



BETTER SOLUTIONS TO WATER & WASTE

Darco Water Technologies Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 200106732C)

PROPOSED CHANGE OF AUDITORS

1. Introduction

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company intends to change its auditors (“**Auditors**”) from Acclime First Trust LLP (f.k.a. Crowe Horwath First Trust LLP) (“**First Trust**”) to Nexia Singapore PAC (“**Nexia**”) (the “**Proposed Change of Auditors**”) for the current financial year ending 31 December 2026 (“**FY2026**”) and onwards.
- 1.2. The Proposed Change of Auditors will be subject to the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened in due course.

2. Proposed Change of Auditors

- 2.1. First Trust was first appointed as Auditors on 6 November 2014, and subsequently on 10 October 2023 (as the resolution to, *inter alia*, re-appoint First Trust as Auditors was not approved at the annual general meeting (“**AGM**”) of the Company held on 25 April 2023). First Trust was last re-appointed at the AGM of the Company held on 29 April 2026, to hold office until the conclusion of the next AGM of the Company.
- 2.2. In light of First Trust leaving the Crowe Global network following its acquisition by the Acclime network, the Board, in consultation with the Audit Committee, is of the view that it would be an opportune time to conduct the Proposed Change of Auditors as such change would:
 - (i) allow the Group to benefit from fresh perspectives and insights from another professional audit firm;
 - (ii) allow the Group to benefit from Nexia’s network in relation to the audit of the Group’s foreign incorporated subsidiaries; and
 - (iii) generate an estimated reduction in total audit fees of approximately 16% for FY2026, without any change in the scope of audit.
- 2.3. The Board and the Audit Committee, have reviewed and deliberated on the proposals received and have considered, among others:
 - (i) the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore issued by the Work Group and the Audit Committee Guide issued by the Singapore Institute of Directors;
 - (ii) the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (“**ACRA**”);

- (iii) that Nexia is registered with ACRA and approved under the Accountants Act 2004 of Singapore (“**Accountants Act**”) and Victor Chang, the incoming audit engagement partner, is a public accountant registered under the Accountants Act;
- (iv) the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partner to be assigned to the respective audit of the Company and the Group, and that the proposed audit engagement partner, Victor Chang, has been subjected to ACRA’s Practice Monitoring Programme review in 2015 and attained a satisfactory outcome;
- (v) the overall audit fees proposal;
- (vi) other audit engagements of the audit firm to be selected; and
- (vii) the audit approach, transition plan, the Group’s audit requirements, and estimated audit completion timeline for FY2026.

2.4. Following the Proposed Change of Auditors:

- (i) the Company and its subsidiaries incorporated in Singapore will be audited by Nexia; and
- (ii) the Company’s significant foreign-incorporated subsidiaries in the People’s Republic of China and Malaysia, namely (a) Wuhan Kaidi Water Services Co., Ltd., (b) Darco Water Systems Sdn. Bhd. and (c) Darco Industrial Water Sdn. Bhd., will be audited by overseas member firms of Nexia for the purposes of preparing the consolidated financial statements of the Group.

2.5. Having considered the above and the requirements under Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board, in consultation with the Audit Committee, are of the opinion that Nexia will be able to meet the audit requirements of the Company and recommends the same to be appointed as the Auditors for FY2026 and onwards.

2.6. In connection with the above:

- (i) First Trust had on 28 September 2026 applied to ACRA to seek its consent to resign as Auditors;
- (ii) First Trust had given confirmation that it would provide a notice of resignation to the Company dated 20 October 2026; and
- (iii) ACRA had on 20 October 2026 issued a letter consenting to the resignation of First Trust and fixed First Trust’s resignation on 20 October 2026.

2.7. Nexia had on 13 October 2026 given their written consent to act as the Auditors, and as at the date of this announcement, had not withdrawn its consent to act as the Auditors, subject to ACRA’s approval of the same.

2.8. In accordance with Rule 1203(5) of the Listing Manual:

- (i) First Trust had on 2 October 2026 provided written confirmation to Nexia that it is not aware of any professional or other reasons why Nexia should not accept the appointment as auditors of the Company;
- (ii) The Company confirms that there were no disagreements with First Trust on accounting treatments within the last 12 months up to the date of this announcement;
- (iii) The Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement;

- (iv) The specific reasons for the Proposed Change of Auditors are in this announcement. First Trust was last re-appointed at the AGM of the Company held on 29 April 2026, to hold office until the conclusion of the next AGM of the Company. As such, the Proposed Change of Auditors is neither due to any disagreement with First Trust, the dismissal of First Trust, nor First Trust declining to stand for election at the next AGM; and
- (v) The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual, as applicable, in relation to the proposed appointment of Nexia as its new auditors.

3. Extraordinary General Meeting

- 3.1. The Company will make the necessary arrangements to convene the EGM to seek shareholders' approval for the Proposed Change of Auditors. A circular to shareholders containing, amongst others, further details on the Proposed Change of Auditors together with the notice of EGM, will be issued to shareholders in due course.
- 3.2. The appointment of Nexia as Auditors will only be effective upon the approval of the Shareholders being obtained at the EGM. Upon such appointment, Nexia will hold office until the conclusion of the next AGM.

By Order of the Board of
Darco Water Technologies Limited

Zhang Zhenpeng
Executive Director and Chief Executive Officer
20 October 2026