

Company Announcement



Boustead Singapore Limited
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SUBSIDIARY BOUSTEAD MAXITHERM INDUSTRIES SECURES CONTRACTS TOTALLING S\$14 MILLION

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Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's subsidiary, PT Boustead Maxitherm Industries ("BMI"), has secured two contracts in Indonesia totalling approximately S\$14 million. 70% of the value of the contracts is expected to be completed within the current financial year ending 31 March 2007.

The contracts involve the design, process engineering and construction of:

- A sugar bagasse solid waste energy recovery system for PT PG Rajawali II ("PG Rajawali"), a large state-owned sugar plantation and mill in Indonesia; and
- A cold storage facility for PT Wachyuni Mandira, a company of the Dipasena Group, which is one of the world's largest prawn hatcheries.

The sugar bagasse solid waste energy recovery system which BMI will design and construct for PG Rajawali represents a breakthrough because it will be the first Maxitherm system installed in Indonesia for the application of sugar bagasse. Bagasse is the biomass that remains after sugar cane stalks are crushed to extract juices and will be used as the fuel source in the energy recovery process. The Maxitherm system will be able to generate a steam turbine capacity of 3MW.

Mr Wong Fong Fui, Chairman & Group Chief Executive Officer of Boustead said, "We are pleased to be given the opportunity to apply our solid waste energy recovery expertise to sugar bagasse in Indonesia. This project will allow us to broaden our range of applications in the promising field of bio-fuels. With the current high oil prices, we expect the demand for our solid waste energy recovery systems to remain strong as our clients look to utilise alternative sources of fuel."

Mr Wong added, "The latest solid waste energy recovery project will add onto our growing order book for energy-related engineering, which we view as a key growth driver for Boustead. We will continue to aggressively develop our energy-related businesses and penetrate markets globally."

The above contracts are 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 2007. However, the contracts are not expected to have a material impact on the net asset value per share of the Company for the current financial year.

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