News Release

ST Engineering's Aerospace Sector Secures 10-year Airframe MRO Contract from Existing Customer

Singapore, 25 February 2019 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its Aerospace sector has signed an agreement with a contract value of about US$600m (approximately S$813m) to provide aircraft heavy maintenance services to a major North American operator. ST Engineering will support the operator, an existing customer, on a fleet of over 160 widebody and narrowbody aircraft starting in 2020 for a period of 10 years.

Under the long-term strategic alliance, ST Engineering is able to offer a fleet reliability programme that monitors the health of each aircraft and recommend maintenance actions to address identified issues before they impact the airline's operational reliability. Continuous improvement initiatives over the duration of the programme will also help drive greater efficiency and shorter turnaround times during maintenance.

Mr Lim Serh Ghee, President of ST Engineering's Aerospace Sector, said, "We are delighted that this existing customer, whom we have worked closely with for many years, has decided to continue entrusting us with maintaining their aircraft, and take that relationship further by placing an additional aircraft type under our care. Long-term partnerships such as this allow us to build a deep understanding of our customers' needs to better support them as their fleet size grows."

ST Engineering will be providing airframe maintenance services to the customer at its US facilities located in San Antonio, Texas and Pensacola, Florida. The San Antonio facility is a well-established airframe MRO service provider which just received the prestigious Federal Aviation Administration Aviation Maintenance Technician Diamond Award of Excellence in 2018, while the Pensacola facility comprises a new hangar with state-of-the-art infrastructure that began operations in June 2018.

Both facilities are part of ST Engineering's global network of aviation facilities that count leading airlines and military aircraft operators among their clients. Its Aerospace arm is the world's largest commercial airframe MRO service provider, a leading position it enjoyed since 2002 based on a biennial ranking survey conducted by Aviation Week Network.

This contract 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.

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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 $6.7b in FY2018 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. For more information, please visit www.stengg.com.

The Aerospace sector provides integrated aerospace services and solutions through a global network of facilities and affiliates in the Americas, Asia Pacific and Europe, supporting a broad customer base that comprises leading airlines, airfreight operators and armed forces. Its wide spectrum of maintenance and engineering solutions include airframe, engine and component maintenance, repair and overhaul; engineering design and technical services; as well as aviation materials and asset management services. The sector also has original equipment manufacturing capabilities and holds proprietary designs in products such as aircraft seats. For more information, please visit www.stengg.com.

Media contacts:

Lina Poa
Head, Corporate Communications & Investor Relations
Tel: (65) 6722 1883
Email: linapoa@stengg.com

Say Huan Yuan
Assistant Vice President, Corporate Communications
Tel: (65) 6722 1678
Email: say.huanyuan@stengg.com