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Singapore Technologies Aerospace Ltd. (ST Aerospace) and Boeing today announced jointly that ST Aerospace's wholly owned subsidiary, ST Aviation Services Company Pte Ltd (SASCO), has been selected by Boeing to perform certain passenger-to-freighter (PTF) conversions under the 767-300 Boeing Converted Freighter (BCF) program. The contract is estimated to be worth \$136 million (about S\$208 million) over 10 years. ST Aerospace is the aerospace arm of Singapore Technologies Engineering Ltd (ST Engineering).

This contract is 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. Under its contract, SASCO will perform aircraft maintenance and the passenger-to-freighter conversions with data provided by Boeing. The 767-300BCF conversion entails the removal of passenger interiors, equipment, and furnishings; installation of a main-deck side cargo door; replacement or strengthening of the main-deck floor structures; installation of a 9-G rigid cargo barrier; and a new cargo handling system, as well as other systems changes.

ST Aerospace will induct the first aircraft from ANA, Boeing's launch customer for this program, at its SASCO facility in Singapore for conversion in October 2007, and the prototype is expected for redelivery in June 2008, upon FAA certification.

"We are pleased to appoint ST Aerospace to undertake conversion work as part of the 767-300BCF program," said Marco Cavazzoni, vice president, Freighter Conversions, Boeing Commercial Airplanes. "Building on our excellent partnership with ST Aerospace, which resulted in successful conversions for 757-200SFs, DC-10s, MD-10s and MD-11s, I am confident that ST Aerospace will continue to support Boeing in delivering a converted freighter that is economical to maintain and operate."

"We are honoured that Boeing has selected us once again for participation in its freighter conversion program on the back of our previous successful collaborations," said TAY Kok Khiang, president, ST Aerospace. "One of them is the ongoing MD-11 conversion program, which has been a successful program with most of the passenger aircraft converted to a freighter configuration by 2009. Today's contract further attests to the longstanding relationship we share with Boeing, and one that ST Aerospace values. We are also pleased that the launch customer will be ANA, which is also a long-time customer of ST Aerospace. We will continue to leverage on our engineering and modification capabilities to bring greater value to Boeing's customers globally."

ST Aerospace is a part of Boeing's international network of modification facilities, and has been selected as a conversion centre for the 767-300 based on its performance on other conversion programs including the MD-11 PTF, for which ST Aerospace's subsidiary, SASCO, was recognised as the Boeing 2004 Supplier of the Year for its outstanding performance while consistently meeting stringent quality, cost and delivery requirements. Since 1991, ST Aerospace's facilities in Singapore and the U.S. have been actively involved in performing PTF conversions for aircraft including the DC-10, MD-10, MD-11, 727 and 757-200SF.

A 767-300 passenger aircraft undergoes major modifications on its main deck, with the converted 767-300BCF expected to have about the same cargo capability as the same model production freighter with approximately 50 tonnes structural payload at a range of approximately 3,000 nautical miles (5,930km) and 412,000lbs (187,270kg) maximum takeoff weight. There are 24 pallet positions on the main deck. As with the other BCF conversions, Boeing offers a variety of support packages that may be incorporated during 767-300 BCF conversions, including avionics and flight-deck upgrades. Airlines may also consider options such as carbon brakes, live animal and perishable food carriage, weight increases and integration of technical manuals.

Boeing Commercial Airplanes, a business unit of Boeing, provides unsurpassed, around-the-clock

technical support to help operators maintain their airplanes in peak operating condition. Through its Commercial Aviation Services unit, Boeing provides services and solutions for the lifecycle of a customer's fleet, helping to increase airplane availability, improve reliability and enhance efficiency. Please visit www.boeing.com.

ST Aerospace is the aerospace arm of ST Engineering. Operating a global MRO network with facilities in Asia Pacific, Europe and the US, it is the world's largest airframe MRO with a global customer base that includes many of the world's leading airlines, airfreight operators and military operators. ST Aerospace provides a full spectrum of maintenance and engineering services through its two business segments: Aircraft Maintenance & Modification (AMM) and Component & Engine Total Support (CETS). Its services include airframe, engine and component maintenance, repair and overhaul; engineering design and technical services; and aviation materials and management services, including Total Aviation Support. ST Aerospace has a global staff strength of more than 6,000 engineers and technical specialists. Please visit www.staero.aero.

ST Engineering is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenues of \$4.49b in FY2006. With a market capitalization in the region of \$10b, it ranks among the largest companies listed on the Singapore Exchange. ST Engineering has more than 17,000 employees worldwide, and over 100 subsidiaries in 20 countries and 35 cities. Please visit www.stengg.com.

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