



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

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## UPDATE ANNOUNCEMENT

**Final assessment of the Board of Directors on the acceptability of the Alternative Water Treatment Asset offered by Mr Wang Zhi for the purposes of Asset Injection (as defined in and obliged under the terms of the Placement Agreement dated 12 October 2017 (as amended by the Supplemental Agreement dated 9 September 2019 ("Placement Agreement")) and the Deed of Undertaking dated 23 November 2017 (as amended by the Supplemental Deed dated 9 September 2019 (the "Deed of Undertaking"))**

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### 1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Darco Water Technologies Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its previous announcements made on 23 October 2017, 5 November 2018, 9 September 2019, 17 September 2019, 16 August 2021, 23 September 2021, and 6 October 2021 in relation to the Gaoyi Project, as well as its response to the queries raised by the Singapore Exchange Regulation on 11 October 2021 released on 13 October 2021 as well as the announcement made on 2 November 2021 (collectively, the "**Previous Announcements**").

*Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Previous Announcements.*

### 2. **Board's Final Assessment of the acceptability of the Alternative Water Treatment Asset offered to Darco Water Technologies Limited (the "Company") by Mr Wang Zhi for the purposes of the Asset Injection**

The Board would like to inform Shareholders that following extensive evaluation and review of the Alternative Water Treatment Asset that Mr Wang Zhi had kindly offered to the Company for its consideration (and, if determined to be suitable, for acceptance) as the Alternative Water Treatment Asset for the Asset Injection, the Company has decided not to proceed with an investment in the Alternative Water Treatment Asset as the Board has determined that such investment would not be in the interest of or beneficial to the Company. Accordingly, the Company has issued the AWTA Notice of Rejection pursuant to Clause 2.2.5(a) of both the Placement Agreement and the Deed of Undertaking. The Company will also be reaching out to Mr Wang Zhi as regards the compensation sum of S\$2,000,000 that is payable following the delivery of the AWTA Notice of Rejection.

### **3. CAUTION IN TRADING**

Shareholders and potential investors of the Company are advised to read this announcement together with the Previous Announcements and any further announcements that may be made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

#### **BY ORDER OF THE BOARD**

Kong Chee Keong  
Executive Director and Chief Executive Officer  
21 March 2022