

SINGAPORE TECHNOLOGIES ENGINEERING LTD
(Registration No. 199706274H)

Minutes of the 23rd Annual General Meeting
of the Company held by electronic means on Friday, 15 May 2020 at 2.30 p.m.

PRESENT:

Board of Directors

Mr Kwa Chong Seng	-	Chairman
Mr Vincent Chong Sy Feng	-	Director/President & CEO
Mr Quek See Tiat	-	Director
Mr Joseph Leong Weng Keong	-	Director
Mr Lim Ah Doo	-	Director
Mr Lim Chin Hu	-	Director
Mr Lim Sim Seng	-	Director
Mr Quek Gim Pew	-	Director
Ms Song Su-Min	-	Director
COL Xu Youfeng	-	Alternate Director to LG Melvyn Ong

ABSENT WITH APOLOGY

LG Melvyn Ong	-	Director
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Shareholders

As set out in the attendance records maintained by the Company.

IN ATTENDANCE

Company Secretary/Joint Company Secretary

Ms Low Meng Wai
Ms Tan Wan Hoon

BY INVITATION VIA WEBCAST

Mr Foo Chee Keng Cedric	-	Chief Financial Officer
Mr Fan Keen Leong	-	SVP/Group Financial Controller
Ms Eleana Tan	-	Chief Corporate Officer
Ms Yap Lune Teng	-	Partner, Allen & Gledhill LLP
Mr Daniel Tan Cheng Hiong	-	Associate, Allen & Gledhill LLP
Mr Quek Shu Ping	-	Partner, KPMG LLP
Mr Jonathan Chiang	-	Partner, KPMG LLP
Mr Adrian Loo	-	Partner, KPMG LLP
Ms Ong Li Qin	-	Partner, KPMG LLP
Mr Tan Chia Loong	-	Senior Manager, KPMG LLP
Mr Marcus Lam	-	Partner, Head of Assurance, PwC LLP
Mr Lee Chian Yorn	-	Partner, Assurance, PwC LLP
Mr Lee Kok Hooi	-	Partner, Assurance, PwC LLP
Mr Saiful Mohd	-	Partner, Assurance, PwC LLP
Mr Halim Fenny	-	Senior Manager, Assurance, PwC LLP

1 OPENING

The Chairman welcomed the attendees to the 23rd AGM of the Company. He explained that the Meeting was conducted in accordance with the alternative arrangements for general meetings prescribed by a ministerial order issued under the COVID-19 (Temporary Measures) Act 2020. Shareholders and invitees who attended the Meeting electronically would be treated as present and their names would be included in the attendance list of the Meeting.

The Chairman said that in the Company's announcement made on 23 April 2020, shareholders have been informed that they might participate in the AGM by observing and/or listening to the AGM proceeding via line audio-visual webcast or live audio-only stream, submit questions in advance of the AGM and to appoint Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the AGM.

2 QUESTIONS AND ANSWERS

The Chairman informed that the Company has published the responses to substantial and relevant questions ("Q&As") received on the Company's website and via SGXNET prior to the AGM. A copy of the Q&As is attached as Appendix 1 to these minutes. He singled-out one of the questions and said that the Company has announced more than a month ago that the Board of Directors and senior management of the Company have volunteered to take a reduction in compensation effective 1 May 2020. He acknowledged that the Company had a good year in 2019, however, in 2020, the Company would be facing a more challenging and uncertain environment and has taken mitigation measures to reduce the impact of Covid-19.

3 QUORUM

The Chairman called the Meeting to order with the presence of a quorum. Proxies lodged had been checked and confirmed to be in order.

The Chairman proceeded to introduce Mr Quek See Tiat, Chairman of the Audit Committee and Risk and Sustainability Committee and Mr Vincent Chong, President & Chief Executive Officer ("CEO") of the Company and the other directors. He informed that Dr Beh Swan Gin would be retiring at this AGM and added that on 12 May 2020, the Company announced the appointment of another female Director, Ms May Ng, who would be joining the Board with effect from 1 June 2020 and gave a brief introduction of Ms May Ng.

Before proceeding with the resolutions, the Chairman invited the CEO, Mr Vincent Chong to give his presentation.

4 PRESENTATION BY PRESIDENT & CEO

Mr Vincent Chong delivered a presentation on the Company's aspiration and the Group's performance in 2019. He also provided an overview of the Group's priorities in 2020, the Group's operations amid Covid-19 and the mitigation factors for Covid-19 impact as well as the Group's support to the local eco-systems. Please refer to the Company's website and the announcement released via SGXNET before market opened on 15 May 2020 for a copy of CEO's presentation slides.

5 NOTICE OF MEETING AND RESOLUTIONS

The Chairman thanked Mr Vincent Chong for the presentation and called the meeting to order. The Notice of the 23rd AGM dated 23 April 2020 and the resolutions stated therein, released to all shareholders via SGXNET and made available on the Company's website, was taken as read.

Before proceeding with Resolution 1, the Chairman informed the attendees that all proxy votes received by the 72 hours' deadline prior to the AGM had been verified by the appointed independent scrutineer, RHT Governance, Risk & Compliance (Singapore) Pte Ltd. He added that the percentage of the voting results received for each resolution had been rounded up to two decimal place.

ORDINARY BUSINESS

6 RESOLUTION 1
DIRECTORS' STATEMENT, AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2019 AND THE AUDITORS' REPORT

The Chairman proposed the resolution pertaining to the receipt and adoption of the Directors' Statement, Audited Financial Statements for the year ended 31 December 2019 and the Auditors' Report.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT the Directors' Statement, Audited Financial Statements for the year ended 31 December 2019 and the Auditors' Report be received and adopted.

7 RESOLUTION 2
DECLARATION OF FINAL ORDINARY DIVIDEND

The Chairman proposed the resolution pertaining to the declaration of a final ordinary tax exempt (one-tier) dividend of 10.0 cents per share for the year ended 31 December 2019.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT a final ordinary tax exempt (one-tier) dividend of 10.0 cents per share for the year ended 31 December 2019 be declared payable to the shareholders of the Company registered in the Register of Members as at the close of business at 5.00 p.m. on 21 May 2020.

8 RESOLUTIONS 3 TO 5
RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 100 OF THE
CONSTITUTION OF THE COMPANY

The following Directors retired by rotation pursuant to article 100 of the Constitution of the Company, being eligible, have offered themselves for re-election:

- (i) Mr Kwa Chong Seng;
- (ii) Mr Quek Gim Pew; and
- (iii) Mr Quek See Tiat.

The Chairman informed the Meeting that the Directors who were subject of these resolutions had abstained from voting in respect of their own re-election.

RESOLUTION 3
Re-Election of Mr Kwa Chong Seng

The Chair was handed over to Mr Quek See Tiat for this resolution.

Mr Quek See Tiat proposed the resolution on the re-election of Mr Kwa Chong Seng.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT Mr Kwa Chong Seng, who retired under article 100 of the Company's Constitution, be re-elected as Director of the Company.

Mr Kwa, being re-elected, would continue as Chairman of the Board, Executive Resource and Compensation Committee, Nominating Committee and Strategy & Finance Committee.

The Chair was returned to Mr Kwa Chong Seng.

RESOLUTION 4
Re-Election of Mr Quek Gim Pew

The Chairman proposed the resolution on the re-election of Mr Quek Gim Pew.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT Mr Quek Gim Pew, who retired under article 100 of the Company's Constitution, be re-elected as Director of the Company.

Mr Quek, being re-elected, would continue as Chairman of the Research, Development and Technology Committee and a Member of the Risk and Sustainability Committee.

RESOLUTION 5
Re-Election of Mr Quek See Tiat

The Chairman proposed the resolution on the re-election of Mr Quek See Tiat.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT Mr Quek See Tiat, who retired under article 100 of the Company's Constitution, be re-elected as Director of the Company.

Mr Quek, being re-elected, would continue as Chairman of the Audit Committee and Risk and Sustainability Committee. Mr Quek is considered an independent director for the purpose of Rule 704(8) of the Singapore Exchange Securities Trading Limited Listing Manual.

Retirement of Dr Beh Swan Gin

Dr Beh Swan Gin has decided not to offer himself for re-election and retired by rotation pursuant to article 100 of the Constitution of the Company. Dr Beh ceased to be Member of the Strategy & Finance Committee upon his retirement. The Board recorded its sincere appreciation to Dr Beh for his contributions to the Company throughout the past 5 years.

9 RESOLUTION 6
RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 106 OF THE CONSTITUTION OF THE COMPANY

Mr Joseph Leong Weng Keong ceased to hold office pursuant to article 106 of the Constitution of the Company and being eligible, offered himself for re-election. Mr Joseph Leong has abstained from voting on his own re-election.

The Chairman proposed the resolution on the re-election of Mr Joseph Leong Weng Keong.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT Mr Joseph Leong Weng Keong, who ceased to hold office under article 106 of the Company's Constitution, be re-elected as Director of the Company.

10 RESOLUTION 7
APPROVAL OF DIRECTORS' REMUNERATION

The Chairman informed that the total compensation of the Directors has decreased by approximately 2.71% as compared to 2018 due to the lower number of Directors on the Board. He added that all non-executive Directors, including himself, who are shareholders of the Company have abstained from voting in respect of this resolution.

The Chairman proposed the resolution pertaining to the approval of a sum of \$1,724,587 as Directors' remuneration for the year ended 31 December 2019.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT a sum of \$1,724,587 as Directors' remuneration payable for the year ended 31 December 2019 be approved.

11 **RESOLUTION 8**
APPOINTMENT OF AUDITORS

The Chairman proposed the resolution pertaining to the appointment of PricewaterhouseCoopers LLP as Auditors of the Company in place of the retiring Auditor, KPMG LLP, and to authorise the Directors to fix their remuneration.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Resolution carried:-

RESOLVED THAT PricewaterhouseCoopers LLP be appointed as Auditors of the Company, in place of the retiring Auditors, KPMG LLP, to hold office until the conclusion of the next annual general meeting of the Company, and the Directors of the Company be authorised to fix the remuneration of PricewaterhouseCoopers LLP.

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

12 **RESOLUTION 9**
AUTHORITY FOR DIRECTORS TO ISSUE SHARES AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS

The Chairman proposed the resolution pertaining to the authority for Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Ordinary Resolution carried:-

RESOLVED 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% 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 5% 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 were issued and 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.

13 RESOLUTION 10
PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR
INTERESTED PERSON TRANSACTIONS

The Chairman informed that upon approval of shareholders at the AGM, the renewed Shareholders’ Mandate would take effect until the 24th AGM of the Company. He added that all Directors including himself who are shareholders of the Company as well as Temasek Holdings (Private) Limited and its associates have abstained from voting in respect of this Resolution.

The Chairman proposed the resolution pertaining to the renewal of the Shareholders Mandate for Interested Person Transactions.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Ordinary Resolution carried:-

RESOLVED 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 Appendix 2 to the Company’s Letter to Shareholders dated 23 April 2020 (the “Letter”) with any party who is of the class of interested persons described in Appendix 2 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.

14 **RESOLUTION 11**
PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

The Chairman proposed the resolution pertaining to the renewal of the Share Purchase Mandate. He said that the total number of shares which might be purchased or acquired by the Company pursuant to the Share Purchase Mandate would be limited to 2% of the total number of issued shares, excluding treasury shares and subsidiary holdings, as at the date of the AGM.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Ordinary Resolution carried:-

RESOLVED 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 the 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 during the relevant five-day period and the date of the 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;

“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.

15 RESOLUTION 12
PROPOSED ADOPTION OF THE SINGAPORE TECHNOLOGIES
ENGINEERING PERFORMANCE SHARE PLAN 2020 (“ST Engineering PSP
2020”)

The Chairman informed that the ST Engineering PSP 2020 was intended to replace the existing Singapore Technologies Engineering Performance Share Plan 2010 (“PSP 2010”) which had expired on 20 April 2020. The ST Engineering PSP 2020 has substantially the same terms as PSP 2010, saved for the introduction of new malus and clawback rights, the reduction in the limit on the number of shares which might be delivered pursuant to awards granted under the proposed share plans, amendments to take into account the changes to relevant legislation and the Listing Manual of the SGX-ST and changes to streamline and rationalise certain other provisions.

The Chairman added that he has been appointed proxy by some of the shareholders who were employees and eligible to participate in ST Engineering PSP 2020 and they have abstained from voting on this Resolution.

The Chairman proposed the resolution pertaining to the adoption of the ST Engineering PSP 2020.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Ordinary Resolution carried:-

RESOLVED THAT:

- (a) a new performance share plan to be known as the “Singapore Technologies Engineering Performance Share Plan 2020” (the “ST Engineering PSP 2020”), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards (“PSP Awards”) of fully paid ordinary shares of the Company (“Shares”), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees (including executive directors) of the Company, its subsidiaries and associated companies, details of which are set out in the Company’s Letter to Shareholders dated 23 April 2020, be and is hereby approved;

- (b) the Directors of the Company be and are hereby authorised:
- (i) to establish and administer the ST Engineering PSP 2020; and
 - (ii) to modify and/or alter the ST Engineering PSP 2020 at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the ST Engineering PSP 2020, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the ST Engineering PSP 2020; and
- (c) the Directors of the Company be and are hereby authorised to grant PSP Awards in accordance with the provisions of the ST Engineering PSP 2020 and to allot and issue from time to time such number of fully paid Shares as may be required to be issued pursuant to the vesting of PSP Awards under the ST Engineering PSP 2020, provided that the aggregate number of new Shares allotted and issued and/or to be allotted and issued, when aggregated with existing Shares (including Shares held in treasury) delivered and/or to be delivered, pursuant to the ST Engineering PSP 2020 and the ST Engineering RSP 2020 (as defined in Resolution 13 below), shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time.

16 **RESOLUTION 13**
PROPOSED ADOPTION OF THE SINGAPORE TECHNOLOGIES
ENGINEERING RESTRICTED SHARE PLAN 2020 (“ST Engineering RSP 2020”)

The Chairman informed that the ST Engineering RSP 2020 was intended to replace the existing Singapore Technologies Engineering Restricted Share Plan 2010 (“RSP 2010”) which had expired on 20 April 2020. The ST Engineering RSP 2020 has substantially the same terms as RSP 2010, saved for the introduction of new malus and clawback rights, the reduction in the limit on the number of shares which might be delivered pursuant to awards granted under the proposed share plans, amendments to take into account the changes to relevant legislation and the Listing Manual of the SGX-ST and changes to streamline and rationalise certain other provisions.

The Chairman added that he has been appointed proxy by some of the shareholders who were non-executive Directors and employees and eligible to participate in ST Engineering RSP 2020 and they have abstained from voting on this Resolution.

The Chairman proposed the resolution pertaining to the adoption of the ST Engineering RSP 2020.

Upon release of the voting result (refer to attached Appendix 2), the Chairman declared the following Ordinary Resolution carried:-

RESOLVED THAT:

- (a) a new restricted share plan to be known as the “Singapore Technologies Engineering Restricted Share Plan 2020” (the “ST Engineering RSP 2020”), the rules of which, for the purpose of

identification, have been subscribed to by the Chairman of the Meeting, under which awards (“RSP Awards”) of fully paid ordinary shares of the Company (“Shares”), their equivalent cash value (where applicable) or combinations thereof (where applicable) will be granted, free of payment, to selected employees (including executive directors) and non-executive directors of the Company, its subsidiaries and associated companies, details of which are set out in the Company’s Letter to Shareholders dated 23 April 2020, be and is hereby approved;

- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the ST Engineering RSP 2020; and
 - (ii) to modify and/or alter the ST Engineering RSP 2020 at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the ST Engineering RSP 2020, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the ST Engineering RSP 2020; and
- (c) the Directors of the Company be and are hereby authorised to grant RSP Awards in accordance with the provisions of the ST Engineering RSP 2020 and to allot and issue from time to time such number of fully paid Shares as may be required to be issued pursuant to the vesting of RSP Awards under the ST Engineering RSP 2020, provided that the aggregate number of new Shares allotted and issued and/or to be allotted and issued, when aggregated with existing Shares (including Shares held in treasury) delivered and/or to be delivered, pursuant to the ST Engineering RSP 2020 and the ST Engineering PSP 2020 (as defined in Resolution 12 above), shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time.

17 CONCLUSION OF MEETING

There being no other business, the Meeting ended at 3.15 p.m.

CONFIRMED BY



KWA CHONG SENG
Chairman

COVID-19 Impact**1. What is the impact of COVID-19 on the Group? Which of the sector or geography is most impacted? What is the impact on revenue and profitability?**

- Many of our subsidiaries in Singapore and around the world have been classified as a provider of essential services, and will continue to be able to operate from our premises (including our aerospace hangars, shipyards, automotive factories and electronics workshops) during this period. In the U.S., many states have required their residents to observe 'Shelter in Place' orders in the past weeks. Nevertheless, our U.S. businesses continue to operate as essential businesses with the necessary safeguards including safe-distancing measures and telecommuting arrangements.
- Broadly, the COVID-19 pandemic has impacted the Group in three areas: reduction in customer demand, supply chain and workforce disruptions.
- While we are not immune to the pandemic, we are helped by mitigating factors that will see us through this challenging period. These are:
 - a. Diversified revenue streams, in terms of business sectors, defence versus commercial customer types, and geographies.
 - b. Efficiency and cost reduction initiatives
 - c. Support from various government aids and stimulus packages
 - d. Robust order book providing revenue visibility for the next few years
- Overall, we expect the Aerospace and Electronics sectors to experience more impact than Land Systems and Marine sectors. The latter two sectors have a higher portion of defence related projects, which collectively have provided revenue stability to the Group.
 - Aerospace: refer to our response to Q2 for details.
 - Electronics: we are experiencing deferments in some projects across business lines due to travel and movement restrictions imposed in the countries we serve. Tenders previously launched are now being placed on hold as government agencies are redirecting their resources to ensure business continuity, and the health and safety of their citizens.
 - Land Systems: the sector's higher level of defence related projects continues to provide revenue stability. Some projects in its commercial business, for example, the delivery of electric buses is deferred and the project milestone of its autonomous bus is delayed.
 - Marine: our yards in Singapore and the U.S. are still operating, albeit on a reduced scale in Singapore mainly due to the workforce (lockdown of migrant workers' dormitories) disruption. Capital programmes for new vessels are on hold as ship owners conserve cash, and the projects under environmental engineering business are being deferred.

- In February 2020, we disclosed that for the full year 2020, \$5.9b from the order book of \$15.3b as of 31 December 2019, would be recognised as revenue. Today, we have updated that for the nine months from April to December 2020, we expect to recognise \$4.5b from the order book of \$16.3b as of 31 March 2020, after delivery for the first quarter.
- Like most global companies, we take the view that no one company can forecast or quantify with reasonable accuracy the financial magnitude of COVID-19 impact. We continue to monitor the rapidly evolving COVID-19 situation, and will adjust our measures and approaches accordingly.
- Please refer to the [1Q2020 Market Updates presentation deck](#), which we published on 15 May 2020 for more details.

2. What is the impact of COVID-19 on the Aerospace sector?

- Our Aerospace sector has three business segments, with each experiencing varying degree of impact caused by the slowdown in the aviation industry as a result of the COVID-19 pandemic.
- On airframe and engine & component MRO, we expect foreseeable lower demand for these MRO services, although calendar-time based maintenance remains. Within these segments, impact on the various airline customers also differs, depending on whether it is full-service airlines, low cost carriers or cargo airlines. While these segments served largely commercial customers, it has a steady income stream from military customers.
- On Original Equipment (OE) manufacturing business, largely the engine nacelle manufacturing and composite floor panel manufacturing, we have to adjust the production rate in accordance with our customers' production schedules.
- Overall, we expect slowdown in our Aerospace sector as MRO services are being deferred, and OE production rates being lowered as production timelines are shifted to the right to be in line with that of our customers'. We are in active dialogues with our customers on changes in schedule.
- The expected slowdown in the Aerospace sector will be mitigated by various factors, including the Group's diversified revenue streams, buffered by a stable defence business; efficiency and cost reduction initiatives; various government aid support and stimulus packages and a robust order book.

3. In view of the COVID-19 pandemic and the potential structural shifts in the global economy, would the board be reviewing and fine-tuning its strategy?

- The Group shared its five-year growth strategy at the [2018 Investor Day conference](#). Since then, we continue to review and adjust the strategy and have been actively communicating

progress made through various channels, including results announcements/briefings, investor meetings, press releases and annual reports.

- The COVID-19 pandemic has impacted the global economy, leading to disruptions in the business operating landscape. While the Group is not immune to the impact, we are helped by mitigating factors that will see us through this challenging period, as highlighted in our response to Q1.
 - Any actions that we take will consider the long-term view of the Group, while addressing structural changes to operating landscapes.
 - We will continue to update the investing community of our developments at appropriate junctures.
- 4. Please update on the level of productivity given COVID-19 measures, especially with regard to the foreign worker quarantine measures. What proportion of your workers are foreign workers?**
- Across our global offices, we are implementing business continuity plans, and adopting guidelines and measures of local governments.
 - Many of our subsidiaries in Singapore and around the world have been classified as a provider of essential services, and will continue to be able to operate from our premises (including our aerospace hangars, shipyards, automotive factories and electronics workshops) during this period.
 - Employees in Singapore who are desk-bound and office-bound are working from home, with a portion of them supporting operational activities at our premises. We are able to support remote working with minimal issue given our existing robust network and communication infrastructures, enabling us to step up our requirements for telecommuting quickly.
 - That said, the disruption caused by the new way of working will have some impact on the Group's productivity as our worksites cannot operate at their optimal capacity. We will continue to pursue efficiency initiatives across our businesses to mitigate such impact.
 - On foreign (migrant) workers, they form less than 15% of our Singapore workforce. Majority of them work in our Marine sector in Singapore. With the help of the local authorities, we have decanted some of the migrant workers from their dormitories to other locations where stringent measures, as stipulated by the government, are in place to ensure their health and safety. These decanted workers have been back to work, progressively as and when they complete their stay-home-notice (issued by the Singapore's Ministry of Health). For the rest of the workers who have not been decanted from their dormitories, we are in close contact with the authorities to determine when these workers will be able to return to work.

- As the COVID-19 situation evolves, we will undertake necessary actions, and adjust our responses to maintain operational resilience, so that we can continue to withstand, respond and recover from the Covid-19 crisis.

Business Strategy/Outlook

5. Would the board restate its strategy in the annual report for the benefit of new and long-standing shareholders?

- We have been regularly updating investors on our strategy as well as financial and operating performance. As we evaluate the longer term trends on our businesses, any material changes in our strategy and plans will also be shared with the investing community at an appropriate time.

6. What steps are you taking to grow a new growth pillar and lessen the dependence on the Aerospace sector? Can the Group share any promising updates in this area?

- We continue to strengthen our strategic lines of business, including our Aerospace sector so that it moves further up the value chain. In the last few years, particularly since 2019, the sector has expanded its revenue stream from non-MRO segments to include Original Equipment manufacturing business.
- We continue to grow our Smart City business, intensifying our drive to provide needed solutions in our Smart City verticals of mobility, security and environments.
- Using our satellite communications (satcom) business as an example of investing for the future, we are now integrating the two newly acquired satcom businesses i.e. Newtec, now known as iDirect Europe and Glowlink (with its advanced satcom anti-jamming technologies) with our U.S. based satcom business, iDirect. When the adoption rate of satellites as a mainstream connectivity technology increases, along with the various use cases of satcom-enabled 5G Smart City applications, we will be ready with a robust technology and product offerings to lead the transformation of the satcom industry.
- Our international defence business is another strategic business line for the Group. We are focused on executing the Polar Security Cutter contract that we secured in 2019, and the various ship building projects that we are undertaking for the U.S. Navy.
- As we seek growth in our strategic thrusts, we will continue to hone our competitive strengths and prioritise initiatives central to our growth. We will continue to streamline and rationalise our business portfolio so that we can sharpen our management focus, unlock value and recycle capital to growth businesses that can yield us better returns.

7. What are the new opportunities for the Group arising from the new ways of doing things post COVID-19 pandemic. Which of your business sectors are likely to benefit?

- In the last two months in Singapore, we have deployed many of our products and solutions in areas such as surveillance and monitoring, safe access control management, infrared fever scanning systems, command, control and communications systems, as well as robotics and unmanned systems to support the nation's drive to fight COVID-19. These solutions are implemented in locations such as hospitals and Community Care Facilities.
- In addition to these deployments, opportunities arising from COVID-19 include higher demand for our cybersecurity and secured digital solutions, as well as data centres as businesses adopt remote working practices. We also see opportunities for command centres as government agencies and large institutions seek to improve command and control for operational and logistic efficiency, leveraging on sharing of real-time information for integrated situational awareness.
- While we have extensive capabilities and proven solutions in many of these areas as part of our Smart City business, it may take time for businesses to adopt or implement these solutions.

8. Has the board determined the optimal asset allocation among its four core sectors, namely aerospace, electronics, land systems and marine?

- The Group's capital allocation policy is to allocate resources towards optimising growth and shareholder returns in strategic areas across the sectors where we see long-term growth potential. In addition to investments through capital expenditure and R&D spending, the Group is prepared to grow through mergers & acquisitions (M&A) to achieve sustainable long-term growth.

We aim to reap the most value-add from our investments while managing risks and sustaining dividend payout at the same time.

9. Can we have an update on New Enterprises and Ventures business?

- Our New Enterprises and Ventures (NEV) team is responsible for exploring new areas of growth and pursuing value-accretive opportunities with a strong synergistic fit with the Group's competencies.
- Over the last two years, the NEV team had actively pursued M&A opportunities in the healthtech space. However, after much judicious evaluation, the Group could not find suitable M&A targets in this space, at a price that would be value-accretive. We continue to maintain a disciplined approach in exploring various strategic options.

- Meanwhile, the Group continues to grow the healthtech business organically, having already deployed operational efficiency solutions in numerous local and overseas hospitals, specifically in operations command centers and autonomous mobile robots.

10. Can we have an update of the B-52 re-engine contract?

- The U.S. Air Force plans to re-engine its B-52 fleet with commercial, off-the-shelf, in-production engine. However, specifics have not been released.

11. Any specific M&A opportunity in Aerospace?

- We continue to evaluate M&A opportunities which would help to strengthen our business portfolio. There are currently no active M&A discussions.

Financials

12. Glowlink and iDirect contributed net loss of \$825k and \$5m in 2019 respectively. When are both acquisitions expected to turnaround?

- The net loss incurred by Glowlink and iDirect Europe (formerly known as Newtec) in FY2019 was primarily due to transaction and integration costs. During our past quarterly results briefings, we had shared that integration costs on these acquisitions would taper down from FY2021 onwards.
- At the time of the Newtec acquisition, we expected the acquisition to be earnings accretive from the second year post acquisition (the transaction was closed on 1 Oct 2019).
- With the current COVID-19 situation disrupting customer demand and supply chain, we are working to mitigate the impact and reassessing our outlook.

13. Performance of CityCab has been declining, will it be a drag for 2020? What are the plans to improve the performance? Was there any impairment charge in 2019? Are there any plans to divest it?

- We are a minority shareholder of CityCab, and our share of the CityCab's profits is not material to the Group's financials. For FY2019, there was no impairment charge to our investment in CityCab (please refer to page 227 of [FY2019 Annual Report](#)).
- As with any of our investment companies, we engage their management regularly and actively on their business plans.
- On divestment opportunities, the Group carries out continual reviews that seek to optimise our business portfolio across the business sectors. If and when there is any development, we will make the relevant disclosure through SGXNet.

14. With the COVID-19 situation, are there customers who have asked for deferred payments? How has the trend of payment receivables been affected?

- The Group is closely monitoring the rapidly evolving nature of the pandemic, and we are in constant dialogue with our customers. So far, there has been a number of requests for deferred payments which have to be evaluated according to our credit control policy.
- The Group is assessing the credit risk of our customers across all the sectors, with a focus on Aerospace sector where some of the airline customers are more at risk.
- The Group has reduced the credit limits of some of its customers to minimise exposure, and stepped up collection efforts for all customers.

Capital Structure

15. Has the board determined the optimal asset allocation among its four core sectors, namely aerospace, electronics, land systems and marine?

- The Group's capital allocation policy is to allocate resources towards optimising growth and shareholder returns in strategic areas across the sectors where we see long-term growth potential. In addition to investments through capital expenditure and R&D spending, the Group is prepared to grow through M&A to achieve sustainable long-term growth.

We aim to reap the most value-add from our investments while managing risks and sustaining dividend payout at the same time.

16. While the low cost of the U.S. Commercial Paper (USCP) is an attractive way to grow, has the board, especially the risk and sustainability committee (RSC), determined if the volatility and the short duration of the USCP would make it an appropriate source of funding for the group's long-term expansion plans?

- The Group had tapped the USCP programme to issue short-term commercial papers at competitive rates as bridge financing for our acquisitions last year. The plan was to term out part of the short-term commercial papers into longer term financing to optimise our short-term to long-term debt mix and better match the maturity of the funding with the long term nature of the acquisitions.
- The Group has since accomplished the above with the setup of a S\$5b Multi-Currency Medium Term Note (MTN) Programme in March 2020 and the issuance of US\$750m 1.50% Notes due 2025 (around S\$1.1b equivalent) on 29 April 2020. The proceeds from the Notes issuance were used mainly to refinance the short-term commercial papers.

17. Total borrowing and net gearing have been increasing. Will this be a concern? What is the purpose of the MTN and are we expecting more large M&A in the near term?

- In 2019, the Group made three acquisitions at a total consideration of about \$1.2b. These are MRAS, Newtec (now known as iDirect Europe) and Glowlink.
- The Group funded these acquisitions in 2019 wholly through debt, after reviewing our capital structure or debt/equity mix. As at 31 Dec 2019, the Group's net debt was S\$2.0b which translates into a net debt to equity ratio of 0.8 times, which is quite healthy.
- Excluding lease obligations per SFRS (I) 16, the Group's net debt drops to S\$1.6b comprising mainly short-term commercial papers issued under the US Commercial Paper programme at competitive financing costs.
- The Group has since established a S\$5.0b multi-currency medium term note programme in March 2020 and issued US\$750m of 5-year notes at 1.50% coupon in 29 April 2020.
- The objective of the MTN Programme is to support the Group's long-term strategy to enhance shareholder value. The Programme will also enable the Group to tap the debt capital market for longer tenor financing to optimise our short-term to long-term debt mix and capital structure. The proceeds from the Notes issuance were used mainly to refinance the short-term commercial papers, thereby improving the short-term to medium-term debt mix and bolstering our liquidity position.
- We do have the capacity to borrow if and when investment opportunities, including M&A opportunities, arise. Nevertheless, any potential M&A target must fulfil our stringent criteria of strategic fit, synergy and adjacency to our capability. We will be judicious and prudent in this endeavour.
- The rating agencies, Standard & Poor's and Moody's have reaffirmed ST Engineering's credit rating at AAA/stable and Aaa/Stable on 18 March 2020 and 9 April 2020 respectively. This signifies that the Group's balance sheet is still very strong and not overly geared.
- We will continue to evaluate our leverage with prudence and borrow on committed needs. We remain as a quality investment grade company, with sufficient resources to grow our business to maintain long-term value creation for shareholders.

18. Has the board determined an upper limit to the leverage the Group can take on as it grows via acquisitions?

- We do have room to borrow if and when investment opportunities including M&A opportunities arise. Nevertheless, any potential M&A target must fulfil our stringent criteria of strategic fit, synergy and sustainable value creation. We will be judicious and prudent in this endeavour.

- The rating agencies, Standard & Poor's and Moody's, have recently reaffirmed the ST Engineering's credit rating at AAA/stable and Aaa/Stable on 18 March 2020 and 9 April 2020 respectively. This signifies that the Group's balance sheet is still very strong and not overly geared.
- We will continue to evaluate our leverage with prudence and borrow on committed needs. We remain as a quality investment grade company, with sufficient resources to grow our business to maintain long-term value creation for shareholders.

19. Will shareholders be expecting a lower dividend payout over the next financial year?

- The Group has a record of steady and consistent payout. For the past seven years, the Group has been consistently paying out 15 cents per share. The Group has a strong balance sheet to sustain long-term growth, the Group will want to continue rewarding its shareholders by creating long-term shareholders' value.

Director Fees

20. Are directors taking a cut in their fees for FY2020?

- We refer to the Group's SGX statement posted on 14 Apr 2020 titled "[ST Engineering COVID-19 Update - Providing essential services](#)". The Board fees would be reduced by 10% with effect from 1 May 2020. Below is an extract of the statement release:

"To lend support and solidarity as it weathers this pandemic together with its partners and stakeholders, the Board has decided to reduce Board fees by 10%. The President & CEO will also reduce his salary by 10%, while the senior management team will reduce their salaries by percentages ranging between 5% and 10%. These changes will take effect from 1 May 2020."

Sustainability

21. Would the board/RSC consider providing a list of the key targets and the appropriate performance indicators in each material factor to help shareholders understand the progress made over the years?

- ST Engineering recognises the sustainability imperative, and will continue to take steps in our sustainability journey to improve our efforts, both in terms of scope and quality of reporting. The setting of targets for material ESG factors is important. For the past few years, we have been providing the targets and achievements of each of the material ESG factor. We will continue to identify opportunities to improve our performance on each of the material factor to help shareholders understand the progress made.

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SINGAPORE TECHNOLOGIES ENGINEERING LTD
Incorporated in the Republic of Singapore
(Company Registration No. 199706274H)

ANNOUNCEMENT PURSUANT TO
RULE 704(16) OF THE SGX LISTING MANUAL

ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE
23RD ANNUAL GENERAL MEETING

Singapore Technologies Engineering Ltd (the "Company") is pleased to announce, in accordance with Rule 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited, that:-

(I) RESULTS OF AGM

- A. At the 23rd Annual General Meeting ("AGM") of the Company held at 2.30 p.m. today, the Resolutions relating to the following matters as set out in the Notice of the AGM dated 23 April 2020 were put to the Meeting and duly passed on poll vote:-

Resolution Number and Details	Total Number of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Resolution 1	2,311,927,085	2,311,718,585	99.99	208,500	0.01
Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 December 2019 and Auditors' Report thereon					
Ordinary Resolution 2	2,312,489,300	2,312,468,300	100.00*	21,000	0.00**
Approval of a final ordinary tax exempt (one-tier) dividend of 10.0 cents per share for the financial year ended 31 December 2019					
Ordinary Resolution 3	2,311,701,600	2,245,927,237	97.15	65,774,363	2.85
Re-election of Mr Kwa Chong Seng as Director					
Ordinary Resolution 4	2,312,489,300	2,281,973,800	98.68	30,515,500	1.32
Re-election of Mr Quek Gim Pew as Director					
Ordinary Resolution 5	2,312,431,400	2,246,981,718	97.17	65,449,682	2.83
Re-election of Mr Quek See Tiat # as Director					
Ordinary Resolution 6	2,312,489,300	2,281,940,100	98.68	30,549,200	1.32
Re-election of Mr Joseph Leong Weng Keong as Director					

Resolution Number and Details	Total Number of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Resolution 7	2,311,437,840	2,311,413,840	100.00*	24,000	0.00**
Approval of the sum of \$1,724,587 as Directors' remuneration for the financial year ended 31 December 2019					
Ordinary Resolution 8	2,309,576,900	2,305,392,140	99.82	4,184,760	0.18
Appointment of PricewaterhouseCoopers LLP as the Auditor of the Company in place of the retiring Auditor, KPMG LLP, and to authorise the Directors to fix its remuneration					
Ordinary Resolution 9	2,312,489,300	2,170,174,335	93.85	142,314,965	6.15
Authority for Directors to issue shares and to make or grant convertible instruments, subject to limits					
Ordinary Resolution 10	725,961,533	725,940,533	100.00*	21,000	0.00**
Renewal of the Shareholders Mandate for Interested Person Transactions					
Ordinary Resolution 11	2,312,403,240	2,305,392,140	99.70	7,011,100	0.30
Renewal of the Share Purchase Mandate					
Ordinary Resolution 12	2,301,528,796	2,204,380,842	95.78	97,147,954	4.22
Adoption of the Singapore Technologies Engineering Performance Share Plan 2020					
Ordinary Resolution 13	2,300,563,396	2,183,908,339	94.93	116,655,057	5.07
Adoption of the Singapore Technologies Engineering Restricted Share Plan 2020					

Mr Quek See Tiat who was re-elected as a Director of the Company at the AGM remains as the Chairman of the Audit Committee. Mr Quek See Tiat is considered an independent director for the purpose of Rule 704(8) of the Singapore Exchange Securities Trading Limited Listing Manual.

* Rounding Off

** Not meaningful

Record of Appreciation to Dr Beh Swan Gin

The Chairman and Board of Directors would like to record their sincere appreciation to Dr Beh Swan Gin who retired as Director at the conclusion of the Company's AGM held today.

B. Details of parties who are required to abstain from voting on any resolution(s):-

Resolution Number and Details	Name	Total Number of Shares
Resolution 3 - Re-election of Mr Kwa Chong Seng as Director	Kwa Chong Seng	784,700
Resolution 5 – Re-election of Mr Quek See Tiat	Quek See Tiat	57,900
Resolution 7 – Approval of the sum of \$1,724,587 as Directors' remuneration for the financial year ended 31 December 2019	Kwa Chong Seng	784,700
	Lim Ah Doo	72,400
	Lim Sim Seng	48,400
	Quek See Tiat	57,900
	Song Su-Min	2,000
Resolution 10 – Renewal of the Shareholders Mandate for Interested Person Transactions	Temasek Holdings (Private) Limited	1,554,764,574
	Vestal Investments Pte. Ltd.	28,501,000
	Kwa Chong Seng	784,700
	Vincent Chong Sy Feng	2,296,793
	Lim Ah Doo	72,400
	Lim Sim Seng	48,400
	Quek See Tiat	57,900
	Song Su-Min	2,000
	Resolution 12 – Adoption of the Singapore Technologies Engineering Performance Share Plan 2020	Vincent Chong Sy Feng
Resolution 13 – Adoption of the Singapore Technologies Engineering Restricted Share Plan 2020	Kwa Chong Seng	784,700
	Vincent Chong Sy Feng	2,296,793
	Lim Ah Doo	72,400
	Lim Sim Seng	48,400
	Quek See Tiat	57,900
	Song Su-Min	2,000

In addition to Mr Vincent Chong Sy Feng who has abstained from voting his holding of 2,296,793 shares on Resolution 12 on the proposed adoption of the Singapore Technologies Engineering Performance Share Plan 2020 (“**PSP 2020**”), employees who are eligible to participate in the PSP 2020, and who are also shareholders of the Company, were required to abstain from voting on Resolution 12.

In addition to all of the Directors listed in the above table who have abstained from voting their aggregate holding of 3,262,193 shares on Resolution 13 on the proposed adoption of the Singapore Technologies Engineering Restricted Share Plan 2020 (“**RSP 2020**”), employees who are eligible to participate in the RSP 2020, and who are also shareholders of the Company, were required to abstain from voting on Resolution 13.

(II) SCRUTINEERS

RHT Governance, Risk & Compliance (Singapore) Pte Ltd was appointed as the Company's scrutineer.

By Order of the Board

TAN WAN HOON
Joint Company Secretary

Singapore
15 May 2020