

## *Company Announcement*



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

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Singapore 408937

### **PROPOSED SALE OF SUBSIDIARY, SUSHI DELI PTE LTD**

**Singapore, 18 July 2003**

The Board of Directors of Boustead Singapore Limited (the "Company") wishes to announce that the Company has entered into a Sale & Purchase Agreement ("Agreement") dated 18 July 2003 to sell its 100% interest in Sushi Deli Pte Ltd ("Sushi Deli") to Mr Soh Chin Hua, Mr Syn Yong Cheng and Mr Wong Fong Fui (in the respective shareholding of 30%, 30% and 40%) for a cash consideration of S\$340. Mr Soh and Mr Syn are with the current management of Sushi Deli, and Mr Wong is the Chairman and Group CEO, as well as a substantial shareholder of the Company.

The independent directors of the Company are of the view that the terms of the Agreement are normal commercial terms based on a willing buyer-willing seller basis and are not prejudicial to the interests of the shareholders of the Company. Completion is expected within two months from the date of the Agreement and will take place simultaneously with the repayment of an inter-company loan of S\$1,973,780 (as at 30 June 2003) by Sushi Deli to the Company.

Sushi Deli is in the business of selling Japanese food and soya food and beverage. It has a paid-up capital of S\$100,000 divided into 100,000 shares with a par value of S\$1 each. For the twelve months ended 31 March 2002 and 2003, Sushi Deli reported a net loss of S\$190,331 and S\$164,495, respectively. Sushi Deli had a negative net worth of S\$903,572 as at 31 March 2003.

With the sale of the Bonjour bread business in 2000, food became a non-core business for the Boustead Group. Efforts were then undertaken to dispose off Sushi Deli but no reasonable offers were received. The problem was compounded by losses sustained by Sushi Deli in the last few years. The recent outbreak of SARS and the current poor consumer sentiment have prompted the Company to take active steps to divest this non-core business in order to avoid further losses. Furthermore, through the sale of Sushi Deli, the Company will recover the loan of S\$1,973,780 which will be deployed more effectively to the Group's core businesses of engineering services and information technology.

Save as disclosed above, none of the Directors or substantial shareholders has any interest in the above transaction. The sale would not have had any material financial effect on the Group's consolidated net asset value per share or its consolidated earnings per share for the year ended 31 March 2003.