BETTER SOLUTIONS TO WATER & WASTE

Darco Water Technologies Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 200106732C)

RECEIPT OF WRIT BY MALAYSIA SUBSIDIARY

The Board of Directors (the "**Board**" or the "**Directors**") of Darco Water Technologies Limited (the "**Company**") wishes to announce that Darco Industrial Water Sdn. Bhd. ("**DIW**"), an indirect wholly-owned subsidiary of the Company, had on or about 18 April 2025 received a Writ dated 9 April 2025 and a Statement of Claim dated 7 April 2025 (collectively, the "**Claim**"). The Claim was filed by solicitors acting on behalf of 247 Global Industries Sdn. Bhd., a supplier of DIW (the "**Supplier**"), in the High Court of Malaya in the State of Penang ("**Penang High Court**"), whereby the Supplier has commenced the Claim against DIW as defendant (the "**Suit**"). Salient points of the Claim are reproduced below.

According to the Claim, the Supplier is claiming, among other things, that the Supplier has not received payment from DIW of RM1,351,800 (equivalent to approximately S$403,182) (the "**Outstanding Amount**") for the material supplied and/or work done by the Supplier at the request of DIW for a project in Malaysia. The Supplier further claims that despite several demands being made by the Supplier to DIW, DIW had failed and/or refused to pay the Outstanding Amount and/or any part thereof.

In this regard, the Supplier is claiming against DIW for:

(a) the Outstanding Amount of RM1,351,800 (equivalent to approximately S$403,182);

(b) interest at a rate of 5% per annum from the date of judgement until the date of full settlement;

(c) the cost of the Supplier's action; and

(d) other reliefs or orders deemed expedient by the Penang High Court.

At this juncture, the Board wishes to highlight that an announcement in relation to the Claim received by DIW on or about 18 April 2025 was not made as the Group had been conducting its internal investigations into the Claim and obtaining legal advice on the same.

The Board wishes to inform that DIW shall enter into a Memorandum of Appearance latest by 2 May 2025 in relation to the Suit in the Penang High Court, upon confirmation of the appointment of solicitors.

Pending the outcome of the Suit, the Board does not expect the Suit to affect the Group's ability to continue its business operations, and the Suit is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2025.

The Company will release further announcements to update its shareholders as and when there are material developments in relation to the Claim and Suit, including the impact of the Suit on the Group's financials (if any and pending the outcome of the Suit).

By Order of the Board of
Darco Water Technologies Limited

Dr. Zhang Zhenpeng
Executive Director and Chief Executive Officer
24 April 2025