

Darco Water Technologies Limited

(Incorporated in Singapore)
(Company Registration Number 200106732C)
(the "Company")

Minutes of Annual General Meeting

Date	:	Friday, 26 June 2020
Time	:	2.00 p.m.
Place	:	Electronic Means
Present	:	As per Attendance List maintained by the Company
Chairman	:	Mr Wang Yaoyu

CHAIRMAN OF THE MEETING

Mr Wang Yaoyu, the Executive Chairman of the Company, was elected Chairman for the purpose of the Annual General Meeting ("**AGM**" or "**Meeting**") only.

The Chairman greeted the shareholders attending the Meeting and expressed his regret that as a result of the COVID-19 situation, the Company had to convene the AGM in the form of video.

OPENING SPEECH BY THE CHAIRMAN

The Chairman stated that 2019 had been an extraordinary year for the Company and that the Group had undergone several significant changes, which included changes in the Board of Directors and in the Management. The Chairman stated that due to both subjective and objective factors, the Company had encountered some difficulties in its operations. The Chairman acknowledged that the past year had been a difficult one and that the Company faced a lot of pressure.

The Chairman stated that the Board of Directors and the Management made several arrangements and plans for the Group's operations in 2020, which were disrupted by the COVID-19 outbreak. The Chairman elaborated that Singapore, China and Malaysia have been affected by the COVID-19 outbreak in varying degrees, which caused much uncertainty and difficulty to the Company's plans. The Chairman stated that the Board of Directors worked hard on strengthening the Management, seeking new economic growth points as well as turning crisis into opportunities. The Chairman further stated that the Management has put forward certain suggestions which have been a great help to the Company. The Chairman expressed his confidence that the Company will overcome the difficulties mentioned earlier and achieve the Company's goals under the leadership of the Board of Directors and with the effort of the Management.

The Chairman stated that the Company belongs to every shareholder and that the Board of Directors wishes to ensure the Company's smooth operations and to bring returns to shareholders. The Chairman concluded by expressing his thanks to the shareholders for their suggestions and his hope to garner more support and help from the shareholders.

The Chairman handed the Meeting over to Mr Poh Kok Hong, the Executive Director of the Company.

QUORUM

Mr Poh Kok Hong thanked the Chairman.

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As the quorum was present, Mr Poh Kok Hong declared the AGM open. Mr Poh Kok Hong noted that proxies lodged have been checked and are found to be in order.

NOTICE

Mr Poh Kok Hong noted that the 2019 Annual Report together with the Notice of AGM had been circulated to the shareholders and suggested that the Notice of AGM be taken as read.

VOTING

Mr Poh Kok Hong stated that in accordance with Regulation 80 of the Company's Constitution, the proposed Resolutions put to vote at the AGM were to be decided on a poll.

Mr Poh Kok Hong stated that DrewCorp Services Pte Ltd and Boardroom Corporate & Advisory Services Pte Ltd have been appointed as the Scrutineers and Polling Agent respectively.

CONDUCT OF THE AGM

Mr Poh Kok Hong stated that pursuant to the Covid-19 (Temporary Measures) Act 2020, as shareholders and members were unable to attend the AGM physically, shareholders must vote by proxy only, and only the Chairman of the Meeting may be appointed as proxy.

Mr Poh Kok Hong explained that as the AGM was conducted by virtual means, Ordinary Resolutions 1 to 7 would be proposed by Mr Wang Zhi as a shareholder of the Company and Mr Zhao Yong Chang would second Ordinary Resolutions 1 to 7 as a shareholder of the Company.

Mr Poh Kok Hong noted that the voting instructions in relation to voting by proxy had been circulated to shareholders together with the proxy form.

Mr Poh Kok Hong stated that the Scrutineers have counted the votes submitted by proxy. Mr Poh Kok Hong stated that he would announce the results of the poll for Ordinary Resolutions 1 to 7 of the AGM after he read out each resolution tabled at the AGM.

ORDINARY BUSINESS

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS - RESOLUTION 1

The Meeting proceeded to receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Auditors' Report thereon.

Mr Poh Kok Hong stated that the Directors' Statement and the Audited Financial Statements were set out on pages 61 to 168 of the Annual Report.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 58,558,318 shares voting "FOR" the motion representing 100% and 0 shares voting "AGAINST" the motion representing 0%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 1 carried by a majority vote. It was resolved that:

“That the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 31 December 2019 together with the Auditors’ Report thereon be and are hereby received and adopted.”

2. DIRECTORS’ FEES - RESOLUTION 2

The Directors had, subject to shareholders’ approval, recommended the payment of a sum of S\$125,401 as Directors’ fees for the financial year ended 31 December 2019.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 58,558,318 shares voting “FOR” the motion representing 100% and 0 shares voting “AGAINST” the motion representing 0%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 2 carried by a majority vote. It was resolved that:

“That the Directors’ fees of S\$125,401 for the financial year ended 31 December 2019 be and are hereby approved.”

3. DIRECTORS’ FEES - RESOLUTION 3

The Directors had, subject to shareholders’ approval, recommended the payment of a sum of S\$138,000 as Directors’ fees for the financial year ending 31 December 2020.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 41,601,318 shares voting “FOR” the motion representing 71.04% and 16,957,000 shares voting “AGAINST” the motion representing 28.96%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 3 carried by a majority vote. It was resolved that:

“That the Directors’ fees of S\$138,000 for the financial year ending 31 December 2020 be and are hereby approved.”

4. RE-ELECTION OF DIRECTORS - RESOLUTIONS 4(A) to 4(G)

Mr Poh Kok Hong stated that pursuant to Regulation 106 of the Company’s Constitution, Mr Wang Yaoyu, Mr Wang Zhi, Mr Poh Kok Hong, Mr Tay Lee Chye Lester (“**Mr. Tay Lester**”), Mr Tay Von Kian, Ms Ong Joo Mien Joanna (“**Ms Ong Joanna**”) and Ms Gn Jong Yuh Gwendolyn (“**Ms Gn Gwendolyn**”) would retire by rotation at the AGM and were eligible for re-election.

Mr Poh Kok Hong stated that all the Directors have expressed their willingness to stand for the re-election.

4.1 RE-ELECTION OF MR WANG YAOYU - RESOLUTION 4(A)

The Meeting noted that Mr Wang Yaoyu will, upon re-election as a Director of the Company, remain as Executive Chairman of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 41,601,318 shares voting “FOR” the motion representing 71.04% and 16,957,000 shares voting “AGAINST” the motion representing 28.96%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(a) carried by a majority vote. It was resolved that:

“That Mr Wang Yaoyu, who is retiring in accordance with Regulation 106 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

4.2 RE-ELECTION OF MR WANG ZHI - RESOLUTION 4(B)

The Meeting noted that Mr Wang Zhi will, upon re-election as a Director of the Company, remain as Non-Executive Deputy Chairman of the Company and Chairman of the Investment Committee.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 41,601,318 shares voting “FOR” the motion representing 71.04% and 16,957,000 shares voting “AGAINST” the motion representing 28.96%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(b) carried by a majority vote. It was resolved that:

“That Mr Wang Zhi, who is retiring in accordance with Regulation 106 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

4.3 RE-ELECTION OF MR POH KOK HONG - RESOLUTION 4(C)

The Meeting noted that Mr Poh Kok Hong was appointed as Executive Director and Chief Executive Officer of the Company with effect from 1 July 2019 and will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 58,558,318 shares voting “FOR” the motion representing 100% and 0 shares voting “AGAINST” the motion representing 0%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(c) carried by a majority vote. It was resolved that:

“That Mr Poh Kok Hong, who is retiring in accordance with Regulation 106 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

4.4 RE-ELECTION OF MR TAY LESTER - RESOLUTION 4(D)

Mr Poh Kok Hong stated that Ordinary Resolution 4(d) dealt with the re-election of Mr Tay Lester as a Director of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 2,500 shares voting “FOR” the motion representing 0.01% and 16,957,000 shares voting “AGAINST” the motion representing 99.99%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(d) defeated by a majority vote.

4.5 RE-ELECTION OF MR TAY VON KIAN - RESOLUTION 4(E)

Mr Poh Kok Hong stated that Ordinary Resolution 4(e) dealt with the re-election of Mr Tay Von Kian as a Director of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 16,959,500 shares voting “FOR” the motion representing 28.96% and 41,598,818

shares voting "AGAINST" the motion representing 71.04%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(e) defeated by a majority vote.

4.6 RE-ELECTION OF MS ONG JOANNA - RESOLUTION 4(F)

The Meeting noted that Ms Ong Joanna was appointed as Non-Executive Independent Director of the Company with effect from 2 May 2019 and will, upon election as a Director, remain as Non-Executive Independent Director of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 41,601,318 shares voting "FOR" the motion representing 71.04% and 16,957,000 shares voting "AGAINST" the motion representing 28.96%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(f) carried by a majority vote. It was resolved that:

"That Ms Ong Joanna, who is retiring in accordance with Regulation 106 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

4.7 RE-ELECTION OF MS GN GWENDOLYN - RESOLUTION 4(G)

The Meeting noted that Ms Gn Gwendolyn was appointed as Non-Executive Independent Director with effect from 2 May 2019 and will, upon election as a Director, remain as Non-Executive Independent Director of the Company.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 58,558,318 shares voting "FOR" the motion representing 100% and 0 shares voting "AGAINST" the motion representing 0%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 4(g) carried by a majority vote. It was resolved that:

"That Ms Gn Gwendolyn, who is retiring in accordance with Regulation 106 of the Company's Constitution, be and is hereby re-elected as a Director of the Company."

5. RE-APPOINTMENT OF AUDITORS - RESOLUTION 5

The Meeting noted that Crowe Horwath First Trust LLP, Public Accountants and Chartered Accountants, who are auditors of the Company, have expressed their willingness to continue in office.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 56,058,318 shares voting "FOR" the motion representing 95.73% and 2,500,000 shares voting "AGAINST" the motion representing 4.27%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 5 carried by a majority vote. It was resolved that:

"That Crowe Horwath First Trust LLP, Public Accountants and Chartered Accountants, be re-appointed as Auditors of the Company, and the Directors of the Company be and are authorised to fix their remuneration."

ANY OTHER ORDINARY BUSINESS

Mr Poh Kok Hong stated that as no notice of any other business had been received by the Secretary, he would proceed to deal with the special business of the Meeting.

SPECIAL BUSINESS

6. AUTHORITY TO ALLOT AND ISSUE NEW SHARES IN THE CAPITAL OF THE COMPANY AND/OR INSTRUMENTS - RESOLUTION 6

Mr Poh Kok Hong stated that Ordinary Resolution 6 is to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50.

Mr Poh Kok Hong stated that the text of the resolution was set out in the Notice of AGM.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 55,058,318 shares voting "FOR" the motion representing 94.02% and 3,500,000 shares voting "AGAINST" the motion representing 5.98%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 6 carried by a majority vote. It was resolved that:

"That pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore (the "**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue new shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) notwithstanding the authority conferred by this Resolution may have ceased to be in force, allot and issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:
 - (1) the aggregate number of new Shares (including shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of new Shares to be allotted and issued other than on a *pro rata* basis to Shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with subparagraph (2) below);
 - (2) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be allotted and issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed after adjusting for:-

- (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (b) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

7. AUTHORITY TO GRANT OPTIONS AND TO ALLOT AND ISSUE SHARES UNDER THE DARCO PERFORMANCE SHARE PLAN - RESOLUTION 7

Mr Poh Kok Hong stated that Ordinary Resolution 7 is to authorise the Directors to grant awards pursuant to the Darco Performance Share Plan (the "**Share Plan**") and to allot and issue shares pursuant to the vesting of the share awards under the Share Plan.

Mr Poh Kok Hong stated that the text of the resolution was set out in the Notice of AGM.

Mr Poh Kok Hong stated that based on the proxy forms submitted prior to the AGM, there were 58,558,318 shares voting "FOR" the motion representing 100% and 0 shares voting "AGAINST" the motion representing 0%. Accordingly, Mr Poh Kok Hong declared Ordinary Resolution 7 carried by a majority vote. It was resolved that:

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

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CONCLUSION

There being no other business, Mr Poh Kok Hong thanked the shareholders for their patience and understanding during this period and for their active participation in the AGM this year despite the AGM being held virtually. Mr Poh Kok Hong declared the Meeting closed and stated that he looked forward to meeting shareholders in person at the Annual General Meeting next year.

Certified as a True Record of Minutes



Wang Yaoyu
Chairman of Meeting