

MANDATORY CONDITIONAL CASH OFFER

by

UOBKayHian

UOB KAY HIAN PRIVATE LIMITED

(Company Registration No.: 197000447W)
(Incorporated in the Republic of Singapore)

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

(Company Registration No.: 200106732C)
(Incorporated in the Republic of Singapore)

excluding treasury shares and other than shares already owned, controlled or
agreed to be acquired by the Offeror

DEALINGS DISCLOSURE

1. INTRODUCTION

UOB Kay Hian Private Limited ("**UOBKH**") refers to the announcement dated 5 May 2020 (the "**Offer Announcement**") issued by UOBKH, for and on behalf of Mr. Wang Zhi (the "**Offeror**"), in relation to the mandatory conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Darco Water Technologies Limited (the "**Company**") excluding treasury shares and those already owned, controlled and agreed to be acquired by the Offeror (the "**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

Unless otherwise defined herein or if the context otherwise requires, all capitalized terms not defined in this announcement ("**Announcement**") shall have the meanings ascribed to them in the Offer Announcement.

2. DEALINGS DISCLOSURE

Pursuant to Rule 12 of the Code, UOBKH wishes to announce, for and on behalf of the Offeror, that the Offeror has acquired the following Shares (the "**Acquired Shares**") on 8 May 2020 via open market purchases on the SGX-ST, the details of which are set out below. For the avoidance of doubt, in this Announcement, Shares agreed to be acquired pursuant to a trade on the SGX-ST on a trade date are regarded as Shares already acquired on that trade date, notwithstanding that settlement of that trade will occur two (2) market days later.

| | | |
|-----|--|----------------------|
| (a) | Total number of Acquired Shares | 800 |
| (b) | Nature of dealing | Open market purchase |
| (c) | Percentage of the total number of Shares constituted by the Acquired Shares ⁽¹⁾ | 0.00% |
| (d) | Consideration paid per Share for the Acquired Shares (excluding brokerage commission, clearing fees, stamp duties and applicable tax) | S\$0.17 |
| (e) | Resultant total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it | 41,067,918 |
| (f) | Resultant total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it ⁽¹⁾ | 43.77% |

Note:

(1) The above percentages are calculated based on the total number of 93,831,492 issued Shares (the Company does not hold any treasury shares) and rounded to the nearest 2 decimal places.

3. CAUTIONARY STATEMENT

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.

4. RESPONSIBILITY STATEMENT

The Offeror (who may have delegated detailed supervision of this Announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no material facts that have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and accepts responsibility accordingly.

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

Issued by
UOB KAY HIAN PRIVATE LIMITED

For and on behalf of
MR. WANG ZHI
8 May 2020

Any enquiries relating to this Announcement or the Offer should be directed during office hours to:

UOB Kay Hian Private Limited

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Senior Director
Tel: (65) 6590 6881

Mr Alvin Soh Eng San
Senior Vice President
Tel: (65) 6590 6881

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor UOBKH undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.