

DARCO WATER TECHNOLOGIES LIMITED

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

RECEIPT OF SUMMON BY THE COMPANY'S SUBSIDIARY, DARO WATER SYSTEMS SDN. BHD. ("DWS"), IN RELATION TO EFFLUENT DISCHARGE

The Board of Directors (the "Directors" or the "Board") of Darco Water Technologies Limited (the "Company" and together with its subsidiaries, collectively, the "Group"), wishes to announce that the Group's subsidiary, DWS, has received a summon issued by Seremban Sessions Court in relation to a charge under Regulation 12(a), Environmental Quality (Industrial Effluent) Regulation 2009, for alleged discharge of effluent consisting of chemical oxygen demand exceeding certain limit.

DWS has disputed the charge, and a follow up court session is scheduled on 25 October 2023.

Based on advice received from DWS' Malaysian counsel, the financial impact of the charge is a fine maximum up to RM100,000, if found guilty. As such, there is no material impact on the financial performance of the Company for FY2023, irrespective of the results of the matter.

The Company will update shareholders on developments as and when appropriate.

BY ORDER OF THE BOARD

Zhang Zhenpeng
Executive Director and Chief Executive Officer

29 September 2023