



Boustead Singapore Limited
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INCREASE IN SHAREHOLDING IN SUBSIDIARY CONTROLS & ELECTRICS

Singapore, 29 September 2006

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") wishes to announce that the Company's wholly-owned subsidiary, Boustead Salcon Pte Ltd, has today acquired an additional 300,000 ordinary shares (the "Acquired Shares") in the paid-up capital of its subsidiary, Controls & Electrics Pte Ltd ("C&E"), from the existing minority shareholders (the "Acquisition").

The aggregate purchase consideration for the Acquisition was S\$465,249.46 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 C&E are those relating to real time process control system design and implementation for process industries and the marketing, distribution and installation of electric motors, process instruments and calibrators.

Following the Acquisition, the Company's effective interest in C&E has been increased from 60% to 75%. Besides allowing the Company to further consolidate its interest in C&E, the Acquisition will also offer opportunities for the Boustead Group (the "Group") to optimise tax efficiencies within the Group under the group relief scheme.

Based on the audited accounts of C&E for the year ended 31 March 2006 ("FY2006"), the net book value and net profit attributable to the Acquired Shares are approximately S\$302,000 and S\$151,000 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 Group, the Acquisition would have no material impact on the net asset value 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 no material impact on the earnings per share of the Group of 9.9 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\$194,000 represents approximately 0.4% 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\$465,249.46 represents approximately 0.1% of the market capitalisation of S\$352.8 million as at 28 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.