

DARCO WATER TECHNOLOGIES LIMITED

(Incorporated in Singapore)
(Registration No. 200106732C)

DARCO SECURES S\$11.5M CONTRACTS TO TREAT COMPLEX WASTEWATERS IN CHINA AND MALAYSIA

The Board of Directors of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

Pharmaceutical Wastewater Treatment Project Awarded In China

The Company’s 60% owned subsidiary, Wuhan Kaidi Water Services Co., Ltd. (“**WHKD**”) has secured a pharmaceutical wastewater treatment project for the expansion of a Wastewater Treatment Project (Phase I) and procurement of equipment at a chemical industrial park in Zhejiang Province (“**Project**”). The Project is worth RMB41.6 million.

WHKD will use the Group’s two proprietary technologies, namely, the membrane bioreactor and fluidized-bed Fenton technology to treat wastewater of pharmaceutical manufacturers. These technologies would effectively address issues such as high chemical oxygen demand content, poor bio-degradability, water fluctuations and quality to meet stringent water discharge standard that was not previously attained using the conventional wastewater treatment process.

Solar Cell Wastewater Treatment Project In Malaysia

The Group had successfully clinched several wastewater treatment engineering, procurement and construction (“**EPC**”) projects in Malaysia in Year 2016 with a total contract value of MYR8.2 million involving the construction of ammoniacal nitrogen waste water treatment system for a solar cell and nitrogenous fertilizer manufacturing plant with a total capacity of 57 m³ per hour.

The treatment process comprises a moving bed biofilm reactor system (“**MBBR**”) which improves reliability and operation efficiency, while require less space than traditional wastewater treatment systems. It is also able to reduce the ammonium level from 5,000 ppm to less than 20 ppm to meet the effluent discharge standards set by the Department of Environment in Malaysia.

Financial Effect

The above Projects are expected to have a positive material impact on the revenue of the Group for the financial year ending 31 December 2016.

By Order of the Board

Thye Kim Meng
Chairman, Managing Director and Chief Executive Officer
16 May 2016

Darco Secures S\$11.5M Contracts to Treat Complex Wastewaters for Pharmaceutical and Solar Cell Manufacturing Plants in China and Malaysia

- Won RMB41.6 (~S\$8.7 million) pharmaceutical wastewater treatment project in China
- Secured MYR8.2 million (~S\$2.8 million) worth of pharmaceutical and solar cell wastewater treatment projects in Malaysia
- Contract wins year-to-date with a total value of approximately S\$33.0 million improves the Group's business outlook

Singapore – 16 May 2016 - Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that it has been awarded contracts in total worth of approximately S\$11.5 million in China and Malaysia, bringing the total value of new contracts recently won to approximately S\$33.0 million.

The latest RMB41.6 million (~S\$8.7 million) contract win in China by the Group's newly-acquired subsidiary, Wuhan Kaidi Water Services Co., Ltd. ("WHKD", 武汉凯迪水务有限公司), is for the expansion of a Wastewater Treatment Project (Phase I) and procurement of equipment at a chemical industrial park in Zhejiang Province (the "Project").

More specifically, WHKD will treat wastewater of pharmaceutical manufacturers using the Group's two proprietary technologies – the membrane bioreactor and fluidized-bed Fenton technology. These technologies effectively address issues such as high chemical oxygen demand ("COD") content, poor bio-degradability, water fluctuations and quality to meet stringent water discharge standard that was not previously attained using the conventional wastewater treatment process.

In addition, the Group has also successfully clinched several wastewater treatment EPC projects in Malaysia since the beginning of 2016 with a total contract value of MYR8.2 million (approximately S\$2.8 million) involving the construction of ammoniacal nitrogen waste water treatment system for a solar cell and nitrogenous fertilizer manufacturing plant with a total capacity of 57 m³ per hour. The projects in Malaysia are equally complex and challenging. The treatment process comprises a moving bed biofilm reactor system ("MBBR") which improves reliability, simplify operation, and require less space than traditional wastewater treatment systems. In addition, it is able to reduce the ammonium level from 5000 ppm to less than 20 ppm

to meet the effluent discharge standards set by the Department of Environment in Malaysia.

Mr. Thye Kim Meng, CEO of the Group, said, **“Darco is a technology focus company. The contract win is a strong endorsement to the Group’s capability and our competitive edge in providing effective solution to our customers to meet increasingly demanding effluent discharge standards. This will also reflect positively in our financial performance and outlook going forward. Coupled with our recently acquired subsidiary, Wuhan Kaidi’s technical expertise and cost competitiveness in China, the Group is well-poised to take on more water projects and further strengthen our regional presence in the promising market of China.”**

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About Darco Water Technologies Limited

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

**Issued for and on behalf of Darco Water Technologies Limited
by Financial PR Pte Ltd**

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