



Purity with Innovation

Asia Water Technology Ltd.

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

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COMPLETION OF TRANCHE 2 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”)

The Board of Directors of Asia Water Technology Ltd. (the “Company”) refers to the announcements made on 4 July 2011, 20 July 2011 and 23 August 2011 (the “Acquisition Announcements”) on the Proposed Acquisition. Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Acquisition Announcements.

The Board of Directors of the Company wishes to announce that Tranche 2 Completion has taken place today. Pursuant to the Tranche 2 Completion, 98,578,821 Consideration Shares at an issue price of S\$0.07 per Consideration Share was allotted and issued by the Company to The Central Depository (Pte) Limited for the accounts of the Warrantors (or to nominee accounts as directed by them) as directed by the Vendor, in the following manner:

Name of Warrantors	Number of Consideration Shares
Zhang Chenghua	40,417,317
Liu Bin	28,587,857
Wu Bin	21,687,341
He Xianbo	7,886,306
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	98,578,821
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The Consideration Shares are expected to be listed and quoted on the Catalist Board of the SGX-ST with effect from 9.00 a.m. on 15 September 2011.

Following the issuance and allotment of the Consideration Shares, the total number of issued shares in the capital of the Company (excluding treasury shares) has increased from 3,699,065,243 Shares to 3,797,644,064 Shares as at the date of this announcement. The Consideration Shares, when allotted and issued, will represent approximately 2.60% of the enlarged total number of issued shares in the capital of the Company as at the date of this announcement.

The Consideration Shares will be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued shares of the Company.

The approval for the listing and quotation of the Consideration Shares on the Catalist Board of the SGX-ST is not an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company, its subsidiaries and their securities.

Further announcement(s) in relation to the Tranche 3 Completion will be made by the Company as and when appropriate.

Meanwhile, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

**Liu Yujie
Executive Director**

14 September 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."