

Company Announcement



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

63 Ubi Avenue 1, #06-01
Boustead House
Singapore 408937

INCORPORATION OF SUBSIDIARY, SPHIL INVESTMENTS PTE LTD

Singapore, 17 March 2006

The Board of Directors of Boustead Singapore Limited (the "Company") wishes to announce that the Company's subsidiary, Salcon Pte Ltd, has incorporated a wholly-owned subsidiary in Singapore known as SPHIL Investments Pte Ltd ("SPHIL").

The principal activity of SPHIL is that of investment holding. Its initial paid-up capital is S\$2.

The incorporation of SPHIL is not expected to have any material impact on the Company'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.