

Company Announcement



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

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INVESTMENT IN CHINA CAPITAL PARTNERS FUND

Singapore, 30 September 2005

The Board of Directors of Boustead Singapore Limited (the "Company") wishes to announce that the Company's wholly-owned subsidiary in the British Virgin Islands, Econolink Investments Limited ("Econolink"), has entered into an agreement dated 29 September 2005 with China Capital Partners Limited (the "Fund"), a limited-liability company incorporated in Bermuda, to invest US\$8 million in the equity of the Fund, representing an initial 10% stake. The Fund is targeted to grow up to US\$500 million with equity participation from other investors subsequently. Econolink will also participate in the management of the Fund and will have a veto right on any investments to be made by the Fund.

The Fund will invest in well-located infrastructure and property projects in the China Region.

The Board views the investment in the Fund as beneficial to the Company for the following reasons: -

- 1) The Fund is a potential source of financing for the Company's infrastructure projects and will have synergies with the Company's design and build, and engineering activities in China;
- 2) As an investor of the Fund, the Company will receive returns targeted at 10-15%; and
- 3) The Company will also participate in the management of the Fund and receive a share of the net portfolio management income.

The investment in the Fund is not expected to have any material impact on the Group's earnings per share or net tangible assets per share for the financial year ending 31 March 2006.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction.