

News Release

ST Engineering Announces Sale of 11 Narrowbody Aircraft to Keystone

Singapore, 10 August 2023 – ST Engineering today announces the sale of 11 new-generation and current-generation narrowbody aircraft by its Aviation Asset Management business to Keystone Holdings (Global) Pte. Ltd. (“Keystone”). Keystone is a 50-50 joint venture between ST Engineering’s Commercial Aerospace and Sojitz Corporation.

This sale is consistent with the Group’s strategy of working with partners to grow its Aviation Asset Management business, thereby enabling aircraft lifecycle asset management and support solutions to customers. The sale will also allow the Group to improve capital efficiency by reducing capital employed. Lease novation transactions related to the sale will be progressively achieved through end 2023.

Jeffrey Lam, Commercial Aerospace President of ST Engineering, said, “This transaction allows us to expand our asset management operations while improving capital efficiency. Doing so also enables us to focus on our core strengths in lease management and MRO while working with our valued partners to offer more options to the market.”

Tatsuhiko Niitaka, Executive Officer of Sojitz Corporation, said, “We have partnered with ST Engineering from 2016 through Keystone, and we are pleased to acquire this attractive portfolio. This will support and expand Keystone’s portfolio, and reinforce our strategy of expanding our presence in the market and establishing relationships with other companies.”

ST Engineering’s Aviation Asset Management business invests in and manages aircraft and aircraft engine asset portfolios. As an asset manager, it has a strong track record in deal origination, financing, securitisation, lease management, technical asset management, re-marketing and repossession. In addition to leasing solutions, ST Engineering provides total lifecycle asset management and support solutions. These include turnkey aircraft and cabin re-configuration services, aircraft and engine MRO as well as freighter conversion.

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ST Engineering is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and public security segments. The Group harnesses technology and innovation to solve real-world problems, enabling a more secure and sustainable world. Headquartered in Singapore, it has operations spanning Asia, Europe, the Middle East and the U.S., serving customers in more than 100 countries. ST Engineering reported revenue of \$9b in FY2022 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, Dow Jones Sustainability Asia Pacific Index, iEdge SG ESG Transparency Index and iEdge SG ESG Leaders Index.

Sojitz Corporation is a listed Japanese general trading company engaged in a wide range of businesses globally. Sojitz operates with a 7-division structure comprised of the Aerospace & Transportation Project Division, Automotive Division, Infrastructure & Healthcare Division, Metals, Minerals Resources & Recycling Division, the Chemicals Division, Consumer Industry & Agriculture Business Division and Retail & Consumer Service Division. Sojitz's Aerospace & Transportation Project Division develops aerospace industry businesses as a sales agent for commercial aircraft and defence systems and through its leasing, parts sales, and business jet businesses. The division is also engaged in airport management, railroad EPC, and other transportation infrastructure businesses as well as railway maintenance, repair, and overhaul (MRO) businesses, freight car leasing, and other peripheral businesses. In addition, the division is involved in a range of marine vessel businesses, handling both new and second-hand vessels.

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