

ST Engineering and Singapore Power to Divest SPTel

Singapore, 17 July 2025 – Singapore Technologies Engineering Ltd (ST Engineering) and Singapore Power Limited (SP) today announced that ST Engineering's wholly-owned subsidiary, ST Engineering Urban Solutions Ltd. and SP have entered into an agreement to divest their joint venture, SPTel Pte. Ltd. (SPTel) to Seraya AQX Pte Ltd (AQX).

SPTel was a wholly-owned subsidiary of SP from 1997 till May 2017 when ST Engineering Urban Solutions Ltd. acquired a 51% stake in SPTel. SP continues to hold the remaining 49% stake.

Key Terms of the Proposed Transaction

AQX, a digital infrastructure investment platform wholly-owned by infrastructure investment firm Seraya Partners, will acquire SPTel from ST Engineering Urban Solutions Ltd. and SP for an enterprise value of \$290 million, cash-free and debt-free, subject to closing adjustments (Sale Consideration).

The Sale Consideration translates into an implied EV/revenue multiple of 4.1x and EV/EBITDA multiple of 21.4x based on SPTel's revenue and EBITDA for the year ended 31 December 2024.

In addition, the sellers may receive an earn-out amount of up to \$15 million (Earn-Out Amount) if certain buyer's return thresholds are met in the future. Proceeds from the proposed transaction will be distributed to the sellers in proportion to their shareholdings in SPTel.

The Sale Consideration and the Earn-Out Amount were arrived at on a willing seller, willing buyer basis, taking into account, amongst others, the business track record, prospects of SPTel and its financial performance.

Rationale for the Proposed Transaction

SPTel is a provider of enterprise broadband connectivity and value-added services delivered over a fibre optic network. This proposed transaction will enable SPTel to grow under a new owner whose primary mandate is in investing and growing digital infrastructure platforms. With this strategic alignment, SPTel will be better placed to scale and to provide a more diverse network in Singapore.

Financial Effects

SPTel reported a revenue of \$72 million and a net loss of \$4 million for the year ended 31 December 2024. The revenue of SPTel is not consolidated into the respective group financials of ST Engineering and SP as SPTel is equity accounted.

The shareholders of SPTel thank the management and staff of SPTel for their many contributions over the years and wish them every success under the new ownership.

The proposed transaction is expected to close in the fourth quarter of 2025, subject to customary closing conditions, including the approval of the Infocomm Media Development Authority of Singapore.

Further Information on ST Engineering

The divestment will result in a one-off gain of approximately \$80 million for ST Engineering based on its carrying value¹ for SPTel of approximately \$65 million. Save for the one-off gain mentioned, the proposed transaction 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.

As none of the absolute relative figures in respect of the proposed transaction for ST Engineering under Rules 1006(a) and 1006(c) of the Listing Manual exceeds 5%, this release has therefore been made by ST Engineering pursuant to Rules 703 and 1008 of the Listing Manual.

¹ Including shareholder loan to SPTel.

Further, save as disclosed in this Release and for their shareholding interests in ST Engineering, none of the directors of ST Engineering nor any of the controlling shareholders of ST Engineering has any interest, direct or indirect, in the proposed transaction.

About ST Engineering

[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 over \$11b in FY2024 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of MSCI Singapore, FTSE Straits Times Index and Dow Jones Best-in-Class Asia Pacific Index.

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About Singapore Power Limited (SP Group)

SP Group is a leading utilities provider in Asia Pacific, empowering the future of energy through low-carbon, smart solutions. It owns and operates electricity and gas transmission and distribution networks in Singapore and Australia. As Singapore's national grid operator, SP Group serves approximately 1.7 million industrial, commercial, and residential customers with world-class transmission, distribution, and market support services.

Beyond traditional utilities, SP Group delivers integrated sustainable energy solutions across Singapore, China, Thailand, and Vietnam including district cooling and heating, renewable energy, EV charging infrastructure, and digital energy platforms tailored for districts, communities, and commercial and industrial customers.

For more information, please visit spgroup.com.sg or follow us on [Facebook](#), [LinkedIn](#) and [Instagram](#).

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