

## News Release

### **ST Engineering's JV announces securitisation of 30 aircraft engines**

**Singapore, 21 February 2020** – ST Engineering today announced that Total Engine Asset Management Pte. Ltd. (TEAM), an engine leasing joint venture of its Aerospace arm, has entered into agreements for the sale of 30 aircraft engines using a securitisation structure. This sale will enable the Group to free up capital for future investments including aircraft engines and reduce TEAM's capital employed.

The transaction comprises a diversified portfolio of 30 aircraft engines that power primarily narrowbody aircraft leased to 13 airlines across 11 countries, with a weighted average remaining lease term of about 6 years. The structure includes about US\$257m (approximately S\$358m) of fixed rate notes offered in three tranches, and the placement of equity notes. It is anticipated that TEAM will retain 10% of the equity notes while an affiliate of Marubeni Corporation and one or more other investors will purchase the balance, subject to the satisfaction of customary closing and settlement conditions.

Mr Lim Serh Ghee, President of ST Engineering's Aerospace sector said, "This sale will represent a major milestone for our engine leasing business. It will allow us to lower our capital requirements for continued engine investments, while retaining TEAM's asset manager role to create value for lessors through our innovative asset management solutions."

This is ST Engineering's first securitisation transaction and the first engine-backed securitisation originated by a lessor headquartered in Asia Pacific. The Group will continue to scale up its engine leasing business, one of the growth areas for its Aerospace sector.

This transaction is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of ST Engineering for the current financial year.

The secured notes to be issued by TEAM in the transaction have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and are being

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offered only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. The secured notes may not be sold in the United States absent registration under the Securities Act or pursuant to an applicable exemption from registration requirements under the Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

#### Note Regarding Forward-Looking Statements

This press release includes forward-looking statements, beliefs or opinions, including statements about the business, financial condition, results of operations and plans of ST Engineering and TEAM. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe," "expects," "may," "will," "could," "should," "shall," "risk," "intends," "estimates," "aims," "plans," "predicts," "continues," "assumes," "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved.

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**ST Engineering** is a global technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. The Group employs about 22,000 people across offices in Asia, the U.S., Europe and the Middle East, serving customers in the defence, government and commercial segments in more than 100 countries. With more than

700 smart city projects across 130 cities in its track record, the Group continues to help transform cities through its suite of Smart Mobility, Smart Security and Smart Environment solutions. Headquartered in Singapore, ST Engineering reported revenue of \$6.7b in FY2018 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore, SGX ESG Transparency Index and SGX ESG Leaders Index. For more information, please visit [www.stengg.com](http://www.stengg.com).

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