



SOLUTIONS TO WATER & WASTE
DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

UPDATE ON STRATEGIC DIRECTION AND SHAREHOLDERS FORUM

The board of directors (the “**Board**”) of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to take this opportunity to provide shareholders with an update on the Group’s strategic direction and future business plans, as well as its intention to host a shareholders forum currently planned for the last quarter of 2019.

Strategic Direction and Future Business Plans

The Group has traditionally focused its efforts on Environmental Systems and Water Management Services, and has over the years built up significant experience and expertise in these business segments. Going forward, the Group intends to continue leveraging on such experience and expertise to deliver advanced solutions for water and waste management systems, while pursuing municipal opportunities to generate recurring income from investments in water supply and waste projects.

The Group had also previously announced its intention to venture into the solar power industry on a small scale due to business opportunities in the solar power industry and similarities between the business model in the solar power industry and water concession and wastewater BOO / BOT projects. Under the leadership of the previous managing director and chief executive officer of the Company, Mr. Thye Kim Meng, the Company issued a letter of intent to purchase Con Dao Green Energy Co. Ltd., the Build-Own-Operate developer of Con Dao Solar Power Park in Vietnam, which would require a total investment cost of approximately US\$7.2 million (the “**Con Dao Project**”). Please refer to the Company’s previous announcements dated 31 October 2018 and 1 November 2018 for further details. Subsequently, the Company also entered into a non-binding memorandum of understanding with Mattan Engineering Sdn. Bhd. to venture into the renewable energy industry, in particular, to build and/ or own photovoltaic power plants (the “**Mattan Project**”). Please refer to the Company’s previous announcement dated 27 March 2019 for further details.

As the Group’s planned venture into the solar power industry was spearheaded by Mr. Thye Kim Meng who has since left the Group, the management has re-evaluated the overall business strategy and direction of the Group, as well as the opportunities and potential in the Environmental Systems and Water Management Services industry. Taking into consideration the current business climate, as well as the core competencies of the Group and its management in Environmental Systems and Water Management Services, the management, with the concurrence of the Board, has determined that while the Group remains open to considering business opportunities outside the Environmental Systems and Water Management Services industry in the future, it will for the time being focus its efforts solely on its traditional core business segments. In respect of the Con Dao Project, the Group has to date invested US\$600,000 for design works undertaken in respect of the project. The Group is currently actively looking for potential buyers to sell its interest in the Con Dao Project so as to recover its investment made to date. Shareholders will be updated

of material developments as and when appropriate. The Group has to date not made any payments in respect of the Mattan Project.

Shareholders Forum

The Board has noted the concerns raised by certain shareholders relating to the strategic direction and future plans of the Group. In order to address such concerns and facilitate shareholder communications, the management intends to host a shareholders forum currently planned for the fourth quarter of 2019. Further details on the shareholders forum will be provided to shareholders in due course.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and CEO
26 August 2019