

CIRCULAR DATED 25 SEPTEMBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Darco Water Technologies Limited (the “**Company**”), you should immediately forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED APPOINTMENT OF AUDITORS

(the incoming and outgoing auditors are Crowe Horwath First Trust LLP)

Important Dates and Times:

- Last date and time for lodgement of Proxy Form : 7 October 2023 at 10.00 AM
- Date and time of Extraordinary General Meeting : 10 October 2023 at 10.00 AM
- Place of Extraordinary General Meeting : The Extraordinary General Meeting will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632. Please refer to the notes to the Notice of Extraordinary General Meeting dated 25 September 2023 for further details

TABLE OF CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	6
2. THE PROPOSED APPOINTMENT OF AUDITORS.....	7
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	10
4. AUDIT COMMITTEE'S RECOMMENDATION	11
5. DIRECTORS' RECOMMENDATION	11
6. DIRECTORS' RESPONSIBILITY STATEMENT	11
7. EXTRAORDINARY GENERAL MEETING.....	11
8. ACTION TO BE TAKEN BY SHAREHOLDERS.....	12
9. DOCUMENTS AVAILABLE FOR INSPECTION.....	13
APPENDIX A – PARTICIPATION ARRANGEMENTS	A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	

LETTER TO SHAREHOLDERS

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

“2022 AGM”	:	The annual general meeting of the Company held on 25 April 2022
“2023 AGM”	:	The annual general meeting of the Company held on 25 April 2023
“Accountants Act”	:	Accountants Act 2004 of Singapore, as amended, modified or supplemented from time to time
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company
“Audit Committee”	:	The audit committee of the Company, comprising Mr Sim Guan Seng (Chairman), Ms Gn Jong Yuh Gwendolyn, Mr Wang Yingyang and Mr Lai Hock Meng as at the date of this Circular
“Board”	:	The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 25 September 2023 in relation to the Proposed Appointment of Auditors
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, supplemented or modified from time to time
“Company”	:	Darco Water Technologies Limited
“Constitution”	:	The constitution of the Company, as may be amended, supplemented or modified from time to time
“Crowe”	:	Crowe Horwath First Trust LLP
“Director”	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
“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 Circular
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries collectively
“Latest Practicable Date”	:	21 September 2023, being the latest practicable date prior to the issue of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, 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 Circular
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM

LETTER TO SHAREHOLDERS

“PMP”	:	Practice Monitoring Programme
“Proposed Appointment of Auditors”	:	The proposed appointment of Crowe as the external auditor of the Company
“Proxy Form”	:	The proxy form in respect of the EGM which is attached to this Circular
“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
“SGXNET”	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
“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
“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
“%”	:	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.

Any reference in this Circular 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 Circular 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 Circular shall be a reference to Singapore time and dates, unless otherwise stated.

LETTER TO SHAREHOLDERS

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

**Board of Directors:**

Wang Zhi	(Executive Chairman and Executive Director)
Zhang Zhenpeng	(Executive Director and Chief Executive Officer)
Zhao Yong Chang	(Executive Director and Chief Operating Officer)
Sim Guan Seng	(Lead Independent Director)
Gn Jong Yuh Gwendolyn	(Independent Non-Executive Director)
Wang Yingyang	(Independent Non-Executive Director)
Lai Hock Meng	(Independent Non-Executive Director)

Registered Office:

120 Lower Delta Road
#04-03 Cendex Centre
Singapore 169208

25 September 2023

To: The Shareholders of Darco Water Technologies Limited

Dear Sir/Madam,

THE PROPOSED APPOINTMENT OF AUDITORS

1. INTRODUCTION**1.1 Extraordinary General Meeting**

On 25 May 2023, the Company announced that the Company is proposing to appoint Crowe as its external auditors, subject to the approval from Shareholders at an EGM to be convened. In relation thereto, the Board is proposing to convene an EGM to be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. to seek Shareholders' approval for the Proposed Appointment of Auditors.

1.2 Circular

- 1.2.1. The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for the Proposed Appointment of Auditors. Shareholders' approval will be sought at the EGM to be convened and held, notice of which is set out on page N-1 of this Circular.
- 1.2.2. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

1.3 Legal Adviser

Shook Lin & Bok LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Appointment of Auditors.

LETTER TO SHAREHOLDERS

2. THE PROPOSED APPOINTMENT OF AUDITORS

2.1 Background and Rationale

- 2.1.1. Crowe has served as the external auditor of the Company since FY2014. Crowe was last re-appointed at the 2022 AGM, to hold office until the conclusion of the 2023 AGM. At the 2023 AGM, Crowe's re-appointment as the external auditor of the Company was not approved by the Company's controlling shareholder. The Company understands that the controlling shareholder voted against Crowe's re-appointment as he would like to trigger a re-tender exercise for the appointment of auditors. Accordingly, Crowe ceased to be the auditors of the Company with effect from the conclusion of the 2023 AGM. For the avoidance of doubt, the cessation of Crowe as the auditors of the Company was not due to (1) Crowe's resignation; (2) Crowe declining to stand for re-election at the 2023 AGM or (3) the removal/dismissal of Crowe as the Company's auditors. As such, no letter of resignation was provided to the Company.
- 2.1.2. In this regard, on 26 April 2023, the Company announced, amongst other things, that (1) there is a vacancy in the office of the auditor of the Company and (2) the Company is in the process of shortlisting auditors to fill the aforesaid vacancy.
- 2.1.3. As announced by the Company on 25 May 2023, the Company has sought proposals from various audit firms for the role of external auditor of the Company, including a revised proposal from Crowe (with no changes in the scope of audit), as part of the Company's tender process. After deliberations by the Audit Committee and the Board, the Company has shortlisted Crowe as the external auditor of the Company.
- 2.1.4. The Audit Committee has reviewed and deliberated on the proposals received from each of the audit firms, and has considered the following factors, including but not limited to:
- (a) the adequacy of the resources and experience of the audit firm;
 - (b) the audit engagement partner assigned to the audit;
 - (c) the audit firm's other audit engagements;
 - (d) the number and experience of supervisory and professional staff to be assigned to the audit;
 - (e) the Group's audit requirements (taking into consideration the size and complexity of the Group's business and operations); and
 - (f) the Audit Quality Indicators Disclosure Framework issued by ACRA.
- 2.1.5. The Audit Committee had also considered the outcome of Crowe's latest PMP review which Mr Kow Wei Jue Duncan ("**Mr Kow**"), the audit engagement partner assigned to the audit, was subject to in 2021. The Audit Committee noted Crowe's confirmation that improvement points were raised on Mr Kow and these improvement points have since been taken on board in Crowe's audits subsequent to FY2020. The Audit Committee also noted Crowe's confirmation that no hot review or restriction orders were imposed by ACRA as a result of the PMP review, and that no subsequent review has been conducted by ACRA on Mr Kow and/or Crowe subsequent to the 2021 PMP Review. The Audit Committee further noted that Mr Kow has been the audit engagement partner of the Company for past four audits and has accumulated adequate knowledge, experience and expertise in auditing the financial affairs and operations of the Company. Hence, the Audit Committee is satisfied that Mr Kow is suitable to assume the role of the audit engagement partner of the Company.
- 2.1.6. In light of the foregoing, the Audit Committee is of the opinion that Crowe will be best suited to fulfil the audit requirements of the Group, and that Rules 712 and 715 of the Listing Manual will be complied with. To further elaborate:

LETTER TO SHAREHOLDERS

- (a) Crowe has audit coverage over majority of the Group;
- (b) Crowe's fee quote is competitive;
- (c) the revised fee quote provided by Crowe results in cost savings of approximately S\$10,000 in audit fees as compared to the audit fees paid to Crowe for the FY2022 audit;
- (d) Crowe has been serving as the external auditor of the Company since FY2014, and is therefore familiar with the Group's business and operations;
- (e) the Audit Committee is satisfied with Crowe's past performance; and
- (f) by appointing Crowe as the Company's auditors, the Company would be able to ensure continuity in the audit process.

As such, the Audit Committee recommended the appointment of Crowe as the external auditor of the Company on the basis that it best suits the current business and operational needs of the Group.

- 2.1.7. The Board, having taken into consideration the Audit Committee's recommendation, including the factors considered in their evaluation, and the requirements of Rules 712 and 715 of the Listing Manual, is of the view that Crowe will be able to meet the audit requirements of the Group, in particular, as Crowe has been the external auditor of the Company since FY2014. The Board has therefore accepted the Audit Committee's recommendation to appoint Crowe as the external auditor of the Company, subject to Shareholders' approval at the EGM.
- 2.1.8. In addition, in view of the factors disclosed in paragraph 2.1.4. above, the Company has obtained the full support from the Company's controlling shareholder in appointing Crowe as the external auditor of the Company, selected through the re-tender exercise.
- 2.1.9. In connection with the Proposed Appointment of Auditors, Crowe had, on 25 May 2023, given their written consent to act as auditors of the Company and its Singapore-incorporated subsidiaries, subject to Shareholders' approval at the EGM.
- 2.1.10. Upon its appointment, Crowe will hold office until the conclusion of the next AGM of the Company.

2.2 Information on Crowe and the audit engagement partner

The information on Crowe and the audit engagement partner below was provided to the Company by Crowe and its representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

2.2.1. About Crowe

Crowe Horwath First Trust LLP is a member of Crowe Global, the fifth largest accounting network in Asia Pacific with over 200 independent accounting and advisory services firms in close to 130 countries around the world. As a network firm of Crowe Global, Crowe Horwath First Trust LLP is committed to providing impeccable quality and highly integrated service delivery with the full support of Crowe Global Methodology, technical resources and knowledge databases. More information about Crowe, its values and its services can be found on Crowe Horwath First Trust LLP's website at <https://www.crowe.com/sq>.

Crowe Horwath First Trust LLP is one of the leading mid-tier public accounting and consulting firms in Singapore that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. Crowe Horwath First Trust LLP was awarded the 2018

LETTER TO SHAREHOLDERS

Growth Award (Open Category) and the 2016 Best Practice Award (Large Practice Category) by the Institute of Singapore Chartered Accountants. It provides external and internal audit, tax and accounting services to many public listed corporations in Singapore, and has acted as the reporting accountant in various initial public offerings in Singapore. Crowe Horwath First Trust LLP's clients in Singapore include publicly listed companies, private enterprises and statutory boards, which span across a broad range of industries such as manufacturing, trading and distribution, financial markets, telecommunication, healthcare, shipping, waste management, leisure, education, information technology, food and beverage and logistics amongst others.

2.2.2. About the Audit Engagement Partner and Team

Crowe Horwath First Trust LLP including its network firms in Malaysia and China which support the audit of significant subsidiaries in Malaysia and China and the audit engagement partners have experience auditing listed and private companies in similar business activities as that of the Group. The audit engagement partner, Mr Kow, will be responsible for statutory audit services of the Company and its subsidiaries. Besides being the engagement partner of the Group for the past 4 years, Mr Kow has over 19 years of experience in providing audit assurance and advisory services to a variety of clients, including companies listed on the SGX-ST. He is a member of the Institute of Singapore Chartered Accountants, and a public accountant registered with ACRA. Mr Kow holds a diverse portfolio of audit clientele, both publicly-listed and private companies, ranging from companies operating in public infrastructure constructions sector, upstream oil & gas explorations, consumer financing and leasing businesses, assets management, commodity trading, leisure and hospitality sector, pharmaceutical products manufacturing to medical specialist service providers. For the audit of the Group, the audit engagement team will comprise a team of experienced supervisory professionals with the support of a lead senior associate and associates. The audit of the Group will be led by the engagement partner, engagement senior manager and technical director. In addition, the audit of the Group will be reviewed by an independent quality control reviewer ("EQCR").

The assigned EQCR for the Group will be Ms Angeline Tan Lay Hong ("**Ms Tan**"), who is the Head of Audit & Assurance services of Crowe Horwath First Trust LLP. Ms Tan has more than 20 years of experience in providing audit and assurance related services and has led and managed statutory audits of various SGX-listed companies and have hands-on experience in providing audit and financial consulting services to a broad range of clients in the manufacturing, trading, service and pharmaceutical industries. Ms Tan concurrently oversees the firm's Quality Assurance Department and is an active member of various ISCA and ACRA professional working group committees.

The audit engagement partner, Mr Kow, and the assigned EQCR, Ms Tan, are the same as that for FY2022.

Crowe has confirmed that the firm, Mr Kow and Ms Tan are currently not and have not been involved in audits of listed companies which are the subject of investigations and/or disciplinary action by the regulatory authorities.

2.3 **Compliance with Rule 712 of the Listing Manual**

Crowe is a professional audit firm registered with ACRA under the Accountants Act. The Audit Committee and the Board, having considered the factors as set out in paragraph 2.1.4. of this Circular, is of the opinion that Crowe will be able to fulfil the audit requirements of the Group and that Rule 712 of the Listing Manual will be complied with.

2.4 **Compliance with Rule 715 of the Listing Manual**

- 2.4.1. Upon obtaining Shareholders' approval of the Proposed Appointment of Auditors, Crowe will be appointed as the auditors of the Company and its Singapore-incorporated subsidiaries,

LETTER TO SHAREHOLDERS

namely (1) Darco Engineering Pte Ltd; (2) Darco Infracore Vietnam Water Pte. Ltd.; (3) PV Vacuum Engineering Pte Ltd and (4) Puzer Asia Pte Ltd.

2.4.2. The Company's significant foreign-incorporated subsidiaries, namely (1) Darco Water Systems Sdn. Bhd.; (2) Wuhan Kaidi Water Services Co., Ltd. and (3) Darco Industrial Water Sdn. Bhd. will be audited by member firms of Crowe Global in the respective countries.

2.4.3. As at the Latest Practicable Date, the Company does not have any associated companies. Accordingly, the Board confirms that Rule 715 of the Listing Manual will be complied with.

2.5 Compliance with Rule 1203(5) of the Listing Manual

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

- (a) Crowe has not issued a professional clearance letter pursuant to Rule 1203(5)(a) of the Listing Manual. Rule 1203(5)(a) of the Listing Manual is not applicable for the Proposed Appointment of Auditors as Crowe is both the outgoing auditors and the incoming auditors of the Company;
- (b) the Company confirms that there were no disagreements with Crowe on accounting treatments within the last 12 months up to the Latest Practicable Date;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this Circular;
- (d) the specific reasons for the Proposed Appointment of Auditors are disclosed in Section 2.1 of this Circular. The Proposed Appointment of Auditors is due to cessation of Crowe as auditors of the Company at the conclusion of the 2023 AGM; and
- (e) the Company confirms that it complies with Rules 712 and 715 of the Listing Manual in relation to the Proposed Appointment of Auditors.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Wang Zhi	43,477,018	46.34	-	-	43,477,018	46.34
Zhang Zhenpeng	-	-	-	-	-	-
Zhao Yong Chang	102,500	0.11	-	-	102,500	0.11
Sim Guan Seng	-	-	-	-	-	-
Gn Jong Yuh Gwendolyn	-	-	-	-	-	-
Wang Yingyang	-	-	-	-	-	-
Lai Hock Meng	-	-	-	-	-	-

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholders (other than Directors)						
Stone Robert Alexander	10,957,000	11.68	-	-	10,957,000	11.68
Wah Lee Industrial Corp.	7,649,782	8.15	-	-	7,649,782	8.15
Thye Kim Meng	5,469,785	5.83	-	-	5,469,785	5.83

Notes:

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

None of the Directors and the Substantial Shareholders have any interest, direct or indirect, in the Proposed Appointment of Auditors, other than through their respective shareholdings in the Company, if any.

4. AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee recommends the appointment of Crowe as the external auditor of the Company, after taking into account, *inter alia*, the suitability and independence of Crowe to meet the audit requirements of the Group, the various factors set out in Section 2 of this Circular and compliance with the requirements of the Listing Manual.

5. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the rationale and information relating to the Proposed Appointment of Auditors, and the Audit Committee's recommendation, the Board is of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Appointment of Auditors at the EGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Appointment of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 this Circular in its proper form and context.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on the date and at the time as set out in the Notice of EGM for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Appointment of Auditors as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Date, Time and Conduct of EGM

The EGM will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Appointment of Auditors.

8.2 Notice of EGM, Circular and Proxy Form

Printed copies of the Notice of EGM, this Circular and the Proxy Form will be despatched to Shareholders. In addition, this Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

8.3 Attendance at the EGM

The EGM will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632. There will be no option for Shareholders to participate virtually.

8.4 Participation at the EGM

8.4.1. Arrangements have been made by the Company to allow Shareholders to participate at the EGM. Such arrangements include:

- (a) arrangements by which Shareholders may submit comments, queries and/or questions to the chairman of the EGM (the "**Chairman of the Meeting**") in advance of or live, at the EGM;
- (b) arrangements by which the Board and the management may address substantial and relevant comments, queries and/or questions before the EGM; and
- (c) arrangements by which Shareholders may appoint proxy(ies) (including the Chairman of the Meeting) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.

8.4.2. Details of the steps for the submission of comments, queries and/or questions in advance of or live at the EGM and submission of Proxy Forms to appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote at the EGM are set out in the Appendix A to this Circular.

8.5 Key Dates and Times

Key Dates and Times	Actions to be taken by Shareholders
10.00 a.m. on 29 September 2023	Deadline for CPF or 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.

LETTER TO SHAREHOLDERS

Key Dates and Times	Actions to be taken by Shareholders
10.00 a.m. on 3 October 2023	Deadline for Shareholders to submit comments, queries and/or questions in advance of the EGM.
10.00 a.m. on 7 October 2023	Deadline for Shareholders to submit the Proxy Forms to appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote at the EGM on his/her/its behalf.
10.00 a.m. on 10 October 2023	Shareholders may attend the EGM at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632. There will be no option for Shareholders to participate virtually.

8.6 Important Reminder

The Company may be required to change the arrangements for the EGM at short notice. For the latest updates on the arrangements for the EGM, Shareholders should check the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/>. Such updates will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 120 Lower Delta Road, #04-03, Cendex Centre, Singapore 169208 during normal business hours for three (3) months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2022; and
- (c) the written consent to act as auditors of the Company from Crowe dated 25 May 2023.

By Order of the Board of
Darco Water Technologies Limited

Dr Zhang Zhenpeng
Chief Executive Officer and Executive Director

APPENDIX A

Shareholders may submit comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the EGM, and submit Proxy Forms to appoint his/her/its proxy(ies) (including the Chairman of the Meeting) to attend, submit question(s) and vote on his/her/its behalf at the EGM.

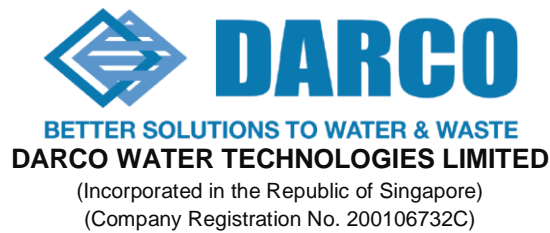
To do so, Shareholders will need to complete the relevant steps below.

Steps	Details
<p>Submission of comments, queries and/or questions in advance of the EGM</p>	<p>Shareholders will be able to ask questions live at the EGM. Shareholders may also submit comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM.</p> <p>Submission of comments, queries and/or questions. Shareholders may submit comments, queries and/or questions related to the resolution in the Notice of EGM to the Chairman of the Meeting in advance of the EGM in the following manner:</p> <p>(a) By post – Shareholders may submit their comments, queries and/or questions by post to the registered office of the Company, at 120 Lower Delta Road #04-03, Cendex Centre, Singapore 169208. Comments, queries and/or questions submitted by Shareholders by post must be accompanied by the Shareholder’s full name (as per CDP/CPF/SRS/Scrip-based records), NRIC/Passport/UEN number, address and the manner in which the Shareholder hold shares in the Company.</p> <p>(b) By electronic means – Shareholders may submit their comments, queries and/or questions by electronic means at egm@darcowater.com.</p> <p>Deadline to submit comments, queries and/or questions. Shareholders must submit all comments, queries and/or questions by 10.00 a.m. on 3 October 2023.</p> <p>Addressing comments, queries and/or questions. The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from Shareholders before the EGM. The Company will publish its responses to comments, queries and/or questions on the Company’s website at the URL https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements by 10.00 a.m. on 5 October 2023.</p> <p>Minutes of EGM. The Company will publish the minutes of the EGM on the Company’s website at the URL https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the EGM. The minutes of EGM will include responses from the Board and the management to substantial and relevant comments, queries and/or questions received from Shareholders addressed at the EGM.</p>

APPENDIX A

Steps	Details
<p>Submission of Proxy Forms to appoint Proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote at the EGM</p>	<p>Appointment of Proxy(ies). A Shareholder (whether individual or corporate) may appoint proxy(ies) (including the Chairman of the Meeting) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.</p> <p>Specific instructions as to voting must be given. Where a Shareholder (whether individual or corporate) appoints proxy(ies) (including the Chairman of the Meeting), 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 appointment of the proxy(ies) (including the Chairman of the Meeting) for that resolution will be treated as invalid.</p> <p>Submission of Proxy Forms. The Proxy Form must be submitted to the Company in the following manner:</p> <p>(a) if submitted by post, be lodged with the registered office of the Company at 120 Lower Delta Road #04-03, Cendex Centre, Singapore 169208; or</p> <p>(b) if submitted by way of electronic means, be submitted via email to the Company at egm@darcowater.com,</p> <p>in either case, by 10.00 a.m. on 7 October 2023.</p> <p>A Shareholder who wishes to submit the Proxy Form must first 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.</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING



NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of **Darco Water Technologies Limited** (the “**Company**”) will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions:

*All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 25 September 2023 (the “**Circular**”) in relation to the Proposed Appointment of Auditors.*

Ordinary Resolution: The Proposed Appointment of Auditors

That:

- (a) the appointment of Crowe as auditors of the Company with effect from the date of Shareholders’ approval of this ordinary resolution to hold office until the conclusion of the next AGM at such remuneration and on such terms to be agreed between the Directors and Crowe be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Appointment of Auditors and/or the transactions authorised by this Ordinary Resolution.

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

Dr Zhang Zhenpeng
Chief Executive Officer and Executive Director

25 September 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Appointment of Auditors.
2. **Printed copies of this Notice of EGM, the Circular, and the Proxy Form will be despatched to Shareholders of the Company.** In addition, this Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to the submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the EGM, addressing of substantial and relevant comments, queries and/or questions before and live at the EGM, and voting live at the EGM, or voting by appointing proxy(ies) (including the Chairman of the Meeting) at the EGM, are set out in **Section 8** of the Circular.
4. Shareholders may submit comments, queries and/or questions related to the resolution in the Notice of EGM to the Chairman of the Meeting in advance of the EGM in the following manner:
 - (a) if submitted by post, to the registered office of the Company, at **120 Lower Delta Road #04-03, Cendex Centre, Singapore 169208**. Comments, queries and/or questions submitted by Shareholders by post must be accompanied by the Shareholder's full name (as per CDP/CPF/SRS/Scrip-based records), NRIC/Passport/UEN number, address and the manner in which the Shareholder hold shares in the Company; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at egm@darcowater.com,
in either case, by 10.00 a.m. on 3 October 2023. The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from Shareholders before the EGM. The Company will publish its responses to comments, queries and/or questions on the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> by 10.00 a.m. on 5 October 2023.
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, submit question(s) and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** The Proxy Form may be accessed at the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/> 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) (including the Chairman of the Meeting), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the proxy(ies) for that resolution will be treated as invalid.
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 comments, queries and/or questions relating to the resolutions tabled for approval at the Extraordinary General Meeting by 29 September 2023 at 10.00 a.m. (Singapore Time).
7. Duly appointed proxy(ies), including the Chairman of the Meeting acting 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 the registered office of the Company at **120 Lower Delta Road #04-03, Cendex Centre, Singapore 169208**; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at egm@darcowater.com,
in either case, by 10.00 a.m. on 7 October 2023. A Shareholder who wishes to submit the Proxy Form must first 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:

By submitting a Proxy Form appointing a proxy(ies) (including the Chairman of the Meeting) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service 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 proxy(ies) and/or representative(s) to the Company (or its agents or service 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.

PROXY FORM

PROXY FORM

DARCO WATER TECHNOLOGIES LIMITED

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

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632. There will be no option for Shareholders to participate virtually.
2. The Notice of EGM is also accessible (a) via publication on the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/>; 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 shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 25 September 2023.
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 a Shareholder/Shareholders* 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 him/her/them, the Chairman of the Extraordinary General Meeting (the "**Meeting**") as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Meeting of the Company to be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of *proxy/proxies for that resolution will be treated as invalid.

Ordinary Resolution	For	Against	Abstain
To approve the Proposed Appointment of Auditors			

Voting will be conducted by poll

Dated this day of 2023

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

PROXY FORM

Notes:

1. The EGM will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 10 October 2023 at 10.00 a.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolution relating to the Proposed Appointment of Auditors. **There will be no option for Shareholders to participate virtually.**
2. **Printed copies of this Notice of EGM, the Circular, and the Proxy Form will be despatched to Shareholders of the Company.** In addition, this Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company's website at the URL <https://www.darcowater.com/investor-information/extraordinary-general-meeting-2023/> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Arrangements relating to the submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the EGM, addressing of substantial and relevant comments, queries and/or questions before and live at the EGM, and voting live at the EGM, or voting by appointing proxy(ies) (including the Chairman of the Meeting) at the EGM, are set out in **Section 8** of the Circular.
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. 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 comments, queries and/or questions relating to the resolutions tabled for approval at the Extraordinary General Meeting by 29 September 2023 at 10.00 a.m. (Singapore Time).
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:
 - (a) if submitted by post, be lodged with the registered office of the Company at **120 Lower Delta Road #04-03, Cendex Centre, Singapore 169208**; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at egm@darcowater.com, in either case, by 10.00 a.m. on 7 October 2023. A Shareholder who wishes to submit the Proxy Form must first 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.**
8. Where a Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or officer duly authorised in writing.
9. 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.
10. 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 Shareholder, 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 Shareholder of the Company and will not be 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.**

PROXY FORM

PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) (including the Chairman of the Meeting) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service 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 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.