

Company Announcement



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

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SUBSIDIARY BOUSTEAD INTERNATIONAL HEATERS SECURES S\$11.5 MILLION CONTRACT IN SOUTH EAST ASIA

Singapore, 19 January 2006

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's 90%-owned subsidiary, Boustead International Heaters (BIH), has been awarded a large contract valued at S\$11.5 million in South East Asia. The contract is expected to be completed within the next financial year ending 31 March 2007.

Against formidable global competitors, BIH secured the contract to design and supply a waste heat recovery system to be utilised on the back end of a reformer furnace within a mega methanol project in South East Asia.

Mr Wong Fong Fui, Group Chief Executive Officer of Boustead said, "We are pleased to have secured this contract on the basis of our vast experience in managing technically-sophisticated projects of this nature on a global scale. We are confident that the successful completion of this project will open the door to other business opportunities in the region."

Mr Wong added, "We are delighted to start 2006 by winning this major contract as it sets a positive tone for another successful year. The large size of the latest contract is representative of the growing investment in downstream oil & gas activities. With continuing buoyant conditions in the oil & gas industries, we are pursuing new opportunities to work on similar projects with our strong base of international clients."

The above contract is not expected to have a positive material impact on the profitability and earnings per share of the Company in the current financial year ending 31 March 2006, but it is expected to have a positive material impact on the next financial year ending 31 March 2007. However, the contract is not expected to have a material impact on the net asset value per share of the Company for the current or next financial year.

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