News Release

ST Engineering's Marine Arm Bags New Contracts Of About S$431m in 3Q2018

Total contract value includes options for five vessels

Singapore, 30 October 2018 – ST Engineering announced today that its Marine sector secured in the third quarter (3Q) of 2018 about S$431m worth of contracts including options for its shipbuilding business, as well as the ship and rig repair segments for progressive deliveries at its yards in Singapore and the US. These new contracts reinforced the positioning of the Group's marine sector as a total solution provider for both naval and commercial ships.

US yard gaining traction for new orders

In the US, the Naval Sea Systems Command (NAVSEA) has awarded its US shipyard a contract, including options worth US$244m (about S$331m) for the detailed design and construction (DD&C) of two firm and up to four optional Auxiliary Personnel Lighter Small APL Class Berthing Barges. The anticipated delivery periods of the two firm vessels are in the second and third quarter of 2020, respectively. The options for the four vessels could be exercised for delivery during fiscal years 2019 to 2022.

In addition, Bouchard Transportation Co., Inc., a long-standing customer has awarded its US shipyard a US$30m (S$40m) new build contract for one firm Articulated Tug Barge (ATB) Tug and an option for a second vessel to be exercised within 1Q2019.

Repair segment continues its momentum

The ship and rig repair business continued its momentum of winning new projects, securing contracts worth about S$35m for both commercial and naval projects. Its US repair business, situated next to its shipbuilding Pascagoula yard has gained traction for new orders, as it continues to cross-sell its repair and maintenance services to an expanded pool of customers.

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These contracts secured cover a wide-ranging scope - from repair of dredgers, offshore vessels, and oil & chemical tankers, to high engineering content conversion of an anchor handling tug supply vessel to carry methanol instead of cement.

The sector also secured its first refit on a naval platform for a foreign navy with operations in the Indo-Pacific region.

On the chartering front, the Nova Star, a Roll-on/Roll-off Passenger Vessel has been leased for a 24-month bareboat charter and is currently deployed for service between Baltic Sea and North Sea.

These contracts are 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.

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ST Engineering is a global technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. The Group employs about 22,000 people across offices in Asia, the Americas, Europe and the Middle East, serving customers in the defence, government and commercial segments in more than 100 countries. With more than 500 smart city projects across 70 cities in its track record, the Group continues to help transform cities through its suite of Smart Mobility, Smart Security and Smart Environment solutions. Headquartered in Singapore, ST Engineering reported revenue of S$6.62b in FY2017 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore, SGX ESG Transparency Index and SGX ESG Leaders Index.

The Marine sector provides turnkey and sustainable solutions to a worldwide clientele in the marine, offshore and environmental engineering industries. In shipbuilding, it has proven capabilities from conception to detailed design, construction, on-board system installation and integration, commissioning to through-life support. It has also established a track record in high engineering content repair and conversion services. Its deep engineering expertise in large-scale engineering serves the increasing global demand for innovative green solutions in water, wastewater, solid waste and renewable energy. Please visit www.stengg.com for more information. For more information, please visit www.stengg.com.

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