

Company Announcement



Boustead Singapore Limited
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SALCON REACHES FULL AND FINAL SETTLEMENT ON DISPUTE RELATING TO COMPLETED PROJECT

Singapore, 2 March 2009

Boustead Singapore Limited ("Boustead") wishes to announce that its wholly-owned subsidiary, Salcon Pte Ltd ("Salcon"), has today concluded an agreement for a full and final settlement (the "Settlement Agreement") of a dispute between Salcon and Lagan Construction (IoM) Ltd ("Lagan") in respect of a completed project undertaken by Salcon's subsidiary in the UK, Salcon Invent Ltd (In Administration) ("Salcon Invent").

Salcon Invent had undertaken part of the design, construction and completion works for a sewage treatment plant located at Meary Veg on the Isle of Man and mechanical and electrical installations at White Hoe and Loch Promenade pumping stations located on the Isle of Man (the "Works"). In this connection, Salcon had provided a parent company guarantee to Lagan in respect of the performance and observance by Salcon Invent of its obligations, in relation to the Works (the "Guarantee").

Disputes and differences then arose between Lagan and Salcon Invent in relation to the Works. Subsequently, Lagan filed court proceedings in Singapore against Salcon, pursuant to, amongst other things, the Guarantee. Salcon Invent, together with Salcon, jointly commenced arbitration proceedings against Lagan to recover payment due from Lagan in relation to the Works. The claim by Lagan, and Salcon and Salcon Invent's counterclaim, were disclosed in Boustead's 2Q FY2009 financial results announcement which was released on 14 November 2008.

The Settlement Agreement provides for a full and final settlement of the said disputes, the terms of which the parties are not at liberty to disclose to the public, as they are subject to a confidentiality clause in the Settlement Agreement.

The Settlement Agreement brings Salcon's winding down of its UK operations to a final close after years of restructuring. It is not expected to have a material impact on Boustead's earnings per share or net asset value per share for this financial year ending 31 March 2009.