

DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Registration No. 200106732C)

**RMB40.9 MILLION ZERO-LIQUID-DISCHARGE WASTEWATER PROJECT SECURED BY
SUBSIDIARY OF DARCO WATER TECHNOLOGIES LIMITED**

The Board of Directors of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company’s 60% owned subsidiary, Wuhan Kaidi Water Services Co., Ltd. (“**Wuhan Kaidi**”,) was awarded a wastewater project contract by Tianjin SDIC Jinneng Electric Power Co., Ltd. worth RMB40.9 million (“**Project**”).

The Project entails the construction of Phase II 2*1000MW desulfurization zero-liquid-discharge wastewater treatment system for Tianjin Power’s power generating plant in North China, by way of Wuhan Kaidi’s proprietary brine recovery technology and the mechanical vapour recompression (“MVR”) technology from Vacom Systems LLC (“Vacom”). A two-stage clarification and softening pre-treatment step is adopted, followed by liquid and solids separation via Vacom’s MVR crystallization and evaporation processes.

With no liquid discharge, the treatment process is absolutely environmental friendly and is in compliant with industry’s toughest effluent regulatory requirements, while maximising water recovery to meet water reuse targets.

The Project is expected to be completed and delivered by 31 December 2016.

Financial Effect

The above Project is 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
19 April 2016