

Company Announcement



Boustead Singapore Limited
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SALCON AWARDED S\$40 MILLION MUNICIPAL SEWAGE TREATMENT WORKS PROJECT IN LIBYA

Singapore, 22 June 2004

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's 63.46%-owned subsidiary, Salcon Limited ("Salcon"), has been awarded Phase II of the El Hadba Sewage Treatment Works (the "Project") in Libya. Work on Phase II of the Project, valued at approximately £13 million (S\$40 million), is expected to commence in the second half of 2004 and will complete within 18 months.

Originally built in 1969, the El Hadba Sewage Treatment Works, located in Tripoli, the capital of Libya, is the largest municipal sewage treatment facility in the country. The treatment facility currently treats about 70% of the municipal sewage in the capital of 1.5 million people.

Salcon, a leading specialist in water & environmental engineering, successfully completed Phase I of the Project in July 2003. The works involved the upgrading of existing biological filters to treat up to 80,000 cubic metres per day of municipal sewage to a quality suitable for irrigation.

Under the current Phase II of the Project, Salcon shall upgrade the existing biological aeration and anaerobic digestion system built in 1986 to treat up to a capacity of 385,000 cubic metres per day. The works will involve the process design, supply and installation of mechanical and electrical equipment.

Upon completion, the combined phases of the sewage treatment works will be able to handle up to 465,000 cubic metres per day of wastewater from the city.

Mr Wong Fong Fui, the Chairman and Group Chief Executive Officer of Boustead said, "Salcon secured Phase II of the Project amidst competition from several leading water treatment companies from Europe, including the engineering company responsible for the construction of the original El Hadba Sewage Treatment Works. This success further underscores Salcon's established track record and reputable expertise in water and wastewater treatment internationally."

Salcon through its UK-based subsidiary has successfully completed more than 15 water and wastewater projects in Libya over the past 10 years, making it one of the most reliable and preferred water and wastewater solution companies in the country.

With the growing demand for municipal water and wastewater treatment in Libya, and the possible removal of US sanctions, Salcon is well positioned to secure more water and wastewater treatment projects in the country.

Mr Wong added, "Salcon's core capabilities in water & environmental engineering synergistically complement the global engineering services of the Boustead Group. Salcon's recent string of major projects in Libya and the Middle East confirm the Boustead Group's successful entry into lucrative emerging international markets, including China, the Middle East, India, South America and Africa."

Phase II of the Project is expected to have a material impact on the earnings per share of the Group for the current financial year ending 31 March 2005. However, it is not expected to have a material impact on the net asset value per share for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Project.