

SMRT Engineering Pte Limited and Singapore Technologies Electronics Limited Set up a Joint Venture Company to Provide Intelligent Rail System Solutions to Region

Singapore, 2 November 2000 – Singapore Technologies Electronics Ltd ("ST Elect") and SMRT Engineering Pte Ltd ("SMRTE") will sign a Joint Venture Agreement ("JVA") for the incorporation of an equally owned Joint Venture Company ("JVCo"), ratifying a well established association.

The partners signed a Memorandum of Understanding in December 1999 to co-operate on the development and marketing of rail-related products and services in the region. Since then, the partners have been working on a number of niche products for the regional market. The first of these products, an Integrated Railway Information System, will enable passengers to keep in touch with the latest news - stock prices, sports results, weather reports, airline and other related transportation schedules while on the move. They can also expect to be entertained by video clips and advertisements.

Other products that the JVCo is slated to develop include an Automatic Fare Collection System for integrated ticketing and revenue collection, a wider fare gate for the convenience of handicapped people or passengers carrying baggage and a Train Health Monitoring System to remotely check the safe operations of all systems on-board trains.

Mr Seah Moon Ming, President of ST Elect said, " ST Elect has a proven track record in providing rail transportation solutions in the region and was recently awarded another contract to provide an Integrated Communication System for Taipei's MRT Tucheng Line project, in addition to the Blue and Orange Lines which we have successfully completed. The synergy generated by SMRT's extensive domain knowledge in the operation and maintenance of railway systems and ST Elect's expertise in providing premier railway communication and control systems will see the development of more cost effective and relevant solutions for customers in the region and in the world."

"There is a significant international market for these types of products, and we believe that the JVCo will be well positioned to take advantage of that demand" says RADM (Ret) Kwek Siew Jin, President of SMRT Corporation Ltd ("SMRT Corp"), the holding company of SMRTE. SMRTE has established itself as a specialist railway design and operations consultant by building upon the operations and maintenance expertise of Singapore MRT Ltd ("SMRT"), the operator of the Mass Rapid Transit system and also a wholly owned subsidiary of SMRT Corp. "We each have much to contribute to this joint venture. SMRT has a strong reputation for safe, reliable and efficient operation and maintenance of a mass rapid transit system, and ST Elect is a leading Systems Integrator in the field of electronics. That combination will make the JVCo a formidable player in the market."

The JVCo will have an authorised share capital of S\$20 million and an issued and paid-up share capital of S\$3 million. Pursuant to the JVA, both ST Elect and SMRTE will each subscribe for 1,500,000 ordinary shares at par value of S\$1/- each in the capital of the JVCo for an aggregate cash consideration of S\$1.5 million each. The company targets to achieve revenues of more than S\$60 million by 2005.

About Singapore Technologies Electronics Limited ("ST Elect")

ST Elect is a wholly owned subsidiary of public-listed, Singapore Technologies Engineering Ltd. ST Elect is a leading electronic systems house delivering innovative turnkey solutions to customers worldwide. It

specialises in the design, development and integration of advanced electronic systems, such as intelligent rail systems, communications systems, microwave systems, traffic management systems, mobile real-time systems, training and simulation systems and intelligent building management systems.

About SMRT Engineering Ltd

SMRT Engineering Pte Ltd is a wholly-owned subsidiary of SMRT Corporation that provides specialised engineering service to SMRT as well as other transport-related businesses in Singapore and overseas. It provides clients with cost effective integrated solutions to railway development.

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