

Joint Media Release
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SEMBCORP TO BUILD 8.2 MEGAWATT-PEAK SOLAR POWER ENERGY SYSTEM ON SINGAPORE AIRLINES AND SIA ENGINEERING COMPANY'S PROPERTIES

Singapore, February 12, 2020 – Singapore Airlines (SIA) and SIA Engineering Company (SIAEC) have signed a power purchase agreement with Sembcorp Solar, a wholly-owned subsidiary of Sembcorp Industries (Sembcorp), to install and operate rooftop solar panels on their premises.

The solar panels will help to power onsite operations at various locations, with surplus power generated channelled to Singapore and Changi Airport Group's electrical grids. This arrangement reinforces the SIA Group's commitment towards renewable energy sources and more sustainable operations.

Under the agreement, Sembcorp Solar will install, own and operate over 20,000 solar panels. The panels will be installed at SIA's Airline House, SIA Training Centre, TechSQ, five of SIAEC's hangars and its Engine Test Facility. With a total capacity of 8.2 megawatt-peak (MWp), this will be the largest combined solar-power energy project for the aviation industry in Singapore.

Upon completion in June 2020, the project is expected to produce over 10,200 megawatt hours of power annually. This is enough renewable energy to power more than 2,290 four-room HDB flats for a year. It will also help offset over 4.3 million kilogrammes of carbon dioxide emissions a year, equivalent to taking approximately 930 cars off the road or planting over 52,000 trees.

The move to harness green energy complements SIA's goal to reduce 15 per cent of its electricity consumption in its offices by FY2020/21 as well as SIAEC's goal to reduce 15 per cent of its energy consumption by FY2023/24 (compared to base year FY2013/14).

SIA Senior Vice President of Corporate Planning, Lee Wen Fen, said, “Sustainability is a key focus area for the SIA Group. We have been increasing our use of renewable energy sources, and this is one example of how we will continue to invest in the technologies and resources to meet our sustainability goals.”

The adoption of solar energy is one part of the SIA Group’s ongoing efforts to reduce its carbon footprint. These include its major investment in modern aircraft that have significantly reduced the average age of its fleet, and resulted in greater fuel efficiency and lower carbon emissions than previous generation planes. SIA has also embarked on its “Farm to Plane” initiative, which supports local farming communities and uses sustainable ingredients for in-flight meals, and is taking steps to reduce the amount of single-use plastics on board aircraft.

SIAEC Executive Vice President Operations, Ivan Neo, said, “SIAEC is pleased to partner SIA and Sembcorp in the adoption of clean and renewable solar energy to reduce our carbon footprint. Tapping on solar energy to power our offices and hangars is a natural extension of our environmental protection efforts, where we are already using energy-efficient air conditioning systems and energy-friendly LED lighting systems in our operations. This latest move underscores SIAEC’s commitment to playing a part in combating climate change.”

Jen Tan, Senior Vice President, Sembcorp Solar Singapore & SEA (Energy Division), said, “We are pleased to be SIA and SIAEC’s green energy partner, supporting them in their sustainability efforts. With this deal, we are pleased to have onboard our largest renewable energy partner in the aviation industry, and we are fully ready to support their growing need for green energy.”

Sembcorp is a homegrown Singapore energy player, and has been part of the Singapore power industry for over two decades. It is the only established power gentailer (generation-affiliated retailer) in Singapore to offer renewable energy. With this new contract as well as national water agency PUB’s recent appointment of Sembcorp as the preferred bidder for a 60MWp floating solar project, Sembcorp will be one of the largest renewable energy players in Singapore with approximately 250MWp of capacity in operation and under development.

Sembcorp has been continually stepping up its commitment to sustainability. Today, its growing renewable energy business has over 2,600 megawatts of wind and solar power projects internationally. In 2018, the company unveiled their Climate Change Strategy, outlining ambitious targets to double its global renewables portfolio and reduce its greenhouse gas emissions intensity by approximately 22% by 2022.

This contract is not expected to have a material impact on the earnings per share and net asset per share of Sembcorp for the financial year ending December 31, 2020, and of SIA and SIAEC for the financial year ending March 31, 2020.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, marine and urban development group, operating across multiple markets worldwide.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, we provide solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. We have a balanced energy portfolio of 12,500 megawatts, including thermal power plants, renewable wind and solar power assets, as well as biomass and energy-from-waste facilities. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.

Sembcorp Industries has total assets of over S\$24 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.

ABOUT SINGAPORE AIRLINES

The SIA Group's history dates back to 1947 with the maiden flight of Malayan Airways Limited. The airline was later renamed Malaysian Airways Limited and then Malaysia-Singapore Airlines (MSA). In 1972, MSA split into Singapore Airlines (SIA) and Malaysian Airline System. Initially operating a modest fleet of 10 aircraft to 22 cities in 18 countries, SIA has since grown to be a world-class international airline group.

Singapore Airlines is committed to the constant enhancement of the three main pillars of its brand promise: Service Excellence, Product Leadership and Network Connectivity. The SIA Group fleet and network are also expanding in support of the development of its portfolio strategy, in which it has investments in both full-service and low-cost airline operations.

ABOUT SIA ENGINEERING COMPANY

(Company Registration No. 198201025C)

SIA Engineering Company (SIAEC) is a major provider of aircraft maintenance, repair and overhaul (MRO) services in Asia-Pacific. SIAEC has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at 36 airports in 8 countries, as well as airframe and component services on some of the most advanced and widely used commercial aircraft in the world. Apart from MRO services, SIAEC also offers a comprehensive and integrated suite of solutions under its fleet management services.

The 26 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in Singapore, Hong Kong, Indonesia, Japan, Philippines, United States, Vietnam and Thailand increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 25 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States, Europe, China and other countries.