News Release

Announcement of Criminal Proceedings Against Former Employees of ST Marine

Singapore, 1 July 2015 - On 12 September 2011, Singapore Technologies Engineering Ltd ("**ST Engineering**") announced that the Corrupt Practices Investigation Bureau ("**CPIB**") was investigating certain transactions involving former and current employees of Singapore Technologies Marine Ltd ("**ST Marine**"). ST Marine has been extending its fullest cooperation to the CPIB in its investigation since 2011.

We also refer to our announcements on 11 December 2014, 30 December 2014 and 10 June 2015 in relation to the criminal prosecution of five former employees of ST Marine.

We wish to announce that on 1 July 2015, two former employees of ST Marine, Han Yew Kwang ("**Han**") and Tan Mong Seng ("**Tan**") were charged in the State Courts of Singapore.

Han was the Chief Operating Officer of ST Marine from June 2002 to June 2007, before leaving in June 2014 as Executive Vice President (Ship Building). Han was charged with a total of eight (8) charges under section 6(b) read with section 29(a) of the Prevention of Corruption Act.

Tan was President (Commercial Business) of ST Marine from January 2000, before leaving in June 2002 as Chief Operating Officer / President (Commercial Business) of ST Marine. Tan was charged with a total of one (1) charge under section 6(b) read with section 29(a) of the Prevention of Corruption Act.

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The charges against Han and Tan are not expected to have any material impact on the consolidated net tangible assets or consolidated earnings per share of the ST Engineering Group for the current financial year.

ST Engineering is committed to maintaining high standards of corporate governance and recognises that fraud is detrimental to the reputation of the ST Engineering Group. ST Engineering does not condone fraud, including corruption and bribery, and is fully committed to proactively mitigating the risk of its occurrence.

ST Engineering will make timely further announcements, if necessary.

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ST Engineering (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of $6.54b in FY2014 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore and other indices. ST Engineering has about 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information.

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