

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

**PROPOSED ACQUISITION
RECEIPT OF APPROVAL-IN-PRINCIPLE FROM
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

Darco Water Technologies Limited ("**Company**") refers to the (i) announcement by the Company on 11 August 2015 ("**Announcement**") in relation the proposed acquisition by the Company of 60% of the total equity interest ("**60% Equity Interest**") in the registered capital of Wuhan Kaidi Water Services Co., Ltd. (武汉凯迪水务有限公司) (the "**Proposed Acquisition**"), (ii) the corrigendum to the Announcement on 13 August 2015 to clarify the information of HKMI ("**Corrigendum Announcement**") and (iii) the announcement on 28 December 2015 regarding the entry into a supplemental agreement to extend the long stop date of the Proposed Acquisition from 31 December 2015 to 31 March 2016 ("**Supplemental Agreement Announcement**", together with the Announcement, and the Corrigendum Announcement, the "**Announcements**").

Capitalised terms used but not defined in this announcement shall have the meanings given to them in the Announcements.

Further to the Announcements, the Company wishes to announce that the SGX-ST has on 12 February 2016 granted its in-principle approval for the listing of and quotation for the Consideration Shares on the Official List of the SGX-ST, subject to:

- (a) compliance with the listing requirements of the SGX-ST; and
- (b) Shareholders' approval being obtained for the issuance of the Consideration Shares.

Please note that the SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares or the Company and/or its subsidiaries.

The proposed issue and allotment of Consideration Shares is subject to (a) the approval of the Shareholders at the EGM; and (b) the completion of the Proposed Acquisition.

A circular setting out further details of the Proposed Acquisition, together with a notice of the extraordinary general meeting of the Company ("**EGM**"), will be dispatched to the Shareholders in due course.

Shareholders should note that, although the SGX-ST has granted its in-principle approval, there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition.

Accordingly, Shareholders are advised to read the Announcements, this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
15 February 2016