

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

**UPDATE ON THE DARCO PUDING WASTEWATER MANAGEMENT CO., LTD
LITIGATION CASE WITH TAOYUAN COUNTY GOVERNMENT**

(1) BACKGROUND

The Board of Directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) and its subsidiary, Darco Puding Wastewater Management Co., Ltd. (the “**SPV**”) wish to provide an update following its 17th December 2013 Announcement, whereby in a court order filed by the SPV to terminate its Build-Operate-Transfer (“**BOT**”) project in Taoyuan County Taiwan and to seek compensation for failure on the County’s part in honouring its contractual obligations (“**Contract Termination**”), the SPV had received a “judgment in its favour” in relation to the “Land Use Rights”.

The Taoyuan County Government has since filed an appeal to the Taiwan Supreme Administrative Court (the “**Court**”).

(2) UPDATE

We are pleased to advise that the Court has rejected the Taoyuan County Government’s appeal on the case, and the judgment of the early court was reaffirmed.

The Company will continue to keep shareholders updated as and when appropriate.

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
19 June 2014