

ASX release
4 August 2020

Business Update

Waterco Limited ACN 002 070 733 (ASX: WAT) (**Company**) provides an update on the following transactions.

Completion of sale of Chinese subsidiary

Further to the announcement made on 23 April 2020, the Company has fulfilled the regulatory approvals by the Chinese Government for the sale of shares in Waterco (C) Limited (**Waterco China**) and the remittance of payment to Australia.

The sale of Waterco China took place on 3 June 2020 when the shares were transferred to the buyer and the Company received payment of RMB149.28m/\$A29.76m (before withholding tax) on 28 July 2020. The proceeds from the sale will be used mainly to reduce bank borrowings.

Completion of purchase of business

Following the execution of the agreement to purchase the business of Automated Pool Product Pty Ltd (**APP**) as announced on 2 June 2020, the Company has completed its due diligence on the business and the transaction was completed on 17 July 2020.

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

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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, a market leader within the pool and spa industry, 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, US and the UK.