

# Darco Inks a Cooperative Framework Agreement with Northern Ecological Environment Municipal Engineering Technology

- Aims to undertake PPP and BOT projects in Xiongan New Area
- Xiongan New Area will be the new special economic zone which is planned to be the “green city”
- Forms part of the Group’s strategy to further broaden market presence and capture greater market share in China

**Singapore – 20 July 2017** – Mainboard-listed Darco Water Technologies Limited (the “Company” or “Darco” or the “Group”) is pleased to ink a cooperative framework agreement (“Agreement”) with Northern Ecological Environment Municipal Engineering Technology Co., Ltd. (“Northern Ecological”) to develop environmental protection related projects in Xiongan New Area, Hebei, China.

Based on the Agreement, both parties will form a consortium to bid for potential projects and establish a joint-venture project company, adopting the Public-Private-Partnership (“PPP”) model to undertake PPP and Build-Operate-Transfer projects in Xiongan New Area. The Group and Northern Ecological will hold equity stake of 51% and 49% respectively in the PPP Project Company.

Xiongan New Area is one of the largest freshwater wetlands in North China and it is being built as a new special economic zone by the Chinese government. It is currently 100 square kilometers (“sq km”) in area but will eventually be grown to 2,000 sq km, about the same size as Shenzhen<sup>1</sup>. The government aims to transform Xiongan New Area into a city with a scenic ecological environment, fresh air and clean water, providing the Group with huge business opportunities.

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<sup>1</sup> All you need to know about China’s Xiongan New Area, <http://www.telegraph.co.uk/news/world/china-watch/society/xiongan-new-area/>

The Group will provide their expertise and technological competencies in the environmental protection industry while Northern Ecological will contribute their professional knowledge in the engineering, procurement and construction, urban infrastructure and wastewater industry in China. Both parties will explore business opportunities in the areas of sludge treatment, organic waste treatment, wastewater treatment, desalination and industrial water treatment. The cooperative framework agreement will be effective for two years.

Leveraging on the Group's competitive advantages in financing, combining with the market influence of Northern Ecological in China as well as the strong technological capabilities of both parties, both parties set an eye on further expanding their business in China.

Mr. Thye Kim Meng, CEO of the Group, said, **“The cooperative framework agreement forms part of the Group's strategy to further broaden our market presence as well as to capture greater market share in China.**

**The signing of this cooperative framework with Northern Ecological, a highly reputable enterprise in the environmental protection and urban construction industry in China marks another significant step for the Group after the proposed acquisition of 12% equity interest in Wuhan Kaidi Water Services Co., Ltd recently, further expanding the Group's equity interest in Wuhan Kaidi to 72% upon successful acquisition.”**

- End -

**About 北方生态环境市政工程技术有限公司**

The Group was established in 1998. It is a highly reputable and well-known enterprise in the environmental protection and urban construction industry in China, especially in Hebei province. Its core strength lies in urban infrastructure projects and environmental engineering projects. The Group also has extensive experience in the design, construction, engineering of Build-Operate-Transfer wastewater treatment projects.

For more information, please refer to <http://www.beifangshengtai.com/>

**About Darco Water Technologies Limited**

Established in 1999 and listed on SGX in 2002, Darco Water Technologies designs and delivers engineered solutions for water and wastewater systems for industrial and municipal customers. Its core management team has more than 19 years of experience in water treatment for a wide range of industries. Its markets include Mainland China and Southeast Asia.

For more information, please refer to [www.darcowater.com](http://www.darcowater.com)

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**Issued for and on behalf of Darco Water Technologies Limited  
by Financial PR Pte Ltd**

Kamal SAMUEL, [kamal@financialpr.com.sg](mailto:kamal@financialpr.com.sg)

Yit Sung NGO, [yitsung@financialpr.com.sg](mailto:yitsung@financialpr.com.sg)

Tel: (65) 6438 2990 Fax: (65) 6438 0064