

Company Announcement



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

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Singapore 408937

REDUCED PURCHASE CONSIDERATION ON PROPOSED PURCHASE OF 28,959,670 ORDINARY SHARES IN SALCON LIMITED

Singapore, 11 July 2002

The Board of Directors of Boustead Singapore Limited (the "Company") is pleased to announce that the Company has today entered into a conditional Supplemental Agreement (the "Agreement") with Asean Strategic Capital Limited ("ASCL"), acting through its Liquidator, Collyer Holdings Limited, to purchase 28% or 28,959,670 ordinary shares of S\$0.20 each fully paid-up in Salcon Limited (the "Salcon Shares") at a reduced total cash consideration of S\$5 million.

The Agreement, which is conditional upon approval being given by the shareholders of ASCL, is a variation of the conditional Sale & Purchase Agreement (the "S&P Agreement") announced on 5 April 2002. The revised total cash consideration for the Salcon Shares under the Agreement represents a S\$1.5 million reduction over the original S\$6.5 million under the S&P Agreement.

Under terms of the Agreement, completion of the transaction shall take place in two tranches. The first completion date, upon which an initial S\$2.5 million of the total cash consideration is payable, is scheduled to take place 14 days after approval is given by ASCL's shareholders and in any event, no later than 26 July 2002. The second completion date, upon which the remaining S\$2.5 million of the total cash consideration is payable, shall take place three months from the date of the payment of the first tranche of S\$2.5 million.