

Company Announcement



Boustead Singapore Limited
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SUBSIDIARY SALCON TO LEAD SINGAPORE WATER SOLUTIONS ALLIANCE IN MIDDLE EAST

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The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's wholly-owned subsidiary, Salcon Pte Ltd ("Salcon"), has been selected as the Anchor Company to lead the Singapore Water Solutions Alliance ("SWSA") which will pursue water and wastewater treatment opportunities in the Middle East.

The SWSA has been formed under IE Singapore's International Partners Programme ("iPartners") and encourages the formation of alliances to bid for overseas projects. The SWSA is the sixth iPartners alliance formed to pursue opportunities in the Middle East and targets to capture a total project value of S\$500 million by the end of 2009. The focus will be on countries in the Gulf Co-operation Council including Saudi Arabia, United Arab Emirates, Kuwait, Qatar and Oman, where there is an estimated US\$3.1 billion worth of planned investments in water and wastewater projects in the next year.

Salcon was selected as the Anchor Company for the SWSA based on its strong international track record and in-depth domain expertise. Established in 1980, Salcon is the leading international water and wastewater engineering specialist in Asia outside of Japan, with experience in designing and constructing more than 500 industrial and municipal plants in 56 countries globally. In March 2005, Salcon designed and built Singapore's first dual membrane technology seawater desalination plant for Senoko Power, one of seven desalination plants that it has engineered across Asia.

Other members of the SWSA include technology and equipment suppliers, design consultancies, system integrators, project engineering and construction firms, and utility operators; namely CPG Consultants, Dayen Environmental, GrahamTek Singapore, Lee Kim Tah-Woh Hup, Smitech Engineering, Singapore Utilities International and United Engineers. The complementary mix of members in the SWSA will bring together the necessary capabilities and expertise to participate in mega projects in the Middle East.

Salcon's experience in the Middle East will prove invaluable to the SWSA. Recently, Salcon undertook highly prestigious membrane technology projects for the Hawiyah Project in Saudi Arabia, Dolphin Energy Project in Qatar, Sohar Refinery Project in Oman and South Pars in Iran.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, "We are pleased that Salcon has been selected to lead the SWSA, a strategic initiative by IE Singapore and the Singapore government to encourage Singaporean participation in the great opportunities available in the Middle East."

Mr Yeo Ker Kuang, Group Executive Chairman of Salcon added, "Salcon has been working on projects in the Middle East since 1987. The formation of the SWSA will open even more doors for us and our Alliance members since we now have a more attractive and holistic product and service offering, in addition to better economies of scale."