

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 – PARTIAL 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 (“**Deed of Settlement**”) with Emsus Co. Ltd. and Mr Do Yun Yu (the “**26 November Announcement**”); and

- (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 (the "**22 December 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 26 November Announcement, a sum of US\$500,000.00 (being the First Settlement Payment) was to be paid on or before 22 December 2020, or such other date as the parties to the Deed of Settlement shall agree in writing, being the date on which completion of the transfer of the Sale Shares in accordance with the Deed of Settlement takes place (i.e., the Completion Date). As further disclosed in the 22 December Announcement, in light of a delay in the closing and funding of a back-to-back transaction that Emsus had arranged pursuant to which a government-owned entity in Indonesia, together with a third party investor, were slated to take over the Nambo Project (the "**Emsus Transaction**"), the Company had agreed to defer the Completion Date to: (i) 31 January 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 January 2021) on which the aforesaid payment or settlement is to be made.

The Company wishes to announce the following:

- (a) Emsus has made (and the Company has received) partial payment of US\$300,000.00 towards the First Settlement Payment; and
- (b) Dr Do Yun Yu (for and behalf of Emsus and himself) has written to the Company to request for a further deferment of the Completion Date and payment of the outstanding US\$200,000.00 of the First Settlement Payment in light of Emsus requiring more time to negotiate the terms and conditions of the Emsus Transaction with the aforesaid government-owned entity in Indonesia and the third party investor.

After due consideration of the request of Emsus and Dr Do Yun Yu, the partial payment of US\$300,000.00 by Emsus to the Company and the information provided 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 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.

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



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

29 January 2021