



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

ANNOUNCEMENT

MANDATORY CONDITIONAL CASH OFFER BY UOB KAY HIAN PRIVATE LIMITED, FOR AND ON BEHALF OF WANG ZHI (THE "OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF DARCO WATER TECHNOLOGIES LIMITED EXCLUDING TREASURY SHARES AND OTHER THAN SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR

- **RESPONSE TO THE OFFER ANNOUNCEMENT**

1. INTRODUCTION

The Board of Directors (the "**Directors**" or the "**Board**") of Darco Water Technologies Limited (the "**Company**") refers to the announcement (the "**Offer Announcement**") dated 5 May 2020 made by UOB Kay Hian Private Limited, for and on behalf of Wang Zhi (the "**Offeror**") in connection with the mandatory conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares in the capital of the Company (the "**Shares**") excluding treasury shares and other than Shares already owned, controlled or agreed to be acquired by the Offeror.

Further details on the terms and conditions of the Offer are set out in the Offer Announcement, a copy of which is annexed to this Announcement for information, and which is available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

Shareholders are advised to refer to the full text of the Offer Announcement for, *inter alia*, the principal terms and conditions of the Offer. For the avoidance of doubt, the Company and the Board assume no responsibility for the accuracy and correctness of the contents of the Offer Announcement.

2. OFFER DOCUMENT

According to the Offer Announcement, the formal offer document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer (the "**Offer Document**") will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Offer Announcement. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

3. APPOINTMENT OF ADVISERS (INCLUDING AN INDEPENDENT FINANCIAL ADVISER)

The Board will be appointing an independent financial adviser (the “**IFA**”) to advise the Directors who are considered independent for the purposes of the Offer (the “**Independent Directors**”).

If and when the Offer is made, a circular (the “**Offeree Circular**”) containing, *inter alia*, the advice of the IFA and the recommendation of the Independent Directors will be sent to Shareholders within 14 days from the date of posting of the Offer Document.

Morgan Lewis Stamford LLC has been appointed to advise the Company and the Board in relation to the Offer.

In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA which will be set out in the Offeree Board Circular. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no other material facts have been omitted from this announcement, which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and Chief Executive Officer

5 May 2020