Note to Editors
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SINGAPORE AIRLINES TO ISSUE S$5.3 BILLION IN NEW EQUITY AND RAISE UP TO S$9.7 BILLION VIA MANDATORY CONVERTIBLE BONDS

- ***SHAREHOLDERS TO BE OFFERED NEW SHARES AND MANDATORY CONVERTIBLE BONDS***
- ***SIA'S LARGEST SHAREHOLDER TEMASEK COMMITS TO SUBSCRIBE TO ITS PRO-RATA ENTITLEMENT AND BACKSTOP THE BALANCE***
- ***FUNDS RAISED WILL BOLSTER SIA'S LIQUIDITY AND SUPPORT LONG-TERM GROWTH***
- ***BOTH ISSUANCES WILL BE TREATED AS EQUITY ON THE SIA BALANCE SHEET***
- ***S$4 BILLION BRIDGE LOAN FACILITY ARRANGED WITH DBS BANK***

Singapore Airlines Limited will offer all shareholders S$5.3 billion in new equity and up to a further S$9.7 billion[1] through a 10-year Mandatory Convertible Bonds (MCB). Both will be offered on a pro-rata basis via a rights issue, and both issuances will be treated as equity in the Company's balance sheet.

SIA has also arranged a S$4 billion bridge loan facility with DBS Bank, supporting the Company's near-term liquidity requirements.

The Company intends to use the proceeds from the rights issues to fund capital and operational expenditure requirements. Both rights issuances are subject to shareholder approval at an extraordinary general meeting (EGM) that will be held in due course.

SIA's largest shareholder Temasek Holdings will vote in favour of the resolutions and procure a subscription for its full entitlement and the remaining balance of both issuances.

[1] S$3.5 billion will initially be raised through the MCB, while the remaining S$6.2 billion can be raised over subsequent months.

Singapore Company Registration Number: 197200078R

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SIA Chairman Peter Seah said: "This is an exceptional time for the SIA Group. Since the onset of the Covid-19 outbreak, passenger demand has fallen precipitously amid an unprecedented closure of borders worldwide. We moved quickly to cut capacity and implement cost-cutting measures.

"The strong commitment and support from our staff and our unions as we work together on measures to tackle this crisis have been remarkable. I am heartened that our people are doing everything they can, in these most difficult of times, to support our customers and sustain our operations. We have also worked closely with the Singapore government to bring Singaporeans home safely during this time. At the same time, we are also working with various parties to enable our staff on no-pay leave to have other income opportunities.

"We are especially grateful for Temasek's strong vote of confidence. The Board is confident that this package of new funding will ensure that SIA is equipped with the resources to overcome the current challenges, and be in a position of strength to grow and reinforce our leadership in the aviation sector."

Temasek International CEO, Dilhan Pillay Sandrasegara, said: "The impact of Covid-19 on the global travel industry is unprecedented, especially for airlines and the related sector players. SIA has been seeing strong growth before the hit from the pandemic. It has also committed to fleet renewal as part of its transformation journey. This transaction will not only tide SIA over a short term financial liquidity challenge, but will position it for growth beyond the pandemic.

"We fully support SIA's plans to transform itself. This includes the modernisation of its fleet. The delivery of a new generation aircraft over the next few years will provide better fuel efficiencies as well as meet its capacity expansion strategy."

The aviation sector is a key pillar of Singapore's economy, supporting more than 12% of the country's GDP and 375,000 jobs. The Group is at the heart of the aviation ecosystem, with SIA, SilkAir and Scoot accounting for more than half of the passengers flying in and out of Changi Airport.

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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.

SIA is the world's most awarded airline, and 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 have expanded in support of the development of its portfolio strategy, in which it has investments in both full-service and low-cost airline operations. This portfolio of airlines serving short-, medium- and long-haul markets gives the SIA Group more flexibility and nimbleness, with the right vehicles to serve the right markets.

In 2018, Singapore Airlines launched the world's longest commercial flight, with non-stop services between Singapore and New York, as well as non-stop services between Singapore to Los Angeles, and increased non-stop services to San Francisco, using the new Airbus A350-900ULR (ultra-long-range). In September 2019, Seattle became the fifth US city in Singapore Airlines' route network – and the fourth to be served non-stop from Singapore.

SIA has invested in new-generation passenger aircraft, which means that it has one of the youngest airline fleets in the world. Operating these fuel-efficient aircraft such as Airbus A350s and Boeing 787s allows SIA to substantially reduce its carbon emissions, and support its goal of operating a more sustainable business.

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