



**SOLUTIONS TO WATER & WASTE**  
**DARCO WATER TECHNOLOGIES LIMITED**  
(Company Registration No. 200106732C)  
(Incorporated in the Republic of Singapore)

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**RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES  
ON THE COMPANY'S ANNOUNCEMENT**

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**1. INTRODUCTION**

The Board of Directors (the "Directors" or the "Board") of Darco Water Technologies Limited (the "Company" and together with its subsidiaries, collectively, the "Group") refers to:

- (a) the Company's unaudited financial statements for the year ended 31 December 2020 released on the SGXNET on 1 March 2021; and
- (b) the Company's responses to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") concerning the Company's unaudited financial statements for the year ended 31 December 2020, released by way of an announcement on 15 March 2021 ("Responses to the SGX-ST Queries"),

collectively, hereinafter referred to as the "Previous Announcements"

The Board would like to respond to the following further queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") concerning the Company's unaudited financial statements for the year ended 31 December 2020 on 5 April 2021 (each, an "**SGX Query**") as follows:

**SGX Query 1:**

It is disclosed in the Company's response to query 3 of the Responses to the SGX-ST Queries that, "The increase in contract assets is mainly due to the unbilled work done for few projects in China. The Management has checked and confirmed that the conditions to issue invoices for the unbilled work done were not met at the end of Year 2020."

Please disclose (i) whether the Board foresees any difficulties in meeting the necessary conditions to issue the invoices; (ii) when does the Company expect to bill for the work done; and (iii) whether the billing is on track as planned. If not, please provide an explanation.

**Company's response to SGX Query 1:**

- (i) In regards to the few projects in China as stated in the Responses to the SGX-ST Queries dated 15 March 2021, the Board do not foresee any difficulties in meeting the necessary conditions to issue the invoices.
- (ii) The Company expect the next billing cycle for the work done of the few projects would be around Q3 Year 2021.
- (iii) The management has confirmed that the billing is on track as planned.



**By Order of the Board**

Poh Kok Hong  
Chief Executive Officer  
7 April 2021