



DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Registration No. 200106732C)

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021**

The Board of Directors (the “**Directors**”) of the Company refers to its full year financial results announcement for the financial year ended 31 December 2021 (“**FY2021**”) made on 1 March 2022 via the SGXNET (“**Preliminary Unaudited Results**”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company wishes to announce that subsequent to the release of the Preliminary Unaudited Results, the external auditor has proposed certain reclassifications and adjustments between the Preliminary Unaudited Results and FY2021 audited financial results (the “**Audited Financial Statements**”) which the management of the Company has adopted accordingly.

The details and explanation of the material variances between the Audited Financial Statements and the Preliminary Unaudited Results are shown below:

Consolidated Statement of Cash Flows

	Group Audited Financial Statements 2021 (S\$'000)	Preliminary Unaudited Results 2021 (S\$'000)	Variance (S\$'000)	Note
Cash flows from operating activities	4,702	5,935	(1,233)	(a)
Cash flows used in investing activities	(433)	(1,674)	1,241	(b)
Cash flows from financing activities	940	949	(9)	
Net increase in cash and cash equivalents	5,209	5,210	(1)	
Cash and cash equivalents at end of the financial year	12,937	12,937	-	

Explanatory Notes for the material variances:

- (a) Variance in cash flows from operating activities are mainly due to:
 - (i) Cash flow used in construction of service concession assets been reclassified from investing activities to operating activities
 - (ii) Reclassification of impairment loss for financial assets from admin expenses;
 - (iii) Changes in the unrealised foreign exchange; and



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- (iv) Reclassification between trade and other receivables, trade and other payable and contract assets/(liabilities)

- (b) Variance in cash flows used in investing activities is mainly due to the cash flow used in construction of service concession assets been reclassified from investing activities to operating activities.

By Order of the Board

Kong Chee Keong
Executive Director and Chief Executive Officer
8 April 2022