

Company Announcement



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

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ACQUISITION OF COMBUSTION TECHNOLOGY BUSINESS IN AUSTRALIA

Singapore, 26 June 2007

The Board of Directors of Boustead Singapore Limited (the "Company") wishes to announce that the Company has acquired the Maxitherm combustion technology business in Australia (the "Business") from Maxitherm Boilers Pty Ltd ("MBPL").

The Maxitherm brand for combustion technology is among the most renowned regionally. More than half a century of research and development has been dedicated to developing Maxitherm combustion technology and its award-winning range of industrial boilers. Maxitherm combustion technology is the integral component of the Boustead Group's solid waste energy recovery systems.

The consideration to be paid for the Business is A\$400,000 (approximately S\$520,000) in cash, with A\$200,000 paid upfront and the second instalment of A\$200,000 to be paid upon MBPL completing its existing projects. The consideration was arrived at after arm's length negotiations on a willing buyer-willing seller basis. The acquisition of the Business was funded from the Company's internal resources.

The Company had in June 2003 acquired the intellectual property rights to Maxitherm combustion technology from MBPL through its wholly-owned subsidiary, Maxitherm Combustion Technologies Pte Ltd. By way of a licensing agreement with MBPL, Maxitherm combustion technology designs and intellectual property were licensed for use by MBPL in Australia and MBPL was allowed to distribute semi-finished industrial boilers (fabricated by the Company's Indonesian subsidiary, PT Boustead Maxitherm Industries) for installation in Australia.

With the acquisition of the Business, the full range of activities involving Maxitherm combustion technology will now be undertaken by the Boustead Group, strengthening its regional presence in the solid waste energy recovery industry. A new wholly-owned subsidiary in Australia, Boustead Maxitherm Boilers Pty Ltd has been incorporated to directly undertake the marketing and installation of Maxitherm combustion technology in Australia.

The acquisition of the Business is not expected to have any material impact on the consolidated net tangible asset value per share and the earnings 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 Acquisition.