

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

FURTHER UPDATE ON THE DEED OF SETTLEMENT AND TRANSFER IN RELATION TO THE EXERCISE OF THE REVERSAL OPTION – UPDATE ON PAYMENT OF THE FIRST SETTLEMENT PAYMENT

- RE: ACQUISITION OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF PT PANGHEGAR ENERGY INDONESIA)

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:

- (a) 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;
- (b) the Company’s announcement on the constitution of PEI as a 75% subsidiary of the Company released on the SGXNET on 28 February 2020;
- (c) the Company’s announcement on 29 May 2020 regarding the update on the Acquisition;
- (d) the Company’s announcement on 8 June 2020 regarding the update on the Acquisition;
- (e) the Company’s announcement on 25 June 2020 regarding the update on the Acquisition;
- (f) the Company’s announcement on 24 July 2020 regarding the update on the Acquisition;
- (g) the Company’s announcement on 27 July 2020 regarding the update on the Acquisition, including on the exercise of the Reversal Option by the Company;
- (h) the Company’s announcement on 14 August 2020 for its unaudited financial statements for the half year ended 30 June 2020 which includes, *inter alia*, the update on the Acquisition;
- (i) the Company’s announcement on 26 November 2020 regarding the update on the Acquisition, including the entry by the Company into a deed of settlement and transfer with Emsus Co. Ltd. and Mr Do Yun Yu;

- (j) the Company's announcement on 22 December 2020 regarding the update on the exercise of the Reversal Option, including the deferment of the Completion Date; and
 - (k) the Company's announcement on 29 January 2021 regarding the partial payment of US\$300,000.00 towards the First Settlement Payment and further deferment of the Completion Date and payment of the outstanding US\$200,000.00 of the First Settlement Payment (the "**29 January Announcement**"),
- (collectively, the "**Previous Announcements**").

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

2. UPDATE ON THE DEED OF SETTLEMENT AND THE EXERCISE OF THE REVERSAL OPTION

As disclosed in the 29 January Announcement:

- (a) Emsus had made (and the Company had received) partial payment of US\$300,000.00 towards the First Settlement Payment; and
- (b) the Company had agreed to further defer the Completion Date and payment of the outstanding US\$200,000.00 of the First Settlement Payment to: (i) 31 July 2021; or (ii) if the payment or settlement of the Emsus Transaction were to occur earlier, such date (which, for the avoidance of doubt, shall be a date earlier than 31 July 2021) on which the aforesaid payment or settlement is to be made.

As the payment or settlement of the Emsus Transaction is yet to occur, the outstanding US\$200,000.00 of the First Settlement Payment is due to the Company from Emsus by 31 July 2021.

Further to the 29 January Announcement, the Company wishes to update shareholders that the Company has received a request from Emsus for a further deferment of the Completion Date and payment of the outstanding US\$200,000.00 of the First Settlement Payment of two (2) months from 31 July 2021 to 30 September 2021 due to Emsus requiring more time to complete the Emsus Transaction.

After due consideration of the request and representations of Emsus, the previous partial payment of US\$300,000.00 by Emsus to the Company, the Company has agreed to further defer the Completion Date and payment of the outstanding US\$200,000.00 of the First Settlement Payment (together with interest accrued thereon at the rate of 2.5% per annum calculated on the outstanding US\$200,000.00 of the First Settlement Payment (or, where there is part payment, the shortfall amount)) to: (i) 30 September 2021; or (ii) if the payment or settlement of the Emsus Transaction were to occur earlier, such date (which, for the avoidance of doubt, shall be a date earlier than 30 September 2021) on which the aforesaid payment or settlement is to be made.



All other terms and provisions of the Deed of Settlement remain valid and effective.

The Company will make the necessary announcements to update shareholders as and when there are any further developments in relation to the above matter.

3. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. The Company will make the necessary announcements as and when there are further developments in relation to the above matter. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, financial advisors, legal advisors and/or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and Chief Executive Officer

4 August 2021