



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

Singapore, 9 February 2004 -- Singapore Technologies Electronics Limited's (ST Elect) 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, subject to regulatory approval. The joint venture company in Guangzhou, China, will be known as ST Electronics-PCI Co. Ltd. (ST Electronics-PCI).

The tie-up with PCI-Holdings and Guangzhou-PCI, which have strong local presence in China, will help STES develop and grow ST Elect's businesses in South China. ST Electronics-PCI will also augment ST Elect's existing marketing and customer-service support network in China.

ST Electronics-PCI will have a registered capital of USD 2.41 million. STES will subscribe up to USD 1.23 million for a 51% equity interest in ST Electronics-PCI, while PCI-Holdings will subscribe up to USD 0.60 million for a 25% equity interest and Guangzhou-PCI up to USD 0.58 million for the remaining 24% equity interest. The capital contribution by the joint venture parties will be in cash.

*"Together with our presence in cities such as Shanghai, Beijing, Shenzhen, Qingdao and Chengdu, ST Elect's strategic investment in ST Electronics-PCI will strengthen its plan to grow ST Elect's businesses in China. ST Electronics-PCI will increase our market reach in China, especially in rail electronics and intelligent transportation systems."*

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

STES offers ST Elect's full range of products and services which include Intelligent Building Extra Low Voltage System (ELVS) designs. It carries out system integration and project management tasks and offers sales and maintenance services for VSAT products and sales/maintenance services for ELVS and transportation systems. STES has developed an in-depth knowledge in ELVS systems through various landmark projects such as China's tallest Jin Mao Building. It has been awarded the implementation of ELV systems for the International Lidu Garden condominium in Shanghai and Hangzhou Zhaohui Modern City. STES has also been awarded other projects such as Shanghai Raffles City Carpark Management System.

ST Elect is a wholly owned subsidiary of public listed Singapore Technologies Engineering Ltd (ST Engg). 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.

#### **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 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.

**ST Engg** is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenues of S\$2.82 billion in FY2003. Its market capitalisation of about S\$6 billion ranks it among the ten largest companies listed on the Singapore Exchange. ST Engg has 12,000 employees worldwide, and over 100 subsidiaries in 15 countries and 22 cities.

\*\*\*\*\*

Press Contact:

Magdalen Loh  
AVP / Head, Corporate Communications  
Singapore Technologies Electronics Limited  
Tel: (65) 6413 1788  
Fax: (65) 6484 8840  
Email: lohimm@stee.st.com.sg