



SOLUTIONS TO WATER & WASTE
DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Registration No. 200106732C)

CLARIFICATION ON APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board of Directors of Darco Water Technologies Limited (the “**Company**”) would like to clarify the factors which the Nominating Committee has taken into consideration as disclosed in the Company’s Announcement on the Appointment of Executive Director and Executive Director on 27 May 2019:-

1) **Track Record**

Mr Poh Kok Hong (“**Mr Poh**”) has accumulated a long track record with MNCs in the last 10 years as disclosed in the SGXNET announcement and prior to that, he spent 8 years with Singapore Technologies Aerospace. Specifically, he has been with Singapore Technologies Aerospace for 8 years from 1997-2005 and thereafter, he has been with MNCs for 14 years from 2005 to current date. The Board is of the view that a CEO from a strong MNC/ large corporate track record and background will elevate the Group’s standing in the corporate arena and enhance the Group’s corporate culture. Mr Poh has accumulated relevant skillsets in engineering, technical, management and regional business development track record - these have been taken into consideration in the selection process.

2) **Age**

At 49, Mr Poh has many years ahead of him to contribute to the progress of the Group. He is not near retirement age. He also possesses the maturity and experience to lead the senior management team of the Group. The appropriate age of Mr Poh is a relevant factor in the selection process.

3) **Working Experience**

Mr Poh’s working experience for the past 10 years has been disclosed in the SGXNET appointment. His strong regional experience with MNCs and his 8 years with Singapore Technologies Aerospace has been taken into account in the selection process.

4) **Capabilities**

- Mr Poh’s US university education and his strong experience in MNCs and Singapore Technologies Aerospace can enable him to build a corporate culture towards higher standards and benchmark for the Group to strive towards
- Having led business teams in his previous positions can enable Mr Poh to lead and drive the business strategy of the Group. He will work together with the chairman to steer the company’s business forward

- Having accumulated numerous years of engineering expertise can enable Mr Poh to lead his senior management team, and in this respect, he will be supported by the company's existing senior management team with proven track record in the water industry. He will be guided by Chairman Mr Wang Yaoyu and director Mr Wang Zhi on strategic directions of the Group.
- Being bilingual can enable Mr Poh to reach out and communicate effectively with various stakeholders including certain Board members, shareholders, customers and suppliers and others.

5) Other Relevant Factors

- The Board was also of the view that having a Singaporean CEO based in Singapore will be important for the Singapore shareholders and investor relations. This would also set right the perception that it is a senior management team with diverse background and nationality, led by a Singaporean CEO.
- Mr Poh is willing and able to agree to the terms of the Service Agreement in particular the remuneration proposed by the Company

Mr Poh was recommended to the Company as a CEO candidate by a business contact of our Director Mr Wang Zhi. Mr Poh is not related to any director, shareholder or their associates. Mr Poh joins the Company on 1 July and he has already signed up for a listed company directors' training course in July.

Taking into consideration all the relevant factors, the NC and the Board are of the view that Mr Poh is a suitable candidate for Darco's requirements and confirm that Rule 210(5)(a) is complied with.

By Order of the Board

Wang Yaoyu
Executive Chairman
10 June 2019