2024/2025
ANNUAL REPORT

MTQ CORPORATION LIMITED

VISION

To be the leader in the fields that we operate.

MISSION

Provide our customers service quality, our employees job satisfaction and our shareholders return on their investment at a level which meets and surpasses their expectations.

CORE VALUES

- be **S**incere in all our intentions
- be **T**ransparent in all that we do
- be **A**lert to the needs of others
- be **R**esponsible in delivering

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CORPORATE PROFILE

MTQ Corporation Limited ("MTQ" or the "Group") specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations, supply of oilfield equipment and tools, engineering services with a focus in topside services. Well-known for its broad experience for over 55 years and commitment to service quality, the Group is the authorised working partner for some of the world's largest OEMs in drilling equipment and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards.

OUR SERVICES

With the combined engineering capabilities of our accredited facilities at MTQ Engineering, Bahrain, and In-Line Valve, we are able to offer complete manufacturing, repair and refurbishment services to the oil and gas industry. Our services include:

- Supply of oilfield equipment
- Equipment component manufacturing
- Remanufacturing of most drilling tools
- Oilfield equipment design and engineering services
- Equipment recertification and rig inspections
- General oilfield fabrication and welding
- Design, engineering, assembly and testing of flow control valves

Some of the products that we represent for sale and rental are:

- All forms of drilling spools, adaptors and related pressure control drilling equipment
- Heat exchanger mud coolers
- Shale shakers
- Drilling handling tools and spares handling tools
- BOP pressure test units and torque tools
- Valves, including safety and drilling diverter valves
- Mud pumps
- Drillpipe protectors
- Safety equipment

Our key certifications include:

- API Q1, 5B, 5CT, 6A, 7-1, 7-2, 16A, 16C,16AR Registration Scope
- ISO 9001:2015
- ISO 45001:2018
- BizSAFE Star

MILESTONES

2025 Completion of the construction of UAE facility

Completion of disposal of a wholly-owned subsidiary, Pemac Pte Ltd

2024 Disposal of entire shares in MMA Offshore Limited

2023 Commenced construction of new facility in the UAE

Relocation of Singapore headquarter to Tuas South following proposed disposal of Pandan property

2022 Strategic collaboration with Cameron Singapore, a Schlumberger company

2019 Disposal of the property, rights and assets and entire business of Neptune Marine Services Limited in Australia for a combination of cash consideration and shares in MMA Offshore Limited

2018 Acquisition of Mid-Continent Equipment Group's business of supplying and distributing oilfield equipment and spares and incorporation of Mid-Continent Distribution Pte Ltd

2016 Divestment of turbochargers and fuel injection businesses in Australia with the disposal of MTQ Engine Systems (Aust) Pty Ltd

2012 Acquisition of Neptune Marine Services Limited located in Perth, which provides engineering services with a focus of subsea and topside services and has operational presence in the UK and Asia

2011 Acquisition of Premier Group located in Singapore, which repairs and manufactures oilfield equipment as well as supplies oilfield equipment and tools manufactured by some leading global brands

2009 Incorporated MTQ Oilfield Services W.L.L. in Bahrain to provide services to the oil and gas industry in Bahrain and Gulf states

2003 Metalock (Singapore) Limited (originally known as Metalock (Singapore) Pte Ltd) renamed to MTQ Corporation Limited and expanded into fuel injection business in Australia

2002 Divestment of marine related businesses

1999 Listed on SGX Mainboard and expanded into sales and repair of turbochargers business in Australia

1988 Listed on SGX SESDAQ

1969 Metalock (Singapore) Pte Ltd was incorporated as private limited company in Singapore and subsequently embarked on oilfield engineering, fabrication and equipment rental businesses

1959 Commenced operations in Singapore as Metalock (Far East) Ltd to set up a branch specialising in repairs of marine equipment

MESSAGE FROM THE CHAIRMAN AND GROUP CEO

Tuas Facility in Singapore, Group Headquarter

Dear Shareholders,

OVERVIEW

MTQ Corporation recorded revenue of S$63.3 million for the financial year ended 31 March 2025 (“FY2025”) from continuing operations, a 6% decrease from S$67.0 million attained in the previous year. However, our net profit after tax for the year was S$4.8 million, an increase of S$1.8 million compared to previous year’s net profit after tax, excluding the divestment gain of Pandan Property in prior year.

In early 2024, oil prices remained elevated but fell by mid-2025, with Brent crude around US$60 per barrel due to increased OPEC+ production, global economic uncertainty and sluggish demand growth. As with previous year, there has been minimal investment in new capital equipment, the industry has focused on optimizing output from existing fields to improve efficiency. Globally, drilling activity remains steady, with notable growth in the Middle East and Southeast Asia. The Middle East is seeing strong demand for land rigs, projected to rise 31% from 2025 to 2029, driven by unconventional projects in Saudi Arabia and the UAE despite recent cutbacks in conventional drilling. In Southeast Asia, activity is also rising, with Vietnam’s PV Drilling expanding its fleet and Indonesia launching new exploration blocks. In contrast, North American activity has slowed. U.S. shale producers, particularly in the Permian Basin, are reducing drilling activities and capital expenditures in response to declining prices.

FY2025 has been a year of repositioning and strengthening the foundation for the Group’s next phase of growth. Against a backdrop of near-term market headwinds, the Group has stayed focused on executing our strategic plans, progressing key projects, and enhancing our financial resilience. A major milestone this year was the completion of our UAE facility, which is expected to become operational in the latter part of 2025. This will mark our third key hub alongside Singapore and Bahrain, expanding our service reach and diversifying our revenue base within the Middle East. This strategic move positions us to better capture growth opportunities across the region while balancing market risks.

In Bahrain, while near-term activity at our facility was impacted by a series of rig suspensions in the Saudi market, we remain confident in the long-term fundamentals of the market. Historically, the region’s energy investment cycles have proven resilient through periods of short-term volatility. Our focus remains on maintaining operational readiness to benefit when activity levels recover.

For the year ended 31 March 2025, 38% of our own energy needs in Tuas South and Loyang in Singapore came from renewable sources, reflecting our commitment to sustainability and reducing our carbon footprint. This percentage is expected to increase for the Group once new solar facilities in Bahrain becomes operational in 2025. Once UAE facility is completed, we will be issuing out a tender to secure renewable sources to power the facility.

We are encouraged by ongoing investments into asset maintenance and optimization, particularly in our core markets. The energy transition continues to unfold, but oil and gas remain essential to global energy security for the foreseeable future, providing a stable base for our services.

BUSINESS REVIEW

Operationally, our Oilfield Engineering segment performed steadily amid softer demand in Bahrain and continued competitiveness in Singapore. Having the right product mix and hence healthy utilization levels remains a challenge. We remained focused on working with these drilling contractors, the OEMs and service companies supporting overall drilling activities.

Preparations to commence UAE operations have progressed well, this being our strategic bet on the region’s longer-term potential and helps in rebalancing our geographic exposure within the Middle East, reducing reliance on any single market while enhancing Group-wide resilience.

During the year, we secured a new long-term financing facility and are in the process of finalizing the early renewal of a key revolving credit facility, extending its maturity to 2028. These steps reflect our continued efforts to strengthen the Group’s liquidity and financial flexibility.

MESSAGE FROM THE CHAIRMAN AND GROUP CEO

Bahrain Facility

In line with our focus on optimizing the portfolio, the Group initiated the divestment of Pemac, enabling a sharper focus on upstream oilfield services. Importantly, the associated Loyang property carries potential for future value realization, with updated valuation estimates significantly above book value. This upside represents an opportunity to enhance shareholder value over time.

Overall, despite margin pressures from wage cost inflation and ongoing operational costs related to expansion, the Group maintained a healthy financial profile. The full divestment of our holdings in MMA Offshore has further enhanced our liquidity position. Supported by a disciplined, phased approach to capital equipment investments in the UAE and the ongoing backing of our banking partners, we remain committed to prudent and strategic capital allocation.

PEOPLE AND SAFETY

Our people remain the driving force behind MTQ's performance, and we extend our appreciation for their continued dedication and commitment to excellence. As our operations in Bahrain and Singapore continue to depend on overseas-sourced workers, particularly in workshop-based roles, enhancing productivity remains a key focus.

The reliance on foreign manpower in these vocations is expected to persist and the associated costs have been steadily rising. Recruitment challenges have also grown in recent years, making talent retention and continuous skills development even more critical. We remain committed to investing in training and fostering a stable, capable workforce.

Safety remains a core priority across the Group. While our overall safety record is stable with a low accident frequency rate, we continue to identify areas for improvement. Strengthening a proactive safety culture is an ongoing effort, especially as activity levels increase. Regular education and training are central to reinforcing safe practices throughout our operations.

The total staff strength for the Group and its operating subsidiaries is about 452, broken down by geographical segments as follows:

Country	Headcount as at 31 March 2025	Headcount as at 31 March 2024
Singapore	206	201
Bahrain	193	200
UAE	44	-
Others	9	10
	452	**411**

While near-term market conditions, particularly in Bahrain, warrant caution, we remain optimistic about the Group's medium to long-term prospects. Our investments into geographic expansion, operational readiness, and balance sheet flexibility place us in a stronger position to navigate market cycles. We believe that structural demand for oilfield services will remain robust, supported by long-cycle energy investments globally. The Board and management remain committed to driving disciplined growth, prudent capital stewardship and delivering sustainable value for all stakeholders. We will maintain ongoing communication with stakeholders to ensure transparency and updates on our progress this year.

We extend our sincere appreciation to all shareholders for your continued support of the Group over the years. The Board is pleased to recommend a one-tier tax-exempt final dividend of 0.5 Singapore cents per share, subject to approval at the upcoming Annual General Meeting. While underlying business performance has shown improvement, the Group remains prudent in managing working capital and funding next phase requirements related to the UAE expansion. Nonetheless, should the business outlook continue to strengthen, the Board remains committed to delivering value to shareholders, consistent with our long-standing track record.

KUAH KOK KIM
Chairman

ASIF SALIM VORAJEE
Group Chief Executive Officer

BOARD OF DIRECTORS

KUAH KOK KIM
Chairman

Mr. Kuah joined the Board on 1 January 1997, was appointed as Executive Chairman on 9 September 1997 and was the Chief Executive Officer of the Group until 30 June 2010. He was re-designated to Non-Executive Chairman on 1 October 2012 and was last re-elected as Director at MTQ's Annual General Meeting on 28 July 2022.

Mr. Kuah possesses extensive business experience which was accumulated through his many years of involvement in the marine logistics as well as oil and gas related industries.

KUAH BOON WEE
Non-Executive; Non-Independent Director

Mr. Kuah joined the Board on 10 October 2006 and was appointed as the Group Chief Executive Officer ("Group CEO") on 1 July 2010. He stepped down as the Group CEO and Executive Director and was re-designated to Non-Executive Director with effect from 1 July 2024. Mr. Kuah was last re-elected as Director at MTQ's Annual General Meeting on 30 July 2024. A UK qualified chartered accountant with a university degree in mechanical engineering, he had previously worked for PSA International and ST Engineering in senior management roles. He is also serving as the Vice President of the Singapore National Employers Federation.

HO HAN SIONG CHRISTOPHER
Non-Executive; Non-Independent Director

Mr. Ho joined the Board on 30 October 2007 and was last re-elected as Director at MTQ's Annual General Meeting on 30 July 2024. He is a member of the Audit Committee. Mr. Ho graduated from the University of Wisconsin at Madison, USA, in 1989, with a double degree in Computer Engineering and Computer Science. Mr. Ho is the Senior Vice President for Investments of Tai Tak Securities Private Limited.

ONG ENG YAW
Non-Executive; Non-Independent Director

Mr. Ong joined the Board on 28 October 2016 and was appointed as a member of the Nomination and Remuneration Committee on the same date. He was last re-elected as Director at MTQ's Annual General Meeting on 31 July 2023. Mr. Ong graduated with a Bachelor of Laws (Second Class Upper Division) from University College London and holds a Master of Science (Investment Management) from the Cass Business School and a Master of Business Administration from INSEAD. Mr. Ong is the Group Managing Director at Hwa Hong Corporation Pte Ltd, Co-Founder and Managing Director at Shorea Capital Pte Ltd.

HO GEK SIM GRACE
Independent Director

Ms. Ho joined the Board on 26 October 2022 and was last re-elected as Director at MTQ's Annual General Meeting on 31 July 2023. Ms. Ho was appointed as a member of the Nomination and Remuneration Committee on 16 May 2024 and was re-designated to Chairman of the Nomination and Remuneration Committee with effect from 1 August 2024. She was also appointed as Lead Independent Director and a member of the Audit Committee on 1 August 2024. She also co-chairs the Sustainability Management Committee (SMC) as of March 2025.

She graduated with a Bachelor of Sciences (Biochemistry & Microbiology) from The National University of Singapore and holds a Master of Business Administration (Finance & Marketing) from The Australian Graduate School of Management, University of New South Wales, Sydney, Australia. She also obtained an Advanced Certificate in "Driving Sustainability for the Future" from the Singapore Management University in April 2024.

Ms. Ho is also Independent Board Director of YTL Starhill Global REIT Management Limited, and Board representative of its Sustainability Management Council. She also serves as Independent Board Director of SQL View (S) Pte Ltd, Chief Commercial Officer with GoImpact Capital Partners Pte Ltd and a Consultant with Alumni Services Pte Ltd. She also has Advisory roles at the National Library Board's Digital Services and Customer Experience Advisory Committee and at local tech start-up SWAT Mobility Pte Ltd.

ADEL KHALIL EBRAHIM ALMOAYYED
Independent Director

Mr. Almoayyed joined the Board on 16 January 2024 and was appointed as a member of the Nomination and Remuneration Committee on 1 August 2024. He was last re-elected as Director at MTQ's Annual General Meeting on 30 July 2024. He graduated with a Bachelor of Science in Geology from Cairo University (Egypt) and a Bachelor of Science in Petroleum Engineering (Honours) from The University of Tulsa, Oklahoma (USA). Mr. Almoayyed possesses extensive experience in the oil and gas sector in the Middle East, through his past career dedication to the development of the Petroleum sector and served in various executive leadership roles.

NG TIAK SOON
Independent Director

Mr. Ng joined the Board on 1 August 2024 and was appointed as Chairman of the Audit Committee on the same date. Mr. Ng is a member of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

Mr. Ng has over 35 years of experience in the audit, commercial and industrial sectors. He was a Senior Advisor (from July 2005 to 2008) in Ernst & Young, where he was employed from 1986 until June 2005 when he retired as a Senior Partner. During his employment with Ernst & Young, Mr. Ng held various positions which include Head of Banking, Head of an Audit Group, Partner-in-charge of Audit Quality Review, and Chief Financial Officer.

SENIOR MANAGEMENT

CORPORATE OFFICE

ASIF SALIM VORAJEE
Group Chief Executive Officer

Mr. Vorajee was appointed as the Group Chief Executive Officer on 1 July 2024. He holds a Master of Engineering (Honours) in Mechanical Engineering from University of Birmingham, United Kingdom. He joined MTQ Oilfield Services W.L.L in January 2012 and prior to his appointment as the Group Chief Executive Officer, he served as the Managing Director overseeing the oilfield engineering business in Bahrain. Mr. Vorajee has more than 15 years of experience in mechanical engineering with extensive knowledge in API repair, manufacturing and remanufacturing in the drilling industry.

EDWIN WONG
Group Chief Financial Officer

Mr. Wong joined MTQ Corporation Limited in 2012 and was appointed as Group Chief Financial Officer effective 1 July 2025. He has over 15 years of experience — he began his career in a Big Four firm and accumulated extensive experience in corporate finance and leading the financial functions within the Group. Mr. Wong holds a Bachelor of Accountancy and is a CA (Singapore). He is responsible for the Group's overall financial strategy and management, including financial planning and analysis, budgeting, treasury, tax, risk management, and compliance matters.

OILFIELD ENGINEERING

CHAN POH SENG
Sales & Projects Director – MTQ Engineering Pte Ltd

Mr. Chan joined MTQ Engineering Pte Ltd in 2008 as an Assistant Engineer and was appointed as Sales & Projects Director effective 1 July 2025. He has 17 years of extensive experience within the company, progressing from technical operations to senior leadership. His career exemplifies adaptability, cross-functional expertise and a deep understanding of both engineering and commercial strategy. Mr. Chan currently leads the Sales and Engineering departments, serving as a key driver of revenue growth and client satisfaction.

INDRA SUSILO
Operations Director – MTQ Engineering Pte Ltd

Mr. Susilo has devoted over 20 years to the oil and gas industry, joining MTQ Engineering Pte Ltd in 2002 as an Engineer and was appointed as Operations Director effective 1 July 2025. Over time, he developed extensive expertise in technical and quality aspects. His leadership was further recognized when he was seconded to Bahrain, where he played a crucial role in growing the division. Sharing his deep knowledge of API products, including 6A, 16A, and Q1, he contributed significantly to the company's growth and strengthened its industry presence.

MANSOOR HUSSAIN
General Manager – MTQ Oilfield Services W.L.L

Mr. Mansoor holds an MBA from the Alliance Manchester Business School, United Kingdom, complemented by a Bachelor of Engineering (B.E.) in Electronics Engineering. In June 2022, he commenced his tenure with MTQ Oilfield Services W.L.L, bringing over 15 years of seasoned expertise in operations and business management within the Energy sector. Prior to joining MTQ, he served as Senior Service Operations Leader for North Europe at General Electric – GE Vernova Business. Mr. Mansoor oversees the Oilfield Engineering business based in Bahrain.

GERALD TAN
General Manager – Premier Sea & Land Pte Ltd and Mid-Continent Distribution Pte Ltd

Mr. Tan joined the business units in June 2025. With over two decades in the oil and gas sector, Mr. Tan has had the opportunity to work in various sales and general management roles internationally. He has developed a good grasp of markets in the Middle East, Southeast Asia, India and China, which has played a part in fostering client relationships and encouraging growth. He also finds it rewarding to support and work alongside large, diverse teams in executing multiple projects. Mr. Tan holds a Bachelor of Civil Engineering from Nanyang Technological University.

New Facility in Abu Dhabi, UAE

FIVE-YEARS FINANCIAL PROFILE

	2025	2024	2023	2022	2021
FOR THE YEAR (IN S$'000)					
Revenue[1]	**63,277**	66,966	74,733	41,352	41,453
EBITDA[2,12]	**10,997**	10,184	12,252	5,707	6,627
Profit / (Loss) before tax[1,2,12]	**3,824**	3,927	5,411	93	1,460
Profit / (Loss) after tax[1,2,12]	**3,686**	3,151	5,219	66	1,980
Profit / (Loss) attributable to owners of the Company[2,12]	**5,031**	3,062	5,834	1,277	2,089
AT YEAR END (IN S$'000)					
Net current assets	**35,770**	42,034	37,701	28,557	41,052
Total assets	**135,463**	128,337	124,789	102,599	89,479
Total liabilities	**54,254**	49,567	61,748	45,350	33,864
Net debt / (cash)[3]	**8,865**	1,578	6,651	2,226	(7,825)
Shareholders' funds	**81,209**	78,770	63,041	57,385	55,549
Net tangible assets[4]	**77,916**	75,524	59,835	54,202	52,119
FINANCIAL RATIOS					
Return on shareholders' funds (%)[2,5,12]	**6.20**	3.89	9.25	2.23	3.80
Interest cover (EBITDA / Net interest expense)[2,6,12]	**10.15 times**	5.49 times	6.99 times	6.87 times	7.33 times
Net debt gearing ratio (%)[7]	**9.84**	1.96	9.54	3.74	N.A.
PER SHARE DATA					
Basic earnings (in Singapore cents)[2,8,12]	**2.24**	1.36	2.70	0.59	0.98
Net tangible assets (in Singapore cents)[9]	**34.90**	33.59	27.30	25.07	24.11
Net asset value (in Singapore cents)[10]	**36.38**	35.03	28.76	26.55	25.70
Dividend per share, paid or proposed in respect of the financial year (in Singapore cents)	**1.00**	1.00	0.50	0.50	1.00
Dividend payout ratio (%)[2,11,12]	**44.64**	73.53	18.52	84.75	102.04

[1] *Excluding discontinued operation's statistic.*

[2] *Excluding impacts of accounting impairments/write-offs, allowances/provisions as well as gain/loss from liquidation of subsidiaries.*

[3] *Net debt/(cash) is defined as the aggregate of bank borrowings, less cash and bank equivalents (see note 39 of the financial statements)*

[4] *Net tangible assets is defined as shareholders' funds less intangible assets and goodwill.*

[5] *Return on shareholders' funds is defined as profit attributable to owners of the Company divided by shareholders' funds.*

[6] *Net interest expense refers to interest expense less interest income.*

[7] *Net debt gearing is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt and total equity. This ratio is not applicable for 2021 given that the Group's cash exceeded its gross debt as at 31 March 2021.*

[8] *Basic earnings per share is defined as profit attributable to owners of the Company divided by weighted average number of issued shares.*

[9] *Net tangible assets per share is defined as net tangible assets divided by total number of issued shares excluding treasury shares.*

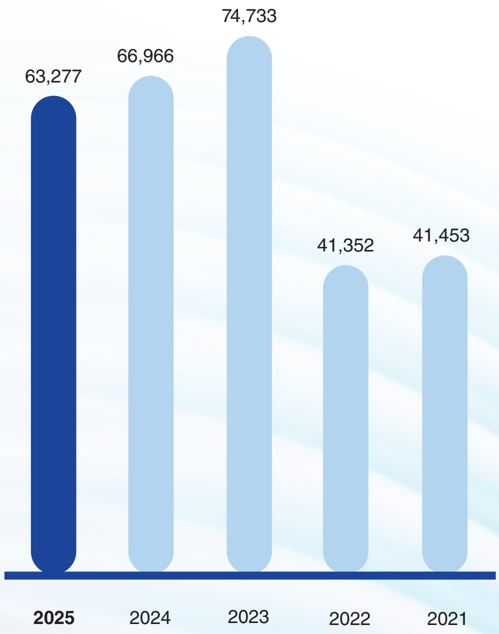
[10] *Net asset value is defined as shareholders' funds divided by total number of issued shares excluding treasury shares.*

[11] *Dividend payout ratio is defined as dividend per share paid/payable in respect of the financial year divided by the basic earnings per share.*

[12] *Excluding one-off gain on disposal of Pandan Property amounting to $6,367,000 in FY2024.*

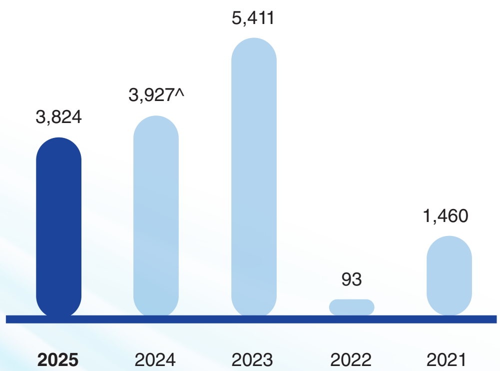
FIVE-YEARS FINANCIAL PROFILE

REVENUE* (S$'000)



* *Excluding discontinued operation*

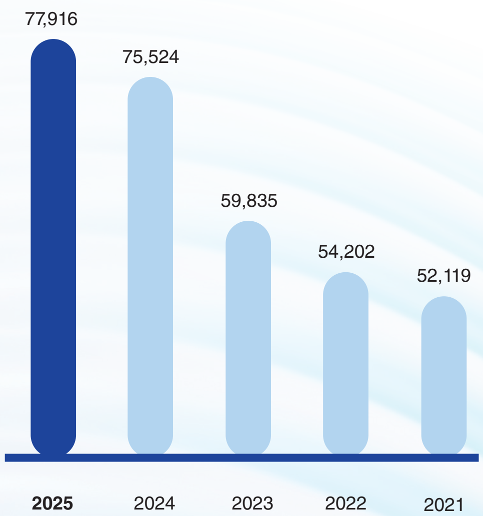
PROFIT BEFORE TAX# (S$'000)



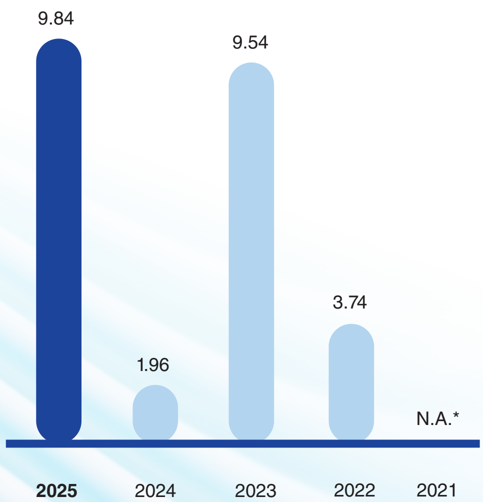
Excluding discontinued operation and impacts of accounting impairments/write-offs, allowances/provisions as well as gain/loss from liquidation of subsidiaries.

^ *Excluding one-off gain on disposal of Pandan Property amounting to $6,367,000 in FY2024.*

NET TANGIBLE ASSETS (S$'000)



NET DEBT GEARING RATIO (%)



* *Not applicable for 2021 given that the Group's cash exceeded its gross debt as at 31 March 2021.*

FINANCIAL REVIEW

REVENUE

In the financial year ended 31 March 2025 (“FY2025”), the Group recorded revenue of S$63.3 million, a decline of S$3.7 million or 5.5% compared to S$67.0 million recorded in the financial year ended 31 March 2024 (“FY2024”).

The decrease was primarily attributable to lower contributions from the Bahrain segment, which experienced a slowdown in activity following rig suspensions by Saudi Aramco. In contrast, the Singapore segment recorded revenue growth for the year.

Further details on revenue can be found in Notes 4 and 33 of the financial statements.

PROFITABILITY

Despite the lower topline, the Group’s gross profit margin improved to 33.9% in FY2025, up from 31.3% in FY2024, driven by a more favorable sales mix. This has lifted the Group’s gross profit and overall core profitability for the year.

Other income declined year-on-year, as FY2024 included a one-off gain of S$6.4 million from the disposal of the Pandan Property. Adjusting for this non-recurring item, other income remained largely stable.

Total staff costs and other operating expenses included approximately S$0.9 million of UAE-related pre-operating costs in FY2025. Excluding this, overall staff costs and other operating expenses remained relatively consistent year-on-year, notwithstanding foreign exchange movements. Finance costs fell by 41.6% to S$1.1 million in FY2025, reflecting a lower average level of borrowings during the year.

Profit from discontinued operations mainly comprised contributions from Pemac, which was fully disposed of following shareholders’ approval on 14 April 2025. The estimated gain of approximately S$0.8 million from the disposal will be recognized in the next financial year.

Overall, excluding the S$6.4 million gain from the disposal of Pandan Property recorded in prior year, the Group’s profit after tax rose by 58.8% to S$4.8 million in FY2025.

BALANCE SHEET

The movements in most balance sheet items were due to the reclassification of Pemac’s carrying amounts as assets and liabilities held for sale, as disclosed in Note 23 of the financial statements, and the Group’s ongoing expansion in the UAE, where construction of a new facility is nearing completion.

In the first half of the financial year, the Group also completed the divestment of its remaining interest in MMA Offshore, realizing net cash proceeds of S$9.2 million after transaction costs.

Overall, net assets increased by S$2.4 million or 3.1% to S$81.2 million, translating to a Net Assets Value of S$0.36 as at 31 March 2025.

CASH FLOWS

The Group recorded solid net cash inflows of S$8.3 million from operations in FY2025, driven by an improvement in core operating cash flows before working capital changes, which increased by S$1.2 million, as well as more moderate working capital movements during the financial year.

Capital expenditure totaled approximately S$18.9 million, primarily related to the Group’s expansion in the UAE. Including the net proceeds from the disposal of MMA Offshore’s shares, investing activities resulted in a net cash outflow of S$11.5 million.

Financing activities reflected a net drawdown of S$2.7 million bank borrowings and the payment of S$2.2 million in dividends.

Overall, the Group had cash and cash equivalents of S$7.7 million as at 31 March 2025. This was before the receipt of the first tranche consideration of S$3.2 million from the disposal of Pemac subsequent to reporting date.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2025, the Group’s total bank borrowings stood at S$16.5 million, representing 20.4% (FY2024: 17.6%) of shareholders’ fund and a net debt position of S$8.9 million (FY2024: S$1.6 million).

There were no changes to the issued share capital during the year, other than the buy-back of a portion of the Company’s shares.

DIVIDENDS

The Board of Directors is recommending a one-tier final cash dividend of 0.5 Singapore cents, subject to shareholders’ approval at the forthcoming Annual General Meeting. Including the interim dividend paid in November 2024, the total dividend for FY2025 remains at 1.0 Singapore cent per share.

FINANCIAL AND CORPORATE CALENDAR

2025

31 JULY	FY2025 Annual General Meeting
1 JULY	FY2025 Annual Report, Notice of Annual General Meeting and Proxy Form
1 JULY	Notice of record and payment dates for FY2025 Proposed Final Dividend
1 JULY	Appointment of Group Chief Financial Officer
13 MAY	Minutes of Extraordinary General Meeting held on 14 April 2025
13 MAY	Full year FY2025 Results Announcement
29 APRIL	Completion of the Proposed Disposal of Pemac Pte Ltd
14 APRIL	Extraordinary General Meeting
28 MARCH	Notice of Extraordinary General Meeting in relation to the Proposed Disposal of Pemac Pte Ltd
27 JANUARY	Proposed Disposal of Pemac Ptd Ltd

2024

1 NOVEMBER	Notice of record and payment dates for FY2025 Interim Dividend
30 OCTOBER	Half year FY2025 Results Announcement
30 OCTOBER	Incorporation of a wholly-owned subsidiary in Abu Dhabi
29 AUGUST	Minutes of FY2024 Annual General Meeting and Extraordinary General Meeting
1 AUGUST	Appointment of Independent Director and Reconstitution of the Board and Board Committees
30 JULY	Resignation of Independent Directors
30 JULY	FY2024 Annual General Meeting and Extraordinary General Meeting
1 JULY	Appointment of Group Chief Executive Officer
1 JULY	Cessation of Group Chief Executive Officer
28 JUNE	Notice of Extraordinary General Meeting, Proxy Form and Proposed Adoption of New Constitution Circular
28 JUNE	FY2024 Annual Report, Notice of Annual General Meeting and Proxy Form
28 JUNE	Notice of record and payment dates for FY2024 Proposed Final Dividend
16 MAY	Appointment of a Member of the Nomination and Remuneration Committee
10 MAY	Full year FY2024 Results Announcement

GROUP STRUCTURE

As at 12 June 2025

MTQ Corporation Limited

- 100.0% MTQ Engineering Pte Ltd
- 99.0% MTQ Oilfield Services W.L.L. — 1.0%
- 99.0% MTQ Engineering L.L.C. — 1.0%
- 99.0% MTQ Oil and Gas Facilities Services L.L.C. — 1.0%
- 100.0% Premier Sea & Land Pte Ltd
  - 100.0% Premier Estate Private Limited
- 100.0% MTQ Equipment Rental Pte Ltd
- 100.0% MTQ Fabrication Pte Ltd
- 100.0% Blossomvale Investments Pte Ltd
  - 100.0% Blossomvale (NAH) Pte Ltd
    - 100.0% Blossomvale Subsea Stabilisation Sdn Bhd
    - 100.0% Blossomvale (NMO) Pte Ltd
    - 99.9% Blossomvale NMSSB Sdn Bhd — 0.1%
- 100.0% Violetbloom Investments Pte Ltd
- 100.0% Everfield Pte Ltd
- 100.0% Mid-Continent Distribution Pte Ltd
- 100.0% In-Line Valve Company Limited
- 100.0% In-Line Valve (ME) Limited
- 100.0% MTQ Binder Holdings Pte Ltd
  - 100.0% MTQ (Aust) Pty Ltd
    - 100.0% Binder Asia Pte Ltd
    - 90.0% Binder Holdings Pte Ltd — 10.0%
      - 50.0% PT Binder Indonesia

Please refer to pages 108 - 110 for more information.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kuah Kok Kim
Chairman

Kuah Boon Wee
Non-Independent Director

Ho Gek Sim Grace
Lead Independent Director

Ng Tiak Soon
Independent Director

Adel Khalil Ebrahim Almoayyed
Independent Director

Ho Han Siong Christopher
Non-Independent Director

Ong Eng Yaw
Non-Independent Director

AUDIT COMMITTEE

Ng Tiak Soon
Chairman

Ho Gek Sim Grace

Ho Han Siong Christopher

NOMINATION AND REMUNERATION COMMITTEE

Ho Gek Sim Grace
Chairman

Adel Khalil Ebrahim Almoayyed

Ong Eng Yaw

COMPANY SECRETARY

Tan Lee Fang

REGISTERED OFFICE

100 Tuas South Avenue 8
Singapore 637424
Telephone: (65) 6777 7651
Website: www.mtq.com.sg

REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360
Website: www.boardroomlimited.com

PRINCIPAL BANKERS

DBS Bank Ltd

United Overseas Bank Limited

AUDITOR

Ernst & Young LLP
Public Accountants and
Chartered Accountants

One Raffles Quay
North Tower Level 18
Singapore 048583

PARTNER-IN-CHARGE

Philip Ng Weng Kwai
(since financial year ended
31 March 2021)

INVESTOR RELATIONS

Email: investorrelation@mtq.com.sg

DIRECTORY OF PRINCIPAL OFFICES

MTQ CORPORATION LIMITED

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Telephone: (65) 6777 7651
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CONTACT:

Kuah Kok Kim
Chairman
Email: kkkuah@mtq.com.sg

Asif Salim Vorajee
Group Chief Executive Officer
Email: asif.v@mtqos.com

Edwin Wong
Group Chief Financial Officer
Email: edwinwong@mtq.com.sg

MTQ ENGINEERING PTE LTD

100 Tuas South Avenue 8
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CONTACT:

Chan Poh Seng
Sales & Projects Director
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Indra Susilo
Operations Director
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PREMIER SEA & LAND PTE LTD
MID-CONTINENT DISTRIBUTION PTE LTD

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CONTACT:

Gerald Tan
General Manager
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MTQ OILFIELD SERVICES W.L.L.

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CONTACT:

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MTQ ENGINEERING L.L.C.

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(971) 5093 19904

CONTACT:

Ahmed Gamal
Assistant Sales & Marketing Manager
Email: ahmed.gamal@mtquae.com

IN-LINE VALVE COMPANY LTD

Unit 6, The Galloway Centre,
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Newbury, RG14 5TL, United Kingdom
Telephone: (44) 1635 45025
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Website: www.inlinevalve.co.uk

CONTACT:

Mohamed Osama
Business Development Manager
Email: mo.osama@inlinevalve.co.uk

FINANCIAL REPORT

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") and the Management of the Company (the "Group") are committed to maintaining a standard of corporate governance to ensure shareholders' interests and enhance corporate performance and accountability.

This report sets out the Group's corporate governance practices with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "MAS") on 6 August 2018 (the "2018 CG Code"). The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the 2018 CG Code and any deviations are explained below.

For ease of reference, the relevant principle of the 2018 CG Code under discussion is identified in bold. However, other sections of this report may also have an impact on the disclosures as this report is meant to be read as a whole, instead of being compartmentalised under the different principles of the 2018 CG Code.

(A) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. It assumes stewardship and control of the Group's resources and undertakes overall responsibility for long-term success of the Group and works with Management to achieve this and Management remains accountable to the Board.

The Board's roles include the following:

- provide entrepreneurial leadership, sets the vision and objectives of the Group and directs the Group's strategic policies, while ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- oversee the establishment of a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- review the performance of the Management and financial performance of the Group;
- sets the Group's values and standards, and ensures that obligations to shareholders and others are understood and met;
- identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; and
- consider sustainability issues as part of its strategic formulation and assume responsibility for corporate governance.

All the Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. Directors facing any conflict of interest with the Group will recuse themselves from participating in any discussions and decisions on the transaction or proposed transaction involving the issues of conflict.

Board Approval

The Group has adopted internal guidelines via a Structured Delegation of Authority matrix which sets out the authorisation and approval limits for revenue and capital expenditures, contractual commitments, disposal, assets write-offs and provisioning at Board and Management levels.

Matters which are specifically referred to the Board for decision include:

a) those involving a conflict of interest for a substantial shareholder or a Director;

b) material acquisitions and disposals of assets;

c) corporate or financial restructuring and share issuances;

d) dividends and other returns to shareholders;

e) interested person transactions;

f) major financial decisions such as investment and divestment proposals, the annual budget, major funding proposals and expenditures exceeding a prescribed amount; and

g) half year and full year financial results announcement and the annual report for release to the SGX-ST.

Board and Board Committees

To assist in the execution of its responsibilities and enhance the effectiveness of the Board, the Board is supported by the Board Committees, namely, the Audit Committee (the "AC") and the Nomination and Remuneration Committee (the "NRC"), each of which is chaired by an Independent Director. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. The composition, terms of reference and summary of the activities of each Committee are detailed later in this report. The Chairman of each Committee will report to the Board the outcome of the Committee meetings. Further information on the roles and responsibilities of the AC and the NRC are set out under the Principles throughout this Corporate Governance Report.

Board and Board Committees meetings as well as Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") are scheduled well in advance. The Company is not required to perform quarterly reporting of its financial results in view of the amendments to the SGX-ST Listing Rules, which came into effect on 7 February 2020. Notwithstanding this, the Board continues to conduct meetings for the first and third quarters of the financial year to receive key financial and operational updates, significant business activities and the overall business environment, in addition to the half-yearly meetings which coincide with the announcement of the Group's half year and full year results respectively. Ad-hoc meetings are also convened as and when circumstances require.

The Company's Constitution allows Board meetings to be conducted by way of telephone conferencing or any other methods of simultaneous communication by electronic or telegraphic means whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions through circulating resolutions.

The number of Board and Board Committees and general meetings held in the financial year ended 31 March 2025 and the attendance of each Director are as follows:

Type of Meetings		Board	Audit Committee	Nomination and Remuneration Committee	AGM	EGM
No. of Meetings held		**5**	**4**	**1**	**1**	**1**
Name of Director		**Meetings attended**				
Kuah Kok Kim	(Chairman)	5	4*	–	1	1
Ho Gek Sim Grace[1]	(Lead Independent)	5	2* 2	1	1	1
Ng Tiak Soon[2]	(Independent)	3	2	–	–	–
Adel Khalil Ebrahim Almoayyed[3]	(Independent)	5	4*	–	1	1
Kuah Boon Wee	(Non-Executive; Non-Independent)	5	4*	–	1	1
Ho Han Siong Christopher	(Non-Executive; Non-Independent)	5	4	–	1	1
Ong Eng Yaw	(Non-Executive; Non-Independent)	5	3*	1	1	1
Nicholas Campbell Cocks[4]	(Independent)	2	2	1	1	1
Chew Soo Lin[4]	(Independent)	2	2	–	–	–

* Attendance by invitation of the Committee.

1 Ms. Ho Gek Sim Grace was appointed as the Lead Independent Director and a member of the Audit Committee as well as re-designated as the Chairman of the Nomination and Remuneration Committee on 1 August 2024.

2 Mr. Ng Tiak Soon was appointed as an Independent Director and Chairman of the Audit Committee on 1 August 2024.

3 Mr. Adel Khalil Ebrahim Almoayyed was appointed as a member of the Nomination and Remuneration Committee on 1 August 2024.

4 Mr. Nicholas Campbell Cocks and Mr. Chew Soo Lin resigned from the Board at the conclusion of the Annual General Meeting held on 30 July 2024.

Induction, Training and Development

To assist newly appointed Directors, if any, in discharging their duties, they are provided with an orientation on the background information about the Group's history, business operations, strategic directions, governance practices, relevant statutory and regulatory compliance issues as well as industry-specific knowledge. Upon the appointment of each new Director, the Company will furnish a formal letter to the Director, which sets out the Director's duties and obligations as a member of the Board. Incoming Directors are also given full access to the past years' annual reports and minutes of the Board meetings.

In addition, in accordance with the SGX-ST Listing Rules, unless the NRC is of the view that training is not required as the newly appointed director has other relevant experience, the new director appointed by the Board, who has no prior experience as a director of a Singapore-listed company, must undergo mandatory training courses as prescribed by the SGX-ST. Mr. Adel Khalil Ebrahim Almoayyed, who was appointed on 16 January 2024 and has no prior experience as a director of a Singapore-listed company, has completed all the mandatory training courses within one year from his appointment.

During the year under review, a new Independent Director, Mr. Ng Tiak Soon, was appointed on 1 August 2024. He brings with him valuable experience, having previously served as an independent director on several Singapore-listed companies.

All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the 2018 CG Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of the Directors' participation in industry conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as directors.

Changes to regulatory and financial reporting standards which have bearing on the Company's or Directors' obligations are also closely monitored by Management and conveyed to the Directors at Board Meetings, specially convened meetings or via written updates. During the year under review, the Directors were briefed on the following:

- industry developments, business initiatives as well as any significant developments, issues or risks affecting the Group; and

- new and revised financial reporting standards applicable to the Group.

Access to Information

Directors have separate and independent access to the Company's Management, the Company Secretary, internal and external auditors of the Group at all times.

In order to ensure that the Board is able to fulfil its responsibilities efficiently and effectively, Management provides monthly management report, complete with relevant analysis and commentaries of the performance, to the Board on a timely basis to enable them to keep abreast of the Group's performance, position and prospects. Board reports, including financial information and annual budget, significant corporate issues and management proposals requiring the approval of the Board, are circulated to all the Directors prior to each Board and Committees meeting. In respect of budgets, any material variances between the projections and actual results are also highlighted and explained. Other information is also provided to the Board members as needed on an on-going basis.

As a general rule, board reports are sent to Board members at least 3 working days before the Board meeting to afford the Directors with sufficient time to review the board reports prior to the meeting.

The Company Secretary administers, attends and prepares minutes of the Board and Committee meetings and assists the Chairman in ensuring the Board procedures are followed and reviewed and the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practice and processes. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Independent Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board as stipulated in the Company's Constitution.

Should Directors, whether as a group or individually, need independent professional advice to fulfil their duties, such advice may be obtained from external advisers and the cost of which will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board comprises seven (7) Directors of whom three (3) are Non-Executive Independent Directors and four (4) are Non-Executive Non-Independent Directors. Accordingly, independent directors make up at least one-third of the Board, all of whom are Non-Executive Directors. There is no alternate Directors appointed during the year.

Independence

The Board, through the NRC, assessed the independence of the Board members taking into consideration of Provision 2.1 of the 2018 CG Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST (the "Listing Rules") and the individual Director's declaration.

To assess and review the independence of each Director, each Independent Director is required to complete a Director's Independence Confirmation Form (drawn up based on Principle 2 of the 2018 CG Code and the Listing Rules) annually to confirm his/her independence. In the review of the Directors' independence, the NRC (with the respective Directors abstaining from reviewing his/her own independence), with the concurrence of the Board, has determined that:

1) Ms. Ho Gek Sim Grace is independent in conduct, character and judgment, and has no relationships with the Group, its substantial shareholders or its officers, or circumstances which are likely to affect or could appear to affect her judgment.

2) Mr. Adel Khalil Ebrahim Almoayyed is independent in conduct, character and judgment, and has no relationships with the Group, its substantial shareholders or its officers, or circumstances which are likely to affect or could appear to affect his judgment.

3) Mr. Ng Tiak Soon is independent in conduct, character and judgment, and has no relationships with the Group, its substantial shareholders or its officers, or circumstances which are likely to affect or could appear to affect his judgment.

4) Mr. Kuah Boon Wee is considered non-independent by virtue of his prior employment as the Group Chief Executive Officer and relationship with the Chairman of the Company (son of Mr. Kuah Kok Kim).

5) Mr. Ho Han Siong Christopher and Mr. Ong Eng Yaw are not considered independent by virtue of their association with Tai Tak Securities Private Limited ("Tai Tak") and Singapore Warehouse Company (Private) Ltd ("Singapore Warehouse") respectively. Both Tai Tak and Singapore Warehouse are substantial shareholders of the Company.

In addition, the Board has considered Mr. Kuah Kok Kim, a substantial shareholder of the Company, as non-independent.

Each member of the NRC and the Board recused himself/herself from the NRC's and the Board's deliberation respectively on his/her own independence.

Three (3) out of the seven (7) Directors are independent and the Board recognises that this is not in accordance with Provision 2.2 of the 2018 CG Code that requires independent directors to make up a majority of the board where the Chairman is not independent. The Board is cognizant of the requirement under Rule 710 of the Listing Rules which requires issuers to explicitly state, when deviating from the provisions prescribed in the 2018 CG Code an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. The explanations are as follows:

- Although the Independent Directors are not in a majority, the Board, together with the NRC, is of the view that there is a strong independent element on the Board as all the Directors are Non-Executive Directors. The Board has always discussed important issues robustly without having individual or small group of individuals dominate the Board's decision-making process. Including the three (3) Independent Directors, the Non-Executive Directors have collectively demonstrated strong independence character and are able to provide objective advice in the best interests of the Company.

- The Non-Executive Directors, who are professionals and experts in their own fields, bring with them a wide spectrum of industry knowledge and skills, experience in accounting, financial, legal and regulatory and business strategies, are able to contribute their valuable experiences and provide independent judgment during Board deliberations. The Non-Executive Directors, including the Independent Directors, have always take on active roles in questioning, assessing and defending decisions on strategy and policy that are presented to them. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively.

- None of the Directors hold executive roles, and the day-to-day management is entrusted to a separate executive team with the necessary industry expertise to advance the Group's strategy and operations.

- The Board has a Lead Independent Director, Ms. Ho Gek Sim Grace, to assume the board chairmanship role and to provide leadership, in instances where the Chairman is perceived to be conflicted and has to recuse himself from the discussions, recommendations or board decisions relating to such matters. The Lead Independent Director is also available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

- Each of the two Board Committees is chaired by Independent Director.

In view of the above, the Board is satisfied that the Board's composition has an appropriate level of independence, diversity of thoughts and background and existing practices adopted by the Company to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the 2018 CG Code. Nevertheless, the Board and the NRC will constantly examine its composition from time to time to ensure a strong and independent element on the Board.

Board Diversity

The Board has put in place its Board Diversity Policy since July 2022, which sets out its policy and framework for promoting diversity on the Board. The Board recognises the importance of having a Board comprising persons whose diverse skills, experience and attributes provide for effective direction for the Group and contributes to the quality of its decision making.

The Board, in concurrence with the NRC has approved the following diversity targets to be met by the composition of the Board:

Targets	Progress
Achieve at least one female representation on the Board	The Board has continued to maintain this target.
Maintain age diversity with Directors, with age ranging from 50s to above 70s with majority of the Directors within the above 50s but below 70s age group	The Board has continued to maintain this target.
Enhance the Board's skill set with relevant expertise and experience	The Board with the concurrence of the NRC took diversity into account in search for new directors to complement the skill set on the Board. Mr. Ng Tiak Soon with his extensive knowledge and experience in accounting, auditing and strong finance background qualification was appointed to the Board on 1 August 2024.

Notwithstanding that the Company has currently met its targets, when making recommendations to the Board for the appointment of a new Director, the NRC will continue to take steps and ensure that:

- if external search consultants are used to search for candidates, the requirement to present female candidates will be made known;
- female candidates are included for consideration; and
- the various aspects of diversity such as qualifications, skills, experience, gender, age, ethnicity and knowledge of the Company of the candidates will be taken into consideration as part of its recruitment exercise to be consistent with the intent of Provision 2.4 of the 2018 CG Code and to arrive at a desired balanced composition of the Board.

The Board comprises business leaders and professional with diverse background and broad range of knowledge, expertise and experience in different fields such as accounting, finance, legal, management and strategic planning, providing an effective blend of business and operational expertise, which enable the Board to make decisions in the best interest of the Company. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

Accordingly, taking into consideration the nature and scope of the Group's operations, the NRC and the Board are of the view that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications and age on the Board, and is satisfied that the objectives of the Board Diversity Policy are met.

The NRC and the Board acknowledge that improvements to board diversity practices are an ongoing process and that skill-set and core competencies required of the Board may change over time as the business of the Group develops. The NRC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness and will recommend appropriate revisions to the Board for consideration and approval.

Board Guidance

The Independent Directors constructively review and assist the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting agreed objectives and monitor the report performance. They meet and/or hold discussions as and when required without the Management's presence to facilitate a more effective check on the Management.

The Directors are also welcomed to request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the Management. The Chairman will make the necessary arrangements for the briefings, informal discussions or explanations required by the Directors.

The Directors' academic, professional qualifications, background and experience are set out in the "Board of Directors" section of this Annual Report.

Meeting of Directors without Management

The Non-Executive Directors (including Independent Directors) would meet without the presence of the Management before the Board meeting as and when circumstances warrant for such. Thereafter, the Chairman would feedback to the Group Chief Executive Officer on any concerns or feedback raised by them during such meeting.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr. Kuah Kok Kim was re-designated to Non-Executive Chairman of the Company since 1 October 2012. His responsibility is to lead the Board to ensure its effectiveness on all aspects of its role, set its agenda, control the quality, accuracy and timeliness of the flow of information to the Board, ensure effective communication with shareholders, encourage constructive relations between the Board and Management, facilitate the effective contribution of the Directors, encourage constructive relations between the Directors and assist in compliance with the Company's guidelines on corporate governance.

Mr. Asif Salim Vorajee is the Group Chief Executive Officer ("Group CEO") of the Company since 1 July 2024, following the resignation of Mr. Kuah Boon Wee on 30 June 2024. He is responsible for the implementation of the Group's strategies and policies, and the conduct of the Group's operations and businesses, through the assistance of senior management. The Group CEO assists the Chairman in the latter's execution of his responsibilities.

The Company has a separate Chairman and Group CEO to ensure there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. In addition, the Chairman and the Group CEO are not related to each other.

In view that the Chairman is not an Independent Director, the Company has a Lead Independent Director since 2013. With effect from 1 August 2024, Ms. Ho Gek Sim Grace, has been appointed as the new Lead Independent Director, following the resignation of Mr. Nicholas Campbell Cocks from the Board on 30 July 2024. She leads and co-ordinates the activities of the Independent Directors and calls for meetings of the Independent Directors, where necessary. She is the principal liaison on board issues between the Independent Directors and the Chairman, including having to deal with the Management of any actual or perceived conflict of interest that may arise.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NRC is formed to undertake the roles of the Nomination Committee and the Remuneration Committee.

The NRC comprises the following Directors who are all Non-Executive, and majority of whom, including the Chairman, are independent:

Ho Gek Sim Grace	(Chairman)	(Lead Independent Director)
Adel Khalil Ebrahim Almoayyed		(Independent Director)
Ong Eng Yaw		(Non-Independent Director)

The NRC is regulated by a set of written terms of reference that are in line with the 2018 CG Code and the NRC held one meeting in the financial year ended 31 March 2025. The principal nomination functions include, but are not limited to, the following:

- making recommendations to the Board on appointments and re-nominations of existing Directors for re-election and/or any member of the Board Committees;
- oversee the Board and key management personnel's succession and leadership development plans;
- assessing the effectiveness of the Board as a whole, the Board Committees, and each Director's competencies, commitment, contribution and performance;
- evaluating the independence of the Directors;
- reviewing the Board structure, size and composition, having regards to the scope and nature of the operations of the Group and the core competencies of the Directors as a group; and
- deciding whether a Director is able to and has been adequately carrying out his duties as Director of the Company particularly where Director has multiple board representations.

Article 94 of the Company's Constitution requires one-third of the Directors to retire by rotation at each AGM. The Board complies with Rule 720(5) of the Listing Rules that each director is required to retire at least once every three years. In addition, Article 100 of the Company's Constitution stipulates that all new Directors must submit themselves for re-election at the next AGM of the Company immediately following their appointment.

The dates of initial appointment and last re-election of the Directors are set out below:

Director	Appointment	Date of Initial Appointment	Date of Last Re-election
Kuah Kok Kim	Chairman	01.01.1997	28.07.2022
Ho Gek Sim Grace	Lead Independent Director	26.10.2022	31.07.2023
Ng Tiak Soon	Independent Director	01.08.2024	n.a.
Adel Khalil Ebrahim Almoayyed	Independent Director	16.01.2024	30.07.2024
Kuah Boon Wee	Non-Executive; Non-Independent Director	10.10.2006	30.07.2024
Ho Han Siong Christopher	Non-Executive; Non-Independent Director	30.10.2007	30.07.2024
Ong Eng Yaw	Non-Executive; Non-Independent Director	28.10.2016	31.07.2023

The NRC has recommended the re-election of Mr. Kuah Kok Kim and Mr. Ong Eng Yaw who are retiring pursuant to Article 94 and Mr. Ng Tiak Soon who is retiring pursuant to Article 100 of the Company's Constitution to be re-elected as Directors of the Company at the forthcoming AGM.

Mr. Kuah Kok Kim, Mr. Ong Eng Yaw and Mr. Ng Tiak Soon, being eligible, had consented to remain in office. Each of these Directors, being interested in matter, had abstained from all discussions and recommendations in respect of their re-election.

The Board has accepted the NRC's recommendations.

Shareholders are provided with additional information on Directors seeking re-election on pages 144 to 145 of this Annual Report.

Nomination and Selection of Directors

When a need for a new director arises, either to replace a retiring director or to enhance the Board's strength, the NRC will, in consultation with Management and the Board, source for new candidates with the desired competencies and taking into consideration such as qualifications, skills, experience, age, gender, ethnicity and knowledge of the Company. If necessary, external consultants may be engaged to source for potential candidates. In addition, the NRC may also tap on its networking contacts or through recommendations from Board members, business associates and professional bodies to assist with identifying and shortlisting of candidates. The NRC will then recommend its shortlisted candidates to the Board. Meeting with the candidates will be arranged to facilitate open discussion to assess the suitability and mutual expectation before the appointment is considered and approved. For the year under review, a new Independent Director was appointed on 1 August 2024 as part of the Board's renewal process.

Review of Directors' Independence

The NRC conducts an annual review of each Director's independence and takes into consideration the relevant provisions in the 2018 CG Code and Listing Rules. The NRC has ascertained that save for Mr. Kuah Kok Kim, Mr. Kuah Boon Wee, Mr. Ho Han Siong Christopher and Mr. Ong Eng Yaw, all Directors are considered independent according to the criteria. Please refer to our disclosure under Principle 2 above on the determination of independence. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NRC is responsible for deciding if a Director is able to and has been adequately carrying out his duties as a Director if he has multiple board representations.

The NRC, together with the Board, is satisfied that Directors who have multiple board representations have committed sufficient time, attention and contributed meaningfully to the affairs of the Group. Their multiple board representations do not hinder their abilities to carry out their duties as Directors of the Company. Accordingly, there is no limit set on the number of listed company board representations a Director may hold. However, each Director is required to disclose to the NRC his board representation whenever there are changes to his directorship. In addition, the NRC, together with the Board would continue to review from time to time the board representations and other principal commitments of the Directors to ensure that they continue to meet the demands of the Group and are able to discharge their duties adequately. Based on the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at the Board and Board Committee meetings, the NRC and the Board are satisfied that all Directors have discharged their duties adequately for the financial year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

Apart from the Group, below are the lists of the Directors' principal commitments and directorships both present and those past held over the preceding five (5) years:

Name of Director	Present directorships in other listed companies	Past directorships in other listed companies held over the preceding 5 years	Present principal commitments	Past principal commitments held over the preceding 5 years
Kuah Kok Kim	–	–	–	–
Kuah Boon Wee	– The Hour Glass Limited – UOB-Kay Hian Holdings Limited – Sing Investments & Finance Limited	–	Mr. Kuah is the Vice President of the Singapore National Employers Federation	– Group CEO of MTQ
Ho Gek Sim Grace	– YTL Starhill Global REIT Management Limited	–	Ms. Ho is an Independent Board Director at SQL View (S) Pte Ltd, a local software technololgy company, a Chief Commercial Officer with GoImpact Capital Partners Pte Ltd and a Consultant with Alumni Services Pte Ltd. She also has Advisory roles at the National Library Board's Digital Services and Customer Experience Advisory Committee and at local tech start-up SWAT Mobility Pte Ltd.	– NTUC Link Board (Independent director) – NTUC Enterprise Transformation Committee (Advisory member) – NTUC Enterprise Digital Transformation Steering Committee (Advisory member) – NTUC Income Digital & Technology Committee (Advisory member)
Ng Tiak Soon	–	– Eurosports Global Limited – Parkson Retail Asia Limited – Kinergy Corporation Ltd (listed in HKEX)	–	–
Adel Khalil Ebrahim Almoayyed	–	–	–	–
Ho Han Siong Christopher	–	–	Mr. Ho is the Senior Vice President for Investments of Tai Tak Securities Private Limited and sits on the board of certain subsidiaries of Tai Tak Group.	–
Ong Eng Yaw	–	–	Mr. Ong is Group Managing Director at Hwa Hong Corporation Pte Ltd and Co-Founder and Managing Director at Shorea Capital Pte Ltd. He also sits on the board of certain subsidiaries of Hwa Hong Corporation Pte Ltd.	–

Key Information on Directors

The profile of the Directors and key information are set out under “Board of Directors” section in this Annual Report. Additional information on Directors seeking re-election as required under Rule 720(6) of the Listing Rules is also appended to the Notice of AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation and Board Performance Criteria

On an annual basis, the NRC will also assess the Directors’ performance as a whole based on the achievement of the Group’s strategic and long-term objectives. The assessment process involves evaluation against a set of objectives, quantitative and qualitative performance criteria proposed by the NRC and approved by the Board. While the 2018 CG Code recommends that the directors be assessed individually, the NRC felt that it is more appropriate and effective to evaluate the Board on a whole, bearing in mind that each Board Member contributes in different ways. A director would have been appointed or re-nominated on the strength of his calibre and relevant experience that could contribute to the proper guidance of the Group’s businesses. Management can also access them for guidance or exchange of views outside the formal environment of Board meetings.

As part of the Board effectiveness evaluation for the financial year ended 31 March 2025, all the Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance and the Board Committees. The results of the completed questionnaires are collated by the Company Secretary who will then submit to the NRC. The findings are analysed and discussed by the NRC and presented to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. These performance criteria shall not change from year to year, and where circumstances deem it necessary for any criteria to be changed, the NRC and the Board shall justify their decision for the change.

The NRC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board Committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The NRC regulated by a set of written terms of reference that are in line with the 2018 CG Code and its principal remuneration functions include, but are not limited to, the following:

- making recommendations to the Board a framework of remuneration for the Board and key management personnel of the Group, covering all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and benefit-in-kind;
- determining the remuneration package for each Director and the Group CEO as well as the key management personnel;
- administering any share option or share plan established from time to time for the Directors and key management personnel; and
- reviewing the senior executive development, succession plans and recruitment strategies of the Group.

Where necessary, the NRC may seek external expert advice in the field of executive compensation outside the Company. During the financial year, the NRC has not sought external advice nor appointed any external remuneration consultant.

In setting the remuneration packages, the Group is committed to ensuring its remuneration structures are appropriately aligned with shareholder value creation over the short and long-term and focuses on motivating, rewarding and retaining key executives. The remuneration structures aim to link performance and reward against the profits or objectives set in the Group's business plans and strategies while taking into account challenges and market forces that the Group is confronted with when faced with cyclical and economic forces.

<u>Remuneration Structure</u>

(i) Remuneration of Non-Executive Directors

The Non-Executive Directors do not have service contracts, do not receive retirement benefits nor do they participate in any incentive programs. Each Non-Executive Director is paid director's fee, of which the amount is dependent on their level of responsibilities.

Each Non-Executive Director, except the Chairman of the Board, receives a base fee of S$30,000 while the Chairman of the Board receives a base fee of S$70,000. An additional fee of S$7,500 to S$22,500 is paid if the Director (except the Chairman of the Board) serves as member or Chairman of the AC or the NRC. The additional fees paid for serving on a committee recognises the additional time commitment required by the Directors.

The NRC has recommended to the Board a total amount of up to S$350,000 as Directors' fees for the financial year ending 31 March 2026 ("FY2026"), to be paid quarterly in arrears. This would be tabled for approval by shareholders of the Company at the forthcoming AGM. No Director is involved in deciding his own remuneration. The Directors' fees are paid wholly in cash.

The Board concurred with the NRC that the proposed Directors' fees for FY2026 is appropriate and not excessive, taking into consideration the level of contributions by the Directors, their responsibilities and obligations and factors such as effort and time spent for serving on the Board and Board Committees.

In addition to the above, the Chairman of the Board is paid consultancy fees for consultancy services provided to a subsidiary of the Group.

(ii) Remuneration of Group Chief Executive Officer

The remuneration scheme for the Group CEO is linked to performance, service record, experience and scope of responsibility. Performance is measured against the profits and objectives set in the Group's business plans and strategies.

The service contract for the Group CEO does not contain onerous removal clauses. The terms of service contract, including any early termination compensations clauses, have been reviewed and approved by the Board.

The Group CEO's remuneration mix comprises:

- Fixed element – mainly fixed monthly salary, allowances and other benefits.

- Variable element – performance based, subject to a maximum amount as well as certain goals and conditions in the terms of service contract approved by the NRC.

(iii) *Remuneration of Top Key Management Personnel*

The Group segments its employees into 3 key groupings:

a) individuals who are best able to influence the long-term strategy and direction of the organisation;

b) key employees across the organisation who have a greater influence over business outcomes; and

c) all other employees.

In creating a total remuneration framework for segment (a) and (b) employees, the Group adopts both short and long-term incentives in addition to the fixed element of the employees' remuneration.

Short-term rewards are cash-based and reflect both the individual and business performance over the relevant financial period. The amount to be awarded is based on the profits of the business units as well as the individual's performance score during the annual appraisal process.

Remuneration Outcome

The remuneration paid* to the Directors during the financial year ended 31 March 2025 are set out below:

Name of Director	Fixed Component[1] (S$'000)	Variable Component[2] (S$'000)	Provident Fund[3] (S$'000)	Benefits[4] (S$'000)	Consultancy Fees[5] (S$'000)	Directors' Fees[6] (S$'000)	Total (S$'000)
Kuah Kok Kim	–	–	–	–	185	70	255
Kuah Boon Wee[7]	86	57	6	14	–	22	185
Ho Gek Sim Grace	–	–	–	–	–	48	48
Adel Khalil Ebrahim Almoayyed	–	–	–	–	–	35	35
Ng Tiak Soon	–	–	–	–	–	35	35
Ho Han Siong Christopher	–	–	–	–	–	43	43
Ong Eng Yaw	–	–	–	–	–	38	38
Nicholas Campbell Cocks[8]	–	–	–	–	–	18	18
Chew Soo Lin[8]	–	–	–	–	–	20	20

* All the remuneration paid were rounded to the nearest thousand.

1 Fixed Component refers to base salary and Annual Wage Supplement paid during the financial year ended 31 March 2025.

2 Variable Component refers to cash bonuses awarded for financial year ended 31 March 2024's performance paid out during the financial year ended 31 March 2025.

3 Provident Fund represents payments in respect of statutory contributions to the Singapore Provident Fund.

4 Benefits are stated on the basis of direct costs, and included non-cash car benefits.

5 Consultancy Fees refer to fees for consultancy services provided to a subsidiary during the financial year ended 31 March 2025.

6 Directors' Fees are paid on a quarterly basis in arrears.

7 Apart from the Directors' fees paid to Mr. Kuah Boon Wee, the other remuneration paid to him pertained to his role as the Group CEO prior to stepping down with effect from 1 July 2024.

8 Remuneration paid to Mr. Nicholas Campbell Cocks and Mr. Chew Soo Lin comprised Directors' Fees paid up till their resignation from the Board at the conclusion of the Annual General Meeting held on 30 July 2024.

The remuneration paid* to the Group CEO and all the key management personnel (who are not Directors) of the Group during the financial year ended 31 March 2025 are as follows:

Name of Key Management Personnel	Fixed Component[1] (S$'000)	Variable Component (S$'000)	Provident Fund[4] (S$'000)	Benefits[5] (S$'000)	Total (S$'000)
S$250,001 to S$500,000					
Asif Salim Vorajee[6]	265	55[2]	9	146	475
Vincent Tan	234	64[2]	17	21	336
Mansoor Hussain	156	45[3]	7	85	293
S$250,000 and below					
Sumardi Bin Sidi[7]	170	8[2]	12	29	219
Tan Lee Fang	142	27[2]	17	1	187

* All the remuneration paid were rounded to the nearest thousand.

1 Fixed Component refers to base salary and Annual Wage Supplement (if any) paid during the financial year ended 31 March 2025.

2 Included cash bonus, which was awarded for financial year ended 31 March 2024's performance, paid out during the financial year ended 31 March 2025.

3 Included commission relating to financial year ended 31 March 2024's performance, paid out during the financial year ended 31 March 2025.

4 Provident Fund represents payments in respect of statutory contributions to national pension schemes.

5 Benefits are stated on the basis of direct costs, and included non-cash car benefits.

6 Mr. Asif Salim Vorajee was appointed as the Group CEO with effect from 1 July 2024, following the resignation of Mr. Kuah Boon Wee.

7 As at 31 March 2025, Mr. Sumardi Bin Sidi was a key management personnel for Pemac Pte Ltd, which was subsequently disposed of by the Group. Accordingly, he will no longer be regarded as a key management pesonnel of the Group going forward.

The total amount paid to the Group CEO and all the key management personnel (who are not Directors) during the financial year ended 31 March 2025 is S$1.5 million.

There was no termination, retirement and post-employment benefits granted to the Directors, Group CEO or other key management personnel for the financial year under review.

There are no contractual provisions which allow the Company to reclaim incentive components of remuneration from the key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Remuneration of employees who are immediate family members of a Director or the CEO

Other than Mr. Kuah Kok Kim and Mr. Kuah Boon Wee, no employee of the Company and its subsidiaries was an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during the financial year ended 31 March 2025.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control and risk management framework and has implemented a system of internal controls and risk management designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Group adopts a bottom-up approach for the risk management process to address financial, operational, compliance and information technology risks. Business units implement appropriate risk management frameworks and have the primary responsibility and accountability to identify, evaluate, manage and monitor risks that may have an impact on their operations. Appropriate risk management frameworks that are adopted form integral parts of the business operations. Risks identified are regularly reviewed and monitored by the respective management teams at management meetings or at forums specifically convened to ensure sufficient controls are in place to mitigate these risks affecting the Group.

The AC reviews the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls and risk management systems established by Management.

The Group outsourced its internal audit function to Crowe Horwath First Trust Risk Advisory Pte Ltd ("Crowe SG"), which provides internal audit, enterprise risk management and sustainability reporting services to more than 38 publicly listed companies in Singapore. Crowe SG's Risk Advisory team comprises nearly 20 professionals, led by 3 directors. The engagement team in providing internal audit services to the Group comprises the Team Partner, Mr. Goh Sia, Team Lead, Mr. Chia Shu Siang and Team Manager, Mr. Joseph Goh, who are assisted by a team of professionals.

Mr. Goh Sia is a practising member, Institute of Singapore Chartered Accountants ("ISCA"), Certified Internal Auditor ("CIA"), Certified Information Systems Auditor ("CISA") and Certified in Risk Management Assurance, who has more than 20 years in audit and consulting services. He is a Senior Partner leading the Assurance and Risk Advisory teams in Crowe SG.

Mr. Chia Shu Siang is a non-practicing member, ISCA, and a CIA, who has more than 20 years of experience in providing financial assurance and risk consulting services to companies ranging from multinationals, public listed companies and government corporations.

Whilst Mr. Joseph Goh is a CPA Australia, CIA and CISA, who has more than 10 years of experience in providing assurance and risk advisory services.

The internal audit reviews were carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Reporting directly to the AC, the IA plans the work in consultation with, but independent of Management and its yearly plan is submitted to the AC for review and approval. The IA has unrestricted access to the Company's documents, records, properties, and personnel of the Group. The IA presents his findings to the AC on a yearly basis. Any non-compliance or internal control weaknesses noted during the internal audit, the corresponding recommendations and Management's responses are reported to the AC. The AC approves the hiring, removal and evaluation of the IA. On an annual basis, the AC has also reviewed and is satisfied that the Group's IA function is independent, effective and adequately resourced by qualified and experienced professionals.

During the financial year under review, the Board and the AC have reviewed the adequacy and effectiveness of the Group's internal controls to address the Group's financial, operational, compliance and information technology controls and risk management systems. In addition, the Board also received written assurances:

- from the Group CEO and Group Financial Controller that the Group's financial records have been properly maintained and the financial statements for the financial year ended 31 March 2025 give a true and fair view of the Group's operations and finances; and

- from the Group CEO, Group Financial Controller and other key management personnel that the Group's risk management and internal control systems in place are adequate and effective.

The AC has reviewed and is satisfied:

- with the adequacy and effectiveness of the Group's internal controls, including material financial, operational, compliance, information technology controls and risk management systems;

- with the adequacy and effectiveness of the internal audit function;

- that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company and the Group; and

- that the independence of the external auditor has not been compromised in relation to the non-audit services provided.

Based on the internal controls and risk management framework established and maintained by the Management, review of work performed by the internal and external auditors, regular audits conducted by independent parties for industrial accreditation and customer quality controls and reviews performed by the Management, the Board and the various Board Committees as well as the assurances from the Group CEO, Group Financial Controller and other key management personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including material financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 March 2025.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against irregularities especially those arising from poor judgement in decision making, human error, losses and fraud.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following Directors:

Ng Tiak Soon	(Chairman)	(Independent Director)
Ho Gek Sim Grace		(Lead Independent Director)
Ho Han Siong Christopher		(Non-Independent Director)

The AC comprises three (3) members, who are all Non-Executive, and majority of whom including Chairman are independent. The members of the AC are appropriately qualified to discharge their responsibilities and have relevant accounting and related financial management experience and expertise. None of the AC members were previous partners or directors of the Company's external auditor, Ernst & Young LLP, within the last two years or has any financial interest in the audit firm.

The AC has been set up to perform the functions required pursuant to Section 201B(5) of the Companies Act, the Listing Rules and the Code of Corporate Governance. The principal functions of the AC are found on the Directors' Statement section on page 34 of this Annual Report.

The Board is of the view that members of the AC have the requisite accounting and financial management expertise or experience to carry out their duties. The AC regulated by a set of written terms of reference that are in line with the 2018 CG Code. During the financial year, the AC has carried out duties as provided in their terms of reference.

The AC meets at least four times a year and plays a key role in assisting the Board in overseeing the integrity of the Group's financial reporting and adequacy of its internal accounting controls. Changes to accounting standards which have a direct impact on the financial statements will be highlighted to the AC by the external auditor. The AC met four times during the financial year ended 31 March 2025.

The AC is empowered to investigate any matter within its written terms of reference, including matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention. The AC has the full discretion to invite any Director and/or executive officer to attend its meetings. The AC also has full access to the internal and external auditors without the presence of the management of the Company as well as full access to records, resources and personnel, to enable it to discharge its functions properly.

In addition, the AC reviews the scope and results of the audit and its cost effectiveness, and on an annual basis, the adequacy, effectiveness, independence and objectivity of the external auditor of the Group. In line with Rule 1207(6) of the Listing Rules, the AC has also taken into account the nature and extent of non-audit services provided by them and has confirmed that the non-audit services provided by the external auditor would not affect their independence. A breakdown of the fees for audit and non-audit services paid to the auditor for the financial year ended 31 March 2025 are found on page 70 of this Annual Report.

The AC meets with the internal and external auditors at least once on an annual basis, without the presence of Management, to review the overall scope of both internal and external audits, and the assistance given by management to the auditors. The AC pays full attention to any material weaknesses reported and the recommendations proposed by both the internal and external auditors to ensure that the Group maintains a sound system of internal controls. In addition to the above, the AC reviews the half year and full year financial statements of the Group before submitting them to the Board for its approval and the announcement of the financial results.

The AC keeps abreast of the changes to accounting standards and issues that may have a direct impact on the financial statements by referring to the best practices and guidance as well as reports issued from time to time from the relevant authorities and professionals. During the year, the AC was also briefed on the new accounting standards that might impact the Group's consolidated financial statements by the external auditor at the AC meetings.

In the review of the financial statements, the AC has discussed with Management the significant accounting principles that were applied and their judgements and estimates of items that might affect the integrity of the financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the financial statements. The Key Audit Matters (KAMs) impacting the annual financial statements were discussed with Management and the external auditor and were reviewed by the AC. Details of the KAMs are found on pages 36 to 39 of this Annual Report.

The Company has in place an ethics, anti-corruption and whistle-blowing policy where employees of the Group and other stakeholders may raise concerns about possible improprieties in matter of financial reporting, misconduct or wrongdoing relating to the Group and its officers or other matters in confidence and in good faith, without fear of reprisal. The Company is committed to ensure that any whistleblower is protected against detrimental or unfair treatment. The AC is responsible for the oversight and monitoring of the whistle-blowing policy and ensuring that it is properly administered. To ensure independent investigation of such matters and appropriate follow-up action, all whistle-blowing reports are to be sent to the AC and are kept confidential. Details of the whistle-blowing policy are given to all staff and new recruits during orientation and a copy of the whistle-blowing policy has been published on the Company's website. During the financial year, the Group received a whistle-blowing email. The AC oversaw an independent review conducted by the internal auditor, Crowe SG, which concluded that the concerns raised could not be substantiated. The AC determined that there was no material impact on the Group's operations and financial statements.

The AC is satisfied that the Company has complied with Rules 712 and 715 read with 716 of the Listing Rules regarding the appointment of auditors of the Company and its subsidiaries.

As part of the Group's ongoing effort to manage its overall business costs and expenses, the Board is of the view that it would be opportune time to review the appointment of Auditors as the review would provide the Group with an opportunity to realize cost efficiencies and benchmark its audit fees. The Company has called for proposals for audit services to be rendered for the financial year ending 31 March 2026. Upon evaluations of the competitive proposals obtained and due diligence, the Board, at the recommendation of the AC, proposes that BDO LLP be appointed as the auditor of the Company for the financial year ending 31 March 2026 in place of the retiring auditor, Ernst & Young LLP.

In reviewing the suitability of BDO LLP, the AC and the Board took into consideration the various factors, *inter alia*, the Audit Quality Indicators Disclosure Framework issued by ACRA. This includes the adequacy of the resources and experience of the audit engagement partners assigned to the audit, the size and complexity of the audit exercise for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit. The AC and the Board are of the opinion that BDO LLP will be able to meet the audit requirements of the Company without compromising the standard and effectiveness of the audit of the Company and Rules 712 and 715 read with 716 of the Listing Rules will be compiled with.

The scope of audit services to be provided by BDO LLP will be comparable to the services currently provided by Ernst & Young LLP. The appointment of BDO LLP will be effective upon obtaining the approval of Shareholders at the forthcoming AGM.

Ernst & Young LLP will retire and not seek re-appointment as the Company's Auditor at the forthcoming AGM, being the end of their current term.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to treat all shareholders fairly and equitably and recognises, protects and facilitates the exercise of shareholders' rights.

The Company strives for timeliness and transparency in its disclosures to the shareholders and the public and will continue to disseminate any price-sensitive information on a comprehensive, accurate and timely basis through SGX-ST via SGXNet. The Company does not practice selective disclosure of information. Such information will be simultaneously posted on our corporate website at www.mtq.com.sg and investor portal, www.shareinvestor.com. Financial results and annual reports will be announced within the legally prescribed periods.

The Group has an internal investor relations team which may contact and liaise with analysts and media, if necessary, upon release of its financial results. An investor relations email account, investorrelation@mtq.com.sg, has been set up to communicate with the analysts, media and shareholders.

Shareholders are invited to attend the general meetings to put forth any questions or share their views regarding the proposed resolutions and the Group's business and affairs. Shareholders are informed of shareholders' meetings through notices contained in annual reports and/or appendices/circulars sent to all shareholders.

In order to allow sufficient time for shareholders to review, the Annual Report FY2024/2025, together with the Appendices and Notice of AGM, will be made available to the Shareholders at least 28 days in advance before the scheduled AGM date. These documents are also published on the SGXNet and our corporate website, www.mtq.com.sg.

If any shareholder is unable to attend, the Company's Constitution has made provisions for shareholders to appoint a proxy or proxies to attend and vote on their behalf. The Company is, however, not implementing absentia voting methods such as mail, e-mail or fax until the authentication of shareholder identity and other related security issues have been addressed satisfactorily.

An email account, lead_id@mtq.com.sg, addressed to the Lead Independent Director has been set up to communicate and solicit feedback from the shareholders.

At the shareholders' meetings, separate resolutions are set for each distinct issue. The Company has resumed physical meeting since FY2023 AGM.

The Company has implemented electronic poll voting for all shareholders' resolutions since 2014. All shareholders present are briefed on the voting procedures before the start of the meeting. Independent scrutineers firm is appointed to conduct the voting process and to validate the votes after each resolution. Shareholders are allowed to vote in person or by proxy if they are unable to attend the Company's AGM. The Company's Constitution allows a shareholder to appoint two or more proxies to attend and vote on the shareholder's behalf at the general meeting of shareholders. The proxy need not be a Member of the Company. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at each general meeting of shareholders. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, were announced immediately at the AGM and via SGXNET thereafter.

At general meetings, shareholders are given the opportunity to share their views and direct questions to the Board on any matter relating to the Group's businesses and operations or resolutions tabled at the meeting. The Directors and Management are present at the general meeting to address shareholders' queries. The external auditor is also present at the AGM of the Company to address queries about the conduct of audit and the preparation and content of the Auditor's Report.

The proceedings of the general meeting are minute by the Company Secretary, including all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are publicly available on the Company's corporate website, www.mtq.com.sg.

Following the amendments to Rule 705(2) of the Listing Rules which came into effect from 7 February 2020, the Company is no longer required to release the Group's unaudited financial statements on a quarterly basis. After due deliberation, the Board decided not to continue with quarterly reporting of the Group's financial results and instead, release financial reports on a half-yearly basis with effect from the financial year ended 31 March 2020. Notwithstanding this, the Company continue to keep shareholders updated on material developments relating to the Company and the Group in compliance with the continuing disclosure obligations, as and when appropriate.

The Company does not have a formal dividend policy. The Board takes into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate in considering the form, frequency and amount of dividend payments. All dividend payouts are clearly communicated to shareholders in public announcement via SGXNet. The Board is cognizant of the requirement to provide reasons in support of its decision in the event it is not declaring or recommending a dividend.

For the financial year ended 31 March 2025, the Company has proposed a one-tier tax exempt final dividend of 0.5 Singapore cents per share, subject to shareholders' approval at the forthcoming AGM.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company actively engage with its stakeholders through various medium and channels to ensure that its business interests are aligned with those of its stakeholders.

The Company's engagement with all stakeholders including key areas of focus and engagement channels are set out in the Sustainability Report section which can be found on page 127 of this Annual Report.

The Company maintains a corporate website, www.mtq.com.sg, to communicate and engage with stakeholders.

DEALINGS IN SECURITIES

(Rule 1207(19) of the Listing Rules)

The Company has adopted an internal code to provide guidance to the Company, its Directors and officers of the Group in regards to trading in the Company's securities ("Code").

The Directors and officers of the Group are notified and reminded to observe insider trading laws at all times and against dealing in securities when they are in possession of unpublished price sensitive information and on short-term considerations.

The Company, its Directors and officers of the Group are refrained from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements ("window periods").

Consistent to the above, the Company will not undertake any purchase of its own ordinary shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. The window periods as stated above also apply for share buyback.

In addition, Directors are required to report to the Company Secretary within two business days whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with the requirements of the Listing Rules.

The Company has complied with its Code and has not dealt in its securities during the above window periods. In addition, the Company Secretary has, from time to time, updated the Directors and officers with regulations on prohibitions on dealing in the Company's securities.

MATERIAL CONTRACTS

(Rule 1207(8) of the Listing Rules)

Except as disclosed in the financial statements, there were no material contracts of the Company and of the Group involving the interests of the Group CEO, each Director or controlling shareholders, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

(Rule 907 of the Listing Rules)

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are on an arms' length basis and are not prejudicial to the interests of the shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rules 1207(17) and 920 of the Listing Rules. There were no interested person transactions entered into by the Group during the financial year under review.

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of MTQ Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 March 2025.

Opinion of the Directors

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Kuah Kok Kim
Kuah Boon Wee
Ho Gek Sim Grace
Ho Han Siong Christopher
Ong Eng Yaw
Adel Khalil Ebrahim Almoayyed
Ng Tiak Soon (Appointed on 1 August 2024)

Arrangements to enable Directors to acquire shares and debentures

Except as described in the paragraphs below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of Director	**At 1.4.2024**	**At 31.3.2025**	**At 21.4.2025**	**At 1.4.2024**	**At 31.3.2025**	**At 21.4.2025**
(Ordinary shares of the Company)						
Kuah Kok Kim	58,317,217	58,317,217	58,317,217	–	–	–
Kuah Boon Wee	7,669,539	7,669,539	7,669,539	–	–	–
Ong Eng Yaw	–	–	–	11,843,570	11,843,570	11,843,570

Mr. Kuah Kok Kim is deemed to have an interest in shares of the Company's subsidiaries, associate and joint venture by virtue of his interest in more than 20% of the issued share capital of the Company as at the end of the financial year.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

No option to take up unissued shares of the Company or its subsidiaries were granted during the year.

There were no shares issued during the year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries whether granted before or during the year.

There were no unissued shares of the Company or its subsidiaries under option as at the end of the year.

Audit Committee

As at the date of this report, the Audit Committee comprises the following members:

Ng Tiak Soon (Chairman)
Ho Han Siong Christopher
Ho Gek Sim Grace

During the financial year, the Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, SGX-ST Listing Manual and the code of corporate governance, including the following:

- Reviewed the audit plans of the internal and external auditors and reviewed the internal auditor's evaluation of the adequacy of the system of internal accounting controls and the assistance given by the Company's management to the internal and external auditors;

- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

- Reviewed the effectiveness of material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditor;

- Met with the internal and external auditors in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- Reviewed the nature and extent of non-audit services provided by the external auditor;

- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Listing Manual of SGX-ST.

The Audit Committee, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions.

The Audit Committee convened five meetings during the financial year and has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

As part of ongoing good corporate governance, the Company conducted a Request for Proposal for the appointment of external auditor for the financial year ending 31 March 2026, whereby the Audit Committee evaluated competitive proposals from several reputable audit firms. After due evaluation, the Audit Committee has recommended to the Board of Directors that BDO LLP be appointed as external auditor of the Company for the financial year ending 31 March 2026 in place of the retiring auditor, Ernst & Young LLP. The Board of Directors approved the recommendation and will be proposing the appointment of BDO LLP as external auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

Auditor

The retiring auditor, Ernst & Young LLP will not seek re-appointment at the forthcoming Annual General Meeting. BDO LLP have expressed their willingness to accept appointment as the auditor.

On behalf of the Board of Directors,

Kuah Kok Kim
Director

Ng Tiak Soon
Director

Singapore
23 June 2025

INDEPENDENT AUDITOR'S REPORT

To the members of MTQ Corporation Limited
For the financial year ended 31 March 2025

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MTQ Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2025, the consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (cont'd)

We have identified the following matters as key audit matters:

Impairment assessment of goodwill

SFRS(I) 1-36 Impairment of Assets requires goodwill to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. As at 31 March 2025, the carrying amount of the Group's goodwill amounted to $3,032,000 and was allocated to a single cash-generating unit ("CGU").

The recoverable amount of the CGU to which the goodwill is allocated was determined based on value-in-use calculations derived from cash flow projections. The impairment assessment process involves a high degree of judgment and is subject to significant estimation uncertainties associated with the on-going geopolitical conflicts and prevailing market and economic conditions, which require the management to make various assumptions to the underlying cash flow projections. Accordingly, we identified this as a key audit matter.

Our audit procedures included, amongst others, the following:

- We obtained an understanding of management's impairment assessment process and how management has considered the impact of the prevailing market and economic conditions on the underlying key assumptions.
- We assessed the methodology and arithmetical accuracy of the value-in-use calculations.
- We considered the robustness of management's budgeting process by comparing the actual financial performance against previous forecast and projections.
- We evaluated the reasonableness of management's key assumptions, in particular, revenue, gross margin, discount rates and long-term growth rates projections, to historical data and corroborated to external research on market outlook.
- We engaged the assistance of our internal valuation specialist to assess the reasonableness of the discount rate used by management by comparing to external sources and checking to comparable companies in the same industry.
- We performed sensitivity analysis on the recoverable amounts of the goodwill based on reasonably possible changes in key assumptions.
- We also assessed the adequacy of the Group's disclosures in Note 11 to the consolidated financial statements.

Key audit matters (cont'd)

Valuation of inventories

The carrying value of the Group's inventories as at 31 March 2025 amounted to $17,052,000, net of allowance for inventory obsolescence of $2,317,000. The carrying amount of inventories represented 13% of the Group's total assets as at 31 March 2025.

Inventories are stated at the lower of cost and net realizable value. Inventories are written down to the lower of cost and net realizable value if they are damaged, slow-moving, or become obsolete due to a low market demand. The uncertainties associated with the prevailing market and economic conditions, technological advancements, and pricing competition, increases the risk of the inventories becoming slow moving or obsolete.

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, and estimated costs to be incurred for their sales.

Management's judgment was involved in evaluating and adjusting the allowances, in respect of slow moving and obsolete inventories to arrive at valuation of inventories based on lower of cost and net realizable value. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. Accordingly, we identified this as a key audit matter as management's assessment is highly judgmental and subjective.

Our audit procedures included, amongst others, the following:

- We evaluated the appropriateness of management's assessment with respect to slow moving and obsolete inventories.

- We reviewed the management's provisioning policy for inventories to test the robustness of the process in identifying the inventories which required allowance.

- We assessed the adequacy of the allowance by reviewing the movements for long-aged inventories, checked the historical recovery, and current market price.

- We performed further testing on long aged inventory items, by tracing to actual recent sales and checking the market prices to vendor quotations received during and subsequent to the financial year.

- We also assessed the adequacy of the Group's disclosures in Note 20 to the consolidated financial statements.

Key audit matters (cont'd)

Recoverability of trade receivables and contract assets

The carrying amount of the Group's trade receivables of $19,679,000 and contract assets of $2,057,000 as at 31 March 2025 were significant to the Group as collectively they represented 16% of the Group's total assets as at 31 March 2025.

The credit worthiness of debtors may be impacted by the prevailing market and economic conditions. This may result in higher overdue trade receivables and greater collectability risks. Furthermore, the recoverability assessment required management to apply its judgment in the estimation process. As such, we determined the recoverability of trade receivables and contract assets as a key audit matter.

The Group determines impairment of trade receivables and contract assets by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, the Group provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Group's historical default rates analyzed by percentage of allowance for doubtful debts to the total credit sales for the past five years, adjusted for current and forward-looking information (where appropriate).

Our audit procedures included, amongst others, the following:

- We obtained an understanding of the Group's credit policies and credit assessment procedures.
- We assessed the Group's processes and controls relating to the monitoring of trade receivables and contract assets and considered aging to identify collection risks.
- We evaluated the adequacy of the allowance for impairment of trade receivables and contract assets through the following:
  - Evaluated management's assumptions and inputs used in the determination of historical default rates and assessed the reasonableness of management's assumptions used in establishing the forward-looking factors by considering the impact that the prevailing market and economic conditions may have on the customers' businesses;
  - Checked the arithmetic accuracy of the expected credit loss allowance computation;
  - Reviewed debtors aging report to identify any long overdue receivables and reviewed their historical pattern of settlement;
  - Inquired management if there are any known insolvent debtors or disputed receivables and discussed with management on the collectability of receivables and adequacy of allowance for impairment of these trade receivables;
  - Discussed with management on the recoverability of the contract assets by considering the historical pattern of settlement for the debtors whom billings have yet to be raised for the contract assets;
  - Reviewed the collectability of the trade receivables on a sampling basis, by way of obtaining evidence of receipts subsequent to the balance sheet date from the customers and monitoring if there are any adverse developments on the significant customers based on the publicly available information.
- We also assessed the adequacy of the Group's disclosures on the trade receivables and contract assets and the related risks such as credit risk in Notes 21 and 36(a) to the consolidated financial statements respectively.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Philip Ng Weng Kwai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
23 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2025 (In Singapore dollars)

	Note	2025 $'000	2024 $'000 (Re-presented)*
Continuing operations			
Revenue	4	63,277	66,966
Cost of sales		(41,826)	(45,980)
Gross profit		21,451	20,986
Other income	5	843	7,363
Staff costs		(8,523)	(7,420)
Other operating expenses		(9,059)	(8,839)
Profit from operating activities	6	4,712	12,090
Finance costs	7	(1,080)	(1,848)
Profit before tax from continuing operations		3,632	10,242
Tax expense	8	(138)	(776)
Profit from continuing operations, net of tax		3,494	9,466
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax	10	1,345	(51)
Profit for the year		4,839	9,415
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of subsidiaries		(35)	562
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of other investment		306	6,744
Other comprehensive income for the year, net of tax		271	7,306
Total comprehensive income for the year		5,110	16,721

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2025 (In Singapore dollars)

	Note	2025 $'000	2024 $'000 (Re-presented)*
Profit for the year		4,839	9,415
Attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax		3,494	9,466
Profit/(Loss) from discontinued operations, net of tax		1,345	(51)
Profit for the year attributable to Owners of the Company		4,839	9,415
Total comprehensive income for the year		5,110	16,721
Attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax		3,765	16,772
Profit/(Loss) from discontinued operations, net of tax		1,345	(51)
Total comprehensive income for the year		5,110	16,721
Basic and diluted earnings/(loss) per share attributable to Owners of the Company (cents per share)			
From continuing operations	9(a)	1.55	4.21
From discontinued operations	10	0.60	(0.02)
Total earnings per share	9(b)	2.15	4.19

* Comparative information has been re-presented due to a discontinued operation (Note 10).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2025 (In Singapore dollars)

	Note	Group		Company	
		2025	2024	2025	2024
		$'000	$'000	$'000	$'000
Non-current assets					
Goodwill	11	3,032	2,975	–	–
Intangible assets	12	261	271	–	–
Investment properties	13	–	–	6,347	6,428
Property, plant and equipment	14	58,391	35,469	118	181
Right-of-use assets	15	19,005	20,032	12,370	12,848
Interests in subsidiaries	16	–	–	51,873	34,036
Other investment	17	–	8,903	–	–
Investment in associate and joint venture	18	–	–	114	114
Receivables	19	–	–	2,237	9,082
Prepayments	19	11	793	11	31
Deferred tax assets	27	32	166	–	–
		80,732	68,609	73,070	62,720
Current assets					
Inventories	20	17,052	19,764	–	–
Trade and other receivables	21	22,232	25,513	7,102	23,602
Prepayments	19	1,326	2,160	139	115
Tax recoverable		212	–	212	–
Cash and cash equivalents	22	7,666	12,291	741	4,636
		48,488	59,728	8,194	28,353
Assets of a disposal group classified as held for sale	23	6,243	–	–	–
Total assets		135,463	128,337	81,264	91,073
Current liabilities					
Trade and other payables	24	16,387	14,422	1,830	1,976
Lease liabilities	25	694	904	493	473
Bank borrowings	26	387	1,508	–	1,008
Provision for taxation		45	860	–	860
		17,513	17,694	2,323	4,317
Liabilities directly associated with a disposal group classified as assets held for sale	23	1,448	–	–	–
Net current assets		35,770	42,034	5,871	24,036

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2025 (In Singapore dollars)

	Note	Group 2025 $'000	Group 2024 $'000	Company 2025 $'000	Company 2024 $'000
Non-current liabilities					
Trade and other payables	24	–	–	5,303	–
Lease liabilities	25	18,735	19,099	10,954	11,391
Bank borrowings	26	16,144	12,361	2,144	9,000
Deferred tax liabilities	27	414	317	237	134
Provisions	28	–	96	–	96
		35,293	31,873	18,638	20,621
Total liabilities		54,254	49,567	20,961	24,938
Net assets		81,209	78,770	60,303	66,135
Equity attributable to Owners of the Company					
Share capital	29(a)	50,836	50,836	50,836	50,836
Treasury shares	29(b)	(463)	(41)	(463)	(41)
Reserves	30	30,836	27,975	9,930	15,340
Shareholders' fund and total equity		81,209	78,770	60,303	66,135

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025 (In Singapore dollars)

Group	Note	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Other reserves	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 April 2023		49,579	(41)	(2,182)	18,439	(2,754)	63,041
Profit for the year, net of tax		–	–	–	9,415	–	9,415
Exchange difference on translation of subsidiaries		–	–	562	–	–	562
Net change in fair value of other investment	17,30	–	–	–	–	6,744	6,744
Total comprehensive income for the year		–	–	562	9,415	6,744	16,721
Dividend paid in respect of previous financial year, tax exempt (one-tier)	31	–	–	–	(1,124)	–	(1,124)
Dividend paid in respect of current financial year, tax exempt (one-tier)	31	–	–	–	(1,125)	–	(1,125)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	29	1,257	–	–	–	–	1,257
Total contributions by and distributions to Owners		1,257	–	–	(2,249)	–	(992)
Balance as at 31 March 2024		50,836	(41)	(1,620)	25,605	3,990	78,770
Balance as at 1 April 2024		50,836	(41)	(1,620)	25,605	3,990	78,770
Profit for the year, net of tax		–	–	–	4,839	–	4,839
Exchange difference on translation of subsidiaries		–	–	(35)	–	–	(35)
Net change in fair value of other investment	17,30	–	–	–	–	306	306
Total comprehensive income for the year		–	–	(35)	4,839	306	5,110
Dividend paid in respect of previous financial year, tax exempt (one-tier)	31	–	–	–	(1,124)	–	(1,124)
Dividend paid in respect of current financial year, tax exempt (one-tier)	31	–	–	–	(1,125)	–	(1,125)
Share buy-back	29	–	(422)	–	–	–	(422)
Total contributions by and distributions to Owners		–	(422)	–	(2,249)	–	(2,671)
Balance as at 31 March 2025		50,836	(463)	(1,655)	28,195	4,296	81,209

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2025 (In Singapore dollars)

	Note	2025 $'000	2024 $'000
Cash flows from operating activities:			
Profit before tax from continuing operations		3,632	10,242
Profit/(loss) before tax from discontinued operations		1,584	(2)
Adjustments for:			
Depreciation of property, plant and equipment	14	3,026	2,968
Depreciation of right-of-use assets	15	1,264	1,322
Amortization of intangible assets	6,12	216	151
Loss/(gain) on disposal of property, plant and equipment, net		78	(97)
Loss on write-off of a lease	6	–	3
Gain on disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs	5,23	–	(6,367)
Gain on disposal of business, net of transaction costs	10	–	(254)
Reversal of allowance for impairment of trade receivables, net	21	–	(3)
Allowance for inventory obsolescence and stock written-off, net	20	192	14
Interest income		(5)	(1)
Interest expense		1,088	1,857
Provision made during the year	28	–	6
Operating cash flows before changes in working capital		11,075	9,839
Decrease in receivables and prepayments		547	2,787
Increase in inventories and work-in-progress		(120)	(2,328)
Decrease in payables		(901)	(3,917)
Others		(140)	(172)
Cash generated from operations		10,461	6,209
Interest income received		5	1
Interest expense paid		(1,173)	(1,800)
Income taxes paid, net		(961)	(17)
Net cash generated from operating activities		8,332	4,393

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2025 (In Singapore dollars)

	Note	2025 $'000	2024 $'000
Cash flows from investing activities:			
Purchase of property, plant and equipment		(20,370)	(7,519)
Addition of intangible assets	12	(207)	(81)
Indirect costs of obtaining a lease	25	(201)	(121)
Proceeds from sale of quoted investments, net of brokerage	17	9,209	3,971
Proceeds from disposal of property, plant and equipment		1	770
Proceeds from disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs		–	5,548
Proceeds from disposal of business, net of transaction costs	10	–	347
Loans repaid by staff		20	28
Net cash (used in)/generated from investing activities		(11,548)	2,943
Cash flows from financing activities:			
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue	29	–	1,257
Share buy-back	29	(422)	–
Dividend paid in respect of previous financial year, tax exempt (one-tier)	31	(1,124)	(1,124)
Dividend paid in respect of current financial year, tax exempt (one-tier)	31	(1,125)	(1,125)
Proceeds from bank borrowings		16,143	1,000
Repayment of bank borrowings		(13,471)	(7,421)
Repayment of principal portion of lease liabilities	25	(999)	(1,296)
Net cash used in financing activities		(998)	(8,709)
Net decrease in cash and cash equivalents		(4,214)	(1,373)
Cash and cash equivalents at 1 April		12,291	13,568
Effect of exchange rate changes on cash and cash equivalents		(37)	96
Cash and cash equivalents reclassified to assets held for sale	23	(374)	–
Cash and cash equivalents at 31 March	22	7,666	12,291

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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").

The registered office and principal place of business of the Company is located at 100 Tuas South Avenue 8, Singapore 637424.

The principal activities of the Company relate to those of an investment holding and management company.

The nature of the operations and principal activities of the subsidiaries are described in Note 34. There have been no significant changes in the nature of these activities during the financial year.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "$") and all values are rounded to the nearest thousand ("$'000") except when otherwise indicated.

The financial statements of the Group have been prepared on the basis that it will continue to operate as a going concern.

2.2 Changes in accounting policies and estimates

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for the financial year beginning on or after**
Amendments to SFRS(I) 1-21, SFRS(I) 1: *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosure*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

2. Material accounting policy information (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Except for SFRS(I) 18 Presentation and Disclosure in Financial Statements, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 18 Presentation and Disclosure in Financial Statements is described below.

SFRS(I) 1-18 Presentation and Disclosure in Financial Statements

SFRS(I) 18, which replaces SFRS(I) 1-1 Presentation of Financial Statements, introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals was issued. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, incomes taxes and discontinued operations, whereof the first three are new.

It also requires disclosures of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to SFRS(I) 1-7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements when it comes into effect from 1 January 2027.

2.4 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognized initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

2. Material accounting policy information (cont'd)

2.4 Foreign currency (cont'd)

(b) Consolidated financial statements (cont'd)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognized in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange ruling at the end of the reporting period.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

ii. Exposure, or rights, to variable returns from its involvement with the investee; and

iii. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. The contractual arrangement(s) with the other vote holders of the investee;

ii. Rights arising from other contractual arrangements; and

iii. The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2. Material accounting policy information (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability are recognized in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognized in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognized on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date at fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognized as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit that is expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.6 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

2. Material accounting policy information (cont'd)

2.6 Revenue recognition (cont'd)

Trading sales

Revenue from trading sales is recognized at a point in time upon the satisfaction of each performance obligations, usually on delivery and acceptance of the goods sold. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Services, repair and contract revenue

Revenue from repair work, engineering, overhaul, service work and construction contracts is recognized over time by reference to the ratio of labor hours and costs incurred to-date to the estimated total labor hours and costs for each contract, with due consideration given to the inclusion of only those costs that reflect work performed. The estimated costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. Where the contract outcome cannot be measured reliably, revenue is recognized to the extent of the expenses recognized that are recoverable.

Rental income

Income from rental services is recognized on a straight-line basis over the lease term.

Interest income

Interest income is recognized using the effective interest method.

Dividend income

Dividend income is recognized when the Company's right to receive payment is established.

2.7 Contract balances

Contract assets

The contract assets relate to the Group's conditional rights to consideration in exchange for goods or services transferred to the customer. Contract assets are recognized when the Group transfers goods or renders services to a customer before the customer pays consideration or before payment is due. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

2.8 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies within the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The estimated liability for leave is recognized for services rendered by employees up to the end of the reporting period.

2. Material accounting policy information (cont'd)

2.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and land use rights	–	30 to 57 years
Workshop equipment	–	2 to 3 years
Tenancy rights	–	1 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2. Material accounting policy information (cont'd)

2.9 Leases (cont'd)

Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.6. Contingent rents are recognized as revenue in the period in which they are earned.

2.10 Borrowing costs

Borrowing costs are capitalized as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalized until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.11 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all temporary differences, except:

(i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with interests in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

(i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with interests in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2. Material accounting policy information (cont'd)

2.11 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

(i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. Material accounting policy information (cont'd)

2.12 Intangible assets (cont'd)

An intangible asset is de-recognized upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognized in profit or loss when the asset is de-recognized.

Software

Software acquired are initially recognized at cost and amortized on a straight-line basis over its estimated finite useful life of 3 to 5 years.

Know-how

Costs relating to welding procedures specifications are capitalized and amortized on a straight-line basis over its estimated finite useful life of 3 years.

Customer relationships

Customer relationships acquired are initially recognized at cost and amortized on a straight-line basis over its estimated finite useful life of 5 years.

Other intangible assets

Costs relating to designed packages and others are capitalized and amortized on a straight-line basis over its estimated finite useful life of 3 years.

2.13 Investment properties

Investment properties are held by the Company to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are de-recognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal. In determining the amount of consideration from the de-recognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

2.14 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.10. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

2. Material accounting policy information (cont'd)

2.14 Property, plant and equipment (cont'd)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is computed on a straight-line basis or a diminishing value basis over the estimated useful lives of the assets as follows:

Leasehold buildings	–	the remaining lease terms of 30 to 57 years at the time of acquisition
Plant, workshop and rental equipment	–	2 to 20 years
Furniture and fixtures	–	2 to 20 years
Motor vehicles	–	3 to 10 years
Office equipment	–	1 to 5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognized.

2.15 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, interests in subsidiaries are accounted for at cost less any impairment losses.

2.16 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2. Material accounting policy information (cont'd)

2.17 Joint venture and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is an entity over which the Group has joint control in the financial and operating policy decisions of the entity and has rights to the net assets of the joint arrangement.

The Group recognizes its investment in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint ventures' profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture. The profit or loss reflects the share of results of the operations of the associate or joint ventures. Distributions received from the associate or joint venture reduce the carrying amount of the investment. Where there has been a change recognized in other comprehensive income by the associate or joint venture, the Group recognizes its share of such changes in other comprehensive income. Unrealized gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate and joint venture.

When the Group's share of losses in an associate or joint venture exceeds its interest, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After the application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in profit or loss.

The financial statements of the associate and joint venture used in applying the equity method are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss.

2.18 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2. Material accounting policy information (cont'd)

2.18 Impairment of non-financial assets (cont'd)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in profit or loss.

A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.19 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes all costs incurred in bringing the inventories to their present location and condition and are accounted for, as follows:

(i) Raw materials: purchase cost on a first-in-first out basis

(ii) Finished goods and work in progress: cost of direct materials, direct labor and proportion of production overheads based on normal operating capacity. These costs are determined using the first-in-first-out method except for those relating to pipe supports, pipe suspensions and oilfield equipment spares, where costs are determined on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Financial instruments

(a) Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs, with the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 2.6.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

2. Material accounting policy information (cont'd)

2.20 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortized cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables, other receivables and amount due from subsidiaries.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognized in profit or loss when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Group elected to measure its quoted equity shares at fair value in OCI. Any subsequent changes in fair value of the quoted equity shares will be recognized to other comprehensive income without recycling to profit or loss. Equity instruments measured at FVOCI are not subject to impairment assessment.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognized in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily when:

- the contractual right to receive cash flows from the asset has expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Material accounting policy information (cont'd)

2.20 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Impairment

Disclosures relating to impairment of financial assets are provided in Note 2.21.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss ("FVPL"), net directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities and bank borrowings.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of balance sheets if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.21 Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale or collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Material accounting policy information (cont'd)

2.21 Impairment of financial assets (cont'd)

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment where appropriate.

Generally, the Group considers a financial asset in default when contractual payments are past due for more than 90-120 days, having considered other qualitative indicators when appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

Cash and cash equivalents carried in the consolidated balance sheet are classified and accounted for as financial assets held at amortized cost under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.20.

2.23 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.24 Dividend

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognized directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. Material accounting policy information (cont'd)

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognized on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.28 Government grants

Government grants are recognized when there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is deducted from the asset's carrying amount and amortized to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

2.29 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.30 Discontinued operation

A component of the Group is classified as a "discontinued operation" when it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

2. Material accounting policy information (cont'd)

2.30 Discontinued operation (cont'd)

The comparative period of the previous year in the statement of comprehensive income, income and expenses from discontinued operation are reported separately from income and expenses from continuing operations, down to the level of profit after tax. The resulting profit or loss (after tax) is reported separately in the statement of comprehensive income. Consequently, certain comparative figures were re-presented to reflect the financial effect of excluding the "discontinued operation".

Additional disclosures are provided in Note 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

2.31 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements that has estimates and assumptions involved. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

3. Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

<u>Income taxes</u>

The Group has exposure to income taxes in several jurisdictions. Significant judgment is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Company's tax recoverable and deferred tax liabilities as at 31 March 2025 is $212,000 (2024: provision for taxation of $860,000) and $237,000 (2024: $134,000) respectively.

The carrying amount of the Group's tax recoverable and provision for taxation as at 31 March 2025 is $212,000 (2024: $Nil) and $45,000 (2024: $860,000) respectively. The carrying amount of the Group's deferred tax assets and deferred tax liabilities as at 31 March 2025 is $32,000 (2024: $166,000) and $414,000 (2024: $317,000) respectively. Further details are disclosed in Note 27.

3. Significant accounting estimates and judgments (cont'd)

(a) Judgments made in applying accounting policies (cont'd)

Impairment of non-financial assets

Management exercises significant judgment in determining whether there is any indication that any non-financial asset may have been impaired. This exercise requires management to consider both internal and external sources of information which include but are not limited to observable indications that the value of the asset has declined during the period significantly more than would be expected as a result of the passage of time or normal use; significant adverse changes in the expected usage of the asset that have taken place or will take place in the near future; significant increase in market interest rates; evidence of obsolescence or physical damage; and worse than expected economic performance of the asset.

For assets with indicators of impairment, management determines the recoverable amount of the assets based on fair value less costs to sell for leasehold buildings and value-in-use calculations for plant, workshop and rental equipment and right-of-use assets. The fair values of the Group's leasehold buildings are determined by accredited independent valuer using market comparable approach. The value-in-use calculations for plant, workshop and rental equipment and right-of-use assets are based on cash flow projections and they require management's assumptions regarding revenue, gross margins, growth rates and discount rates. The carrying value of the Group's property, plant and equipment and right-of-use assets as at 31 March 2025 are disclosed in Notes 14 and 15.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Allowance for ECLs of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs and the carrying amount of the Group's trade receivables and contract assets as at 31 March 2025 are disclosed in Note 21.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill and key assumptions applied in the determination of the value-in-use including sensitivity analysis are disclosed in Note 11.

Allowance for decline in market value and obsolescence of inventories

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, salability of the inventories, 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 allowance, in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated. The carrying value of the Group's inventories and the allowance for inventory obsolescence as at 31 March 2025 are disclosed in Note 20.

4. Revenue

Revenue represents the value arising from the services, repair, trading and rental of equipment. Revenue is recognized in accordance with the accounting policy disclosed in Note 2.6.

Revenue is disaggregated to services, trading and rental business segment.

Disaggregation of revenue

	Services, repair and contract revenue		Trading sales		Rental income		Total continuing operations		Discontinued operations (Note 10)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major product or service lines												
Oilfield Engineering												
Oilfield services	51,780	54,619	–	–	–	–	51,780	54,619	6,892	5,989	58,672	60,608
Trading/ sales of oilfield equipment and spares	–	–	10,094	11,129	–	–	10,094	11,129	822	2,755	10,916	13,884
Rental services	–	–	–	–	339	585	339	585	485	64	824	649
Other services	1,064	633	–	–	–	–	1,064	633	–	–	1,064	633
	52,844	55,252	10,094	11,129	339	585	63,277	66,966	8,199	8,808	71,476	75,774
Timing of transfer of goods or services												
At a point in time	–	–	10,094	11,129	–	–	10,094	11,129	822	2,755	10,916	13,884
Over time	52,844	55,252	–	–	339	585	53,183	55,837	7,377	6,053	60,560	61,890
	52,844	55,252	10,094	11,129	339	585	63,277	66,966	8,199	8,808	71,476	75,774

Contract balances

Information about trade receivables, contract assets and liabilities are disclosed as follows:

	Group		
	31.3.2025	31.3.2024	1.4.2023
	$'000	$'000	$'000
Trade receivables (Note 21)	19,679	21,391	22,276
Contract assets (Note 21)	2,057	3,342	4,946
Contract liabilities (Note 24)	252	–	–

The contract assets pertain to revenue earned from unbilled work-in-progress in relation to contracts with customers.

Contract liabilities are the Group's obligations to transfer goods to customers for which the Group have received advances collected from customers prior to the transfer of control of goods to the customers. Contract liabilities are recognized as revenue when the Group satisfied the performance obligation under the contract.

5. Other income

	Note	Group 2025 $'000	Group 2024 $'000
Rental income		573	549
Gain on disposal of property, plant and equipment, net		–	65
Gain on disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs	23	–	6,367
Commission received		5	52
Gain on disposal of scrap material		161	223
Government grants		36	47
Others		68	60
		843	7,363

6. Profit from operating activities

Profit from operating activities is stated after charging the following:

(a) Manpower costs

(i) Amounts recognized in statement of comprehensive income

	Group 2025 $'000	Group 2024 $'000
Salaries, wages and bonuses	15,182	14,742
Defined contribution plan expense	1,923	1,963
Others	2,179	1,556
	19,284	18,261
Included in cost of sales	10,761	10,841
Included in staff costs	8,523	7,420
	19,284	18,261

6. Profit from operating activities (cont'd)

(a) *Manpower costs (cont'd)*

(ii) Amounts paid to a director and key management personnel

The amounts paid to a director and key management personnel during the financial years ended 31 March are as follows:

	Group	
	2025	2024
	$'000	$'000
Director's remuneration:		
- Salaries, wages and bonuses	143	428
- Defined contribution plan expense	6	13
- Others	14	26
	163	467
Other key management personnel:		
- Salaries, wages and bonuses	1,166	1,163
- Defined contribution plan expense	62	75
- Others	282	190
	1,510	1,428

(b) *Other operating expenses*

	Note	Group	
		2025	2024
		$'000	$'000
Amortization of intangible assets	12	216	151
Depreciation of property, plant and equipment		1,064	1,021
Depreciation of right-of-use assets		1,048	1,100
Directors' fees paid to Directors of the Company		329	301
Allowance for inventory obsolescence and stock written-off, net		192	52
Loss on disposal of property, plant and equipment		78	–
Loss on write-off of a lease		–	3
Loss/(gain) on foreign exchange, net		125	(106)
Consultancy fees paid to a director of the Company		185	169
Legal and professional fees		584	377
Utilities expenses		820	1,054
Property tax		636	510
Relocation costs		–	207
Travelling expenses		1,010	984

6. Profit from operating activities (cont'd)

(c) Cost of sales

	Group	
	2025	2024
	$'000	$'000
Depreciation of right-of-use assets	93	95
Depreciation of property, plant and equipment	1,849	1,853

(d) Auditor's remuneration

Audit and non-audit fees are as follows:

	Group	
	2025	2024
	$'000	$'000
Non-audit fees to:		
- Auditor of the Company	50	51
- Auditor of subsidiaries	13	–
Audit fees to:		
- Auditor of the Company	343	321
- Auditor of subsidiaries	52	38

7. Finance costs

	Group	
	2025	2024
	$'000	$'000
Interest on:		
- Bank loans	549	1,077
- Lease liabilities	531	771
	1,080	1,848

8. Tax expense

(a) *Major components of tax expense for the years ended 31 March are as follows:*

	Group	
	2025	**2024**
	$'000	**$'000**
Consolidated statement of comprehensive income		
Current income tax		
- Current income tax	49	830
- Over provision in respect of previous years	(216)	(68)
- Withholding tax expense	43	–
	(124)	762
Deferred income tax		
- Movement in temporary differences	27	(18)
- Under provision in respect of previous years	235	32
	262	14
Tax expense recognized in consolidated statement of comprehensive income	138	776

(b) *Relationship between tax expense and accounting profit*

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March is as follows:

	Group	
	2025	**2024**
	$'000	**$'000**
Profit before tax from continuing operations	3,632	10,242
Profit/(loss) before tax from discontinued operations (Note 10)	1,584	(2)
Accounting profit before tax	5,216	10,240
Tax at Singapore statutory tax rate of 17% (2024: 17%)	887	1,741
Effect of difference in effective tax rates of other countries	(385)	(820)
Non-deductible expenses	136	203
Income not subject to tax	(13)	(313)
Effect of partial tax exemption and tax incentives	(43)	(23)
Deferred tax assets not recognized	67	122
Utilization of deferred tax asset previously not recognized	(395)	(68)
(Over)/under provision in respect of previous years		
- current tax	(210)	(70)
- deferred tax	234	32
Withholding tax expense	93	17
Others	6	4
Tax expense recognized in consolidated statement of comprehensive income	377	825
Attributable to:		
Continuing operations	138	776
Discontinued operations	239	49
	377	825

9. Earnings per share

(a) Continuing operations

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

Diluted earnings per share are calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued upon the conversion of all the dilutive warrants into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

	Group	
	2025	**2024**
	$'000	**$'000**
Profit for the year attributable to Owners of the Company	4,839	9,415
Less: (Profit)/loss from discontinued operations, net of tax, attributable to owners of the Company (Note 10)	(1,345)	51
Profit for the year attributable to Owners of the Company used in the computation of basic and diluted per share from continuing operations	3,494	9,466

	Number of shares	
	2025	**2024**
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share computation*		
Effects of dilution:	224,731	224,782
- Outstanding warrants pursuant to MTQ Rights cum Warrants Issue#	–	15
Weighted average number of ordinary shares for diluted earnings per share computation	224,731	224,797

* The weighted average number of shares took into account the weighted average effect of the following transactions during the financial year:

(i) Nil (2024: 5,711,000) ordinary shares that the Company issued on exercise of warrants pursuant to MTQ Rights cum Warrants Issue (Note 29(a)).

(ii) 1,629,000 (2024: Nil) ordinary shares that the Company bought back (Note 29(b)).

Represents the dilutive effect of outstanding warrants prior to their expiry on 17 April 2023.

(b) Earnings per share computation

The basic and diluted earnings per share are calculated by dividing the earnings for the financial year, net of tax, attributable to owners of the Company by weighted average number of ordinary shares outstanding during the financial year for basic and diluted earnings per share computation. These profit and share data are presented in tables in Note 9(a) above.

10. Discontinued operations

(a) Disposal of Pemac Pte. Ltd.

On 24 January 2025, the Company entered into a Sale and Purchase Agreement ("SPA") for the disposal of its wholly-owned subsidiary, Pemac Pte. Ltd. ("Pemac"), to Sidi Investment Holdings Pte. Ltd. (the "Transaction"). Sidi Investment Holdings Pte. Ltd. is owned by Mr. Sumardi bin Sidi, the Managing Director of Pemac, and his spouse. As such, the Transaction constitutes a disposal to a key management personnel and a related party transaction. The assets and liabilities of Pemac have been presented in the balance sheet as "Assets of a disposal group classified as held for sale" and "Liabilities directly associated with a disposal group classified as held for sale" as at 31 March 2025 (Note 23).

The Transaction was completed subsequent to year end, following the shareholders' approval on 14 April 2025. Following the disposal, Pemac ceased to be a subsidiary of the Group subsequent to the reporting date.

The final aggregate consideration, after adjustments in accordance with the terms of the SPA, is $5,679,000 (the "Adjusted Sale Price"). Based on this Adjusted Sale Price and Pemac's carrying amount as at 31 March 2025, the Group will recognize a gain on disposal (net of transaction costs) of approximately $841,000 in the subsequent financial year.

Subsequent to year end, the Group has received the first tranche of the consideration amounting to $3,200,000. The remaining balance of the consideration is to be received in four equal instalments in accordance with the SPA.

(b) Disposal of Binder's business

In the prior year, on 18 January 2024, the Group's wholly-owned subsidiary, Binder Group Pty Ltd ("Binder"), entered into an Asset Sale Agreement ("ASA") for the sale of its operating business and assets (together with certain receivables and liabilities) to an independent third party (the "Asset Sale Transaction") for an aggregate consideration of $362,000 (equivalent to AUD 412,000). The Asset Sale Transaction was completed on 1 February 2024.

The effects of the Asset Sale Transaction on the financial statements of the Group were as follows:

	Note	2024 $'000
Property, plant and equipment	14	27
Inventories		136
Other prepayments and deposits, net		25
Provisions	28	(95)
Net assets disposed		93
Total sales consideration received, net of transaction costs		347
Less: Net assets disposed		(93)
Gain on disposal of business, net of transaction costs		254

Following the completion of the Asset Sale Transaction, Binder Group Pty Ltd was renamed to MTQ (Aust) Pty Ltd. Certain ongoing contracted works that were not transferred over to the buyer have since been completed during the financial year. MTQ (Aust) Pty Ltd is currently an inactive company.

Accordingly, the income and expenses of Pemac and Binder's operating business are presented separately in the consolidated statement of comprehensive income as "Profit/(loss) from discontinued operations, net of tax" for the financial years ended 31 March 2025 and 2024. The comparative results of the Group have been re-presented to report separately profit and loss items from continuing and discontinued operations.

10. Discontinued operations (cont'd)

The summarized financial information of the discontinued operations are as follows:

Income statement disclosures

	Pemac		Binder		Total	
	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	8,034	6,780	165	2,028	8,199	8,808
Cost of sales	(5,265)	(5,188)	(125)	(1,177)	(5,390)	(6,365)
Gross profit	2,769	1,592	40	851	2,809	2,443
Other income	52	51	–	1	52	52
Staff costs	(853)	(832)	–	(962)	(853)	(1,794)
Other operating expenses	(180)	(299)	–	(428)	(180)	(727)
Depreciation of property, plant and equipment	(113)	(90)	–	(4)	(113)	(94)
Depreciation of right-of-use assets	(123)	(127)	–	–	(123)	(127)
Profit/(loss) from operating activities	1,552	295	40	(542)	1,592	(247)
Finance costs	(8)	(9)	–	–	(8)	(9)
Gain on disposal of business, net of transaction costs	–	–	–	254	–	254
Profit/(loss) from discontinued operations	1,544	286	40	(288)	1,584	(2)
Tax expense	(239)	(49)	–	–	(239)	(49)
Profit/(loss) from discontinued operations, net of tax	1,305	237	40	(288)	1,345	(51)

Cash flow statement disclosures

	Pemac		Binder	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Operating	741	(207)	(28)	(333)
Investing	(95)	(292)	–	347
Financing	(122)	(124)	–	–
Net cash in/(out)flows	524	(623)	(28)	14

Earnings/(loss) per share disclosures

The information on earnings/(loss) per share from discontinued operations are as follows:

	2025	2024
Profit/(loss) from discontinued operations attributable to owners of the Company ($'000)	1,345	(51)
Basic and diluted earnings/(loss) per share (cents per share)	0.60	(0.02)

The basic and diluted earnings/(loss) per share from discontinued operations are calculated by dividing the profit/(loss) from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic and diluted earnings/(loss) per share computation. The share data is presented in the table in Note 9(a).

11. Goodwill

Goodwill acquired through business combinations has been allocated to the valve business CGU as follows:

	Group
	$'000
At 1 April 2023	2,870
Currency realignment	105
At 31 March 2024 and 1 April 2024	2,975
Currency realignment	57
At 31 March 2025	3,032

Impairment testing of goodwill

The recoverable amount 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 fifth year through perpetuity using a long-term growth rate applicable to the CGU.

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

	2025	2024
Revenue projection for the first year	Financial budgets	Financial budgets
Revenue growth rates for a further 4 years	2.0% to 15.0%	1.7% to 5.0%
Gross margins	25.0% to 33.0%	19.0% to 33.0%
Long-term growth rates	0.3% to 2.0%	0.4% to 2.5%
Discount rates	9.3% to 15.2%	10.3% to 16.7%

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.

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

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

Impairment

Based on the impairment assessment, the recoverable amount of the CGU was found to be higher than its carrying amount. Accordingly, no impairment loss was recognized.

12. Intangible assets

	Customer relationships	Software	Know-how	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost:					
At 1 April 2023	568	103	466	697	1,834
Additions	–	25	56	–	81
Currency realignment	(2)	2	7	10	17
At 31 March 2024 and 1 April 2024	566	130	529	707	1,932
Additions	–	–	148	59	207
Currency realignment	(3)	(1)	(2)	(4)	(10)
At 31 March 2025	563	129	675	762	2,129
Accumulated amortization and impairment loss:					
At 1 April 2023	568	70	457	403	1,498
Amortization for the year	–	14	10	127	151
Currency realignment	(2)	1	5	8	12
At 31 March 2024 and 1 April 2024	566	85	472	538	1,661
Amortization for the year	–	19	52	145	216
Currency realignment	(3)	(1)	(2)	(3)	(9)
At 31 March 2025	563	103	522	680	1,868
Net carrying amount:					
At 31 March 2025	–	26	153	82	261
At 31 March 2024	–	45	57	169	271

13. Investment properties

	Company
	$'000
Balance sheet:	
Cost	
At 1 April 2023	6,610
Additions	337
At 31 March 2024 and 1 April 2024	6,947
Additions	300
At 31 March 2025	7,247
Accumulated depreciation	
At 1 April 2023	157
Depreciation	362
At 31 March 2024 and 1 April 2024	519
Depreciation	381
At 31 March 2025	900
Net carrying amount	
At 31 March 2025	6,347
At 31 March 2024	6,428

	Company	
	2025	2024
	$'000	$'000
Statement of comprehensive income:		
Rental income from investment properties charged to subsidiaries	3,160	3,865
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	3,070	3,766

The fair value of the investment property held by the Company as at 31 March 2025 amounted to $20,500,000 (2024: $20,000,000). The fair value was based on valuation performed by an accredited independent valuer with recognized and relevant professional qualification and with recent experience in the location and category of the property being valued. In determining the fair value, the valuer performed valuation using primarily the market comparable method and cross-checked the value determined using income approach and replacement cost approach.

The investment property held by the Company as at 31 March 2025 is as follows:

Location	Description	Tenure
100 Tuas South Avenue 8 Singapore 637424	Office building and workshop	30 years lease from 1 April 2012 (subject to satisfaction of certain criteria as set out by JTC Corporation)

14. Property, plant and equipment

	Leasehold buildings	Plant, workshop, and rental equipment	Furniture and fixtures, office equipment and motor vehicles	Assets under construction	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost					
At 1 April 2023	28,526	49,150	7,808	–	85,484
Currency realignment	224	282	38	32	576
Additions	337	1,475	525	2,607	4,944
Disposals	–	(4,000)	(167)	–	(4,167)
Disposal of business (Note 10)	–	(12)	(81)	–	(93)
At 31 March 2024 and 1 April 2024	29,087	46,895	8,123	2,639	86,744
Currency realignment	(94)	(121)	(13)	221	(7)
Additions	300	11,411	257	14,462	26,430
Disposals/written-off	–	(98)	(161)	–	(259)
Reclassified to assets held for sale (Note 23)	–	(4,648)	(538)	–	(5,186)
At 31 March 2025	29,293	53,439	7,668	17,322	107,722
Accumulated depreciation and impairment loss					
At 1 April 2023	6,165	40,102	5,290	–	51,557
Currency realignment	61	228	21	–	310
Depreciation	845	1,602	521	–	2,968
Disposals	–	(3,343)	(151)	–	(3,494)
Disposal of business (Note 10)	–	(9)	(57)	–	(66)
At 31 March 2024 and 1 April 2024	7,071	38,580	5,624	–	51,275
Currency realignment	(27)	(97)	(7)	–	(131)
Depreciation	862	1,620	544	–	3,026
Disposals/written-off	–	(30)	(150)	–	(180)
Reclassified to assets held for sale (Note 23)	–	(4,239)	(420)	–	(4,659)
At 31 March 2025	7,906	35,834	5,591	–	49,331
Net carrying amount					
At 31 March 2025	21,387	17,605	2,077	17,322	58,391
At 31 March 2024	22,016	8,315	2,499	2,639	35,469

14. Property, plant and equipment (cont'd)

	Workshop equipment $'000	Furniture and fixtures, office equipment and motor vehicles $'000	Total $'000
Company			
Cost			
At 1 April 2023	209	2,306	2,515
Additions	–	126	126
Disposals	–	(42)	(42)
At 31 March 2024 and 1 April 2024	209	2,390	2,599
Additions	–	33	33
Disposals	–	(89)	(89)
At 31 March 2025	209	2,334	2,543
Accumulated depreciation			
At 1 April 2023	209	2,161	2,370
Depreciation	–	75	75
Disposals	–	(27)	(27)
At 31 March 2024 and 1 April 2024	209	2,209	2,418
Depreciation	–	85	85
Disposals	–	(78)	(78)
At 31 March 2025	209	2,216	2,425
Net carrying amount			
At 31 March 2025	–	118	118
At 31 March 2024	–	181	181

14. Property, plant and equipment (cont'd)

(a) *Leasehold buildings held by the Group include the following:*

Location	Description	Area sq. m.	Tenure	Net carrying amount 2025 $'000	Net carrying amount 2024 $'000
Leasehold building					
Bahrain International Investment Park, HIDD, Kingdom of Bahrain	Office building and workshop	22,397	50 years lease from 1 September 2009	10,584	10,968
54 Loyang Way Singapore 508747	Office building and workshop	6,912	57 years lease from 1 March 1995	4,456	4,620
100 Tuas South Avenue 8 Singapore 637424*	Office building and workshop	31,000#	30 years lease from 1 April 2012#	6,347	6,428

* This leasehold building has been classified as investment property at Company level as the property is leased to subsidiaries (Note 13).

\# The final tenure and area of the land on which the leasehold building is situated on is subjected to the satisfaction of certain criteria as set out by JTC Corporation.

(b) *Assets pledged as securities*

The carrying amounts of property, plant and equipment pledged as securities to secure the bank facility of a subsidiary are as follows:

	Net carrying amount 2025 $'000	Net carrying amount 2024 $'000
Leasehold buildings	10,584	10,968
Furniture and fixtures, office equipment and motor vehicles	1,068	1,213
Plant, workshop and rental equipment	3,991	4,283

The bank facility has been fully repaid during the financial year ended 31 March 2025 and the Group is working with the relevant financial institution to discharge the securities.

(c) *Assets under construction*

During the financial year ended 31 March 2025, the Group's assets under construction amounted to $17,322,000 (2024: $2,639,000). This relates to the progress billing claim on work done to the Group's new leasehold building located in the United Arab Emirates ("UAE") and the capitalization of the depreciation and interests arising from the UAE lease amounting to $102,000 and $390,000 respectively, as they are directly attributable to the construction of the leasehold building.

(d) *Cash outflows on purchase of property, plant and equipment*

Cash payments of $20,370,000 (2024: $7,519,000) were made to purchase property, plant and equipment during the financial year ended 31 March 2025.

15. Right-of-use assets

Group as a lessee

The Group has entered into commercial leases for various assets, including land, buildings and workshop equipment used in its operations.

	Land and land use rights	Workshop equipment	Tenancy rights	Total
	$'000	$'000	$'000	$'000
Group				
Cost				
At 1 April 2023	18,191	211	1,838	20,240
Currency realignment	37	28	31	96
Remeasurement (Note 25)	467	–	–	467
Additions	3,554	5	898	4,457
Write-offs	–	(33)	(351)	(384)
At 31 March 2024 and 1 April 2024	22,249	211	2,416	24,876
Currency realignment	(31)	–	(4)	(35)
Remeasurement (Note 25)	56	–	–	56
Additions	187	142	54	383
Reclassified to assets held for sale (Note 23)	–	(109)	(203)	(312)
At 31 March 2025	22,461	244	2,263	24,968
Accumulated depreciation				
At 1 April 2023	2,041	74	1,747	3,862
Currency realignment	6	–	27	33
Depreciation	843	84	395	1,322
Write-offs	–	(30)	(343)	(373)
At 31 March 2024 and 1 April 2024	2,890	128	1,826	4,844
Currency realignment	(3)	–	(5)	(8)
Depreciation[1]	892	82	392	1,366
Reclassified to assets held for sale (Note 23)	–	(78)	(161)	(239)
At 31 March 2025	3,779	132	2,052	5,963
Net carrying amount				
At 31 March 2025	18,682	112	211	19,005
At 31 March 2024	19,359	83	590	20,032

1 Depreciation includes an amount of $102,000 arising from the UAE lease that is capitalized as part of assets under construction under property, plant and equipment (Note 14) as they are directly attributable to the construction of the leasehold building for the financial year ended 31 March 2025.

15. Right-of-use assets (cont'd)

	Land and land use rights
	$'000
Company	
Cost	
At 1 April 2023	13,812
Remeasurement (Note 25)	467
Additions	28
At 31 March 2024 and 1 April 2024	14,307
Remeasurement (Note 25)	56
Additions	187
At 31 March 2025	14,550
Accumulated depreciation	
At 1 April 2023	744
Depreciation	715
At 31 March 2024 and 1 April 2024	1,459
Depreciation	721
At 31 March 2025	2,180
Net carrying amount	
At 31 March 2025	12,370
At 31 March 2024	12,848

During the financial years ended 31 March 2025 and 2024, the annual rent payments of the land lease contracts with JTC Corporation were revised to reflect changes in market rental rates. The right-of-use assets and lease liabilities (Note 25) were subsequently remeasured to reflect the revised lease payments arising from changes in rent payments and it is presented as 'remeasurement' in the right-of-use assets and lease liabilities.

16. Interests in subsidiaries

	Company	
	2025	2024
	$'000	$'000
Unquoted shares, at cost:		
Beginning of financial year	34,226	34,171
Incorporation of a subsidiary	53	55
Additional capital contribution in a subsidiary	36	–
Allowance for impairment of cost of investments	(20,104)	(20,104)
End of financial year	14,211	14,122
Intercompany indebtedness:		
Non-trade amounts due from subsidiaries	37,662	25,340
Allowance for impairment of intercompany indebtedness	–	(5,426)
	37,662	19,914
Total interests in subsidiaries	51,873	34,036

In the prior year, on 11 August 2023, MTQ Engineering L.L.C. was incorporated with share capital of AED 150,000 (equivalent to $55,000) in the United Arab Emirates. During the financial year, the Group further increased its share capital in the subsidiary by AED 100,000 (equivalent to $36,000). As at 31 March 2025, the total issued and paid-up capital of MTQ Engineering L.L.C. is AED 250,000 (equivalent to $91,000).

During the financial year, on 4 September 2024, MTQ Oil and Gas Facilities Services L.L.C. was incorporated with share capital of AED 150,000 (equivalent to $53,000) in the United Arab Emirates.

Further details regarding the subsidiaries are set out in Note 34.

Movement in allowance for impairment in cost of investments:

	Company	
	2025	2024
	$'000	$'000
At 1 April and 31 March	20,104	20,104

For interests in subsidiaries with indicators of impairment, management determines the recoverable amount of the investment using the value-in-use calculations derived from cash flow projections of the subsidiaries. Based on the impairment assessment carried out during the financial year, no impairment loss was required.

16. Interests in subsidiaries (cont'd)

Intercompany indebtedness

The amounts and loans owing by subsidiaries included as part of the Company's net interests in subsidiaries are unsecured, interest-free, have no repayment terms and are repayable only when the cash flows of the subsidiaries permit.

Due from a subsidiary that is impaired

The non-current amounts due from a subsidiary that is impaired at the end of the reporting period and the movement of the allowance account used to record the impairment is as follows:

	Company	
	2025	**2024**
	$'000	**$'000**
Amounts due from a subsidiary – nominal value	–	5,792
Less: Allowance for impairment	–	(5,426)
	–	366
Allowance for impairment:		
At 1 April	5,426	5,066
Currency realignment	(199)	7
Charge for the year	–	353
Written-off	(5,227)	–
At 31 March	–	5,426

17. Other investment

		Group	
	Note	**2025**	**2024**
		$'000	**$'000**
At 1 April		8,903	6,130
Fair value adjustment on investment security carried at FVOCI	30	306	6,744
Disposal		(9,209)	(3,971)
At 31 March		–	8,903

The Group's investment in quoted equity shares relates to its interest in equity shares of MMA Offshore Limited ("MMA") received as part of the purchase consideration for the sale of its operating businesses and assets of Blossomvale Holdings Ltd ("BLV", previously known as Neptune Marine Services Limited) in the year ended 31 March 2020.

In prior year ended 31 March 2024, the Group divested 2,000,000 ordinary shares of MMA for an aggregate cash consideration, net of transaction costs, amounting to $3,971,000.

During the financial year ended 31 March 2025, the Group divested its remaining 3,888,000 ordinary shares of MMA for an aggregate cash consideration, net of transaction costs, amounting to $9,209,000.

18. Investment in associate and joint venture

	Group
	$'000
Equity accounted:	
At 1 April 2023, 31 March 2024 and 31 March 2025	–

	Company
	$'000
Unquoted shares, at cost:	
At 1 April 2023, 31 March 2024 and 31 March 2025	114

Associate

Aggregate information about the Group's investment in associate that is not individually material is as follows:

	Group	
	2025	2024
	$'000	$'000
Profit after tax	13	168
Other comprehensive income	(1)	1
Total comprehensive income	12	169

The associate reported a total comprehensive income of $12,000 (2024: $169,000) during the financial year ended 31 March 2025, of which the Group's share of profits amounted to $2,000 (2024: $34,000). Although the Group's share of profits exceeds the cumulative share of losses previously not recognized, the Group has not recognized the profits relating to this associate as the future profitability of the associate remains uncertain as at 31 March 2025. The Group's share of unrecognized profits as at 31 March 2025 amounted to $64,000 (2024: $62,000).

Joint venture - PT Binder Indonesia

The Group has 50% (2024: 50%) equity interest in a jointly-controlled entity, PT Binder Indonesia that is held through a subsidiary. The joint venture is incorporated in Indonesia and manufactures proprietary and custom-built pipe support and provides pipe suspension solutions. The Group jointly controls the venture with other partner under the contractual agreement and unanimous consent is required for all major decisions over relevant activities.

18. Investment in associate and joint venture (cont'd)

Joint venture - PT Binder Indonesia (cont'd)

Summarized financial information in respect of PT Binder Indonesia[1] based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2025	**2024**
	$'000	**$'000**
Summarized balance sheet:		
Cash and cash equivalents	53	494
Other current assets	6,113	9,930
Total current assets	6,166	10,424
Total non-current assets	113	135
Total assets	6,279	10,559
Current trade and other payables	7,162	9,329
Non-current other payables	2,213	2,014
Total liabilities	9,375	11,343
Net liabilities	(3,096)	(784)
Group's share of net liabilities at 50% ownership interest	(1,548)	(392)
Carrying amount of the investment	–	–
Summarized statement of comprehensive income:		
Revenue	3,734	10,108
Other income	21	36
Depreciation	(28)	(28)
Operating expenses	(6,160)	(10,754)
Loss before tax	(2,433)	(638)
Tax expense	–	–
Loss after tax	(2,433)	(638)
Other comprehensive income	121	362
Total comprehensive loss	(2,312)	(276)

The joint venture reported a total unaudited comprehensive loss of $2,312,000 (2024: $276,000) during the financial year ended 31 March 2025, of which the Group's share of loss amounted to $1,156,000 (2024: $138,000). The Group has not recognized losses relating to PT Binder Indonesia based on its SFRS(I) financial statements where its share of losses exceeds the Group's interest in its joint venture. The Group's cumulative share of unrecognized losses at the end of reporting period was $1,548,000 (2024: $392,000). The Group has not incurred obligations or made payments on behalf of the joint venture.

1 Audited by Tasnim, Fardiman, Sapuan, Nuzuliana, Ramdan & Rekan

19. Receivables and prepayments

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Receivables				
Non-current				
Amounts due from subsidiaries				
- Trade	–	–	–	2,833
- Non-trade	–	–	57,649	60,889
- Interest-bearing loan	–	–	–	1,008
Allowance for amounts due from subsidiaries	–	–	(55,412)	(55,648)
	–	–	2,237	9,082
Prepayments				
Current				
Advances to suppliers	708	969	–	–
Other prepayments	618	1,191	139	115
	1,326	2,160	139	115
Non-current				
Other prepayments	11	793	11	31

Interest-bearing loan to a subsidiary is funded by bank borrowings – Facility 1 (Note 26). It is denominated in United States Dollars and bears interest at the rate of 1.50% per annum above the Cost of Funds. The loan was fully settled during the financial year ended 31 March 2025.

Trade and non-trade amounts due from subsidiaries are unsecured and are not expected to be repaid within the next twelve months.

<u>Expected credit losses</u>

The non-current loans due from a joint venture and amounts due from subsidiaries that are impaired at the end of the reporting period and the movement in allowance for expected credit losses computed based on lifetime ECLs are as follows:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Amounts due from subsidiaries - nominal value	–	–	57,649	64,730
Loans due from a joint venture - nominal value	2,708	2,708	–	–
Less: Allowance for impairment	(2,708)	(2,708)	(55,412)	(55,648)
	–	–	2,237	9,082
Movement in allowance:				
At 1 April	2,708	2,708	55,648	62,370
Write-back for the year	–	–	(236)	(6,722)
At 31 March	2,708	2,708	55,412	55,648

19. Receivables and prepayments (cont'd)

Expected credit losses (cont'd)

Management has assessed that there is no reasonable expectation of recovery of the loans due from a joint venture that were fully impaired during the financial year ended 31 March 2021 as the joint venture continues to be in a net liabilities position as at 31 March 2024 and 31 March 2025.

20. Inventories

	Group	
	2025	**2024**
	$'000	**$'000**
Balance sheet:		
First-in-first-out basis		
- Raw materials	12,538	13,578
- Work-in-progress	1,747	3,857
- Finished goods	758	885
- Goods-in-transit	473	55
	15,516	18,375
Weighted average basis		
- Finished goods	1,536	1,389
	1,536	1,389
Total inventories at lower of cost and net realizable value	17,052	19,764
Inventories are stated after deducting allowance for inventory obsolescence of:		
- first-in-first-out basis	2,225	2,753
- weighted average basis	92	59
	2,317	2,812
Movement in allowance for inventory obsolescence:		
At 1 April	2,812	3,031
Allowance/(reversal of allowance) for inventory obsolescence	116	(252)
Currency realignment	(12)	33
Reclassified to assets held for sale	(599)	–
At 31 March	2,317	2,812
Consolidated statement of comprehensive income statement:		
Inventories recognized as an expense in the income statement	45,237	50,219
Inclusive of the following charge/(credit) included in other operating expenses:		
- Allowance/(reversal of allowance) for inventory obsolescence	116	(252)
- Stock written-off (directly to profit or loss)	76	266

21. Trade and other receivables

		Group		Company	
	Note	2025	2024	2025	2024
		$'000	$'000	$'000	$'000
Trade receivables		19,679	21,391	–	–
Contract assets	4	2,057	3,342	–	–
Staff loans, current		100	140	–	–
Sundry deposits		23	229	–	1
Sundry receivables		373	411	373	411
Amounts due from subsidiaries					
- Trade		–	–	2,300	14,944
- Non-trade		–	–	4,351	8,196
Others		–	–	78	50
		22,232	25,513	7,102	23,602

In the prior year, included in the sundry deposits is an amount of $52,000 pledged with a financial institution as security for a bank guarantee issued. The pledged amount has been released during the financial year.

Trade receivables are unsecured, non-interest bearing and are generally on 0 to 90 days' terms. They are recognized at their original invoice amounts which represent their fair values on initial recognition and are expected to be settled in cash.

Interest-free staff loans are extended to certain staff of the Company and its subsidiaries under the staff benefits scheme and are generally repayable over a period as agreed with employees, typically over 2 to 5 years. The staff loans are carried at amortized cost. The difference between the amortized cost and gross loan receivables is recognized as prepaid staff benefits.

Trade and other receivables are stated after deducting an allowance for impairment of trade and other receivables of:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Trade receivables	310	456	–	–
Amounts due from subsidiaries	–	–	2,586	2,112
Trade and other receivables	310	456	2,586	2,112

21. Trade and other receivables (cont'd)

Trade and other receivables are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore Dollars	1,988	4,411	6,002	19,829
Australian Dollars	–	44	139	–
United States Dollars	18,975	20,296	716	3,528
Bahraini Dinar	632	307	–	–
British Pounds	26	37	6	5
Others	611	418	239	240
	22,232	25,513	7,102	23,602

Expected credit losses

Trade receivables and contract assets

The gross carrying amount of trade receivables and contract assets which represents the maximum exposure to loss is as follows:

	Group			
	2025		2024	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
	$'000	$'000	$'000	$'000
Current	15,890	–	18,818	–
Less than 30 days past due	3,919	–	3,647	–
30 to 60 days past due	363	–	1,318	–
61 to 90 days past due	527	–	950	–
More than 90 days past due	1,347	(310)	456	(456)
	22,046	(310)	25,189	(456)

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECLs are as follows:

	Group	
	2025	2024
	$'000	$'000
At 1 April	456	495
Currency realignment	–	1
Reversal for the year	–	(3)
Written-off	(101)	(37)
Reclassified to assets held for sale	(45)	–
At 31 March	310	456

21. Trade and other receivables (cont'd)

Expected credit losses (cont'd)

Amounts due from subsidiaries

The gross carrying amount of amounts due from subsidiaries which represents the maximum exposure to loss is as follows:

	Company			
	2025		2024	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
	$'000	$'000	$'000	$'000
Amounts due from subsidiaries	9,237	(2,586)	25,252	(2,112)

The movement in allowance for expected credit losses of amounts due from subsidiaries computed based on lifetime ECLs are as follows:

	Company	
	2025	2024
	$'000	$'000
At 1 April	2,112	1,661
Currency realignment	(9)	19
Charge for the year	483	432
At 31 March	2,586	2,112

22. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Short-term deposits	42	198	–	–
Cash at banks and in hand	7,624	12,093	741	4,636
Cash and cash equivalents per consolidated statement of cashflows	7,666	12,291	741	4,636

Short-term deposits are pledged as security to secure bank guarantees issued to external parties.

22. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore Dollars	3,765	4,346	672	2,831
Australian Dollars	117	353	–	–
United States Dollars	3,440	7,333	69	1,803
British Pounds	35	14	–	–
Bahraini Dinar	197	201	–	–
United Arab Emirates Dirham	110	40	–	–
Euro	2	–	–	–
Others	–	4	–	2
	7,666	12,291	741	4,636

23. Assets held for sale
Liabilities directly associated with the assets held for sale

(a) *Disposal of Pemac Pte. Ltd.*

As at 31 March 2025, the assets and liabilities of Pemac were classified as held for sale in anticipation of the disposal, details of which are provided in Note 10.

The major classes of assets and liabilities of Pemac classified as held for sale as at 31 March 2025 are, as follows:

	31.3.2025
	$'000
Assets	
Property, plant and equipment	527
Right-of-use assets	73
Inventories	2,524
Trade and other receivables	2,745
Cash and cash equivalents	374
Assets held for sale	6,243
Liabilities	
Trade and other payables	1,157
Lease liabilities	78
Provision for taxation	158
Deferred tax liabilities	55
Liabilities directly associated with the assets held for sale	1,448
Net assets held for sale	4,795

23. Assets held for sale (cont'd)
Liabilities directly associated with the assets held for sale (cont'd)

(b) Disposal of Pandan Property

On 1 September 2022, the Company granted an option ("Option") to an independent third party purchaser ("Purchaser") for the sale of the Company's property located at 182 Pandan Loop Singapore 128373 ("Pandan Property") together with certain plant and equipment as particularized in the Option to the Purchaser for an aggregate consideration of $6,000,000 ("Sale Price"). The Option was exercised on the same day and the Option fee and deposit of 5.0% of the Sale Price was received by the Company in the year ended 31 March 2023.

The sale was completed in the prior year, on 13 July 2023 and the Company received the balance of the Sale Price of $5,700,000 on the same day. Accordingly, a gain on disposal of Pandan Property, net of transaction costs, amounting to $6,367,000 and the expenses attributable to the Pandan Property amounting to $267,000, mainly arising from the investment holding segment, was recognized in the Statement of Comprehensive Income (Note 5) in the prior year ended 31 March 2024.

24. Trade and other payables

		Group		Company	
	Note	2025	2024	2025	2024
		$'000	$'000	$'000	$'000
Current					
Trade payables		4,548	5,665	–	–
Contract liabilities	4	252	–	–	–
Sundry payables		3,114	660	334	230
Accrual for staff-related costs		3,661	3,991	617	453
Sundry accruals		4,812	4,092	879	905
Trade amounts due to a joint venture		–	14	–	–
Amounts owing to subsidiaries		–	–	–	388
		16,387	14,422	1,830	1,976
Non-current					
Amounts owing to subsidiaries		–	–	5,303	–
Total trade and other payables		16,387	14,422	7,133	1,976

Trade and other payables are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore Dollars	4,853	5,296	7,133	1,940
Australian Dollars	1	323	–	–
United States Dollars	4,459	5,010	–	–
Bahraini Dinar	3,546	3,333	–	–
British Pounds	270	40	–	–
United Arab Emirates Dirham	2,385	140	–	36
Euro	859	249	–	–
Others	14	31	–	–
	16,387	14,422	7,133	1,976

24. Trade and other payables (cont'd)

Trade and sundry payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

Sundry payables include an amount of $1,655,000 (2024: $Nil) pertaining to retention payables, which are withheld from payments to contractors and suppliers until the satisfactory completion of works in accordance with the terms and conditions of the contracts.

Amounts owing to subsidiaries are non-trade, unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. The current portion of the amounts owing have been fully settled during the financial year.

Amounts due to a joint venture are unsecured, non-interest bearing and are repayable upon demand in cash. These amounts were fully settled during the financial year.

25. Lease liabilities

The Group has entered into commercial leases on certain premises and equipment. The Group also has certain leases with lease terms of 12 months or less and leases with low value, which the Group applied the recognition exemptions for these leases.

		Group	
	Note	2025	2024
		$'000	$'000
At 1 April		20,003	16,375
Remeasurement	15	56	467
Additions		196	4,322
Accretion of interest[1]		929	780
Currency realignment		(27)	30
Write-offs		–	(8)
Payments		(1,650)	(1,963)
Reclassified as liabilities directly associated with the assets held for sale	23	(78)	–
At 31 March		19,429	20,003
Current		694	904
Non-current		18,735	19,099
		19,429	20,003

1 Accretion of interest includes an amount of $390,000 arising from the UAE lease that is capitalized as part of assets under construction under property, plant and equipment (Note 14) as they are directly attributable to the construction of the leasehold building for the financial year ended 31 March 2025.

25. Lease liabilities (cont'd)

Amounts recognized in consolidated statement of comprehensive income

	Note	Group 2025 $'000	Group 2024 $'000
Depreciation of right-of-use assets	6	1,141	1,195
Interest expense on lease liabilities	7	531	771
Expense relating to short-term leases		315	338
Expense relating to leases of low-value assets		33	28
Depreciation, interest and other expenses relating to short-term leases and of low-value assets – discontinued operations		165	257
Total amounts recognized in income statement		2,185	2,589

Amounts recognized in consolidated cash flow statement

	Group 2025 $'000	Group 2024 $'000
Indirect costs associated to obtaining a lease	201	121
Repayment of principal portion of lease liabilities	999	1,296
Total cash outflows for leases	1,200	1,417

	Note	Company 2025 $'000	Company 2024 $'000
At 1 April		11,864	12,168
Remeasurement	15	56	467
Accretion of interest		427	449
Payments		(900)	(1,220)
At 31 March		11,447	11,864
Current		493	473
Non-current		10,954	11,391
		11,447	11,864

26. Bank borrowings

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Bank borrowings, current portion				
Secured (Facility 1)	–	1,008	–	1,008
Unsecured (Facility 4)	387	500	–	–
Total current bank borrowings	387	1,508	–	1,008
Bank borrowings, non-current portion				
Unsecured (Facility 2)	6,500	6,000	–	6,000
Unsecured (Facility 3)	9,644	5,966	2,144	3,000
Unsecured (Facility 4)	–	395	–	–
Total non-current bank borrowings	16,144	12,361	2,144	9,000
Total bank borrowings	16,531	13,869	2,144	10,008

Bank borrowings are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore Dollars	14,387	9,895	–	9,000
United States Dollars	2,144	3,974	2,144	1,008
	16,531	13,869	2,144	10,008

Facility 1

The United States Dollars denominated bank loans are repayable over quarterly instalments starting from December 2012. Interest was payable at the rate of 1.50% per annum above the Cost of Funds. The facility was used to fund an interest-bearing loan to a subsidiary (Note 19).

The facility was secured by the following:

– 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.

The bank loans have been fully repaid as at 31 March 2025 and the Company is working with the relevant financial institution to discharge the securities.

Facility 2

The multi-currency denominated revolving credit facility has a maturity date falling on 4 May 2026. Interest is payable at the rate of 3.00% per annum over the SORA or 3.10% per annum over the SOFR in 2025 depending on the currencies being drawn.

Facility 3

The multi-currency denominated revolving credit facility has a maturity date falling on 3 April 2026. Interest is payable at the rate of 2.85% per annum over the SORA or SOFR depending on the currencies being drawn.

26. Bank borrowings (cont'd)

Facility 4

The Singapore Dollars denominated bank loan is repayable over 48 monthly instalments, starting from 23 January 2022 with last instalment due on 23 December 2025. Interest is payable at the rate of 2.00% per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2024	Cash flows	Non-cash changes		31 March 2025
			Foreign exchange movement	Reclassification	
	$'000	$'000	$'000	$'000	$'000
Bank borrowings					
Current	1,508	(1,506)	(10)	395	387
Non-current	12,361	4,178	–	(395)	16,144
Total	13,869	2,672	(10)	–	16,531

	1 April 2023	Cash flows	Non-cash changes		31 March 2024
			Foreign exchange movement	Reclassification	
	$'000	$'000	$'000	$'000	$'000
Bank borrowings					
Current	1,493	(1,502)	12	1,505	1,508
Non-current	18,726	(4,919)	59	(1,505)	12,361
Total	20,219	(6,421)	71	–	13,869

27. Deferred tax assets/(liabilities)

Deferred tax as at the end of reporting period relates to the following:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Temporary tax differences:				
Deferred tax assets				
Unabsorbed capital allowances and unutilized tax losses	20	34	–	–
Excess of tax written down value of property, plant and equipment over net book value	–	91	–	–
Employee benefits	46	58	19	19
Lease liabilities	2,368	2,466	1,946	2,017
	2,434	2,649	1,965	2,036

27. Deferred tax assets/(liabilities) (cont'd)

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Temporary tax differences:				
Deferred tax liabilities				
Excess of net book value over tax written down value of property, plant and equipment	(395)	(341)	(99)	(60)
Right-of-use assets	(2,421)	(2,459)	(2,103)	(2,110)
	(2,816)	(2,800)	(2,202)	(2,170)
Deferred tax liabilities, net	(382)	(151)	(237)	(134)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The net amounts determined after appropriate offsetting are shown in the balance sheets as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets:				
At 1 April	166	179	–	–
Charge to profit and loss during the financial year	(134)	(13)	–	–
At 31 March	32	166	–	–
Deferred tax liabilities:				
At 1 April	(317)	(282)	(134)	(131)
Charge to profit and loss during the financial year	(152)	(35)	(103)	(3)
Reclassified as liabilities directly associated with the assets held for sale (Note 23)	55	–	–	–
At 31 March	(414)	(317)	(237)	(134)

Unrecognized tax losses

At the end of the reporting period, the Group had unutilized tax losses with no expiry of approximately $6,748,000 (2024: $17,598,000), net of amounts transferred under the group relief transfer system, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognized due to uncertainty of their recoverability. The amount and use of these tax losses is subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the countries where the companies reside.

The potential tax benefit of approximately $1,361,000 (2024: $4,523,000) from these unutilized tax losses has not been recognized in the financial statements due to the uncertainty of their recoverability.

27. Deferred tax assets/(liabilities) (cont'd)

Unrecognized temporary differences relating to investments in subsidiaries

The Group has not recognized a deferred tax liability of $2,788,000 (2024: $2,306,000) as at 31 March 2025 in respect of undistributed profits of a foreign subsidiary as the distribution is controlled by the Company and there is currently no intention for the profits to be distributed to Singapore.

28. Provisions

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Non-current	–	96	–	96

Represented by:

	Make good provision	Long-service leave	Liquidated damages	Total
	$'000	**$'000**	**$'000**	**$'000**
Group				
At 1 April 2023	96	95	15	206
Currency realignment	–	(2)	–	(2)
Provisions made during the year	–	6	–	6
Utilized during the year	–	(4)	(15)	(19)
Disposal of business (Note 10)	–	(95)	–	(95)
At 31 March 2024 and 1 April 2024	96	–	–	96
Utilized during the year	(96)	–	–	(96)
At 31 March 2025	–	–	–	–

	Make good provision	
	2025	**2024**
	$'000	**$'000**
Company		
At 1 April	96	96
Utilized during the year	(96)	–
At 31 March	–	96

28. Provisions (cont'd)

Make good provision

In accordance with certain lease agreements, provisions are recognized for expected cost required to be incurred to reinstate the leased premises to their original condition upon the expiry of the leases at various dates. The provisions were based on quotations received from contractors. Assumptions made by management included variables such as inflation rate and discount rate used to calculate the provision. As such, the actual amounts eventually paid out could be different from the above provisions due to changes in the variables such as discount rate and inflation.

Provision for long service leave

Provision for long service leave is recognized and measured at the present value of the expected future payment to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Provision for liquidated damages

This relates to the provision for potential claim for liquidated damages for late deliveries.

29. Share capital and treasury shares

	Group and Company			
	2025		2024	
	No. of shares '000	$'000	No. of shares '000	$'000
(a) Ordinary shares issued and fully paid				
At 1 April	225,061	50,836	219,350	49,579
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	–	–	5,711	1,257
At 31 March	225,061	50,836	225,061	50,836

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company except that no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares.

All ordinary shares carry one vote per share without restrictions, except for treasury shares which have no voting rights. The ordinary shares have no par value.

29. Share capital and treasury shares (cont'd)

(a) *Ordinary shares issued and fully paid (cont'd)*

MTQ Rights cum Warranty Issue

On 18 April 2018, the Company issued 61,806,000 right shares at an issue price of $0.20 per share and 15,451,000 detachable warrants to its shareholders. Each warrant carries the rights to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.22 per warrant for each new share. Each warrant may be exercised at any time during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding five years from the date of issue of the warrants. The exercise price of the warrants and the number of warrants are fixed except for certain events pursuant to the terms and conditions of the warrants set out in the Deed Poll. The newly issued shares ranked pari passu in all respects with the previously issued shares. Part of the share issuance expenses amounting to $254,000 were deducted against share capital.

In the prior financial year ended 31 March 2024, 5,711,000 warrants were exercised and the remaining unexercised warrants expired on 17 April 2023 and were delisted from the Official List of the Singapore Exchange Securities Trading Limited on 18 April 2023. Accordingly, there were no warrants outstanding as at 31 March 2025 and 31 March 2024.

	Group and Company			
	2025		2024	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
(b) Treasury shares				
At 1 April	188	41	188	41
Share buy-back	1,629	422	–	–
At 31 March	1,817	463	188	41

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the financial year ended 31 March 2025, the Company acquired 1,629,000 ordinary shares in the Company through purchases on the SGX-ST. The total amount paid to acquire the shares amounted to $422,000 and this was presented as a component within shareholders' equity.

30. Reserves

	Group	
	2025	2024
	$'000	$'000
Retained earnings[1]		
At 1 April	25,605	18,439
Profit for the year	4,839	9,415
Dividends	(2,249)	(2,249)
At 31 March	28,195	25,605
Foreign currency translation reserve	(1,655)	(1,620)
Other reserves		
- Gain on sale/transfer of treasury shares	2,507	2,507
- Premium paid on acquisition of non-controlling interests or reduction in share capital of a subsidiary	(1,078)	(1,078)
- Share of joint venture's remeasurement of employee benefits liabilities	(96)	(96)
- Fair value reserve of other investment at FVOCI	2,963	2,657
	4,296	3,990
	30,836	27,975

1 Included in the retained earnings of the Group is an amount of $1,920,000 (2024: $1,641,000) attributable to a subsidiary in Bahrain, which has been set aside as required by the Bahrain Commercial Companies Law. This amount may be utilized to allow the distribution of profits among shareholders of no more than 5% of the paid-up capital in years when the subsidiary's profits do not allow for the payment of profits of this percentage.

	Company	
	2025	2024
	$'000	$'000
Retained earnings		
At 1 April	12,833	3,205
(Loss)/profit for the year	(3,161)	11,877
Dividends	(2,249)	(2,249)
At 31 March	7,423	12,833
Other reserves		
At 1 April and 31 March	2,507	2,507
	9,930	15,340

Foreign currency translation reserve

The foreign currency translation reserve comprises exchange differences arising from the translation of financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency. The foreign currency translation reserve is also used to record the effect of hedging of net investments in foreign operations.

30. Reserves (cont'd)

Gain on sale/transfer of treasury shares

This represents the gain arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Premium paid on acquisition of non-controlling interests or reduction in share capital of a subsidiary

This represents the premium paid on acquisition of non-controlling interests arising from the acquisition of additional equity interest in a subsidiary while retaining control and the reduction of share capital of the subsidiary prior to financial year ended 31 March 2023. The subsidiary has been liquidated in the prior year ended 31 March 2023.

Fair value reserve of other investment at FVOCI

Fair value reserve of other investment at FVOCI represents the cumulative fair value changes, net of tax, of an investment security at FVOCI.

	Group	
	Fair value reserve	
	2025	**2024**
	$'000	**$'000**
At 1 April	2,657	(4,087)
Fair value adjustment on investment security carried at FVOCI (Note 17)	306	6,744
At 31 March	2,963	2,657

31. Dividends

	Group and Company	
	2025	**2024**
	$'000	**$'000**
Declared and paid during the financial year		
Dividends on ordinary shares:		
- Final tax exempt (one-tier) dividend for 2024: 0.5 cents (2023: 0.5 cents) per share	1,124	1,124
- Interim tax exempt (one-tier) dividend for 2025: 0.5 cents (2024: 0.5 cents) per share	1,125	1,125
Proposed but not recognized as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final tax exempt (one-tier) dividend for 2025: 0.5 cents (2024: 0.5 cents) per share	1,111	1,124

The final dividends proposed but not recognized as a liability as at 31 March 2025 and 2024 were estimated based on the Proposed Final Dividend of 0.5 Singapore cents per ordinary share (31 March 2024: 0.5 Singapore cents) and the total outstanding number of shares (excluding treasury shares) as at 12 June 2025 (2024: 12 June 2024).

32. 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 in the financial statements:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
<u>Authorized and committed</u>				
(a) Relating to UAE expansion:				
- Construction of new facility	1,246[1]	13,472	–	–
- Purchase of machineries and equipment	858	7,225	–	–
(b) Others	78	103	–	–
Total authorized and committed	2,182	20,800	–	–

1 Of the total capital commitment, $1,166,000 has been recognized as liabilities as at 31 March 2025.

(b) Contingent liabilities

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Corporate guarantees issued by the Company for bank facilities utilized by subsidiaries	–	–	40	125
Guarantees issued to external parties	652	901	652	724

The corporate guarantees have not been recognized 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 or third party service providers.

(c) Financial support

The Company has provided letters of financial support to certain subsidiaries that it will not demand repayment of the amounts owing by such subsidiaries unless such repayment will not jeopardize the ability of these subsidiaries to meet their obligations as and when they fall due. The total amounts owing from these subsidiaries, net of allowances for impairment, is $34,242,000 (2024: $30,533,000).

33. Information by segment on the Group's operations

(a) *Operating segments*

For management purposes, the Group's operating businesses are organized 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.

(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 operates primarily in Singapore, Kingdom of Bahrain, United Kingdom and the United Arab Emirates.

(a) *Disposal of Pemac Pte. Ltd.*

On 24 January 2025, the Company entered into a Sale and Purchase Agreement ("SPA") for the disposal of its wholly-owned subsidiary, Pemac Pte. Ltd. ("Pemac"), which is in the manufacture of high pressure piping, general steel fabrication works, repairing of oilfield equipment and fabrication of pressure vessels. As a result, Pemac has been reclassified as a disposal group held for sale (Note 23) and presented as a discontinued operation (Note 10), with the corresponding comparative figures re-presented accordingly. Further details are disclosed in Notes 10 and 23.

(b) *Disposal of Binder's business*

The Australian business involved in the design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas industry has also been re-presented as a discontinued operation, following its disposal in the prior year ended 31 March 2024 (Note 10).

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

33. Information by segment on the Group's operations (cont'd)

(a) Operating segments (cont'd)

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

	Continuing operations						
	Investment holding $'000	Oilfield engineering $'000	Eliminations $'000	Note	Subtotal $'000	Discontinued operations $'000	Per consolidated financial statements $'000
2025							
Revenue:							
External sales	–	63,277	–		63,277	8,199	71,476
Inter-segment sales	6,757	2,859	(9,691)	A	(75)	75	–
Total sales	6,757	66,136	(9,691)		63,202	8,274	71,476
Results:							
Interest income	–	–	–		–	5	5
Rental income	573	–	–		573	–	573
Depreciation and amortization	(1,442)	(2,828)	–		(4,270)	(236)	(4,506)
Loss on disposal of property, plant and equipment, net	(11)	(67)	–		(78)	–	(78)
Allowance for inventory obsolescence and stock written-off, net	–	(192)	–		(192)	–	(192)
Finance costs	(663)	(417)	–		(1,080)	(8)	(1,088)
Segment (loss)/profit before tax	(6,610)	10,242	–		3,632	1,584	5,216
Tax credit/(expense)	91	(229)	–		(138)	(239)	(377)
Assets and liabilities:							
Additions to non-current assets	592	26,349	–		26,941	135	27,076
Segment assets	27,206	101,770	–		128,976	6,243	135,219
Tax recoverable							212
Deferred tax assets							32
Total assets							135,463
Segment liabilities	(15,724)	(20,092)	–		(35,816)	(1,448)	(37,264)
Provision for taxation							(45)
Deferred tax liabilities							(414)
Bank borrowings							(16,531)
Total liabilities							(54,254)

33. Information by segment on the Group's operations (cont'd)

(a) *Operating segments (cont'd)*

	Continuing operations						Per consolidated financial statements
	Investment holding	Oilfield engineering	Eliminations	Note	Subtotal	Discontinued operations	
	$'000	$'000	$'000		$'000	$'000	$'000
2024							
Revenue:							
External sales	–	66,966	–		66,966	8,808	75,774
Inter-segment sales	7,666	3,218	(11,053)	A	(169)	169	–
Total sales	7,666	70,184	(11,053)		66,797	8,977	75,774
Results:							
Interest income	–	–	–		–	1	1
Rental income	549	–	–		549	–	549
Depreciation and amortization	(1,406)	(2,814)	–		(4,220)	(221)	(4,441)
Loss on write-off of a lease	–	(3)	–		(3)	–	(3)
(Loss)/gain on disposal of property, plant and equipment, net	(15)	80	–		65	32	97
Gain/(loss) on disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs	6,384	(17)	–		6,367	–	6,367
Gain on disposal of business, net of transaction costs	–	–	–		–	254	254
(Allowance)/reversal of allowance for inventory obsolescence and stock written-off, net	–	(52)	–		(52)	38	(14)
Reversal of allowance for impairment of trade receivables	–	–	–		–	3	3
Finance costs	(998)	(850)	–		(1,848)	(9)	(1,857)
Segment (loss)/profit before tax	(1,102)	11,344	–		10,242	(2)	10,240
Tax (expense)/credit	(792)	16	–		(776)	(49)	(825)
Assets and liabilities:							
Additions to non-current assets	958	8,397	–		9,355	594	9,949
Segment assets	41,661	80,651	–		122,312	5,859	128,171
Deferred tax assets							166
Total assets							128,337
Segment liabilities	(16,440)	(16,551)	–		(32,991)	(1,530)	(34,521)
Provision for taxation							(860)
Deferred tax liabilities							(317)
Bank borrowings							(13,869)
Total liabilities							(49,567)

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

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

33. Information by segment on the Group's operations (cont'd)

(b) *Geographical segments*

	External sales		Non-current assets	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore	38,146	34,381	29,714	40,153
Bahrain	29,945	34,526	16,974	18,114
Australia	165	2,028	–	–
United Kingdom	3,220	4,839	3,220	3,207
United Arab Emirates	–	–	30,781	6,176
	71,476	75,774	80,689	67,650

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.

(c) *Information about major customers*

Revenue from one major customer amounted to $11,143,000 (2024: two major customers amounted to $18,730,000) arising from sales by the Oilfield Engineering segment.

34. Subsidiaries

The subsidiaries as at 31 March are:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective interest in equity held by the Group	
			2025	2024
			%	%
	Held by the Company and its subsidiaries			
i	MTQ Engineering Pte Ltd (Republic of Singapore)	Providing engineering and manufacturing services to the oil and gas industry	100	100
iii	MTQ Equipment Rental Pte Ltd (Republic of Singapore)	Inactive	100	100
iii	MTQ Fabrication Pte Ltd (Republic of Singapore)	Inactive	100	100
i	Blossomvale Investments Pte Ltd (Republic of Singapore)	Investment holding	100	100
iii	Violetbloom Investments Pte Ltd (Republic of Singapore)	Inactive	100	100

For the financial year ended 31 March 2025 (In Singapore dollars)

34. Subsidiaries (cont'd)

The subsidiaries as at 31 March are (cont'd):

	Name of company (Country of incorporation and place of business)	Principal activities	Effective interest in equity held by the Group 2025 %	Effective interest in equity held by the Group 2024 %
	Held by the Company and its subsidiaries (cont'd)			
iii	Everfield Pte Ltd (Republic of Singapore)	Inactive	100	100
iii	MTQ Binder Holdings Pte Ltd (Republic of Singapore)	Inactive	100	100
ii	MTQ Oilfield Services W.L.L. (Kingdom of Bahrain)	Service, manufacture and assemble oilfield equipment and related spare parts in the oil and gas industry	100	100
ii,iv	MTQ Engineering L.L.C. (United Arab Emirates)	Service, manufacture and assemble oilfield equipment and related spare parts in the oil and gas industry	100	100
ii,v	MTQ Oil and Gas Facilities Services L.L.C. (United Arab Emirates)	Inactive	100	–
i	Premier Sea & Land Pte Ltd (Republic of Singapore)	Trading of oilfield industry materials and supplies machinery and equipment and rental of machinery and equipment	100	100
i,vi	Pemac Pte Ltd (Republic of Singapore)	Manufacture of high pressure piping, general steel fabrication works, repairing of oilfield equipment and fabrication of pressure vessels	100	100
i	Mid-Continent Distribution Pte Ltd (Republic of Singapore)	Trading of oilfield equipment and spares	100	100
i	Premier Estate Private Limited (Republic of Singapore)	Investment holding	100	100
iii	Blossomvale (NAH) Pte Ltd (Republic of Singapore)	Inactive	100	100
iii	Blossomvale (NMO) Pte Ltd (Republic of Singapore)	Inactive	100	100
iii	Blossomvale Subsea Stabilisation Sdn Bhd (Malaysia)	Inactive	100	100

For the financial year ended 31 March 2025 (In Singapore dollars)

34. Subsidiaries (cont'd)

The subsidiaries as at 31 March are (cont'd):

	Name of company (Country of incorporation and place of business)	Principal activities	Effective interest in equity held by the Group 2025 %	Effective interest in equity held by the Group 2024 %
	Held by the Company and its subsidiaries (cont'd)			
iii,vii	Blossomvale NMSSB Sdn Bhd (Brunei)	Inactive	100	100
iii	MTQ (Aust) Pty Ltd (Australia)	Inactive	100	100
i	Binder Asia Pte Ltd (Republic of Singapore)	Trading of proprietary and custom-built pipe support and pipe suspension solutions	100	100
iii	Binder Holdings Pte Ltd (Republic of Singapore)	Inactive	100	100
iii	In-Line Valve Company Limited (United Kingdom)	Design, engineering, assembly and testing of flow control valves	100	100
iii	In-Line Valve (ME) Limited (United Arab Emirates)	Inactive	100	100

i. Audited by Ernst & Young LLP, Singapore.

ii. Audited by member firms of Ernst & Young Global in their respective countries.

iii. Not required to be audited under the law in its country of incorporation.

iv. In the prior year, on 11 August 2023, the Group incorporated MTQ Engineering L.L.C., a wholly owned subsidiary in the United Arab Emirates with an initial capital of $55,000 (AED 150,000), comprising of 150 ordinary shares. During the financial year, the Group further increased its share capital in the subsidiary by $36,000 (AED 100,000) through the issuance of 100 ordinary shares. As at 31 March 2025, the total issued and paid-up capital of MTQ Engineering L.L.C. is $91,000 (AED 250,000), comprising of 250 ordinary shares.

v. On 4 September 2024, the Group incorporated MTQ Oil and Gas Facilities Services L.L.C., a wholly-owned subsidiary in the United Arab Emirates with an initial capital of $53,000 (AED 150,000), comprising of 150 ordinary shares.

vi. Classified as held for sale as at reporting date (Note 23).

vii. In the process of voluntary winding-up as at reporting date.

35. Related party disclosure

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

(a) *Sale and purchase of goods and services*

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Associate and Joint ventures				
- Sales of goods	12	29	–	–
- Purchase of goods	690	1,228	–	–
Subsidiaries				
- Management fee income	–	–	3,583	3,622
- Rental income from investment property	–	–	3,160	3,865
- Other rental income	–	–	–	259
- Interests on loans	–	–	143	385
- Recharge of staff costs	–	–	(84)	–

(b) *Compensation of key management personnel*

Key management personnel are defined as persons who have authority and responsibility for planning, directing and controlling the activities of the Group.

Details of their remuneration paid during the financial year and other related party transactions have been disclosed in Note 6.

(c) *Others*

On 24 January 2025, the Company entered into a SPA with a key management personnel for the disposal of its wholly-owned subsidiary, Pemac Pte. Ltd. ("Pemac"), to Sidi Investment Holdings Pte. Ltd. (the "Transaction"). Sidi Investment Holdings Pte. Ltd. is owned by Mr. Sumardi bin Sidi, the Managing Director of Pemac, and his spouse. Further details on the Transaction have been disclosed in Note 10.

36. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial instruments, other than quoted securities, comprise bank borrowings, lease liabilities and cash and cash equivalents. All financial transactions with the banks are governed by banking facilities duly accepted with the Board of Directors ("Board") resolutions, with banking mandates which define the permitted financial instruments and facilities limits, approved by the Board. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The key financial risks faced by the Group include credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board reviews and agrees policies and procedures for the management of these risks, which are executed by the key management personnel of the Group. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimize credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are made to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The Group has made allowances, where necessary, for potential losses on credits extended.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each financial year. The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the end of financial year with the risk of default as at the date of initial recognition.

Generally, the Group considers a financial asset in default when contractual payments are past due for more than 90-120 days, having considered other qualitative indicators when appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

– Profile of the debtors such as financial strength and size of the debtors' company;

– Historical trading relationships;

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

– Actual or expected significant changes in the operating results of the borrower;

– Significant increases in credit risk on other financial instruments of the same borrower;

– Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group categorizes a loan or receivable for potential write-off when a debtor fails to make contractual payments and there is no reasonable expectation of recovery, such as a trade debtor failing to engage in a repayment plan with the Group or entering into bankruptcy. Where loans and receivables have been written-off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(i) <u>Trade and other receivables</u>

The Group determines impairment of trade receivables and contract assets by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, the Group provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Group's historical default rates analyzed by percentage of allowance for doubtful debts to the total credit sales for the past five years, adjusted for current and forward-looking information (where appropriate).

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 21.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(ii) Intercompany receivables

The Group provides for ECLs based on the general approach and the extent of loss allowance is dependent on consideration of many factors, amongst others, the extent of credit deterioration since initial recognition, information and data that indicate the credit quality of the subsidiaries and the probability of default, amounts that are expected to be recovered in a default and adjustment for forward-looking information.

Information regarding loss allowance movement of intercompany receivables are disclosed in Notes 19 and 21.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by:

– the carrying amount of each class of financial assets recognized in the balance sheets.

– corporate guarantees provided by the Company for bank facilities utilized by subsidiaries as at the end of the reporting period is $40,000 (2024: $125,000) (Note 32(b)).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables and contract assets on an on-going basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the end of the reporting period are as follows:

	Group			
	2025		2024	
	$'000	% of total	$'000	% of total
By country				
Singapore	5,550	26	3,991	16
Australia	293	1	520	2
United Kingdom	37	–*	178	1
Saudi Arabia	9,961	46	9,412	38
Malaysia	1,166	5	2,760	11
Indonesia	272	1	1,630	7
Bahrain	373	2	146	1
Brunei	61	–*	288	1
United Arab Emirates	1,639	8	2,476	10
South Africa	993	5	195	1
Thailand	350	2	118	1
Egypt	20	–*	373	1
Qatar	14	–*	534	2
Bermuda	86	–*	506	2
Marshall Island	–	–	544	2
Others	921	4	1,062	4
	21,736	100	24,733	100
By industry sectors				
Oil and gas	21,736	100	24,708	100
Mining	–	–	1	–*
Others	–	–	24	–*
	21,736	100	24,733	100

* Less than 1%.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

At the end of the reporting period, approximately 66% (2024: 40%) of the Group's trade receivables and contract assets were due from five major customers who are leading providers of products and services to the global upstream oil and gas industry.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 19 and 21.

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and United States Dollars ("USD"). The foreign currencies in which these transactions are denominated are mainly USD and SGD. The Group's trade and other receivables and trade and other payables balances at the end of the reporting period have similar exposures.

As at 31 March 2025, approximately 33% (2024: 40%) of the Group's trade and other receivables and 44% (2024: 38%) of the Group's trade and other payables (excluding contract liabilities) are denominated in foreign currencies.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. The currency mix of the cash and cash equivalents of the Group and Company as at the end of the reporting period are set out in Note 22.

The Group enters into foreign exchange forward contracts and holds foreign currencies where necessary, to hedge against its foreign exchange risk in anticipated purchase or sale transactions denominated in foreign currencies. The Group's treasury policy prescribes only "plain vanilla" or treasury hedging instruments with limited downside risk, namely foreign exchange spot and forward contracts, or holder of options (the "Permitted Transactions"). These instruments are generic in nature with no embedded or leverage features and any deviation from these instruments would require specific approval from the Board. Any complex foreign exchange or derivatives transactions involving any combination of the Permitted Transactions or any combination of the Permitted Transactions and other derivatives transactions are prohibited.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading nor any of the treasury transactions for profit purpose. It is not in the interest of the Group to engage in trading for profit or to speculate or trade in treasury instruments. The purpose of engaging in treasury transactions is solely for hedging.

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

In addition to transactional exposure, the Group is also exposed to foreign currency exchange movements arising from its net investment in foreign operations. The Group does not have any formal policy with respect to such foreign currency exposure as its investments are long term in nature, and management of such foreign currency exposure is considered on a case-by-case basis.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

	2025		2024	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
	$'000	$'000	$'000	$'000
Group				
USD				
- strengthened 3% (2024: 3%)	211	1,752	285	547
- weakened 3% (2024: 3%)	(211)	(1,752)	(285)	(547)
SGD				
- strengthened 3% (2024: 3%)	(45)	–	1	(50)
- weakened 3% (2024: 3%)	45	–	(1)	50

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility by monitoring its net operating cash flow through the review of its working capital requirements regularly, and maintaining an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions.

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The tables below summarizes the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period, based on contractual undiscounted repayment obligations:

	Total contractual cash flows $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000
Group				
2025				
Non-derivative financial liabilities				
Trade and other payables*	(16,135)	(16,135)	–	–
Bank borrowings	(17,465)	(1,283)	(16,182)	–
Lease liabilities	(36,430)	(1,578)	(5,928)	(28,924)
Contractual undiscounted financial liabilities	(70,030)	(18,996)	(22,110)	(28,924)
2024				
Non-derivative financial liabilities				
Trade and other payables	(14,422)	(14,422)	–	–
Bank borrowings	(15,640)	(2,410)	(13,230)	–
Lease liabilities	(38,186)	(1,822)	(5,977)	(30,387)
Contractual undiscounted financial liabilities	(68,248)	(18,654)	(19,207)	(30,387)
Company				
2025				
Non-derivative financial liabilities				
Trade and other payables	(7,133)	(1,830)	(5,303)	–
Bank borrowings	(2,300)	(155)	(2,145)	–
Lease liabilities	(15,373)	(904)	(3,617)	(10,852)
Contractual undiscounted financial liabilities	(24,806)	(2,889)	(11,065)	(10,852)
2024				
Non-derivative financial liabilities				
Trade and other payables	(1,976)	(1,976)	–	–
Bank borrowings	(11,296)	(1,655)	(9,641)	–
Lease liabilities	(16,199)	(900)	(3,600)	(11,699)
Contractual undiscounted financial liabilities	(29,471)	(4,531)	(13,241)	(11,699)

* Excludes contract liabilities which are non-financial liabilities.

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Note	Total contractual cash flow $'000	1 year or less $'000
Group			
2025			
Issued financial guarantees to external parties	32	652	652
2024			
Issued financial guarantees to external parties	32	901	901
Company			
2025			
Issued guarantees for bank facilities utilized by subsidiaries	32	40	40
Issued financial guarantees to external parties	32	652	652
2024			
Issued guarantees for bank facilities utilized by subsidiaries	32	125	125
Issued financial guarantees to external parties	32	724	724

36. Financial risk management objectives and policies (cont'd)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its bank borrowings. Bank borrowings are contracted with the objectives of minimizing interest burden by carefully evaluating the relative benefits between fixed rate and variable rate whilst maintaining an acceptable debt maturity profile.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the interest rates, with all other variables held constant:

	Effect on Group's profit before tax	
	(Decrease)/increase	
	2025	**2024**
	$'000	**$'000**
50 basis points increase (2024: 50 basis points increase)	(81)	(65)
50 basis points decrease (2024: 50 basis points decrease)	81	65

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's cash and cash equivalents and bank borrowings where applicable. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

37. Classification of financial assets and liabilities

		Group		Company	
	Note	2025	2024	2025	2024
		$'000	$'000	$'000	$'000
Financial assets measured at FVOCI					
Other investment	17	–	8,903	–	–
Financial assets measured at amortized cost					
Receivables	19	–	–	2,237	9,082
Trade and other receivables	21	22,232	25,513	7,102	23,602
Cash and cash equivalents	22	7,666	12,291	741	4,636
		29,898	37,804	10,080	37,320
<u>Disposal group classified as held for sale</u>					
Trade and other receivables	23	2,745	–	–	–
Cash and cash equivalents	23	374	–	–	–
		3,119	–	–	–
Total financial assets		33,017	46,707	10,080	37,320
Total non-financial assets		102,446	81,630	71,184	53,753
Total assets		135,463	128,337	81,264	91,073
Financial liabilities measured at amortized cost					
Trade and other payables	24	16,135	14,422	7,133	1,976
Lease liabilities	25	19,429	20,003	11,447	11,864
Bank borrowings	26	16,531	13,869	2,144	10,008
		52,095	48,294	20,724	23,848
<u>Disposal group classified as held for sale</u>					
Trade and other payables	23	1,157	–	–	–
Lease liabilities	23	78	–	–	–
		1,235	–	–	–
Total financial liabilities		53,330	48,294	20,724	23,848
Total non-financial liabilities		924	1,273	237	1,090
Total liabilities		54,254	49,567	20,961	24,938

38. 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.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 March 2025 and 31 March 2024.

(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					
2024					
Financial asset:					
Other investment	17	8,903	–	–	8,903

The fair value of the other investment is determined by reference to its quoted closing prices at the balance sheet date. The Group has fully divested its other investment as at 31 March 2025 (Note 17).

(c) Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amount of cash and cash equivalents (Note 22), trade and other receivables (other than non-current amounts due from subsidiaries) (Notes 19 and 21), trade and other payables (Note 24), lease liabilities (Note 25) and bank borrowings (Note 26) based on their notional amounts, reasonably approximate 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.

The carrying amount of non-current amounts due from subsidiaries (Note 19) reasonably approximate their fair values as their discounted expected future cash flows are not materially different from their notional amounts.

39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings, sell assets or reduce borrowings. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2025 and 31 March 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by net capitalization. The Group includes within its net debt, bank borrowings, less cash and cash equivalents. Net capitalization refers to net debt plus shareholders' funds.

		Group	
	Note	**2025**	**2024**
		$'000	**$'000**
Bank borrowings	26	16,531	13,869
Less: Cash and cash equivalents	22	(7,666)	(12,291)
Net debt		8,865	1,578
Shareholders' funds		81,209	78,770
Net capitalization		90,074	80,348
Net debt gearing ratio		10%	2%

40. Authorization of financial statements for issue

The financial statements for the financial year ended 31 March 2025 were authorized for issue in accordance with a resolution of the Directors on 23 June 2025.

STATISTICS OF SHAREHOLDINGS

As at 12 June 2025

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	S$51,409,374.48
Number of Issued Shares (excluding Treasury Shares)	:	222,109,183
Number/ Percentage of Treasury Shares	:	2,951,903 (1.31%)
Class of Shares	:	Ordinary Share
Voting Rights	:	One Vote Per Share

There is no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	85	8.14	3,975	0.00
100 - 1,000	90	8.62	47,090	0.02
1,001 - 10,000	387	37.07	2,116,142	0.95
10,001 - 1,000,000	463	44.35	33,244,601	14.97
1,000,001 AND ABOVE	19	1.82	186,697,375	84.06
TOTAL	**1,044**	**100.00**	**222,109,183**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	KUAH KOK KIM	58,317,217	26.26
2	CITIBANK NOMINEES SINGAPORE PTE LTD	34,722,923	15.63
3	TAI TAK SECURITIES PTE LTD	24,947,669	11.23
4	ABN AMRO CLEARING BANK N.V.	14,647,117	6.59
5	SINGAPORE WAREHOUSE COMPANY (PRIVATE) LTD	11,843,570	5.33
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,472,594	4.26
7	DBS NOMINEES (PRIVATE) LIMITED	7,683,561	3.46
8	PHILLIP SECURITIES PTE LTD	4,230,591	1.90
9	IFAST FINANCIAL PTE. LTD	3,464,136	1.56
10	OCBC SECURITIES PRIVATE LIMITED	3,292,139	1.48
11	YEO SIEW CHANG	2,990,000	1.35
12	UOB KAY HIAN PRIVATE LIMITED	1,720,705	0.77
13	PETER LOCK HONG CHEONG	1,666,611	0.75
14	TAN KAH BOH ROBERT@ TAN KAH BOO	1,542,074	0.69
15	TAN KIM SENG	1,521,739	0.69
16	TAN BOON PIANG	1,272,445	0.57
17	CHAN WING TO	1,250,260	0.56
18	JOHN REGINALD STOTT KIRKHAM	1,060,000	0.48
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,052,024	0.47
20	MAYBANK SECURITIES PTE LTD	947,468	0.43
		187,644,843	**84.46**

STATISTICS OF SHAREHOLDINGS

As at 12 June 2025

SUBSTANTIAL SHAREHOLDERS AS AT 12 JUNE 2025

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	**%**	**No. of Shares**	**%**
Kuah Kok Kim	58,317,217	26.26	–	–
Tai Tak Securities Private Limited	24,947,669	11.23	–	–
Maclean Investments Limited	13,415,739[1]	6.04	–	–
Torres Poulter Limited	13,415,739[1]	6.04	–	–
Singapore Warehouse Company (Private) Ltd	11,843,570	5.33	–	–
BOS Trustee Limited	–	–	26,831,478[2]	12.08
Bank of Singapore Limited	–	–	26,831,478[2]	12.08
Oversea-Chinese Banking Corporation Limited	–	–	26,831,478[2]	12.08
Tai Tak Estates Sendirian Berhad	–	–	24,947,669[3]	11.23
SG Investments Pte Ltd	–	–	24,947,669[4]	11.23
Ho Han Leong Calvin	25,000	0.01	24,947,669[5]	11.23
Hwa Hong Corporation Pte Ltd	–	–	11,843,570[6]	5.33
Sanjuro United Pte Ltd	–	–	11,843,570[6]	5.33
Crystalic Star Global Limited	–	–	11,843,570[6]	5.33
Zen Capital Pte Ltd	–	–	11,843,570[6]	5.33
Cheng Zen-Tak, Kelvin	–	–	11,843,570[6]	5.33
Ely Investments (Pte) Ltd	–	–	11,843,570[6]	5.33
Ong Bee Leem	–	–	11,843,570[6]	5.33
Ong Eng Yaw	–	–	11,843,570[6]	5.33

1 Each of Maclean Investments Limited ("Maclean") and Torres Poulter Limited ("Torres"), through its custodian, Citibank Nominees Singapore Pte Ltd, hold 13,415,739 Shares and in total, 26,831,478 Shares.

2 BOS Trustee Limited ("BOSTL") is the trustee of a trust known as The Limpa Trust ("the Trust") constituted by the Settlor, the Late Mr. Kurt Robert Malkolm Lindblad. Maclean and Torres, both companies incorporated in British Virgin Islands, are the investment holding vehicles of the Trust and are 100% owned by BOSTL in its capacity as trustee of the Trust. BOSTL is a wholly-owned subsidiary of Bank of Singapore Limited ("BOS") and BOS in turn is a wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited ("OCBC"). Hence BOSTL, BOS and OCBC are deemed to have interest in the Shares held by Maclean and Torres.

3 Tai Tak Estates Sendirian Berhad is deemed to have interest in the Shares held by Tai Tak Securities Private Limited by virtue of Section 4 of the Securities and Futures Act.

4 SG Investments Pte Ltd is deemed to have interest in the Shares held by Tai Tak Securities Private Limited by virtue of Section 4 of the Securities and Futures Act.

5 Mr. Ho Han Leong Calvin is deemed to have interest in the Shares held by Tai Tak Securities Private Limited by virtue of Section 4 of the Securities and Futures Act.

6 Each of Hwa Hong Corporation Pte Ltd, Sanjuro United Pte Ltd, Crystalic Star Global Limited, Zen Capital Pte Ltd, Cheng Zen-Tak, Kelvin, Ely Investments (Pte) Ltd, Ong Bee Leem and Ong Eng Yaw is deemed to have interest in the Shares held by Singapore Warehouse Company (Private) Ltd by virtue of Section 4 of the Securities and Futures Act.

Note:

The above percentage is calculated based on the Company's issued share capital (excluding Treasury Shares) of 222,109,183 Shares.

PUBLIC FLOAT

Based on information available to the Company as at 12 June 2025, approximately 41.4% of the issued shares of the Company are held by the public and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

SUSTAINABILITY REPORT

OVERVIEW OF REPORT

This Sustainability Report ("SR") outlines MTQ Corporation Limited's Environmental, Social and Governance ("ESG") practices and performance for the financial year ended 31 March 2025 ("FY2025"). The report covers our key operations in Singapore and Bahrain, which are material to the Group's business and sustainability impacts.

In line with the SGX-ST Listing Rules 711(A), 711(B) and Practice Note 7.6, this report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and incorporates the relevant principles and recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Our data is reported in good faith and to the best of our knowledge.

The Group's sustainability reporting process is subjected to internal review by our internal auditors, Crowe Horwath First Trust Risk Advisory Pte Ltd ("Crowe SG"). The internal review was carried out as part of the Internal Audit plan approved by the Audit Committee, and includes review of the governance structure, reporting framework, risk assessment and material reporting factors, as well as the data collection process. The Group has not obtained any independent assurance of the information being reported.

Feedback from all stakeholders is welcome and can be sent to sustainability@mtq.com.sg.

BOARD STATEMENT

Sustainability remains a core pillar of MTQ's long-term strategy as we strive to create lasting value for all stakeholders. The Board of Directors is committed to strengthening our sustainability practices, ensuring transparency, and aligning with evolving regulatory standards.

As part of our ongoing commitment to enhancing sustainability reporting, we acknowledge the upcoming requirement for climate-related disclosures aligned with the International Sustainability Standards Board ("ISSB") framework. We remain on track to issue an ISSB-aligned report in the next financial year when it becomes mandatory.

The Board actively oversees sustainability matters, embedding ESG considerations into our strategic direction and risk management framework. Material sustainability topics are reviewed annually to ensure they remain relevant to our business and stakeholders.

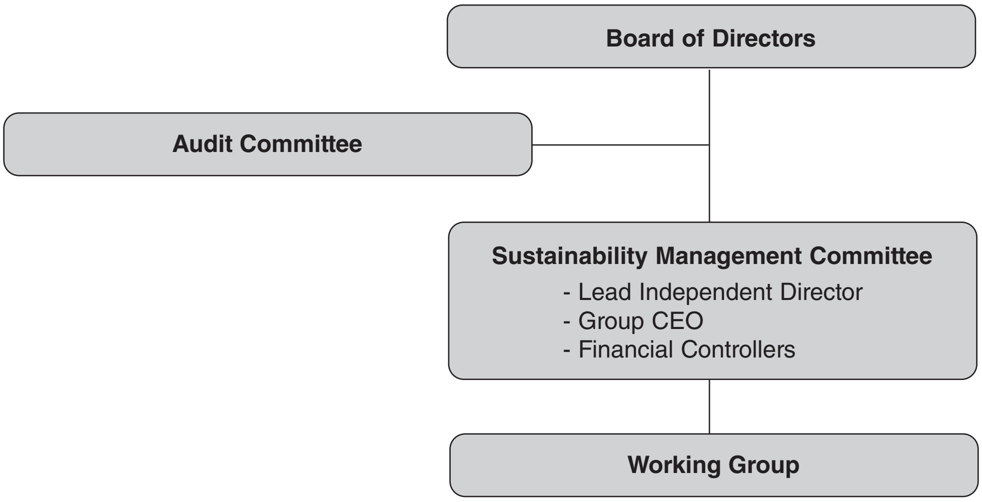
This year, the Board has formed a Sustainability Management Committee ("SMC") to further enhance the governance structure surrounding all sustainability matters. The formation of the SMC marks an important first step in the Group's preparations towards publishing an ISSB-aligned report. Looking ahead, we may also seek to incorporate more relevant quantitative targets to provide greater accountability and transparency in our sustainability performance.

SUSTAINABILITY GOVERNANCE & APPROACH

In light of shifting market conditions and growing stakeholder as well as regulatory expectations, MTQ has strengthened its governance to address climate-related and all other sustainability-related considerations more deliberately.

The SMC is co-chaired by the Board's Lead Independent Director and the Group CEO, with participation from key management personnel, including the Financial Controllers. The SMC is responsible for overseeing the Group's ESG strategy, material topics, targets, and overall sustainability performance. It plays a central role in coordinating efforts across various working groups and functional teams involved in data collection, reporting, and stakeholder engagement.

The Board, supported by the SMC, retains oversight of the Group's sustainability direction and progress, and regularly reviews sustainability matters and how they may affect the Group's operations and long-term strategy. In addition, the Audit Committee supports the Board by reviewing climate-related and sustainability disclosures within the broader risk management framework and sustainability reporting process. This governance structure ensures that ESG considerations are integrated into MTQ's strategic planning and risk management process.



MTQ's sustainability approach is underpinned by our commitment to operational excellence, responsible business practices, and stakeholder engagement. We continue to integrate ESG considerations into our corporate strategy, aligning with our STAR values:

Be **S**incere in all our intentions
Be **T**ransparent in all that we do
Be **A**lert to the needs of others
Be **R**esponsible in delivering

This balanced approach enables us to take into account economic, environmental, and social factors in our decision-making processes, supporting the Group's long-term resilience, relevance and sustainable growth.

REPORTING PROCESS AND MATERIAL TOPICS

The Group has a risk management framework which is based upon the underlying principles of corporate governance addressing the financial, operational, compliance, information technology and climate-related risks that are material and relevant to the Group. More information on the Group's corporate governance can be found on pages 13 to 32.

Our sustainability report highlights the ESG topics that are material to MTQ's business and stakeholders. These topics are determined through a structured assessment process that takes into account their relevance to our operations, the impacts on our value chain, and the availability of reliable data. We also monitor industry developments and broader sustainability trends to ensure our focus areas remain current. These identified topics are continuously assessed and reviewed by the SMC before seeking the Board's approval.

An overview of the Group's material topics can be found below.

List of sustainability material topics:

Category	Topics
Economic	Economic Performance
Environmental	Energy Emissions Water and Effluents
Social	Employment Diversity and Equal Opportunity Occupational Health and Safety
Governance	Anti-corruption

The information presented under the above topics takes into account significant subsidiaries of the Group and excluded associated companies in which the Group does not have control of. Where activity data relates to the facilities that the Group operates in, only the operational leasehold properties that the Group owns have been included.

KEY TARGETS AND PERFORMANCE

In this section, we present the key targets and performance indicators that reflect our sustainability progress and impact. The data and information presented in this section covers the FY2025, unless otherwise stated.

Categories	Descriptions	Targets	FY2025 Performance
Environmental	Electricity consumption GHG emission	Reduction in electricity and GHG emission intensity.	Target achieved; mainly due to greater proportion of electricity consumed from renewable sources this year, benefiting from a full year of contribution from our Tuas solar facilities, compared to only eight months in FY2024
		New targets:	
		Implement/Deploy renewable energy system in our Bahrain facility by end-2025	N.A. (New target)
		Implement/Deploy renewable energy system in our UAE facility by 2027	N.A. (New target)
Social	Health and safety – fatality rate	Maintain zero fatality rate.	Target achieved.
	Health and safety – accident severity and frequency rates	Improving both accident severity and frequency rates.	Target achieved.
Governance	Compliance with laws and regulations	Zero significant instances or unresolved non-compliance with laws and regulations resulting in fines or sanctions.	Target achieved.
	Anti-corruption	Zero confirmed incidents of reportable whistle-blowing cases.	Target achieved. Please refer to Anti-corruption section for more details.

For material topics such as Employment and Diversity and Equal Opportunity, we did not set any numerical targets. Instead, we provided pertinent information and data explaining our initiatives and efforts to show how they align with the principles and goals of these material topics.

MEMBERSHIPS, EXTERNAL CHARTERS AND CERTIFICATIONS

Apart from those disclosed in page 1, the list of memberships, external charters and certifications maintained by the subsidiaries of the Group also includes:

- LowCarbon Accreditation (Partner of Carbon Pricing Leadership Coalition of Singapore)
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce & Industry
- Association of Singapore Marine Industries
- International Association of Drilling Contractors – South-East Asia Chapter

OUR STAKEHOLDERS

Below are the groups of stakeholders identified based on their level of influence and impact in sustainability issues together with the potential impact these stakeholders can have on our activities.

Stakeholders	Mode of engagement	Key topics raised
Customers	Customers satisfaction surveys Site and office visits Phone calls and e-mails	Quality of products and services and delivery Customer satisfaction Payments and credit terms
Suppliers	Suppliers visits and meetings Phone calls and e-mails Periodic review meetings	Quality assurance and compliance Supply chain management
Investors/ Shareholders	Shareholders' meetings Investor forums Corporate website	Economic performance Corporate governance Business and growth strategies
Employees	Town hall meetings Periodic safety meetings Scheduled meetings with Trade Union[1] representatives	Outlook of the Group Employees' welfare and benefits Health and safety
Principal Bankers	Scheduled meetings	Financial health Regulatory compliance Banking matters
Regulators	Formal modes and channels of communication	Compliance with applicable rules and regulations Health and Safety reporting Employment related matters

[1] About 30-40% of the employees in Singapore are covered by a collective agreement with a certain trade union. The collective bargaining arrangement serves to form a joint decision-making concerning working conditions, performance, rewards, re-employment and other employment related matters within the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

MTQ is governed by a number of laws and regulations in the social and economic area and any non-compliance can result in significant impacts to the Group such as significant fines, loss of licenses/certifications, loss of customers as well as damage of reputation.

Regulatory and compliance risks are managed as one of the fundamental parts of the Group's risks management system and policy. We are also subjected to audits by organizations/bodies/customers/auditors on a periodic basis. The Group also has an internal control and system in place to ensure that any non-compliance is promptly highlighted, followed-up and rectified. For the reporting period, we are glad to report that the Group has not had any significant instances or unresolved non-compliance with laws and regulations resulting in fines or sanctions (2024: None). The Group aims to maintain this track record in future years.

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

A sustainable business depends on creating wealth and how much economic value it produces and distributed (EVG&D). The Financial Profile and Financial Review sections (with the rest of the financial statements) described the Group's performances. The following summarizes the EVG&D based on GRI's standards.

	2025 S$'000	2024 S$'000 (Represented)[1]
Direct economic value/Revenue generated	63,277	66,966
Other income	843	7,363
Direct economic value distributed:		
Operating costs, employee wages and benefits:		
Costs of sales	(41,826)	(45,980)
Staff costs	(8,523)	(7,420)
Other operating costs	(8,867)	(8,787)
Payments to providers of capital:		
Dividends[2]	(2,236)	(2,249)
Finance costs	(1,080)	(1,848)
Payments to government:		
Income and withholding taxes	124	(762)
	(62,408)	(67,046)
Net economic value generated	1,712	7,283
Reconciliation to Net Profit for the year:		
Profit from continuing operations, net of tax	3,494	9,466
Items in profit or loss not included in the above:		
Deferred tax expense	262	14
Allowance for inventory obsolescence and stock written-off, net	192	52
Items not included in profit or loss:		
Dividends[2]	(2,236)	(2,249)
Net economic value generated	1,712	7,283

Note: For revenue generated by segments and countries, please refer to pages 105 to 108 in the segment information.

1 During the year, income and expenses of Pemac have been represented separately as "Profit/(loss) from discontinued operations". For consistency, the comparative information above has also been represented to exclude information from Discontinued Operations from Pemac, resulting in a net decrease in Net Economic Value Generated of S$233k. Please see Note 10 of the financial statements for the detailed profit or loss items attributable to Pemac that has been excluded from the profit from continuing operations.

2 Includes proposed final dividend of approximately S$1.11 million (0.5 Singapore cents per share) which is subject to shareholders' approval in the forthcoming Annual General Meeting.

<u>Defined benefit plan obligations and other retirement plans</u>

The Group makes monthly mandatory contributions to defined benefit and contribution plans as required by the local regulations in the countries the Group operates in. In providing a retirement plan for our employees, the Group relies on its general resources to fulfil its obligations. The Group's obligations and liabilities have been recognized within Accrual for staff-related costs within Trade and other payables in the balance sheets. Contribution rates for employers and employees depend on the schemes in the jurisdictions where our companies are set up such as Central Provident Fund in Singapore and General Organization for Social Insurance in Kingdom of Bahrain.

<u>Financial assistance received from governments</u>

The Group receives assistance from governments in terms of financial and non-financial initiatives, such as productivity grants, subsidies, tax deductions as well as financial assistance for re-employ experienced older and retired workers, developing and training employees. Total government grants recognized under Other Income during the reporting period was S$36,000 (2024: S$47,000).

ENVIRONMENTAL

The Group is committed to operating in a sustainable manner and minimizing its environmental impact. As part of its sustainability strategy, the Group recognizes the importance of addressing climate change and its potential impacts on its business and stakeholders. The Group acknowledges that climate change poses both physical and transition risks, as well as opportunities, for its operations and value chain. The Group aims to enhance its resilience and adaptability to these risks and opportunities.

Since FY2023, the Group has adopted a phased approach to enhance its disclosures in accordance with the recommendations of the TCFD, which provide a framework for consistent and transparent reporting on climate-related matters.

Building on the efforts from prior years, this year, we have assessed the Group's risks under different climate scenarios to understand potential climate-related risks and opportunities in order to adjust and align our strategy accordingly. For this analysis, the Group adopted scenarios based on the Intergovernmental Panel on Climate Change ("IPCC") framework, in particular the SSP1-2.6 (strong mitigation efforts, low-emissions scenario) and SSP5-8.5 (high-emissions scenario). Time horizon parameters used are: Short term (2030), medium term (2040) and long term (2050).

Physical Risks

MTQ's operations and supply chain are potentially exposed to physical climate-related risks that differ significantly under the SSP1-2.6 and SSP5-8.5 scenarios. In the short to medium term, under the SSP5-8.5 high-emissions scenario, the Group may face increasing exposure to acute extreme weather events such as heatwaves and intense storms-particularly in the Middle East, where elevated ambient temperatures and sporadic flooding could disrupt workforce productivity, damage infrastructure, and delay logistics. In addition, our Tuas facility in Singapore may face moderate risk of coastal and pluvial flooding in the medium to long term, driven by projected sea level rise and increased frequency of intense rainfall. While not immediately disruptive, these developments could gradually raise flood exposure and necessitate ongoing infrastructure resilience measures. In contrast, under the SSP1-2.6 low-emissions pathway, these physical risks remain but are less severe and progress more gradually, allowing greater scope for adaptation. Across all sites, MTQ is monitoring climate developments and enhancing infrastructure resilience to safeguard operational continuity.

Transition Risks

Transition risks, arising from the shift to a low-carbon economy, also present distinct implications under both scenarios. Under the SSP1-2.6 scenario, the Group anticipates heightened regulatory and market pressures over the short to medium term, including stricter climate disclosure requirements, higher carbon pricing mechanisms, and increased expectations for emissions reduction and supply chain transparency. Rapid technological advancements in low-carbon solutions may disrupt traditional upstream oilfield service models, requiring MTQ to adapt its offerings or risk market erosion. Additionally, customers-particularly large institutional clients like national oil companies are expected to impose more stringent climate-related procurement criteria, including lower carbon footprints and sustainable sourcing thresholds. In the long term, reputational risks and stakeholder scrutiny will likely intensify, with broader ESG performance becoming a critical determinant of financing, partnerships, and market access. While the SSP5-8.5 scenario implies slower regulatory changes and lower immediate transition pressures, it may delay necessary internal adaptation, exposing the Group to future competitiveness and compliance gaps as global alignment eventually accelerates.

Tabulation of risks and mitigation measures put in place:

Risk category	Risk	Risk impact	Mitigation
Physical risks - acute	Extreme weather events (e.g. storms, floods, heatwaves) disrupting the Group's operations and supply chain	Potential damage to assets, equipment and infrastructure; increased operational costs; health and safety hazards for employees and contractors	Implementing business continuity plans and emergency response procedures; maintaining adequate insurance coverage; diversifying suppliers and customers; enhancing asset resilience and maintenance
Physical risks - chronic	Long-term changes in climate patterns (e.g. temperature, precipitation, sea level rise) affecting the Group's operating conditions	Potential shifts in the cost of resources (e.g. energy, materials); reduced efficiency and productivity; increased operational and maintenance costs	Deploy solar panels in our key facilities where commercially viable; monitoring and assessing climate trends and scenarios
Transition risks - policy and legislation	Stricter and rapid development of regulations and standards surrounding the climate-related disclosures	Potential increase in compliance costs and penalties	Proactive engagements with regulators and industry associations; trainings on and complying with relevant laws and regulations; seeking external verification if required
Transition risks - technology	Rapid development and adoption of low-carbon technologies and solutions disrupting the Group's business model and market position	Increased investments on new such assets; increased obsolescence and impairment of existing assets	Monitoring and evaluating emerging technologies and trends relevant to our business model
Transition risks - market	Increasing customers' own climate-related compliance e.g. lower carbon footprints, sustainable sourcing, adherence to customer-set thresholds	Risk of not meeting the elevated standards necessary to maintain our authorized vendor status; reducing our market access and competitive advantage	Proactively enhancing our sustainability practices and engaging customers and vendors on potential evolving climate-related criteria (if any)
Transition risks - reputation	Increasing stakeholder expectations and scrutiny on the Group's environmental performance	Increased pressure from investors, regulators, financial institutions	Communicating and disclosing the Group's environmental policies, targets, actions and performance; proactively engaging and collaborating with relevant stakeholders

Climate opportunity by categories:

Opportunity Category	Description
Resource Efficiency	Recycling opportunities such as scrap metal from our raw materials
Products and Services	Actively monitoring evolution of more cost-effective and environmentally friendly manufacturing and testing processes
Energy Source	Adoption of solar panels in our key facilities, reducing energy costs particularly in Singapore
Market	Sustainability linked loans may offer lower interest rates

Energy

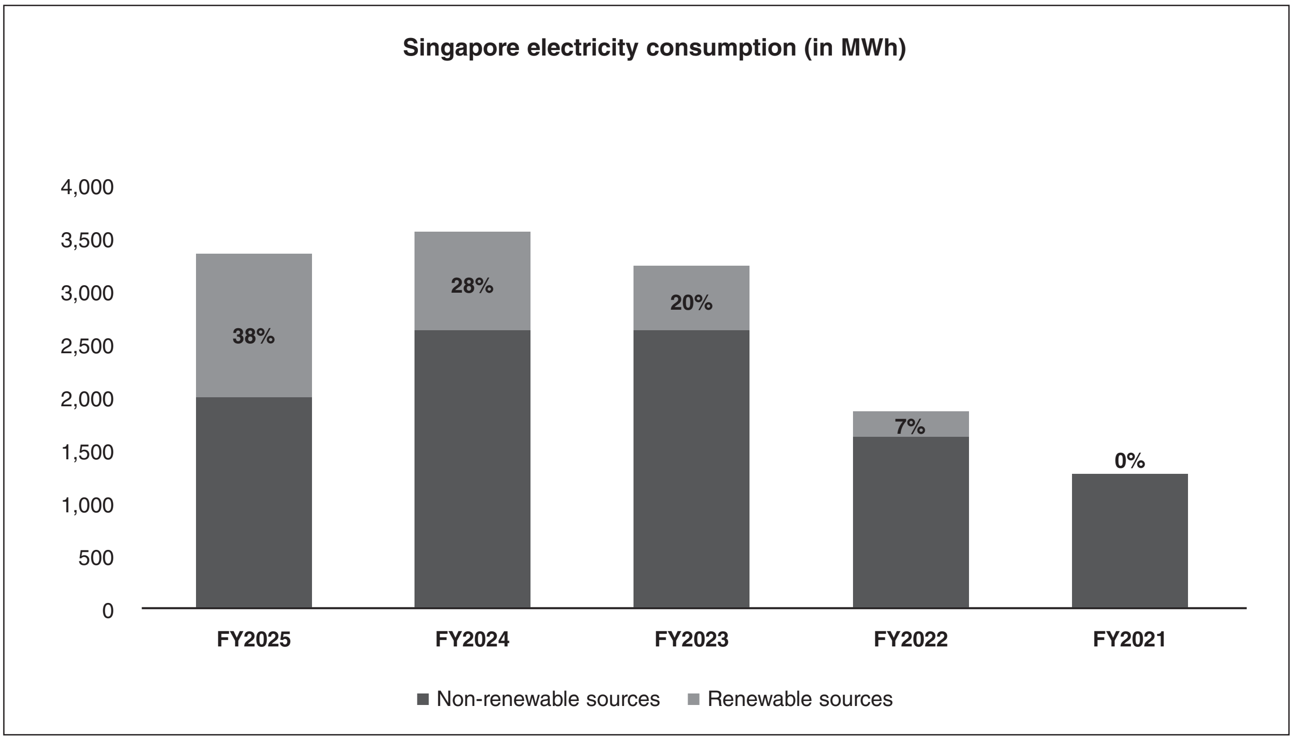
MTQ's primary energy demand comes from the electricity purchased from the grids. From FY2022, MTQ partnered with leading solar developers to examine and use the rooftop areas of our facilities for the installations of solar systems.

Energy consumption within the organization

Electricity consumed (in MWh)	FY2025	FY2024	FY2023	FY2022	FY2021
Singapore					
- From non-renewable sources	2,031	2,613	2,582	1,491	1,301
- From renewable sources	1,257	1,038	637	120	–
Bahrain					
- From non-renewable sources	5,358	5,462	4,953	4,380	4,340
Total Electricity consumed for the Group	8,646	9,113	8,172	5,991	5,641

	FY2025	FY2024	FY2023	FY2022	FY2021
Electricity intensity (in kWh per S$ revenue)	0.12	0.12	0.10	0.13	0.12

In FY2025, the Group's total electricity consumption declined in line with lower revenue, reflecting a shift towards lower energy-intensive jobs. While this helped preserve electricity intensity despite softer topline performance, we recognize that this approach is not sustainable in the long term as job types are largely dependent on market demand. Positively, a greater proportion of electricity consumed in Singapore was from renewable sources this year, benefiting from a full year of contribution from our Tuas solar facilities, compared to only eight months in FY2024. This also translated into a cost saving of over a quarter of a million dollars in Singapore for FY2025.



Over in Bahrain, we have also made meaningful progress by successfully signing a solar power purchase agreement with a provider. Construction of the solar facilities is currently underway and, barring any unforeseen delays, is expected to be completed by end-2025. This marks a significant step forward in our efforts to reduce reliance on non-renewable energy in the region. Looking ahead, we will also be exploring similar opportunities to deploy solar solutions at our UAE facility to further enhance the Group's renewable energy footprint.

Emissions

The Group's direct (Scope 1) and indirect (Scope 2) GHG emissions are summarised below.

	FY2025 (t CO_2e)	FY2024 (t CO_2e)	FY2023 (t CO_2e)	FY2022 (t CO_2e)	FY2021 (t CO_2e)
Emissions					
Scope 1[1]	56	84	135	56	–[3]
Scope 2[2]	2,809	3,225	3,057	2,382	2,345
	2,865	**3,309**	**3,192**	**2,438**	**2,345**

[1] Emission from diesel and its emission factor is derived using the GHG Protocol Tool for Stationary and Mobile Combustion.
[2] Emission from electricity is market-based and is derived from the average operating margin factors from the Energy Market Authority of Singapore. One market-based factor is used to estimate the entire market-based factor for the Group.
[3] Emissions from Scope 1 was not available for FY2021 as the Group only started collecting the relevant data from FY2022.

	FY2025	FY2024	FY2023	FY2022	FY2021
GHG Emission Intensity (in kg CO_2e/Revenue)	0.040	0.045	0.039	0.051	0.051

In FY2025, the Group's GHG emissions and emission intensity declined, driven by lower overall electricity consumption and a higher proportion of energy sourced from renewable sources. This reflects our continued efforts to improve energy efficiency and reduce our carbon footprint, particularly with the full year benefit of solar energy use in Singapore. We remain committed to furthering our decarbonization efforts across all our operating locations.

Water consumption

In FY2024, we started to disclose our water consumption across our facilities. We recognize that water is a precious and finite resource, and we are committed to using it efficiently and responsibly. We have implemented various water-saving measures, such as installing water-efficient fittings and educating our staff on good water conservation habits.

		FY2025	FY2024	FY2023	FY2022
Water consumption	Cu M	16,269	14,926	18,737	13,230
Water consumption intensity	Cu M/S$'000 Revenue	0.23	0.20	0.23	0.28

In FY2025, the Group's total water consumption increased compared to the previous year, while water intensity remained broadly in line with prior periods. There were no specific operational changes identified to explain the increase, but we will continue to monitor usage patterns and explore opportunities to improve water efficiency across our operations.

SOCIAL

Employment;
Diversity and Equal Opportunity

Employees are our most valuable assets and the ability to attract and retain talent is key to our business. The Group complies with local labor laws where we operate in as well as minimum wage laws where such regulations exist. The Group is committed to developing general competencies and encouraging our employees to achieve their maximum potential through initiatives such as vocational trainings, course sponsorship, Education Assistance Program that result in formal qualifications.

New employee hires and employee turnover; and diversity of employees

Staff turnover increased slightly during the year, mainly due to natural attrition, and remains broadly consistent with past trends. In contrast, new hires rose more significantly as we began recruiting for our new UAE facility ahead of the facility's completion to allow sufficient time for training and onboarding, ensuring operational readiness and minimizing potential delays when the plant becomes fully operational.

	FY2025			FY2024		
	Female	Male	Total	Female	Male	Total
Number of leavers	8	69	77	4	48	52
Turnover rate	2%	16%	18%	1%	12%	13%
Number of new hires	10	111	121	4	51	55
New employee hire rate	2%	27%	29%	%	13%	14%

Members of the Board of Directors are not included in the above. Board diversity is discussed separately in the Group's Corporate Governance section of this Annual Report.

As at 31 March 2025, female employees represented about 14% (FY2024: 14%) of the total employees of the Group.

To retain skills and expertise, the Group adopts a non-discrimination policy especially for older workers who are part of our diverse workforce, in addition to standard retention initiatives. We support employees to extend their working lives beyond the retirement age as long as they are healthy and meet the job requirements. As at the end of the reporting periods, the older workers demographic are as follows:

Workers above 50 years old	2025	2024
Above 50 – retirement age	15%	14%
Above retirement age	5%	5%

The statistics for the Group's employees who serve more than 5 years are as follows.

Length of service	2025	2024
5 – 10 years	21%	20%
10 – 15 years	13%	15%
> 15 years	12%	14%

Labor market challenges remain a constant feature in the countries where the Group operates, and they continue to shape our workforce profile. To ensure long-term sustainability, the Group must not only maintain efforts to offer an attractive and supportive work environment but also stay agile and adapt to evolving labor trends. Proactive workforce planning and the ability to respond to changing dynamics will be key to building a resilient and future-ready organization.

Occupational Health and Safety

Occupational health and safety management system
Hazard identification, risk assessment and incident investigation

Health and safety is of utmost importance to the Group and is central to its business culture as a safe and healthy workforce builds business success. Our commitment to the health, safety and wellbeing is underpinned by the philosophy that no job is worth an injury and the belief that all injuries and work-related diseases are preventable. To implement our health and safety policy and maintain our commitment, we:

- Establish and maintain a Health and Safety Management System[1] with measurable objectives and targets;
- Provide and maintain safe workplaces, systems, plant and equipment;
- Maintain effective Stop Work Authority process which allows employees to stop unsafe work;
- Apply procedures and systems that identify hazards and assess and manage risks through elimination or where this is not practical, other appropriate control measures;
- Assess and continuously review the safety management and safety performance of external providers to ensure our employees are not exposed to unacceptable risks;
- Comply with all applicable laws, standards and regulations and, where practicable, apply the higher of our own standards, the customer's or industry best practice;
- Report, investigate, analyze and share all incidents, including near misses, to maximize learning and prevent similar events in the future;
- Plan and conduct regular audits, inspections and reviews to measure compliance with this policy and our standards and to facilitate and communicate continuous improvement; and
- Foster a culture that encourages and rewards frank and fearless participation, reporting and consultation in the management of health and safety.

[1] The Group's Occupational Health and Safety Management System conforms to the ISO 45001:2018.

In FY2025, the Group recorded improvements in overall workplace safety, with a lower total number of accidents and a decline in both the accident frequency rate and accident severity rate compared to the previous year. No reportable accidents or major injuries were recorded during the year, and man-days lost also reduced. While these outcomes are encouraging, we remain cautious and recognize that workplace safety requires ongoing vigilance. We continue to reinforce our safety culture, invest in preventive measures, and ensure that all employees and contractors adhere to our established safety protocols.

	2025	2024
Fatal	–	–
Major injuries	–	–
Minor injuries	–	1
Total number of reportable accidents	–	1
Non-reportable minor accidents	4	5
Total number of accidents	4	6
Man-days lost ("MDL")	2	28
Accident frequency rate("AFR")[1]	3.52	5.32
Accident severity rate ("ASR")[2]	1.76	24.82

[1] Computed as number of accidents per million of work hours.
[2] Computed as MDL per million of work hours.

Promotion of worker health

The workplace is an important aspect of many employees' lives and on average, employees will spend about one third of their waking hours at work. MTQ understands how many of the issues in the modern workplace can contribute to inactive lifestyles, stress and alarmingly high rates of preventable disease. Among others, MTQ has the program below to promote its workers health.

- Annual employee health screening exercise
- Daily morning exercise
- Exercise-by-your-own program
- Wellbeing seminars from internal and visiting speakers
- Selected corporate sporting events
- Weekly fruit day

GOVERNANCE

Anti-corruption

MTQ is committed to conducting its business with honesty, integrity and in compliance with all applicable laws and regulations. The company has a zero-tolerance policy towards any form of bribery or corruption and expects all its employees, suppliers, contractors and business partners to uphold the same standards. The company also encourages its employees to report any suspected or actual wrongdoing through its whistle-blowing policy, which provides clear channels for raising concerns and protects the confidentiality and rights of the whistleblowers. The whistle-blowing policy and its implementation are described in the Corporate Governance section of the Annual Report.

During the financial year, the Group received a whistle-blowing email. The Audit Committee oversaw an independent review conducted by the internal auditor, Crowe SG, which concluded that the concerns raised could not be substantiated. The Audit Committee determined that there was no material impact on the Group's operations and financial statements.

MTQ's anti-corruption policies and procedures have been communicated to all members of the Group's governance bodies as well as all employees in Singapore and Bahrain. During the year under review, there were no confirmed cases or incidents of corruption, and the Group will continue to uphold this as a key target in maintaining its commitment to ethical and responsible business conduct.

CLOSING STATEMENT

The Group would like to thank all employees, management, Board members, and external partners who contributed to the preparation and continuous improvement of this Sustainability Report. As we progress on our sustainability journey, we remain committed to enhancing the depth and quality of our disclosures in line with evolving stakeholder expectations and regulatory requirements, including the upcoming ISSB requirements. We will continue striving for a thoughtful balance between maintaining financial performance and making the long-term investments necessary to advance our environmental, social and governance objectives.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE & DESCRIPTION	REFERENCE
GRI 2: GENERAL DISCLOSURES 2021	**ORGANISATION PROFILE**	
	2-1 Organisational details	Cover page
	2-2 Entities included in the organisation's sustainability reporting	Page 126
	2-3 Reporting period, frequency and contact point	Page 124
	2-4 Restatements of information	Page 128
	2-5 External assurance	No assurance obtained
	2-6 Activities, value chain and other business relationships	Page 1
	2-7 Employees	Pages 3, 127 and 133
	GOVERNANCE	
	2-9 Governance structure and composition	Pages 13-32
	2-10 Nomination and selection of the highest governance body	Pages 19-21
	2-11 Chair of the highest governance body	Page 19
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 13-19 and 124-125
	2-13 Delegation of responsibility for managing impacts	Pages 124-125
	2-14 Role of the highest governance body in sustainability reporting	Pages 124-125
	2-15 Conflicts of interest	Pages 13-14 and 32
	2-16 Communication of critical concerns	Pages 30-31
	2-17 Collective knowledge of the highest governance body	Pages 15-16
	2-18 Evaluation of the performance of the highest governance body	Page 23
	2-19 Remuneration policies	Pages 23-26
	2-20 Process to determine remuneration	Pages 23-26
	STRATEGY, POLICIES AND PRACTICES	
	2-22 Statement on sustainable development strategy	Page 124
	2-23 Policy commitments	Page 124
	2-24 Embedding policy commitments	Page 124
	2-25 Processes to remediate negative impacts	Pages 29 and 135
	2-26 Mechanisms for seeking advice and raising concerns	Pages 29 and 135
	2-27 Compliance with laws and regulations	Page 124
	2-28 Membership associations	Pages 1 and 127
	2-29 Approach to stakeholder engagement	Pages 30-31 and 127
	2-30 Collective bargaining agreements	Page 127
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Pages 124-127
	3-2 List of material topics	
	3-3 Management of material topics	

GRI STANDARD	DISCLOSURE & DESCRIPTION	REFERENCE
GRI 201: ECONOMIC PERFORMANCE 2016	3-3 Management of material topics	Pages 128-129 and its relevant explanatory notes
	201-1 Direct economic value generated and distributed	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
GRI 302: ENERGY 2016	3-3 Management of material topics	Pages 129-132
	302-1 Energy consumption within the organisation	
	302-3 Energy intensity	
GRI 305: EMISSIONS 2016	3-3 Management of material topics	Page 132
	305-1 Direct (Scope 1) GHG emissions	
	305-2 Indirect (Scope 2) GHG emissions	
	305-4 GHG Emissions intensity	
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Page 132
	303-5 Water consumption	
GRI 401: EMPLOYMENT 2016 GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	3-3 Management of material topics	Page 133
	401-1 New employee hires and employee turnover	
	405-1 Diversity of governance bodies and employees	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	3-3 Management of material topics	Page 134
	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-6 Promotion of worker health	
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Page 135
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	

CODE	TCFD RECOMMENDATIONS	REFERENCE
Governance		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities	Pages 124-125
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 124-125
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 129-130
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 129-130
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 129-130
Risk Management		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Page 125
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	Page 130
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 125
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 129
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Pages 131-132
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 126

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **MTQ Corporation Limited** (the "**Company**") will be held at Carlton Hotel, Empress Ballroom 4, Level 2, 76 Bras Basah Road, Singapore 189558 on Thursday, 31 July 2025 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2025 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 March 2025. (2024: A one-tier tax exempt final dividend of 0.5 Singapore cents per ordinary share). **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to the Company's Constitution:

Mr. Kuah Kok Kim	[Retiring under Article 94]	**(Resolution 3)**
Mr. Ong Eng Yaw	[Retiring under Article 94]	**(Resolution 4)**
Mr. Ng Tiak Soon	[Retiring under Article 100]	**(Resolution 5)**

   [See Explanatory Note (i)]

4. To appoint Messers BDO LLP as the Company's Auditor in place of the retiring Auditor, Messers Ernst & Young LLP, to hold office until the conclusion of the next Annual General Meeting of the Company, and to authorise the Directors to fix its remuneration. **(Resolution 6)**
   [See Explanatory Note (ii)]

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

6. To approve the payment of Directors' fees of up to S$350,000 (2025: S$370,000) for the financial year ending 31 March 2026 ("**FY2026**"), to be paid quarterly in arrears. **(Resolution 7)**
   [See Explanatory Note (iii)]

   To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in 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 shares to be 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 of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (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 sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, 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) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

provided such adjustment in sub-paragraph 2(a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of 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 Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall 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. **(Resolution 8)**
[See Explanatory Note (iv)]

8. **Authority to issue shares under The MTQ Corporation Limited Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to The MTQ Corporation Limited Scrip Dividend Scheme from time to time set out in the Circular to Shareholders dated 10 June 2004 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. **(Resolution 9)**
[See Explanatory Note (v)]

9. **Proposed Renewal of the Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act 1967, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire ordinary shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix II to this Notice of Annual General Meeting dated 1 July 2025 (the "**Appendix II**"), in accordance with the terms of the Share Buyback Mandate set out in the Appendix II, and the Share Buyback Mandate shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of (i) the next Annual General Meeting of the Company, (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which Share Purchases are carried out to the full extent mandated, whichever is earliest.
[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

Tan Lee Fang
Company Secretary

Singapore, 1 July 2025

Explanatory Notes:

(i) Ordinary Resolutions 3, 4 and 5 – Detailed information about the Directors of the Company can be found in the "Board of Directors" and "Corporate Governance" section of the Annual Report. Please also refer to the section titled "Additional Information on Directors seeking Re-Election" in the Annual Report for additional information on the retiring Directors.

Mr. Kuah Kok Kim will, upon re-election as a Director of the Company, be considered non-independent.

Mr. Ong Eng Yaw will, upon re-election as a Director of the Company, be considered non-independent.

Mr. Ng Tiak Soon will, upon re-election as a Director of the Company, remains as the Chairman of the Audit Committee and will be considered independent.

(ii) Ordinary Resolution 6 proposed in item 4 is to approve the appointment of Messers BDO LLP as the Company's Auditor, in place of the retiring Auditor, Messers Ernst & Young LLP (the "**Proposed Change of Auditors**"), and to hold office until the conclusion of the next Annual General Meeting of the Company and authorise the Directors to fix its remuneration. Please refer to the Appendix I to this Notice of AGM dated 1 July 2025 on the Proposed Change of Auditors (the "**Appendix I**") which sets out, among others, information on and the specific reasons for the Proposed Change of Auditors.

(iii) Ordinary Resolution 7 proposed in item 6, if passed, will authorise the Directors of the Company to pay Directors' fees for the financial year ending 31 March 2026 to Directors quarterly in arrears.

(iv) Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising (a) the conversion or exercise of any convertible securities; (b) share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual; and (c) any subsequent bonus issue, consolidation or subdivision of shares, provided such adjustments in sub-paragraphs (a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution.

(v) Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, effective 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 or when varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the MTQ Corporation Limited Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive shares in lieu of the cash amount of that qualifying dividend.

(vi) Ordinary Resolution 10 proposed in item 9 above, if passed, will authorise the Directors of the Company from the date of this Annual General Meeting until 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, or the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting or the date on which Share Purchases are carried out to the full extent mandated, whichever is the earliest, to purchase or otherwise acquire ordinary shares in the capital of the Company by way of market purchases or off-market purchases on an equal access scheme of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the price of up to but not exceeding the Maximum Price as defined in the Appendix II. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company for the financial year ended 31 March 2025 are set out in greater detail in the Appendix II.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. **The Annual General Meeting ("AGM" or the "Meeting") will be held in a wholly physical format. There will be no option for shareholders to participate virtually**. Copies of this Notice of AGM, Proxy Form, FY2025 Annual Report, Appendices in respect of the Proposed Change of Auditors and Proposed Renewal of the Share Buyback Mandate and Request Form are available on SGXNet and on the Company's website at the URL http://www.mtq.com.sg/investor.html.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies)/corporate representative(s).

   For avoidance of doubt, investors who buy shares using CPF and/or SRS monies ("**CPF and SRS Investors**") (as may be applicable) will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote at the AGM on their behalf.

   CPF and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **21 July 2025**, being seven (7) working days prior to the date of the AGM.

3. A member, who is not a relevant intermediary, of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member, who is a relevant intermediary, of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company, 100 Tuas South Avenue 8, Singapore 637424; or

   (b) if by email, be received at mtqagm@mtq.com.sg.

   In either case, the Proxy Form shall be received by the Company not less than seventy-two (72) hours before the time appointed for the Meeting, that is no later than **10.00 a.m.** on **28 July 2025**.

7. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by no later than **5.00 p.m.** on **15 July 2025**:

   (a) in hard copy by post to the registered office of the Company at 100 Tuas South Avenue 8, Singapore 637424; or

   (b) by email to mtqagm@mtq.com.sg.

   Members submitting questions in advance by post or email must provide us with the following details:

   (a) Full name (as per CDP / CPF / SRS record)

   (b) NRIC / FIN / Passport No./ Company registration No.

   (c) Manner in which MTQ shares are held through (CDP / CPF / SRS)

   For verification purposes, failing which the submission will be treated as invalid.

   The Company will endeavour to address all substantial and relevant questions received in advance from members no later than **23 July 2025** (being at least forty-eight (48) hours prior to the last date and time for the lodgment of the Proxy Form).

9. The Annual Report for the financial year ended 31 March 2025 ("**FY2025 Annual Report**") made available on 1 July 2025 can be accessed via SGXNet and the Company's website at the URL http://www.mtq.com.sg/investor.html.

   The following documents are also made available to members on 1 July 2025 together with this Notice of AGM via SGXNet and the Company's website at the URL http://www.mtq.com.sg/investor.html:

   (a) Appendix I to the Notice of AGM dated 1 July 2025 in relation to the Proposed Change of Auditors;

   (b) Appendix II to the Notice of AGM dated 1 July 2025 in relation to the Proposed Renewal of the Share Buyback Mandate;

   (c) Proxy Form in relation to the AGM; and

   (d) Request Form

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

The following additional information on Mr. Kuah Kok Kim, Mr. Ong Eng Yaw and Mr. Ng Tiak Soon, all of whom are seeking re-election as Directors at the forthcoming Annual General Meeting ("**AGM**") of the Company to be convened on 31 July 2025 under Resolutions 3, 4 and 5 as set out in the Notice of AGM dated 1 July 2025, is to be read in conjunction with their respective biographies in this Annual Report.

	Kuah Kok Kim	**Ong Eng Yaw**	**Ng Tiak Soon**
Date of Appointment	1 January 1997	28 October 2016	1 August 2024
Date of last re-appointment (if applicable)	28 July 2022	31 July 2023	Not applicable
Age	80	53	75
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-appointment	The Board has considered the Nomination and Remuneration Committee's recommendation and assessment of Mr. Kuah Kok Kim experience and commitment in the discharge of his duties as Chairman of the Company, *inter alia*, and is satisfied that he will continue to contribute positively to the Board.	The Board has considered the Nomination and Remuneration Committee's recommendation and assessment of Mr. Ong Eng Yaw's credentials, qualifications, experience and commitment in the discharge of his duties as Non-Executive, Non-Independent Director of the Company, *inter alia*, and is satisfied that he will continue to contribute positively to the Board.	The Board, has considered the Nomination and Remuneration Committee's recommendation and assessment of Mr. Ng Tiak Soon's credentials, extensive knowledge in accounting, auditing and strong finance background qualification, experience, independence and commitment in the discharge of his duties as Independent Director of the Company, *inter alia*, and is satisfied that he will continue to contribute positively to the Board.
Whether appointment is executive, and if so, the area of responsibility	No	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman	Non-Executive; Non-Independent Director / Member of Nomination and Remuneration Committee	Independent Director / Chairman of Audit Committee
Professional qualifications	Please refer to the Directors' respective biographies on page 4.		
Working experience and occupation(s) during the past 10 years	Please refer to the Directors' respective biographies on page 4.		
Shareholding interest in the listed issuer and its subsidiaries	Please refer to Directors' Statement on page 33 of this Annual Report.	Please refer to Directors' Statement on page 33 of this Annual Report.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Father of Mr. Kuah Boon Wee, Non-Executive Director of the Company.	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

	Kuah Kok Kim	Ong Eng Yaw	Ng Tiak Soon
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to MTQ Corporation Limited	Yes	Yes	Yes
Other Principal Commitments Including Directorships	Please refer to the Directors' respective biographies in the Corporate Governance Section on page 22 of this Annual Report.		
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX-ST Listing Manual	Negative Confirmation for each of Mr. Kuah Kok Kim, Mr. Ong Eng Yaw and Mr. Ng Tiak Soon.		

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MTQ CORPORATION LIMITED
(Company Registration No. 196900057Z)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held physically at Carlton Hotel, Empress Ballroom 4, Level 2, 76 Bras Basah Road, Singapore 189558. **Members have no option to participate virtually**.
2. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see note 3 for the definition of "relevant intermediary").
3. For investors who have used their CPF or SRS monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Agent Banks and SRS Operators and is sent solely **FOR INFORMATION ONLY**.
4. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, ____ (Name)

of ____ (Address)

being a member(s) of **MTQ CORPORATION LIMITED** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, or if no proxy is named, the Chairman of the Meeting as my/our* proxy(ies) to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held on Thursday, 31 July 2025, at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy(ies) to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

Voting will be conducted by poll. If you wish to cast or exercise all your votes "for" or "against" or abstain from voting on a resolution, please indicate with a tick (✓) in the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2025 together with the Independent Auditor's Report			
2	Payment of proposed one-tier tax exempt final dividend			
3	Re-election of Mr. Kuah Kok Kim as a Director			
4	Re-election of Mr. Ong Eng Yaw as a Director			
5	Re-election of Mr. Ng Tiak Soon as a Director			
6	Appointment of Messers BDO LLP as the Company's Auditor in place of the retiring Auditor, Messers Ernst & Young LLP, to hold office until the conclusion of the next Annual General Meeting of the Company and authorising Directors to fix its remuneration			
7	Approval of Directors' fees for FY2026 amounting up to S$350,000			
8	Authority to issue shares			
9	Authority to issue shares under The MTQ Corporation Limited Scrip Dividend Scheme			
10	Proposed renewal of the Share Buyback Mandate			

Dated this __________ day of ______________ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

NOTES:

1. Please insert the total number of shares of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy(ies) shall be deemed to relate to all the Shares held by you.
2. A member, who is not a relevant intermediary, of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
3. A member, who is a relevant intermediary, of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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.

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Affix postage stamp

The Company Secretary
MTQ Corporation Limited
100 Tuas South Avenue 8
Singapore 637424

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4. Completion and return of this instrument appointing a proxy(ies) shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy(ies) shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company, 100 Tuas South Avenue 8, Singapore 637424; or

   (b) if by email, be received at mtqagm@mtq.com.sg.

   in either case, the Proxy Form shall be received by the Company not less than seventy-two (72) hours before the time appointed for the Meeting, that is no later than **10.00 a.m.** on **28 July 2025**.
6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing a proxy(ies) is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the proxy(ies), failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy(ies) lodged if such members are not shown to have shares entered against their names in the depository register as at seventy-two (72) hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 July 2025.

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MTQ CORPORATION LIMITED
Co. Reg. No. 196900057Z
100 Tuas South Avenue 8
Singapore 637424
Telephone: (65) 6777 7651
Facsimile: (65) 6777 6433