

## Company Announcement



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

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### **ACQUISITION OF REMAINING SHAREHOLDING INTEREST IN SUBSIDIARY**

**Singapore, 20 June 2007**

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that the Company has entered into a buyout agreement dated 20 June 2007 (the "Agreement") with the minority shareholder of its 90%-owned subsidiary, Boustead International Heaters Limited ("BIH") to acquire the remaining 10% shareholding interest in BIH (the "Acquisition").

Under the terms of the Agreement, the Acquisition shall be undertaken over four instalments as follows:

- First instalment in respect of 4% of the shareholding interest in BIH on 23 June 2007;
- Second instalment in respect of 2% of the shareholding interest in BIH on 23 June 2008;
- Third instalment in respect of 2% of the shareholding interest in BIH on 23 June 2009; and
- Fourth instalment in respect of 2% of the shareholding interest in BIH on 23 June 2010.

The purchase consideration for the first instalment shall be based on a 10 times multiple of BIH's average audited net profit after tax for the financial years ended 31 March 2006 and 31 March 2007. For subsequent instalments, the purchase consideration shall be based on a 10 times multiple of BIH's audited net profit after tax for the preceding financial year. Based on the projected net profits of BIH to 31 March 2010, the aggregate consideration for the 10% shareholding interest in BIH is expected to amount to approximately S\$6.7 million. The agreed formula for the purchase consideration was arrived at after arm's length negotiations on a willing buyer-willing seller basis. The Acquisition will be funded from the Company's internal resources.

The principal business activities of BIH are those relating to the design, supply, installation and commissioning of direct-fired process heaters and waste heat recovery units for the oil & gas/petrochemical industries.

Based on the audited accounts of BIH for the year ended 31 March 2006 ("FY2006"), the net book value attributable to the 10% shareholding interest in BIH is approximately S\$482,000.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.