

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

ADJUSTMENT ARISING FROM EVENTS AFTER THE BALANCE SHEET DATE

Further to the announcements of the preliminary full year results and the S\$3 million insurance claim in relation to the settlement of the Legal Suit No. 784 of 2005/R with ECIL Limited (the “Insurance Claim”) which were released on 28 February 2008 and 18 March 2008 respectively, the Board of Directors of Darco Water Technologies Limited (the “Company”) wishes to inform of the following adjustment made in compliance with the Financial Reporting Standard 10 re: Events after the Balance Sheet Date :

Adjustment arising from Events after the Balance Sheet Date

With respect to the final settlement of the Insurance Claim, that the amount of S\$3 million be written back to the Group’s Net Profit before Tax in the financial year ended 31 December 2007 accordingly.

This has resulted in the Group’s Net Profit before Tax of S\$4.6 million instead of S\$1.9 million as previously reported in the Company’s preliminary full year results ended 31 December 2007.

By Order of the Board

Thye Kim Meng
Managing Director & Chief Executive Officer

27 March 2008

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