

News Release

ST Engineering to redeem all outstanding US\$500,000,000 4.80% Notes due 2019 on 16 July 2018

Singapore, 14 June 2018 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its subsidiary, ST Engineering Financial I Ltd, has elected to redeem (Redemption) all of the outstanding US\$500,000,000 4.80% Notes due 2019 (ISIN: XS0440041191) (Notes) guaranteed by ST Engineering and issued under its US\$1.2b Multicurrency Medium Term Note Programme on 16 July 2018 (Redemption Date).

Details of the Redemption can be found in the accompanying Notice of Redemption dated 14 June 2018.

The recent rise in US Treasury yield has resulted in favourable conditions for the Group to redeem the Notes in accordance with the terms and conditions of the Notes. The Group's capital employed will also be immediately reduced as a result of the early redemption of these Notes. To fund future growth as the need arises, the Group continues to be able to tap into financing with competitive terms in the prevailing environment.

This exercise 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.

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 more than 100 countries. Its employees bring innovation and technology together to create smart engineering solutions for customers in the defence, government and commercial segments. 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

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component stock of the FTSE Straits Times Index, MSCI Singapore and the SGX Sustainability Leaders Index. For more information, please visit www.stengg.com

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(Company Registration No. 200909483K)
(Incorporated in the Republic of Singapore)

ST ENGINEERING FINANCIAL I LTD. (THE “COMPANY”)
NOTICE TO THE NOTEHOLDERS
REDEMPTION OF U.S.\$500,000,000 4.80 PER CENT. NOTES DUE 2019 GUARANTEED BY
SINGAPORE TECHNOLOGIES ENGINEERING LTD. (THE “NOTES”) AND ISSUED UNDER THE
U.S.\$1,200,000,000 MULTICURRENCY MEDIUM TERM NOTE PROGRAMME

We refer to the agency agreement dated 6 July 2009 (the “**Agency Agreement**”) made between (1) the Company, as issuer, (2) Singapore Technologies Engineering Ltd., as guarantor (the “**Guarantor**”), and (3) The Bank of New York Mellon, as registrar, agent, paying agent and transfer agent, the final terms relating to the Notes dated 9 July 2009 (the “**Final Terms**”) and the Registered Global Note in respect of the Notes (the “**Global Note**”).

Terms defined in the Agency Agreement, the Final Terms and the Global Note shall have the same meanings in this Notice, except where the context otherwise requires or except where otherwise specifically provided herein.

NOTICE IS HEREBY GIVEN that the Company elects to redeem all, but not some only, of the Notes on 16 July 2018 (the “**Redemption Date**”) pursuant to Condition 8.3 of the Notes at the Make Whole Redemption Price, together with interest accrued up to but excluding the Redemption Date (the “**Redemption Amount**”).

The Company and the Guarantor have on 13 June 2018 appointed Merrill Lynch (Singapore) Pte Ltd as the determination agent (the “**Determination Agent**”) for the purposes of determining the Make Whole Redemption Price.

The details of the redemption in respect of the Notes are as follows:

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|---|--|---|--|
| 1 | ISIN Code | : | XS0440041191 |
| 2 | Common Code | : | 044004119 |
| 3 | Redemption Date | : | 16 July 2018 |
| 4 | Redemption Amount | : | The Make Whole Redemption Price, together with interest accrued up to but excluding the Redemption Date. |
| 5 | Method of Calculation of the Make Whole Redemption Price | : | The Make Whole Redemption Price is determined by the Determination Agent by discounting the principal amount of the Notes (plus all remaining scheduled interest payments on the Notes) at the Adjusted Yield. |

“**Adjusted Yield**” being the rate per annum equal to the annual yield to maturity of United States Treasury Notes of the same maturity, plus 0.20 per cent.

Comparable Treasury Issue: 0.750% Treasury maturing 15 July 2019

Treasury Rate: 2.401% (mid-yield as of close of business New York time on 12 June 2018)

Adjusted Yield: 2.601%

Make Whole Redemption Price: 102.156835%

- 6 Manner of Redemption : On the Redemption Date, the Global Note shall be presented and surrendered by Euroclear and/or Clearstream, Luxembourg to The Bank of New York Mellon, as paying agent (the **"Paying Agent"**), at One Canada Square, 40th Floor, London E14 5AL, United Kingdom.
- 7 Method of Payment : On the Redemption Date, the Make Whole Redemption Price and any interest accrued up to but excluding the Redemption Date shall be paid to Euroclear and/or Clearstream, Luxembourg, for onward payment to persons shown in the records of Euroclear and/or Clearstream, Luxembourg as holders of the Notes.

The Paying Agent has informed the Company that payments of:

- (i) the Make Whole Redemption Price shall be made to persons shown in the records of Euroclear and/or Clearstream, Luxembourg as holders of the Notes as at the close of business (Central European Time) on 13 July 2018, being one business day prior to the Redemption Date; and
- (ii) interest from (and including) 16 January 2018 to (but excluding) 16 July 2018 shall be made to persons shown in the records of Euroclear and/or Clearstream, Luxembourg as holders of the Notes as at the close of business (Central European Time) on 29 June 2018, being fifteen days prior to the Redemption Date.

Upon the redemption of the Notes, the Notes will be cancelled thereafter and delisted from the Singapore Exchange Securities Trading Limited.

No representation is made as to the correctness of the Common Code or the ISIN Code as contained in this Notice. Reliance may be placed only on the identification numbers printed on the Notes.

ST Engineering Financial I Ltd.

14 June 2018