



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

THE PROPOSED ISSUANCE AND PLACEMENT OF ORDINARY SHARES IN THE CAPITAL OF DARCO WATER TECHNOLOGIES LIMITED – RECEIPT OF APPROVAL-IN-PRINCIPLE (“AIP”) FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

*The Company refers to the announcements dated 16 June 2017, 23 October 2017, 13 November 2017 and 15 November 2017 (the “**Announcements**”).*

The Board wishes to announce that the Company has on 31 January 2017 received the AIP from the SGX-ST for the listing and quotation of shares in the capital of the Company (the “**Shares**”) as follows:

- (i) 3,824,891 Shares to be issued to Wah Lee Industrial Corp. and Jilead Technology Co., Ltd (the “**Consideration Shares**”) as consideration for the acquisition of 12% equity interest in Wuhan Kaidi Water Services Co., Ltd (the “**Proposed Acquisition**”), pursuant to the sale and purchase agreement dated 16 June 2017 between the Company and Hong Kong Meidi Investments Holdings Co., Ltd. (the “**Consideration Shares Placement**”);
- (ii) 27,680,000 Shares to be issued to Robert Wang @ Wang Zhi (the “**WZ Placement Shares**”), pursuant to the placement agreement dated 20 October 2017 between the Company and Robert Wang @ Wang Zhi (the “**WZ Placement**”);
- (iii) 3,500,000 Shares to be issued to Sofos Infrastructure Investment Fund SPC (the “**Sofos Placement Shares**”), pursuant to the placement agreement dated 13 November 2017 between the Company and Sofos Infrastructure Investment Fund SPC (the “**Sofos Placement**”); and
- (iv) 1,500,000 Shares to be issued to Stone Robert Alexander (the “**RS Placement Shares**”), pursuant to the placement agreement dated 15 November 2017 between the Company and Stone Robert Alexander (the “**RS Placement**”).

The AIP is subject to the following:

- (a) in respect of the Consideration Shares Placement:
 - (i) shareholders' approval on the issuance of the Consideration Shares to a substantial Shareholder of the Company pursuant to Rule 812 of the Listing Manual: Mainboard Rules (the “**Listing Rules**”); and
 - (ii) compliance with the SGX-ST’s listing requirements;

- (b) in respect of the WZ Placement:
 - (i) shareholders' approval on the issuance of the WZ Placement Shares to transfer a controlling interest in the Company pursuant to Rules 803(1) and 805(1) of the Listing Rules; and
 - (ii) compliance with the SGX-ST's listing requirements;
- (c) in respect of the Sofos Placement, compliance with the SGX-ST's listing requirements; and
- (d) in respect of the RS Placement:
 - (i) shareholders' approval on the issuance of the RS Placement Shares to a substantial shareholder of the Company pursuant to Rule 812 of the Listing Rules; and
 - (ii) compliance with the SGX-ST's listing requirements.

In addition, the Company is required to provide the SGX-ST with a written undertaking that it will comply with Rules 803 and 812(1) of the Listing Rules and will not issue the Shares without prior approval of the shareholders at a general meeting. The Company will provide such written undertaking to the SGX-ST in due course.

The AIP from the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares Placement, the WZ Placement, the Sofos Placement and the RS Placement, the Company and/or its subsidiaries.

The Sofos Placement Shares will be placed under the general mandate approved by the shareholders at the annual general meeting of the Company held on 28 April 2017, as stated in the Company's announcement dated 13 November 2017. A separate announcement will be released by the Company upon the allotment and issue of the Sofos Placement Shares.

A circular to the shareholders containing, among others, information on the Consideration Shares Placement, WZ Placement, Sofos Placement and RS Placement, together with a notice convening the extraordinary general meeting, will be despatched to the shareholders in due course.

BY ORDER OF THE BOARD

Thye Kim Meng
Chairman, Managing Director and Chief Executive Officer
1 February 2018