

Company Announcement



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

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DISPOSAL OF INVESTMENT IN MAXAMINE INC

Singapore, 12 October 2006

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that its wholly-owned subsidiary, Prevalent Technologies Pte Ltd ("Prevalent"), has disposed of its entire investment comprising 1,709,519 Series B preferred stock (the "Sale Shares") in Maxamine Inc ("Maxamine").

The consideration for the Sale Shares was US\$250,014.57 (or approximately S\$397,000). The consideration was arrived at after arm's length negotiations and is on a willing buyer-willing seller basis.

Maxamine is incorporated in the United States of America and its principal activities are those relating to the analysis of websites and the provision of advisory services on the improvement and redesign of websites.

Maxamine has been held as an investment and does not form part of the Boustead Group's core businesses of engineering services and geo-spatial technology. It is intended that the proceeds from the disposal will fund the working capital needs of Prevalent.

As the investment in Maxamine has been fully written off, the Group is expected to record a gain of approximately S\$397,000 from the disposal of the Sale Shares. The disposal is not expected to have any material impact on the consolidated net tangible asset value and the earnings per share of the Group for the current financial year.

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