

# News Release

## ST Engineering Delivers Strong 1H2024 Financial Performance

<b>FINANCIAL HIGHLIGHTS</b> For the first half-year ended 30 June 2024			
	<b>2024 1H</b>	<b>2023 1H</b>	<b>Change</b>
Revenue (\$m)	5,520	4,863	13.5%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (\$m)	786.1	710.5	10.6%
Profit from operations (PFO) (\$m)	484.6	420.8	15.1%
Earnings before interest and tax (EBIT) (\$m)	522.9	444.2	17.7%
Finance costs, net (\$m)	(106.5)	(92.8)	14.7%
Profit before tax (PBT) (\$m)	416.5	351.4	18.5%
Profit attributable to shareholders (Net Profit) (\$m)	336.5	280.6	19.9%
Earnings per share (cents)	10.80	9.01	19.9%

- Robust Order Book of \$27.9b as at end June 2024, of which about \$4.9b is expected to be delivered in the remaining months of 2024
- 1H2024 Commercial sales and defence sales<sup>1</sup> constituted \$3.9b and \$1.6b respectively
- Cash and cash equivalents as at end June 2024 of \$430m

*N.B.: All currencies are in Singapore dollars*

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**Singapore, 14 August 2024** - Singapore Technologies Engineering Ltd (ST Engineering) today reported its first half-year financial results ended 30 June 2024 (1H2024).

The Group posted a revenue of \$5.52b for the first half of 2024, a 14% growth year-on-year (y-o-y) from \$4.86b, driven by higher contributions from all three business segments. Group EBITDA was \$786m, up 11% y-o-y from \$711m. Group EBIT increased by 18% y-o-y to \$523m from \$444m, and Group Profit before tax (PBT) was 19% higher y-o-y at \$416m from \$351m. Group Profit attributable to shareholders (Net Profit) rose to \$337m, reflecting a 20% improvement from \$281m a year ago.

#### **Business Segments: 1H2024 Revenue and EBIT**

**Commercial Aerospace (CA):** Revenue grew strongly at 20% y-o-y to \$2.23b from \$1.86b driven by higher revenues from Aerospace MRO and Aerostructures & Systems sub-segments. EBIT was \$190m, up 7% y-o-y from \$178m, contributed by higher revenue, partially offset by lower contribution from significantly lower aircraft sales, project timing and sales mix.

**Defence & Public Security (DPS):** Revenue grew 12% y-o-y to \$2.37b from \$2.12b, with the increase largely driven by its Digital Systems & Cyber and Marine sub-segments, even as Defence Aerospace and Land Systems sub-segments recorded higher revenues y-o-y. EBIT increased by 8% y-o-y to \$324m from \$301m.

**Urban Solutions & Satcom (USS):** Revenue was \$918m, 3% higher y-o-y from \$891m, attributed to higher revenue from Urban Solutions sub-segment (which includes TransCore), offset by lower revenue from Satcom sub-segment. The segment posted an EBIT of \$9m, compared to a loss of \$34m a year ago, helped by business growth, cost savings and the absence of Satcom one-off loss<sup>2</sup> incurred in the prior year.

The Satcom team's proactive measures on cost management and operational efficiency have helped mitigate the effects of lower sales volume on Satcom's base operating EBIT performance, which remained flat versus 1H2023.

*“We posted strong revenue and profit growth in the first half of 2024. Despite continuing challenges in the operating environment, we see opportunities in aerospace, smart city, defence and public security industry domains. Given these opportunities, and supported by a robust order book, we remain confident in achieving long-term sustainable growth.”*

*Vincent Chong, Group President & CEO*

In the first half, commercial sales and defence sales accounted for \$3.9b and \$1.6b respectively of Group revenue. As at 30 June 2024, the Group held \$430m in cash and cash equivalents.

### **New Contract Wins and Order Book**

The Group secured \$6.1b of new contracts for 1H2024, including \$3b announced for 1Q2024. In 2Q2024 alone, the Group won \$3.1b in new contracts, comprising \$1.29b for Commercial Aerospace, \$0.96b for Defence & Public Security and \$0.81b for Urban Solutions & Satcom.

**Commercial Aerospace** clinched new contracts and received strong orders across its MRO and manufacturing businesses. New contracts include a two-year agreement announced in July to provide Safran Aircraft Engines with engine module repair offload support for CFM LEAP engines, a three-year contract extension for LEAP-1B quick-turn maintenance offload services also with Safran Aircraft Engines, and an airframe heavy maintenance contract to service A320s for an Asian airline.

**Defence & Public Security** won new contracts for its NATO standard 155mm and 40mm ammunition from European customers, including over \$100m from contracts that were announced in June. It also won a contract for the supply of four ExtremV All Terrain Tracked Vehicles to a customer in Asia. There were also new orders for its suite of Digital solutions including an integrated Battlefield Management System and a 360° Situational Awareness System for an Asian customer, on-premises cloud solution, integrated communications systems for vehicles, as well as cybersecurity systems. Its Marine business received new orders for ship repair services from commercial and naval customers, including ongoing support for U.S. Naval Ships.

**Urban Solutions & Satcom** secured contracts from global customers across its business lines. Highlights from Urban Solutions include smart mobility contracts to supply its Passenger

Information System in Australia, rail digital radio system upgrade for Taipei Metro in Taiwan, bus fleet maintenance management system in Singapore, as well as multi-year contracts for electronic toll collection systems including with the Delaware River Port Authority, O&M and RFID sales in the U.S. and Middle East, and an Intelligent Transportation System for the Missouri Department of Transportation. Smart utilities and infrastructure contracts include a smart lighting project for a leading international airport in Southeast Asia and integrated smart security management solutions in Singapore. Satcom secured ground infrastructure contracts for the aviation, enterprise, mobility and government segments in North and South America and Europe.

The Group ended 1H2024 with an order book of \$27.9b and it expects to deliver about \$4.9b from the order book in the remaining months of 2024.

### **Interim Dividend**

The Board of Directors has approved a second interim dividend of 4.0 cents per ordinary share. Shareholders will receive the payment on 5 September 2024.

### Notes

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<sup>1</sup> Refers to Group revenue by products and services type

<sup>2</sup> Satcom one-off loss of \$26m comprising SatixFy divestment loss and severance costs

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**ST Engineering** is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and public security segments. The Group harnesses technology and innovation to solve real-world problems, enabling a more secure and sustainable world. Headquartered in Singapore, it has operations spanning Asia, Europe, the Middle East and the U.S., serving customers in more than 100 countries. ST Engineering reported a revenue of over \$10 billion in 2023 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of MSCI Singapore, FTSE Straits Times Index and Dow Jones Sustainability Asia Pacific Index.

Follow us on [LinkedIn](#).

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**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR  
ENDED 30 JUNE 2024**

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**SINGAPORE TECHNOLOGIES ENGINEERING LTD**  
**UNAUDITED RESULTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

**1 CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

	<b>GROUP</b>		
	<b>1H2024</b> \$'000	<b>1H2023</b> \$'000	<b>+ / (-)</b> %
<b>Revenue</b>	<b>5,520,394</b>	<b>4,863,416</b>	<b>13.5</b>
Cost of sales	(4,467,499)	(3,883,004)	15.1
<b>Gross profit</b>	<b>1,052,895</b>	<b>980,412</b>	<b>7.4</b>
Distribution and selling expenses (refer to para 1.6)	(104,584)	(103,469)	1.1
Administrative expenses (refer to para 1.7)	(385,900)	(359,368)	7.4
Other operating expenses (refer to para 1.8)	(86,238)	(83,504)	3.3
Other income/ (expenses), net (refer to para 1.9)	8,382	(13,250)	NM
<b>Profit from operations</b>	<b>484,555</b>	<b>420,821</b>	<b>15.1</b>
Non-operating expenses, net	(59)	(202)	(70.8)
Share of results of associates and joint ventures, net of tax (refer to para 1.10)	38,426	23,553	63.1
<b>Earnings before interest and tax (refer to para 1.1)</b>	<b>522,922</b>	<b>444,172</b>	<b>17.7</b>
Finance income	26,297	34,384	(23.5)
Finance costs	(132,748)	(127,167)	4.4
Finance costs, net (refer to para 1.2)	(106,451)	(92,783)	14.7
<b>Profit before taxation</b>	<b>416,471</b>	<b>351,389</b>	<b>18.5</b>
Taxation	(68,273)	(66,034)	3.4
<b>Profit after taxation</b>	<b>348,198</b>	<b>285,355</b>	<b>22.0</b>
Attributable to:			
<b>Shareholders of the Company</b>	<b>336,528</b>	<b>280,617</b>	<b>19.9</b>
Non-controlling interests	11,670	4,738	146.3
	<b>348,198</b>	<b>285,355</b>	<b>22.0</b>
<b>EBITDA</b>	<b>786,145</b>	<b>710,537</b>	<b>10.6</b>

NM: Not Meaningful

Note:

Amounts may not add to totals shown due to rounding

1(a) **BREAKDOWN AND EXPLANATORY NOTES TO CONSOLIDATED INCOME STATEMENT**

**General**

The Company is a public limited company domiciled and incorporated in Singapore. The address of the Company's registered office and principal place of business is 1 Ang Mo Kio Electronics Park Road #07-01, ST Engineering Hub, Singapore 567710.

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

The consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group).

**Basis of preparation**

The condensed interim financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period and are consistent with those used in the previous financial year. The adoption of the new and revised SFRS(I) and related interpretations that are mandatory for financial year beginning on or after 1 January 2024 has no significant impact on the financial statements of the Group or the Company.

The financial statements are presented in Singapore dollars (SGD) which is the Company's functional currency.

**Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1(a) **BREAKDOWN AND EXPLANATORY NOTES TO CONSOLIDATED INCOME STATEMENT** (cont'd)

	<b>GROUP</b>		
	<b>1H2024</b>	<b>1H2023</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
1.1 Earnings before interest and tax is arrived at after charging the following:			
Depreciation and amortisation	263,223	266,365	(1.2)
The lower depreciation and amortisation expenses in 1H2024 was attributed to Commercial Aerospace and Urban Solutions & Satcom segments, partially offset by Defence & Public Security segment.			
(Reversal of)/ impairment losses on trade receivables and contract assets	(378)	5,579	NM
The reversal of impairment losses in 1H2024 was mainly attributed to Defence & Public Security and Urban Solutions & Satcom segments. (1H2023: The impairment losses was mainly attributed to Commercial Aerospace and Urban Solutions & Satcom segments.)			
Allowance for inventory obsolescence, net	15,344	22,367	(31.4)
The lower allowance for inventory obsolescence in 1H2024 was attributed to Commercial Aerospace and Defence & Public Security segments, partially offset by Urban Solutions & Satcom segment.			
1.2 Finance costs, net comprises:			
Interest income	6,537	8,080	(19.1)
Foreign exchange gain, net	16,819	1,848	>500
Fair value changes of financial instruments/ hedged items	(14,327)	11,433	NM
Interest expenses	(115,480)	(114,144)	1.2
	<u>(106,451)</u>	<u>(92,783)</u>	14.7
1.3 Profit after taxation as a percentage of revenue	6.3%	5.9%	
1.4 Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	13.1%	11.5%	
1.5 The Group's tax charge in 1H2024 included adjustments for underprovision of current tax of \$4.7 million and overprovision of deferred tax of \$5.3 million in respect of prior years. (1H2023: Adjustments for underprovision of current tax and deferred tax of \$1.5 million and \$0.2 million respectively in respect of prior years.)			
1.6 The higher distribution and selling expenses in 1H2024 (by \$1.1 million) was mainly attributed to biennial Singapore Airshow expenses, partially offset by write back of doubtful debts and lower other selling expenses.			
1.7 The higher administrative expenses in 1H2024 (by \$26.5 million) was mainly attributed to higher staff related expenses and other administrative expenses.			
1.8 The higher other operating expenses in 1H2024 (by \$2.7 million) was mainly attributed to higher research and development expenses and other miscellaneous operating expenses.			
1.9 The other income, net in 1H2024 of \$8.4 million as compared to other expenses, net of \$13.3 million in 1H2023 was attributed mainly to absence of loss on divestment of SatixFy.			
1.10 The share of results of associates and joint ventures, net of tax, increased (by \$14.9 million) largely due to improved performance from associates and joint ventures in Commercial Aerospace segment and contribution from Experia Events Pte. Ltd., the organiser of Singapore Airshow 2024.			

Note: Defence & Public Security includes "Others"



1(b) **BREAKDOWN OF REVENUE AND PROFIT FOR THE PERIOD**

	<b>GROUP</b>		
	<b>2024</b>	<b>2023</b>	<b>+/(-)</b>
	\$'000	\$'000	%
Revenue reported for first half-year	5,520,394	4,863,416	13.5
Profit after taxation reported for first half-year	348,198	285,355	22.0

1(c) **RELATED PARTY TRANSACTIONS**

	<b>Group</b>	
	<b>1H2024</b>	<b>1H2023</b>
	\$'000	\$'000
<b>Associates of the Group</b>		
Sales and services rendered	4,025	4,492
Purchases and services received	50,299	28,062
Dividend income	20,216	30,487
<b>Joint ventures of the Group</b>		
Sales and services rendered	144,499	244,828
Purchases and services received	5,959	2,805
Dividend income	2,826	711
<b>Other related parties *</b>		
Sales and services rendered	29,010	37,491
Purchases and services received	23,082	25,759
Rental expense	3,214	3,336

\* Other related parties refer to subsidiaries, associates and joint ventures of the immediate holding company.

1(d) **EARNINGS PER ORDINARY SHARE (EPS)**

	<b>GROUP</b>		
	<b>1H2024</b>	<b>1H2023</b>	<b>FY2023</b>
EPS based on profit attributable to shareholders:	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	10.80	9.01	18.82
(ii) On a fully diluted basis	10.71	8.95	18.69

2 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the SFRS(I).

	<b>GROUP</b>		
	<b>1H2024</b>	<b>1H2023</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
Profit after taxation	348,198	285,355	22.0
<b>Other comprehensive income</b>			
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>			
Defined benefit plan remeasurements	(329)	2	NM
<b><i>Items that are or may be reclassified subsequently to profit or loss:</i></b>			
Net fair value changes of cash flow hedges reclassified to income statement	(9,452)	(22,446)	(57.9)
Effective portion of changes in fair value of cash flow hedges	(18,434)	24,874	NM
Share of net fair value changes of cash flow hedges of joint ventures	5,067	559	>500
Foreign currency translation differences	22,647	27,097	(16.4)
Share of foreign currency translation differences of associates and joint ventures	10,535	(641)	NM
Reserves released on disposal of subsidiaries	2,353	710	231.4
	12,716	30,153	(57.8)
Other comprehensive income for the period, net of tax	12,387	30,155	(58.9)
<b>Total comprehensive income for the period, net of tax</b>	<b>360,585</b>	<b>315,510</b>	<b>14.3</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company	356,034	297,474	19.7
Non-controlling interests	4,551	18,036	(74.8)
	<b>360,585</b>	<b>315,510</b>	<b>14.3</b>

3 **STATEMENT OF FINANCIAL POSITION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,066,986	2,076,209	423	476
Right-of-use assets	625,767	651,109	35	90
Subsidiaries	-	-	1,626,931	1,634,953
Associates and joint ventures	604,700	567,404	-	-
Investments	66,319	63,075	-	-
Intangible assets	5,064,214	4,958,158	-	-
Long-term trade receivables	35,213	11,314	-	-
Deferred tax assets	292,785	214,178	-	-
Amounts due from related parties	44,672	36,219	-	-
Advances and other receivables	136,966	134,542	-	-
Derivative financial instruments	18,228	36,895	-	-
	<b>8,955,850</b>	<b>8,749,103</b>	<b>1,627,389</b>	<b>1,635,519</b>
<b>Current assets</b>				
Inventories	2,035,050	1,897,274	-	-
Contract assets	2,373,128	2,240,100	-	-
Trade receivables	1,441,781	1,581,261	-	-
Amounts due from related parties	49,800	59,964	56,188	1,169
Advances and other receivables	581,372	469,073	312	101
Derivative financial instruments	13,394	28,789	-	-
Bank balances and other liquid funds	429,944	353,337	5,431	8,163
	<b>6,924,469</b>	<b>6,629,798</b>	<b>61,931</b>	<b>9,433</b>
<b>TOTAL ASSETS</b>	<b>15,880,319</b>	<b>15,378,901</b>	<b>1,689,320</b>	<b>1,644,952</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Contract liabilities	957,961	978,051	-	-
Deposits from customers	50,008	31,229	-	-
Trade payables and accruals	3,082,417	3,155,075	7,576	6,937
Amounts due to related parties	38,814	50,168	28,184	494
Provisions	332,377	337,663	-	-
Provision for taxation	179,893	165,959	189	333
Borrowings	3,541,986	2,563,661	-	-
Deferred income	15,394	11,755	-	-
Post-employment benefits	6,241	10,075	-	-
Derivative financial instruments	18,840	18,722	-	-
	<b>8,223,931</b>	<b>7,322,358</b>	<b>35,949</b>	<b>7,764</b>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>	<b>(1,299,462)</b>	<b>(692,560)</b>	<b>25,982</b>	<b>1,669</b>

3 **STATEMENT OF FINANCIAL POSITION** (cont'd)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>				
Contract liabilities	1,660,473	1,274,916	-	-
Trade payables and accruals	77,660	59,109	-	-
Provisions	40,259	39,095	-	-
Deferred tax liabilities	197,764	156,422	-	-
Borrowings	2,593,381	3,544,431	-	-
Deferred income	14,375	15,851	-	-
Post-employment benefits	212,132	209,840	-	-
Derivative financial instruments	6,501	4,543	-	-
	<b>4,802,545</b>	<b>5,304,207</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>13,026,476</b>	<b>12,626,565</b>	<b>35,949</b>	<b>7,764</b>
<b>NET ASSETS</b>	<b>2,853,843</b>	<b>2,752,336</b>	<b>1,653,371</b>	<b>1,637,188</b>
<b>Share capital and reserves</b>				
Share capital	895,926	895,926	895,926	895,926
Treasury shares	(14,802)	(29,644)	(14,802)	(29,644)
Capital reserves	88,703	93,464	(27,337)	(22,599)
Other reserves	(53,459)	(63,346)	65,549	77,348
Retained earnings	1,649,297	1,562,940	734,035	716,157
<b>Equity attributable to owners of the Company</b>	<b>2,565,665</b>	<b>2,459,340</b>	<b>1,653,371</b>	<b>1,637,188</b>
Non-controlling interests	288,178	292,996	-	-
	<b>2,853,843</b>	<b>2,752,336</b>	<b>1,653,371</b>	<b>1,637,188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,880,319</b>	<b>15,378,901</b>	<b>1,689,320</b>	<b>1,644,952</b>

3(a) **ANALYSIS OF STATEMENT OF FINANCIAL POSITION**

(30 June 2024 vs 31 December 2023)

Associates and joint ventures increased by \$37.3 million to \$604.7 million due to additional investments in associates and joint ventures of Commercial Aerospace.

Long-term trade receivables increased by \$23.9 million to \$35.2 million mainly relates to Urban Solutions sub-segment's long-term projects for U.S. government agencies and were contractually due after twelve months from the balance sheet date.

Amounts due from related parties (non-current), which increased by \$8.5 million to \$44.7 million, comprised loans to associates and joint ventures maturing after twelve months from the balance sheet date and no credit loss was expected.

Advances and other receivables (non-current), which increased by \$2.4 million to \$137.0 million, and advances and other receivables (current), which increased by \$112.3 million to \$581.4 million, comprised mainly advance payments to suppliers, prepayments, deposits, other receivables and finance lease receivables paid and/ or receivable in the ordinary course of business.

3(a) **ANALYSIS OF STATEMENT OF FINANCIAL POSITION** (cont'd)

Trade receivables (current) decreased by \$139.5 million to \$1,441.8 million, due to collections. There was no material change in aging profile or expected credit loss as compared to the prior year.

The increase in borrowings (current) and corresponding reduction in borrowings (non-current) were due to the classification of medium-term note (MTN) maturing within twelve months as current liabilities.

Contract liabilities (non-current) increased by \$385.6 million to \$1,660.5 million due mainly to higher advance payments from customers and higher progress billings for projects.

The Group's current liabilities, as at 30 June this year, increased as compared to 31 December 2023 because a US\$750m tranche of MTN was re-classified from long-term liabilities to current liabilities. This MTN will mature in April 2025 and the Group will be refinancing it through a combination of internally generated funds and the issuance of a new tranche of MTN.

Notwithstanding the Group's net current liabilities position of \$1,299 million as at 30 June 2024, it has available financial resources to meet its obligations as and when they fall due. To ensure that the Group is not exposed to short-term liquidity risk, its outstanding United States Commercial Papers (USCP) of \$2.1 billion are backstopped by a committed revolving credit facility (RCF) of \$2.3 billion. The RCF remained undrawn as at 30 June 2024 and was more than enough to refinance all the outstanding USCP, if needed, and to cover the Group's net current liabilities position. The Group has very strong credit ratings (Aaa by Moody's and AA+ by S&P) which provide it ready access to refinancing of existing borrowings or additional borrowings as necessary. The Group's MTN, USCP and committed credit facilities do not have any financial covenants.

3(b) **BORROWINGS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Amount repayable within one year</u></b>				
Secured	98,433	91,051	-	-
Unsecured	3,443,553	2,472,610	-	-
	<u>3,541,986</u>	<u>2,563,661</u>	<u>-</u>	<u>-</u>
<b><u>Amount repayable after one year</u></b>				
Secured	510,114	532,815	-	-
Unsecured	2,083,267	3,011,616	-	-
	<u>2,593,381</u>	<u>3,544,431</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>6,135,367</u>	<u>6,108,092</u>	<u>-</u>	<u>-</u>

### 3(c) **FINANCIAL ASSETS AND LIABILITIES**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	<b>GROUP</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	\$'000	\$'000
<b>Financial assets</b>		
Investments	66,319	63,075
Associates	10,101	9,970
Derivative financial instruments	31,622	65,684
Trade receivables	1,476,994	1,592,575
Amounts due from related parties	94,472	96,183
Advances and other receivables	164,883	144,771
Bank balances and other liquid funds	429,944	353,337
	<u>2,274,335</u>	<u>2,325,595</u>
<b>Financial liabilities</b>		
Derivative financial instruments	25,341	23,265
Trade payables and accruals	3,160,077	3,214,184
Amounts due to related parties	38,814	50,168
Borrowings	6,135,367	6,108,092
	<u>9,359,599</u>	<u>9,395,709</u>

### 3(d) **FAIR VALUE HIERARCHY**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table shows the levels of fair value hierarchy and the respective valuation technique used in measuring the fair values, as well as significant unobservable inputs:

	<b>Types of financial instruments</b>	<b>Valuation method</b>
<b>Level 1</b>	FVOCI - Equity investments (quoted)	Determined by reference to their quoted bid prices for these investments as at reporting date.
	FVTPL - Equity investments (quoted)	Determined by reference to their quoted bid prices for these investments as at reporting date.
<b>Level 2</b>	FVOCI - Equity investments (unquoted)	Determined by reference to the most recent purchase price.
	Derivatives - Forward currency contracts - Interest rate swaps - Embedded derivatives	Determined based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
	FVTPL - Investment in associates	Determined by reference to the most recent purchase price.
<b>Level 3</b>	FVOCI - Equity investment (unquoted)	Determined based on latest funding round.
	FVTPL - Investment in associates	Determined based on valuation performed using adjusted market multiples. Changing one or more of the inputs to reasonable alternative assumptions is not expected to have a material impact on the changes in fair value.

3(d) **FAIR VALUE HIERARCHY** (cont'd)

The following table presented the assets and liabilities measured at fair value:

<b>30-Jun-24 Group</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets measured at fair value</b>			
Investments	-	66,319	66,319
Associates	-	10,101	10,101
Derivative financial instruments	31,622	-	31,622
	<u>31,622</u>	<u>76,420</u>	<u>108,042</u>
<b>Financial liabilities measured at fair value</b>			
Derivative financial instruments	25,341	-	25,341
	<u>25,341</u>	<u>-</u>	<u>25,341</u>
<b>31-Dec-23 Group</b>			
	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets measured at fair value</b>			
Investments	-	63,075	63,075
Associates	-	9,970	9,970
Derivative financial instruments	65,684	-	65,684
	<u>65,684</u>	<u>73,045</u>	<u>138,729</u>
<b>Financial liabilities measured at fair value</b>			
Derivative financial instruments	23,265	-	23,265
	<u>23,265</u>	<u>-</u>	<u>23,265</u>

3(e) **NET ASSET VALUE**

	<b>GROUP</b>		
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>31-Dec-23</b>
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	82.27	78.53	78.96

	<b>COMPANY</b>		
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>31-Dec-23</b>
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	53.02	50.87	52.57

4 **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

	<b>GROUP</b>	
	<b>1H2024</b>	<b>1H2023</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	416,471	351,389
Adjustments:		
Share of results of associates and joint ventures, net of tax	(38,426)	(23,553)
Share-based payment expense	13,593	11,627
Depreciation charge	167,391	166,031
Property, plant and equipment written off	166	1,061
Amortisation of other intangible assets	95,832	100,334
Amortisation of deferred income	(3)	(3)
Impairment losses on loan to associate	1,713	-
Loss/ (gain) on disposal of property, plant and equipment	8	(5,666)
Loss on disposal of investment	-	24,132
Loss on disposal of subsidiaries, net	59	202
Gain on ineffective portion/ discontinuation of cash flow hedges	(2,941)	(18,114)
Changes in fair value of investments	7,375	-
Changes in fair value of financial instruments/ hedged items	17,268	6,681
Interest expense	115,480	114,144
Interest income	(6,537)	(8,080)
Unrealised currency translation gains	(6,953)	(1,660)
Operating profit before working capital changes	<u>780,496</u>	<u>718,525</u>
Changes in:		
Inventories	(77,935)	5,245
Contract assets	(101,398)	(96,441)
Trade receivables	131,685	(45,467)
Amounts due from related parties	1,452	8,306
Advances and other receivables	(97,111)	(75,590)
Contract liabilities	342,300	482,643
Deposits from customers	18,303	1,837
Trade payables	(10,271)	76,265
Amounts due to related parties	(1,624)	782
Other payables, accruals and provisions	(94,595)	(151,972)
Deferred income	2,157	5,981
Cash generated from operations	<u>893,459</u>	<u>930,114</u>
Interest received	3,933	6,470
Income tax paid	<u>(87,970)</u>	<u>(79,781)</u>
<b>Net cash from operating activities</b>	<b><u>809,422</u></b>	<b><u>856,803</u></b>



4 **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024** (cont'd)

	<b>GROUP</b>	
	<b>1H2024</b>	<b>1H2023</b>
	\$'000	\$'000
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	148,089	6,778
Proceeds from disposal of investment	-	2,033
Purchase of property, plant and equipment	(242,011)	(295,713)
Purchase of investments	(9,032)	(8,848)
Additions to other intangible assets	(44,452)	(39,949)
Dividends from associates and joint ventures	23,042	31,198
Investment in associates and joint ventures	(6,310)	(30,243)
Repayment of loans by associate	-	85,726
Loans to associates and joint ventures	(10,323)	(2,773)
Acquisition of controlling interests in subsidiary, net of cash acquired	(55,401)	-
Disposal of subsidiary, net of cash received	-	155
<b>Net cash used in investing activities</b>	<b>(196,398)</b>	<b>(251,636)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	28,052	50,000
Proceeds from medium term note issuance	-	676,800
Proceeds from issuance of commercial papers	2,134,956	2,049,865
Proceeds from settlement of derivatives	2,941	-
Proceeds from finance lease receivables	112	100
Repayment of bank loans	(315,324)	(444,837)
Repayment of commercial papers	(1,956,457)	(2,722,090)
Repayment of lease liabilities	(36,989)	(33,013)
Purchase of treasury shares	(15,288)	(9,570)
Disposal of non-controlling interests	(2,286)	-
Dividends paid to shareholders of the Company	(249,582)	(249,437)
Dividends paid to non-controlling interests	(7,036)	-
Interest paid	(120,167)	(131,810)
Deposits pledged	(1)	-
<b>Net cash used in financing activities</b>	<b>(537,069)</b>	<b>(813,992)</b>
<b>Net change in cash and cash equivalents</b>	<b>75,955</b>	<b>(208,825)</b>
Cash and cash equivalents at beginning of the period	353,316	601,749
Effect of exchange rate changes on balances held in foreign currency	651	(5,796)
<b>Cash and cash equivalents at end of the period</b>	<b>429,922</b>	<b>387,128</b>

4(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS**

The Group ended the first half-year of 2024 with cash and cash equivalents (CCE) of \$430 million, \$77 million higher than end of 2023. In 1H2024, the Group generated net cash of \$809 million from its operating activities as compared to \$857 million in 1H2023, due to working capital movement, partially offset by higher EBITDA.

Net cash used in investing activities of \$196 million in 1H2024 was mainly attributed to the Group's investment in property, plant and equipment (\$242 million), acquisition of subsidiary (\$55 million) and additions to intangible assets (\$44 million), partially offset by proceeds from disposal of property, plant and equipment (\$148 million) and dividends from associates and joint ventures (\$23 million).

4(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS** (cont'd)

Net cash used in financing activities of \$537 million in 1H2024 was mainly attributed to net repayment of bank loans (\$287 million), payment of dividends (\$250 million) and payment of interest (\$120 million), partially offset by net proceeds from commercial papers (\$178 million).

5 **STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

Group	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2024</b>	895,926	(29,644)	93,464	(63,346)	1,562,940	2,459,340	292,996	2,752,336
<b>Total comprehensive income for the period</b>								
Profit after taxation	-	-	-	-	336,528	336,528	11,670	348,198
<b>Other comprehensive income</b>								
Defined benefit plan remeasurements	-	-	-	-	(329)	(329)	-	(329)
Net fair value changes of cash flow hedges reclassified to income statement	-	-	-	(11,222)	-	(11,222)	1,770	(9,452)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(7,951)	-	(7,951)	(10,483)	(18,434)
Share of net fair value changes on cash flow hedges of joint ventures	-	-	-	5,067	-	5,067	-	5,067
Foreign currency translation differences	-	-	-	23,321	-	23,321	(674)	22,647
Share of foreign currency translation differences of associates and joint ventures	-	-	-	10,535	-	10,535	-	10,535
Reserves released on disposal of subsidiaries	-	-	-	85	-	85	2,268	2,353
<i>Other comprehensive income for the period, net of tax</i>	-	-	-	19,835	(329)	19,506	(7,119)	12,387
<b>Total comprehensive income for the period, net of tax</b>	-	-	-	<b>19,835</b>	<b>336,199</b>	<b>356,034</b>	<b>4,551</b>	<b>360,585</b>
Hedging gains and losses and cost of hedging transferred to the cost of inventory	-	-	-	1,521	-	1,521	-	1,521
<b>Transactions with owners of the Company, recognised directly in equity</b>								
<b>Contributions by and distributions to owners of the Company</b>								
Cost of share-based payment	-	-	-	13,558	-	13,558	35	13,593
Purchase of treasury shares	-	(15,288)	-	-	-	(15,288)	-	(15,288)
Treasury shares reissued pursuant to share plans	-	30,130	(4,761)	(25,287)	-	82	(82)	-
Dividends paid	-	-	-	-	(249,582)	(249,582)	-	(249,582)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(7,036)	(7,036)
<i>Total contributions by and distributions to owners of the Company</i>	-	14,842	(4,761)	(11,729)	(249,582)	(251,230)	(7,083)	(258,313)
<b>Changes in ownership interests in subsidiaries</b>								
Disposal of subsidiary	-	-	-	-	-	-	(2,286)	(2,286)
<b>Total transactions with owners of the Company</b>	-	14,842	(4,761)	(11,729)	(249,582)	(251,230)	(9,369)	(260,599)
Transfer from retained earnings to statutory reserve	-	-	-	260	(260)	-	-	-
<b>Balance at 30 June 2024</b>	<b>895,926</b>	<b>(14,802)</b>	<b>88,703</b>	<b>(53,459)</b>	<b>1,649,297</b>	<b>2,565,665</b>	<b>288,178</b>	<b>2,853,843</b>

5 **STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024** (cont'd)

Group	Share capital \$'000	Treasury shares \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 January 2023</b>	895,926	(36,377)	100,068	(34,437)	1,472,816	2,397,996	254,858	2,652,854
<b>Total comprehensive income for the period</b>								
Profit after taxation	-	-	-	-	280,617	280,617	4,738	285,355
<b>Other comprehensive income</b>								
Defined benefit plan remeasurements	-	-	-	-	-	-	2	2
Net fair value changes of cash flow hedges reclassified to income statement	-	-	-	(25,713)	-	(25,713)	3,267	(22,446)
Effective portion of changes in fair value of cash flow hedges	-	-	-	22,130	-	22,130	2,744	24,874
Share of net fair value changes on cash flow hedges of joint ventures	-	-	-	559	-	559	-	559
Foreign currency translation differences	-	-	-	19,812	-	19,812	7,285	27,097
Share of foreign currency translation differences of associates and joint ventures	-	-	-	(641)	-	(641)	-	(641)
Reserves released on disposal of subsidiaries	-	-	-	710	-	710	-	710
<i>Other comprehensive income for the period, net of tax</i>	-	-	-	16,857	-	16,857	13,298	30,155
<b>Total comprehensive income for the period, net of tax</b>	-	-	-	<b>16,857</b>	<b>280,617</b>	<b>297,474</b>	<b>18,036</b>	<b>315,510</b>
Hedging gains and losses and cost of hedging transferred to the cost of inventory	-	-	-	17	-	17	21	38
<b>Transactions with owners of the Company, recognised directly in equity</b>								
<b>Contributions by and distributions to owners of the Company</b>								
Cost of share-based payment	-	-	-	11,595	-	11,595	32	11,627
Purchase of treasury shares	-	(9,570)	-	-	-	(9,570)	-	(9,570)
Treasury shares reissued pursuant to share plans	-	27,477	(6,613)	(20,791)	-	73	(73)	-
Dividends paid	-	-	-	-	(249,437)	(249,437)	-	(249,437)
<i>Total contributions by and distributions to owners of the Company</i>	-	17,907	(6,613)	(9,196)	(249,437)	(247,339)	(41)	(247,380)
<b>Changes in ownership interests in subsidiaries</b>								
<b>Total transactions with owners of the Company</b>	-	17,907	(6,613)	(9,196)	(249,437)	(247,339)	(41)	(247,380)
Transfer from retained earnings to statutory reserve	-	-	-	186	(186)	-	-	-
<b>Balance at 30 June 2023</b>	<b>895,926</b>	<b>(18,470)</b>	<b>93,455</b>	<b>(26,573)</b>	<b>1,503,810</b>	<b>2,448,148</b>	<b>272,873</b>	<b>2,721,021</b>

5 **STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024** (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2024</b>	<b>895,926</b>	<b>(29,644)</b>	<b>(22,599)</b>	<b>77,348</b>	<b>716,157</b>	<b>1,637,188</b>
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	267,460	267,460
Total comprehensive income for the period	-	-	-	-	267,460	267,460
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Cost of share-based payment	-	-	-	13,593	-	13,593
Purchase of treasury shares	-	(15,288)	-	-	-	(15,288)
Treasury shares reissued pursuant to share plans	-	30,130	(4,738)	(25,392)	-	-
Dividends paid	-	-	-	-	(249,582)	(249,582)
<i>Total contributions by and distributions to owners of the Company</i>	-	14,842	(4,738)	(11,799)	(249,582)	(251,277)
<b>Balance at 30 June 2024</b>	<b>895,926</b>	<b>(14,802)</b>	<b>(27,337)</b>	<b>65,549</b>	<b>734,035</b>	<b>1,653,371</b>
<b>At 1 January 2023</b>	<b>895,926</b>	<b>(36,377)</b>	<b>(15,977)</b>	<b>71,014</b>	<b>736,631</b>	<b>1,651,217</b>
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	-	182,161	182,161
Total comprehensive income for the period	-	-	-	-	182,161	182,161
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Cost of share-based payment	-	-	-	11,627	-	11,627
Purchase of treasury shares	-	(9,570)	-	-	-	(9,570)
Treasury shares reissued pursuant to share plans	-	27,477	(6,621)	(20,856)	-	-
Dividends paid	-	-	-	-	(249,437)	(249,437)
<i>Total contributions by and distributions to owners of the Company</i>	-	17,907	(6,621)	(9,229)	(249,437)	(247,380)
<b>Balance at 30 June 2023</b>	<b>895,926</b>	<b>(18,470)</b>	<b>(22,598)</b>	<b>61,785</b>	<b>669,355</b>	<b>1,585,998</b>

5(a) **CHANGES IN COMPANY'S SHARE CAPITAL**

Issued and paid up capital

As at 30 June 2024, the Company has an issued share capital of 3,122,495,197 ordinary shares (31 December 2023: 3,122,495,197 ordinary shares) of which 3,826,186 were held by the Company as treasury shares (31 December 2023: 7,946,236).

	<b>Number of Shares</b>
	<b>30-Jun-24</b>
As at beginning and end of the first half-year (including treasury shares)	3,122,495,197
<b>As at end of the first half-year (excluding treasury shares)</b>	<b>3,118,669,011</b>
<b>As at 30 June 2023 (excluding treasury shares)</b>	<b>3,117,528,382</b>
<b>As at 31 December 2023 (excluding treasury shares)</b>	<b>3,114,548,961</b>

**Performance Share Plan**

Singapore Technologies Engineering Performance Share Plan (PSP)

As at 30 June 2024, the total number of outstanding awards was 7,585,088 (30 June 2023: 6,400,977) ordinary shares of the Company. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 12,894,650 (30 June 2023: 10,881,661) ordinary shares of the Company.

**Restricted Share Plan**

Singapore Technologies Engineering Restricted Share Plan (RSP)

As at 30 June 2024, the total number of outstanding awards was 17,835,237 (30 June 2023: 16,448,952) ordinary shares of the Company.

Treasury Shares

During the first half-year, the Company purchased 3,880,700 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (1H2023: 2,700,000).

During the first half-year, 8,000,750 treasury shares were utilised pursuant to the RSP and PSP (1H2023: 7,345,736).

As at 30 June 2024, the number of treasury shares held by the Company represented 0.12% (30 June 2023: 0.16%) of the total number of issued shares (excluding treasury shares).

5(a) **CHANGES IN COMPANY'S SHARE CAPITAL** (cont'd)

<b><u>Group and Company</u></b>	<b>Number of Treasury Shares for the half-year ended 30 June 2024</b>
As at beginning of the year	7,946,236
Purchase of treasury shares	3,880,700
Treasury shares transferred on vesting of RSP	(6,165,128)
Treasury shares transferred on vesting of PSP	(1,835,622)
<b>As at end of the first half-year</b>	<b>3,826,186</b>

6 **AUDIT**

The condensed consolidated statement of financial position of Singapore Technologies Engineering Ltd and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

7 **AUDITORS' REPORT**

Not applicable.

## 8 REVIEW OF GROUP PERFORMANCE

### 8(a) Revenue

#### 1H2024 vs 1H2023

\$m	1H2024	1H2023	Increase/(Decrease)	
Commercial Aerospace	2,231	1,856	375	20%
Defence & Public Security	2,372	2,117	254	12%
Urban Solutions & Satcom	918	891	28	3%
<b>Total</b>	<b>5,520</b>	<b>4,863</b>	<b>657</b>	<b>14%</b>

The Group generated revenue of \$5,520 million in 1H2024, an increase of 14% or \$657 million as compared to 1H2023, contributed by all business segments.

Commercial Aerospace's revenue of \$2,231 million grew by 20% or \$375 million as compared to 1H2023, driven by strong growth in Aerospace MRO and Aerostructures & Systems.

Defence & Public Security's revenue of \$2,372 million grew by 12% or \$254 million as compared to 1H2023, contributed by all sub-segments.

Urban Solutions & Satcom delivered revenue growth of \$918 million with 3% or \$28 million higher as compared to 1H2023. The higher revenue was attributed to growth from Urban Solutions, with contribution from TransCore, partially offset by lower revenue from Satcom.

8 **REVIEW OF GROUP PERFORMANCE** (cont'd)

8(b) **Profitability – Earnings before interest and tax**

1H2024 vs 1H2023

\$m	1H2024	1H2023	Increase/(Decrease)	
Commercial Aerospace	189.7	177.5	12.2	7%
Defence & Public Security	324.4	300.7	23.7	8%
Urban Solutions & Satcom	8.8	(34.1)	42.8	NM
<b>Total</b>	<b>522.9</b>	<b>444.2</b>	<b>78.8</b>	<b>18%</b>

The Group's earnings before interest and tax (EBIT) of \$522.9 million was 18% or \$78.8 million higher than 1H2023, contributed by all segments.

Commercial Aerospace's EBIT of \$189.7 million was 7% or \$12.2 million higher as compared to 1H2023. This was contributed by higher revenue, partially offset by lower contribution from significantly lower aircraft sales, project timing and sales mix.

Defence and Public Security's EBIT of \$324.4 million was 8% or \$23.7 million higher as compared to 1H2023, attributed to higher revenue.

Urban Solutions & Satcom recorded EBIT of \$8.8 million in 1H2024, as compared to EBIT loss of \$34.1 million in 1H2023. The improved EBIT was attributed to strong Urban Solutions EBIT performance and absence of SatixFy divestment loss. Satcom operating EBIT was flat, despite lower revenue, due to cost management.

8(b) **Profitability – Net Profit**

1H2024 vs 1H2023

\$m	1H2024	1H2023	Increase/(Decrease)	
Net Profit	336.5	280.6	55.9	19.9%

The Group's net profit of \$336.5 million was 19.9% or \$55.9 million higher as compared to 1H2023, attributed to strong EBIT growth.



9 **SEASONAL OPERATIONS**

Based on historical trends, the Group's half-yearly revenue is not significantly affected by seasonal factors.

10 **VARIANCE FROM PROSPECT STATEMENT**

No forecast for 1H2024 was previously provided.

11 **PROSPECTS**

**Group**

The Group posted strong revenue and profit growth in the first half of 2024. Despite continuing challenges in the operating environment, the Group sees opportunities in aerospace, smart city, defence and public security industry domains. Given these opportunities, and supported by a robust order book, the Group remains confident in achieving long-term sustainable growth.

This release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

## 12 DIVIDENDS

The financial statements for the first half-year ended, and as at 30 June 2024, include the 1Q2024 interim one-tier tax exempt dividend of 4.0 cents per ordinary share, paid on 5 June 2024. On 13 August 2024, the Directors approved a second interim one-tier tax exempt dividend of 4.0 cents per ordinary share for 2Q2024 to be paid on 5 September 2024. The 2Q2024 interim dividend will be accounted for in shareholders' equity as an appropriation of Retained Earnings in the financial year ending 31 December 2024.

### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First interim tax exempt (one-tier)
Dividend Type	Cash
Dividend Per Share	4.0 cents per ordinary share (paid on 5 June 2024)
Name of Dividend	Second interim tax exempt (one-tier)
Dividend Type	Cash
Dividend Per Share	4.0 cents per ordinary share (to be paid on 5 September 2024)

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First Interim tax exempt (one-tier)
Dividend Type	Cash
Dividend Per Share	4.0 cents per ordinary share
Name of Dividend	Second interim tax exempt (one-tier)
Dividend Type	Cash
Dividend Per Share	4.0 cents per ordinary share

### (c) Record and Dividend Payment Dates

NOTICE IS HEREBY GIVEN THAT the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 23 August 2024 up to (and including) 26 August 2024 for the purpose of determining members' entitlements to the proposed interim one-tier tax exempt dividend for the second quarter ended 30 June 2024 ("2Q24 Interim Dividend"). Duly completed transfers in respect of ordinary shares of the Company together with all relevant documents of title received by the Company's share registrar, Tricor Barbinder Share Registration Services, 9 Raffles Place #26-01 Republic Plaza, Singapore 048619 up to 5.00 p.m. on 23 August 2024 will be registered to determine members' entitlements to the 2Q24 Interim Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 23 August 2024 will be entitled to the 2Q24 Interim Dividend. The proposed 2Q24 Interim Dividend will be paid on 5 September 2024.

## 13 BUSINESS SEGMENTAL INFORMATION

### By Business Activity

	<b>1H2024</b>				
	<b>Commercial Aerospace</b>	<b>Defence &amp; Public Security</b>	<b>Solutions &amp; Satcom</b>	<b>Urban Elimination</b>	<b>Group</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
External sales	2,230,542	2,371,504	918,348	-	5,520,394
Inter-segment sales	25,763	15,258	18,881	(59,902)	-
	<u>2,256,305</u>	<u>2,386,762</u>	<u>937,229</u>	<u>(59,902)</u>	<u>5,520,394</u>
Reportable segment profit from operations	159,095	313,909	11,551	-	484,555
Non-operating expenses, net	26	-	(85)	-	(59)
Share of results of associates and joint ventures, net of tax	30,572	10,533	(2,679)	-	38,426
Earnings before interest and tax	<u>189,693</u>	<u>324,442</u>	<u>8,787</u>	<u>-</u>	<u>522,922</u>
Finance income					26,297
Finance costs					(132,748)
Profit before taxation					<u>416,471</u>
Taxation					(68,273)
Non-controlling interests					(11,670)
Profit attributable to shareholders					<u>336,528</u>
Other assets	4,984,661	5,729,916	5,984,610	(2,146,297)	14,552,890
Associates and joint ventures	480,373	105,335	18,992	-	604,700
Segment assets	<u>5,465,034</u>	<u>5,835,251</u>	<u>6,003,602</u>	<u>(2,146,297)</u>	<u>15,157,590</u>
Deferred tax assets					292,785
Bank balances and other liquid funds					429,944
Total assets					<u>15,880,319</u>
Segment liabilities	1,899,376	5,678,482	982,362	(2,046,768)	6,513,452
Provision for taxation					179,893
Deferred tax liabilities					197,764
Borrowings					6,135,367
Total liabilities					<u>13,026,476</u>
Capital expenditure	173,267	89,798	66,100	(17,420)	311,745
Depreciation and amortisation	88,311	79,799	96,823	(1,710)	263,223

13 **BUSINESS SEGMENTAL INFORMATION** (cont'd)

By Business Activity

	<b>1H2023</b>				<b>Group</b> \$'000
	<b>Commercial</b> Aerospace \$'000	<b>Defence &amp; Public Security</b> \$'000	<b>Solutions &amp; Urban Satcom</b> \$'000	<b>Elimination</b> \$'000	
Revenue					
External sales	1,855,580	2,117,169	890,667	-	4,863,416
Inter-segment sales	31,772	17,421	15,080	(64,273)	-
	<u>1,887,352</u>	<u>2,134,590</u>	<u>905,747</u>	<u>(64,273)</u>	<u>4,863,416</u>
Reportable segment profit from operations	154,272	297,131	(30,582)	-	420,821
Non-operating expenses	-	-	(202)	-	(202)
Share of results of associates and joint ventures, net of tax	23,238	3,590	(3,275)	-	23,553
Earnings before interest and tax	<u>177,510</u>	<u>300,721</u>	<u>(34,059)</u>	<u>-</u>	<u>444,172</u>
Finance income					34,384
Finance costs					(127,167)
Profit before taxation					<u>351,389</u>
Taxation					(66,034)
Non-controlling interests					(4,738)
Profit attributable to shareholders					<u>280,617</u>
Other assets	5,099,967	4,737,294	6,097,583	(1,964,377)	13,970,467
Associates and joint ventures	356,383	110,834	23,474	-	490,691
Segment assets	<u>5,456,350</u>	<u>4,848,128</u>	<u>6,121,057</u>	<u>(1,964,377)</u>	<u>14,461,158</u>
Deferred tax assets					247,019
Bank balances and other liquid funds					387,150
Total assets					<u>15,095,327</u>
Segment liabilities	1,916,355	4,734,345	1,009,139	(1,842,323)	5,817,516
Provision for taxation					207,897
Deferred tax liabilities					180,490
Borrowings					6,168,403
Total liabilities					<u>12,374,306</u>
Capital expenditure	115,575	200,723	64,371	-	380,669
Depreciation and amortisation	96,803	63,816	105,811	(65)	266,365

13 **BUSINESS SEGMENTAL INFORMATION** (cont'd)

Disaggregation of Revenue

<u>Major products/service lines</u>	1H2024		1H2023	
	\$'000	%	\$'000	%
Sale of goods	1,628,209	29.5	1,587,470	32.6
Service income	1,561,549	28.3	1,223,682	25.2
Contract revenue	2,330,636	42.2	2,052,264	42.2
Total	<u>5,520,394</u>	<u>100</u>	<u>4,863,416</u>	<u>100</u>

<u>Timing of revenue recognition</u>	1H2024		1H2023	
	\$'000	%	\$'000	%
Transferred at a point in time	2,427,622	44.0	2,235,316	46.0
Transferred over time	3,092,772	56.0	2,628,100	54.0
Total	<u>5,520,394</u>	<u>100</u>	<u>4,863,416</u>	<u>100</u>

<u>By Geographical Areas</u>	Revenue			
	1H2024		1H2023	
	\$'000	%	\$'000	%
Asia	2,767,733	50.1	2,411,447	49.6
U.S.	1,338,819	24.3	1,145,073	23.5
Europe	1,070,063	19.4	958,886	19.7
Others	343,779	6.2	348,010	7.2
Total	<u>5,520,394</u>	<u>100</u>	<u>4,863,416</u>	<u>100</u>

<u>By Country of Incorporation</u>	Revenue			
	1H2024		1H2023	
	\$'000	%	\$'000	%
Asia	3,236,304	58.6	2,802,752	57.6
U.S.	1,611,726	29.2	1,459,892	30.0
Europe	652,370	11.8	570,905	11.8
Others	19,994	0.4	29,867	0.6
Total	<u>5,520,394</u>	<u>100</u>	<u>4,863,416</u>	<u>100</u>

	Non-Current Assets <sup>+</sup>			
	30-Jun-24		30-Jun-23	
	\$'000	%	\$'000	%
Asia	2,521,776	29.2	2,128,794	24.3
U.S.	4,743,924	54.8	4,737,745	54.2
Europe	1,287,531	14.9	1,779,367	20.4
Others	91,606	1.1	95,150	1.1
Total	<u>8,644,837</u>	<u>100</u>	<u>8,741,056</u>	<u>100</u>

<sup>+</sup> Non-current assets for the purpose of SFRS(I) 8 *Operating Segments* excludes derivative financial instruments, post-employment benefits and deferred tax assets.

14 **INTERESTED PERSON TRANSACTIONS** (unaudited)

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		1H2024 \$'000	1H2023 \$'000	1H2024 \$'000	1H2023 \$'000
<b>Transactions for the Sale of Goods and Services</b>					
SATS Ltd. and its Associates	Temasek Holdings	-	-	2,515	1,900
Seatrium Limited and its Associates	(Private) Limited is	-	-	-	912
SembCorp Industries Ltd and its Associates	a controlling	-	-	2,400	-
Singapore Airlines Limited and its Associates	shareholder of the	-	-	4,234	-
Singapore Telecommunications Limited and its Associates	Company. The	-	-	663	1,710
StarHub Ltd and its Associates	other named	-	-	158	734
Temasek Holdings (Private) Limited and its Associates (non-listed)	interested persons are its associates.	-	-	25,963	211,629
		-	-	35,933	216,885
<b>Transactions for the Purchase of Goods and Services</b>					
CapitaLand Investment Limited and its Associates	Temasek Holdings	-	-	189	-
SATS Ltd. and its Associates	(Private) Limited is	-	-	442	181
Seatrium Limited and its Associates	a controlling	-	-	-	120
SembCorp Industries Ltd and its Associates	shareholder of the	-	-	560	428
SIA Engineering Company Limited and its Associates	Company. The	-	-	485	-
Singapore Telecommunications Limited and its Associates	other named	-	-	420	122
StarHub Ltd and its Associates	interested persons	-	-	-	711
Temasek Holdings (Private) Limited and its Associates (non-listed)	are its associates.	-	-	15,561	59,429
		-	-	17,657	60,991
<b>Joint Venture</b>					
Temasek Holdings (Private) Limited and its Associates *	Temasek Holdings	2,638	20,964	-	-
<b>Investment</b>					
Temasek Holdings (Private) Limited and its Associates	(Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	20,429	-	-	-
		23,067	20,964	-	-
<b>Total Interested Person Transactions</b>		<b>23,067</b>	<b>20,964</b>	<b>53,590</b>	<b>277,876</b>

\* The transactions relate to equity injections by the Group into Juniper Aviation Investments Pte. Ltd. (Juniper) to partially fund Juniper's aircraft acquisitions. These aircraft acquisitions by Juniper were from the Group and the value of which had been reflected above under the category of sale of goods and services to Temasek Holdings (Private) Limited and its Associates. As at 30 June 2024, the cumulative equity injections by the Group into Juniper amounted to \$56,287,000

15 **SUBSEQUENT EVENTS**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

16 **CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the statement of financial position (Group and Company), consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the first half-year ended 30 June 2024 to be false or misleading in any material respect.

17 **CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

BY ORDER OF THE BOARD

LOW MENG WAI  
Company Secretary  
14 August 2024

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