

**STRATEGIC ALLIANCE**

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The Board of Directors of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that its wholly owned subsidiary PV Vacuum Engineering Pte Ltd ( “PV Vacuum”) has entered into a Strategic Alliance with China Construction First Bureau Group Interior Fitout Engineering Co, Ltd (“**China Construction First Group**”), to jointly develop, promote and install indoor air purification and solids waste conveyance system (“**Vacuum System**”) for the industrial and commercial market in China.

China Construction First Group envisages that there are numerous building and commercial projects (“**Opportunities**”) that will require the Vacuum Systems by PV Vacuum, and China Construction First Group is also actively seeking to expand its current business to deliver and install clean air and odourless solid waste conveyance system.

China Construction First Group believes that it can develop and work exclusively with PV Vacuum to promote such Vacuum Systems, whereas PV Vacuum is capable of designing, building, and maintaining such assets.

As a strategic partner to PV Vacuum, China Construction First Group will use its extensive sector network to source and develop such Opportunities. On the other hand, PV Vacuum will assist in the conceptual and detailed engineering design. China Construction and PV Vacuum therefore have strong synergies given its complimentary resources and capability to enter into mutually beneficial arrangements.

It is envisioned that The Parties shall jointly bid for such projects and shall, whenever appropriate, enter into separate definitive contracts to bid, deliver, install and provide maintenance service for these assets.

By Order of the Board

Thye Kim Meng  
Managing Director and Chief Executive Officer

19 September 2014

**About China Construction First Bureau Group Interior Fitout Engineering Co, Ltd**  
(“China Construction First Group” or “CSCECIFEC” or “中建一局集团装饰工程有限公司” )

CSCECIFEC is a member of First Bureau Co Ltd of CESEC (China State Construction Engineering Corporation) Group. Founded in 1986, it carries out Design and Mechanical & Electrical Installation, amongst other numerous construction activities.