

Darco and Mattan sign MOU to venture into solar power industry in Southeast Asia

- Mattan is an experienced renewable energy player
- Solar power has become one of the viable options in power generation
- Remains dedicated on becoming a comprehensive integrated environmental protection solutions provider

Singapore, 27 March 2019 – Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that the Group has entered into a Memorandum of Understanding ("MOU") with Mattan Engineering Sdn. Bhd. ("Mattan") to venture into the renewable energy industry, in particular, to build and/ or own photovoltaic power plants across Southeast Asia ("Photovoltaic Projects").

The Group is keen to explore a partnership with Mattan either on an ownership level or as preferred turnkey contractor. Under the MOU, the Group and Mattan are equally responsible to identify viable photovoltaic projects, providing detailed information of the projects as well as working on the financial model where each party has the right of first refusal on the Photovoltaic Projects. Each party will have to perform due diligence on the respective Photovoltaic Projects which are identified by them and all the initial cost incurred will be borne by respective parties.

As one of the market players in the renewable energy industry, Mattan has experience in designing, constructing, operating and managing renewable energy projects. Thus, Mattan will be providing the technical expertise in the construction of a solar photovoltaic energy generating facility which involves the designs, technical drawings, procurement and project management.

The cost of solar panel production has gradually reduced with the advancement in technology. This has made solar power relatively affordable to users and has become one of the viable options in power generation. Therefore, venturing into solar power industry would offer great business opportunities to the Group.

Mr. Thye Kim Meng, CEO of the Group, said, **“We have been proactively looking for business opportunities in the environmental protection industry. Collaborating with Mattan to venture into the solar power industry is one of our initiatives to enhance the Group’s profitability as we see huge growth potential in this industry. Moving ahead, we remain dedicated to be an integrated environmental solutions provider.”**

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

About Mattan Engineering Sdn Bhd

Mattan Engineering Sdn Bhd is an engineering, procurement, construction and commissioning (EPCC) solutions provider with the capability to design and manage multi-disciplinary renewable energy projects i.e. solar, mini hydro, biogas and biomass.

Backboned by a team of certified consultants and specialists and led by key management with expertise in the renewable energy industry, banking, and accounting, the Group has the technical knowledge to pair with extensive industry experience.

For more information, please refer to www.mattan.com.my

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

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