

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

SIGNING OF MEMORANDUM OF UNDERSTANDING WITH AQUAPORIN ASIA PTE. LTD.

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 entered into a memorandum of understanding (the “**MOU**”) with Aquaporin Asia Pte. Ltd. (“**Aquaporin Asia**”) for joint piloting and test-bedding under Aquaporin Asia’s 3-year forward osmosis project (the “**Project**”). *The research grant is supported by the Singapore National Research Foundation under its Environmental & Water Technologies Strategic Research Programme and administered by the Environment & Water Industry Programme Office (EWI) of the PUB. The project involves collaborations from NEWRI and the Singapore Membrane Technology Center at Nanyang Technological University as well as DHI Water & Environment (S) along with numerous external collaborators.*

The MOU shall be valid for an initial term of 12 months commencing on the date of the MOU unless terminated in accordance with the provisions of the clause as stated in the MOU.

Under the terms and conditions of the MOU, the Group will collaborate with Aquaporin Asia to jointly pilot low-energy Zero Liquid Discharge (“**ZLD**”) systems for industrial wastewater treatment based on the Aquaporin Inside™ Forward Osmosis Technology. The Group will use its own wastewater treatment know-how to incorporate Aquaporin Asia’s Forward Osmosis membranes into the Group’s overall system as pilot plant scale test units in application for different industries. With this, the Group will position itself as a first-mover within the application of the Aquaporin Inside™ Forward Osmosis technology and have pre-knowledge on ZLD wastewater treatment operations and applications.

Save for their shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, directly or indirectly, in the MOU.

The Company will make such further announcements to inform shareholders of any updates or developments in due course.

Cautionary Statement

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors of the Company are reminded that there is no assurance that any business activities or transactions mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board

Thye Kim Meng
Chairman, Managing Director and Chief Executive Officer
1 April 2016