

## PROPOSED APPOINTMENT OF AUDITORS

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### 1. INTRODUCTION

The Board of Directors ("**Board**") of Darco Water Technologies Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce the Company is proposing to appoint Crowe Horwath First Trust LLP ("**Crowe**") as the external auditors of the Company until the conclusion of the next Annual General Meeting of the Company (the "**Proposed Appointment of Auditors**"), subject to the approval from the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened.

### 2. PROPOSED APPOINTMENT OF AUDITORS

The Company refers to the announcement posted on SGXNet on 26 April 2023. On 25 April 2023, the resolution to, inter alia, re-appoint Crowe Horwath First Trust LLP, Public Accountants and Chartered Accountants, as the Company's external auditor was not approved at the Annual General Meeting ("**AGM**"). Accordingly, Crowe ceased to be the auditor of the Company with effect from the conclusion of the 2023 AGM. In this regard, there is a vacancy in the office of the auditor of the Company.

The Company has sought proposals from various audit firms for the role of external auditor of the Company, including a revised proposal from Crowe, as part of the Company's tender process. After deliberations by the Audit Committee ("**AC**") and the Board, the Company has shortlisted Crowe as the external auditor of the Company.

Taking into consideration, inter alia, the requirements under Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board concurs with the opinion of the AC that Crowe will be able to meet the audit requirements of the Company.

In connection with the Proposed Appointment of Auditors, Crowe had, on 25 May 2023, given their written consent to act as auditors of the Company and its incorporating subsidiaries, subject to Shareholder's approval at the EGM.

In accordance with the requirements of Rule 1203(5) of the Listing Rules:

- (i) Crowe has not issued a professional clearance letter pursuant to Rule 1203(5)(a) of the Listing Manual. Rule 1203(5)(a) of the Listing Manual is not applicable for the Proposed Appointment of Auditors as Crowe is both the outgoing auditor and the incoming auditor of the Company;
- (ii) The Company confirms that there were no disagreements with Crowe on accounting treatments within the last 12 months up to the Latest Practicable Date;
- (iii) The Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement;



- (iv) The Company confirms that the specific reasons for the Proposed Appointment of Auditors are as disclosed in this announcement. The Proposed Appointment of Auditors is due to the cessation of Crowe as auditors of the Company at the conclusion of the 2023 AGM; and
- (v) The Company confirms that it complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of Crowe as its auditors.

### **3. CIRCULAR TO SHAREHOLDERS**

The Proposed Appointment of Auditors shall be subject to Shareholders' approval by way of an ordinary resolution at an EGM to be convened.

A circular containing, *inter alia*, further details on the Proposed Appointment of Auditors, together with a notice of the EGM in connection therewith, will be issued to Shareholders (on the SGXNet and the Company's corporate website) in due course.

### **BY ORDER OF THE BOARD**

Dr Zhang Zhenpeng  
Executive Director and Chief Executive Officer

25 May 2023