



**SOLUTIONS TO WATER & WASTE**  
**DARCO WATER TECHNOLOGIES LIMITED**

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

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**INCORPORATION OF WHOLLY-OWNED SUBSIDIARY**

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The board of directors (“**Board**” or “**Directors**”) of Darco Water Technologies Limited (the “**Company**” together with its subsidiaries, the “**Group**”) refers to the press releases dated 20 July 2017 and 21 September 2017. The Board wishes to announce that the Company has incorporated a wholly-owned subsidiary, Darco InfraCo Vietnam Water Pte. Ltd. (the “**JV Company**”), in Singapore on 2 February 2018 for an initial issued and paid-up share capital of S\$1.00 comprising 1 ordinary share.

The JV Company was incorporated for the purpose of entering into a joint venture with InfraCo VietAqua Pte. Ltd. (“**InfraCo**”). InfraCo is an independent unrelated third party to the Group and its Directors, substantial shareholders and their respective associates.

The JV Company was incorporated pursuant to a shareholders’ agreement entered into by and between the Company and InfraCo for the conduct of the business to be undertaken by the JV Company (the “**Agreement**”). Pursuant to the Agreement, the JV Company will hold 100% of the equity interest of a company in Vietnam which will undertake the development, implementation, financing, construction and operation of a portfolio of water supply projects in Vietnam.

The Company expects to increase the share capital of the JV Company such that InfraCo will subscribe for such number of shares in the JV Company, representing 49% of the JV Company’s entire issued and paid-up share capital, and the Company will subscribe for such number of shares in the JV Company, representing 51% of the JV Company’s entire issued and paid-up share capital (the “**Further Subscription**”).

The incorporation of the JV Company is funded through internal resources of the Group and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2018.

Save for their respective interests in the Company, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the incorporation of JV Company.

The Company will update shareholders in due course on any further material developments in connection with the JV Company and the Further Subscription.

**BY ORDER OF THE BOARD**

Thye Kim Meng  
Chairman, Managing Director and Chief Executive Officer  
2 February 2018