

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

RESPONSE TO QUERY REGARDING TRADING ACTIVITY

The Board of Directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) dated 11 March 2015 (“**SGX Query**”) regarding unusual volume movements of shares of the Company. The Company sets out below its responses to the queries of the SGX-ST:

SGX Query 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

Company’s Response to SGX Query 1

The Company is not aware of any information, not previously announced, concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.

SGX Query 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company’s Response to SGX Query 2

As part of its ordinary course of business, the Company is continuously engaged in discussions with various parties on potential projects and business opportunities. In addition, the Company continually reviews strategic options to enhance its shareholders’ value, including potential acquisitions, and may from time to time enter into discussions with prospective vendors for potential acquisitions.

The Company will, in compliance with its obligations under the Mainboard Listing Manual of the SGX-ST (the “**Mainboard Rules**”), make the relevant announcements on SGXNET if or when there are any material developments in relation to the aforementioned potential projects, business opportunities or acquisition.

SGX Query 3

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's Response to SGX Query 3

The Company confirms that it is in compliance with the Listing Rules of the SGX-ST and in particular, Mainboard Rule 703.

The Company has obtained the Board's approval on the aforesaid replies to the queries raised by the SGX-ST. In addition, the Board collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST.

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
11 March 2015