

DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200106732C)

ADDENDUM TO THE ANNUAL REPORT FY2020

This is an addendum to the annual report for the financial year ended 31 December 2020 (the “Annual Report FY2020”) of Darco Water Technologies Limited (the “Company” and together with its subsidiaries, collectively, the “Group”).

The Board of Directors of the Group refers to the Annual Report FY2020, which was released to the Singapore Exchange Securities Trading Limited on 13 April 2021, and wishes to provide additional disclosures and information as follows:-

1. Summary of Sustainability Report

The Board regards sustainable development as a core value of the Group and is committed to developing and adopting sustainable practices, across its businesses.

The Group's 4th Sustainability Report (“SR”) for year ended 2020, developed in accordance with the SGX Sustainability Reporting Guidelines, will be released before 31 May 2021 via SGXNet announcement. The dedicated report on the Company's sustainability efforts, addresses the environmental, social and governance impacts, that are pertinent to the Company's business, as well as identifies the Company's key stakeholders and shares the Company's engagement with these stakeholders.

2. Use of Proceeds

Pursuant to the share placements to Sofos, RS and WZ, which were completed on 8 February 2018, 21 March 2018 and 23 March 2018 respectively, the Company received net proceeds from the issuance of new shares of approximately \$20,732,000, after deducting share issue expenses.

The utilisation of the share placement proceeds as at the date of this announcement is as follows:

	Engineering contracts and business expansion	Funding new projects, investments in environmental relation infrastructure projects and other investments	Working Capital	Total Funds received/ used
	\$'000	\$'000	\$'000	\$'000
Funds received				
RS Placement	-	630,000	270,000	900,000
Sofos Placement	-	1,470,000	630,000	2,100,000
WZ Placement	5,397,600	12,594,400	-	17,992,000
Share issue expenses	(59,100)	(181,900)	(19,000)	(260,000)
	5,338,500	14,512,500	881,000	20,732,000
Funds used				
Infrastructure projects	-	(6,780,709)	-	(6,780,709)
Engineering, Procurement and Construction ("EPC") business expansion and funding of new projects in China and Malaysia	(4,338,500)	(1,165,264)	-	(5,503,784)
Business expansion and funding of new projects – Pneumatic Waste Conveyance System	(1,000,000)	(4,000,000)	-	(5,000,000)
Working capital				
- Payment of staff salary			(863,000)	(863,000)
- Professional fees			(18,000)	(18,000)
Total	(5,338,500)	(11,945,993)	(881,000)	(18,165,493)
Net Balances	-	2,566,507	-	2,566,507

The above utilisation is in accordance with the intended use of proceeds of the Shares Placements as stated in the announcement dated 13 November 2017 and 22 February 2018.

Save for the additional disclosures and information set out above, all other details set out in the Annual Report FY2020 remain unchanged.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and Chief Executive Officer

16 April 2021