

Company Announcement



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

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DISPOSAL OF INVESTMENT IN SALCON HOLDINGS PHILIPPINES INC

Singapore, 30 March 2009

Boustead Singapore Limited ("Boustead") wishes to announce that its wholly-owned subsidiary, Salcon Pte Ltd ("Salcon") has disposed of its entire 100%-equity interest comprising 97,100,000 equity shares (the "Sale Shares") in Salcon Holdings Philippines Inc ("SHPI") (the "Disposal").

The consideration for the Sale Shares was a nominal cash consideration of US\$1 (or approximately S\$1.51) and was arrived at after arm's length negotiations and is on a willing buyer-willing seller basis.

SHPI is incorporated in the Philippines and its principal activity is that of an investment holding company. The Disposal is in line with the Boustead Group's (the "Group") objective to focus on its core businesses of specialised engineering services and geo-spatial technology.

Based on unaudited accounts at 31 January 2009, the book value of the net assets disposed under the Disposal was approximately S\$3,000. While the Group is expected to record a loss of S\$2.2 million from the Disposal, largely due to the recognition of cumulative foreign exchange translation reserves in the profit and loss account upon disposal, this is not expected to have a material impact on the consolidated net tangible asset value and earnings per share of the Group for the current financial year ending 31 March 2009.

Save for directors Wong Fong Fui and Tong Weng Leong who hold nominal qualifying shares in SHPI in their capacity as directors of SHPI, none of the directors or controlling shareholders of the Boustead has any interest, direct or indirect, in the Disposal.