

**DARCO WATER TECHNOLOGIES LIMITED**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of the Shareholders of Darco Water Technologies Limited (the “**Company**”) will be held at 6 Battery Road #10-01 Singapore 049909 on Thursday, 17 March 2016 at 10.00 am for the purpose of considering and, if thought fit, passing the following ordinary resolutions, with or without any modifications:

**Ordinary Resolution 1:**

**The proposed acquisition of 60% of the total equity interest (“60% Equity Interest”) in the registered capital of Wuhan Kaidi Water Services Co., Ltd. (武汉凯迪水务有限公司) for the aggregate consideration of S\$10,900,939 from Wuhan Liankai Investment Co., Ltd. (武汉联凯投资有限公司), Hong Kong Meidi Investments Holdings Co., Ltd. (香港美地投资(控股)有限公司) and Mr. Zhang Zhengda (collectively, the “Vendors”)**

THAT subject to and contingent upon Resolution 3 being passed:

- (a) approval be and is hereby given to the Company for the acquisition of the 60% Equity Interest from the Vendors (the “**Proposed Acquisition**”) on the terms and subject to the conditions of the sale and purchase agreement dated 11 August 2015 (the “**SPA**”) entered into between the Company and the Vendors; and
- (b) authority be and is hereby given for the directors of the Company (“**Directors**”) to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for the purposes of giving effect to the Proposed Acquisition or to give effect to this Resolution or the transactions contemplated by the Proposed Acquisition.

**Ordinary Resolution 2:**

**The allotment and issuance of an aggregate of 19,124,454 Consideration Shares to Wuhan Liankai Investment Co., Ltd. (武汉联凯投资有限公司), Wah Lee Industrial Corp. (华立企业股份有限公司), Jilead Technology Co., Ltd and Zhang Zhengda (collectively, the “Vendor Parties”) at the Issue Price of S\$0.57 for each Consideration Share in satisfaction of the Consideration**

THAT subject to and contingent upon Resolution 1 and Resolution 3 being passed, the Directors be and are hereby authorised to issue and allot an aggregate of 19,124,454 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to the Vendor Parties at an issue price of S\$0.57 per share (“**Issue Price**”).

**Ordinary Resolution 3:**

**The Proposed Whitewash Resolution for the waiver by Independent Shareholders of their right to receive a mandatory offer from the Vendors and their concert parties**

THAT subject to and contingent upon Resolution 1 being passed and pursuant to the letter dated 24 November 2015 from the Securities Industry Council, the shareholders of the Company who are not involved in or interested in the Proposed Acquisition, on a poll taken, do hereby unconditionally and irrevocably waive their right to receive a general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) for all the shares held by them to be made by the Vendors and their concert parties at the highest price paid or agreed to be paid by the Vendors and their concert parties in the six (6) months prior to the Vendors and their concert parties incurring the mandatory general offer under Rule 14 of the Code, as a result of the acquisition by the Vendors (and their concert parties) of more than 30% of the voting rights in the Company pursuant to the allotment and issue of the Consideration Shares.

By Order of the Board

Thye Kim Meng

Chairman, Managing Director and Chief Executive Officer

24 February 2016

**Explanatory Notes:**

- (1) A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy or proxies must be deposited at the office of the Company’s Registered Office at 123 Woodlands Industrial Park E5, Woodlands E-Terrace Singapore 757498, not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.
- (4) The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

\*A Relevant Intermediary is:

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

**Personal data privacy:**

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