



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

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## **INCREASE IN SHAREHOLDINGS IN SUBSIDIARIES, ESRI AUSTRALIA AND ESRI SOUTH ASIA**

**Singapore, 6 January 2006**

### **1. Introduction**

- 1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that the Company has entered into share purchase agreements dated 6 January 2006 (the "First Share Purchase Agreements") with Mr James Michael Durana ("Durana") to purchase the following shares owned by Durana:
- a) 28,000 ordinary shares ("ESRIA Shares") in the paid-up capital of the Company's subsidiary, ESRI Australia Pty Ltd ("ESRIA"); and
  - b) 49,000 ordinary shares ("ESRISA Shares") in the paid-up capital of the Company's subsidiary, ESRI South Asia Pte Ltd ("ESRISA").
- 1.2 In accordance with Section 257D(1) of the Corporations Act of Australia and Section 76D of the Companies Act of Singapore respectively, the shareholders of ESRIA and ESRISA have, at general meetings held on 6 January 2006, approved the terms of share purchase agreements for the purchase of the ESRIA Shares and ESRISA Shares from the Company. Accordingly, the Company has entered into the share purchase agreements (the "Second Share Purchase Agreements") with ESRIA and ESRISA on 6 January 2006.
- 1.3 The transactions in the First Share Purchase Agreements and the Second Share Purchase Agreements shall be collectively referred to as the "Transactions". The ESRIA Shares and ESRISA Shares shall be collectively referred to as the "Affected Shares".

### **2. Information on the Transactions**

- 2.1 Under the First Share Purchase Agreements, the Company will purchase the Affected Shares from Durana in accordance with the terms of an agreement dated 12 May 1995 (the "Shareholders Agreement"), entered into between the Company and inter alia, Durana.
- 2.2 The principal business activities of ESRIA and ESRISA are those relating to the sale and support of geographic information system software products and the provision of related consulting services.
- 2.3 The purchase price to be paid to Durana by the Company for the ESRIA Shares and ESRISA Shares under the First Share Purchase Agreements are A\$1,152,357

(approximately S\$1,452,000) and S\$185,440 respectively, which are calculated in accordance with the formula set out in clause 3(c) of the Shareholders Agreement.

- 2.4 The purchase of the Affected Shares from Durana will be funded from the Company's internal resources.
- 2.5 Under the Second Share Purchase Agreements, ESRIA and ESRISA will buy back the respective ESRIA and ESRISA shares from the Company at the same price at which the Company had purchased from Durana, i.e. A\$1,152,357 (approximately S\$1,452,000) and S\$185,440 respectively.
- 2.6 The share buy backs by ESRIA and ESRISA will be funded from their respective distributable profits and cash reserves.
- 2.7 Following the Transactions, the effective interest of the Company in ESRIA and ESRISA will be increased from 78.5% to 84.4%.
- 2.8 Based on the audited accounts of ESRIA and ESRISA for the year ended 31 March 2005 ("FY2005"), the net book value and net profit attributable to the Affected Shares are S\$909,000 and S\$546,000 respectively.
- 2.9 For illustration purposes only, assuming (as per Rule 1010(8) of the Listing Manual) that the Transactions had been effected as at 31 March 2005 and based on the FY2005 audited accounts of the Boustead Group (the "Group"), the Transactions would have reduced the net tangible asset per share of the Group from 39 cents to 38 cents.
- 2.10 For illustration purposes only, assuming (as per Rule 1010(9) of the Listing Manual) that the Transactions had been effected as at 1 April 2004 and based on the FY2005 audited accounts of the Group, the Transactions would have increased the earnings per share of the Group from 8.6 cents to 8.8 cents.
- 2.11 The relative figures computed pursuant to Rule 1006 of the Listing Manual are as follows:
  - a) Net asset value test – the net asset value of the Affected Shares as at 31 March 2005 of S\$909,000 represents approximately 0.9% of the Group's net asset value of S\$96.2 million as at 31 March 2005.
  - b) Net profit test – the net profit attributable to the Affected Shares for FY2005 of S\$546,000 represents approximately 2.6% of the Group's net profit of S\$20.6 million for FY2005.
  - c) Market capitalisation test – the consideration for the Affected Shares of S\$1,637,000 represents approximately 0.6% of the market capitalisation of S\$254.5 million as at 5 January 2006.
  - d) Securities issue test – not applicable as no securities were issued as consideration in connection with the Transactions.

### **3. Rationale for the Transactions**

- 3.1 The purchase of the Affected Shares under the First Share Purchase Agreements is in accordance with the Shareholders Agreement while the share buy backs under the Second Share Purchase Agreements would allow the minority

shareholders of ESRIA and ESRISA to participate in a larger share of future profits and dividends without having to acquire additional shares in the companies.

**4. Interest of Directors and Shareholders in the Transactions**

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

**5. Inspection of Documents**

- 5.1 Copies of the First Share Sale Agreements and the Second Share Sale Agreements are available for inspection during normal business hours at the Company's registered address at 63 Ubi Ave 1, #06-01, Boustead House, Singapore 408937, for three months from the date of this announcement.