



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

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BOUSTEAD ACQUIRES INTELLECTUAL PROPERTY RIGHTS FROM MAXITHERM BOILER PTY LTD

Singapore, 27 June 2003

The Directors of Boustead Singapore Limited (the "Company") are pleased to announce that Maxitherm Combustion Technologies Pte Ltd ("MCTPL"), a wholly-owned subsidiary of Boustead Services Pte Ltd, which in turn is a wholly-owned subsidiary of the Company, has entered into a Technology Transfer Agreement (the "Agreement") with Maxitherm Boiler Pty Ltd ("MBPL") to acquire from MBPL all its Intellectual Property Rights ("IPR") on a worldwide basis, with the exception of Australia, China and Papua New Guinea, for a total cash consideration of A\$350,000. The IPR include all copyrights and propriety rights, patents, registered trademarks, registered design, as well as the customer reference list for all past projects.

In addition, the Boustead Group has also secured a three-year call option for 20% of MBPL for a cash consideration of A\$600,000.

MBPL is an Australian company with over 50 years of history in the manufacture and sale of Maxitherm boilers in the region. Maxitherm is a well known and reputable brand for boilers. Under the Agreement, MBPL will shut down its manufacturing operation in Australia and concentrate solely on sales and after-sales service of boilers in the Australian market. MBPL has also agreed to purchase all pressure parts and semi-completed boilers only from MCTPL for sales in the Australian market. An Indonesian subsidiary of the Boustead Group has been manufacturing Maxitherm boilers in Indonesia, as a licensee of MBPL, for the Indonesian market for the last 13 years. To date, the Boustead Group has sold over 550 units of Maxitherm boilers in Indonesia.

The Boustead Group provides specialist engineering products and services on a global scale. With the acquisition, the Boustead Group will have its own boiler with a reputable brand name, as well as the customer reference list and technology to market the comprehensive range of Maxitherm boilers on a global basis.

The Maxitherm range of boilers complement the existing engineering products and services offered by the Boustead Group, and will be able to leverage on the global marketing network of the Group to cross-sell Maxitherm boilers to the existing base of customers. This is consistent with the Group's growth strategies of utilising the Group's network of engineering contacts to cross-sell each other's services to existing customers, and to introduce new engineering products and services to the network of existing customers.

Subject to satisfactory due diligence, the acquisition is expected to be completed by 31 August 2003, and it will not have a material impact on the earnings and net asset value of the Group for the financial year ended 31 March 2003 ("FY2003") assuming that the transaction had been effected at the beginning and at the end of FY2003, respectively. The cash consideration of A\$350,000, which was based on a willing buyer-willing seller

basis after arm's length negotiation, will be funded by internal resources. None of the Directors or substantial shareholders has any direct or indirect interest in the above acquisition.