



**SOLUTIONS TO WATER & WASTE**  
**DARCO WATER TECHNOLOGIES LIMITED**  
(Company Registration No. 200106732C)  
(Incorporated in the Republic of Singapore)

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**UPDATE ON THE PROPOSED ACQUISITION OF 12% EQUITY INTEREST IN THE REGISTERED CAPITAL OF WUHAN KAIDI WATER SERVICES CO., LTD. (武汉凯迪水务有限公司)**

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The Board of Directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) refers to the Company’s announcement dated 16 June 2017 (the “**Announcement**”) in relation to the proposed acquisition by the Company of 12% of the total equity interest (“**12% Equity Interest**”) in the registered capital of its subsidiary, Wuhan Kaidi Water Services Co., Ltd. (武汉凯迪水务有限公司) (the “**Target**”) on the terms of the sale and purchase agreement (“**Proposed Acquisition**”).

*Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcement.*

The Board wishes to announce that the Proposed Acquisition is ongoing, and the parties are working towards fulfilling the Conditions Precedent of the SPA. In addition to the Proposed Acquisition, the Company is exploring acquiring further equity interest in the Target, and is negotiating with the remaining shareholders of the Target in respect thereof. The shareholding of the Target as at the date of this announcement is as follows:

<b>Shareholder of Target</b>	<b>Equity Interest in Target</b>
The Company	60%
Hong Kong Meidi Investments Holdings Co., Ltd	12%
Wuhan Liankai Investment Co., Ltd	13%
Zhang Zhengda	15%

The Company will announce further updates as and when there are material developments in relation to the Proposed Acquisition.

The Board further wishes to inform that the Company is seeking to raise additional funds to finance its business and growth plans, and has been approached by potential placees and investors, expressing interest to invest in the Company. The Company will make necessary announcements in the event any contract is entered into by the Company in relation to such fundraising exercises.

Shareholders and potential investors are advised to exercise caution in the trading of their Shares in the Company. The Proposed Acquisition is subject to, inter alia, the fulfilment of the conditions of the SPA. There is no certainty and assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof or if the aforementioned fundraising exercise will occur. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

**BY ORDER OF THE BOARD**

Thye Kim Meng  
Chairman, Managing Director and Chief Executive Officer  
19 October 2017