

FOR IMMEDIATE RELEASE

Logistics Holdings signs MOU with China Steel Corporation to develop a solution for granulation of marine clay to produce engineering soil in Singapore

- **Proposed solution and method will be the first in Singapore**
- **Marine clay, a common construction waste, can be treated with a soil stabilization agent used in steel manufacturing to produce engineering soil, a sand-like final product which meets requirements for land reclamation, backfill and road base**
- **Proposed solution will improve environmental sustainability in construction industry in Singapore**

Singapore, 28 April 2015 – Logistics Holdings Limited (寶特控股有限公司) (“Logistics Holdings”, and together with its subsidiaries, the “Group”) a construction group principally engaged in building construction works as well as supply and installation of furniture/interior fitting-out works, has signed a non-binding Memorandum of Understanding (“MOU”), through its 60%-owned indirect subsidiary, New Soil Technologies Pte Ltd (“New Soil”), with China Steel Corporation (“CSC”, “中國鋼鐵股份有限公司”, “中鋼”), one of the largest steel companies in Taiwan, to develop a solution in Singapore to convert marine clay to produce engineering soil, a sand-like final product which is able to meet the requirements for use in land reclamation, backfill and road base.

This proposed method and the accompanying proposed recycling technology to be used is believed to be the first of its kind in Singapore.

The proposed method will make use of innovative mixing and extrusion technology to treat marine clay, which is a common construction waste resulting from excavation work undertaken during the construction of basement, underground expressways and MRT tunnels. In Singapore, about 8.5 million cubic metres of marine clay and earth are dug out as a result of such excavation works every year.

To convert the marine clay to a more useful product, a specially developed soil stabilization agent is added during the process to treat the marine clay to produce engineering soil, the final product. The chemical dosage, composition of marine clay and soil stabilization agent and mixing time can be adjusted to achieve engineering soil with different physical and mechanical properties to meet the different requirements for use in reclamation material, backfill as well as road base.

With similar physical and mechanical properties compared to sand, the treated engineering soil can undergo the usual compaction treatment of sand fill in the reclamation process. The product has been tested to be environmental friendly, retaining its durability even after long periods of time. It is suitable for use in perimeter bund, sand key and infill, both above and below water level reclamation usage.

Mr Phua Lam Soon, PBM (潘南舜), Chief Executive Officer of Logistics Holdings, commented, *“This initiative solves the problem of how to recycle the millions of tons of construction wastes unearthed every year and also how to reduce the need for imported sand for reclamation.”*

Under the MOU, CSC is willing to co-operate with New Soil in its feasibility study into the production of engineering soil in Singapore, by providing to New Soil such resources and facilities required by New Soil (including the special developed mixing machine fabricated in accordance with the design

and requirement provided by New Soil and the soil stabilization agent), provided that the rights and title over such facilities remain with CSC. Pursuant to the MOU, New Soil shall carry out the feasibility studies and relevant testing, and shall share the details of such studies and testing, and the results and findings, with CSC. Upon completion of such studies and testing, CSC and New Soil intend to formalize a joint venture for further cooperation.

Mr Phua added, *"We are confident of this initiative. We believe this new technology will bring a new era to environmental sustainability to the construction industry in Singapore."*

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About Logistics Holdings Limited

Logistics Holdings Limited, through its wholly-owned subsidiaries Logistics Construction Pte Ltd and Apex Projects Pte Ltd, is principally engaged in providing building construction services as well as supply and installation of furniture/interior fitting-out works in Singapore. The Group has a track record of more than 27 years in the construction business in Singapore, having undertaken numerous projects where the Group acts mainly as a main contractor for primarily the Singapore government and Singapore government-related bodies.

In June 2013, the Group incorporated an indirect wholly-owned subsidiary, Le Premier Development Pte Ltd, to expand into property development and marked the Group's first foray into private residential project by acquiring a freehold residential site located at 21 Paya Lebar Crescent, with the intention to redevelop the site into high-end cluster houses.

In September 2013, the Group established a joint venture company with a view to set up a precast manufacturing operation in the Iskandar region, Johor, Malaysia, to improve the Group's operational productivity and cost efficiency. The precast manufacturing operation will primarily serve the Group's public and private residential and/or commercial projects in Singapore. Any excess supply of precast products may also be channelled to external customers in Singapore or possibly also the Iskandar region.

Logistics Holdings Limited was listed on Catalist of the Singapore Exchange Securities Trading Limited on 18 January 2013.

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