

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

CESSATION OF AUDITORS

The Board of Directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) wishes to announce that Baker Tilly TFW LLP (“**Baker Tilly**”) has given notice to the Company of their intention to retire as Auditors of the Company and will not be seeking re-appointment at the Annual General Meeting. As such, Baker Tilly will cease to be the Auditors of the Company at the conclusion of the AGM on 30 May 2014.

The Board notes the qualified opinion and emphasis of matters by the Auditors on the financial statements for the financial year ended 31 December 2013 which was announced on 5 May 2014. Nonetheless, the Board confirms that:-

- (a) there has not been any disagreement with Baker Tilly on accounting treatments within the last twelve (12) months; and
- (b) is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the Company’s shareholders which have not been disclosed in this announcement.

The Company is in the process of seeking suitable auditors in place of Baker Tilly. As required under Rule 712(3) of the Listing Manual, a change in auditors must be specifically approved by shareholders in a general meeting. The Company will be sourcing for an auditing firm to replace Baker Tilly as the Auditors of the Company and will separately issue a circular setting out the appointment of the new Auditor pursuant to the Listing Manual.

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
15 May 2014