



## JOINT MEDIA RELEASE

# **IE Singapore works with Darco on first set of infrastructure asset ownership projects in Vietnam worth S\$50 million**

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1. Through International Enterprise (IE) Singapore's facilitation, Darco Water Technologies Limited (Darco) and InfraCo Asia Development Pte. Ltd. (InfraCo Asia), a commercially-managed infrastructure development company, will be partnering each other on a Design, Build, Own, Operate (DBOO) model for four municipal water treatment projects in Vietnam. Targeted to provide up to 62,000 cubic metres of water, these will benefit approximately 500,000 residents across Vietnam. Investments for these 50-year concession projects total around S\$50 million. This marks a significant move as Darco adopts a DBOO model in Vietnam for the first time, transforming to an asset ownership model for its overseas growth.
2. The first project in the Ben Tre province will begin construction in Q4 this year. This facility will provide 15,000 cubic metres of water a day to the industries and approximately 15,000 households. The other projects will commence in 2018.
3. Recording a turnover size of S\$60 million in 2016, Darco derives its revenue mainly as an Engineering, Procurement, and Construction (EPC) player specialising in industrial water treatment. To grow further, Darco is now working with IE Singapore to move across the value chain to take on ownership projects. This allows the company to enjoy recurring revenue, improve cash flow and take on bigger projects overseas.

4. Said Mr Thye Kim Meng, CEO of Darco, “With the EPC scene getting more competitive, it is important for us to move ahead in the value chain to extend our foothold in the water purification sector. By building up on DBOO projects, the strong recurring revenue will allow Darco to grow more significantly. IE Singapore and InfraCo Asia both played important roles in helping us clinch our first DBOO project through their expertise. Through these smaller-scale decentralised projects, we can amass experience to scale up for bigger municipal projects in Vietnam and Southeast Asia.”
5. Darco saw opportunities in Vietnam with the government’s push to develop the economy by attracting foreign investors to set up manufacturing facilities. There is a critical need for clean industrial grade water and safer drinking water. However, ground water wells in Vietnam are running low, with some being contaminated by seawater.
6. Working with Darco on its overseas growth strategy in Vietnam, IE Singapore brought in InfraCo Asia to bridge the company’s gaps in funding, leadership and experience in DBOO deal structuring, as well as supported Darco in its feasibility studies. InfraCo Asia, backed by the Private Infrastructure Development Group (PIDG)<sup>1</sup>, is working on providing funding for projects to assist Darco in mitigating early-stage development risks.
7. Said Mr Kow Juan Tiang, Group Director for Environmental and Infrastructure Solutions, IE Singapore, “It is important for companies to find the right partners when expanding to unfamiliar markets. Darco and InfraCo Asia’s partnership is a good example of how collaboration can resolve challenges in foreign markets and businesses. For infrastructure projects, bankability is of utmost importance. Having experienced partners like InfraCo Asia onboard provides the necessary financing and expertise for Darco.”
8. InfraCo Asia CEO, Mr Allard Nooy, said the partnership with Darco is an important part of the company’s mandate in developing sustainable, commercially viable projects with social impact. “This marks InfraCo Asia’s first foray into the water sector and is an important part of our infrastructure development strategy in Vietnam. The project implementation will ultimately support social and economic development in the four municipal towns by providing potable water solutions for the communities,” said Mr Nooy. “The support provided by InfraCo Asia in developing these projects in world-class standards will set the stage for achieving financial close, through private sector

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<sup>1</sup> The PIDG is a multilateral organisation, funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group. It encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty.

investments. Attracting private sector investment is a key focus for every project InfraCo Asia undertakes. We look forward to working closely with Darco to execute and implement the projects.”

9. To further support its overseas expansion, Darco is currently partnering IE Singapore to build up manpower capabilities in project management, business development and deal structuring for its global DBOO projects. Darco will sign a Memorandum of Understanding with InfraCo Asia for this partnership at IE Singapore’s Asia-Singapore Infrastructure Roundtable on 26 September.

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**About International Enterprise Singapore**

IE Singapore is the government agency that promotes international trade and partners Singapore companies to go global.

We attract and anchor global trading companies in Singapore by promoting our unique advantages as a global trading hub. Today, Singapore is home to a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters.

Through our network of over 35 overseas centres and comprehensive assistance programmes, we partner Singapore companies to strengthen their global competitiveness.

Visit [www.iesingapore.gov.sg](http://www.iesingapore.gov.sg) for more information.

**About Darco**

Established in 1999 and listed on SGX in 2002, Darco Water Technologies designs and delivers engineered solutions for water and wastewater systems for industrial and municipal customers. Its core management team has more than 19 years of experience in water treatment for a wide range of industries. Its markets include Mainland China and Southeast Asia.

For more information, please refer to [www.darcowater.com](http://www.darcowater.com)

## **About InfraCo Asia**

InfraCo Asia Development Pte Ltd (InfraCo Asia) is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG, [www.pidg.org](http://www.pidg.org)).

Headquartered in Singapore, it aims to stimulate greater private sector investment in infrastructure in South and South-East Asia. InfraCo Asia funds high-risk infrastructure development activities by taking an equity stake with a focus on socially responsible and commercially viable infrastructure projects that contribute to economic growth, social development and poverty reduction. At the appropriate time, either as close as possible to financial close and/or commercial operation, InfraCo Asia aims to (partially or fully, as appropriate) exit each project. It does this through the sale of its stake to the private sector in order to catalyse private sector investment and participation into the projects and countries it is involved in.

InfraCo Asia is currently funded by three members of PIDG – the Australian Department of Foreign Affairs and Trade (DFAT), the Swiss State Secretariat for Economic Affairs (SECO) and the UK Department for International Development (UKAid).

Visit [www.infracoasia.com](http://www.infracoasia.com) for more information.