
RECEIPT OF WRIT BY CHINA SUBSIDIARY

The Board of Directors (the “**Board**” or the “**Directors**”) of Darco Water Technologies Limited (the “**Company**”) wishes to announce that the Company’s subsidiary, Wuhan Kaidi Water Services Co., Ltd. (“**WHKD**”), had on or about 3 June 2026 received a Writ and Statement of Claim (collectively, the “**Claim**”) from the Shanghai Yangpu District People’s Court (the “**Court**”) in relation to proceedings commenced by Shanghai Tongji Construction Co., Ltd. (“**SHTJ**”), a client of WHKD, against WHKD (the “**Suit**”). The Suit relates to the Equipment Procurement Contract for the Yuanyang Lake Wastewater Treatment Plant Project at Ningdong Base. Salient points of the Claim are reproduced below.

According to the Claim, SHTJ is claiming, among other things, that certain equipment provided by WHKD did not meet the required technical and performance standards. SHTJ further claims that it has suffered losses as a result.

In this regard, SHTJ is claiming against WHKD for:

- a) compensation for alleged losses amounting to RMB13,394,316 (equivalent to approximately S\$2,551,000) on a provisional basis, consisting of RMB3,438,456 in equipment cost and RMB9,955,860 in resulting damages (the “**Claimed Amount**”); and
- b) the litigation costs of the Suit.

Pursuant to the Claim, WHKD is required to attend a pre-trial conference at a date to be specified by the Court (the “**Pre-trial Conference**”).

At this juncture, the Board wishes to highlight that an announcement in relation to the Writ received by WHKD on or about 3 June 2026, was not made earlier as the Group had been conducting its internal investigations into the Claim and obtaining legal advice on the same.

The Board wishes to inform shareholders that WHKD has appointed legal advisers to advise on the Suit and will attend the Pre-trial Conference. WHKD will take all steps necessary to defend the Suit and protect its interests.

Pending the outcome of the Suit, the Company is presently unable to determine the final financial impact of the Suit on the Group as the matter remains subject to ongoing legal proceedings and/or discussions between the parties. 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
17 July 2026