News Release

ST Engineering Divests Specialty Vehicles Subsidiary in India

Singapore, 31 October 2018 – Singapore Technologies Engineering Ltd (ST Engineering) today announced that its indirect subsidiary, SDG Kinetics Pte. Ltd. (SDGK) will divest 100% of LeeBoy India Construction Equipment Private Limited (LBI) in two tranches to Polyhose India Private Limited (Polyhose) for a consideration of US$1.05m (about S$1.44m). The consideration was arrived at after taking into account current market conditions, financial position of LBI and future business prospects.

Closing for the first-tranche divestment comprising 73% stake took place on 31 October 2018. The balance stake of 27% will be transferred to Polyhose upon receipt of acknowledgment for relevant regulatory filings.

As part of the transaction, ST Engineering Land System Ltd., through SDGK, made a capital injection of INR 344m (about S$6.5m) to enable LBI to discharge its outstanding bank loans of the same amount.

LBI was set up in 2010 to manufacture and distribute road construction equipment in India. The divestment is a result of ST Engineering's ongoing business review to streamline capabilities and optimise resources within the Group.

The transaction is not expected to have any material impact on the 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 more than 100 countries. Its employees bring innovation and technology together to create smart engineering solutions for customers in the defence, government and commercial segments. 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. For more information, please visit www.stengg.com.

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