

DARCO WATER TECHNOLOGIES LIMITED

(Incorporated in Singapore)
(Registration No. 200106732C)

DARCO SECURES S\$11.5M CONTRACTS TO TREAT COMPLEX WASTEWATERS IN CHINA AND MALAYSIA

The Board of Directors of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

Pharmaceutical Wastewater Treatment Project Awarded In China

The Company’s 60% owned subsidiary, Wuhan Kaidi Water Services Co., Ltd. (“**WHKD**”) has secured a pharmaceutical wastewater treatment project for the expansion of a Wastewater Treatment Project (Phase I) and procurement of equipment at a chemical industrial park in Zhejiang Province (“**Project**”). The Project is worth RMB41.6 million.

WHKD will use the Group’s two proprietary technologies, namely, the membrane bioreactor and fluidized-bed Fenton technology to treat wastewater of pharmaceutical manufacturers. These technologies would effectively address issues such as high chemical oxygen demand content, poor bio-degradability, water fluctuations and quality to meet stringent water discharge standard that was not previously attained using the conventional wastewater treatment process.

Solar Cell Wastewater Treatment Project In Malaysia

The Group had successfully clinched several wastewater treatment engineering, procurement and construction (“**EPC**”) projects in Malaysia in Year 2016 with a total contract value of MYR8.2 million involving the construction of ammoniacal nitrogen waste water treatment system for a solar cell and nitrogenous fertilizer manufacturing plant with a total capacity of 57 m³ per hour.

The treatment process comprises a moving bed biofilm reactor system (“**MBBR**”) which improves reliability and operation efficiency, while require less space than traditional wastewater treatment systems. It is also able to reduce the ammonium level from 5,000 ppm to less than 20 ppm to meet the effluent discharge standards set by the Department of Environment in Malaysia.

Financial Effect

The above Projects are expected to have a positive material impact on the revenue of the Group for the financial year ending 31 December 2016.

By Order of the Board

Thye Kim Meng
Chairman, Managing Director and Chief Executive Officer
16 May 2016