



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

**PT PANGHEGAR ENERGY INDONESIA
CONSTITUTED AS A 75% SUBSIDIARY OF DARCO WATER TECHNOLOGIES LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of Darco Water Technologies Limited (the “**Company**” and together with its subsidiaries, collectively, the “**Group**”) refers to the Company’s announcement on the proposed acquisition of 75% of the total issued and paid-up share capital of PT Panghegar Energy Indonesia (“**PEI**”) (the “**Acquisition**”) released on the SGXNET on 4 November 2019 (the “**Previous Announcement**”).

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

2. PT PANGHEGAR ENERGY INDONESIA

The Board wishes to inform Shareholders that the Company has on 12 December 2019 accepted the transfer of the Sale Shares (being 6,000 issued and paid-up ordinary shares representing 75% of the total issued and paid-up share capital of PEI) on the terms and subject to the conditions of the CSPA. Accordingly, and for the purposes of Rule 706A of the Singapore Exchange Securities Trading Limited Listing Manual, the Board notes that PEI and PT Jabar Bersih Lestari (“**JBL**”), collectively as the Target Group, have become subsidiaries of the Company.

As disclosed in the Previous Announcement, based on the combined unaudited group accounts of the Target Group as at 30 June 2019, the book value and the net tangible asset (“**NTA**”) value for the Target Group was approximately IDR21,071,552 (or equivalent to approximately S\$2,000) and the net profit of the Target Group for the half year ended 30 June 2019 was IDR1,995,378 (or equivalent to approximately S\$193). As at 30 June 2019, the book value and NTA value of the Sale Shares was IDR15,803,664 (or equivalent to approximately S\$1,500).

For the information of Shareholders, as of the date of this Announcement, the Company has paid the Advance Payment, the First Payment and the Second Payment as required under the CSPA.

Please refer to the Previous Announcement for more information on the terms and conditions of the Acquisition. In particular, the Board would like to highlight that notwithstanding the completion of the transfer of the Sale Shares to the Company and the payments that have been made to date, under the Reversal Option (as defined and described in the Previous Announcement), the



Company has the option to reverse and unwind the sale and purchase of the Sale Shares if the Conditions Subsequent are not satisfied by their stipulated deadlines.

3. FURTHER ANNOUNCEMENTS

The Company would like to update shareholders that the Company has commenced preliminary due diligence on the Target and JBL. The Company will make further announcements as and when there are material developments.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and Chief Executive Officer

28 February 2020