

Darco and Aquaporin Sign a New Distribution Agreement in Malaysia

- This marks the first distribution agreement signed in Malaysia
- Aquaporin Inside® Forward Osmosis Technology which requires lower energy and operating costs will be distributed in Malaysia and Singapore markets
- Bright prospects in Malaysia’s water industry due to favourable government policy

Singapore, 24 April 2018 – Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that the Group’s wholly owned subsidiary, Ness Plus Trading Sdn. Bhd. ("Ness") has signed an exclusive distribution agreement with Aquaporin A/S ("Aquaporin") in Malaysia, allowing Ness to distribute revolutionary products containing the Aquaporin Inside® Forward Osmosis Technology in Malaysia and Singapore. This also marks Aquaporin’s first exclusive distribution agreement signed in Malaysia.

Water pollution is a serious problem in Malaysia and impacts negatively on the sustainability of the water resources. Besides that, it also affects plants and organism living, people’s health and the country’s economy. Total water availability is reduced considerably as the cost of treating polluted water is too high and, in some cases, polluted waters are not treatable for consumption which leads to a 40% national average loss of water¹.

Aquaporin Inside® Forward Osmosis Technology, a proprietary technology developed by Aquaporin, increases operational efficiency as it consumes less energy and eventually lower the operating costs. The Malaysian government aims to have 99% of the population served by clean and treated water by 2020². Therefore, the timely introduction of this technology in Malaysia is well-positioned to tap on the favourable trend.

¹ Sustainability of water resources under threat from pollution,

<https://www.nst.com.my/news/2015/09/sustainability-water-resources-under-threat-pollution>

² 95% of populated areas wit broadband infrastructure target, <http://www.thesundaily.my/news/1426067>

Mr. Mark Perry, Vice President of Business Development & Sales in Aquaporin Asia commented: **“For Malaysia, the Aquaporin Inside® Forward Osmosis Technology can be a game changer. Traditional wastewater treatment technologies for challenging industrial wastewater come at high operating expenses and capital expenditure cost and often involve labor intensive operations. Hence reliable and cost-effective technologies are highly sought after, which is where Aquaporin Inside® Forward Osmosis Technology enters the picture.”**

Mr. Thye Kim Meng, CEO of the Group, said, **“We are excited to commence our commercial collaboration with Aquaporin. The collaboration builds upon a previously announced successful joint development project and is in line with our dedication to be an integrated environmental solutions provider.**

The Aquaporin Inside® Forward Osmosis Technology’s distribution right is initially for Malaysia and Singapore. With the Group’s knowhow in building and operating forward osmosis systems, the Group is ideally poised to capture market shares in the growing market for forward osmosis-based solutions.”

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**

Jing Wen YONG, jingwen@financialpr.com.sg

Yit Sung NGO, yitsung@financialpr.com.sg

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