News Release

ST Engineering Acquires New Site in Singapore for its Commercial Ship Repair Business

Singapore, 2 February 2023 – ST Engineering's Marine business has acquired the site and assets of an existing shipyard in Singapore at 55 Gul Road from Keppel FELS for $95m for its commercial ship repair business. The assets acquired include three floating docks, existing buildings, workshops, and machinery. This asset purchase obviates the need to build a greenfield shipyard, which would require much higher construction and material costs as well as lead time. The new Gul yard replaces ST Engineering's Tuas shipyard, as its lease will expire at the end of 2024.

The approximately 141,000 sqm Gul yard, with a gross built up floor area of 74,593 sqm, has a remaining lease until August 2030 which can be extended by another 20 years. ST Engineering has another shipyard at Benoi which is mainly for shipbuilding.

The Group's ship repair business in Singapore has performed well and has been profitable over the years and continues to grow. To maintain its competitiveness in the ship repair segment, the Gul yard will be progressively upgraded to be a smart shipyard, adopting end-to-end digitalisation that will power the ship repair cycle and processes. The new Gul yard will also be used to support the Group's other marine segments, such as module fabrication and offshore renewable projects.

"Taking over this brownfield site versus constructing a replacement greenfield site is an effective way to minimise capex. More importantly, building on the existing infrastructure and facility enables us to start operating immediately and effectively with minimal disruption to our operations," said Mr Ng Sing Chan, President, Marine.

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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 $7.7b in FY2021 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.

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