



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

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

INCREASE IN SHAREHOLDINGS IN SUBSIDIARIES

Singapore, 11 September 2006

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that the Company has today acquired the following shares from a minority shareholder of the following companies (the "Acquisition"):

- a) 39,570 ordinary shares in the paid-up capital of the Company's subsidiary, ESRI Australia Pty Ltd ("ESRIAU");
- b) 17,500 ordinary shares in the paid-up capital of the Company's subsidiary, ESRI South Asia Pte Ltd ("ESRISA"); and
- c) 7,500 ordinary shares in the paid-up capital of the Company's subsidiary, Geographic Business Systems Pty Ltd ("GBS"), (collectively, the "Acquired Shares").

The aggregate purchase consideration for the Acquisition was A\$309,266.82 (approximately S\$371,000) and was arrived at after arm's length negotiations on a willing buyer-willing seller basis. The Acquisition was funded from the Company's internal resources.

The principal business activities of ESRIAU, ESRISA and GBS are those relating to the sale and support of geographic information system software products and the provision of related consulting services.

The Acquisition was undertaken to allow the Company to further consolidate its interests in these subsidiaries. Following the Acquisition, the Company's effective interest in ESRIAU and ESRISA has been increased from 84.4% to 87.1% while that in GBS has increased from 85.5% to 88.0%.

Based on the audited accounts of ESRIAU, ESRISA and GBS for the year ended 31 March 2006 ("FY2006"), the net book value and net profit attributable to the Acquired Shares are S\$172,000 and S\$236,000 respectively.

For illustration purposes only, assuming (as per Rule 1010(8) of the Listing Manual) that the Acquisition had been effected as at 31 March 2006 and based on the FY2006 audited accounts of the Boustead Group (the "Group"), the Acquisition would have no material impact on the net tangible asset per share of the Group of 42 cents.

For illustration purposes only, assuming (as per Rule 1010(9) of the Listing Manual) that the Acquisition had been effected as at 1 April 2005 and based on the FY2006 audited accounts of the Group, the Acquisition would have increased the earnings per share of the Group from 9.9 cents to 10.0 cents.

The relative figures computed pursuant to Rule 1006 of the Listing Manual are as follows:

- a) Net asset value test – not applicable as this is an acquisition of assets.
- b) Net profit test – the net profit before tax and minority interest attributable to the Acquired Shares for FY2006 of S\$332,000 represents approximately 0.6% of the Group's net profit before tax and minority interest of S\$54.5 million for FY2006.
- c) Market capitalisation test – the consideration for the Acquired Shares of S\$371,000 represents approximately 0.1% of the market capitalisation of S\$352.7 million as at 8 September 2006.
- d) Securities issue test – not applicable as no securities were issued as consideration in connection with the Acquisition.

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