



ST ELECTRONICS INCREASES PRESENCE IN CHINA THROUGH JOINT VENTURE WITH PACIFIC CITY INTERNATIONAL GROUP

Guangzhou, China, 13 February 2004 -- Singapore Technologies Electronics Limited (ST Elect) is increasing its presence in China. ST Elect's wholly-owned subsidiary, ST Electronics (Shanghai) Co., Ltd (STES), has signed an agreement with Pacific City International Holdings Limited (PCI-Holdings) and Guangzhou Pacific City International (Group) Co Ltd (Guangzhou-PCI) to form a joint venture company. The joint venture company in Guangzhou, China, will be known as ST Electronics-PCI Co. Ltd. (ST Electronics-PCI).

Since the early 1990s, ST Electronics has been actively internationalising its businesses, especially in China. The strategic collaboration with PCI-Holdings and Guangzhou-PCI, which have strong local presence in China, will help STES develop and expand ST Elect's businesses in South China. ST Electronics-PCI will also augment ST Elect's existing marketing and customer-service support networks in China.

ST Electronics-PCI will have a registered capital of USD 2.41 million. STES will invest up to USD 1.23 million cash for a 51% equity interest in ST Electronics-PCI. PCI-Holdings will invest up to USD 0.60 million cash for 25% equity interest and Guangzhou-PCI will invest up to USD 0.58 million cash for the remaining 24% equity interest.

"ST Elect has implemented intelligent building solutions, rail electronics and traffic management and public safety systems in Greater China. In addition to our presence in cities such as Shanghai, Beijing, Hangzhou, Shenzhen, Qingdao and Chengdu, ST Elect's strategic investment in ST Electronics-PCI in South China will strengthen ST Elect's plan to expand our businesses in China. ST Electronics-PCI will increase our market reach in China, especially in intelligent building, rail electronics and intelligent transportation systems."

**~ SEAH Moon Ming,
President, ST Elect**

"By leveraging on the complementary experience, expertise and business network of Guangzhou PCI and ST Electronics, ST Electronics-PCI will enhance the strategic positioning of Guangzhou-PCI as a one-stop distributor of electronics components and systems in China. ST Electronics-PCI will create new opportunities for Guangzhou-PCI in China, especially in the business of electronic systems integration."

**~ Wayne LIU,
Chairman and CEO, Guangzhou-PCI**

STES offers ST Elect's full range of products and services which include Intelligent Building Extra Low Voltage System (ELVS). Its core expertise lies in system design and integration, and project management, delivering landmark projects such as Jin Mao Building which is the

tallest building in China, and Hangzhou Zhaohui Modern City. STES markets and offer service support for VSAT products and for ELVS and transportation systems. ELVS projects implemented include Shanghai Museum and International Lidu Garden condominium in Shanghai. STES has also successfully implemented the carpark management system for Shanghai Raffles City.

About PCI-Holdings

PCI Holdings was incorporated in the British Virgin Islands as an International Business Company in October 1998. It is an investment holding company for investment in high-tech business areas. PCI Holdings is a majority shareholder of ECS Holdings which is listed on the Singapore Exchange.

About Guangzhou-PCI

Guangzhou-PCI was founded in 1992 and has its headquarters based in Guangzhou, China. Guangzhou-PCI is the second largest IT distributor in China. Its main businesses are the distribution of consumer IT products and provision of IT services. Guangzhou-PCI employs more than 1,300 staff and achieved a sales revenue of about RMB 5 billion in 2003. Guangzhou-PCI has established an extensive distribution network covering more than 220 cities in China.

About STES

STES was set up in Shanghai in August 1998 to market ST Elect's products and systems in Greater China. 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.

ST Elect delivers 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, rail & traffic management, real-time command & control, training & simulation, intelligent building management, 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 providing quality solutions to customers.

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