

News Release

ST Engineering's Aerospace Sector Secures New Contracts Worth about S\$510m in 2Q2018

Singapore, 16 July 2018 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its Aerospace sector secured new contracts worth about S\$510m in the second quarter (2Q) of 2018 for services ranging from heavy maintenance to engine wash and aircraft interior reconfiguration.

New contracts

The heavy maintenance contracts include an agreement to support a cargo airline in servicing its Boeing 767-300s, while the new engine wash contracts will see ST Engineering expanding its trademarked EcoPower® service to three new cities in Europe - Berlin, Milan and Geneva. Also secured in 2Q2018 was a contract to perform cabin reconfiguration for part of Air Canada's A330-300 fleet, which was announced in April. The first aircraft is scheduled to be inducted in the third quarter of this year.

Redeliveries and capabilities development

The Aerospace sector redelivered a total of 769 aircraft for airframe maintenance and modification work in 2Q2018. Additionally, a total of 10,393 components, 38 landing gears and 47 engines were processed, while 2,392 engine washes were conducted.

ST Engineering further grew its MRO network with the opening of a new facility in Pensacola, Florida, USA in June, which at steady state can add another 600,000 labour hours to its global airframe maintenance capacity. The new facility, which received United Parcel Service as its launch customer, is equipped to carry out heavy and line maintenance, as well as aircraft modification work.

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Over in Europe, ST Engineering expanded its capacity in composite panel manufacturing with the opening of a second plant in Kodersdorf, Saxony, Germany. The new facility can produce about 200,000 panels per annum, boosting the overall production capacity by approximately 50 percent. With the global commercial and cargo aircraft fleet expected to grow strongly over the next 10 years, the new manufacturing plant will augment the existing one in Dresden, Saxony to help meet the rising demand for cabin interior components such as floor panels and cargo compartment linings.

The above developments are 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.

Note to editor:

Following ST Engineering's group-wide exercise to harmonise all its corporate brands by using "ST Engineering" as its masterbrand, ST Aerospace is now known as ST Engineering Aerospace. To find out more, pls visit <http://www.stengg.com/news/masterbrand>.

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 Americas, Europe and the Middle East, serving customers in the defence, government and commercial segments in more than 100 countries. With more than 500 smart city projects across 70 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 S\$6.62b in FY2017 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.

The Aerospace sector operates a global MRO network with facilities and affiliates in the Americas, Asia Pacific and Europe. An integrated aerospace service provider, it offers a spectrum of maintenance and engineering services that include airframe, engine and component maintenance, repair and overhaul; engineering design and technical services; as well as aviation materials and asset management services. The sector has a global customer base that includes leading airlines, airfreight and military operators, and is the world's largest commercial airframe MRO service provider. For more information, please visit www.stengg.com.

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