



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

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SUBSIDIARY SALCON SIGNS MEMORANDUMS OF UNDERSTANDING FOR FIVE PROJECTS IN BINH DINH PROVINCE, VIETNAM

Singapore, 12 October 2005

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's subsidiary, Salcon Pte Ltd ("Salcon"), has signed Memorandums of Understanding ("MOUs") with the Binh Dinh Provincial People's Committee to conduct feasibility studies with a view to participating in the following proposed projects:

- ▶ A US\$250 million 200MW coal-fired thermal power plant in Quy Hon City;
- ▶ A US\$100 million water supply and treatment plant in the Nhon Hoi Economic Zone;
- ▶ A US\$70 million wastewater treatment plant in Quy Hon City;
- ▶ A US\$30 million wastewater recycling plant in the Nhon Hoi Economic Zone; and
- ▶ A US\$5 million columbarium and crematorium park in Quy Hon City.

Salcon established its representative office in Ho Chi Minh City, Vietnam in 1994 to participate in business opportunities to meet Vietnam's growing need for clean treated water and electricity. The latest projects are in line with the Vietnamese government's plans to develop Binh Dinh Province and the Nhon Hoi Economic Zone.

Mr Wong Fong Fui, Chairman & Group Chief Executive Officer of Boustead said, "Since the opening of our representative office, Vietnam has been rapidly developing its industry and infrastructure. We are pleased to work with the local government authorities to apply Salcon's expertise in water & environmental engineering and power generation & distribution in evaluating these projects. Having accumulated a keen understanding of local business conditions, Salcon is in a strong position to capitalise on the growing business opportunities in Vietnam."

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

The Company will make further announcements in relation to the MOUs as and when the terms for each project have been finalised.

About Binh Dinh Province and the Nhon Hoi Economic Zone

Binh Dinh is a coastal province in the south of Central Vietnam, approximately 1,000 km south of the capital, Ha Noi. It covers an area of 6,000 km² and has a population of approximately 1.6 million. The capital city of the province is Quy Hon and the major economic activities of the province are agriculture, fisheries and forestry.

The Nhon Hoi Economic Zone, which covers an area of 12,000 hectares adjacent to Quy Hon, was established in August 2004 to promote investment and international trade in Binh Dinh province.

About Salcon Pte Ltd

Incorporated in 1980, Salcon is a dynamic international engineering group with an extensive network stretching across Asia, Africa and Europe. The group is widely acknowledged for its vast experience and in-depth domain expertise in the following specialised engineering fields: Water & Wastewater Engineering and Energy-Related Engineering such as Power Generation and Solid Waste Energy Recovery. As a leading Asian water & wastewater engineering specialist, Salcon has successfully designed, built and commissioned over 500 turnkey industrial and municipal water and wastewater treatment plants in more than 50 countries globally.