

DARCO WATER TECHNOLOGIES LIMITED

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

DARCO SECURES S\$19.8M CONTRACTS IN SINGAPORE, MALAYSIA AND CHINA

The Board of Directors of Darco Water Technologies Limited (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that it has secured an aggregate of S\$19.8 million worth of orders from engineered water systems, pneumatic waste conveyance systems, as well as trading of parts and service contracts.

China:

Notably, Wuhan Kaidi Water Services Co. Ltd (“WHKD”), a subsidiary of the Group, has secured an engineered water system contract amounting to approximately RMB48.7 million (equivalent to approximately S\$9.9 million based on exchange rate of 1 RMB = S\$4.89822) for a 2X670MW ultra-supercritical heating generator Power Plant at Bajiao, located in the Shandong Province, People’s Republic of China (“PRC”). WHKD will apply reverse osmosis seawater desalination technology to remove minerals from seawater to provide fresh water to the power plant.

WHKD has also recently secured several contracts for the sales of trading parts and provision of technical services amounting to RMB15 million (equivalent to approximately S\$3.1 million based on exchange rate of 1 RMB = S\$4.89822).

Malaysia:

Seven Engineered Water Systems amounting to MYR7.3 million (equivalent to approximately S\$2.4 million based on exchange rate of 1 MYR = S\$2.9883) were secured by Darco Industrial Water Sdn. Bhd. and Darco Water Systems Sdn. Bhd. (collectively “Darco Malaysia”) for pure water and wastewater treatment engineering, procurement and construction (“EPC”) projects in Malaysia. These projects involve the upgrading of existing systems to meet the customer’s manufacturing expansion needs.

Singapore:

PV Vacuum Engineering Pte. Ltd., a subsidiary of the Group, has recently secured a pneumatic waste conveyance system (PWCS) project amounting to S\$4.4 million for the transfer of solid waste in HDB’s Sengkang district. This new order is in addition to the various PWCS contracts that were previously announced on 3 May 2016.

Financial Effects

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
14 September 2016

Darco Secures Contracts Worth S\$19.8Mil in China, Malaysia and Singapore

- Won RMB48.7 million (~S\$9.9 million) water treatment project in Shandong and RMB15 million (~S\$3.1 million) sales of trading parts and provision of technical services
- Secured MYR7.3 million (~S\$2.4 million) worth of wastewater treatment EPC project in Malaysia
- Clinched S\$4.4 million worth of pneumatic waste conveyance system project in Singapore
- More contract wins year-to-date with a total value of approximately S\$52.8 million shows that the Group is gaining strong growing momentum in the environmental protection industry as well as into the China market

Singapore – 14 September 2016 - Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco", and together with its subsidiaries the "Group") is pleased to announce that it has been awarded contracts in total worth approximately S\$19.8 million in China, Malaysia and Singapore bringing the total value of new contracts recently won to approximately S\$52.8 million.

The latest RMB48.7 million (~S\$9.9 million) contract win 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 2 x 670MW ultra-supercritical heating generators at Bajiao power plant located in the Shandong Province, People's Republic of China (the "Project").

Seawater is the main water source for the power plant due to fresh water scarcity. Thus, WHKD will be adopting reverse osmosis seawater desalination technology to remove minerals from seawater to provide fresh water to the power plants.

Besides that, WHKD has also recently secured contracts for the sales of trading parts and provision of technical services of an aggregate amounting to RMB15 million (~S\$3.1 million) in China.

Furthermore, the Group has also successfully clinched several wastewater treatment EPC project in Malaysia with a total contract value of MYR7.3 million (approximately S\$2.4 million), involving the system upgrading of existing Engineered Water Systems to meet the customer's manufacturing expansion.

Following the successful bid of four pneumatic waste conveyance system (“PWCS”) projects worth S\$13.1 million announced on 3 May 2016, another PWCS project amounting to S\$4.4 million was secured by the Group’s wholly-owned Singapore subsidiary, PV Vacuum Engineering Pte. Ltd. This project involves the transferring of solid waste for HDB’s Sengkang district.

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.

Mr. Thye Kim Meng, CEO of the Group, said, **“We are pleased that we are gaining strong growing momentum in the environmental industry as well as into the China market. The winning of the contracts is a testimony to the expertise and technological capabilities helmed by the Group. The contract wins also pave the way for greater opportunities to the Group in the industry. Moving ahead, we remain committed to enhance our research and development of environmental projection technology to further enhance our market competitiveness. With the Group’s strong technology capabilities, together with Wuhan Kaidi’s technical expertise, the Group is well-positioned for the next phase of accelerated growth.”**

-END-

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**

Yit Sung NGO, yitsung@financialpr.com.sg

Jing Wen YONG, jingwen@financialpr.com.sg

Tel: (65) 6438 2990 Fax: (65) 6438 0064