News Release

ST Engineering's Aerospace Arm Secures New Contracts Worth about S$530m in 3Q2017

Singapore, 23 October 2017 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its aerospace arm, Singapore Technologies Aerospace Ltd (ST Aerospace) secured new contracts worth about S$530m in the third quarter (3Q) of 2017 for services ranging from heavy airframe and engine maintenance, component repair and overhaul to cabin retrofit.

New contracts

The heavy airframe maintenance contracts include long-term agreements to support a range of aircraft platforms from MD-11, Boeing 777 and Boeing 757 to A300 for freight operators. Other MRO contracts clinched in 3Q2017 include agreements to service CFM56-7B engines for European and Asia airlines, as well as agreements to overhaul the landing gears of commercial and military aircraft.

ST Aerospace further grew its cabin retrofit business and secured a launch customer for its aircraft seats when it won a contract from an aircraft leasing company to refresh and reconfigure the cabin interior of two A320 aircraft. ST Aerospace will be installing its in-house designed seat, which is tailored specifically for narrow-body aircraft and medium-haul flights, when refreshing the cabin interior of the two aircraft. At just under 11kg, the new seat is among the lightest in its class. Apart from helping airlines to save fuel and operating cost, innovative features – such as an articulating seat pan that allows for large shin clearance – have been incorporated into the design to provide maximum space and comfort for passengers.

Other non-MRO related contracts won during the quarter include a 3-year agreement to further support existing customer Xiamen Airlines' pilot training needs, and a 3-year

agreement from new customer, Air China to train up to 100 cadet pilots per year for the airline.

Redeliveries and capabilities development

The aerospace sector redelivered a total of 1,134 aircraft for airframe maintenance and modification work in 3Q2017. Additionally, a total of 11,509 components, 65 landing gears and 34 engines were processed, while 2,565 engine washes were conducted.

The sector continued to expand its capabilities when its airframe MRO station in Guangzhou, China, received approval by the Civil Aviation Authority of Malaysia to provide maintenance service for Boeing 767, while its VIP completion and refurbishment business, AERIA Luxury Interiors, LLC registered successfully for an independent repair certification with the Federal Aviation Administration, allowing the company to streamline its completion process, and expedite its maintenance, refurbishment and completion contracts in the most efficient way possible.

As for capacity-building, Precision Product Singapore (PPS), a business which manufactures precision casting parts and mould tooling for aerospace, oil & gas and other industrial applications, broke ground on an expanded facility. In addition to expanding its facility, PPS will also be introducing more automation and the use of robotics to the production process to enhance its capabilities and competitiveness.

The above developments 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 Aerospace (Singapore Technologies Aerospace Ltd) is the aerospace arm of ST Engineering with revenue of S$2.49b in FY2016. Operating a global MRO network with facilities and affiliates in the Americas, Asia Pacific and Europe, it is the world's largest commercial airframe MRO provider with a global customer base that includes leading airlines, airfreight and military operators. ST Aerospace is an integrated service provider that offers a spectrum of maintenance and engineering services that include airframe, engine and component maintenance, repair and overhaul; engineering design and technical services; and aviation materials and asset management services, including

Total Aviation Support. ST Aerospace has global staff strength of around 8,000 employees worldwide. Please visit www.stengg.com/en/aerospace for more information.

ST Engineering (Singapore Technologies Engineering Ltd) is an integrated defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. It has global presence with offices in Asia, the Americas, Europe and the Middle East and employs about 22,000 employees. Across the globe, its employees bring innovation and technology together to create smart engineering solutions for its customers in the defence, government and commercial segments. Headquartered in Singapore, ST Engineering reported revenue of S$6.68b in FY2016 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore and the SGX Sustainability Leaders Index. Please visit www.stengg.com for more information.

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