

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Darco Water Technologies Limited (the "Company") will be held at 25 Tai Seng Ave #01-01 KOP Building Singapore 534104 on Friday, 28 April 2017 at 2.00 p.m. for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2016 together with the Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of \$87,183 for the financial year ended 31 December 2016. **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Regulation 106 and Regulation 115 of the Constitution of the Company:

**Regulation 106**

- (i) Mr. Thye Kim Meng **(Resolution 3)**
- (ii) Ms. Heather Tan Chern Ling **(Resolution 4)**
- (iii) Mr. Tay Lee Chye Lester **(Resolution 5)**
- (iv) Mr. Tay Von Kian **(Resolution 6)**

**Regulation 115**

- (v) Mr. Wong Yaoyu **(Resolution 7)**
- (vi) Mr. Oh Chee Sien **(Resolution 8)**

[See Explanatory Note (i)]

4. To re-appoint Messrs Crowe Horwath First Trust LLP, Public Accountants and Chartered Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**
5. To transact any other ordinary business which may properly transacted at an AGM.

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, ("SGX-ST") the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and / or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the "Share Issue Mandate")

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution):
  - (A) by way of renounceable rights issues on a *pro-rata* basis to Shareholders of the Company ("Renounceable Rights Issues") shall not exceed 100 per centum (100%) of the total number of issued shares excluding treasury shares (as calculated in paragraph (3) below); and
  - (B) otherwise than by way of Renounceable Rights Issues ("Other Share Issues") shall not exceed 50 per centum (50%) of the total number of issued shares excluding treasury shares (as calculated in accordance with paragraph (3) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company shall not exceed 20 per centum (20%) of the total number of issued shares excluding treasury Shares (as calculated in accordance with paragraph (3) below);
- (2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate exceed 100 per centum (100%) of the total number of issued shares excluding treasury shares (as calculated in paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraphs (1)(A) and (1)(B) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (5) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion AGM of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

**(Resolution 10)**

7. **Authority to issue shares under the Darco Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant awards under the Darco Performance Share Plan (the "Share Plan") and to issue from time to time such number of shares in the capital of the Company (excluding treasury shares) as may be required to be issued pursuant to the vesting of share awards under the Share Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

**(Resolution 11)**

By Order of the Board

Shirley Tan Sey Liy

Company Secretary

Singapore, 13 April 2017

**Explanatory Notes:**

- (i) Ms. Heather Tan Chern Ling will, upon re-election as a Director of the Company, remain as the member of the Audit Committee and will be considered non-independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Tay Lee Chye Lester will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee, and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Tay Von Kian will upon re-election as a Director of the Company, remain as a Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee, and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr. Oh Chee Sien will upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee, and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

- (ii) Resolution 10 in item 6 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a *pro rata* basis to shareholders, provided that, the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares).

For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) at the time Resolution 10 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time when Resolution 10 is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for 100% Renounceable Rights Issues ("Enhanced Rights Issue Limit") is proposed pursuant to the Singapore Exchange Limited's news release of 13 March 2017 which introduced measure to help companies raise funds expediently for expansion activities or working capital ("SGX News Release") and unless extended further by SGX-ST, the authority will expire on 31 December 2018. Unless renewed, the mandate sought at this meeting shall expire at the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

The Board of Directors of the Company is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders.

- (iii) Resolution 11, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of share awards under the Share Plan (for the entire duration of the Share Plan) provided that the aggregate additional shares to be issued pursuant to the Share Plan do not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

**Notes:**

1. A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 21 Marsiling Industrial Estate Road 9 #01-03 Singapore 739175 not less than forty-eight (48) hours before the time appointed for holding the AGM.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**PERSONAL DATA PRIVACY**

Where a member of the Company submits an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the AGM and / or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or services providers) for the purpose of the processing and administration by the Company (or its agents or services providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or services providers) to comply with any applicable laws, listing rules, regulations and / or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and / or representative(s) to the Company (or its agents or services providers), the member has obtained the prior consent of such proxy(ies) and / or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and / or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.