



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

UPDATE ON TRANSACTIONS IN VIETNAM AND TAIWAN INVOLVING DARCO WATER TECHNOLOGIES LIMITED AND/OR ITS SUBSIDIARIES

The board of directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”) would like to update Shareholders on the following transactions (“**Transactions**” and each, a “**Transaction**”) that were entered into by the Company and its subsidiaries (collectively, the “**Group**”) under the direction of the Company’s former Chief Executive Director, Mr. Thye Kim Meng (“**Mr Thye**”):

- (a) The Con Dao Solar Project;
- (b) The Can Guioc Water Project;
- (c) The transactions relating to Darco Engineering (Taiwan) (“**DET**”) including loans that were granted to DET and the disposal of DET.

An extensive internal review of the Transactions, that included a review of the terms of the Transactions (such as the payment terms and right of termination), the conduct of the Transactions in general (including the due diligence that had been undertaken in respect of each Transaction) as well as any conflict or potential conflict of interests, was recently carried out by the Management. The preliminary findings were shared with the Company’s legal counsel appointed to assist with the review. Under advisement and with the guidance of the legal counsel, the Company has sought further information from Mr Thye who was then the Chief Executive Officer of the Company and, based on the records, the main driver of the Transactions when they were entered into and undertaken. As there remain gaps in the information available concerning the Transactions (including the basis and rationale for certain actions or omissions noted) following a couple of limited responses from Mr Thye, the Management, under the direction of the Board and with the help of the Company’s legal counsel, will continue to seek previous Management’s assistance and cooperation.

In respect of the Con Dao Solar Project and the Can Guioc Water Project, the Management has been in discussions (and will continue to do so) with the counterparties to the Transactions with a view towards determining the feasibility of continuing with the projects as well as recovering the payments that had previously been made in advance should a decision be made to exit from any of such projects.

Subject to the advice and guidance of its legal counsel, the Company does not rule out making claims and taking formal legal action against any person whose action or omission has resulted in damage or loss suffered by the Group in connection with the Transactions.

The Company will make additional announcements when there are further developments in relation to the above matters. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and, when in doubt, are advised to consult with their own legal advisors, financial advisors, stockbrokers, bank managers and/or other professional advisors.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and CEO
16 April 2020