

## **Increase of shareholding in subsidiary ST Electronics (Shanghai) Co., Ltd**

Singapore, 14 March 2002 - The Board of Directors of Singapore Technologies Engineering Ltd ("ST Engg") wishes to announce that Singapore Technologies Electronics Limited ("ST Elect"), a wholly-owned subsidiary of ST Engg, has increased its shareholding in ST Electronics (Shanghai) Co., Ltd ("STES"), a wholly-owned subsidiary of ST Elect in China, from US\$1,000,000 to US\$2,000,000. This is a direct cash injection.

Since its inception in 1998, our China subsidiary has extended its market coverage by incorporating two more branches in Beijing and Shenzhen respectively.

In addition to its proprietary Intelligent Building Management System projects and VSAT satellite communication system marketing, its business activities has since been expanded to include road and rail transportation projects and the development and production of new products in home automation, security access management and telecommunications.

The increased capital will enable it to build facilities and capabilities to strengthen its Software Development Center and its Product Development Centre for system support as well as launching of new innovative products for the China market and worldwide demand.

### **About ST Elect (Shanghai)**

STES was set-up in Shanghai in August 1998 to market ST Elect's products and systems in Greater China. Through STES, ST Elect offers the China market its full range of products and services which include Intelligent Building Extra Low Voltage (ELV) system designs. It carries out system integration and project management tasks; it offers sales and maintenance services for VSAT products and sales/maintenance services for ELV and transportation systems. Since its inception, STES has developed an in-depth knowledge in ELV systems through various landmark projects such as China's tallest building, the JinMao Building in Shanghai.

In June 2000 a Software Development Centre was set up by STES to support ST Elect's subsidiaries in systems development and integration. STES carries out product development for intelligent building systems and the manufacturing of home automation and security systems as well as "product localisation" to meet the special needs of the local Chinese market. STES has developed links with local transport authorities and

agencies and aims to develop strong local relationships with Singapore and China-based strategic partners to facilitate project cooperation for its parent company, ST Elect.

### **About ST Elect**

ST Elect, the electronics arm of ST Engg, is one of the largest electronics system houses in the region. ST Elect prides itself in delivering innovative system solutions to defence, commercial and industrial customers worldwide. It specialises in the design, development and integration of advanced electronics systems, such as communications, m-commerce solutions, microwave, traffic and rail management, real-time command and control system, training & simulation, and intelligent building management. ST Elect applies new technologies and design applications to the demands and stringent requirements of customised electronics systems and solutions. It undertakes continuing research and development to help create cost-effective proprietary products at system and component levels, delivering innovative and quality solutions to customers.

### **About ST Engg**

ST Engg is an integrated engineering group specialising in the fields of aerospace, electronics, land systems and marine. A leader in each of its core businesses, ST Engg provides one-stop services for air, land and sea platforms as well as systems-based solutions. Headquartered in Singapore, the Group employs about 11,000 employees worldwide with revenues of about S\$2.47 billion in FY 2001. ST Engg is listed on the Singapore Exchange with a market capitalisation of about S\$6.8 billion.

\*\*\*\*\* Submitted by Mrs Chua Su Li, Company Secretary on 14/03/2002 to SGX \*\*\*\*\*

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