

News Release

Tuas Power-ST Marine Consortium Named Preferred Bidder For Singapore's 5th Desalination Plant

Singapore, 27 September 2017 – Singapore Technologies Engineering Ltd announced today that Singapore's national water agency PUB has selected the consortium of Tuas Power Ltd (Tuas Power) and its marine arm, Singapore Technologies Marine Ltd (ST Marine) as the preferred bidder to design, build, own and operate a seawater desalination plant on Jurong Island for a concession period of 25 years from 2020.

This desalination plant, Singapore's fifth, will be co-located within Tuas Power's Tembusu Multi-Utilities Complex (TMUC) on Jurong Island and add another 137,000 cubic meters, or approximately 30 million imperial gallons of desalinated water a day to Singapore's water supply through reverse osmosis and the latest proven membrane technologies. This new plant will leverage TMUC's existing infrastructure for seawater intake to optimise cost savings and harness new synergies to provide desalinated water at a more competitive pricing.

"We are very happy to be given the opportunity to develop this desalination plant together with ST Marine. This project leverages on the existing core infrastructure of our Tembusu Multi-Utilities Complex to provide a competitive source of potable water to PUB. Tuas Power is pleased to contribute towards strengthening the security of Singapore's water supply," said Mr. Lim Kong Puay, President and Chief Executive Officer of Tuas Power Generation Pte Ltd.

"We are proud to contribute to the goals of the Sustainable Singapore Blueprint, and in partnership with Tuas Power. We recently delivered the Kranji NEWater Factory expansion project in Singapore, aside from successful waste management solutions in Brunei and Tianjin," said Mr Ng Sing Chan, President of ST Marine. "We are heartened to be given this opportunity to work with PUB again and are proud to be part of Singapore's journey towards a sustainable future with water self-sufficiency."

Tuas Power and ST Marine will form a 60:40 concession company that will contract an Engineering, Procurement and Construction consortium and a jointly-held Operation & Maintenance company to undertake this desalination plant project. These developments, subject to definitive agreements, are expected to take place by first half 2018.

These developments are not expected to have a material impact on the consolidated net tangible assets per share and earnings per share of ST Engineering for the current financial year.

Tuas Power Ltd (Tuas Power) is a key provider of energy solutions and multi-utilities in Singapore. The company is a member of China Huaneng Group, one of the largest and most forward looking power producers in China and the world. Tuas Power has a licensed capacity of 2,670 MW, and is one of the three largest power generation companies in Singapore. It has five combined cycle plants and a steam plant in its power station in the Tuas industrial region, and develops efficient and environmentally responsible energy solutions through its retail arm. Tuas Power also supplies utilities such as steam, high-grade industrial water, demineralised water and waste water treatment services in Tembusu, Jurong Island, and provides solid industrial waste treatment through its waste-to-resource plant in Tuas.

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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