



Purity with Innovation

Asia Water Technology Ltd.

(Incorporated in Singapore)
(Co. Reg. No: 200210042R)

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(A) COMPLETION OF TRANCHE 1 OF THE CONSIDERATION TO ACQUIRE 5,000 ORDINARY SHARES OF US\$1.00 EACH IN THE ISSUED AND PAID-UP CAPITAL OF LAP YIN INTERNATIONAL LIMITED, REPRESENTING THE ENTIRE ISSUED AND PAID-UP CAPITAL OF LAP YIN INTERNATIONAL LIMITED BY THRIVE BLOOM LIMITED (A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY) (THE “PROPOSED ACQUISITION”)

(B) USE OF PROCEEDS FROM THE RIGHTS ISSUE

The Board of Directors of Asia Water Technology Ltd. (the “Company”) refers to the announcement made on 4 July 2011 (the “Acquisition Announcement”) on the Proposed Acquisition and also to the announcements made on 31 December 2010, 31 January 2011, 21 February 2011, 2 March 2011, 4 March 2011, 24 March 2011 and 28 March 2011 (the “Rights Issue Announcements”) on the renounceable non-underwritten rights issue of 1,217,789,975 new ordinary shares in the capital of the Company (the “Rights Issue”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Acquisition Announcement and the Rights Issue Announcements.

The Board of Directors of the Company wishes to announce that all the Tranche 1 Conditions have been fulfilled and Tranche 1 Completion has taken place today. Following the Tranche 1 Completion, Lap Yin is now a wholly-owned subsidiary of Thrive Bloom Limited, a company wholly-owned by the Company.

The Company has utilised S\$15,803,335 (approximately RMB82,445,998) from the proceeds of the Rights Issue in full payment of the Tranche 1 Consideration, in line with the intended utilisation of the Rights Issue proceeds to finance the Group’s business expansion as well as for general working capital of the Group as stated in the Offer Information Statement dated 2 March 2011.

The Company will make further announcements via SGXNET as and when the remaining proceeds from the Rights Issue are materially disbursed.

By Order of the Board

Liu Yujie
Executive Director

20 July 2011

“This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company’s Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Ong Hwee Li (Tel: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.”