



ST ENGINEERING'S AEROSPACE ARM SECURES NEW CONTRACTS WORTH ABOUT \$840M

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Singapore Technologies Engineering Ltd (ST Engineering) announced that its aerospace arm, Singapore Technologies Aerospace Ltd

(ST Aerospace), secured new contracts worth about \$840m in the fourth quarter (4Q) of 2016 for services ranging from line and airframe maintenance to component repair and overhaul.

New contracts

The total contract value includes an agreement with Alaska Airlines to exclusively provide maintenance, repair and overhaul (MRO) maintenance support for the airline's CFM56-7B engines that power its fleet of Boeing 737-700 and 737-900 aircrafts. The five-year agreement is expected to cover more than 60 planned maintenance events and commences immediately.

Included in the 4Q2016 contracts are line and heavy airframe maintenance for commercial airlines and military operators. Other contract wins include several landing gear overhaul agreements from various airlines, a long-term landing gear repair contract from an established national carrier and multiple contracts for EcoPower® engine wash services including a one-year extension contract

worth US\$2.6m (approximately S\$3.7m) for a commercial airline, the largest commercial contract that ST Aerospace has clinched for its engine wash business.

Redeliveries and capabilities development

The aerospace sector redelivered a total of 880 aircraft for airframe maintenance and modification work in 4Q2016. Additionally, a total of 10,639 components, 42 landing gears and 33 engines were processed, while 2,388 engine washes were conducted.

ST Aerospace continued to expand its MRO capabilities during the quarter. Its airframe MRO station in Guangzhou, China, received approval by the Civil Aviation Authority Malaysia to provide line maintenance service at the Shantou Airport in Guangdong Province, extending the geographical reach of its maintenance service within the province.

As for new capabilities, ST Aerospace made further progress in developing its aircraft seats business when it received Singapore Technical Standards Order certification, a performance standard issued for specified materials, parts, processes, and appliances used on civil aircraft, from the Civil Aviation Authority of Singapore for its in-house aircraft seats design.

The above 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.

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