

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

RESULTS OF THE RIGHTS ISSUE

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the offer information statement dated 09 February 2015 issued by Darco Water Technologies Limited (the “**Company**”).

The Directors refer to its announcements on 30 June 2014, 11 November 2014, 28 January 2015 and 09 February 2015 in relation to the renounceable non-underwritten Rights Issue.

1. SUBSCRIPTION RESULTS

The Company wishes to announce that at the close of the Rights Issue on 26 February 2015, the Rights Issue was over-subscribed. Valid acceptances and excess applications were received for 440,511,624 Rights Shares, representing 113.7% of the 387,358,736 Rights Shares available under the Rights Issue (based on the existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded). The said valid acceptances and excess applications include an aggregate of 204,880,235 Rights Shares subscribed for by four Subscribing Shareholders namely Thye Kim Meng, Stone Robert Alexander, Lee Sue Lin and Heather Tan Chern Ling, comprising their aggregate entitlements of 179,630,235 Rights Shares and 25,250,000 Excess Rights Shares, in aggregate representing approximately 52.9% of the 387,358,736 Rights Shares available under the Rights Issue (based on the existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded).

201,667,125 Excess Rights Shares were applied by the non-Subscribing Shareholders, whilst the remaining 25,250,000 Excess Rights Shares were applied by two Subscribing Shareholders namely, Stone Robert Alexander and Heather Tan Chern Ling. As such, the Rights Issue is over-subscribed.

Details of the valid acceptances and excess applications received are as follows:

	Number of Rights Shares	As a percentage of the total number of Rights Shares
Valid acceptances	213,594,499 ⁽¹⁾	55.1%
Excess applications	226,917,125 ⁽²⁾	58.6%
Total	440,511,624	113.7%

Note:

(1) Includes the aggregate entitlements of 179,630,235 Rights Shares subscribed for by four Subscribing Shareholders namely Thye Kim Meng, Stone Robert Alexander, Lee Sue Lin and Heather Tan Chern Ling.

(2) Includes the 25,250,000 Excess Rights Shares subscribed by two Subscribing Shareholders namely, Stone Robert Alexander and Heather Tan Chern Ling.

2. SHAREHOLDINGS OF THE SUBSCRIBING SHAREHOLDERS

Upon allotment and issuance of the Rights Shares, the shareholdings of the Subscribing Shareholders will be as follow:

Subscribing Shareholders	Before Rights Issue				After Rights Issue			
	No. of shares		Shareholdings (%)		No. of shares		Shareholdings (%)	
	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Thye Kim Meng	63,795,711	-	23.06%	0.00%	143,109,706	-	21.55%	0.00%
Stone Robert Alexander	41,400,000	-	14.96%	0.00%	104,360,000	-	15.72%	0.00%
Thye Kim Loy	1,564,840	-	0.57%	0.00%	1,564,840	-	0.24%	0.00%
Thye Kim Fah	4,493,140	-	1.62%	0.00%	4,493,140	-	0.68%	0.00%
Tan Lek Lek	4,212,000	-	1.52%	0.00%	4,212,000	-	0.63%	0.00%
Moe Hock Hing	1,100,000	-	0.40%	0.00%	1,100,000	-	0.17%	0.00%
TSH Estate	6,994,820	-	2.53%	0.00%	6,994,820	-	1.05%	0.00%
Lee Sue Lin	4,678,800	-	1.69%	0.00%	11,229,120	-	1.69%	0.00%
Heather Tan Chern Ling	68,000	-	0.02%	0.00%	163,200	-	0.02%	0.00%

3. APPLICATIONS FOR EXCESS RIGHTS SHARES

A total of 173,764,237 Rights Shares, comprising fractional entitlements that are disregarded in arriving at the Shareholders' entitlements to the Rights Shares, Rights Shares that are not validly taken up and Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the M&AA of the Company, have been used to satisfy applications for Excess Rights Shares.

In the allotment of Excess Rights Shares, preference has been given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company were ranked last in priority for the rounding of odd lots and the allotment of Excess Rights Shares.

4. CREDITING OF RIGHTS SHARES INTO SECURITIES ACCOUNTS

Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to successful subscribers, by ordinary post and at their own risk, a notification letter showing the number of Rights Shares and excess Rights Shares credited to their respective Securities Accounts.

5. REFUND OF SUBSCRIPTION MONIES

When any acceptance for Rights Shares and/or excess application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date as follows:

- (i) where the acceptance and/or application had been made through CDP, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions;
- (ii) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address in Singapore as maintained with the Share Registrar; and

- (iii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Company and CDP of their obligations.

6. DISTRIBUTION OF NET SALE PROCEEDS OF “NIL-PAID” RIGHTS TO FOREIGN SHAREHOLDERS

Out of a total of 22,447,786 “nil-paid” Rights, 11,185,900 “nil-paid” Rights which would otherwise have been provisionally allotted to Foreign Shareholders have been sold on the SGX-ST.

The net proceeds from all such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax), will be aggregated and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or the number of Shares entered against their names in the Depository Register (as the case may be) as at the Books Closure Date and sent to them a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses in Singapore in the records of CDP, or in the case of net proceeds distributed through CDP, in such other manner as the Foreign Shareholders may have agreed with CDP for the payment of any cash distributions, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain such amount for the sole benefit of the Company or otherwise deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

7. ISSUE AND LISTING OF RIGHTS SHARES

The Rights Shares are expected to be issued on 05 March 2015 and listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 06 March 2015. The Company will release an announcement via SGXNET in due course in respect of the aforementioned.

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

8. TRADING OF ODD LOTS

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Rights Issue, Shareholders who hold odd lots (i.e. less than 100 Shares) and who wish to trade in odd lots may do so on the unit share market of the SGX-ST which allows trading of odd lots with a minimum of one Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid.

The Company wishes to take this opportunity to thank Shareholders for their support towards the successful completion of the Rights Issue.

ON BEHALF OF THE BOARD

THYE KIM MENG
Managing Director and Chief Executive Officer
04 March 2015