

Company Announcement



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

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Singapore 408937

SALE OF AUSTRALIAN SUBSIDIARY, GEOMETRY PTY LTD

Singapore, 2 September 2002

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that the Company's wholly-owned subsidiary, Prevalent Technologies Pte Ltd ("Prevalent"), has completed the sale of its entire stake in its wholly-owned Australian subsidiary, Geometry Pty Ltd ("Geometry"), to Mr Ashley Philip Mahar, Geometry's Managing Director, for a cash consideration of A\$1 (approximately S\$0.97).

Under the terms of the sale, the Company will also be forgiving its loan of S\$392,000 advanced to Geometry.

Geometry is engaged in the development of spatial technology application tools and has been operating since October 2000. For the financial year ended 31 March 2002, Geometry incurred a net loss of S\$138,000 and its net liabilities stood at S\$57,000. In light of Geometry's current underperformance and uncertainty over its future prospects, the Board is of the view that it would be not prudent to continue funding Geometry's operations.

Based on the audited consolidated accounts of Boustead and its subsidiaries for the financial year ended 31 March 2002 ("FY2002") and on the audited accounts of Geometry for the same year ended, the disposal of Geometry has the following financial effects on Boustead:

- a) There will be no significant impact on the net tangible assets per share of Boustead of S\$0.24, assuming that the disposal had been effected at the end of FY2002; and
- b) The loss per share of Boustead will be increased from S\$0.029 to S\$0.030, assuming that the disposal had been effected at the beginning of FY2002.

The operating loss before income tax attributable to Geometry based on its audited accounts for FY2002 is S\$113,000. The surplus of the sale proceeds over the net book value of Geometry is S\$57,000 as at 31 March 2002.

None of the Directors of Boustead, as far as Boustead is aware, or its controlling shareholders has any interest, direct or indirect, in the disposal of Geometry.