

INCREASE OF SHAREHOLDING IN SUBSIDIARY ST ELECTRONICS (TAIWAN) LIMITED

Singapore, 21 May 2003 – Singapore Technologies Electronics Limited (“ST Elect”), a wholly-owned subsidiary of ST Engg, has increased its shareholding in ST Electronics (Taiwan) Limited (“ST Elect Taiwan”), a wholly-owned subsidiary of ST Elect in the Republic of China, from NT\$20,000,000 to NT\$60,000,000. The share capital of ST Elect Taiwan will further increase by another NT\$40,000,000 in November 2003. The additional shareholdings are direct cash injections.

ST Elect Taiwan is involved in the project management of implementation of various rail management systems, communications systems, fleet management systems and intelligent building projects, and is expanding its business scope to cover training simulation and public safety systems.

The increases in capital will enable ST Elect Taiwan to execute the new projects recently secured in Kaoshiung, support new marketing activities in Taiwan and pre-qualify the company to tender for larger projects.

ST Elect Taiwan

ST Elect Taiwan was formed and registered as a wholly foreign-owned enterprise in Taipei, Taiwan in 2000 with a paid-up capital of NT\$20 million. Established as the successor to the then existing ST Elect Taiwan Branch, ST Elect Taiwan acts as the extended arm of the ST Elect Group. ST Elect Taiwan seek business opportunities in the Taiwan growth market to secure large-scale system integration projects in railway, expressway and intelligent building management systems as well as other opportunities relating to the Large-Scale Systems, Communication and Sensor Systems and Software Systems Groups of ST Elect.

To date, ST Elect Taiwan has been instrumental in the successful completion of both the Taipei Orange Line and Blue Line MRT Communication System Projects. Other projects include a S\$10 million contract for the supply of a Taxi Fleet Management System in August 2001. ST Elect Taiwan together with ST Elect successfully secured a S\$50 million contract (December 2001) and a second S\$80 million contract (January 2003) from Kaohsiung Rapid Transit Corporation for platform screen doors system and a communications system respectively. These solutions were for the Kaohsiung MRT Red and Orange Lines in the Kaohsiung Metropolitan Area, Taiwan.

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 broadband RF & microwave communication systems, rail & traffic management systems, real-time command & control systems, training & simulation systems, intelligent building management systems, and information security and m-commerce solutions. ST Elect applies leading edge technologies and design methodologies to meet the 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.