

COMAT INDUSTRIAL LTD.

(Incorporated in Singapore on 18 August 2004)

(Company Registration Number: 200410428C)

PROPOSED PLACEMENT OF UP TO 7,000,000 NEW ORDINARY SHARES (THE "PLACEMENT SHARES") IN THE CAPITAL OF COMAT INDUSTRIAL LTD. (THE "PLACEMENT")

Further to the announcement on 4 July 2006 in relation to the Placement, the Board of Directors of Comat Industrial Ltd. (the "**Company**") wishes to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has granted approval in-principle for the listing and quotation of up to 7,000,000 Placement Shares.

The approval in-principle is subject to the following conditions:

- (a) compliance by the Company with the listing requirements and guidelines of the SGX;
- (b) a valid shareholders' mandate being available for the issue and allotment of the Placement Shares;
- (c) the submission of an undertaking from the Company to the SGX-ST that:
 - (i) the use of proceeds from the Placement will be announced periodically by the Company as and when the funds from the Placement are materially disbursed;
 - (ii) status report(s) on the use of the proceeds from the Placement will be provided in the annual report(s) of the Company; and
 - (iii) the Placement Shares will not be issued to transfer a controlling interest in the Company without the prior approval of shareholders of the Company in a general meeting.

In relation to the condition in sub-paragraph (b) above, the Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 21 April 2006.

In relation to the condition in sub-paragraph (c) above, the undertaking from the Company has been submitted to the SGX-ST today.

The approval in-principle granted by the SGX-ST is not an indication of the merits of the Placement, the Placement Shares, the Company or its subsidiary.

BY ORDER OF THE BOARD

Submitted by Guo Yun, Director on 11 July 2006 to the SGX-ST.