million, largely driven by the better operating profit, absence of SIA Cargo's provision for competition-related matters (+S\$132 million) and write-down of Tigerair related brand and trademarks (+S\$98 million), partially offset by the absence of SIA Engineering's gain on divestment of Hong Kong Aero Engines Services Ltd ("HAESL") and special dividends received from HAESL (-S\$178 million), which were recorded last year.

### *Financial Position*

Equity attributable to owners of the company increased by S\$1,576 million (+14.0 per cent.) to S\$12,860 million as at 31 March 2018, largely due to higher net profit for the financial year (+S\$1,302 million) and fair value movement on cash flow hedges (+S\$548 million), partially offset by payment of dividends (-S\$248 million). The fair value movement on cash flow hedges of S\$548 million was mainly attributable to fair value gains in the year, against losses last year, on outstanding fuel hedges, partly offset by higher losses in foreign exchange hedges.

Total Group assets increased by S\$3,321 million (+14.7 per cent.) to S\$25,893 million. The increase was mainly attributable to an increase in property, plant and equipment (+S\$3,883 million) and derivative assets (+S\$514 million), partially offset by a reduction in cash balances (-S\$812 million) and investments (-S\$442 million). Cash balances fell, primarily from higher capital expenditure (-S\$5,210 million) and payment of dividends (-S\$248 million). These were financed by cash flows generated from operations (+S\$2,611 million), issuance of bonds (+S\$1,600 million), and proceeds from disposal and maturity of investments, net of acquisitions (+S\$470 million).

Total Group liabilities increased by S\$1,763 million (+16.2 per cent.) to S\$12,664 million as at 31 March 2018, primarily arising from the increase in medium term notes payable (+S\$1,600 million) and sales in advance of carriage (+S\$791 million), partly offset by lower trade creditors (-S\$479 million), deferred revenue (-S\$152 million) and derivative liabilities (-S\$139 million).

The Group's liquidity position turned from net liquid assets (net liquid assets is defined as the sum of cash and bank balances and short-term investments, net of loans and bonds issued) of S\$2,353 million a year ago to a net debt of S\$401 million as at 31 March 2018, attributable to a reduction in cash and bank balances (-S\$812 million) and short-term investments (-S\$382 million), and an increase in total debt from the issuance of medium term notes (+S\$1,600 million). Total debt to equity ratio increased by 0.10 times to 0.24 times as at 31 March 2018.

### *Capital Expenditure and Cash Flow of the Group*

Capital expenditure was S\$5,210 million, 32.1 per cent. higher than last year. Approximately 97 per cent. of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of S\$2,959 million (+9.3 per cent.) was approximately 60 per cent. of capital

expenditure. The increase in internally generated cash flow was mainly attributable to higher cash flow from operations, as well as higher proceeds from the disposal of aircraft, spares and spare engines.

### **FY2018/2019 compared to FY2017/2018**

#### *Group Revenue*

Group revenue rose S\$517 million (+3.3 per cent.) year-on-year to S\$16,323 million, largely contributed by the Parent Airline Company and Scoot. The Parent Airline Company saw a robust gain in flown revenues (+S\$613 million), led by the passenger segment. All route regions reported healthy passenger flown revenue gains, with Europe, West Asia and Africa, and Americas in particular, benefitting from strong demand, more agile commercial practices and in the latter's case, the introduction of new non-stop services. Cargo revenue rose S\$45 million, as higher yields (+5.7 per cent.) sufficiently mitigated lower loads (-3.5 per cent.) on weaker trade conditions in the latter half of the fiscal year. However, the revenue growth was tapered by the absence of non-recurring incidental income, which pertained to changes in estimated breakage rates and member benefits for the KrisFlyer programme (S\$178 million), and compensation for changes in aircraft delivery slots (S\$65 million). Scoot's revenue growth was driven by higher passenger flown revenue, lifted by a 14.6 per cent. increase in passenger traffic from expanded operations. However, there was some dilution in yields (-1.7 per cent.), given the significant growth in capacity (+15.1 per cent.).

#### *Group Expenditure*

Group expenditure rose S\$999 million (+7.0 per cent.) year-on-year to S\$15,256 million. Fuel cost before hedging rose by S\$1,002 million, largely led by a US\$16 per barrel (+21.6 per cent.) increase in average jet fuel price, partially offset by a higher fuel hedging gain against last year (+S\$314 million), resulting in an increase of S\$688 million in net fuel cost (+17.6 per cent.). Non-fuel costs increased S\$311 million (+3.0 per cent.), mainly attributable to double-digit capacity expansion at Scoot and the induction of ultra long haul flights at the Parent Airline Company.

#### *Group Operating Profit*

The Group's operating profit declined S\$482 million to S\$1,067 million (-31.1 per cent.) for the financial year ended 31 March 2019. All major companies in the Group recorded weaker operating performance over last year. Singapore Airlines earned an operating profit of S\$991 million in the financial year, a S\$347 million reduction compared to last year. Scoot recorded an operating loss of S\$15 million for the fiscal year, a reversal from last year's operating profit of S\$78 million, as the cost of expansion outweighed revenue growth.

#### *Net Profit for the Group*

Net profit for the Group fell S\$619 million (-47.5 per cent.) to S\$683 million, largely driven by the weaker operating profit from higher fuel prices, and absence of non-recurring revenue recorded last year pertaining to KrisFlyer breakage rate and member benefit adjustments (S\$178 million), and compensation for changes in aircraft delivery slots (S\$65 million). Net profit was further impacted by non-operating items recorded in the year, including a S\$116 million share of losses of Virgin Australia, an associated company for the Group, whose results were impacted by a major non-cash accounting adjustments. The Group also took a S\$60 million charge in relation to SilkAir's re-fleeting costs for its transition from an Airbus to Boeing fleet, and restructuring costs incurred in preparation for the carrier's integration into SIA.

## *Financial Position*

Equity attributable to owners of the company increased by S\$427 million (+3.3 per cent.) to S\$13,287 million as at 31 March 2019, largely due to net profit for the financial year (+S\$683 million), fair value movement on cash flow hedges (+S\$146 million) and lapse of employee share options (+S\$62 million), partially offset by payment of dividends (-S\$450 million). The fair value movement on cash flow hedges of S\$146 million was primarily attributable to the swing from fair value losses to gains in foreign exchange hedges, partially offset by fair value movements on outstanding fuel hedges.

Total Group assets increased S\$4,613 million (+17.8 per cent.) to S\$30,505 million. The increase was mainly due to an increase in property, plant and equipment (+S\$4,007 million), cash balances (+S\$376 million) and trade debtors (+S\$126 million). Property, plant and equipment increased largely due to asset acquisitions with the delivery of aircraft during the year as well as pre-delivery payments for aircraft on order. Cash balances rose primarily due to proceeds from borrowings, net of transactions costs (+S\$3,619 million), cash generated from operations (+S\$2,801 million) and proceeds from disposal and maturity of investments, net of additional acquisitions (+S\$52 million), offset by capital expenditure (-S\$5,562 million) and payment of dividends (-S\$450 million).

Total Group liabilities increased by S\$4,158 million (+32.8 per cent.) to S\$16,822 million as at 31 March 2019, primarily arising from the increase in borrowings and issuance of bonds (+S\$3,527 million), trade creditors (+S\$347 million) and sales in advance of carriage (+S\$273 million). Borrowings were higher largely due to loans drawn down by the Group (S\$2,280 million) and issuance of two million medium term notes (S\$1,350 million in aggregate).

The Group's net debt (net debt is defined as the loans and bonds issued, net of the sum of cash and bank balances and short-term investments) rose to S\$3,594 million as at 31 March 2019, S\$3,193 million higher than the prior year, attributable to an increase in total debt from the issuance of medium term notes (+S\$1,350 million) and loans drawn down (+S\$2,280 million) by the Group, partially offset by an increase in cash balances (-S\$376 million). Total debt to equity ratio increased from 0.24 times to 0.50 times as at 31 March 2019.

## *Capital Expenditure and Cash Flow of the Group*

Capital expenditure was S\$5,562 million, 6.8 per cent. higher than last year. Approximately 98 per cent. of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of S\$3,116 million (+5.3 per cent.) was approximately 56 per cent. of capital expenditure. The increase in internally generated cash flow was mainly attributable to higher cash flow from operations, as well as higher proceeds from the disposal of aircraft, spares and spare engines.

## **9M2019/2020 compared to 9M2018/2019**

### *Group Revenue*

Group revenue grew S\$547 million (+4.5 per cent.) period-on-period to S\$12,795 million, attributable to stronger passenger flown revenue (+S\$754 million or +7.8 per cent.) on traffic growth of 7.8 per cent., partially offset by lower cargo revenue (-S\$250 million). Passenger load factor rose to 84.9 per cent. (+1.5 per cent.) as traffic outpaced capacity injection of 5.9 per cent.; notwithstanding the growth in capacity, RASK (revenue per available seat kilometre) improved 1.3 per cent. to 7.8 cents. Cargo flown revenue fell as both cargo yield and cargo load factor reduced, by 7.5 per cent. and 4.3 per cent. respectively, due to weak cargo demand amid continuing trade uncertainties and an export manufacturing slowdown in Europe and Asia.

### *Group Expenditure*

Group expenditure rose S\$499 million (+4.4 per cent.) to S\$11,933 million, mainly due to higher non-fuel costs which were up S\$430 million (+5.4 per cent.), arising mainly from passenger capacity expansion (+5.9 per cent.). Net fuel costs were also up, by S\$69 million (+2.0 per cent.), contributed by an increase in fuel volume consumed (+3.6 per cent. or S\$146 million) on higher capacity, and a stronger USD against SGD, partially offset by a 2.6 per cent. lower fuel price after hedging (S\$107 million).

### *Group Operating Profit*

Group operating profit for the nine months ended 31 December 2019 improved by S\$48 million (+5.9 per cent.) to S\$862 million. The improvement was led by the Parent Airline Company (S\$878 million, up S\$91 million or +11.6 per cent.) and SIAEC Group (S\$53 million, up S\$16 million or +43.2 per cent.), partially offset by weaker results from SilkAir (-S\$12 million, down S\$17 million) and Scoot (-S\$73 million, down S\$64 million).

SilkAir's revenue reduced primarily due to the grounding of the 737 MAX 8 fleet and the progressive transfer of routes to Scoot, despite growth of passenger traffic and RASK, and reductions in expenditure could not keep pace. Growth in Scoot's revenue, from growth in capacity and passenger load factor with stable RASK, could not keep pace with higher expenditure reflecting an enlarged fleet and costs associated with proactively reducing aircraft utilisation to improve operational resilience.

SIAEC Group's improvement in operating profit is attributable to more labour content during the period, and lower materials revenue, which carries a smaller mark-up.

### *Net Profit for the Group*

Group net profit for the nine months ended 31 December 2019 rose S\$40 million (+8.3 per cent.) to S\$520 million, attributable to the higher operating profit (+S\$48 million) and an improvement in share of results from associates and joint ventures (+S\$71 million), partially offset by higher net finance charges (-S\$81 million). Net finance charges were higher due to the recognition of interest expense arising from lease liabilities upon the adoption of IFRS 16 *Leases*, and additional financing for fleet renewal and growth.

### *Financial Position*

The Group adopted IFRS 16 leases on 1 April 2019. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset, and a lease liability representing its obligation to make lease payments.

The Group applied the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The impact to the statement of financial position at 1 April 2019 is a S\$793 million decrease in equity, S\$2,283 million increase in liabilities (+S\$2,187 million lease liabilities, +S\$260 million provisions and -S\$164 million other liabilities) and S\$1,490 million increase in assets (+S\$1,708 million ROU assets and -S\$218 million other assets).

Equity attributable to owners of the company decreased by S\$1,137 million (-8.6 per cent.) to S\$12,150 million as at 31 December 2019 largely due to the adoption of IFRS 16 (-S\$793 million), and fair value movement on cash flow hedges (-S\$512 million), payment of FY2019/20 interim dividend and FY2018/19 final dividend (-S\$356 million), partially offset by profit for the period (+S\$520 million).

Total Group assets increased by S\$2,133 million (+7.0 per cent.) to S\$32,638 million. The increase was mainly attributable to an increase in property, plant and equipment (+S\$2,899 million) and right-of-use assets (+S\$1,536 million), offset by the decrease in cash and bank balances (-S\$1,373 million) and derivative assets (-S\$406 million). The reduction in cash balances arose primarily from capital expenditure (-S\$4,114 million), repayment of borrowings (-S\$525 million), repayment of lease liabilities (-S\$432 million) and payment of FY2019/20 interim and FY2018/19 final dividend (-S\$356 million), partially offset by cash generated from operations (+S\$2,572 million) and proceeds from borrowings (+S\$1,540 million).

Total Group liabilities increased by S\$3,268 million (+19.4 per cent.) to S\$20,090 million as at 31 December 2019, primarily arising from the increase in lease liabilities (+S\$1,962 million), borrowings (+S\$1,010 million) and derivative liabilities (+S\$231 million).

The changes in right-of-use assets, lease liabilities and associated companies were due to the adoption of IFRS 16.

#### *Capital Expenditure and Cash Flow of the Group*

Capital expenditure for the nine months ended 31 December 2019 was S\$4,114 million, 10 per cent. lower than the same period last year. Approximately 98 per cent. of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of S\$2,696 million (+33.2 per cent.) was approximately 66 per cent. of capital expenditure. The increase in internally generated cash flow was mainly attributable to higher cash flow from operations.

#### **REVIEW OF WORKING CAPITAL**

The working capital of the Group as at as at 1 April 2017, 31 March 2018, 31 March 2019 and 31 December 2019 are as follows:

	<b>As at 1 April 2017 (Audited)</b>	<b>As at 31 March 2018 (Audited)</b>	<b>As at 31 March 2019 (Audited)</b>	<b>As at 31 December 2019 (Unaudited)</b>
<b>(in S\$' million)</b>				
Total current assets	5,698.7	4,967.0	5,499.7	3,756.0
Total current liabilities	6,304.9	6,565.7	7,378.4	8,439.6
Net current liabilities	(606.2)	(1,598.7)	(1,878.7)	(4,683.6)

#### **31 March 2018 compared to 1 April 2017**

The Group's current assets decreased year-on-year by S\$732 million to S\$4,967 million as at 31 March 2018 due to a decrease in cash and bank balances (-S\$812 million) and investments (-S\$382 million), offset by an increase in derivative assets (+S\$266 million) and trade debtors (+S\$258 million). The Group's current liabilities increased year-on-year by S\$261 million to S\$6,566 million as at 31 March 2018 due to an increase in sales in advance of carriage (+S\$791 million) offset by the decrease in trade and other creditors (-S\$479 million).

### **31 March 2019 compared to 31 March 2018**

The Group's current assets increased year-on-year by S\$533 million to S\$5,500 million as at 31 March 2019 due to an increase in cash and bank balances (+S\$376 million) and trade debtors (+S\$126 million). The Group's current liabilities increased year-on-year by S\$813 million to S\$7,378 million as at 31 March 2019 due to the increase in trade and other creditors (+S\$347 million), sales in advance of carriage (+S\$273 million) and borrowings (+S\$211 million).

### **31 December 2019 compared to 31 March 2019**

The Group's current assets decreased by S\$1,744 million to S\$3,756 million as at 31 December 2019 due to the decrease in cash and bank balances (-S\$1,373 million), trade debtors (-S\$283 million) and derivative assets (-S\$119 million). The Group's current liabilities increased by S\$1,061 million to S\$8,440 million as at 31 December 2019 due to an increase in borrowings (+S\$604 million) and lease liabilities (+S\$460 million).

The Group's negative working capital arose largely from the collection of cash in advance of services provided. Excluding the liabilities under "sales in advance of carriage", the Group's working capital would be -S\$2,041 million as at 31 December 2019. Nevertheless, the Group generated positive cashflow from operations, and has undrawn committed lines of credit of S\$1,581 million to underpin security of operations.



# SINGAPORE AIRLINES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 197200078R)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Singapore Airlines Limited (the “**Company**”) will be held by way of electronic means on 30 April 2020 at 11.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out below. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 15 April 2020 (the “**Circular**”).

This Notice has been made available on SGXNet and the Company’s website and may be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/). A printed copy of this Notice will NOT be despatched to members.

### ORDINARY RESOLUTION 1: THE PROPOSED RENOUNCEABLE RIGHTS ISSUE

#### RESOLVED THAT:

- (a) a renounceable rights issue (the “**Rights Issue**”) of:
- (i) up to 1,777,692,486 new ordinary shares in the capital of the Company (the “**Rights Shares**”), at an issue price of S\$3.00 for each Rights Share (the “**Issue Price of the Rights Shares**”), on the basis of three Rights Shares for every two existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded; and
  - (ii) up to S\$3,496,128,555 in aggregate principal amount of mandatory convertible bonds (the “**Rights MCBs**”) in the denomination of S\$1.00 for each Rights MCB, at an issue price of 100 per cent. of the principal amount of the Rights MCBs (the “**Issue Price of the Rights MCBs**”), on the basis of 295 Rights MCBs for every 100 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded,

be and is hereby approved;

- (b) authority be and is hereby given to the Directors to:
- (i) undertake the Rights Issue;
  - (ii) provisionally allot and issue the Rights Shares at the Issue Price of the Rights Shares on the basis of three Rights Shares for every two existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded;
  - (iii) allot and issue the Rights Shares at the Issue Price of the Rights Shares;
  - (iv) provisionally allot and issue the Rights MCBs in the denomination of S\$1.00 for each Rights MCB, at the Issue Price of the Rights MCBs, on the basis of 295 Rights MCBs for every 100 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded;
  - (v) create and issue the Rights MCBs at the Issue Price of the Rights MCBs and on such terms and conditions as the Directors may determine, such Rights MCBs to be convertible into new Shares (the “**Rights MCB Conversion Shares**”) at an initial conversion price of S\$4.84 (the “**Rights MCBs Conversion Price**”) per Rights MCB Conversion Share, subject to such adjustments and in accordance with such other terms and conditions as the Directors may in their absolute discretion and from time to time think fit; and

- (vi) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue:
- (1) upon conversion of the Rights MCBs, such number of Rights MCB Conversion Shares as may be required or permitted to be allotted and issued on the conversion of the Rights MCBs, subject to and otherwise in accordance with such terms and conditions of the Rights MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Rights MCBs; and
  - (2) on the same basis as paragraph (b)(vi)(1) above, such further Rights MCB Conversion Shares as may be required to be allotted and issued on the conversion of any of the Rights MCBs upon the adjustment of the Rights MCBs Conversion Price in accordance with the terms and conditions of the Rights MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Rights MCBs,

on the terms and conditions set out below and/or on such other terms and conditions (including the basis of provisional allotments of the Rights Shares or, as the case may be, the Rights MCBs) as the Directors may in their absolute discretion and from time to time think fit:

- (I) the provisional allotment of the Rights Shares and Rights MCBs shall be made on a renounceable basis to Entitled Shareholders;
- (II) no provisional allotment of the Rights Shares and Rights MCBs shall be made to Foreign Shareholders unless otherwise determined by the Directors that the Rights Shares or, as the case may be, Rights MCBs may be offered based on applicable securities legislation;
- (III) the provisional allotment of the Rights Shares and Rights MCBs which would otherwise accrue to Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue may be disposed of, or dealt with, by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotment relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) among such Foreign Shareholders or Shareholders who are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue in proportion to their respective shareholdings as at the Record Date provided that if the amount to be distributed to any single Foreign Shareholder or Shareholder who is restricted or prohibited by the laws of the jurisdiction in which it is located or resident from participating in the Rights Issue or persons acting to the account or benefit of any such persons is less than S\$10.00, such amount shall instead be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
- (IV) fractional entitlements to the Rights Shares or, as the case may be, Rights MCBs shall be aggregated and used with the provisional allotment of the Rights Shares or, as the case may be, Rights MCBs which are not taken up or allotted for any reason to satisfy excess applications for the Rights Shares or, as the case may be, Rights MCBs (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 (including the allotment and issue of Rights Shares or, as the case may be, the creation and issue of Rights MCBs to satisfy any subscription of unsubscribed Rights Shares or, as the case may be, unsubscribed Rights MCBs under the Rights Issue pursuant to the Undertaking); and

- (V) the Rights Shares and the Rights MCB Conversion Shares when allotted and issued will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Rights Shares or, as the case may be, the date of registration of the Rights MCB Conversion Shares;
- (c) the Directors be and are hereby authorised to fix the Record Date in their absolute discretion; and
- (d) the Directors be and are hereby authorised to take such steps, do all such acts and things, (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue, and the issue of the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares, and making amendments to the terms and conditions of the Rights Issue (including the Issue Price of the Rights Shares and the Issue Price of the Rights MCBs)) and to exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or to give full effect to this Resolution, the Rights Issue, the allotment and issue of the Rights Shares, the creation and issue of the Rights MCBs and the allotment and issue of the Rights MCB Conversion Shares.

## **ORDINARY RESOLUTION 2: THE PROPOSED ISSUANCE OF ADDITIONAL MANDATORY CONVERTIBLE BONDS AND ADDITIONAL CONVERSION SHARES**

### **RESOLVED THAT:**

- (a) authority be and is hereby given to the Directors to:
  - (i) issue up to S\$6.2 billion in aggregate principal amount of mandatory convertible bonds (the “**Additional MCBs**”), on terms that are substantially similar to that set out in Appendix 2 of the Circular, at any time and upon such other terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (such Additional MCBs to be convertible into new Shares (the “**Additional MCB Conversion Shares**”) at a conversion price (the “**Additional MCBs Conversion Price**”) to be determined by the Directors based on the terms set out in Appendix 2 of the Circular, subject to such adjustments and in accordance with such other terms and conditions as the Directors may in their absolute discretion and from time to time think fit); and
  - (ii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue:
    - (1) upon conversion of the Additional MCBs, such number of Additional MCB Conversion Shares as may be required or permitted to be allotted and issued on the conversion of the Additional MCBs, subject to and otherwise in accordance with such terms and conditions of the Additional MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Additional MCBs; and
    - (2) on the same basis as paragraph (a)(ii)(1) above, such further Additional MCB Conversion Shares as may be required to be allotted and issued on the conversion of any of the Additional MCBs upon the adjustment of the Additional MCBs Conversion Price in accordance with the terms and conditions of the Additional MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Additional MCBs; and

- (b) the Directors be and are hereby authorised to take such steps, do all such acts and things, and to exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or to give full effect to this Resolution.

## By Order of the Board

Brenton Wu  
Company Secretary  
15 April 2020

### Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting are set out in the Company's announcement dated 15 April 2020 entitled "Extraordinary General Meeting in relation to the Rights Issue and the Additional Issue" which has been uploaded together with this Notice of Extraordinary General Meeting on SGXNet on the same day. This announcement may also be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/).

In particular, the Extraordinary General Meeting will be held by way of electronic means and a member will be able to watch the proceedings of the Extraordinary General Meeting through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 11.30 a.m. on 27 April 2020, at the URL <https://www.singaporeair.com/home/shareholder-registration>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Extraordinary General Meeting by 29 April 2020.

A member who pre-registers to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval at the Extraordinary General Meeting. To do so, all questions must be submitted by 11.30 a.m. on 27 April 2020:

- (a) via the pre-registration website at the URL <https://www.singaporeair.com/home/shareholder-registration>;
  - (b) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902; or
  - (c) by email to M & C Services Private Limited at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com)
2. A member will not be able to attend the Extraordinary General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
- (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or
  - (b) if submitted by email, be received by M & C Services Private Limited at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com)
- in either case, by no later than 11.30 a.m. on 27 April 2020, and in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).
7. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 11.30 a.m. on 27 April 2020, as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy:**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

**Important Notice:**

This document 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 Shares, the Rights MCBs and the Rights 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 Shares, the Rights MCBs and the Rights 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 document shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities, including the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares. This document may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares or make an offer of the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares and the Rights, the Rights Shares, the Rights MCBs and the Rights 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 document and/or the transfer of the Rights, the Rights Shares, the Rights MCBs and the Rights MCB Conversion Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this document 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.

# SINGAPORE AIRLINES LIMITED

(Incorporated in the Republic of Singapore)  
Company Registration No. 197200078R

## PROXY FORM

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/). A printed copy of this form of proxy will NOT be despatched to members.

### IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting are set out in the Company's announcement dated 15 April 2020 entitled "Extraordinary General Meeting in relation to the Rights Issue and the Additional Issue" which has been uploaded together with the Notice of Extraordinary General Meeting dated 15 April 2020 on SGXNet on the same day. This announcement may also be accessed at the URL [https://www.singaporeair.com/en\\_UK/sg/about-us/information-for-investors/rights-issue/](https://www.singaporeair.com/en_UK/sg/about-us/information-for-investors/rights-issue/).
2. A member will not be able to attend the Extraordinary General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. For CPF/SRS Investors who have used their CPF/SRS moneys to buy shares in Singapore Airlines Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the Extraordinary General Meeting dated 15 April 2020.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co. Regn. No.)

of \_\_\_\_\_ (Address)

being a member/members of Singapore Airlines Limited (the "**Company**"), hereby appoint:

The Chairman of the Meeting

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**"), to be held by way of electronic means on 30 April 2020 at 11.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid)

	For	Against	Abstain
ORDINARY RESOLUTION 1: To approve the Rights Issue			
ORDINARY RESOLUTION 2: To approve the issuance of additional mandatory convertible bonds and additional conversion shares			

<b>Total Number of Shares Held:</b>	
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\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

\_\_\_\_\_  
Date

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

3<sup>rd</sup> Fold and seal here. Do not staple

Please glue and seal along this edge

2<sup>nd</sup> Fold

Postage will be  
paid by  
addressee.  
For posting in  
Singapore only.

**BUSINESS REPLY SERVICE  
PERMIT NO. 04910**



**Singapore Airlines Limited  
c/o M & C Services Private Limited**  
112 Robinson Road  
#05-01  
Singapore 068902

Proxy Form

1<sup>st</sup> fold

**Notes:**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member will not be able to attend the Extraordinary General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must:
  - (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; or
  - (b) if submitted by email, be received by M & C Services Private Limited at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com)in either case, by no later than 11.30 a.m. on 27 April 2020, and in default the instrument of proxy shall not be treated as valid.
5. Where an instrument appointing the Chairman of the Meeting as proxy is sent personally or by post, it must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 11.30 a.m. on 27 April 2020 as certified by The Central Depository (Pte) Limited to the Company.