

Electronics

“Growth maintained in 1st Quarter”

FINANCIAL HIGHLIGHTS For the three months ended 31 March 2001			
	2001 1Q	2000 1Q	Growth %
Turnover (\$m)	102	90	14
Investment, interest and other income (\$m)	2.3	1.6	45
Profit before tax (\$m)	8.8	7.4	18
Profit attributable to shareholders before EI (\$m)	6.0	5.0	19

- Turnover increased 14% to \$102 million
- Investment, interest and other income increased 45% to \$2.3 million
- PBT increased 18% to \$8.8 million and net profit increased 19% to \$6.0 million

“We are off to a good start with better 1Q2001 earnings.

“The recent award of three major regional contracts in Hong Kong, Philippines and Taiwan attests to the quality of our products and solutions.”

Seah Moon Ming, President

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

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Electronics Sector unaudited results for the three months ended 31 March 2001 :

	2001 \$'000 3 Months	2000 \$'000 3 Months	+ / (-) %
1. (a) Turnover	<u>102,314</u>	<u>89,964</u>	13.7
(b) Investment Income	<u>-</u>	<u>-</u>	-
(c) Other Income including Interest Income	<u>2,305</u>	<u>1,593</u>	44.7
2. (a) Operating Profit before Income Tax, Minority Interests, Extraordinary Items, Interest on Borrowings, Depreciation and Amortisation, and Exceptional Items	10,247	8,632	18.7
(b) (i) Interest on Borrowings	-	-	-
(ii) Depreciation and Amortisation	(1,324)	(1,205)	9.9
(c) Exceptional Items	-	-	-
(d) Operating Profit before Income Tax, Minority Interests, Extraordinary Items but after Interest on Borrowings, Depreciation and Amortisation, and Exceptional Items	8,923	7,427	20.1
(e) Income derived from Associated Companies /Joint Ventures	(126)	-	NM
Operating Profit before Income Tax	<u>8,797</u>	<u>7,427</u>	18.4
(f) Less Income Tax	(2,862)	(2,460)	16.3
(g) (i) Operating Profit after Tax before deducting Minority Interests	5,935	4,967	19.5
(ii) Less Minority Interests	43	71	(39.4)
(h) Operating Profit after Tax attributable to Members of the Company	<u>5,978</u>	<u>5,038</u>	18.7
(i) (i) Extraordinary Items	-	-	-
(ii) Less Minority Interests	-	-	-
(iii) Extraordinary Items attributable to Members of the Company	-	-	-
(j) Operating Profit after Tax and Extraordinary Items attributable to Members of the Company	<u>5,978</u>	<u>5,038</u>	18.7
*NM - Not Meaningful			
3. (a) Operating Profit [2(g)(i) above] as a percentage of Turnover	5.8%	5.5%	

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	2001 \$'000	2000 \$'000	+ / (-) %
4. (a) Sales reported for first quarter	102,314	89,964	13.7
(b) Operating Profit [2(g)(i) above] reported for first quarter	5,935	4,967	19.5
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	+ / (-) %
<u>By Business Group</u>						
First Quarter						
Large-Scale Systems Group	37,385	36,597	2.2	1,927	1,842	4.6
Communication & Sensor Systems Group	44,898	33,489	34.1	3,885	2,764	40.6
Software Systems Group	20,031	19,878	0.8	2,985	2,821	5.8
Total	102,314	89,964	13.7	8,797	7,427	18.4

7. Review of Performance

(a) Turnover

<u>1Q2001 vs 1Q2000</u>	1Q2001	1Q2000	Growth	
	\$102m	\$90m	\$12m	14%

The turnover of \$102 million recorded in 1Q2001 was higher than that in 1Q2000 by 14% or \$12 million. This was mainly contributed by **Communication & Sensor Systems Group (CSG)** from the supply of communications equipment and navigation system, and higher VSAT sales. Turnover from **Large-Scale Systems Group (LSG)** was slightly higher than that in 1Q2000 with milestone recognition in the Taiwan MRT projects. **Software Systems Group (SSG)** maintained its turnover.

(b) Profitability

<u>1Q2001 vs 1Q2000</u>	1Q2001	1Q2000	Growth	
	\$8.8m	\$7.4m	\$1.4m	18%

The profit before tax of \$8.8 million recorded at 1Q2001 represented a 18% or \$1.4 million increase over that in 1Q2000. All three business groups reported higher profits with the main contribution coming from **CSG** as a result of higher turnover.

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8. Second Quarter Prospects

Turnover in 2Q2001 is expected to be maintained with the completion of milestones in the Ministry of Home Affairs' Command, Control & Communications projects (**CSG & SSG**); the Land Transport Authority's MRT and LED Traffic Lights projects (**LSG**), and from various defence contracts. We will also begin to see overseas sales contribution from a Traffic Control System project secured in Suzhou, China. Additional revenue will come from a radio production contract, VSAT sales and the maintenance service for electronic equipment and software systems.

The Sector expects the performance for 2Q2001 to be better than 1Q2001.

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