



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

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**UPDATE ON:**

**CALL BY CERTAIN SHAREHOLDERS  
FOR THE COMPANY TO COMMENCE ACTION AGAINST  
A DIRECTOR OF THE COMPANY AND ONE OTHER PERSON**

**ORIGINATING SUMMONS SERVED ON THE COMPANY**

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The board of directors (the "**Board**") of Darco Water Technologies Limited (the "**Company**"), together with its subsidiaries, the "**Group**") refers to the following announcements:

- (a) the announcement made on 17 March 2021 (the "**17 March Announcement**") as regard the receipt of a letter sent for and on behalf of a group of Shareholders holding in aggregate approximately 16.1% shareholding interests in the Company ("**Complainant Shareholders**") calling for the Company to commence action against Mr Wang Zhi, a Director and the Non-Executive Deputy Chairman, and one Mr Pek Thiam Keong, in connection with allegations of various wrongdoings, including breaches of duties, through their involvement in the transactions pertaining to certain payments made pursuant to a consultancy agreement entered into by the Company, the undertaking by Mr Wang Zhi to procure the transfer of the water treatment asset or concession (previously and from time to time disclosed and referred to by the Company as the "**Gaoyi Plant**") and now aborted acquisition of 75% of the total share capital of PT Panghegar Energy Indonesia in relation to a waste-to-energy project in West Java (previously and from time to time disclosed and referred to by the Company as the "**Nambo Project**");
- (b) the announcement made on 23 March 2021 (the "**23 March Announcement**") setting out the response of the Company to queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the disclosures made in the 17 March Announcement,

(collectively, the "**Previous Announcements**").

*Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the Previous Announcements.*

Further to the Previous Announcements, the Board would like to inform Shareholders that the Company has been served with an Originating Summons issued by the High Court of the Republic of Singapore filed by a group comprising 10 Shareholders (the "**Plaintiffs**"). The aforesaid Originating Summons has named (i) the Company, as 1<sup>st</sup> Defendant; (ii) Mr Robert Wang @ Wang Zhi, a Director and the Non-Executive Deputy Chairman of the Company, as 2<sup>nd</sup> Defendant; and (iii) one Mr Pek Thiam Keong, as 3<sup>rd</sup> Defendant (collectively, the "**Defendants**"). The Plaintiffs have, by way of the Originating Summons, applied for:

- (i) leave to commence a statutory derivative action on behalf of the 1<sup>st</sup> Defendant (i.e., the Company) pursuant to Section 216A of the Companies Act, Cap. 50, Singapore, (“**Derivative Action**”) against the 2<sup>nd</sup> Defendant and the 3<sup>rd</sup> Defendant for breaches of their director’s duties and/or fiduciary duties owed to the Company and for lawful and/or unlawful means conspiracy;
- (ii) leave to commence a Derivative Action against the 2<sup>nd</sup> Defendant for fraudulent and/or negligent and/or innocent misrepresentation; and
- (iii) control of the conduct of the Derivative Action and any execution proceedings thereafter.

The Plaintiffs have also applied for, among others, costs incurred by the Plaintiffs up to the hearing of the application pursuant to the Originating Summons and costs of the application to be paid by the Defendants to the Plaintiffs as well as for costs incurred by the Plaintiffs in connection with the Derivative Action upon leave being granted to be paid by the Company to the Plaintiffs.

The Company is seeking legal advice on the Originating Summons and the Derivative Action to determine the next course of action.

Shareholders are advised to exercise caution in trading their Shares. The Company will make the necessary announcements as and when appropriate. Shareholders are advised to read this announcement in conjunction with the Previous Announcements and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the action they should take.

**BY ORDER OF THE BOARD**

Poh Kok Hong  
Executive Director and CEO  
26 April 2021