


**BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES**



ENGINEERING THE WORLD OF THE FUTURE

**SGXnet Announcement
Unaudited Results for Half-Year FY2007
Ended 30 September 2006**



BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Half-Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 September 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	GROUP		Inc/(Dcr) %
		30.9.06 \$'000	30.9.05 \$'000	
Revenue		139,717	157,624	(11.4)
Cost of sales		(95,865)	(92,723)	3.4
Gross profit		43,852	64,901	(32.4)
Other operating income	1	4,114	2,630	56.4
Selling and distribution expenses		(11,339)	(12,746)	(11.0)
Administrative expenses		(15,642)	(13,360)	17.1
Other operating expenses		(5,326)	(5,151)	3.4
Finance costs		(658)	(828)	(20.5)
Share of results from associates		(70)	914	NM
Profit before income tax	2	14,931	36,360	(58.9)
Income tax	3	(5,325)	(10,021)	(46.9)
Profit after income tax		9,606	26,339	(63.5)

Attributable to:				
Shareholders of the Company		7,938	15,941	(50.2)
Minority interests		1,668	10,398	(83.9)
		9,606	26,339	(63.5)

NM - Not meaningful

	GROUP	
	30.9.06	30.9.05
	\$'000	\$'000
<u>Note 1: Other operating income</u>		
Interest income	1,647	1,025
Other rental income	762	1,022
Foreign currency exchange adjustment gain - net	1,705	583
	4,114	2,630
<u>Note 2: The profit before income tax is arrived at after (charging)/ crediting the following:</u>		
Depreciation of property, plant and equipment	(1,953)	(2,367)
Amortisation of other intangible assets	(90)	(38)
Allowance for doubtful receivables - net	(363)	(1,969)
Goodwill written off	(21)	-
Other investments written off	(61)	-
Loss on disposal of a subsidiary and its associates	(708)	-
Gain on disposal of property, plant and equipment	11	143
<u>Note 3: Income tax</u>		
Over/(under) provision in prior years	74	(134)

The provision for income tax is made after taking into account non-deductible expenses and temporary differences and based on the statutory tax rates of the respective countries. For the current period, the Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher tax rates.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Note	Group		Company	
		30.9.06 \$'000	31.3.06 \$'000	30.9.06 \$'000	31.3.06 \$'000
ASSETS					
Current assets:					
Cash and bank balances		83,298	106,395	459	13,696
Trade receivables		77,169	54,987	-	-
Other receivables and prepayments		35,733	33,274	23,640	5,302
Loans to subsidiaries		-	-	17,949	15,992
Inventories		8,792	5,317	-	-
Properties held for sale		3,254	3,259	-	-
Costs of uncompleted contracts in excess of billings		4,613	5,722	-	-
Derivative financial instruments		-	76	-	-
Assets held for sale		302	4,254	-	-
Total current assets		213,161	213,284	42,048	34,990
Non-current assets:					
Property, plant and equipment		49,106	46,154	-	-
Goodwill		625	51	-	-
Other intangible assets		323	413	-	-
Long-term receivables		763	752	-	-
Investments in associates		15,641	15,652	15,680	15,080
Investments in subsidiaries		-	-	64,264	47,063
Available-for-sale investments		2,831	2,260	2,828	2,239
Other investments		51	94	30	30
Deferred tax assets		1,402	1,465	-	-
Total non-current assets		70,742	66,841	82,802	64,412
Total assets		283,903	280,125	124,850	99,402
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans and overdrafts	1(b)(ii)	5,460	3,204	455	-
Trade payables and accruals		94,895	68,531	211	283
Other payables		9,022	9,703	124	124
Loans from subsidiaries		-	-	46,560	27,669
Billings on uncompleted contracts in excess of costs		9,876	14,087	-	-
Income tax payable		14,156	15,537	-	-
Liabilities associated with assets held for sale		-	145	-	-
Total current liabilities		133,409	111,207	47,350	28,076
Non-current liabilities:					
Long-term bank loans	1(b)(ii)	21,798	19,985	-	-
Deferred tax liabilities		84	185	-	-
Total non-current liabilities		21,882	20,170	-	-
Equity attributable to shareholders of the Company					
Issued capital	1(d)(i)	70,587	70,360	70,587	70,360
Capital and other reserves	1(d)(i)	41,776	36,284	6,913	966
Equity attributable to shareholders of the Company		112,363	106,644	77,500	71,326
Minority interests					
		16,249	42,104	-	-
Total equity		128,612	148,748	77,500	71,326
Total liabilities and equity		283,903	280,125	124,850	99,402

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30.9.06 \$'000		As at 31.03.06 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	2,849	2,611	2,512	692

	As at 30.9.06 \$'000		As at 31.03.06 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	21,798	-	19,985	-

An amount of \$3,724,000 (31.3.06: \$3,903,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 63 Ubi Ave 1, 6th and 7th floor (excluding unit #07-06) of Boustead House, Singapore.

An amount of \$4,590,000 (31.3.06: \$4,590,000) was secured by way of a legal mortgage on a leasehold property of a subsidiary at 80 Alps Avenue, Singapore.

An amount of \$5,417,000 (31.3.06: \$5,916,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 101 Alps Avenue, Singapore.

An amount of \$7,000,000 (31.3.06: \$7,000,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 12 Changi North Way, Singapore.

An amount of \$2,762,000 (31.3.06: \$Nil) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 40 Changi North Crescent, Singapore.

An amount of \$856,000 (31.3.06: \$705,000) is secured by way of a legal mortgage on a leasehold land and building of a subsidiary at Kompleks Kawasan, Sarana Terpadu, Jalan Raya Cikarang Desa, Pasir Gombong Kec. Lemah Abang, Bekasi 17750, Indonesia.

An amount of \$298,000 (31.3.06: \$383,000) is secured by way of a pledge of plant and machinery of a subsidiary.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group	
		30.9.06	30.9.05
		\$'000	\$'000
Cash flows from operating activities:			
Profit before income tax		14,931	36,360
Adjustments for:			
Depreciation of property, plant and equipment		1,953	2,367
Amortisation of other intangible assets		90	38
Goodwill written off		21	-
Other investments written off		61	-
Gain on disposal of property, plant and equipment		(11)	(143)
Share of results from associates		70	(914)
Loss on disposal of a subsidiary and its associates		708	-
Share option expense		38	-
Interest expense		658	828
Interest income		(1,647)	(1,025)
Operating income before changes in working capital		16,872	37,511
(Increase)/Decrease in receivables		(24,662)	12,529
(Increase)/Decrease in inventories and contract work-in-progress		(6,473)	18,840
Decrease/(Increase) in properties held for sale		5	(243)
Increase in payables		24,077	478
Decrease in investment properties		-	13,111
Derivative financial instruments		76	-
Cash generated from operations		9,895	82,226
Interest income received		1,647	1,025
Interest expense paid		(658)	(828)
Income tax paid		(6,797)	(5,624)
Net cash from operating activities		4,087	76,799
Cash flows from investing activities:			
Proceeds from the disposal of property, plant and equipment		14	408
Purchase of property, plant and equipment		(4,874)	(14,992)
Payment for acquisition of shares from minority interests		(25,923)	-
Payment for interests in an associate		-	(87)
Purchase of quoted equity investments		-	(3,000)
Net cash inflow on disposal of a subsidiary and its associates	Note (a)	2,273	-
Net cash (outflow)/inflow on acquisition of a subsidiary	Note (b)	(190)	55
Net cash used in investing activities		(28,700)	(17,616)
Cash flows from financing activities:			
Net proceeds from issue of shares of the company		227	764
Proceeds from short-term bank loans		1,942	6,016
Proceeds from long-term bank loans		1,813	-
Repayment of long-term bank loans		-	(6,035)
Payment of dividends to minority interests		(536)	-
Increase in pledged fixed deposits		(71)	(2,301)
Dividends paid		(2,021)	(4,022)
Net cash generated from/(used in) financing activities		1,354	(5,578)
Net effect of exchange rate changes in consolidating subsidiaries			
		(826)	(2,011)
Net increase in cash and cash equivalents		(24,085)	51,594
Cash and cash equivalents at beginning of period	Note (c)	99,651	48,907
Cash and cash equivalents at end of period	Note (c)	75,566	100,501

Notes to the consolidated cash flow statement:

(a) Disposal of a subsidiary and its associates

Cash and bank balances, net of overdrafts
 Trade receivables
 Other receivables and prepayments
 Long-term receivables
 Investment in associates
 Other investments
 Trade payables and accruals
 Other payables

Loss on disposal

Consideration

Net cash and bank balances disposed

Net cash inflow on disposal

(b) Acquisition of a subsidiary

Cash and bank balances, net of overdrafts
 Trade receivables
 Costs of uncompleted contracts in excess of billings
 Trade payables and accruals
 Other payables

Minority interests

Net assets acquired

Goodwill/(Negative goodwill)

Consideration

Satisfied by other receivables capitalised

Consideration paid in cash

Net cash and bank balances acquired

Net cash (outflow)/inflow on acquisition of a subsidiary

(c) Cash and cash equivalents

Cash at bank
 Short-term deposits
 Bank overdrafts

Pledged short-term deposits

Cash and cash equivalents at end of period

	Group	
	30.9.06	30.9.05
	\$'000	\$'000
	603	-
	277	-
	300	-
	708	-
	1,278	-
	563	-
	(32)	-
	(113)	-
	3,584	-
	(708)	-
	2,876	-
	(603)	-
	2,273	-
	116	55
	58	19,783
	104	-
	(30)	-
	(196)	-
	52	19,838
	-	(9,722)
	52	10,116
	254	(112)
	306	10,004
	-	(10,004)
	(306)	-
	116	55
	(190)	55
	20,206	37,684
	63,092	69,096
	(1,548)	(894)
	81,750	105,886
	(6,184)	(5,385)
	75,566	100,501

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	-----Capital and other reserves-----							Subtotal	Equity attributable to shareholders of the Company	Minority interests	Total
	Issued capital	Share premium	Investments revaluation reserves	Proposed dividend	Share option reserves	Foreign currency translation reserves	Accumulated profits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP											
Balance at 1 April 2005, as previously reported	62,346	7,605	-	4,136	-	(2,119)	18,503	28,125	90,471	23,483	113,954
Effect of adopting FRS 103	-	-	-	-	-	-	2,332	2,332	2,332	-	2,332
Balance at 1 April 2005, as restated	62,346	7,605	-	4,136	-	(2,119)	20,835	30,457	92,803	23,483	116,286
Exchange differences arising during the period	-	-	-	-	-	(803)	-	(803)	(803)	(1,029)	(1,832)
Net loss recognised directly in equity	-	-	-	-	-	(803)	-	(803)	(803)	(1,029)	(1,832)
Net profit for the period	-	-	-	-	-	-	15,941	15,941	15,941	10,398	26,339
Total recognised income and expense for the period	-	-	-	-	-	(803)	15,941	15,138	15,138	9,369	24,507
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	9,557	9,557
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(1,471)	(1,471)
Dividends	-	-	-	(2,120)	-	-	(1,902)	(4,022)	(4,022)	-	(4,022)
Issue of shares	520	244	-	-	-	-	-	244	764	-	764
Balance at 30 September 2005	62,866	7,849	-	2,016	-	(2,922)	34,874	41,817	104,683	40,938	145,621

	-----Capital and other reserves-----							Subtotal	Equity attributable to shareholders of the Company	Minority interests	Total
	Issued capital	Share premium	Investments revaluation reserves	Proposed dividend	Share option reserves	Foreign currency translation reserves	Accumulated profits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP (Cont'd)											
Balance at 1 April 2006	70,360	-	442	-	-	(1,834)	37,676	36,284	106,644	42,104	148,748
Exchange differences arising during the period	-	-	-	-	-	(1,052)	-	(1,052)	(1,052)	(484)	(1,536)
Revaluation of available-for-sale Investments	-	-	589	-	-	-	-	589	589	-	589
Share option expense	-	-	-	-	38	-	-	38	38	-	38
Net loss recognised directly in equity	-	-	589	-	38	(1,052)	-	(425)	(425)	(484)	(909)
Net profit for the period	-	-	-	-	-	-	7,938	7,938	7,938	1,668	9,606
Total recognised income and expense for the period	-	-	589	-	38	(1,052)	7,938	7,513	7,513	1,184	8,697
Change of interests in subsidiaries	-	-	-	-	-	-	-	-	-	(25,123)	(25,123)
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(1,916)	(1,916)
Dividends	-	-	-	-	-	-	(2,021)	(2,021)	(2,021)	-	(2,021)
Issue of shares	227	-	-	-	-	-	-	-	227	-	227
Balance at 30 September 2006	70,587	-	1,031	-	38	(2,886)	43,593	41,776	112,363	16,249	128,612

	(-----Capital and other reserves-----)							Total \$'000
	Issued capital \$'000	Share Premium \$'000	Investments revaluation reserves \$'000	Proposed dividend \$'000	Share option reserves \$'000	Accumulated profits \$'000	Subtotal \$'000	
COMPANY								
Balance at 1 April 2005	62,346	6,504	-	4,136	-	(1,597)	9,043	71,389
Net profit for the period	-	-	-	-	-	2,243	2,243	2,243
Dividends	-	-	-	(2,120)	-	(1,902)	(4,022)	(4,022)
Issue of shares	520	244	-	-	-	-	244	764
Balance at 30 September 2005	62,866	6,748	-	2,016	-	(1,256)	7,508	70,374
Balance at 1 April 2006	70,360	-	442	-	-	524	966	71,326
Revaluation of available-for-sale investments	-	-	589	-	-	-	589	589
Share option expense	-	-	-	-	38	-	38	38
Net profit for the period	-	-	-	-	-	7,341	7,341	7,341
Dividends	-	-	-	-	-	(2,021)	(2,021)	(2,021)
Issue of shares	227	-	-	-	-	-	-	227
Balance at 30 September 2006	70,587	-	1,031	-	38	5,844	6,913	77,500

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the period, the issued and paid up capital of the Company was increased from S\$70,359,911 divided into 253,240,910 ordinary shares to S\$70,586,911, divided into 253,785,910 ordinary shares. This is a result of the allotment of shares upon exercise of employees' share options.

As at 30 September 2006, there were unexercised options of 4,487,144 (30 September 2005: 6,806,308) of unissued ordinary shares under the Boustead Share Option Scheme 2001.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures are not audited and not reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	30.9.06	30.9.05
(i) Based on weighted average number of ordinary shares in issue (¢)	3.1	6.4
(ii) On a fully diluted basis (¢) (detailing any adjustments made to the earnings)	3.1	6.3

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 253,494,243 shares (30.9.05: 250,309,151 shares). The weighted average number of ordinary shares used in computing the fully diluted EPS is adjusted for the number of outstanding share options. The adjusted weighted average number of ordinary shares used in computing the fully diluted EPS is 256,689,316 shares (30.9.05: 253,803,550 shares).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

	Group		Company	
	30.9.06	31.3.06	30.9.06	31.3.06
Net asset value per ordinary share based on issued share capital as at the end of the period reported on (¢)	44	42	31	28

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Overview

The Group is a premier global service provider of specialised engineering services and geo-spatial technology.

For 1H FY2007 ended 30 September 2006, the Group recorded revenue of \$139.7 million and net profit attributable to shareholders of \$7.9 million, a decline of 11.4% and 50.2% respectively as compared to 1H FY2006. This was due to the sales of two industrial leasehold properties for \$36.6 million and revenue contribution from the now disposed Philippines Power Generation business of \$9.0 million in 1H FY2006. Excluding the revenue contribution from the property sales and the Power Generation business, 1H FY2007 revenue would have increased by 24.7% over the same corresponding period last year. Similarly, profit attributable to shareholders would have been 125.3% better. An analysis by business segments is given below.

Revenue

Segment	1H FY2007	1H FY2006	Change
	\$m	\$m	%
Engineering Services	106.9	125.1	-14.5
Geo-Spatial Technology	30.8	30.3	1.7
Investment Activities	2.0	2.2	-9.1
Group Total	139.7	157.6	-11.4

The decline in revenue from Engineering Services was the main cause of the 11.4% drop in total revenue.

Engineering Services

Division	1H FY2007	1H FY2006	Change
	\$m	\$m	%
Energy-Related Engineering	48.1	37.6	+27.9
Water & Wastewater Engineering	7.5	17.9	-58.1
Industrial Real Estate Solutions	51.3	69.6	-26.3
Engineering Services Total	106.9	125.1	-14.5

The Energy-Related Engineering Division enjoyed strong revenue contribution of \$48.1 million in 1H FY2007, up 27.9% over the previous corresponding period. Buoyed by favourable global oil prices and increased heavy investment in downstream oil & gas / petrochemical infrastructure, this Division was the key growth driver for Engineering Services. Taking into account the disposal of the Power Generation business in the Philippines in 4Q FY2006 which contributed \$9.0 million in revenue in 1H FY2006, the Energy-Related Engineering Division would have registered an impressive growth of 68.2% on a period-to-period comparison of existing businesses. Organic growth was achieved through the securing of significantly larger contracts during FY2006 which directly benefited 1H FY2007. During the period, the Division continued its active pursuit of opportunities globally and secured \$90 million in contracts – a new record.

The Water & Wastewater Engineering Division recorded lower revenue on the smaller order book secured in FY2006. Although significant strides were made in developing the business in 1H FY2007 with the securing of several major contracts, ongoing projects were still in the initial phases of development and will mainly be recognised and completed in 2H FY2007.

The Industrial Real Estate Solutions Division continued to demonstrate sturdy performance on top of greater revenue generated through its turnkey design and build activities. 1H FY2007 revenue declined by 26.3% with the shift in the planned sale of an industrial leasehold property to 2H FY2007. Previously, sales of industrial leasehold properties contributed \$36.6 million to 1H FY2006 revenue. Excluding these sales, a period-to-period comparison shows that the Division grew its turnkey design and build activities a noteworthy 55.5%.

The chart below shows the revenue comparison from existing businesses and excludes the sales of industrial leasehold properties in 1H FY2006 and the disposed Power Generation business. As can be seen, organic growth increased Engineering Services revenue by 34.5%.

Division	1H FY2007	1H FY2006	Change
	\$m	\$m	%
Energy-Related Engineering	48.1	* 28.6	+68.2
Water & Wastewater Engineering	7.5	17.9	-58.1
Industrial Real Estate Solutions	51.3	** 33.0	+55.5
Engineering Services Total	106.9	79.5	+34.5

* Excludes Power Generation business

** Excludes sales of industrial leasehold properties

Geo-Spatial Technology

Geo-Spatial Technology experienced steady demand for its ESRI geographic information systems and geo-spatial solutions in Australia and South East Asia. Revenue grew marginally by 1.7% to \$30.8 million in 1H FY2007.

Profitability

In 1H FY2007, "Gross profit" declined by 32.4% due to the absence of sales of industrial leasehold properties as compared to the previous corresponding period.

"Other operating income" increased by 56.4% due to additional interest income and foreign currency exchange adjustment gains.

Total operating expenses were kept under control and the increase registered in "Administrative expenses" were in line with increased turnkey project activities in 1H FY2007.

"Minority interests" fell drastically with the Group's acquisition of shares from Minority Interests in key subsidiaries including Boustead Projects, ESRI Australia and ESRI South Asia.

The Group registered a healthy net profit attributable to shareholders of \$7.9 million in 1H FY2007. In 1H FY2006, the \$15.9 million net profit attributable to shareholders included \$9.8 million from the sales of two industrial leasehold properties and \$2.6 million from the Power Generation business. Excluding these items in a period-to-period comparison, net profit attributable to shareholders in 1H FY2007 would have increased by 125.3%.

The Directors have proposed an interim gross dividend of 2.0 cents per ordinary share less tax. This represents an increase of 100% over the interim gross dividend declared and paid in the previous corresponding period. With the payment of this dividend, management is confident that the remaining Section 44 Tax Credits will be fully utilised by the 31 December 2007 deadline.

Cash Flow & Balance Sheets

The Group generated healthy cash flows from operating activities. The major reduction in 'Cash and cash equivalents at the end of period' from \$99.7 million to \$74.4 million was due to the acquisition of shares from Minority Interests in key subsidiaries including Boustead Projects, ESRI Australia and ESRI South Asia.

On the Balance Sheets, "Trade receivables" and "Trade payables and accruals" rose significantly as a result of the major increase in turnkey project activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Broad-based demand for the Group's core engineering services and geo-spatial technology is expected to remain strong.

Despite the recent significant fall in global oil prices, the Energy-Related Engineering Division is confident that the strong demand for its engineering services will prevail. An even stronger second half performance is expected given the healthy pipeline of projects secured in 1H FY2007.

The Water & Wastewater Engineering Division continues to rebuild its order books and focus on business development efforts. Much of the pipeline of ongoing projects will be recognised in 2H FY2007 and this should improve the Division's performance for FY2007. Emphasis will also be placed on exploring opportunities for water and wastewater treatment in the Middle East through Salcon, which was recently appointed as the Anchor Company of the Singapore Water Solutions Alliance by IE Singapore, the Singapore Government's international trade agency.

The Industrial Real Estate Solutions Division is expected to be a major contributor to the Group in 2H FY2007. With the 36.7% acquisition of shares from Minority Interests in Boustead Projects, the Group will be able to recognise a significantly increased net profit contribution from Boustead Projects in 2H FY2007. In addition, the planned sale of an industrial leasehold property is expected to be finalised in 2H FY2007 and will have a positive material impact on revenue and net profit.

Demand for Geo-Spatial Technology is expected to remain firm in Australia and South East Asia. However, the Group plans to modify its business strategy in South East Asia which may affect short-term growth but have a significant positive long-term impact.

Currently, the Group enjoys market exposure in several buoyant industries globally. With favourable conditions and a positive business climate, the order book is expected to grow further and exceed the current level of \$285 million. The Group is optimistic of surpassing the record achievements of FY2006.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	2.0 cents per ordinary share less tax
Tax rate	20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share (in cents)	1.0 cent per ordinary share less tax
Tax rate	20%

(c) Date payable

18 December 2006.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 4 December 2006 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 18 December 2006.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 10, Collyer Quay #19-08 Ocean Building, Singapore up to 5.00 p.m. on 1 December 2006 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Confirmation by the Board

We, Wong Fong Fui and Loh Kai Keong, being two directors of Boustead Singapore Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the half-year ended 30 September 2006 to be false or misleading.

On behalf of the board of directors

WONG FONG FUI
Chairman

LOH KAI KEONG
Director

10 November 2006