

## **Darco Water strengthens foothold in water & waste solutions in Taiwan with S\$36 million project**

- *Clinched inaugural BOO waste-recovery project in Taoyuan County in Taiwan worth S\$36 million*
- *Current order-book stands at S\$636 million with S\$129 million to be delivered this year; positively impact FY2008 revenue*
- *Gaining market share in Taiwan on the back of strong technical capabilities in water and waste solutions, aims to be market leader in material recovery*

**Singapore – 7 May 2008** – Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that it has recently set up a Special Purpose Vehicle ("SPV") in Taoyuan County, Taiwan, to build, own and operate ("BOO") a Waste Recycling Facility ("WRF") worth NT\$800million or S\$36 million.

***"The Taoyuan County initiative is believed to be the first in Taiwan. If the Waste Recycling Facility is successful, many other municipalities in Taiwan, up to 23, are likely to be interested as well."***

***Said by Mr. KM Thye, CEO of Darco***

The contract win joins the string of Taiwan projects that currently form the bulk of Darco's portfolio, solidifying its technical strengths recognized by Taiwan in the area of environmental engineering solutions. In recent years, Taiwan has been the key revenue contributor to the Company, contributing a substantial proportion of 60% and 50% of total revenue in FY006 and FY2007 respectively. Going forward, Darco will continue to observe strong growth and steady foothold in this key market.

*Commenting on Darco's strength in the Taiwan market, Mr. Thye added, "We are gaining market share in Taiwan as we are gaining recognition in our capabilities in water and waste solutions, including soil treatment systems and now, waste-recovery.*

*With the government's push for various environmental initiatives, we foresee Darco lending its expertise in those areas further and claiming a stronger position in the Taiwan market."*

Including this new project set to be operational from 1<sup>st</sup> June 2008 onwards, total order book now stands at S\$636 million, with S\$129 million worth of projects to be delivered this year. The Company expects this project to contribute positively to the revenue of FY2008.

The premise of the 6-year contract is to recycle domestic waste and solid waste in the County, mainly from the industrial and commercial sectors. The County government also established the option to extend the agreement for a further 6-year contract upon the cessation of the current contract.

### **Future Outlook**

Indeed the prospect of expansion is very promising for Darco, on the back of the country's increasing waste and wastewater pollution woes. According to the Industrial Development Bureau, industries in Taiwan generate about 12 million tonnes of non-hazardous waste annually and more than 40% of Taiwan's rivers are polluted with industrial and municipal wastewater.

In addition, the Taiwanese government now requires companies to eliminate any waste materials prior to moving out, thereby opening up the opportunity for Darco to tap further into its soil remediation or treatment expertise. The management has identified more than 1,000 sites that require soil remediation exercise.

Darco's expertise in environmental engineering systems includes engineered water systems, solid wastewater systems, wastewater treatment systems, soil remediation and air-management.

For more details on the waste-recovery project, please refer to the SGX Announcement.

**END**

#### **About Darco Water Technologies Limited**

Listed on SGX Catalist in 2002, Darco is a provider of integrated engineering and knowledge-based water treatment solutions. Established in 1999 to design, fabricate, assemble, install, commission and service engineered water systems for industrial use in Singapore and Malaysia, Darco has developed systems and services based on both membrane and ion exchange technologies. Within a span of three years, Darco has formulated over 200 engineered water system solutions.

The Group, which has operations in Singapore, Malaysia, the PRC, Taiwan, Philippines and Indonesia, serves companies across diverse industries – electronics, semiconductor, textile, food and beverage, printed circuit board and pharmaceuticals and municipal water and wastewater projects.

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Issued for and on behalf of Darco Water Technologies Ltd.

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