

Darco Secures S\$13.1 Million Innovative Environmentally Friendly PWCS Projects

- PWCS for centralized solid waste collection is clean, environmentally friendly, and highly automated
- Securing HDB Greenprint projects adds to recurring income stream
- Huge market potential as HDB rolls out PWCS to other estates
- The Group also intensifies effort to introduce PWCS in China and other overseas markets, through cooperation with member of China Construction Group

Singapore – 3 May 2016 - Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce it has recently secured S\$13.1 million worth of contracts to spearhead its efforts to secure more solid waste collection systems in Singapore and China.

These four contracts with an aggregate worth of S\$13.1 million to supply and maintain Pneumatic Waste Conveyance System ("PWCS") for centralized domestic waste collection in Singapore were clinched by the Group's wholly-owned Singapore subsidiary, PV Vacuum Engineering Pte Ltd ("PV Vacuum").

The PWCS, when used in housing estates, is an automated domestic waste collection system that uses high-speed vacuum technology to transport domestic waste via an underground pipe network to a Centralised Bin Centre. The entire waste collection process is enclosed and automated, thereby reducing manpower requirements and reducing waste spillage onto common areas, foul smells and issues with pests. If integrated with PV Vacuum's waste segregation system to salvage recyclable waste, it will pave the way towards zero solid waste disposals in the future.

Mr. Thye Kim Meng, CEO of the Group, said, **“The Group has been seeking to enhance its engineering capability in the environmental protection industrial and commercial sector to the municipal market. The successful bid of these projects in solid waste management in HDB housing estate is in line with the Group’s strategy to become a comprehensive integrated environmental protection solutions provider.”**

Notably, two of these contracts were awarded by the Housing & Development Board (“HDB”) which contributed 89% of the total contract value. The aggregate contract value of S\$11.6 million is for Design, Build, Operate and Maintenance, from which S\$3.2 million of maintenance fee forms a recurring income stream for the Group over the next 10 years. Waste management using PWCS is one of the green initiatives as part of the HDB Greenprint to create sustainable public housing, including Bidadari, in Singapore which will be rolled out eventually to other HDB towns.

On 19 September 2014, 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. Leveraging on the extensive network of China Construction First Group in China, greater business opportunities in China’s Vacuum System sector will be available for the Group.

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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
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