

News Release

ST Engineering Sets up a US\$150m Corporate Venture Capital unit and an Open Innovation Lab

Set its Sights on Long-Term Growth through Innovation and Collaboration

Singapore, 25 July 2017 – ST Engineering today unveiled two new initiatives to reinforce its position as a technology and engineering leader by championing open innovation in an increasingly dynamic and competitive global business landscape. Firstly, the Group has set up a Corporate Venture Capital unit to invest in promising technology start-ups and early stage companies, offering not just funding but also access to the Group's established business network and distribution channels. Secondly, the Group is offering individuals and start-ups the opportunity to see their ideas go to market through an Open Innovation Lab (Open Lab) that offers a unique collaboration platform with a dedicated applied engineering team, and access to advanced equipment. These two initiatives will support how the Group harnesses and synergises new technologies and ideas externally and internally to create greater long-term value and growth.

US\$150M Corporate Venture Capital

ST Engineering has set aside US\$150m (about S\$200m) for its Corporate Venture Capital through ST Engineering Ventures Pte. Ltd. This Corporate Venture Capital unit will scout for and invest in promising technology start-ups that are developing new technologies or creating innovative solutions complementary to the Group's strategic capabilities in higher growth areas, such as in the areas of robotics and autonomous technology, data analytics and cyber security. Scouted start-ups will be able to integrate into the Group's ecosystems for broader business capabilities to compete globally as well as tap on the Group's technological expertise. They will also be able to access the Group's established business network and distribution channels.

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To position the Group at the scene of these early inventors, ST Engineering will set up technology scouting offices in Singapore, Israel and in the US for a start, to cover Asia Pacific, Europe & Middle East and the Americas.

Open Innovation Lab in Singapore to advance technology innovation

Innospark, an Open Lab set up in mid 2017 by ST Engineering is the first of its kind engineering-based incubator in Singapore. As a dynamic innovation platform and springboard to new and disruptive technologies, the Open Lab offers a pool of skilled engineers, beyond just advanced equipment and labs to support innovators in accelerating the development of their ideas to prototypes and products. The Open Lab has opened its doors to engineers from ST Engineering, as well as to start-ups / early stage companies locally and internationally to collaborate, research and develop new concepts with this expert team of engineers at the Open Lab.

Designed for open access, the Open Lab serves to accelerate technology innovation, encourage experimentation, foster entrepreneurialism and collaboration among its team of engineers while attracting the best and brightest engineering talent and ideas to the Group. Innosparks offers multi-disciplinary applied engineering capabilities through facilities such as a Mechanical & Control Lab, Electronics & Electrical Lab, Material & Chemical Lab, Software Lab and Design Lab, and a full suite of prototyping and development equipment. It is sited in Singapore's JTC LaunchPad @ one-north, a vibrant and nurturing environment for start-ups and incubators.

"We are delighted to welcome the establishment of ST Engineering Corporate Venture Capital and its Open Innovation Lab," said Yeoh Keat Chuan, Managing Director, Singapore Economic Development Board. "The initiatives will enable ST Engineering to take strategic investments in emerging and potentially disruptive technologies. ST Engineering's collaboration with start-ups to co-create and scale solutions will also enhance the vibrancy of Singapore's corporate innovation ecosystem and are in line with EDB's efforts to work with partners to create and grow new businesses in Singapore."

“As a technology and engineering Group, ST Engineering has been delivering innovative and game-changing solutions for our customers. With the increasingly dynamic and competitive technological and business landscape, we see a need to adopt open innovation, moving beyond traditional R&D approaches to seek new technologies and ideas outside the Group that complement our internal capabilities,” said Vincent Chong, President & CEO of ST Engineering. “We are not looking for one-hit wonders but breakthrough innovations that will either strengthen our current portfolio of businesses or generate new lines of businesses. This requires astute technology investments and partnerships, a pervasive culture of innovation and an environment where our engineers can brainstorm freely outside of business and operational constraints to develop new ideas and solutions.”

These 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.

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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