



SOLUTIONS TO WATER & WASTE
DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

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

The board of directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform Shareholders that the Company has received 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 other person, 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”).

The Board takes the allegations seriously and will look into the complaint. The Board has commenced consultation with its legal advisor and will recommend the Company to take such actions and steps as necessary or appropriate in response to the Complainant Shareholders’ letter. Any Director who is in a position of conflict as regard any or all of the allegations made will be asked to recuse from participating in any deliberations and decision-making concerning such allegations.

The Complainant Shareholders, through their lawyers, have also given notice to the Company that should the Board fail to commence legal action as called for within 14 days, the Complainant Shareholders, without further notice to the Board, will apply to Court under section 216A of the Companies Act, Cap. 50, of Singapore to commence legal proceedings in the name of the Company, in which event the Complainant Shareholders will also claim against the Company (and the Company may be liable) for all fees and expenses incurred in such legal proceedings.

The Company will make further announcements as and when further developments arise in relation to the above.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and CEO
17 March 2021