

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)
(Incorporated in the Republic of Singapore)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 387,358,736 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.021 FOR EACH RIGHTS SHARE, ON THE BASIS OF SEVEN (7) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

NOTICE OF BOOKS CLOSURE DATE

The Board of Directors (the "**Directors**") of Darco Water Technologies Limited (the "**Company**") refers to the Company's announcements dated 30 June 2014 and 11 November 2014 and the circular dated 22 December 2014 ("**Circular**") issued by the Company to its shareholders ("**Shareholders**") relating to the Rights Issue.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Circular.

NOTICE IS HEREBY GIVEN that the Register of Members and the Share Transfer Books of the Company will be closed at 5.00 p.m. (Singapore time) on 05 February 2015 (the "**Books Closure Date**") for the purpose of determining the provisional allotments of Rights Shares of Entitled Shareholders (comprising Entitled Depositors and Entitled Scripholders) under the Rights Issue.

(A) Entitled Depositors

Shareholders whose securities accounts with the Central Depository (Pte) Limited ("**CDP**") are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (the "**Entitled Depositors**") will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be "Entitled Depositors", depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

(B) Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Books Closure Date (the "**Entitled Scripholders**") will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the share registrar ("**Share Registrar**"), Boardroom Corporate & Advisory Services Pte. Ltd. at #32-01 Singapore Land Tower, Singapore 048623 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

(C) Foreign Shareholders

For practical reasons and in order to avoid any violation of the securities legislations applicable in jurisdictions other than Singapore, no provisional allotment of Rights Shares under the Rights Issue will be made to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue must provide an address in Singapore for the service of notices and documents, by notifying in writing (as the case may be) to:

- (i) CDP (if they are Depositors), at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
- (ii) the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (if they are Scripholders), at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623,

no later than 5.00 p.m. on the date being three (3) market days prior to the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. The net proceeds from all such sales after deducting all expenses therefrom, will be dealt with in accordance with the terms set out in the Offer Information Statement.

Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Rights Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

ON BEHALF OF THE BOARD

THYE KIM MENG
Managing Director and Chief Executive Officer
28 January 2015