

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

REDEMPTION OF STRUCTURED DEPOSITS

The Board of Directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the announcements dated 27 November 2014 and 12 December 2014 on the reclassification of the Group’s cash and cash equivalents.

The Board wishes to announce that the short term investments relating to the structured deposits last placed with a financial institution in the People’s Republic of China (the “**PRC**”) on 16 September 2014 has reached maturity and was duly redeemed on 18 December 2014. The cash amounting to RMB 11 million (S\$2.3 million) shall henceforth be placed into Fixed Deposits with a financial institution in the PRC.

Assuming the redemption had taken place on 30 June 2014, the Group’s “Cash and Cash equivalents” as stated in the Balance Sheet would be S\$10,098,000.

By Order of the Board

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