

SINGAPORE TECHNOLOGIES ENGINEERING LTD
(Incorporated in Singapore)
(Company Registration Number: 199706274H)

PROPOSED ACQUISITION OF D'CRYPT PTE LTD

1. **Introduction.** The Board of Directors ("**Board**" or "**Directors**") of Singapore Technologies Engineering Ltd. ("**Company**") wishes to announce that ST Engineering Info-Security Pte. Ltd. ("**Purchaser**"), an indirect wholly-owned subsidiary of the Company, has on 12 December 2023 entered into a conditional sale and purchase agreement ("**SPA**") with Keele Investments Pte. Ltd. ("**Seller**") in relation to the acquisition by the Purchaser of 2,000,000 ordinary shares in the capital of D'Crypt Pte. Ltd. ("**Target**"), comprising 100% of the issued share capital of the Target, held by the Seller ("**Proposed Acquisition**"). Completion of the Proposed Acquisition remains subject to fulfilment and/or waiver of conditions precedent in accordance with the terms of the SPA.
2. **Consideration for the Proposed Disposal.** Under the terms of the SPA, the consideration for the Proposed Acquisition payable to the Seller comprises (a) an initial consideration of S\$67,500,000 which is subject to certain adjustments prior to and following completion of the Proposed Acquisition, and (b) an earn-out consideration of S\$5,000,000 conditional upon meeting the stipulated earn-out milestone.

The consideration for the Proposed Acquisition was arrived at after negotiations between the parties taking into account, among other factors, the Target's historical financial performance and future prospects.

3. **Book Value and Net Tangible Asset ("NTA") of the Target.** Based on the unaudited financial statements of D'Crypt for the half year ended 30 June 2023, the book value and NTA of D'Crypt as at 30 June 2023 were approximately S\$48.1 million and S\$46.1 million, respectively.
4. **Non-discloseable Transaction.** None of the relative figures under Rule 1006 of the Listing Manual of the Singapore Exchange Trading Limited ("**SGX-ST**") relating to the Proposed Acquisition exceeds 5%, and accordingly, the Proposed Acquisition is a non-discloseable transaction under Chapter 10 of the Listing Manual.
5. **Interested Person Transaction.** As the Seller is an indirect subsidiary of Starhub Ltd and an associate of Temasek Holdings (Private) Limited, a controlling shareholder of the Company, the Proposed Acquisition constitutes an "interested person transaction" pursuant to Chapter 9 of the Listing Manual.

As stated in the Company's letter dated 22 March 2023 to shareholders in relation to the renewal of its interested person mandate, ST Engineering obtained confirmation from the SGX-ST that it has no objection to ST Engineering's use of the average of its daily end-of-day market capitalisation for the month of December 2022 as an alternative reference point (in lieu of using the latest audited consolidated NTA) to determine the materiality of the Company's interested person transactions under Rules 905 and 906 of the Listing Manual, for the financial year ending 31 December 2023. The average of ST Engineering's daily end-of-day market capitalisation for the month of December 2022 was S\$10,511.1 million ("**Relevant Market Cap**"), 3% of which is S\$315.3 million and 5% of which is S\$525.6 million.

The value at risk to ST Engineering is the consideration for the Proposed Acquisition. For purpose of computing such value at risk, the consideration payable represents less than 3% of the Relevant Market Cap. Accordingly, the Proposed Acquisition does not constitute an

"interested person transaction" which requires immediate announcement under Rule 905 of the Listing Manual.

6. **General.** The Proposed Acquisition is not expected to have any material impact on either the net tangible assets per share or the earnings per share of the Company for the current financial year ending 31 December 2023.
7. **Document for Inspection.** A copy of the SPA may be inspected during the Company's normal business hours on any business day for a period of three (3) months from the date of this Announcement at the registered office of the Company at 1 Ang Mo Kio Electronics Park Road #07-01 ST Engineering Hub Singapore 567710.

BY ORDER OF THE BOARD

LOW MENG WAI
Company Secretary
13 December 2023