

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Feb 16, 2021
2. SEC Identification Number
154675
3. BIR Tax Identification No.
948-229-000
4. Exact name of issuer as specified in its charter
CEBU AIR, INC.
5. Province, country or other jurisdiction of incorporation
Cebu City, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Level 4 Unit 4030-4031, Robinsons Galleria Cebu, General Maxilom Avenue cor. Sergio
Osmena Boulevard, Cebu City
Postal Code
6000
8. Issuer's telephone number, including area code
(632) 8802-7000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	600,316,700
11. Indicate the item numbers reported herein
9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Cebu Air, Inc.

CEB

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Release – Cebu Air, Inc. sets Final Terms for Stock Rights Offer

Background/Description of the Disclosure

Please be informed that Cebu Air, Inc. (the “Company”) is releasing to the press the attached statement regarding the Company’s stock rights offer.

Other Relevant Information

N/A

Filed on behalf by:

Name	Anne Romadine Tieng
Designation	Vice-President, Legal Affairs



Cebu Air, Inc.
Cebu Pacific Building
Domestic Road
Pasay City 1301, Philippines
cebupacificair.com

Via EDGE

16 February 2021

PHILIPPINE STOCK EXCHANGE, INC.

6th Floor PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. Janet Encarnacion**
Head, Disclosure Department

Re: Press Release – Cebu Air, Inc. sets Final Terms for Stock Rights Offer

Ladies and Gentlemen:

Please be informed that Cebu Air, Inc. (the “Company”) is releasing to the press the attached statement regarding the Company’s stock rights offer.

Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read "Anne Romadine P. Tieng".

ANNE ROMADINE P. TIENG
Vice President – Legal Affairs



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16 February 2021

The Company sets Final Terms for Stock Rights Offer

Cebu Air, Inc. (“CEB” or the “Company”) announced that it has fixed the final terms of its stock rights offer (“SRO” or the “Offer”) to raise PHP 12,499,999,984.00 from the issuance of PHP-denominated convertible preferred shares. Summarized below are the final terms and timetable of the SRO:

Number of Entitlement Rights to be Offered	328,947,368 of cumulative, non-voting, non-participating Convertible Preferred Shares with a par value of PHP 1.00 per share
Offer Price	PHP 38.00 per Entitlement Right
Entitlement Ratio	One Entitlement Right for every 1.8250 CEB Common Shares held as of Record Date
Dividend Yield (per annum)	6.00%
Conversion Price	PHP 38.00 per share
Conversion Ratio	One CEB Common Share for every one Convertible Preferred Share
Pricing Date	15 February 2021
Ex-Date	22 February 2021
Record Date	26 February 2021
Start of Offer Period	3 March 2021, 9:00 a.m., Manila time
End of Offer Period	9 March 2021, 12:00 noon, Manila time
Tentative Listing/Issue Date	29 March 2021

The Entitlement Rights pertain to the Convertible Preferred Shares yet to be created. The Entitlement Rights shall be issued from the Company’s increased authorized capital stock (“ACS”), subject to the approval of the Philippine Securities and Exchange Commission (“SEC”) of the Company’s ACS Application (“Application to Increase ACS”) with the Company Registration and Monitoring Department of the SEC. The proceeds from the subscription to the Entitlement Rights shall be used to comply with the minimum subscription requirement for the Application to Increase ACS. Upon creation of the Convertible Preferred Shares, the Convertible Preferred Shares shall be registered in the name of the investor through the PCD Nominee Corporation, who is the registered owner of the shares in the books of Company’s transfer agent.

The Convertible Preferred Shares include a convertibility feature, subject to terms and conditions, as may be determined by the Board of Directors. The option to convert shall be exercised by the execution and the submission of an irrevocable notice of conversion, a duly endorsed stock certificate (if applicable) and any other documents, as may be required under the laws of the Philippines and regulations of the PSE, and the payment of any fees, charges, and taxes attendant to the conversion, at least twenty (20) Trading Days prior to the intended conversion from Convertible Preferred Shares to Common Shares to the Stock Transfer Agent or to the shareholder’s depository participant (as may be applicable). However, if any



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Convertible Preferred Shares remain outstanding on the Mandatory Conversion Date, such Convertible Preferred Shares shall be mandatorily converted into Common Shares on such date.

Shareholders who exercised their option to convert shall remain the registered and legal owners of the Convertible Preferred Shares until the registered Common Shares are issued by the Company. The conversion will only be completed after the issuance by the Company of registered and listed Common Shares and upon such completion, the shareholder will cease to enjoy the benefits attached to the Convertible Preferred Shares previously owned, including the right to dividends as provided herein. Any and all dividends accumulated on the Convertible Preferred Shares shall be paid in cash upon mandatory conversion.

A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents in writing to such withdrawal. The Common Shares delivered upon exchange of the Convertible Preferred Shares will be fully paid and when listed will, in all respects, rank *pari passu* with the Common Shares outstanding.

The proceeds from the Offer will be used to strengthen the Company's balance sheet by providing liquidity to address its financial liabilities which include: (a) PHP 4.805 billion allocation for repayment of an advance by JG Summit Philippines Ltd.; (b) PHP 3.913 billion allocation for aircraft operating lease payments due in 2021; (c) PHP 3.328 billion allocation for principal debt repayments due in 2021; and (d) PHP 0.384 billion allocation for general corporate purposes, which are primarily for passenger refunds in case cash inflows from operations become insufficient as a consequence of the COVID-19 pandemic's impact to health and travel related concerns.

CPAir Holdings, Inc. ("CPAir"), which beneficially owned 66.77% of CEB's Common Shares as of September 30, 2020, has expressed its full support for the Company's proposed Offer. CPAir irrevocably undertakes to subscribe to its Entitlement Rights in the First Round of the Offer, to subscribe to the Additional Entitlement Rights in the mandatory Second Round of the Offer under and to subscribe for any remaining Entitlement Rights unsubscribed in the mandatory Second Round of the Offer, to ensure that all the Entitlement Rights covered by the Offer are fully subscribed.

The Offer is open to Shareholders of record of the Company as of 26 February 2021 (the "Record Date"), who are: (i) located inside the Philippines, or (ii) located in jurisdictions outside the Philippines and outside the United States where it is legal to participate in the Offer under the securities laws of such jurisdictions and without requiring registration or the need to obtain regulatory approvals under such laws (the "Eligible Shareholders"). A notice of the Offer and Entitlement Rights available to Eligible Shareholders as of the Record Date will be made available to Eligible Shareholders (the "Notice to Shareholders").

Interested Eligible Shareholders who hold certificated shares should duly execute the "Application to Subscribe" form attached to the Notice to Shareholders, and submit it not later than 12:00 noon, Manila time, of 9 March 2021, to the office of BDO Unibank, Inc (the "Receiving Agent") at 15th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City (the "Receiving Agent Office"), provided that if full payment is made through a check or check deposit, the Application to Subscribe and the



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corresponding check payment or proof of check deposit must be submitted on or before 12:00 noon, Manila time, on 8 March 2021.

Interested Eligible Shareholders who hold scripless shares must course their Applications through their depository participant (broker, custodian bank or trust account) following such depository participant's internal procedures. Depository participants shall follow the usual procedure for rights offerings where take-up of rights (including any subscription to Additional Entitlement Rights) is done through the PDTC system in accordance with the timetable to be determined by the PDTC and notified to all depository participants prior to the Rights Offer Period. We encourage such Eligible Shareholders to reach out to their depository participants for further information.

CEB has appointed BPI Capital Corporation as Sole Global Coordinator, Bookrunner and Underwriter of the Offer.

For more information, please visit CEB's corporate website at <https://cebupacificaircorporate.com/Pages/stock-rights-offer.aspx>.

Any questions related to the Offer may be directed to the following:

BPI Capital Corporation (Sole Global Coordinator, Bookrunner and Underwriter)

Lester Ong
+632 8246 5130

Faith Raagas
+632 8246 5119

Any questions related to the Application and Payment process may be directed to the following:

BDO Unibank, Inc. (Receiving Agent)

Gesan Tesiorna
+632 8878 4961
bdoreceivingagent@bdo.com.ph

Teodora Arcaba
+632 8878 4963

About CEB

Cebu Air, Inc. is an airline that operates under the trade name "Cebu Pacific Air" or "Cebu Pacific" and is the Philippines' leading airline and one of the fastest growing low-cost carriers ("LCCs") in the world. It pioneered the "low fare, great value" strategy in the local aviation industry by providing scheduled air travel services targeted to passengers who are willing to forego extras for fares that are typically lower than those offered by traditional full-service airlines while offering reliable services and providing passengers with a fun travel experience.

CEB leads the domestic market on all important metrics – most passengers, most seats, highest seat load factor, most destinations, routes and daily flights. Based on CAB data, the Company's domestic market share is 51.39%. It is also the second largest airline in the Philippines in terms of international passenger volume with a market share of 16.48% according to CAB data as at 30 June 2020.



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The Company was incorporated on August 26, 1988 and was granted a 40-year legislative franchise to operate international and domestic air transport services in 1991. It commenced its scheduled passenger operations in 1996 with its first domestic flight from Manila to Cebu. In 1997, it was granted the status as an official Philippine carrier to operate international services by the Office of the President of the Philippines pursuant to Executive Order No. 219. International operations began in 2001 with flights from Manila to Hong Kong.

In 2005, the Company adopted the LCC business model. The core element of the LCC strategy is to offer affordable air services to passengers. This is achieved by having: high-load, high-frequency flights; high aircraft utilization; a young and simple fleet composition; and low distribution costs.

The Company's common stock was listed with the PSE on October 26, 2010, the Company's initial public offering.

THE OFFER OF SECURITIES IS EXEMPT PURSUANT TO SECTION 10.1 OF THE SECURITIES REGULATION CODE ("SRC") AND, ACCORDINGLY, THE SECURITIES HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SRC. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES. This announcement is not an offer for sale of securities in the United States. The securities referred to herein have not been registered and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or applicable state securities laws and may not be offered or sold in the United States or any other jurisdiction absent registration or an exemption from registration under the Securities Act and/or applicable law. The Company does not intend to register any part of the Offer in the United States or to conduct a public offering of the securities in the United States.

This announcement does not constitute or form part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not financial, legal, tax or other product advice.