

ST Elect invests in Transportation Systems Company in Australia

Singapore, 2 December 2002 – Singapore Technologies Electronics Limited (“ST Elect”), has acquired a 70% stake in a newly formed company Ripple Systems Pty Ltd (“Ripple Systems”), set up to acquire the assets and business of Mi Services Group (Australia) Pty Ltd (“Mi Australia”). ST Elect is a wholly-owned subsidiary of ST Engg.

Ripple Systems is based in Perth, Australia, and will have an authorised capital of A\$5 million and a paid up capital of A\$2 million. ST Elect has invested A\$1.4 million for its 70% equity interest in Ripple Systems while the existing management of Mi Australia has paid A\$0.6 million for the remaining 30%.

ST Elect will also provide A\$3.45 million in secured loans to Ripple Systems which will be repaid over three years. After one year, ST Elect has the right to convert any outstanding loan amount which is due and payable into additional equity at a fair market price to be determined by independent valuation. The loans will go towards the acquisition of assets and business from Mi Australia at a price of A\$4.5 million which was concluded through a competitive bid.

The investment is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of ST Engg for the current financial year.

Ripple Systems will acquire the assets and business of Mi Australia, including those related to the trading name “Mi Transport Systems” and to its suite of "TransActive" Intelligent Transport Systems (“ITS”) software. Ripple Systems will be able to provide an integrated control centre solution that coordinates the operation of multiple and distributed subsystems, and ensures efficient and safe operation in road and rail transportation applications.

The effort is part of ST Elect's plans to strengthen and grow its Transportation Systems Business.

“With our investment in Ripple Systems, we aim to leverage and further build upon the assets and capabilities acquired from Mi Australia in transportation systems. It will add to our capability and resources to deliver a comprehensive solution that integrates various Intelligent Traffic & Intelligent Rail Management technologies for our customers in Singapore, Australia and other regional and international markets.”

~ Seah Moon Ming, President of 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 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.

About Mi Australia

Mi Australia designs and supplies innovative software and open system solutions under the trading name "Mi Transport Systems". Its software and system solutions modernise and improve transport systems through the integration of disparate ITS technologies and by developing software for real time information management and control. The solutions offered by Mi Transport Systems, based on its powerful TransActive ITS product, include freeway integration, incident management and urban transport management systems. The key to Mi Transport Systems' solutions is the delivery of a totally integrated complete traffic management system centralised in a single control room.

Mi Transport Systems' has delivered the intelligence behind integrated traffic systems that resulted in the successful implementation of fully integrated traffic control centres for Melbourne's CityLink, in Perth and Adelaide. The technology is currently being deployed in two major sites in S.E.Asia and is being further promoted in East Asia and Europe.

About Ripple Systems

Ripple Systems is a newly formed company set up to acquire and operate the assets and business of Mi Australia. In addition, the company will specialise in developing mission critical real-time software applications for the transportation market.

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 a revenue of about S\$2.5 billion in FY 2001. ST Engg is one of the ten largest companies listed on the Singapore Exchange with a market capitalisation of about S\$5 billion.

Media Contact:

Magdalen Loh
AVP / Head, Corporate Communications
Singapore Technologies Electronics Ltd
Tel: (65) 64131788
Fax: (65) 64848840
Email: lohImm@stee.st.com.sg