

ASX release
15 March 2021

Business Update

Waterco subsidiary terminates agreement to purchase heat pumps and water heaters business in Malaysia

Waterco Limited ACN 002 070 733 (ASX: WAT) (**Company**) announces that Solar-Mate Sdn Bhd (a subsidiary company in Malaysia) has on 4 March 2021 decided to terminate the agreement to purchase the business of Pecol Engineering Sdn Bhd (Pecol Engineering). Pecol Engineering is involved in the manufacturing, sale and service of heat pumps and water heaters in Malaysia. The Company had announced the entering into the agreement with Pecol Engineering on 19 January 2021.

The decision to terminate the agreement to purchase the business of Pecol Engineering came after due consideration of the preliminary due diligence on the business assets of Pecol Engineering.

This announcement has been authorised for release by the Board of Directors of Waterco Limited.

For further information, please contact:

Sin Wei Yong
Company Secretary
t: +61 2 9898 8629
e: sinwei.yong@waterco.com

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About Waterco Ltd – www.waterco.com.au

Established in 1981 and listed on the ASX in 1989, Waterco (ASX:WAT) manufactures and distributes a diverse range of products for the international swimming pool and water treatment markets. Waterco is also the franchisor of Swimart, Australia and New Zealand's largest network of pool and spa retail outlets, and is also the distributor of Zane Pool Heating solutions via a network of Australian dealerships.

Waterco delivers high quality, innovative products at exceptional value in over 40 countries. This includes a comprehensive range of swimming pool & spa equipment and chemicals as well as domestic and industrial water treatment equipment. The company's head office is in Sydney, Australia with international offices, manufacturing plants and warehouses located in Australia, New Zealand, Malaysia, Indonesia, Singapore, China, USA and the UK.