

## **DARCO WATER TECHNOLOGIES LIMITED**

Company Registration No. : 200106732C  
(Incorporated in the Republic of Singapore)

### **CLARIFICATION STATEMENT**

This clarification is in response to SGX query below:

- (i) **Darco Water Technologies Ltd will build a wastewater recycling plant with the Qatar government in a joint venture project worth up to US\$5 billion.**
- (ii) **Darco has been in discussions with Qatar's Supreme Council for the Environment and Natural Reserves for the joint venture to be publicly listed.**
- (iii) **The firm expects revenue for the full-year ending 31 Dec 2008 to be at least S\$130 million. This would be a 48% jump from the firm's S\$87.6 million revenue last year.**

The Company wishes to take this opportunity to clarify the above statements in relation to the Reuters report dated 13<sup>th</sup> May 2008:

***(i) Reuters- "This is a huge project. At the moment, our estimate is few billion U.S. dollars, but mostly financed by them," Chief Executive Officer Kim Meng Thye told Reuters in an interview, adding that the Qatar government may invest up to \$5 billion."***

(i) Following the Memorandum of Understanding signed with the Supreme Council for the Environment & Natural Reserves, Qatar (SCENR), which was announced on SGX on the 10<sup>th</sup> September 2007, The Company has completed a "State of Affairs Report" and estimated that it will cost the Qatari government up to USD 5 billion to implement its intention as outlined in the MOU.

Notwithstanding, it is still pre-mature and inaccurate to view that the Company has formally secured the contract with the Qatari government and that it *"will build a wastewater recycling plant with the Qatar government in a joint venture project worth up to US\$5 billion. "*

***(ii) Reuters- “Thye said Darco has been in discussions with Qatar's Supreme Council for the Environment and Natural Reserves for the joint venture to be publicly-listed.***

***“We'll be meeting the government to try to finalise whether the joint venture should be incorporated. We have to decide what sort of equity each party should have. If those can be finalised, then the deal is done and it can go on.”***

(ii) The Company would like to take this opportunity to confirm that it is the parties' strategic intent for the Business Joint Venture (BJV) to work towards getting it publicly listed.

The Company would like to further disclose that a 6-member team will be meeting senior officials from the Qatari government next week in Doha to decide on the equity interest each party should receive.

***(iii) Reuters- “Thye also said the firm expects revenue for the full-year ending Dec 31, 2008 to be at least S\$130 million (\$95.3 million). This would be a 48 percent jump from the firm's S\$87.6 million revenue last year.”***

(iii) Darco's current order book of S\$636 million, of which about S\$129 million will be delivered in FY2008, was announced on SGX on the 7<sup>th</sup> May 2008.

In view of the worth of projects to be delivered this year, The Company maintains that the above statement was an accurate reflection that it “*expects revenue for the full-year ending 31 Dec 2008 to be at least S\$130 million*”, representing a 48% jump from the firm's total revenue last year.

**Thye Kim Meng**

**CEO and Managing Director**

**14 May 2008**