

# DARCO WATER TECHNOLOGIES LIMITED

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

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## BUSINESS UPDATE

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The Board of Directors (the “**Board**” or the “**Directors**”) of Darco Water Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to update shareholders on recent positive developments relating to the Group’s business.

On 10 July 2024, the Group’s wholly-owned subsidiary PV Vacuum Engineering Pte. Ltd. (“**PV Vacuum**”) was awarded a Design, Build and Operate (DBO) project worth S\$5.78 million (the “**Contract**”). The project involves the design, construction and operation of a District Pneumatic Waste Conveyance System (“**PWCS**”) for Singapore’s Housing Development Board (“**HDB**”). The Contract value reflects the design and build phases of the project only. Upon completion of the project, the 10-year Operation and Maintenance agreement will commence, providing an additional source of recurring income for the Group.

The PWCS is an automated centralised waste collection system. It uses a vacuum-type underground pipe network to collect household waste, which is then transported to a sealed container. Waste trucks then periodically collect the waste for disposal. This environmentally friendly system reduces manpower requirements, and reduces the sanitary issues associated with open waste collection methods.

PWCS has been mandatory in Singapore for new housing developments with at least 500 dwellings since 1 April 2018 and is allowed to be deployed at a district level. It was a move to bring sustainable living into public housing estates and provide a cleaner and greener environment for residents, as well as increase the efficiency of waste collection. In total, the Company has 16 Smart District PWCS projects from HDB, among which 4 are in operation and 12 are concurrently in execution.

Barring any unforeseen circumstances, the Contract is expected to progressively contribute to the Group’s financial performance according to the completion timeline. The Contract is not expected to have a material impact on earnings per share and net asset value per share of the Group for the current financial year ending 31 December 2024.

None of the Company’s Directors, substantial shareholders or their respective associates, has any interest, direct or indirect, in the above Contract, other than through their interests in the shares of the Company.

### By Order of the Board

Zhang Zhenpeng  
Chief Executive Officer  
22 July 2024