

Company Announcement



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

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PREVALENT TECHNOLOGIES ENTERS JOINT VENTURE WITH EDWARD KELLER PHILIPPINES INC

Singapore, 28 May 2002

The Board of Directors of Boustead Singapore Limited ("Boustead" or "the Company") is pleased to announce that Boustead's 100%-owned subsidiary, Prevalent Technologies Pte Ltd ("Prevalent") has entered into a 50/50 joint venture agreement with Edward Keller Philippines Inc ("EKPI") to incorporate a joint venture company in the Philippines to be called EK Boustead Inc, for the purpose of marketing and distributing geographic information systems ("GIS") and the provision of surveying and GIS-related services in the Philippines.

The authorised capital of EK Boustead Inc shall be PHP52 million divided into 1,000 ordinary shares with a par value of PHP52,000 each and the paid-up capital shall be PHP13 million divided into 250 ordinary shares of PHP52,000 each. Prevalent and EKPI shall each subscribe for 125 ordinary shares in cash at a total subscription price of PHP6.5 million (approximately S\$233,000). The subscription money for the 50% shares in EK Boustead Inc will be funded from Boustead's internal resources.

Rationale

GIS has become an essential tool for integrating and analysing geo-spatial information. With the growing demand for this technology in the private and public sectors in the Philippines, Boustead and EKPI are of the opinion that there is potential growth in this niche business.

Prevalent, under the IT group of Boustead, has the experience and a successful track record in the field of spatial information technology.

EKPI is part of the Diethelm Keller Group, a highly diversified international organisation, with over 35 years of experience in the engineering industry, particularly in the field of geodesy and mapping.

By combining the resources of both companies, the new joint venture company EK Boustead Inc will be able to achieve economies of scale, enhance its capabilities and be specifically geared to provide a wider range of GIS-specialised products and services in the Philippines market.

Financial Effects

This joint venture is not expected to have any material effect on the consolidated earnings per share or net tangible assets per share of the Company for the financial year ending 31 March 2003.

Directors and Substantial Shareholders' Interests

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