



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

UPDATE ON LEGAL ACTION AGAINST FORMER DIRECTOR AND EXECUTIVE OFFICER

HIGH COURT JUDGMENT IN SUIT NO. 844 OF 2020

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s previous announcement relating to the issuance of a letter of demand dated 12 August 2020 against its former director and executive officer, Mr. Thye Kim Meng (“**Mr Thye**”), and the Company’s previous announcements on 9 September 2020, 14 September 2020 and 16 August 2021 relating to the filing of a Writ of Summons and Statement of Claim in the High Court of Singapore (the “**High Court**”) against Mr. Thye (the “**Suit**”) and the entry of appearance by Mr. Thye in the Suit (collectively, the “**Previous Announcements**”).
- 1.2 *Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Previous Announcements.*
- 1.3 Please also refer to the Company’s announcements on 31 October 2018, 1 November 2018, 26 August 2019, 16 April 2020 and 7 August 2020 for further details on the past transactions and the comprehensive internal review that gave rise to the Suit.

2. THE JUDGMENT

- 2.1 The Board wishes to update shareholders that on 8 March 2022, the High Court issued its written judgment in respect of the Suit (the “**Judgment**”).
- 2.2 In the Judgment, the High Court dismissed the Company’s claim and declined to make any finding of breaches of director’s on Mr. Thye’s part for the Water Project and the Solar Project. Further, it was ordered that parties are to provide their costs submissions by letter to the High Court within 2 weeks of the Judgment.
- 2.3 The Judgment is not expected to have any material financial impact on the Group for the current financial year ending 31 December 2022.
- 2.4 The Company has one month from the date of the Judgment to appeal against the decision to the Court of Appeal of Singapore, that is, by 6 April 2022. The Company is considering its options,



including an appeal, against the Judgment and will make further announcements when there are any material developments on this matter.

3. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, solicitors or other professional advisors 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

8 March 2022