DARCO WATER TECHNOLOGIES LIMITED

(Incorporated in Singapore) (Registration No. 200106732C)

RMB40.9 MILLION ZERO-LIQUID-DISCHARGE WASTEWATER PROJECT SECURED BY SUBSIDIARY OF DARCO WATER TECHNOLOGIES LIMITED

The Board of Directors of Darco Water Technologies Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company's 60% owned subsidiary, Wuhan Kaidi Water Services Co., Ltd. ("**Wuhan Kaidi**",) was awarded a wastewater project contract by Tianjin SDIC Jinneng Electric Power Co., Ltd. worth RMB40.9 million ("Project").

The Project entails the construction of Phase II 2*1000MW desulfurization zero-liquid-discharge wastewater treatment system for Tianjin Power's power generating plant in North China, by way of Wuhan Kaidi's proprietary brine recovery technology and the mechanical vapour recompression ("MVR") technology from Vacom Systems LLC ("Vacom"). A two-stage clarification and softening pre-treatment step is adopted, followed by liquid and solids separation via Vacom's MVR crystallization and evaporation processes.

With no liquid discharge, the treatment process is absolutely environmental friendly and is in compliant with industry's toughest effluent regulatory requirements, while maximising water recovery to meet water reuse targets.

The Project is expected to be completed and delivered by 31 December 2016.

Financial Effect

The above Project is expected to have a positive material impact on the revenue of the Group for the financial year ending 31 December 2016.

By Order of the Board

Thye Kim Meng Chairman, Managing Director and Chief Executive Officer 19 April 2016



Darco Wins RMB40.9 million ZLD WWT Project

- One of the first desulfurization zero liquid discharge wastewater treatment projects in China
- The project adopts the Group's proprietary brine recovery technology and mechanical vapour recompression technology from Vacom
- The contract win endorses the Group's capability in offering stateof-art zero liquid discharge systems

Singapore – 19 April 2016 - Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that its subsidiary, Wuhan Kaidi Water Services Co., Ltd. ("Wuhan Kaidi", 武汉凯迪水务有限公司) was awarded a RMB40.9 million contract (the "Project") from Tianjin SDIC Jinneng Electric Power Co., Ltd. ("Tianjin Power", 天津国投津能发电有限公司).

This Project is for the construction of Phase II 2*1000MW desulfurization zero-liquid-discharge wastewater treatment system for Tianjin Power's power generating plant in North China, representing one of the first desulfurization zero liquid discharge wastewater treatment projects in China. The Project is expected to be completed and delivered by 31 December 2016.

For this Project, Wuhan Kaidi adopts a two-stage clarification and softening pre-treatment step. For liquid and solids separation requirement, mechanical vapour recompression ("MVR") crystallization and evaporation technologies from Vacom Systems LLC. ("Vacom") are employed.

The combination of these technologies resulted in low operating cost and smaller footprint. The installation and maintenance is also easy due to its simpler structure, with minimal chemical cleaning and has longterm operation stability.



Mr. Thye Kim Meng, CEO of the Group, said, "The successful bid of this project is of great significance to the Group's strategic plan, laying a solid foundation for the future development of the Group. The contract win is also a strong endorsement to the Group's capability in offering state-of-art ZLD systems. In line with the Group's commitment in enhancing core competitiveness with strong technological capabilities, the Group is determined to invent new technology to provide clients with cutting-edge technology."

-END-

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 Kamal SAMUEL, <u>kamal@financialpr.com.sg</u> Yit Sung NGO, <u>yitsung@financialpr.com.sg</u> Tel: (65) 6438 2990 Fax: (65) 6438 0064