

## LETTER TO SHAREHOLDERS DATED 12 FEBRUARY 2026

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about the contents of this Letter or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser(s) immediately.**

*Unless otherwise defined, capitalised terms appearing on the cover of this Letter bear the same meanings ascribed to them in the section entitled “Definitions” of this Letter.*

If you have sold or transferred all your Shares through CDP, you need not forward this Letter to the purchaser or transferee as arrangements will be made by CDP for a separate Letter to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Letter, together with the Notice of EGM and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Letter has been prepared by the Company. SGX-ST assumes no responsibility for the contents of this Letter, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Letter.



### **DARCO WATER TECHNOLOGIES LIMITED**

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

#### **LETTER TO SHAREHOLDERS**

#### **IN RELATION TO**

- (I) THE PROPOSED ACQUISITION OF 49% OF DARCO INFRACO VIETNAM WATER PTE. LTD.**
- (II) THE PROPOSED RATIFICATION OF THE GRANT OF PUT OPTION TO INFRACO VIETAQUA PTE. LTD. UNDER THE SHAREHOLDERS' AGREEMENT DATED 30 NOVEMBER 2018 AND FURTHER AMENDED ON 27 JUNE 2022 ENTERED INTO BETWEEN THE COMPANY AND INFRACO VIETAQUA PTE. LTD.**

#### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	Wednesday, 25 February 2026 at 10.00 a.m.
Date and time of EGM	:	Friday, 27 February 2026 at 10.00 a.m.
Place of EGM	:	143 Cecil St, GB Building #11-03, Singapore 069542

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## DEFINITIONS

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In this Letter, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

“Agreement”	:	The sale and purchase agreement dated 19 December 2025 entered into between the Company and the Vendor in connection with the Proposed Acquisition
“associate”	:	Shall have the meaning ascribed to it under the Listing Manual
“Board”	:	The board of directors of the Company as at the date of this Letter or from time to time, as the case may be
“Call Option”	:	Shall have the meaning ascribed to it <b>Section 2.7(f)</b> of this Letter
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, supplemented or modified from time to time
“Company” or “Purchaser”	:	Darco Water Technologies Limited
“Consideration Sum”	:	An aggregate of US\$3,640,085 (equivalent to approximately S\$4,700,442 <sup>1</sup> )  Further details on the Consideration Sum are set out in <b>Section 2.5</b> of this Letter
“Constitution”	:	The constitution of the Company, as may be amended, supplemented or modified from time to time
“controlling shareholder”	:	A person who:  (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over a company
“Director”	:	A director of the Company as at the date of this Letter or from time to time, as the case may be

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<sup>1</sup> For the purpose of this Letter, the USD/SGD exchange rate used for the relevant Singapore Dollars equivalent is based on an exchange rate of US\$1 : S\$1.2913 as at 18 December 2025 being the day preceding the date of the Agreement as set out in the Company’s announcement dated 19 December 2025.

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## DEFINITIONS

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“EGM”	:	The extraordinary general meeting of the Company to be convened and held, notice of which is set out on page N-1 of this Letter
“EPS/(LPS)”	:	Earnings/(loss) per Share
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries collectively
“Latest Practicable Date”	:	6 February 2026, being the latest practicable date prior to the issue of this Letter
“Letter”	:	This letter to Shareholders dated 12 February 2026 in relation to the Proposed Acquisition and the Proposed Ratification
“Listing Manual” or “Listing Rules”	:	The SGX-ST Listing Manual Section A: Rules of Mainboard, as may be amended, supplemented or modified from time to time
“Notice of EGM”	:	The notice of EGM which is set out on page N-1 of this Letter
“NTA”	:	Net tangible assets
“Ordinary Resolutions”	:	The ordinary resolutions as set out in the Notice of EGM
“Previous Announcements”	:	The announcements released by the Company on 24 July 2025 and 8 August 2025 in relation to, <i>inter alia</i> , the receipt of a notice of exercise of Put Option from InfraCo dated 27 June 2025
“Proposed Acquisition”	:	<p>The proposed acquisition of 49% of the total issued and paid-up share capital of the Target</p> <p>Further details on the Proposed Acquisition are set out in <b>Section 2</b> of this Letter</p>
“Proposed Ratification”	:	<p>The proposed ratification of the grant of the Put Option</p> <p>Further details on the Proposed Ratification are set out in <b>Section 3</b> of this Letter</p>
“Proxy Form”	:	The proxy form in respect of the EGM which is attached to this Letter

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## DEFINITIONS

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“Put Option”	:	The put option granted in favour of InfraCo pursuant to the Shareholders’ Agreement, for, <i>inter alia</i> , the sale and transfer of all of the shares held by InfraCo in DIVW to the Company
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“Sale Shares”	:	Shall have the meaning ascribed to it under <b>Section 2.1</b> of this Letter
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shareholders’ Agreement”	:	The shareholders’ agreement dated 30 November 2018 and further amended on 27 June 2022 entered into between the Company and InfraCo
“Shares”	:	Ordinary shares in the share capital of the Company
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Target” or “DIVW”	:	Darco Infracore Vietnam Water Pte. Ltd.
“Vendor” or “InfraCo”	:	InfraCo VietAqua Pte. Ltd.
“%”	:	Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “associated company” and “subsidiary” shall have the same meanings ascribed to them in the Listing Manual and the Companies Act, as the case may be.

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## DEFINITIONS

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Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Letter shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless the context requires otherwise.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to “*persons*” shall, where applicable, include corporations.

Any reference to a time of day or date in this Letter shall be a reference to Singapore time and dates, unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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### DARCO WATER TECHNOLOGIES LIMITED

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

#### Board of Directors:

Mr. Wang Zhi (*Executive Director and Executive Chairman*)  
Dr. Zhang Zhenpeng (*Executive Director and Chief Executive Officer*)  
Mr. Sim Guan Seng (*Lead Independent Director*)  
Mr. Lai Hock Meng (*Independent Non-Executive Director*)  
Mr. Niu Liming (*Independent Non-Executive Director*)

#### Registered Office:

1 Commonwealth Lane  
#09-06  
One Commonwealth  
Singapore 149544

**12 February 2026**

To: The Shareholders of Darco Water Technologies Limited

Dear Sir/Madam,

#### **THE PROPOSED ACQUISITION OF 49% OF DARCO INFRACO VIETNAM WATER PTE. LTD. AND THE PROPOSED RATIFICATION OF THE GRANT OF PUT OPTION**

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### **1. INTRODUCTION**

#### **1.1 EGM**

The Board is convening an EGM to seek Shareholders' approval for the Proposed Acquisition and the Proposed Ratification.

The Proposed Acquisition constitutes a "major transaction" under Chapter 10 of the Listing Manual. Please refer to **Section 2.8** of this Letter for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual. In this regard, as the Proposed Acquisition is a "major transaction" under Chapter 10 of the Listing Manual, the Proposed Acquisition is conditional upon approval by Shareholders at the EGM.

For the avoidance of doubt, the Proposed Acquisition and the Proposed Ratification are not conditional upon, nor interdependent with, each other.

#### **1.2 Letter**

The purpose of this Letter is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for the Proposed Acquisition and the Proposed Ratification. Shareholders' approval will be sought at the EGM to be convened and held, notice of which is set out on pages N-1 to N-4 of this Letter.

The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements or opinions made, reports contained and opinions expressed in this Letter. Shareholders are advised to read this Letter in its entirety. If any Shareholder is in any doubt as to the action he should take, the Shareholder is advised to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

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## LETTER TO SHAREHOLDERS

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### 1.3 Legal Adviser

The Company has appointed Shook Lin & Bok LLP as the legal adviser to the Company on Singapore law in relation to the Proposed Acquisition and the Proposed Ratification.

## 2. THE PROPOSED ACQUISITION OF 49% OF DARCO INFRACO VIETNAM WATER PTE. LTD.

### 2.1 Background

On 19 December 2025, the Company announced, *inter alia*, that a sale and purchase agreement dated 19 December 2025 (the “**Agreement**”) has been entered into between the Company and InfraCo VietAqua Pte. Ltd. (the “**Vendor**”). Pursuant to the terms of the Agreement, the Vendor has agreed to sell to the Company an aggregate of 3,697,670 ordinary shares in the share capital of Darco InfraCo Vietnam Water Pte. Ltd. (the “**Sale Shares**”) (the “**Target**”), representing approximately 49% of the issued and paid-up share capital of the Target and 100% of the shares in the Target held by the Vendor, for an aggregate consideration of approximately US\$3,640,085 (equivalent to approximately S\$4,700,442) (the “**Consideration Sum**”), in three (3) tranches (the “**Proposed Acquisition**”).

Following completion of the Proposed Acquisition, the Target shall become a wholly owned subsidiary of the Company.

### 2.2 Information on the Target

#### Corporate Information

The Target, Darco InfraCo Vietnam Water Pte. Ltd., is a company incorporated in Singapore on 2 February 2018, and as at the Latest Practicable Date, is an approximately 51%-owned subsidiary of the Company.

As at the Latest Practicable Date, the Target has an issued and paid-up share capital of S\$7,545,816, comprising 7,545,816 ordinary shares.

Following completion of the Proposed Acquisition, the Target shall become a wholly owned subsidiary of the Company.

As disclosed in the Company’s announcement dated 2 February 2018, the Target was incorporated pursuant to a shareholders’ agreement dated 15 December 2017 (restated on 30 November 2018 and further amended on 27 June 2022) entered into by the Company and the Vendor.

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## LETTER TO SHAREHOLDERS

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For further information, the salient relevant terms of the aforesaid shareholders' agreements are as follows (for the avoidance of doubt, the shareholders' agreement dated 15 December 2017 was superseded by the shareholders' agreement dated 30 November 2018, which was then further amended on 27 June 2022):

(i) **Objective of DIVW**

The primary object of DIVW will be carrying out the development, implementation, financing, construction and operation of a portfolio of water supply projects, as described in the Shareholders' Agreement, and such other water supply projects as may be mutually agreed between InfraCo and the Company via Darco Viet Water Company Limited.

(ii) **Board of DIVW and its subsidiaries**

The board of DIVW shall be composed of a maximum of five (5) directors and upon the parties being shareholders of DIVW, the composition of the board of DIVW shall be as follows:

- (a) three (3) directors to be nominated by the Company;
- (b) two (2) directors to be nominated by InfraCo.

In addition, in respect of each of the Target Group (as defined below), the board of directors or any equivalent governing body of each of the Target Group (other than DIVW) shall comprise of five (5) directors or members (as the case may be), the composition of which shall be identical as the board of DIVW.

Further, for the purpose of the portfolio projects and each project undertaken by DIVW, a management committee comprising of one (1) representative from the Company and one (1) representative from InfraCo will be constituted at the DIVW level.

(iii) **Reserved Matters**

Under the Shareholders' Agreement, certain customary and operational matters require the affirmative approval and consent of InfraCo prior to them being undertaken by DIVW, including but not limited to, (i) any amendment to the constitutional documents of any of the Target Group, (ii) remuneration incentives or bonuses of any director or executive of any of the Target Group or in respect of the portfolio project or any project undertaken by DIVW, (iii) capitalisation of any profits or reserves, any placement, issuance, alteration, increase or reduction of the capital or capital structure of any of the Target Group, (iv) amendment, variation, adoption and approval of the budgets or business plans relating to any of the Target Group, (v) the incurring of financial indebtedness or borrowings by any of the Target Group not within the then approved budget, (vi) effecting any consolidation, merger or amalgamation of any of the Target Group with any other entity.

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## LETTER TO SHAREHOLDERS

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(iv) **Anti-Dilution**

Save and except that new shares of DIVW are issued on *pro rata* basis to all shareholders of DIVW in accordance with the Shareholders' Agreement, the shareholders of DIVW shall procure that DIVW shall not issue any new shares, interests or other securities to any person without the prior written consent of InfraCo.

Without the prior written consent of InfraCo, there shall be no shares, interests or securities issued in any of the Target Group or over the portfolio project or any project, other than in accordance with the terms and conditions of the Shareholders' Agreement to dilute the shareholding of InfraCo in the Target Group or interest in the portfolio project or each project.

(v) **InfraCo's Right to Exit**

Following InfraCo's full exit, the Company, DIVW and the Target Group shall procure that all references to "InfraCo" or "InfraCo Asia" within the name or identification in relation to the Target Group or the projects undertaken by DIVW shall be changed to a new name.

(vi) **Restriction on Exit of the Company**

So long as InfraCo holds any share or any interest in the portfolio project, the Company shall not transfer directly or indirectly its shares or any of its interests in the portfolio project or any project, including any company or vehicle which the investment is routed, without InfraCo's prior written consent.

(vii) **Tag-Along Rights**

In the event that, other than in connection with an transfer from InfraCo to its affiliate, an existing shareholder of DIVW wishes to sell or transfer the whole or part of its shares or interest in the portfolio project undertaken by DIVW to a third party, to the extent that InfraCo still holds any shares or an interest in the portfolio project or any project, then InfraCo has the right to require the shareholder of DIVW in question to include in the proposed transfer contemplated all of InfraCo's shares and/or interest in the portfolio project, in accordance with the terms and conditions of the Shareholders' Agreement.

(viii) **Put Option and Call Option**

Please refer to the "Valuation" section below for further details on the Put Option, and **Section 2.7(f)** of this Letter for further details on the Call Option.

(ix) **Indemnity**

The Company shall indemnify InfraCo and its affiliates for certain operational, financial and tax related matters as provided in the Shareholders' Agreement.

For further details, please refer to the Shareholders' Agreement directly, which is available for inspection at the registered office of the Company at 1 Commonwealth Lane, #09-06 One Commonwealth, Singapore 149544, during normal business hours from the date of this Letter for a period of three (3) months thereafter.

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## LETTER TO SHAREHOLDERS

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That being said, with effect on and from the Tranche A Completion Date and provided completion of the Tranche A Shares has occurred, InfraCo has agreed to waive certain provisions of the Shareholders' Agreement, which generally relates to operational matters of the DIVW. Please also refer to **Section 2.7(f)** of this Letter, for further details on the suspension of the Put Option and Call Option pursuant to the Agreement.

The Target was incorporated for the purpose of entering into a joint venture with InfraCo to develop a portfolio of water supply projects in Vietnam, and serves as the investment holding vehicle for the Vietnam project company(ies) undertaking the development, implementation, financing, construction and operation of such projects.

Details of the Target's subsidiaries are set out in **Appendix A** to this Letter.

### Financial Information

Based on the unaudited financial statements of the Target and its subsidiaries (collectively, the "**Target Group**"), for the financial period ending 30 June 2025:

- (a) the net assets<sup>1</sup> of the Target Group, was approximately S\$6.09 million; and
- (b) the net loss attributable to the Target Group, was approximately S\$0.69 million as at 30 June 2025.

Note:

- (1) The net assets (both tangible and intangible) of the Target Group have been disclosed as the Company is of the view that such disclosure would be more accurate and reflective of the financial position of the Target Group.

### Valuation

No valuation was conducted in respect of the Proposed Acquisition as the Consideration Sum was derived from, amongst others, the original consideration for the Sale Shares of US\$4,600,634 (equivalent to approximately S\$5,940,799) under the Put Option (based on an agreed formula as provided in the Shareholders' Agreement), and adjusted based on negotiations between the Purchaser and the Vendor.

The Consideration Sum of US\$3,640,085 was determined based on a formula which was contractually agreed between the parties under the Shareholders' Agreement, and adjusted based on negotiations between the Purchaser and the Vendor. The Consideration Sum is payable in three tranches, corresponding to the transfer of the Sale Shares. Please refer to **Section 2.5** of this Letter, for further details.

The formula for the Put Option is based on the Vendor's historical invested capital in DIVW and is computed using a daily compounding methodology. However, while the Shareholders' Agreement applied an annualised yield of 12% compounded daily (as previously disclosed under Note 14 *Other Financial Liabilities* in the Group's annual report for the financial year ended 31 December 2024, announced by the Company on SGXNET on 14 April 2025), the parties have agreed (when negotiating for the Consideration Sum under the Agreement) to revise the applicable contractual return to lower tranche-specific rates as follows:

- (A) Sale and purchase of the Tranche A Shares (as defined below): 5.5% per annum;

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## LETTER TO SHAREHOLDERS

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(B) Sale and purchase of the Tranche B Shares (as defined below): 6.0% per annum; and

(C) Sale and purchase of the Tranche C Shares (as defined below): 6.5% per annum.

In this regard, the Consideration Sum of US\$3,640,085 represents approximately US\$2.75 million of InfraCo's principal investment amount into DIVW plus approximately US\$0.89 million of interest (based on the revised rates above), with further details below:

- I. Sale and purchase of the Tranche A Shares: US\$1.39 million, representing InfraCo's principal investment amount of US\$1.1 million plus interest of US\$0.29 million;
- II. Sale and purchase of the Tranche B Shares: US\$1.10 million, representing InfraCo's principal investment amount of US\$0.825 million plus interest of US\$0.27 million; and
- III. Sale and purchase of the Tranche C Shares: US\$1.14 million, representing InfraCo's principal investment amount of US\$0.825 million plus interest of US\$0.31 million.

In addition, the Vendor has agreed to an additional interest waiver such that no interest accrues during the period from 1 July 2024 to 30 June 2025 under the Shareholders' Agreement.

### 2.3 Information on the Vendor

The Vendor, InfraCo VietAqua Pte. Ltd., is a company incorporated in Singapore on 7 November 2017, and as at the Latest Practicable Date, has an issued and paid-up share capital of S\$1, comprising 1 ordinary share.

As at the Latest Practicable Date, the Vendor holds approximately 49% of the shares in the Target (i.e., the Sale Shares).

InfraCo VietAqua Pte. Ltd. is a subsidiary of InfraCo Asia Business Development Pte. Ltd., a member of the Private Infrastructure Development Group ("PIDG"). PIDG is an infrastructure project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and south and southeast Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals. PIDG delivers its ambition in line with its values of pioneering, partnership, safety, inclusivity, and urgency.

To the best of the Board's knowledge, information and belief, having made all reasonable enquiries, the Vendor, together with its shareholders and directors, (a) are not related to any Director or substantial shareholder of the Company and (b) do not own any shares in the Company, as at the Latest Practicable Date.

### 2.4 Rationale for the Proposed Acquisition

As disclosed in the Previous Announcements, InfraCo had exercised the Put Option for the sale and transfer of all of the shares held by InfraCo in DIVW to the Company. Thereafter, on 7 August 2025, the Company agreed to InfraCo's proposal dated 5 August 2025 in relation to the Put Option, where, amongst others, the Company would submit its proposed terms for amendment of the Put Option no later than 31 October 2025. Please refer to the Previous Announcements, for further details.

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## LETTER TO SHAREHOLDERS

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In this regard, pursuant to negotiations between the Company and InfraCo, the parties have agreed to enter into the Agreement instead of amending the Put Option, to resolve this matter amicably.

The Board is of the view that the Proposed Acquisition is beneficial to shareholders and in the best interests of the Company as the Proposed Acquisition enables the Company to purchase the Sale Shares across three years, as opposed to purchasing the Sale Shares in a single lump sum transaction pursuant to the Put Option, allowing the Company to better manage its cash flow and reserves.

In addition, notwithstanding that the Target is loss-making based on the unaudited financial statements of the Target Group for the period ended 30 June 2025, the Board is of the view that the Proposed Acquisition is in the interests of the Company and its shareholders for the following reasons:

(a) **Nature of Service Concession Projects**

The Target operates under a 50-year service concession arrangement, which is generally capital-intensive at the initial stage with relatively lower revenue in the early years of operations, and typically requires time to reach break-even and profitability. The current losses are therefore not unexpected and are consistent with the early phase of such similar projects within the industry.

(b) **Cash Flow Management and Cost Savings**

As disclosed above, the Proposed Acquisition allows the Company to acquire the Sale Shares progressively over three (3) years, rather than through a potential single lump-sum payment upon exercise of the Put Option. In addition, the agreed settlement under the Agreement applies lower contractual interest rates compared to the previous arrangement, together with an interest suspension period (as disclosed under the “Valuation” section of **Section 2.2** of this Letter), resulting in reduced financing costs and improved cash flow management for the Group.

(c) **Mitigation of Future Financial Exposure and Operational Integration**

The Proposed Acquisition enables the Company to obtain full ownership and management control of the Target, allowing for closer integration of the Target within the Group. This is expected to improve governance, operational oversight and execution efficiency, which supports the Target’s path towards operational stabilisation and profitability over time.

### 2.5 Consideration

The Consideration Sum of US\$3,640,085 shall be satisfied by way of cash in three (3) tranches, as follows:

- (a) US\$1,395,288 (equivalent to approximately S\$1,801,735) to be paid by the Purchaser to the Vendor (“**Tranche A Consideration**”) on (i) 30 January 2026, subject to the Purchaser having obtained approval of its board of directors and/or shareholders (in particular, under Chapter 10 of the Listing Rules) in relation to the entry into the Agreement and the transactions contemplated therein, or if the approvals are not obtained by 30 January 2026, within five (5) business days such approvals have been

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## LETTER TO SHAREHOLDERS

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obtained; or (ii) or such other date as the Parties may agree in writing ("**Tranche A Completion Date**"), for the sale and purchase of 1,479,068 Sale Shares ("**Tranche A Shares**");

- (b) US\$1,103,330 (equivalent to approximately S\$1,424,730) to be paid by the Purchaser to the Vendor ("**Tranche B Consideration**") on or around 30 January 2027, or such other date as the Parties may agree in writing ("**Tranche B Completion Date**"), for the sale of and purchase of 1,109,301 Sale Shares ("**Tranche B Shares**"); and
- (c) US\$1,141,467 (equivalent to approximately S\$1,473,976) to be paid by the Purchaser to the Vendor ("**Tranche C Consideration**") on or around 30 January 2028, or such other date as the Parties may agree in writing ("**Tranche C Completion Date**"), for the sale of and purchase of 1,109,301 Sale Shares ("**Tranche C Shares**").

Based on the unaudited financial statements of the Target Group for the period ended 30 June 2025, the net assets attributable to the Sale Shares amount to approximately S\$2.98 million. The aggregate consideration for the Proposed Acquisition of approximately S\$4.70 million (i.e., the Consideration Sum) therefore represents a premium of approximately S\$1.72 million over the net assets attributable to the Sale Shares.

Notwithstanding the foregoing, the Board is of the view that the said premium is reasonable and in the best interests of the Company and its shareholders for the following reasons:

- (A) The Consideration Sum was derived from a negotiated contractual exit formula based on the Vendor's historical invested capital, rather than the Target's net asset value. This replaces the prior Shareholders' Agreement mechanism of 12% annualised return compounded daily with lower tranche-specific rates and an additional agreed interest suspension period, thereby reducing the Company's potential financial exposure. Please refer to the "Valuation" section of **Section 2.2** of this Letter, for further details.
- (B) Further, as disclosed under **Section 2.4** of this Letter, the Target operates under a 50-year service concession arrangement which is capital-intensive in the initial phase, with significant upfront capital expenditure and limited revenue during the early years of operations, such that its net asset value at this stage does not fully reflect the long-term economic benefits and potential of such concession arrangement.

With that said, pursuant to the terms of the Agreement, the Company shall have the right (but not the obligation) to accelerate the completion of the sale and transfer of all (and not part of) the remaining Sale Shares other than Tranche A Shares ("**Purchaser Accelerated Tranche Shares**") in advance of the abovementioned timelines, at its sole discretion, in accordance with the terms and conditions of the Agreement.

The Consideration Sum was arrived at arm's length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (i) the original consideration for the Sale Shares of US\$4,600,634 under the Put Option (which was derived based on a commercially agreed formula as provided in the Shareholders' Agreement), and adjusted based on negotiations between the Purchaser and the Vendor. Please also refer to **Section 2.2** of this Letter for further details;

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## LETTER TO SHAREHOLDERS

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- (ii) the net asset value of the Target; and
- (iii) the prevailing economic conditions.

### 2.6 Source of Funds

The Consideration Sum shall be funded through the Group's internal resources.

Each party shall pay its own legal, accountancy and other professional costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of the Agreement and the Purchaser shall pay all stamp duties on the transfer of the Sale Shares.

### 2.7 Principal Terms of the Agreement

According to the Agreement:

(a) Consideration

Please refer to **Section 2.5** of this Letter.

(b) Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the following conditions precedent:

- (i) the Purchaser having obtained approval of its board of directors and/or shareholders (in particular, under Chapter 10 of the Listing Rules), as well as all other necessary corporate approvals or authorisations to enter into the Agreement and to take all such steps and do all such acts as are necessary to give effect to the Agreement and transactions contemplated in the Agreement;
- (ii) the Purchaser having obtained an undertaking from its substantial shareholder, Wang Zhi, who holds 49.16% of the total ordinary shares in the capital of the Purchaser that he will take all such steps and do all such acts as are necessary to give his approval in relation to the shareholders' approval referred in subsection (i) above, and a copy of such undertaking having been delivered to the Vendor.

To this end, the Purchaser wishes to update it has since received the undertaking in question from its substantial shareholder, Wang Zhi, on 19 December 2025;

- (iii) the Vendor obtaining such approval(s) from its board of directors and/or shareholders (if required) in connection with the Agreement and the transactions contemplated in the Agreement as may be necessary;
- (iv) all necessary consents, approvals and waivers of the relevant authorities having jurisdiction over the transactions contemplated in the Agreement (whether in Singapore or elsewhere), financial institutions or other third parties having been obtained by the Vendor, Purchaser or the Target, as the case may be, such consents, approvals and waivers not having been amended or revoked before the relevant completion date, and to the extent that such consents, approvals and

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## LETTER TO SHAREHOLDERS

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waivers are subject to any conditions required to be fulfilled before the relevant completion date, all such conditions being reasonably acceptable to the relevant Party and all such conditions having been duly so fulfilled;

- (v) the Vendor and the Purchaser not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the Agreement, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;
- (vi) the Vendor not having breached any of the Vendor's pre-completion undertakings and covenants as set out in the Agreement (which generally relates to operational matters involving the Target and providing/procuring the necessary approvals at the Target level for the Agreement and the transactions contemplated therein); and
- (vii) the Purchaser not having breached any of the Purchaser's pre-completion undertakings and covenants as set out in the Agreement (which generally relates to operational matters involving the Target and providing/procuring the necessary approvals at the Target level for the Agreement and the transactions contemplated therein).

(c) Completion

Completion of the sale and transfer of each tranche of Sales Shares shall take place on the relevant completion date for that respective tranche at the office of the Purchaser (or such other venue as the parties may agree in writing).

On the Tranche A Completion Date, amongst others:

- (i) the sale and purchase of the Tranche A Shares from the Vendor to the Purchaser would take place;
- (ii) one (1) of the directors of the Target appointed by the Vendor in connection with the Shareholders' Agreement (the "**InfraCo Director(s)**") shall resign; and
- (iii) the Purchaser shall make payment of the Tranche A Consideration by way of bank transfer to the Vendor's bank account.

On the Tranche B Completion Date, amongst others:

- (i) the sale and purchase of the Tranche B Shares from the Vendor to the Purchaser would take place; and
- (ii) the Purchaser shall make payment of the Tranche B Consideration by way of bank transfer to the Vendor's bank account.

On the Tranche C Completion Date, amongst others:

- (i) the sale and purchase of the Tranche C Shares from the Vendor to the Purchaser would take place;

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## LETTER TO SHAREHOLDERS

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- (ii) the remaining InfraCo Director(s) shall resign;
- (iii) the Purchaser shall effect a change of name of the Target to remove references to “InfraCo” in the Target’s name; and
- (iv) the Purchaser shall make payment of the Tranche C Consideration by way of bank transfer to the Vendor’s bank account.

For further information, as at the Latest Practicable Date, the Target has a total of five (5) directors, two (2) of whom are representatives of the Vendor and three (3) of whom are representatives of the Purchaser.

(d) Shareholders Agreement

With effect on and from the Tranche A Completion Date and provided completion of the Tranche A Shares has occurred, the Vendor has agreed to waive certain provisions of the Shareholders’ Agreement, which generally relates to operational matters of the Target.

(e) VGF Shareholder Loan

In connection with the Shareholders’ Agreement, the parties had previously entered into a shareholder loan agreement dated 31 May 2022, pursuant to which the Vendor had granted the Target an interest-free shareholder loan facility of a total principal amount not exceeding US\$2,700,000 (equivalent to approximately S\$3,486,510) (“**VGF Shareholder Loan**”).

In respect of the VGF Shareholder Loan, the Parties have now agreed that:

- (i) 40% of the VGF Shareholder Loan (equivalent to US\$1,080,000, approximately S\$1,394,604) shall be automatically converted into a free grant upon the completion of the sale and purchase of the Tranche A Shares;
- (ii) 30% of the VGF Shareholder Loan (equivalent to US\$810,000, approximately S\$1,045,953) shall be automatically converted into a free grant upon the completion of the sale and purchase of the Tranche B Shares; and
- (iii) 30% of the VGF Shareholder Loan (equivalent to US\$810,000, approximately S\$1,045,953) shall be automatically converted into a free grant upon the completion of the sale and purchase of the Tranche C Shares,

in accordance with the terms and conditions of the Agreement (as opposed to the said conversion taking place only upon the completion of the sale and purchase of all Sale Shares).

For the avoidance of doubt, following the aforesaid conversion, there will be no repayment of any sums under the VGF Shareholder Loan to the Vendor.

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## LETTER TO SHAREHOLDERS

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(f) Put Option and Call Option

The Vendor hereby covenants and undertakes to the Purchaser that it shall not exercise the Put Option at any time from the date of the Agreement until and unless the Agreement is terminated for any reason (including where any condition precedent as set out in **Section 2.7(b)** above is not satisfied), provided that such suspension of the Put Option applies and remains effective while the Purchaser is not in default of, and does not breach any provision of, the Agreement, and the Put Option shall lapse upon the completion of the sale and transfer of all the Sale Shares.

The Purchaser hereby covenants and undertakes to the Vendor that it shall not exercise the call option granted to it pursuant to the Shareholders' Agreement (the "**Call Option**") at any time from the date of the Agreement until and unless the Agreement is terminated for any reason (including where any condition precedent as set out in **Section 2.7(b)** above is not satisfied), provided that such suspension of the Call Option applies and remains effective while the Vendor is not in default of, and does not breach any provision of, the Agreement, and the Call Option shall lapse upon the completion of the sale and transfer of all the Sale Shares.

For further information, the Call Option is an option pursuant to which the Company could request InfraCo to sell and transfer all of the shares of DIVW held by InfraCo to the Company, at a price based on an agreed formula as provided in the Shareholders' Agreement, and in accordance with the terms and conditions of the Shareholders' Agreement.

The formula for the Call Option under the Shareholders' Agreement is the same as that of the Put Option. Please refer to **Section 2.2** of this Letter, for further details.

(g) Purchaser Accelerated Tranche Shares

The Purchaser may accelerate the completion of the sale and transfer of the Purchaser Accelerated Tranche Shares by giving the Vendor not less than 15 business days' prior written notice of its intention to do so.

The consideration applicable for a sale of the Purchaser Accelerated Tranche Shares shall be determined based on a commercially agreed upon formula as set out in the Agreement.

(h) Vendor Accelerated Tranche Shares

If completion of the sale and purchase of any tranche of Sale Shares cannot or does not occur due to any default, act, or omission of the Purchaser, the Vendor shall be entitled (but not obliged to), at its sole discretion, to accelerate the completion of the sale and transfer of all (and not part of) the remaining Sale Shares ("**Vendor Accelerated Tranche Shares**"), by giving the Purchaser not less than 15 business days' prior written notice of its intention to do so, in accordance with the terms and conditions of the Agreement.

The consideration applicable for the sale of the Vendor Accelerated Tranche Shares shall be US\$3,640,085 (being the total consideration for all the Sale Shares) less any consideration that has been paid by the Purchaser.

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## LETTER TO SHAREHOLDERS

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(i) Remedies of the Vendor

In the event that the Purchaser fails to complete the acquisition of any tranche of the Sale Shares (including the Vendor Accelerated Tranche Shares) in accordance with the Agreement, the Vendor shall be entitled (but not obliged to), without prejudice to any other rights or remedies available to it, to (i) terminate the Agreement; (ii) serve a Put Option notice in accordance with the terms of the Shareholders' Agreement; (iii) seek and obtain an order for specific performance; and/or (iv) claim damages from the Purchaser at law or in equity, in accordance with the terms and conditions of the Agreement.

(j) Governing Law and Jurisdiction

The Agreement shall be governed by, and construed in accordance with, the laws of Singapore. Any dispute arising out of or in connection with the Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the terms and conditions as set out in the Agreement.

Further, any arbitration proceedings between the parties commenced under the Agreement and any arbitration proceedings commenced under the Shareholders' Agreement or other related documents may be joined and consolidated and may be resolved in accordance with the Arbitration Rules of the Singapore International Arbitration Centre in a single arbitration.

### 2.8 Relative Figures computed on the bases set out in Rule 1006 of the Listing Rules relating to the Proposed Acquisition

The relative figures computed on the bases set out in Listing Rule 1006 for the Proposed Acquisition are as follows:

Listing Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets. <sup>(1)</sup>	Not applicable <sup>(2)</sup>
Listing Rule 1006(b)	The net losses attributable to the assets acquired or disposed of, compared with the group's net losses.	16% <sup>(3)</sup>
Listing Rule 1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares.	63% <sup>(4)</sup>
Listing Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable <sup>(5)</sup>

## LETTER TO SHAREHOLDERS

Listing Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not Applicable <sup>(6)</sup>
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**Notes:**

- (1) "Net assets" means total assets less total liabilities.
- (2) The Proposed Acquisition is an acquisition of assets not a disposal of assets.
- (3) Based on the unaudited financial statements of the Target for the financial period ending 30 June 2025, the aggregate losses before tax attributable to the Sale Shares amounts to approximately S\$0.34 million, as compared to the Group's losses before tax of approximately S\$2.13 million as at 30 June 2025.
- (4) The Consideration Sum to be given by the Company in connection with the Proposed Acquisition is US\$3,640,085 (equivalent to approximately S\$4.7 million) which represents approximately 63% of the Company's market capitalisation of approximately S\$7.5 million on 18 December 2025, being the last full market day on which trades were done preceding the date of the Agreement. The Company's market capitalisation was determined by multiplying the number of shares in issue (93,831,492 shares) by the weighted average price of such shares transacted on 18 December 2025 (S\$0.08).
- (5) No equity securities will be issued by the Company in connection with the Proposed Acquisition.
- (6) The Company is not a mineral, oil and gas company.

As one of the relative figures computed on the bases set out in Listing Rule 1006 exceeds 20% and all relative figures are less than 100%, the Proposed Acquisition is classified as a major transaction under Listing Rule 1014, and is accordingly subject to the approval of the shareholders.

### 2.9 Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the net tangible asset ("NTA") per share and the earnings per share ("EPS") of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

For the purpose of illustrating the financial effects, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition (i.e., the sale and purchase of all the Sale Shares as well as the full conversion of the VGF Shareholder Loan) was completed on 31 December 2024;
- (b) the financial effects on the EPS of the Group are computed assuming that the Proposed Acquisition (i.e., the sale and purchase of all the Sale Shares as well as the full conversion of the VGF Shareholder Loan) was completed on 1 January 2024; and
- (c) the costs and expenses incurred or to be incurred in connection with the Proposed Acquisition shall be disregarded.

## LETTER TO SHAREHOLDERS

### Financial Effects on the NTA per share of the Group

	<b>Before Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition</b>
NTA as at 31 December 2024 (S\$'000)	14,602	19,315
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	93,831,492	93,831,492
NTA per Share (Singapore cents)	15.56	20.58

### Financial Effects on the EPS of the Group

	<b>Before Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition</b>
Profits after tax attributable to equity holders of the Company (S\$'000)	1,007	5,720
Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	93,831,492	93,831,492
EPS for profit after tax attributable to the equity holders of the Company (Singapore cents)	1.07	6.10

With reference to the financial effects on the NTA per share of the Group and the financial effects on the EPS of the Group disclosed above, the increase in the NTA and the increase in the profit after tax attributable to equity holders of the Company are attributable to (i) an interest reversal of S\$0.97 million arising from the downward revision of the interest rate (please refer to the "Valuation" section of **Section 2.2** of this Letter, for further details), and (ii) the full recognition of the VGF Shareholder Loan.

In view of the different conversion mechanism for the VGF Shareholder Loan under the VGF Shareholder Loan as compared to under the Agreement (please refer to **Section 2.7(e)** of this Letter for further details) and its material financial impact to the Group, it has been included in the computation of the financial effects disclosed above.

The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

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## LETTER TO SHAREHOLDERS

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### 2.10 Service Contracts in connection with the Proposed Acquisition

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

### 2.11 Confirmation by the Company

The Company confirms that the Proposed Acquisition does not contravene any laws and regulations governing the Company and the Constitution of the Company.

## 3. THE PROPOSED RATIFICATION OF THE GRANT OF PUT OPTION

### 3.1 Background

Previously, as disclosed, the Company and InfraCo entered into the Shareholders' Agreement, in connection with, *inter alia*, the incorporation of DIVW for the purpose of entering into a joint venture with InfraCo. The entry into the Shareholders' Agreement, was announced by the Company on a voluntary basis on 2 February 2018. For the avoidance of doubt, the entry into the Shareholders' Agreement, based on the investment by the Company into DIVW, was a non-discloseable transaction under the Listing Rules. For the further avoidance of doubt, the exercise terms of the Put Option are based on factors existing at the time of exercise.

Under the Shareholders' Agreement, InfraCo was granted the Put Option for the sale and transfer of all of the shares held by InfraCo in DIVW to the Company, based on a commercially agreed formula as provided in the Shareholders' Agreement.

As disclosed in the Previous Announcements, InfraCo had exercised the Put Option for the sale and transfer of all of the shares held by InfraCo in DIVW to the Company for a consideration of US\$4,600,634 (equivalent to approximately S\$5,940,799).

### 3.2 Shareholders' Approval

Under Rule 1019(1) of the Listing Manual, where an option to acquire or dispose of assets is not exercisable at the discretion of the issuer, shareholder approval must be obtained at the time the option is granted. Under Rule 1019(2) of the Listing Manual, if the option is exercisable at the discretion of the Company but the exercise terms are fixed at the time of grant, shareholder approval must be obtained at the time of the grant of the option.

As the Put Option granted to InfraCo was not exercisable at the discretion of the Company at the time of grant, the Company was subject to the requirements of Rule 1019(1) of the Listing Manual, and shareholders' approval ought to have been obtained in accordance with Rule 1019(1) of the Listing Rules. While the entry into the Shareholders' Agreement was voluntarily disclosed for transparency, Shareholders' approval was not sought at the time of the grant as the Company believed that given that the grant of the Put Option to InfraCo was part of the Shareholders' Agreement for the joint venture with InfraCo (which based on the investment by the Company into DIVW pursuant to the joint venture, was a non-discloseable transaction), the grant of the Put Option to InfraCo was not a separate transaction which required Shareholders' approval.

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## LETTER TO SHAREHOLDERS

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That said, following a subsequent review of the applicable Listing Manual requirements, the Company noted that Shareholders' approval for the grant of the Put Option to InfraCo was required pursuant to Rule 1019(1) of the Listing Manual, and accordingly, is now seeking Shareholders' ratification of the grant of the Put Option to ensure compliance with the same.

For the avoidance of doubt, in relation to the Call Option as set out in **Section 2.7(f)** of this Letter, as the exercise terms of the Call Option are based on factors existing at the time of exercise, the Company is only required to obtain Shareholders' approval at the time of exercise of the Call Option pursuant to Rule 1019(3) of the Listing Manual.

### 3.3 Rationale for Ratification

The Put Option has been suspended on 19 December 2025 pursuant to the terms of the Agreement, which prevent its exercise unless the Agreement is terminated or any condition precedent is not satisfied. The suspension of the Put Option applies and remains effective while the Purchaser is not in default of, and does not breach any provision of, the Agreement, and the Put Option will lapse upon completion of the sale and transfer of all the Sale Shares.

Notwithstanding the foregoing, the Company proposes that Shareholders ratify the grant of the Put Option as a standalone resolution. This is to ensure good corporate governance and to ensure ongoing compliance with the Listing Manual, given the possibility that the Put Option may be re-activated under the circumstances stated in the Agreement.

To this end, the Company wishes to update it has received an undertaking from its substantial shareholder, Wang Zhi, on 12 January 2026, that he will take all such steps and do all such acts as are necessary to give his approval in relation to Proposed Ratification.

In the event that the Put Option is re-activated, as disclosed in **Section 2.7(i)** of this Letter, InfraCo at their sole discretion, would have the option to exercise the Put Option and serve a Put Option notice to the Company to acquire all of the Sale Shares in a single lump sum transaction and at a price likely higher than the Consideration Sum (due to the formula used to calculate the consideration for the Put Option exercise under the Shareholders' Agreement). InfraCo may also seek other remedies available to them at law or in equity in connection with the termination of the Agreement.

For the avoidance of doubt, the proposed ratification of the grant of Put Option is not conditional upon, nor interdependent with, the Proposed Acquisition. For the further avoidance of doubt, in the event that Shareholders' approval for the Proposed Ratification is not obtained, the Put Option will still remain (but in a suspended state, subject to the terms and conditions of the Agreement) as it was contractually agreed upon between the parties under the Shareholders' Agreement, and the Company will re-table the Proposed Ratification for Shareholders' Approval at another general meeting in the event that the Put Option is re-activated and exercised by InfraCo. Moving forward, the Company shall ensure that all necessary approvals are obtained under the Listing Manual.

Further, in the event that Shareholders' approval for the Proposed Ratification is not obtained, the Proposed Acquisition will still proceed (assuming that Shareholders' approval for the Proposed Acquisition is obtained). The Company hereby confirms that it shall comply with all terms and conditions of the Agreement and work towards completion of the Proposed Acquisition, such that the Put Option will remain in a suspended state until the Put Option lapses upon the completion of the sale and transfer of all the Sale Shares.

## LETTER TO SHAREHOLDERS

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Wang Zhi	46,123,518	49.16	0	0	46,123,518	49.16
Zhang Zhenpeng	0	0	0	0	0	0
Sim Guan Seng	0	0	0	0	0	0
Lai Hock Meng	0	0	0	0	0	0
Niu Liming	0	0	0	0	0	0
<b>Substantial Shareholders (other than Directors)</b>						
Stone Robert Alexander	10,957,000	11.68	0	0	10,957,000	11.68
Wah Lee Industrial Corp.	7,649,782	8.15	0	0	7,649,782	8.15

**Note:**

(1) Calculated based on the Company's issued and paid-up share capital of 93,831,492 issued Shares excluding treasury shares and subsidiary holdings in the Company as at the Latest Practicable Date.

Save as disclosed, none of the Directors and/or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Acquisition and/or the Proposed Ratification other than through their respective shareholdings in the Company.

### 5. DIRECTORS' RECOMMENDATION

The Board having considered, among others, the rationale and information relating to the Proposed Acquisition and the Proposed Ratification as set out in this Letter, is of the opinion that the Proposed Acquisition and the Proposed Ratification are in the best interests of the Company and its Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the Ordinary Resolutions relating to the Proposed Acquisition and the Proposed Ratification.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Ratification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Letter in its proper form and context.

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## LETTER TO SHAREHOLDERS

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### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreement and the Shareholders' Agreement may be inspected at the registered office of the Company at 1 Commonwealth Lane, #09-06 One Commonwealth, Singapore 149544, during normal business hours from the date of this Letter for a period of three (3) months thereafter.

### 8. CAUTIONARY STATEMENT

**Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this Letter that the Proposed Acquisition will be completed. In particular, the Agreement is subject to conditions which may or may not be fulfilled.**

**Shareholders and potential investors of the Company are advised to read this Letter and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

Yours faithfully,

**DARCO WATER TECHNOLOGIES LIMITED**

Wang Zhi  
Executive Director and Executive Chairman  
12 February 2026

## APPENDIX A

### Darco InfraCo Vietnam Water Pte. Ltd. and its subsidiaries



Name of Company	Darco Viet Water Company Limited ("DVW")
Incorporation Date	30 January 2018
Country of Incorporation	Vietnam
Shareholders	100% owned by the Target
Principal Business	Design and fabrication of water treatment systems and providing consultancy services in relation to such business

Name of Company	Darco Ha Tinh Company Limited
Incorporation Date	3 January 2019
Country of Incorporation	Vietnam
Shareholders	90% owned by DVW, 10% owned by an unrelated third party
Principal Business	Design and fabrication of water treatment systems and providing consultancy services in relation to such business

Name of Company	Darco Ba Lai Water Supply Limited
Incorporation Date	14 May 2018
Country of Incorporation	Vietnam
Shareholders	95% owned by DVW, 5% owned by an unrelated third party
Principal Business	Design and fabrication of water treatment systems and providing consultancy services in relation to such business

Name of Company	Darco Nghe An Company Limited
Incorporation Date	24 July 2018
Country of Incorporation	Vietnam
Shareholders	90% owned by DVW, 10% owned by an unrelated third party
Principal Business	Design and fabrication of water treatment systems and providing consultancy services in relation to such business

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### DARCO WATER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore – Company Registration No. 200106732C)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Darco Water Technologies Limited (the “**Company**”) will be convened and held at 143 Cecil St, GB Building #11-03, Singapore 069542 on Friday, 27 February 2026 at 10.00 a.m. (Singapore Time), for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolution:

*All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the letter to shareholders of the Company dated 12 February 2026 (the “**Letter**”) in relation to the Proposed Acquisition of Darco InfraCo Vietnam Water Pte. Ltd. and the Proposed Ratification of the Grant of Put Option.*

#### **ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION OF 49% OF DARCO INFRACO VIETNAM WATER PTE. LTD.**

That:

- (a) the acquisition of an aggregate of 3,697,670 ordinary shares in the share capital of Darco InfraCo Vietnam Water Pte. Ltd. from InfraCo VietAqua Pte. Ltd. (the “**Proposed Acquisition**”) as a major transaction under Chapter 10 of the Listing Rules, and as set out in Section 2 of the Letter be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Ordinary Resolution 1.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**ORDINARY RESOLUTION 2 – THE PROPOSED RATIFICATION OF THE GRANT OF PUT OPTION TO INFRACO VIETAQUA PTE. LTD. UNDER THE SHAREHOLDERS’ AGREEMENT DATED 30 NOVEMBER 2018 AND FURTHER AMENDED ON 27 JUNE 2022 ENTERED INTO BETWEEN THE COMPANY AND INFRACO VIETAQUA PTE. LTD.**

That:

- (a) the grant of the put option in favour of InfraCo pursuant to the shareholders’ agreement dated 30 November 2018 and further amended on 27 June 2022 (the “**Shareholders’ Agreement**”), under which InfraCo has the right to require the Company to purchase all of the shares held by InfraCo in DIVW on the terms set out in the Shareholders’ Agreement (the “**Put Option**”), be and is hereby ratified, confirmed and approved for the purposes of ensuring compliance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and for all other purposes (the “**Proposed Ratification**”); and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Ordinary Resolution 2.

By Order of the Board of  
**Darco Water Technologies Limited**

Dr. Zhang Zhenpeng  
Executive Director and Chief Executive Officer  
12 February 2026

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes to Shareholders on arrangements for the Extraordinary General Meeting:

1. The Extraordinary General Meeting (“EGM”) will be held at 143 Cecil St, GB Building #11-03, Singapore 069542 on Friday, 27 February 2026 at 10.00 a.m. for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions set out in this Notice of EGM. **There will be no option for Shareholders to participate virtually.**
2. **Printed copies of the Letter will not be sent to Shareholders.** Shareholders may request for printed copies of the Letter by completing and returning the request form (sent to them by post together with printed copies of this Notice of EGM and the accompanying Proxy Form) no later than 10.00 a.m. on Friday, 20 February 2026. Printed copies of this Notice of EGM and the Proxy Form will be sent to Shareholders. In addition, this Notice of EGM, the Proxy Form, the Letter and the request form may also be accessed at the Company’s website at the URL <https://darcowater.com/investor-information/extraordinary-general-meeting/>. This Notice of EGM, the Proxy Form, the Letter and the request form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant comments, queries and/or questions before the EGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in this Notice of EGM. Please refer to the section titled “Key dates/deadlines” below for the relevant steps and details for Shareholders to participate at the EGM.
4. **There will be no option for Shareholders to participate virtually at the EGM. A Shareholder (whether individual or corporate) must vote live at the EGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** The Proxy Form for the EGM of the Company may also be accessed at the Company’s website at the URL <https://darcowater.com/investor-information/extraordinary-general-meeting/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (other than the Chairman of the Meeting), or appoints the Chairman of the Meeting as his/her/its proxy as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.
5. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the ordinary resolution tabled for approval at the EGM by Friday, 13 February 2026 at 5.00 p.m..
6. Duly appointed proxy(ies), including the Chairman of the Meeting, acting as proxy, need not be a Shareholder of the Company.
7. The Proxy Form must be submitted to the Company in the following manner:
  - (i) if submitted by post, be deposited at registered office of the Company at 1 Commonwealth Lane #09-06, One Commonwealth, Singapore 149544; or
  - (ii) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [agm@darcowater.com](mailto:agm@darcowater.com).

in either case, by Wednesday, 25 February 2026 at 10.00 a.m., at least **48 hours** before the time fixed for holding the EGM of the Company and/or any adjournment thereof. A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

### PERSONAL DATA PRIVACY:

Where a Shareholder of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder’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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (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 Shareholder discloses the personal data of the Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder 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 Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder’s breach of warranty.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### Key dates/deadlines:

Key Dates	Events and Information
<b>Friday, 13 February 2026 at 5.00 p.m.</b>	Deadline for CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions related to the ordinary resolutions to be tabled for approval at the EGM.
<b>Friday, 20 February 2026 at 10.00 a.m.</b>	<p>Deadline for Shareholders to submit comments, queries and/or questions in advance of the EGM of the Company.</p> <p>Deadline for Shareholders to request for printed copies of the Letter by completing and returning the request form.</p>
<b>Monday, 23 February 2026 at 10.00 a.m.</b>	The Company will endeavour to address all substantial and relevant questions, comments and/or queries received from Shareholders relating to the ordinary resolutions in the Notice of EGM prior to or at the EGM, by publishing its responses to the questions on the Company's website at the URL <a href="https://darcowater.com/investor-information/extraordinary-general-meeting/">https://darcowater.com/investor-information/extraordinary-general-meeting/</a> and SGXNET at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> .
<b>Wednesday, 25 February 2026 at 10.00 a.m.</b>	<p>Deadline for Shareholders to submit Proxy Forms to appoint proxy(ies) (including the Chairman of the Meeting) to attend, submit question(s) and vote at the EGM of the Company.</p> <p>The Proxy Form must be submitted to the Company in the following manner:</p> <ul style="list-style-type: none"> <li>(i) if submitted by post, be deposited at registered office of the Company at 1 Commonwealth Lane #09-06, One Commonwealth, Singapore 149544; or</li> <li>(ii) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at <a href="mailto:agm@darcowater.com">agm@darcowater.com</a>.</li> </ul> <p><b>Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.</b></p>
<b>Friday, 27 February 2026 at 10.00 a.m.</b>	Shareholders and (where applicable) duly appointed proxies and representatives may participate at the EGM at 143 Cecil St, GB Building #11-03, Singapore 069542. <b>There will be no option for Shareholders to participate virtually.</b>
<b>By Friday, 27 March 2026</b>	The Company will publish the minutes of EGM on the Company's website at the URL <a href="https://darcowater.com/investor-information/extraordinary-general-meeting/">https://darcowater.com/investor-information/extraordinary-general-meeting/</a> and on SGXNET at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> within one (1) month after the EGM.

## PROXY FORM

### PROXY FORM

#### DARCO WATER TECHNOLOGIES LIMITED

(Company Registration Number: 200106732C)

(Incorporated in the Republic of Singapore)

#### EXTRAORDINARY GENERAL MEETING

**IMPORTANT:**

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held at 143 Cecil St, GB Building #11-03, Singapore 069542.
2. The Notice of EGM is also accessible (a) via publication on the Company's website at the URL <https://darcowater.com/investorinformation/extraordinary-general-meeting/>; and (b) via publication on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. CPF or SRS investors who wish to appoint the Chairman of the meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 February 2026.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration Number\*) of \_\_\_\_\_ (Address)

being member/members\* of **DARCO WATER TECHNOLOGIES LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

and/or \*(please delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

or failing which, the Chairman of the Extraordinary General Meeting ("EGM") as my/our\* proxy/proxies\* to attend, speak and vote for me/us\* on my/our\* behalf at the EGM to be convened and held at 143 Cecil St, GB Building #11-03, Singapore 069542 on Friday, 27 February 2026 at 10.00 a.m. and at any adjournment thereof.

I/We direct \*my/our \*proxy/proxies to vote for or against, or abstain from voting on the resolution proposed at the EGM as indicated hereunder:

Ordinary Resolutions		For	Against	Abstain
1.	To approve the Proposed Acquisition of 49% of Darco InfraCo Vietnam Water Pte. Ltd.			
2.	To approve the Proposed Ratification of the Grant of Put Option to InfraCo VietAqua Pte. Ltd.			

If you wish to appoint proxy(ies) (other than the Chairman of the Meeting), or appoint the Chairman of the Meeting as your proxy to cast all your votes For or Against a resolution, please tick with "✓" in the "For" or "Against" box in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish to appoint proxy(ies) (other than the Chairman of the Meeting), or appoint the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please tick with "✓" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting, as your proxy, is directed to abstain from voting in the "Abstain" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Voting will be conducted by poll

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Total Number of Shares	Number of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
or Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



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# PROXY FORM

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## NOTES:

1. The Extraordinary General Meeting ("EGM") will be held at 143 Cecil St, GB Building #11-03, Singapore 069542 on Friday, 27 February 2026 at 10.00 a.m. for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions set out in the Notice of EGM. **There will be no option for Shareholders to participate virtually.**
2. **Printed copies of the Letter will not be sent to Shareholders.** Shareholders may request for printed copies of the Letter by completing and returning the request form (sent to them by post together with printed copies of the Notice of EGM and this accompanying Proxy Form) no later than 10.00 a.m. on 20 February 2026. Printed copies of the Notice of EGM and this Proxy Form will be sent to Shareholders. In addition, the Notice of EGM, this Proxy Form, the Letter and the request form may also be accessed at the Company's website at the URL <https://darcowater.com/investor-information/extraordinary-general-meeting/>. The Notice of EGM, this Proxy Form, the Letter and the request form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to attendance at the EGM, submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant comments, queries and/or questions before the EGM, and voting by appointing proxy(ies) (including the Chairman of the Meeting), are set out in the Notice of EGM. Please refer to the section titled "Key dates/deadlines" in the Notice of EGM for the relevant steps and details for Shareholders to participate at the EGM.
4. Please insert the total number of shares held by you. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.
5. **There will be no option for Shareholders to participate virtually at the EGM. A Shareholder (whether individual or corporate) must vote live at the EGM or must appoint proxy(ies) (including the Chairman of the Meeting), to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** The Proxy Form for the EGM may also be accessed at the Company's website at the URL <https://darcowater.com/investor-information/extraordinary-general-meeting/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (other than the Chairman of the Meeting), or appoints the Chairman of the Meeting as his/her/its proxy as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion.
6. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the ordinary resolution tabled for approval at the EGM by Friday, 13 February 2026 at 5.00 p.m.
7. Duly appointed proxy(ies), including the Chairman of the Meeting, as proxy, need not be a Shareholder of the Company.
8. The Proxy Form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with registered office of the Company at 1 Commonwealth Lane #09-06, One Commonwealth, Singapore 149544; or
  - (b) if submitted electronically, be submitted via email in Portable Document Format (PDF) format to the Company at [agm@darcowater.com](mailto:agm@darcowater.com), in either case, by 10.00 a.m. on Wednesday, 25 February 2026, being at least 48 hours before the time for holding the EGM. A Shareholder who wishes to submit this Proxy Form must first download, complete and sign this Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**
9. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
10. Where the Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
11. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967.

## GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register **72 hours before the time set for the EGM.**

## PERSONAL DATA PRIVACY:

Where a Shareholder of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder'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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (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 Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder 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 Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.