

## **Electronics**

“Steady Performance at 3<sup>rd</sup> Quarter”

FINANCIAL HIGHLIGHTS For the nine months ended 30 September 2001			
	2001 9 Months	2000 9 Months	Growth %
Turnover (\$m)	358	290	23
Investment, interest and other income (\$m)	7.6	7.9	(3)
Profit before tax (\$m)	37.0	30.6	21
Profit attributable to shareholders before EI (\$m)	25.5	20.4	25

*“The Electronics Sector expects steady sales in the remaining quarter and better overall performance for the full year.*

*We will continue to pursue our market development activities in China, Hong Kong and Taiwan in the areas of transportation, public safety systems and VSAT products.”*

*Seah Moon Ming, President*

N.B.: All currencies are in Singapore dollars.

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### Electronics Sector unaudited results for the nine months ended 30 September 2001:

	2001 \$'000 9 Months	2000 \$'000 9 Months	+ / (-) %
<b>1. (a) Turnover</b>	<b><u>358,043</u></b>	<b><u>290,279</u></b>	<b>23.3</b>
(b) Investment Income	<u>-</u>	<u>-</u>	-
(c) Other Income including Interest Income	<u>7,633</u>	<u>7,895</u>	<b>(3.3)</b>
<b>2. (a) Operating Profit before Income Tax, Minority Interests, Extraordinary Items, Interest on Borrowings, Depreciation and Amortisation, and Exceptional Items</b>	41,635	34,561	20.5
(b) (i) Interest on Borrowings	<b>(1)</b>	<b>(6)</b>	<b>(83.3)</b>
(ii) Depreciation and Amortisation	<b>(3,992)</b>	<b>(3,892)</b>	2.6
(c) Exceptional Items	-	-	-
(d) Operating Profit before Income Tax, Minority Interests, Extraordinary Items but after Interest on Borrowings, Depreciation and Amortisation, and Exceptional Items	37,642	30,663	22.8
(e) Income derived from Associated Companies/Joint Ventures	<b>(625)</b>	<b>(34)</b>	NM
<b>Operating Profit before Income Tax</b>	<b><u>37,017</u></b>	<b><u>30,629</u></b>	<b>20.9</b>
(f) Less Income Tax	<b>(11,768)</b>	<b>(10,391)</b>	13.3
(g) (i) Operating Profit after Tax before deducting Minority Interests	25,249	20,238	24.8
(ii) Less Minority Interests	202	160	26.3
<b>(h) Operating Profit after Tax attributable to Members of the Company</b>	<b><u>25,451</u></b>	<b><u>20,398</u></b>	<b>24.8</b>
(i) (i) Extraordinary Items	<span style="border: 1px solid black; padding: 2px;">-</span>	<span style="border: 1px solid black; padding: 2px;">-</span>	-
(ii) Less Minority Interests	<span style="border: 1px solid black; padding: 2px;">-</span>	<span style="border: 1px solid black; padding: 2px;">-</span>	-
(iii) Extraordinary Items attributable to Members of the Company	-	-	-
<b>(j) Operating Profit after Tax and Extraordinary Items attributable to Members of the Company</b>	<b><u>25,451</u></b>	<b><u>20,398</u></b>	<b>24.8</b>
* NM - Not Meaningful			
<b>3. (a) Operating Profit [2(g)(i) above] as a percentage of Turnover</b>	7.1%	7.0%	

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	2001 \$'000	2000 \$'000	+ / (-) %
4. (a) Sales reported for first half	228,008	197,347	15.5
(b) Operating Profit [2(g)(i) above] reported for first half	14,953	11,939	25.2
(c) Sales reported for third quarter	130,035	92,932	39.9
(d) Operating Profit [2(g)(i) above] reported for third quarter	10,296	8,299	24.1
(e) Sales reported for third quarter year-to-date	358,043	290,279	23.3
(f) Operating Profit [2(g)(i) above] reported for third quarter year-to-date	25,249	20,238	24.8
5. (a) There was no adjustment for over or under provision of current and deferred tax in respect of prior years.			
(b) There was no pre-acquisition profit included in the results reported.			
(c) There was no disposal of property during the period.			
(d) There was no extraordinary item during the period.			

### 6. Business Grouping Information

	Turnover			Profit before Tax		
	2001 \$'000	2000 \$'000	+ / (-) %	2001 \$'000	2000 \$'000	+ / (-) %
<b><u>By Business Activity</u></b>						
<b>Third Quarter</b>						
Large-Scale Systems Group	45,876	30,207	51.9	3,233	1,687	91.6
Communication & Sensor Systems Group	50,691	29,246	73.3	5,052	4,582	10.3
Software Systems Group	33,468	33,479	-	6,086	6,192	(1.7)
Total	<u>130,035</u>	<u>92,932</u>	39.9	<u>14,371</u>	<u>12,461</u>	15.3
<b>Nine Months Ended 30 September</b>						
Large-Scale Systems Group	120,854	101,462	19.1	7,713	5,649	36.5
Communication & Sensor Systems Group	149,379	110,783	34.8	14,528	12,254	18.6
Software Systems Group	87,810	78,034	12.5	14,776	12,726	16.1
Total	<u>358,043</u>	<u>290,279</u>	23.3	<u>37,017</u>	<u>30,629</u>	20.9

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### 7. Review of Performance

#### (a) Turnover

3Q2001 vs 3Q2000

3Q2001	3Q2000	Growth	
\$130m	\$93m	\$37m	40%

The turnover of \$130 million recorded in 3Q2001 was higher than that in 3Q2000 by 40% or \$37 million. This was mainly contributed by **Communication & Sensor Systems Group (CSG)** and **Large-Scale Systems Group (LSG)**. **CSG** achieved higher sales with milestone recognition from Ministry of Home Affairs' (MHA) communications project and the supply of communications equipment. In **LSG**, major sales were recorded from the Land Transport Authority's (LTA) North-East Line MRT project and the Sengkang/Punggol LRT project. **Software Systems Group (SSG)** maintained its turnover as compared to the previous corresponding period.

9M2001 vs 9M2000

9M2001	9M2000	Growth	
\$358m	\$290m	\$68m	23%

The turnover of \$358 million recorded in 9M2001 was higher than that in 9M2000 by 23% or \$68 million. All three business groups had contributed to the increase. **CSG** achieved higher sales with milestone recognition in the MHA's communications project. In **LSG**, major sales were recorded from the LTA's North-East Line MRT project, Sengkang/Punggol LRT project, LED Traffic Lights project and the Taipei MRT projects. In **SSG**, major sales were recognised from milestone completion of the aircraft simulator projects.

#### (b) Profitability

3Q2001 vs 3Q2000

3Q2001	3Q2000	Growth	
\$14.4m	\$12.5m	\$1.9m	15%

Profit before tax increased by 15% or \$1.9 million to \$14.4 million. The main profit contribution came from **LSG** and **CSG** due largely to higher turnover. **SSG's** profitability was comparable with same period last year.

9M2001 vs 9M2000

9M2001	9M2000	Growth	
\$37.0m	\$30.6m	\$6.4m	21%

Profit before tax for 9M2001 was \$37.0 million, representing an increase of 21% or \$6.4 million over 9M2000. All three business groups had performed well due mainly to higher turnover.

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### 8. Prospects

Major project milestones expected in the fourth quarter include Hong Kong Fire Services' Third Generation Mobilisation System, MHA's Command & Control System project, delivery of ship consoles program and an aircraft simulator project under **SSG**; LTA's MRT and LRT projects and LED Traffic Lights project and Taipei MRT project under **LSG**; and various defence communication projects under **CSG**.

Fourth quarter profit after tax is expected to be maintained. Full year profit after tax is projected to be better than that of the preceding period.

Press Contact:

Magdalen Loh

AVP/ Head, Corporate Communications

Tel: (65) 413 1788

Fax: (65) 484 8840

Email: [lohlm@stee.st.com.sg](mailto:lohlm@stee.st.com.sg)