

Company Announcement



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

63 Ubi Avenue 1, #06-01
Boustead House
Singapore 408937

JV IN VIETNAM

Singapore, 5 March 2008

1. Introduction

The Board of Directors of Boustead Singapore Limited (the "Company") wishes to announce that the Company had on 4 March 2008, subject to the fulfilment of certain conditions, entered into a joint venture (the "Joint Venture") with Asia-Pacific Strategic Investments Limited ("APS") and Representations International Incorporated ("RII") (collectively the "JV Parties") to develop, manage and operate certain projects in Vietnam ("the Business"). To this end, a conditional shareholders agreement dated 4 March 2008 was entered into between the JV Parties.

2. Joint Venture

The Joint Venture envisages that the Company dilutes part of its interest in its wholly-owned subsidiary Optivest Investments Pte Ltd ("Optivest"). Following such dilution, Optivest will cease to be a wholly-owned subsidiary of the Company but will remain an associate.

In the Joint Venture, the Company will hold 30%, APS 60% and RII 10% of the equity interest in Optivest respectively. In addition, the JV Parties shall provide the sum of US\$1.0 million to Optivest as initial capital on a pro rata basis in accordance with their respective shareholding, to enable it to meet its initial funding requirements and expenses. The JV Parties will also provide a further sum of US\$11.0 million to Optivest on a similar pro rata basis at such time as required for further project funding purposes.

In addition, the Company will, either directly or through its subsidiaries, provide engineering, procurement and construction services to Optivest and/or its subsidiaries to carry out various projects in Vietnam.

3. Rationale for Joint Venture

The Joint Venture is in line with the Company's strategy to focus on its core business of, inter alia, providing engineering, procurement and construction services.

The Joint Venture will not have any material impact on the net tangible asset value per share and the earnings per share of the Company for the current financial year ending 31 March 2008.

4. Interest of Directors and Shareholders in Joint Venture

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