



Boustead Singapore Limited
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PROPOSED INDUSTRIAL DEVELOPMENT AT WUXI HI-TECH INDUSTRIAL PARK, WUXI, CHINA

Singapore, 10 June 2002

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that Boustead has signed an agreement (the "Agreement") with the Wuxi Foreign Investment Bureau of Wuxi City Government (the "Bureau") to develop a 22-hectare site in Wuxi, People's Republic of China, into an industrial park to cater to the needs of small and medium-sized enterprises mainly from South East Asia, Taiwan, and Hong Kong. This Agreement is valid for five years. The site is located at Wuxi New District, approximately 15 minutes' drive from Wuxi City and approximately one hour and fifteen minutes' drive from Shanghai.

Boustead will provide its design and construction expertise for the industrial park, which will be named as Wuxi Boustead Industrial Park. Current planning is for the proposed Wuxi Boustead Industrial Park to have modern factory units, varying in size from 2,500 square feet to 80,000 square feet. In addition, the proposed Wuxi Boustead Industrial Park will house a commercial centre, consisting of a food court, restaurant, bank and convenience stores, to suit the demands of foreign investors. Boustead will only commence construction of the factory units when potential buyers or tenants are identified. If there is sufficient demand for the development of the whole Wuxi Boustead Industrial Park, the estimated total project cost will be US\$15 million (approximately S\$27 million). During construction, a nominal land levy shall be payable by Boustead to the Bureau. The land use right of the factory units is for a period of 50 years.

In connection with the proposed Wuxi Boustead Industrial Park, Boustead will form a new company in China, to be known as Wuxi Boustead Industrial Park Development Co Ltd ("NewCo"), with a registered capital of US\$6 million. NewCo will be wholly-owned by Boustead. The initial paid-up capital of US\$900,000 (approximately S\$1.65 million) representing 15% of the registered capital will be paid up within three months after obtaining the business license. Payment of the balance of registered capital shall depend on the progress of the project, but within five years. Part of the profits derived from the project can be used towards the payment of the registered capital. However, in the event of adverse market conditions, NewCo may, with approval of the relevant authorities reduce the registered capital. Pursuant to the Agreement, the Bureau will assist Boustead in the formation of NewCo and obtain all necessary approvals for the development of the proposed Wuxi Boustead Industrial Park. In addition, the Bureau will assist Boustead in the marketing of the Wuxi Boustead Industrial Park to overseas investors. The Bureau will be responsible for the sale or lease of up to 70% of all factory units to be built while Boustead will be responsible for the remaining 30% of these units.

Boustead will fund this project by internal resources and bank borrowings. In relation to this project, the impact on the consolidated net tangible asset per share and the earnings per share for the current financial year ending 31 March 2003 is not expected to be material.

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