

Darco Receives Investment Certificate for Drinking Water Project from Prime Minister of Vietnam

- The Project will be constructed on a BOT basis with a concession period of 50 years
- Involves a total investment of US\$11.7 million
- Further venture into Vietnam's growing water sector, which offers high return and good yield

Singapore – 20 July 2017 – Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that the Group has received an investment certificate for a drinking water project ("Darco Ba Lai Utility Water Supply Project") in Ben Tre province from the Prime Minister Nguyen Xuan Phuc of Vietnam during the Ben Tre Investment Promotion Conference 2017.

Ben Tre is a coastal province in the Mekong Delta of southern Vietnam. Ben Tre Investment Promotion Conference 2017 which was held on 19 and 20 July aimed to introduce to enterprises the potential, advantages, and investment policy of Ben Tre. During the conference, Ben Tre authorities have granted investment certificates to 37 projects worth over VND30.0 trillion (US\$1.32 billion).

The contract won, Darco Ba Lai Utility Water Supply Project has a daily designed water treatment capacity of 15,000 m³ and will be constructed on a Build-Operate-Transfer ("BOT") basis with a concession period of 50 years. It involves a total investment of US\$11.7 million and is expected to complete the construction and commence operation within 18 months from the date of announcement. In addition, the Project will be serving clean drinking water to approximately 200,000 residents in the area.

It is estimated that only about 70% of the population in Vietnam has access to clean and safe drinking water. This problem has been further aggravated by a high rate of water loss, averaging 27 percent (equivalent to 1.8 million cubic meters per day). Therefore, the government aims to supply clean water to all urban cities and towns and limiting the rate of water loss in these cities to less than 15% by 2025¹.

Mr. Thye Kim Meng, CEO of the Group, said, **“We are pleased to receive the investment certificate for Darco Ba Lai Utility Water Supply Project from the Prime Minister of Vietnam. This underscores the Group’s strong technological capabilities and reputation in the industry.**

Vietnam is one of the world’s fastest-growing economies, which offers high returns and good yield to the investors for developing Public-Private-Partnership based projects in the water sector. With the successful incorporation of Darco Environment Vietnam Co., Ltd. this year, we are well-poised to tap into the growing Vietnam market.”

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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

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

Jing Wen YONG, jingwen@financialpr.com.sg

Yit Sung NGO, yitsung@financialpr.com.sg

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

¹ Vietnam – Environmental and Pollution Control Equipment and Services,
<https://www.export.gov/article?id=Vietnam-Environmental-and-Pollution-Control-Equipment-and-Services>