

**Annual General Meeting to be held on 21 April 2022  
Responses to Substantial and Relevant Questions**

Singapore Technologies Engineering Ltd (ST Engineering) would like to thank our shareholders who submitted their questions in advance of our 25<sup>th</sup> Annual General Meeting (AGM) to be held by electronic means on Thursday, 21 April 2022 at 2:30 p.m. (GMT +8).

We have provided our responses to the questions received.

Please refer to our responses as set out in Appendix 1.

The Appendix 1 can also be found on our Investor Relations page on <https://www.stengg.com/agm-egm>.

**By Order of the Board**

Tan Wan Hoon  
Joint Company Secretary  
Singapore, 16 April 2022

## Appendix 1

### 1. The management had been embarking on acquisitions since last AGM, have these acquisitions met our expectation in term of financial performance? Any other acquisition plan going forward?

- To help investors understand our growth strategy better, we have been sharing our five-year plans, first in 2018 and recently in 2021. Our plans and targets were developed based on rigorous reviews and assessments of how we can continue to deliver sustained, meaningful progress and results. Our strategy to achieve sustainable growth is built around these strategic areas:
  - Ride the recovery in commercial aerospace
  - Drive growth in smart city
  - Expand international defence business
  - Strengthen core businesses
- Since our 2021 AGM, we have completed one acquisition, which is for TransCore. We announced the completion of this acquisition on 18 March 2022. We expect TransCore to be cash flow positive from the first year and earnings accretive from the second year post-acquisition.
- When the TransCore opportunity came up, we evaluated and decided it fits our strategy and is attractive on many fronts. TransCore is an excellent fit for our Smart City business, in particular our Smart Mobility business. Its road transportation solutions will enhance our suite of Smart Mobility solutions, and its leading position in the end-to-end electronic toll collection and congestion pricing segments in North America would present growth opportunity for ST Engineering. With TransCore, ST Engineering will also have access to Smart City channel in the North America market.
- Any other M&A opportunity will be assessed in line with our strategic objectives, target price and valuation, shareholder value etc and we will remain disciplined in our investments.

### 2. Please comment on the impacts of credit downgrade by rating agency on ST Engineering.

- With the completion of the TransCore acquisition, S&P revised ST Engineering's AAA rating down by one notch to AA+/stable on [23 March 2022](#).
- ST Engineering's credit rating by Moody's is Aaa (negative outlook).
- The credit ratings continue to be of a high investment grade.
- Overall, ST Engineering's credit ratings remain highly rated with minimal impact on our financing costs. Our balance sheet remains strong, and we continue to have strong borrowing capacity and good access to diverse sources of funding.