



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

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BOUSTEAD PURCHASES ADDITIONAL 24,843,277 OR 24.13% ORDINARY SHARES IN SALCON LIMITED

Singapore, 18 October 2002

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") refers to the Company's previous announcements on Salcon Limited ("Salcon") dated 5 April 2002, 11 July 2002 and 2 August 2002. The Board is pleased to announce that the Company has today acquired an additional 24,843,277 shares in Salcon (the "Acquisition") for a consideration of approximately S\$6.9 million. The 24,843,277 shares were acquired from existing shareholders of Salcon and represents 24.13% of the issued share capital of Salcon. The consideration was arrived at after arm's length negotiations and is on a willing buyer-willing seller basis. The consideration will be satisfied by the issue of 19,654,406 shares in Boustead (the "Consideration Shares") at an issue price of S\$0.351 per share, which amounts to a discount of 10% to the last traded price of the shares. The Consideration Shares will be issued in 3 equal tranches on the dates falling 7 months, 14 months and 21 months from today.

In addition, the Board is pleased to announce the completion today of the acquisition of the second tranche of shares from Asean Strategic Capital Limited (such acquisition having been announced on 5 April 2002 and 11 July 2002).

As a result of the above, the Company's stake in Salcon has been increased to 63.46%.

The agreement in relation to the Acquisition provides for certain circumstances under which the shares acquired may be re-transferred to the vendors.

Based on the latest available audited consolidated accounts of Salcon for the year ended 31 July 2001, the Company's 63.46% stake in Salcon had a net tangible asset value of approximately S\$30.6 million. Based on estimates of Salcon's consolidated financial results for the year ended 31 July 2002, the Company's 63.46% stake in Salcon had an attributable net tangible asset value of approximately S\$28.3 million. According to these same estimates, the Company's 63.46% stake in Salcon had an attributable net loss after tax and minority interests of approximately S\$2.3 million (excluding certain non-recurring provisions to be made).

Based on the Company's audited consolidated accounts for the year ended 31 March 2002 ("FY2002") and estimates of Salcon's consolidated results for the year ended 31 July 2002 (excluding certain non-recurring provisions to be made), Boustead's acquisition of a total of 63.46% of Salcon would have had the following financial effects:

- a) The consolidated net tangible asset value per share would have increased from S\$0.24 to S\$0.25 per share, assuming that the acquisition of the 63.46% stake had been completed at the end of FY2002; and

- b) The consolidated loss per share would have increased from S\$0.029 per share to S\$0.037 per share, assuming that the acquisition of the 63.46% stake had been completed at the beginning of FY2002.

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