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UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Darco Water Technologies Limited

**Stock code:** BLR

**Meeting details:**

Date: 27 February 2026

Time: 10.00 a.m.

Venue: 143 Cecil St, GB Building #11-03, Singapore 069542

**Q1.** The company is seeking shareholder approval for the proposed acquisition of the remaining 49% stake in Darco InfraCo Vietnam Water Pte. Ltd for a consideration of US\$3.64 million (equivalent to approximately S\$4.7 million), constituting a major transaction

The rationale for the acquisition is set out on pages 11 and 12 of the shareholder circular<sup>1</sup>.

- (i) Can management provide a detailed overview of the target group’s financial and operational performance since inception, including revenue, EBITDA, cash flow generation, capital expenditure, and key operating metrics?**
- (ii) The prior shareholders’ agreement included a 12% annualised return mechanism, which has since been revised lower. Has the investment achieved its targeted returns since 2018, and how does this compare with the originally underwritten 12% benchmark?**
- (iii) What is the benefit for increasing the group’s interest to 100% at this juncture, and what specific operational, commercial, or financial levers does management intend to pull to enhance returns under full ownership?**

**Q2.** As noted in paragraph 2.9 of the shareholder circular, the group’s net tangible asset (NTA) per share will increase from 15.56 cents to 20.58 cents following the proposed acquisition.

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

(Source: company circular)

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.

<sup>1</sup> <https://links.sgx.com/FileOpen/DWT%20-%20Letter%20to%20Shareholder.ashx?App=Announcement&FileID=874831>

The consideration of approximately S\$4.7 million represents a premium of approximately \$1.72 million over the net assets attributable to the sale shares.

- (i) What would be the estimated net assets attributable to the sale shares if the vendor shareholder loan were fully extinguished and excluded from the capital structure?**
- (ii) Is the increase in the group's net tangible assets driven primarily by the extinguishment of the vendor loan and offset by the premium paid?**

Similarly, the circular shows pro forma profit after tax increasing from S\$1.01 million to S\$5.72 million, notwithstanding that the target company is currently loss-making.

- (iii) Can management provide a clear reconciliation of this movement, including the impact of loan extinguishment, fair value adjustments, consolidation effects, and any one-off gains?**

**Q3.** With the Monetary Authority of Singapore and Singapore Exchange driving Value-Unlock initiatives over the past 1.5 years, the STI has reached new highs, exceeding 5,000 in February 2026.

Against this backdrop, the company last traded at less than 8 cents per share, representing an approximate discount of 75% to book value<sup>2</sup>. Based on SGX StockFacts, the company's market capitalisation is \$7.3 million.

- (i) Can the board articulate clearly how the proposed acquisition, classified as a major transaction, is expected to enhance long-term shareholder value?**
- (ii) Has the board undertaken a structured review of the group's financial and operational underperformance?**
- (iii) Given the company's prolonged discount to book value, what specific operational improvements, capital allocation decisions, and measurable financial targets has the board committed to in order to lift return on equity and narrow the valuation gap over the next two to three years?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

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<sup>2</sup> <https://investors.sgx.com/market/securities?code=BLR&type=stocks&lang=en>



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