

Company Announcement



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

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Boustead House
Singapore 408937

TRANSFER OF C&E DIVISION OF BOUSTEAD SERVICES TO CONTROLS & ELECTRICS

Singapore, 23 May 2002

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that Boustead's 100%-owned subsidiary, Boustead Services Pte Ltd ("Boustead Services"), has subscribed in cash for another 999,998 ordinary shares in its wholly-owned subsidiary, Controls & Electrics Pte Ltd ("C&E"), increasing C&E's paid-up capital from S\$2 to S\$1 million divided into 1,000,000 ordinary shares of S\$1 each.

In keeping with its ongoing restructuring and rationalisation of the operations of the Boustead Group, Boustead Services will transfer its C&E Division business with a net tangible asset value of approximately S\$1 million as at financial year ended 31 March 2002 to C&E for a cash consideration of S\$1 million.

This transaction is not expected to have any significant impact on the consolidated net tangible asset value and earnings per share of Boustead for the year ending 31 March 2003.

None of the Directors and substantial shareholders of Boustead has any interest, direct or indirect, in the transaction.