



MTQ Corporation Limited and its Subsidiaries
(Company Registration No. 196900057Z)

Unaudited Condensed Interim Financial Statements
For the six-month and full year ended 31 March 2022

MTQ Corporation Limited and its Subsidiaries

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MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

	Note	2H2022	2H2021	Change	FY2022	FY2021	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	27,184	23,088	18%	52,043	49,052	6%
Cost of sales		(19,721)	(18,000)	10%	(37,374)	(36,613)	2%
Gross profit		7,463	5,088	47%	14,669	12,439	18%
Other income	5	644	1,017	-37%	1,527	3,714	-59%
Staff costs		(4,567)	(4,476)	2%	(8,368)	(8,463)	-1%
Other operating expenses		(2,807)	(11,476)	-76%	(5,561)	(14,572)	-62%
Profit/(loss) from operating activities	6	733	(9,847)	n/m	2,267	(6,882)	n/m
Finance costs	7	(409)	(426)	-4%	(833)	(966)	-14%
Profit/(loss) before tax		324	(10,273)	n/m	1,434	(7,848)	n/m
Tax (expense)/credit	8	(88)	143	n/m	(151)	211	n/m
Profit/(loss) for the period/year		236	(10,130)	n/m	1,283	(7,637)	n/m
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange difference on translation of subsidiaries		(425)	(521)	-18%	(74)	(1,399)	-95%
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Net change in fair value of other investment		1,353	(1,312)	n/m	1,675	(1,346)	n/m
Other comprehensive income for the period, net of tax		928	(1,833)	n/m	1,601	(2,745)	n/m
Total comprehensive income for the period/year		1,164	(11,963)	n/m	2,884	(10,382)	n/m

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income (cont'd)
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

	Note	2H2022	2H2021	Change	FY2022	FY2021	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Profit/(loss) for the period/year		236	(10,130)	n/m	1,283	(7,637)	n/m
Attributable to:							
Owners of the Company		253	(10,089)	n/m	1,318	(7,541)	n/m
Non-controlling interests		(17)	(41)	-59%	(35)	(96)	-64%
Profit/(loss) for the period/year		236	(10,130)	n/m	1,283	(7,637)	n/m
Total comprehensive income for the period/year							
		1,164	(11,963)	n/m	2,884	(10,382)	n/m
Attributable to:							
Owners of the Company		1,182	(11,933)	n/m	2,927	(10,488)	n/m
Non-controlling interests		(18)	(30)	-40%	(43)	106	n/m
Total comprehensive income for the period/year		1,164	(11,963)	n/m	2,884	(10,382)	n/m
Earnings/(loss) per share attributable to owners of the Company (cents per share)							
- Basic	9	0.12	(4.67)		0.61	(3.49)	
- Diluted	9	0.12	(4.67)		0.61	(3.49)	

n/m: not meaningful

MTQ Corporation Limited and its Subsidiaries

**Condensed interim balance sheets
As at 31 March 2022**

(In Singapore dollars)

	Note	Group		Company	
		31.3.2022	31.3.2021	31.3.2022	31.3.2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Goodwill	11	3,110	3,236	–	–
Intangible assets	12	73	194	–	–
Investment properties		–	–	3,606	987
Property, plant and equipment	13	30,872	24,174	120	154
Right-of-use assets	14	21,334	7,736	17,760	4,280
Interests in subsidiaries		–	–	32,483	36,270
Other investment	15	3,635	1,961	–	–
Investment in associate and joint venture		–	–	114	114
Receivables		44	90	6,461	7,681
Prepayments		17	41	6	30
Deferred tax assets		274	405	–	–
		59,359	37,837	60,550	49,516
Current assets					
Inventories		15,692	13,435	–	–
Trade and other receivables		17,100	12,929	16,006	15,123
Prepayments		2,119	2,804	69	64
Cash and cash equivalents		8,329	22,468	1,859	6,728
		43,240	51,636	17,934	21,915
Total assets		102,599	89,473	78,484	71,431
Current liabilities					
Trade and other payables		11,464	8,613	2,018	1,223
Lease liabilities		1,395	448	973	246
Bank borrowings	16	1,511	1,131	1,011	1,006
Provisions		218	250	–	–
Provision for taxation		95	142	25	27
		14,683	10,584	4,027	2,502
Net current assets		28,557	41,052	13,907	19,413
Non-current liabilities					
Trade and other payables		–	–	–	2,641
Lease liabilities		21,319	9,459	17,296	5,386
Bank borrowings	16	9,044	13,512	4,023	8,016
Deferred tax liabilities		261	280	13	23
Provisions		115	108	96	93
		30,739	23,359	21,428	16,159
Total liabilities		45,422	33,943	25,455	18,661
Net assets		57,177	55,530	53,029	52,770
Equity attributable to owners of the Company					
Share capital	17	48,919	48,916	48,919	48,916
Treasury shares	17	(41)	(41)	(41)	(41)
Reserves		8,435	6,589	4,151	3,895
Shareholders' funds		57,313	55,464	53,029	52,770
Non-controlling interests		(136)	66	–	–
Total equity		57,177	55,530	53,029	52,770

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

Group	Note	Attributable to owners of the Company					Shareholders' funds \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Other reserves \$'000			
Balance as at 1 April 2020		48,915	(10)	(417)	25,241	(5,587)	68,142	1,528	69,670
Loss for the year, net of tax		–	–	–	(7,541)	–	(7,541)	(96)	(7,637)
Exchange difference on translation of subsidiaries		–	–	(1,467)	–	–	(1,467)	68	(1,399)
Net change in fair value of other investment	15	–	–	–	–	(1,480)	(1,480)	134	(1,346)
Total comprehensive income for the year		–	–	(1,467)	(7,541)	(1,480)	(10,488)	106	(10,382)
Dividend paid in respect of previous financial year, tax exempt (one-tier)	18	–	–	–	(1,080)	–	(1,080)	–	(1,080)
Dividend paid in respect of current financial year, tax exempt (one-tier)	18	–	–	–	(1,080)	–	(1,080)	–	(1,080)
Distributions paid by a subsidiary to non-controlling interests		–	–	–	–	–	–	(1,568)	(1,568)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	–	1	–	1
Share buy-back		–	(31)	–	–	–	(31)	–	(31)
Total contributions by and distributions to owners		1	(31)	–	(2,160)	–	(2,190)	(1,568)	(3,758)
Balance as at 31 March 2021		48,916	(41)	(1,884)	15,540	(7,067)	55,464	66	55,530

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

Group	Note	Attributable to owners of the Company					Shareholders' funds \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Other reserves \$'000			
Balance as at 1 April 2021		48,916	(41)	(1,884)	15,540	(7,067)	55,464	66	55,530
Profit/(loss) for the year, net of tax		–	–	–	1,318	–	1,318	(35)	1,283
Exchange difference on translation of subsidiaries		–	–	(66)	–	–	(66)	(8)	(74)
Net change in fair value of other investment	15	–	–	–	–	1,675	1,675	–	1,675
Total comprehensive income for the year		–	–	(66)	1,318	1,675	2,927	(43)	2,884
Dividend paid in respect of previous financial year, tax exempt (one-tier)	18	–	–	–	(1,081)	–	(1,081)	–	(1,081)
Distributions paid by a subsidiary to non-controlling interests		–	–	–	–	–	–	(159)	(159)
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share-based payment arrangements after vesting date		–	–	–	9	(9)	–	–	–
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		3	–	–	–	–	3	–	3
Total contributions by and distributions to owners		3	–	–	(1,072)	(9)	(1,078)	(159)	(1,237)
Balance as at 31 March 2022		48,919	(41)	(1,950)	15,786	(5,401)	57,313	(136)	57,177

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

	Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Company						
Balance as at 1 April 2020		48,915	(10)	18,568	2,516	69,989
Loss for the year, net of tax		–	–	(15,029)	–	(15,029)
Total comprehensive income for the year		–	–	(15,029)	–	(15,029)
Dividend paid in respect of previous financial year, tax exempt (one-tier)	18	–	–	(1,080)	–	(1,080)
Dividend paid in respect of current financial year, tax exempt (one-tier)	18	–	–	(1,080)	–	(1,080)
Share buy-back		–	(31)	–	–	(31)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	1
Total contributions by and distributions to owners		1	(31)	(2,160)	–	(2,190)
Balance as at 31 March 2021		48,916	(41)	1,379	2,516	52,770
Balance as at 1 April 2021		48,916	(41)	1,379	2,516	52,770
Profit for the year, net of tax		–	–	1,337	–	1,337
Total comprehensive income for the year		–	–	1,337	–	1,337
Dividend paid in respect of previous financial year, tax exempt (one-tier)	18	–	–	(1,081)	–	(1,081)
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share-based payment arrangements after vesting date		–	–	9	(9)	–
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		3	–	–	–	3
Total contributions by and distributions to owners		3	–	(1,072)	(9)	(1,078)
Balance as at 31 March 2022		48,919	(41)	1,644	2,507	53,029

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

	Note	2H2022 \$'000	2H2021 \$'000	FY2022 \$'000	FY2021 \$'000
Cash flows from operating activities:					
Profit/(loss) before tax		324	(10,273)	1,434	(7,848)
Adjustments for:					
Depreciation of property, plant and equipment	6	1,142	1,591	2,504	3,241
Depreciation of right-of-use assets	6	446	391	835	783
Amortisation of intangible assets	6	63	140	131	333
Impairment of goodwill	6	–	4,805	–	4,805
Impairment of intangible assets	6	–	286	–	286
(Gain)/loss on disposal of property, plant and equipment, net		(214)	–	(279)	16
Provision on loans due from a joint venture	6	–	2,605	–	2,605
Allowance/(reversal of allowance) for impairment of trade and sundry receivables, net	6	55	(183)	50	(183)
Bad debts written-off, net	6	1	–	1	1
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	6	63	1,531	(28)	1,518
Interest income		–	(4)	(2)	(62)
Interest expense		409	426	833	966
Provisions made during the year		–	10	24	18
Operating cash flows before changes in working capital					
		2,289	1,325	5,503	6,479
(Increase)/decrease in receivables and prepayments		(1,598)	2,706	(4,382)	11,030
(Increase)/decrease in inventories and work-in-progress		(1,244)	757	(2,191)	18
Increase/(decrease) in payables		1,634	(713)	1,973	(4,436)
Others		(146)	(441)	83	(1,103)
Cash generated from operations					
		935	3,634	986	11,988
Interest income received		–	4	2	62
Interest expense paid		(406)	(423)	(830)	(963)
Income taxes paid		(26)	(17)	(31)	(37)
Net cash generated from operating activities					
		503	3,198	127	11,050

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**Condensed interim consolidated cash flow statement (cont'd)
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

	Note	2H2022 \$'000	2H2021 \$'000	FY2022 \$'000	FY2021 \$'000
Cash flows from investing activities:					
Purchase of property, plant and equipment		(8,013)	(665)	(8,597)	(1,662)
Addition of intangible assets		–	(8)	(9)	(63)
Proceeds from disposal of quoted investments, net of brokerage		–	–	2	–
Proceeds from disposal of property, plant and equipment		214	13	279	174
Additions to right-of-use assets		(102)	–	(102)	–
Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs		–	500	–	500
Loans repaid by joint ventures, net		–	482	335	266
Loans repaid by staff		28	29	57	64
Net cash (used in)/generated from investing activities		(7,873)	351	(8,035)	(721)
Cash flows from financing activities:					
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue		2	–	3	1
Dividend paid in respect of previous financial year, tax exempt (one-tier)		–	–	(1,081)	(1,080)
Dividend paid in respect of current financial year, tax exempt (one-tier)		–	(1,080)	–	(1,080)
Distributions by a subsidiary to non-controlling interests		–	–	(159)	(925)
Proceeds from bank borrowings		–	4,000	–	6,848
Repayment of bank borrowings		(3,631)	(3,141)	(4,129)	(12,659)
Repayment of principal portion of lease liabilities		(409)	(332)	(757)	(678)
Share buy-back		–	–	–	(31)
Net cash used in financing activities		(4,038)	(553)	(6,123)	(9,604)
Net (decrease)/increase in cash and cash equivalents		(11,408)	2,996	(14,031)	725
Cash and cash equivalents at beginning of financial period/year		19,799	19,151	22,468	20,536
Effect of exchange rate changes on cash and cash equivalents		(62)	321	(108)	1,207
Cash and cash equivalents at end of financial period/year		8,329	22,468	8,329	22,468

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2022

(In Singapore dollars)

1. Corporate information

MTQ Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim financial statements as at and for the six-month and full year ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company relate to those of an investment holding and management company. The principal activities of the subsidiaries are disclosed in the Group's annual consolidated financial statements as at 31 March 2021.

2. Basis of preparation

The condensed interim financial statements for the six-month and full year ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars ("SGD" or "\$"), which is the Company's functional currency, and all values are rounded to the nearest thousand ("'\$000") except when otherwise indicated.

2.1 ***New and amended standards adopted by the Group***

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2022

(In Singapore dollars)

2. Basis of preparation (cont'd)

2.2 *Use of judgements and estimates*

In preparing the condensed interim financial statement, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except for the allowance for decline in market value and obsolescence of inventories as discussed below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Allowance for decline in market value and obsolescence of inventories

The carrying value of the Group's inventories as at 31 March 2022 amounted to \$15,692,000, net of the allowance for inventory obsolescence of \$2,106,000.

Allowance for decline in market value and obsolescence of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. However, factors beyond its control, such as demand levels, technological advances, and pricing competition, could change from period to period. Management's judgment was involved in evaluating and adjusting the provisions, in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period and year.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information

(a) **Revenue**

Disaggregation of revenue

	Services, repair and contract revenue		Trading sales		Rental income		Total	
	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines								
Oilfield Engineering								
Oilfield services	21,506	17,652	–	–	–	–	21,506	17,652
Trading/sales of oilfield equipment, pipe support/suspensions, spares	–	–	5,168	5,201	–	–	5,168	5,201
Rental of equipment	–	–	–	–	87	44	87	44
Other services	423	191	–	–	–	–	423	191
	21,929	17,843	5,168	5,201	87	44	27,184	23,088
Timing of transfer of goods or services								
At a point in time	–	–	5,168	5,201	–	–	5,168	5,201
Over time	21,929	17,843	–	–	87	44	22,016	17,887
	21,929	17,843	5,168	5,201	87	44	27,184	23,088

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(a) *Revenue (cont'd)*

Disaggregation of revenue (cont'd)

	Services, repair and contract revenue		Trading sales		Rental income		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines								
Oilfield Engineering								
Oilfield services	39,809	39,823	–	–	–	–	39,809	39,823
Trading/sales of oilfield equipment, pipe support/suspensions, spares	–	–	11,086	8,283	–	–	11,086	8,283
Rental of equipment	–	–	–	–	452	259	452	259
Other services	696	687	–	–	–	–	696	687
	40,505	40,510	11,086	8,283	452	259	52,043	49,052
Timing of transfer of goods or services								
At a point in time	–	–	11,086	8,283	–	–	11,086	8,283
Over time	40,505	40,510	–	–	452	259	40,957	40,769
	40,505	40,510	11,086	8,283	452	259	52,043	49,052

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments*

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different industries as follows:

(i) *Investment holding*

Holds investments and provides management and corporate services to its subsidiaries. It also derives dividend and rental income from its subsidiaries and quoted investments. The Group's central overheads are also classified within this segment. This segment operates mainly in Singapore and Australia.

(ii) *Oilfield engineering*

Provides engineering services for the servicing, manufacturing, assembly and fabrication of oilfield equipment such as valves and blow-out-preventers used in the oil and gas industry. This segment also engages in the business of renting and sale of oilfield equipment and spare parts. This segment has expanded into design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas industry. This segment operates primarily in Singapore, Kingdom of Bahrain, United Kingdom and Australia.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) Operating segments (cont'd)

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
2H2022					
Revenue:					
External sales	–	27,184	–		27,184
Inter-segment sales	2,276	832	(3,108)	A	–
Total sales	2,276	28,016	(3,108)		27,184
Results:					
Rental income	64	–	–		64
Depreciation and amortisation	(400)	(1,251)	–		(1,651)
Gain on disposal of property, plant and equipment, net	–	(214)	–		(214)
Allowance for inventory obsolescence and stock written-off, net	–	(63)	–		(63)
Allowance for impairment of trade receivables	–	(55)	–		(55)
Bad debts written-off	–	(1)	–		(1)
Finance costs	(271)	(138)	–		(409)
Segment (loss)/profit before tax	(2,398)	2,722	–		324
Tax credit/(expense)	17	(105)	–		(88)
2H2021					
Revenue:					
External sales	–	23,088	–		23,088
Inter-segment sales	2,156	477	(2,633)	A	–
Total sales	2,156	23,565	(2,633)		23,088
Results:					
Interest income	3	1	–		4
Depreciation and amortisation	(320)	(1,802)	–		(2,122)
Allowance for inventory obsolescence, net	–	(1,531)	–		(1,531)
Impairment of goodwill	–	(4,805)	–		(4,805)
Impairment of intangible assets	–	(286)	–		(286)
Provision on loans due from a joint venture	–	(2,605)	–		(2,605)
Reversal of allowance/(allowance) for impairment of trade and sundry receivables, net	206	(23)	–		183
Bad debts written back/(off), net	1	(1)	–		–
Finance costs	(270)	(156)	–		(426)
Segment loss before tax	(2,361)	(7,912)	–		(10,273)
Tax credit	73	501	–		574
Write-off deferred tax assets	–	(431)	–		(431)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

Note A: Inter-segment revenues are eliminated on consolidation.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) Operating segments (cont'd)

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
FY2022					
Revenue:					
External sales	–	52,043	–		52,043
Inter-segment sales	4,397	1,427	(5,824)	A	–
Total sales	4,397	53,470	(5,824)		52,043
Results:					
Interest income	2	–	–		2
Rental income	64	–	–		64
Depreciation and amortisation	(724)	(2,746)	–		(3,470)
Gain on disposal of property, plant and equipment, net	–	279	–		279
Reversal of allowance for inventory obsolescence and stock written-off, net	–	28	–		28
Allowance for impairment of trade receivables	–	(50)	–		(50)
Bad debts written-off	–	(1)	–		(1)
Finance costs	(551)	(282)	–		(833)
Segment (loss)/profit before tax	(4,679)	6,113	–		1,434
Tax credit/(expense)	14	(165)	–		(151)
FY2021					
Revenue:					
External sales	–	49,052	–		49,052
Inter-segment sales	4,233	1,220	(5,453)	A	–
Total sales	4,233	50,272	(5,453)		49,052
Results:					
Interest income	61	1	–		62
Rental income	106	–	–		106
Depreciation and amortisation	(635)	(3,722)	–		(4,357)
Loss on disposal of property, plant and equipment, net	–	(16)	–		(16)
Allowance for inventory obsolescence, net	–	(1,518)	–		(1,518)
Impairment of goodwill	–	(4,805)	–		(4,805)
Impairment of intangible assets	–	(286)	–		(286)
Provision on loans due from a joint venture	–	(2,605)	–		(2,605)
Reversal of allowance/(allowance) for impairment of trade and sundry receivables, net	206	(23)	–		183
Bad debts written back/(off), net	1	(2)	–		(1)
Finance costs	(586)	(380)	–		(966)
Segment loss before tax	(4,708)	(3,140)	–		(7,848)
Tax credit	100	542	–		642
Write-off deferred tax assets	–	(431)	–		(431)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

Note A: Inter-segment revenues are eliminated on consolidation.

MTQ Corporation Limited and its Subsidiaries

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(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) Operating segments (cont'd)

	Investment holding	Oilfield engineering	Total
	\$'000	\$'000	\$'000
Assets and liabilities:			
As at 31.3.2022			
Segment assets	35,762	66,563	102,325
Deferred tax assets			274
Total assets			<u>102,599</u>
Segment liabilities	(22,360)	(12,151)	(34,511)
Provision for taxation			(95)
Deferred tax liabilities			(261)
Bank borrowings			(10,555)
Total liabilities			<u>(45,422)</u>
As at 31.3.2021			
Segment assets	24,910	64,158	89,068
Deferred tax assets			405
Total assets			<u>89,473</u>
Segment liabilities	(9,324)	(9,554)	(18,878)
Provision for taxation			(142)
Deferred tax liabilities			(280)
Bank borrowings			(14,643)
Total liabilities			<u>(33,943)</u>

(c) Geographical segments

	External sales				Non-current assets	
	2H2022	2H2021	FY2022	FY2021	31.3.2022	31.3.2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	11,810	8,553	23,264	17,925	39,017	17,930
Australia	1,337	2,488	3,278	3,146	8	11
Bahrain	13,844	10,873	24,096	25,076	16,778	15,956
United Kingdom	193	1,174	1,405	2,905	3,221	3,404
	<u>27,184</u>	<u>23,088</u>	<u>52,043</u>	<u>49,052</u>	<u>59,024</u>	<u>37,301</u>

Non-current assets information presented above consist of goodwill, intangible assets, property, plant and equipment, right-of-use assets, other investment and investment in associate and joint venture as presented in the consolidated balance sheet.

The Group's non-current assets and sales to external customers disclosed in geographical segments are based on the entities' country of domicile.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(d) *A breakdown of sales and profit after tax*

	FY2022	Group FY2021	Change
	\$'000	\$'000	%
(a) First half year			
Revenue	24,859	25,964	-4%
Profit after tax	1,047	2,493	-58%
(b) Second half year			
Revenue	27,184	23,088	18%
Profit/(loss) after tax	236	(10,130)	n/m

5. Other income

	2H2022	2H2021	Group FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Interest income	–	4	2	62
Rental income	64	–	64	106
Gain on disposal of property, plant and equipment, net	214	–	279	–
Commission received	4	22	46	25
Gain on disposal of scrap material	90	53	162	83
Government grants	205	904	907	3,404
Others	67	34	67	34
	644	1,017	1,527	3,714

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

6. Profit/(loss) from operating activities

Profit/(loss) from operating activities is stated after charging the following:

	Group			
	2H2022	2H2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
(a) Other operating expenses				
Provision on loans due from a joint venture	–	2,605	–	2,605
Allowance/(reversal of allowance) for impairment of trade and sundry receivables, net	55	(183)	50	(183)
Bad debts written-off, net	1	–	1	1
Amortisation of intangible assets	63	140	131	333
Depreciation of property, plant and equipment	303	267	573	546
Depreciation of right-of-use assets	417	361	776	721
Directors' fees paid to directors of the Company	117	118	235	244
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	63	1,531	(28)	1,518
Impairment of goodwill	–	4,805	–	4,805
Impairment of intangible assets	–	286	–	286
Loss on disposal of property, plant and equipment, net	–	–	–	16
Gain on foreign exchange, net	(182)	(282)	(24)	(340)
Consultancy fees paid to a director of the Company	78	76	154	155
Audit, legal, consultancy and professional fees	448	326	1,023	967
Utilities expenses	124	102	252	206
(b) Cost of sales				
Depreciation of right-of-use assets	29	30	59	62
Depreciation of property, plant and equipment	839	1,324	1,931	2,695

7. Finance costs

	Group			
	2H2022	2H2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Interest on:				
- Bank loans	130	181	312	472
- Lease liabilities	276	242	518	491
- Others	3	3	3	3
	409	426	833	966

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

8. Tax expense/(credit)

The major components of income tax expense/(credit) for the period/year ended 31 March are as follows:

	Group			
	2H2022	2H2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
<i>Consolidated statement of comprehensive income</i>				
<u>Current income tax</u>				
- Current income tax	(40)	10	–	38
- Over provision in respect of previous years	(8)	(92)	(25)	(104)
- Withholding tax expense	11	5	64	22
	(37)	(77)	39	(44)
<u>Deferred income tax</u>				
- Movement in temporary differences	134	(515)	121	(600)
- Write-off of deferred tax assets	–	431	–	431
- (Over)/under provision in respect of previous years	(9)	18	(9)	2
	125	(66)	112	(167)
Tax expense/(credit) recognised in statement of comprehensive income	88	(143)	151	(211)

MTQ Corporation Limited and its Subsidiaries**Notes to the condensed interim financial statements
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(In Singapore dollars)

9. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing profit/(loss) for the financial period/year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

Diluted earnings/(loss) per share are calculated by dividing profit/(loss) for the financial period/year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued upon conversion of all the dilutive potential ordinary shares into ordinary shares. The potential ordinary shares that would be issued under MTQ Share Plan are excluded from the calculation of the diluted loss per share for the 6 months and 12 months ended 31 March 2021 due to its anti-dilutive effect.

The outstanding warrants are also excluded from the calculation of diluted loss per share for the financial period/year ended 31 March 2021 as the average market prices of ordinary shares during the 6 months and 12 months ended 31 March 2021 were lower than the exercise price of the warrants.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the financial period/year ended 31 March:

	Group			
	2H2022	2H2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the period/year attributable to owners of the Company	253	(10,089)	1,318	(7,541)
	Number of shares			
	6 months ended		12 months ended	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic earnings/(loss) per share computation	216,152	216,147	216,151	216,180
Effects of dilution:				
– Outstanding warrants pursuant to MTQ Rights cum Warrants Issue	1,428	–	1,109	–
Weighted average number of ordinary shares for diluted earnings/(loss) per share computation	217,580	216,147	217,260	216,180

MTQ Corporation Limited and its Subsidiaries**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2022**

(In Singapore dollars)

10. Net asset value per ordinary share

	Group		Company	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	\$	\$	\$	\$
Net asset value per ordinary share*	0.27	0.26	0.25	0.24

* Based on the net assets after deducting the non-controlling interests, divided by total number of issued shares excluding treasury shares as at end of financial year.

11. Goodwill

	Group	
	31.3.2022	31.3.2021
	\$'000	\$'000
At 1 April	3,236	7,886
Impairment of goodwill	-	(4,805)
Currency realignment	(126)	155
At 31 March	3,110	3,236

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to one (2021: two) cash-generating unit ("CGU") for impairment testing as follows:

- Premier Group (fully impaired during the financial year ended 31 March 2021)
- In-Line Valve Business

The recoverable amounts of the CGU is determined based on value-in-use calculation derived from cash flow projections covering a five-year period. The terminal value of the CGU at the end of the five-year period was estimated by extrapolating the projected cash flows in the 5th year through perpetuity using a long-term growth rate applicable to the CGU.

Key assumptions used in the value-in-use calculation

Key assumptions used in the value-in-use calculation are as follows:

	31.3.2022	31.3.2021
Revenue projection for the first year	Financial budgets	Financial budgets
Revenue growth rates for a further 4 years	0.5% to 5.0%	0.5% to 20.0%
Gross margins	35.0% to 40.0%	24.0% to 41.0%
Long-term growth rates (per annum)	0.4% to 2.5%	0.5% to 2.5%
Discount rates (per annum)	7.3% to 14.8%	6.7% to 14.4%

Revenue and gross margin projections

The revenue growth rates are determined based on management's knowledge and past experience of the businesses, taking into consideration the expected medium to long-term market outlook.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2022

(In Singapore dollars)

11. Goodwill (cont'd)

Long-term growth rates

The long-term growth rate is derived based on published industry research and do not exceed the long-term average growth rate for the industry relevant to the CGU.

Discount rates

The discount rate is based on pre-tax weighted average cost of capital ("WACC") applicable to the CGU and represents the current market assessment of the CGU-specific risks, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Sensitivity to changes in assumptions

The Group believes that any reasonably possible change in the above key assumptions are not likely to cause any of the recoverable amount of the CGU to be materially lower than the related carrying amount.

Impairment loss recognised

Based on the impairment assessment, the recoverable amount of the CGU was found to be higher than its carrying amount as at 31 March 2022. During the financial year ended 31 March 2021, an impairment loss of \$4,805,000 was recognised to fully write-down the carrying amount of goodwill allocated to Premier Group.

12. Intangible assets

During the year ended 31 March 2022, the additions to the Group intangible assets amounted to \$9,000 (31 March 2021: \$63,000).

13. Property, plant and equipment

During the year ended 31 March 2022, the Group acquired assets (mainly leasehold buildings and workshop equipment) amounting to \$9,123,000 (31 March 2021: \$1,925,000) and disposed of assets amounting to \$Nil book value (31 March 2021: \$190,000) for proceeds of \$279,000 (31 March 2021: \$174,000).

Included in the assets acquisition is an amount of \$7,182,000 assets acquired in relation to a leasehold property and certain capital equipment as part of the strategic collaboration with Cameron as announced on 21 February 2022.

14. Right-of-use assets

During the year ended 31 March 2022, there were additions amounting to \$14,432,000 (31 March 2021: \$121,000), mainly relating to land-use rights associated to the new leasehold property (Note 13) and the renewal of tenancy agreements for workers' accommodation.

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15. Other investment

	Group	
	31.3.2022	31.3.2021
	\$'000	\$'000
At 1 April	1,961	4,099
Fair value adjustment on investment security carried at FVOCI		
- Owners of the Company	1,675	(1,480)
- Non-controlling interests	-	134
Currency realignment	1	(150)
Distributions to non-controlling interests	-	(642)
Disposal	(2)	-
At 31 March	3,635	1,961

16. Bank borrowings

	Group		Company	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	\$'000	\$'000	\$'000	\$'000
<i>Current portion</i>				
Secured	1,011	1,006	1,011	1,006
Unsecured	500	125	-	-
	1,511	1,131	1,011	1,006
<i>Non-current portion</i>				
Secured	2,023	3,016	2,023	3,016
Unsecured	7,021	10,496	2,000	5,000
	9,044	13,512	4,023	8,016
Total bank borrowings	10,555	14,643	5,034	9,022

The Group's bank borrowings as at 31 March 2022 decreased from \$14,643,000 to \$10,555,000 mainly due to uncommitted repayment of the unsecured bank loans during the year. Details of the collateral for the secured bank borrowings are as follows:

- first all-monies registered legal mortgage over a 50-year leasehold land and property at Bahrain International Investment Park, HIDD, Kingdom of Bahrain;
- first registered fixed and floating charge over assets of a subsidiary; and
- registered charge over the interest-bearing loan from the Company to a subsidiary.

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17. Share capital and treasury shares

	Group and Company					
	6 months ended 31.3.2022		6 months ended 30.9.2021		6 months ended 31.3.2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
a) Ordinary shares issued and fully paid						
At beginning of period	216,340	48,917	216,336	48,916	216,334	48,916
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	8	2	4	1	2	—*
At end of period	216,348	48,919	216,340	48,917	216,336	48,916

*less than \$1,000

	Group and Company					
	6 months ended 31.3.2022		6 months ended 30.9.2021		6 months ended 31.3.2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
b) Treasury shares						
At beginning of period	188	41	188	41	188	41
Share buy-back	—	—	—	—	—	—
At end of period	188	41	188	41	188	41
Total number of issued shares excluding treasury shares						
At end of period	216,160		216,152		216,148	

There was no movement in treasury shares during the period/year ended 31 March 2022.

There were no subsidiary holdings as at 31 March 2022, 30 September 2021 and 31 March 2021.

MTQ Share Plan

As at 31 March 2022, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to Nil (31 March 2021: 11,392) shares. There was a forfeiture of 11,392 shares as disclosed in the condensed interim financial statements for the 6 months ended 30 September 2021. There was no movement in the number of shares comprised in Awards granted under the MTQ Share Plan during the 6 months ended 31 March 2022.

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17. Share capital and treasury shares (cont'd)Warrants pursuant to MTQ Rights cum Warrants Issue

As at 31 March 2022, the aggregate number of warrants pursuant to the MTQ Rights cum Warrants Issue in FY19 amounted to 15,430,000 (31 March 2021: 15,442,000). The movements in the number of warrants for the period are as follows:

	Group and Company		
	6 months ended 31.3.2022	6 months ended 30.9.2021	6 months ended 31.3.2021
	'000	'000	'000
At beginning of period	15,438	15,442	15,444
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	(8)	(4)	(2)
At end of period	15,430	15,438	15,442

18. Dividends

	Group and Company	
	31.3.2022	31.3.2021
	\$'000	\$'000
Declared and paid during the financial year		
<i>Dividends on ordinary shares:</i>		
- Final tax exempt (one-tier) dividend for 2021: 0.5 cents (2020: 0.5 cents) per share	1,081	1,080
- Interim tax exempt (one-tier) dividend for 2022: Nil cents (2021: 0.5 cents) per share	–	1,080
	–	1,080

Please refer to page 32 for more information relating to proposed final dividend for the year ended 31 March 2022.

MTQ Corporation Limited and its Subsidiaries

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19. Commitments and contingencies

(a) Capital expenditure

As at the end of the financial year, the Group had the following capital expenditure commitments for the acquisition of property, plant and equipment:

	Group		Company	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	\$'000	\$'000	\$'000	\$'000
Authorised and committed	1,724	150	313	–

(b) Contingent liabilities

	Group		Company	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	\$'000	\$'000	\$'000	\$'000
Corporate guarantees issued by the Company for bank facilities utilised by subsidiaries	–	–	330	251
Guarantees issued to external parties	1,074	1,164	628	797

The corporate guarantees have not been recognised by the Group and the Company as management has assessed the fair value of the corporate guarantees to be immaterial.

Guarantees to external parties comprise performance and warranty bonds issued to customers which commit the Group to make payments upon failure to perform under the terms of the relevant contracts.

Guarantee issued to MMA

As disclosed in the last annual financial statements for the financial year ended 31 March 2021, the Company has entered into a deed of guarantee with MMA Offshore Limited (“MMA”) to guarantee in 2019, inter alia, the satisfaction and performance of Blossomvale Holdings Ltd (“BLV”) of its obligations under the Share Purchase Agreement (“SPA”). This includes BLV’s obligation to pay any amounts or claims that may be made or brought by MMA under or in connection with the SPA but limited to the total amount of the total consideration.

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20. Related party disclosure

In addition to directors' fees and those related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Company and related parties took place during the financial period/year on terms agreed by the parties concerned:

(a) Sale and purchase of goods and services

	Group		Company	
	2H2022	2H2021	2H2022	2H2021
	\$'000	\$'000	\$'000	\$'000
Associate and Joint ventures				
- Sales of goods	31	75	-	-
- Purchase of goods	1,028	689	-	-
Subsidiaries				
- Management fee income	-	-	1,348	1,387
- Rental income from investment property	-	-	723	582
- Interests on loans	-	-	29	39

	Group		Company	
	FY2022	FY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Associate and Joint ventures				
- Sales of goods	100	98	-	-
- Purchase of goods	1,988	1,074	-	-
Subsidiaries				
- Management fee income	-	-	2,723	2,790
- Rental income from investment property	-	-	1,291	1,117
- Interests on loans	-	-	63	104

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20. Related party disclosure (cont'd)

(b) Compensation of key management personnel

The amounts paid to a director and key management personnel during the financial period/year ended 31 March 2022 and 31 March 2021 are as follows:

	Group			
	2HFY2022	2HFY2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Director's remuneration:				
- Salaries, wages and bonuses	200	200	413	413
- Defined contribution plan expense	5	6	16	17
- Others	15	11	27	19
	<u>220</u>	<u>217</u>	<u>456</u>	<u>449</u>
Other key management personnel:				
- Salaries, wages and bonuses	457	459	973	1,002
- Defined contribution plan expense	30	28	66	66
- Others	90	157	205	327
	<u>577</u>	<u>644</u>	<u>1,244</u>	<u>1,395</u>

21. Fair value of assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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21. Fair value of assets and liabilities (cont'd)

(b) Assets measured at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Note	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Group					
31.3.2022					
Financial asset:					
Other investment	15	3,635	–	–	3,635
31.3.2021					
Financial asset:					
Other investment	15	1,961	–	–	1,961

The fair value of the other investment (Note 15) is determined by reference to its quoted closing prices at the balance sheet date.

(c) Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables and bank borrowings based on their notional amounts, reasonably approximates their fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or their discounted expected future cash flows are not materially different from their notional amounts.

22. Subsequent events

There are no known significant subsequent events which have led to the adjustments to this set of condensed interim financial statements.

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim financial statements for the six-month and full year ended 31 March 2022 have not been audited nor reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable. The Group's latest financial statements were not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

3. Review of performance of the Group

Condensed Interim Balance Sheets

The changes in most balance sheet lines were mainly due to:

- a) cash consideration of S\$7.2 million paid for the acquisition of a leasehold property and certain capital equipment as part of the strategic collaboration with Cameron (Note 13). The acquisition of the leasehold property resulted in the recognition of the corresponding right-of-use asset and lease liabilities associated with the lease of the land that the property is situated on;
- b) payment of S\$1.1 million dividends in respect of previous financial year;
- c) S\$0.2 million distributions by a subsidiary (Blossomvale Holdings Ltd) to non-controlling interests; and
- d) Repayment of S\$4.1 million bank borrowings.

Apart from the above, the change in net assets were mainly due to the total comprehensive income of S\$2.9 million (inclusive of the increase in fair value of other investment (Note 15)). Movements in working capital items were mainly due to timing differences.

Further information on certain balance sheet items can be found in notes 11 to 17.

Condensed Interim Consolidated Cash Flow Statement

The Group recorded net cash inflows of S\$0.5 million from operations for the period. Investing cash flows included the S\$7.2 million (US\$5.3 million) cash consideration paid to acquire a leasehold property and certain capital equipment as announced on 21 February 2022.

Within the financing activities, the Group made a conscious decision and repaid S\$3.6 million bank borrowings to reduce interest expense. Overall, the Group had cash and cash equivalents of S\$8.3 million as at 31 March 2022 and a net debt gearing of 3.7%.

3. Review of performance of the Group (cont'd)

Condensed Interim Consolidated Statement of Comprehensive Income

6 months ended 31 March 2022 ("2HFY2022") vs 6 months ended 31 March 2021 ("2HFY2021")

The Group reported S\$27.2 million revenue for 2HFY2022, an increase of 18% year-on-year ("yoy") compared to S\$23.1 million in 2HFY2021. Correspondingly, the Group's gross profit margin improved to 27.5% from 22.0% mainly as a result of higher utilization in Singapore and Bahrain. The Group's operations in Australia and United Kingdom recorded lower revenue hampered by supply chain disruptions resulting in delayed deliveries.

Other income reduced significantly as government grants continued to taper off during the period with improving Covid-19 situation.

Excluding the provisions for inventory obsolescence recognized in 2HFY2022, the increase in other operating expenses were mainly due to the additional overheads relating to the new leasehold property in Tuas.

Overall, the Group recovered from a loss of S\$10.1 million in 2HFY2021 to a profit of S\$0.2 million in 2HFY2022 mainly due to the absence of impairment losses recognized a year ago.

12 months ended 31 March 2022 ("FY2022") vs 12 months ended 31 March 2021 ("FY2021")

The Group reported S\$52.0 million revenue for FY2022, an increase of 6% year-on-year ("yoy") compared to S\$49.1 million in FY2021. Correspondingly, the Group's gross profit margin improved to 28.2% from 25.4% mainly as a result of higher utilization in Singapore. The Group's operations in Australia and United Kingdom recorded lower revenue hampered by supply chain disruptions resulting in delayed deliveries.

Other income reduced significantly as government grants continued to taper off during the year with improving Covid-19 situation.

The increase in other operating expenses were mainly due to the additional overheads relating to the new leasehold property in Tuas.

Overall, the Group recovered from a loss of S\$7.6 million in FY2021 to a profit of S\$1.3 million in FY2022 mainly due to the absence of impairment losses recognized a year ago.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast nor prospect statement has been previously disclosed to shareholders.

5. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group is pleased to have completed the transactions in relation to the strategic collaboration with Cameron (a unit of Schlumberger) as announced on 21 February 2022. This long-term collaboration will increase revenue opportunities for the Group.

In connection to this, the Group intends to rationalise its existing facilities and resources in Singapore in the near to mid-term as the new 31,000sqm Tuas site where the newly acquired leasehold property is situated on has a potential lease term of up till 2042.

6. **If a decision regarding dividend has been made, the required information has been disclosed:**

(a) Current Financial Period Reported

Any dividend declared for the present financial period? Yes.

For the financial period ended 31 March 2022

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Rate:	0.5 cents per ordinary share
Tax Rate:	Tax exempt (one-tier)

The Proposed Final Dividend will be paid in cash. Further details on the Proposed Final Dividend will be announced at a later date.

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? Yes.

For the financial period ended 31 March 2021

Name of Dividend:	Final
Dividend Type:	Cash
Dividend Rate:	0.5 cents per ordinary share
Tax Rate:	Tax exempt (one-tier)

(c) Date payable

The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be paid at a date to be announced later.

(d) Record date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members to determine the shareholders' entitlement to the proposed final dividend.

7. **If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

MTQ Corporation Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2

8. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

9. Confirmation of undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

Pursuant to Listing Rule 720(1), the Company has received undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 of the SGX-ST Listing Manual.

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to item 3 above.

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	31.3.2022	31.3.2021
	\$'000	\$'000
a) Ordinary		
- Interim	–	1,080
- Final	1,081	1,081
b) Preference	–	–
c) Total	<u>1,081</u>	<u>2,161</u>

The final dividend for the financial year ended 31 March 2022 is estimated based on the Proposed Final Dividend of 0.5 Singapore cents per ordinary shares and the total outstanding number of shares as at 31 March 2022.

MTQ Corporation Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2

- 12. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family, relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Kuah Kok Kim	77	Father of Director and Chief Executive Officer, Kuah Boon Wee	Re-designated as Non-executive Chairman since 2012	NIL
Kuah Boon Wee	55	Son of Director and substantial shareholder, Kuah Kok Kim	Appointed as Group Chief Executive Officer since 2010	NIL

BY ORDER OF THE BOARD

Tan Lee Fang
Company Secretary
11 May 2022