

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

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**FURTHER UPDATE ON THE ACQUISITION OF THE TOTAL ISSUED AND PAID-UP SHARE  
CAPITAL OF PT PANGHEGAR ENERGY INDONESIA**

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**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 (the “**4 November Announcement**”);
- (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 (the “**Update Announcement**”);
- (d) the Company’s announcement on 8 June 2020 regarding the update on the Acquisition (the “**Second Update Announcement**”); and
- (e) the Company’s announcement on 25 June 2020 regarding the update on the Acquisition (the “**Third Update Announcement**”).

*Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the 4 November Announcement, the Update Announcement, the Second Update Announcement and the Third Update Announcement.*

**2. UPDATE ON THE ACQUISITION**

As disclosed in the Second Update Announcement, JBL had previously made formal submission to the West Java Government which, among others, explained the findings of the Consultant and requested for the re-negotiation of, and modifications to, the relevant terms of the Cooperation Agreement as recommended by the Consultant (the “**Submission**”).

As disclosed in the Third Update Announcement, in response to the Submission, JBL had received a letter from the West Java Government which indicated that the West Java Government were not agreeable to a re-negotiation of the terms of the Cooperation Agreement

and that JBL should take steps towards commencing operation of the Project. The Board had then directed the Management to work closely with JBL to continue with its efforts to engage with the West Java Government to work towards making the Project viable.

The Company wishes to update shareholders that the Company had received a letter from EMSUS Co. Ltd (the “**Seller**”) informing the Company that, despite further discussions between the Seller and JBL with the West Java Government, the West Java Government has reiterated its earlier position and is not agreeable to a re-negotiation of the terms of the Cooperation Agreement.

The Board and the Management are deliberating on the next steps to be taken in relation to the matter and are expected to come to a final decision on the next steps to be taken, including whether the Reversal Option is to be exercised, within a week from the date of this announcement.

The Board would like to highlight that insofar as deliberations and decisions relating to the Project are concerned, including whether or not to exercise the Reversal Option, Mr Wang Zhi will abide by the Audit Committee’s recommendations to abstain from such deliberations and decisions.

### **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

24 July 2020