

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

**CLARIFICATION ANNOUNCEMENT ON THE UNAUDITED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2014**

*Unless otherwise defined, capitalised terms herein shall have the same meaning ascribed to them in the Company's announcement reference number SG148070THRI7UI on 7 August 2014 relating to the unaudited financial results for the half year ended 30 June 2014 ("**Results Announcement**")*

The Board of Directors (the "**Board**") of Darco Water Technologies Limited (the "**Company**") wishes to clarify the following in relation to the Results Announcement that was announced to the Singapore Exchange Securities Trading Limited on 7 August 2014:

1. The Statement of Change in Equity, Cash Flow Statement and Income Statement in the Results Announcement is for the Group; and
2. There was a typographical error in the write-up of Other Income in Paragraph 8 of the Results Announcement. The section on Other Income in Paragraph 8 should read as follows:

"Other income increased from S\$0.08 million in 1H2013 to S\$0.3 million in 1H2014. The increase was mainly due to the compensation gain of S\$0.19 million (MYR 0.5 million) from the Settlement Agreement in relation to lawsuit in Penang against former employees on 8 April 2014."

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
22 August 2014