

**NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of Singapore Technologies Engineering Ltd (the "Company") will be held at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Friday, 20 April 2018 at 2.30 p.m. to transact the following business:

**AS ROUTINE BUSINESS**

- To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2017 and the Auditors' Report thereon. **Resolution 1**
  - To declare a final ordinary tax exempt (one-tier) dividend of 10.0 cents per share for the year ended 31 December 2017. **Resolution 2**
  - To re-elect the following Directors, each of whom will retire by rotation pursuant to article 100 of the Constitution of the Company and who, being eligible, offer themselves for re-election:  
(a) Mr Kwa Chong Seng **Resolution 3**  
(b) Dr Stanley Lai Tze Chang\* **Resolution 4**  
(c) Dr Beh Swan Gin **Resolution 5**
- Ms Olivia Lum Ooi Lin will also retire by rotation pursuant to article 100 of the Constitution of the Company, but will not be offering herself for re-election.  
\* Dr Stanley Lai Tze Chang will, upon re-election as a Director of the Company, continue as a Member of the Audit Committee. Dr Lai is considered an independent director for the purpose of Rule 704(B) of the Singapore Exchange Securities Trading Limited Listing Manual.
- To re-elect Mr Neo Kian Hong, who will cease to hold office pursuant to article 106 of the Constitution of the Company and who, being eligible, offers himself for re-election, as a Director. **Resolution 6**
  - To approve the sum of S\$1,547,391 (2016: S\$1,752,233) as Directors' compensation for the year ended 31 December 2017. **Resolution 7**
  - To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

- Authority for Directors to issue shares and to make or grant convertible instruments** **Resolution 9**  
That authority be and is hereby given to the Directors to:  
(a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or  
(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,  
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and  
(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:  
(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed five per cent. of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);  
(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:  
(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and  
(ii) any subsequent bonus issue or consolidation or subdivision of shares,  
and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;  
(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and  
(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- Authority for Directors to grant awards and allot shares pursuant to the Singapore Technologies Engineering Performance Share Plan 2010 and the Singapore Technologies Engineering Restricted Share Plan 2010** **Resolution 10**  
That approval be and is hereby given to the Directors to:  
(a) grant awards in accordance with the provisions of the Singapore Technologies Engineering Performance Share Plan 2010 (the "PSP2010") and/or the Singapore Technologies Engineering Restricted Share Plan 2010 (the "RSP2010") (the PSP2010 and the RSP2010, together the "Share Plans"); and  
(b) allot and issue from time to time such number of fully paid ordinary shares of the Company as may be required to be issued pursuant to the vesting of awards under the PSP2010 and/or the RSP2010, provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, pursuant to the Share Plans shall not exceed eight per cent. of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time.
- Proposed renewal of the Shareholders Mandate for Interested Person Transactions** **Resolution 11**  
That:  
(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 22 March 2018 (the "Letter") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;  
(b) the approval given in paragraph (a) above (the "Shareholders Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and  
(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders Mandate and/or this Resolution.
- Proposed renewal of the Share Purchase Mandate** **Resolution 12**  
That:  
(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:  
(i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or  
(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,  
and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");  
(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:  
(i) the date on which the next Annual General Meeting of the Company is held;  
(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and  
(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;  
(c) in this Resolution:  
"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;  
"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;  
"Maximum Limit" means that number of issued Shares representing 2% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and  
"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and  
(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

**BY ORDER OF THE BOARD**

CHUA SU LI /  
NG KWEE LIAN (KAREN)  
Company Secretaries  
Singapore, 22 March 2018

**Notes:**

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Annual General Meeting.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**EXPLANATORY NOTES****Resolutions 3 to 6**

Each of the Directors who have offered themselves for re-election has confirmed that, save as disclosed in the Annual Report 2017, he does not have any relationships (including immediate family relationships) with the other Directors, the Company or its 10% shareholders. A list of all current directorships in other listed companies and details of other principal commitments held by each of these Directors can be found on pages 14 to 19 of the Annual Report 2017.

**Resolution 7**

Resolution 7 is to approve the payment of an aggregate amount of S\$1,547,391 (2016: S\$1,752,233) as Directors' compensation for the non-executive Directors of the Company for the year ended 31 December 2017. It is currently intended that, if approved, the relevant non-executive Directors who hold office as at the payment date (except for those who hold public sector appointments and who will not be eligible for the shares component of the non-executive Directors' compensation) will each receive 70% of his or her Director's compensation for 2017 in cash and 30% of his or her Director's compensation for 2017 in the form of restricted share awards pursuant to the Singapore Technologies Engineering Restricted Share Plan 2010. The number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the 14 trading days immediately following the date of the forthcoming Annual General Meeting, rounded down to the nearest hundred, and any residual balance will be settled in cash. The award will consist of the grant of fully paid shares, with no vesting periods imposed. However, in order to encourage alignment of the interests of the Directors with the interests of shareholders, a non-executive Director is required to hold the shares for certain moratorium periods. See the section on "Directors' Fee Policy" in the Corporate Governance section on page 99 of the Annual Report 2017 for details and rationale in relation to the shares component of the non-executive Directors' compensation.

**Resolution 9**

Resolution 9 is to empower the Directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, of which up to five per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 26 February 2018 (the "Latest Practicable Date"), the Company had 6,697,831 treasury shares and no subsidiary holdings.

**Resolution 10**

Resolution 10 is to empower the Directors to grant awards and to issue ordinary shares of the Company pursuant to the Singapore Technologies Engineering Performance Share Plan 2010 and the Singapore Technologies Engineering Restricted Share Plan 2010 (collectively, the "Share Plans"). The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, pursuant to the Share Plans is limited to eight per cent. of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) over the 10-year duration of the Share Plans.

**Resolution 11**

Resolution 11 is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Letter to Shareholders dated 22 March 2018 (the "Letter"). Please refer to the Letter for more details.

**Resolution 12**

Resolution 12 is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use its internal sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the ordinary shares are purchased or acquired out of profits and/or capital, the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued ordinary shares as at the Latest Practicable Date, the purchase by the Company of 2% of its issued ordinary shares (excluding any ordinary shares held in treasury) will result in the purchase or acquisition of 62,315,947 ordinary shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the 62,315,947 ordinary shares at the maximum price of S\$3.5595 for one ordinary share (being the price equivalent to 5% above the average of the last dealt prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 62,315,947 ordinary shares is S\$221,813,613.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 based on these assumptions are set out in paragraph 3.7.4 of the Letter.

Please refer to the Letter for more details.

**BOOKS CLOSURE AND DIVIDEND PAYMENT DATES**

NOTICE IS HEREBY GIVEN THAT the Register of Members and Share Transfer Books will be closed on 27 April 2018 for the preparation of dividend warrants. 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, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 26 April 2018 will be registered to determine members' entitlements to the proposed dividend, subject to approval of members to the proposed dividend at the Annual General Meeting to be convened on 20 April 2018. Subject as aforesaid, 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 26 April 2018 will be entitled to the proposed dividend. The proposed dividend, if so approved by members, will be paid on 8 May 2018.