SINGAPORE TECHNOLOGIES ENGINEERING LTD.
(Incorporated in the Republic of Singapore)
(UEN / Company Registration No. 199706274H)

PROPOSED DISPOSAL OF EQUITY INTERESTS IN ST ENGINEERING LEEBOY, INC.

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1. INTRODUCTION

1.1 Proposed Transaction

The Board of Directors (the "**Board**") of Singapore Technologies Engineering Ltd. (the "**Company**" or "**ST Engineering**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiaries, ST Engineering North America, Inc. (the "**Seller**") and ST Engineering LeeBoy, Inc. ("**LeeBoy**") have on 24 June 2025 entered into a sale and purchase agreement (the "**SPA**") with FAYAT Inc. (the "**Buyer**" and, together with the Seller and LeeBoy, the "**Parties**") pursuant to which the Seller has agreed to sell, and the Buyer has agreed to purchase, all of the Seller's equity interests (the "**Purchased Stock**") in LeeBoy (the "**Proposed Transaction**").

1.2 Information on the Buyer

The Buyer is a privately held company, with its ultimate parent entity headquartered in France. Buyer's parent entity operates globally through various subsidiaries (together with the Buyer, the "**FAYAT Group**") in the sectors of civil works, foundations, building, energy networks, metal, pressure vessels and road equipment. The FAYAT Group has a presence in the road equipment segment in the US through its businesses BOMAG, Dynapac, Asphalt Drum Mixers and Secmair.

2. PROPOSED TRANSACTION

2.1 Information on LeeBoy

2.1.1 **LeeBoy**. LeeBoy is an indirect wholly-owned subsidiary of the Company, incorporated in Delaware, with an issued and paid-up share capital of US$27.3 million comprising 1,000 shares of capital stock, all of which are held by the Seller as at the date of this Announcement. LeeBoy is a manufacturer of asphalt paving vehicles and equipment.

Singapore Technologies Engineering Ltd
ST Engineering Hub, 1 Ang Mo Kio Electronics Park Road #07-01, Singapore 567710
T: (65) 6722 1818   F: (65) 6720 2293
(Regn. No.: 199706274H)
www.stengg.com

LeeBoy's business is reported by the Company as part of its Defence and Public Security segment under the Land Systems sub-segment.

2.1.2 **LeeBoy Financials**. Based on the audited financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**"):

(i) the book value attributable to the Purchased Stock of LeeBoy is S$200.9 million, as at 31 December 2024;

(ii) the net tangible asset ("**NTA**") value attributable to the Purchased Stock is S$50.9 million, as at 31 December 2024;

(iii) the revenue attributable to the Purchased Stock is S$326.3 million;

(iv) the earnings before interest and tax attributable to the Purchased Stock is S$37.2 million; and

(v) the profit including discontinued operations that have not been disposed and before income tax and non-controlling interests ("**Net Profit**") attributable to the Purchased Stock is S$33.8 million, for 31 December 2024.

2.2 Key Terms of the Proposed Transaction

2.2.1 **Sale of Purchased Stock**. Pursuant to the SPA, the Buyer shall purchase, and the Seller shall sell to the Buyer, the Purchased Stock.

2.2.2 **Aggregate Consideration**. Pursuant to the terms of the SPA, the Buyer shall acquire the Purchased Stock at an enterprise value of US$300 million (equivalent to approximately S$385 million[1]), subject to adjustments[2] to be determined at the time of closing of the Proposed Transaction ("**Closing**") and any other further adjustments in accordance with the terms of the SPA (the "**Aggregate Consideration**"). Based on the cash, indebtedness and working capital of LeeBoy as of 31 December 2024, the Aggregate Consideration is estimated to be US$290 million (equivalent to approximately S$372 million).

2.2.3 **Basis of Consideration**. The Aggregate Consideration was arrived at on a willing-buyer and willing-seller basis and determined after taking into account, *inter alia*, the business, operations and future prospects of LeeBoy. The transaction would value

[1] In this Announcement, unless otherwise stated and to the extent applicable, figures in US$ have been converted to S$ based on an US$:S$ closing exchange rate of US$1:S$1.2846 as of 23 June 2025, being the latest practicable date prior to the publication of this Announcement.
[2] Prior to Closing, in accordance with the SPA, adjustments will be made based on the levels of cash, indebtedness and net working capital of LeeBoy as at Closing and agreed transaction expenses in the SPA.

LeeBoy at an enterprise value of 9.3x LeeBoy's earnings before interest, tax, depreciation and amortisation.

2.2.4 **Conditions Precedent**. Under the terms of the SPA, Closing is subject to, *inter alia*, the following conditions precedent:

(i) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act must have expired or otherwise been terminated;

(ii) there must not be any order enacted, issued, promulgated, enforced or entered by a U.S. court of competent jurisdiction and remaining in effect that prohibits or renders illegal the consummation of the Proposed Transaction; and

(iii) no material adverse effect shall have occurred.

2.2.5 **Closing**. Closing shall take place remotely via the exchange of documents and signatures on: (i) the third Business Day, being any day that is not a Saturday, Sunday or any other day on which banks are required or authorized by law to be closed in New York, New York or Bordeaux, France, following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the Proposed Transaction to be performed on the Closing Date (other than conditions with respect to actions the Parties shall take at the Closing); or (ii) such other date as the Buyer and the Seller may mutually determine (the "**Closing Date**"). Closing is expected to take place in the fourth quarter of 2025.

2.2.6 **Termination**. The SPA may be terminated at any time prior to the Closing Date in, *inter alia*, the following manner:

(i) by the Seller or the Buyer by written notice to the other if Closing shall not have occurred on or before the close of business on 24 December 2025 (being the date that is six months from the date of the SPA) (the "**Outside Date**"), provided that such Party is not in default of any of its obligations where such default causes, or results in either (a) the failure to satisfy the conditions to the obligations of the terminating Party for Closing; or (b) the failure of the Proposed Transaction to have occurred prior to the Outside Date. Neither Party shall have the right to terminate the SPA if the other Party has initiated proceedings to specifically enforce the SPA while such proceedings are still pending. Either Party may, by written notice to the other Party on or prior to the Outside Date, extend the Outside Date to such date that is 9 months following the date of the SPA, if, as of the Outside Date, (I) the conditions set forth in paragraphs 2.2.4(i) and 2.2.4(ii) above (if the order relates to antitrust laws) shall not have been satisfied and (II) all of the other conditions to Closing set forth in the SPA shall have been satisfied or waived (other than conditions that, by their terms, are intended to be satisfied at Closing, which conditions only need to be capable of being satisfied at Closing);

(ii) by mutual written consent of the Seller and the Buyer; and

(iii) by the Seller or the Buyer if there shall be in effect a final non-appealable order prohibiting the consummation of the Proposed Transaction; provided that, (a) this right to terminate the SPA shall not be available to any Party whose failure to fulfill any obligation under the SPA has been the primary cause of such order and (b) the Parties shall use their reasonable best efforts to promptly appeal any adverse determination that is not non-appealable and diligently pursue such appeal.

2.3 Rationale for the Proposed Transaction

2.3.1 **Rationale**. This Proposed Transaction is part of the Company's ongoing portfolio rationalisation effort. As its business environment evolves, the Company continually evaluates how each of its businesses aligns with its growth objective and core capabilities. This approach ensures that capital and resources are efficiently allocated to drive sustainable growth and deliver enhanced value to its stakeholders. Additionally, this transaction enables LeeBoy to realise its full potential under the ownership of a company whose primary business is in construction equipment. LeeBoy is the last of the Group's construction equipment business.

2.3.2 **Use of Proceeds**. On receipt of the net proceeds of approximately US$246 million (equivalent to approximately S$316[3] million), the Company will pay down its debt. This will result in an interest expense savings of about US$9 million (equivalent to approximately S$11 million) on an annualised basis.

2.4 Financial Effects of the Proposed Transaction

The financial effects of the Proposed Transaction prepared on a proforma basis based on the audited consolidated full year financial statements for FY2024 and on the assumption that the Proposed Transaction will result in net proceeds of approximately US$246 million (equivalent to approximately S$316 million) are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the Group after completion of the Proposed Transaction.

[3] After transaction expenses and tax.

2.4.1 **Net Tangible Assets.** The financial effect of the Proposed Transaction on the NTA per share of the Group for FY2024 assuming that the Proposed Transaction had been effected as at 31 December 2024 is as follows:

	Before the Proposed Transaction	**Proforma after the Proposed Transaction**[4]
NTA (S$ million)	(2,171.8)	(1,906.7)
Number of issued shares, excluding treasury shares (in million)	3,114.7	3,114.7
NTA per share (cents)	(69.73)	(61.21)

2.4.2 **Net Asset Value**. The financial effect of the Proposed Transaction on the net asset value ("**NAV**") per share of the Group for FY2024 assuming that the Proposed Transaction had been effected as at 31 December 2024 is as follows:

	Before the Proposed Transaction	**Proforma after the Proposed Transaction**[5]
NAV (S$ million)	2,950.8	3,065.9
Number of issued shares, excluding treasury shares (in million)	3,114.7	3,114.7
NAV per share (cents)	0.95	0.98

[4] Including the impact of one-off gain / loss from the Proposed Transaction.
[5] Including the impact of one-off gain / loss from the Proposed Transaction.

2.4.3 **Earnings Per Share ("EPS")**. The financial effect of the Proposed Transaction on the EPS of the Group for FY2024 assuming that the Proposed Transaction had been effected as at 1 January 2024 is as follows:

	Before the Proposed Transaction	**Proforma after the Proposed Transaction**[6]
Profit/(Loss) attributable to Shareholders (S$ million)	702.3	775.8
Weighted average number of ordinary shares in issue (in million)	3,116.8	3,116.8
EPS (cents) - basic	22.53	24.89

2.4.4 **Gain on Proposed Transaction**. Based on the estimated net proceeds from the Proposed Transaction set out in paragraph 2.4 above and the estimated carrying value of the Purchased Stock as at the estimated Closing Date, the Proposed Transaction is estimated to result in a gain of S$100 million[7] from the relevant proceeds over the said estimated carrying value.

3. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The Proposed Transaction is a disclosable transaction for the Company pursuant to the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited. Based on the audited consolidated financial statements of the Group for FY2024, the relative figures of the Proposed Transaction computed on the bases set out in Rule 1010 of the Listing Manual are as follows:

Rule 1006	**Bases**	**Group** S$'million	**LeeBoy** S$'million	**Relative Figures** %
(a)	The NAV of the assets to be disposed of, compared with the Group	2,950.8	200.9	6.8

[6] Including the impact of one-off gain / loss from the Proposed Transaction.
[7] On an after-tax basis.

Rule 1006	Bases	Group S$'million	LeeBoy S$'million	Relative Figures %
(b)	The Net Profits[1] attributable to the assets to be disposed of, compared with the Group	862.7	33.8	3.9
(c)	Aggregate Consideration receivable for the Proposed Transaction, compared with ST Engineering's market capitalisation[2]	24,653.5	372	1.5

Notes:

(1) Based on the Net Profit of LeeBoy for FY2024 and the Net Profit of the Group for FY2024.

(2) ST Engineering's market capitalisation is based upon 3,121.8 million ordinary shares in the capital of ST Engineering (excluding treasury shares) as at 23 June 2025 ("**ST Engineering Shares**") at a volume weighted average price of S$7.8972 per ST Engineering Share as at 23 June 2025.

4. FURTHER INFORMATION

4.1 No Directors' Service Contracts

No person is proposed to be appointed to the Board as part of the Proposed Transaction and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Transaction.

4.2 Interests of Directors And Substantial Shareholders

To the best of the knowledge of the Board: (i) none of the directors (other than in his/her capacity as director or Shareholder, as the case may be) of the Company has any interest, direct or indirect in the Proposed Transaction; and (ii) there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Transaction.

4.3 Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company for three months from the date of this Announcement.

By order of the Board

Low Meng Wai

Company Secretary

24 June 2025