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**FOR IMMEDIATE RELEASE**

- **Stronger Gross Profit Margin Lifts Profitability Despite Lower Revenue**
- **Profit After Tax Up 59%, Excluding One-Off Gain from Pandan Property**
- **Pemac Disposal Completed, S$0.8m Gain to be Recognized in FY2026**

**Singapore, 13 May 2025 –** SGX Mainboard-listed MTQ Corporation Limited ("MTQ" or "Group"), an established regional engineering, repair and maintenance services group, reported today its results for the six months and twelve months ended 31 March 2025 ("2HFY2025" and "FY2025" respectively).

| Financial Highlights | 2HFY2025 | 2HFY2024 (Re-presented) | Chg | FY2025 | FY2024 (Re-presented) | Chg |
|---|---|---|---|---|---|---|
| | SGD'000 | SGD'000 | % | SGD'000 | SGD'000 | % |
| **Revenue** | 29,847 | 33,364 | (11) | 63,277 | 66,966 | (6) |
| **Gross Profit** | **10,510** | **10,859** | **(3)** | **21,451** | **20,986** | **2** |
| ***Gross Profit Margin*** | *35.2%* | *32.5%* | | *33.9%* | *31.3%* | |
| **Other Income[1]** | 435 | 514 | (15) | 843 | 996 | (15) |
| **Other Operating Expenses** | (4,045) | (4,330) | (7) | (9,059) | (8,839) | 2 |
| **Staff Costs** | (4,412) | (3,831) | 15 | (8,523) | (7,420) | 15 |
| **Finance Costs** | (369) | (914) | (60) | (1,080) | (1,848) | (42) |
| **Profit Before Tax from continuing operations[1]** | **2,119** | **2,298** | **(8)** | **3,632** | **3,875** | **(6)** |
| **Tax Expense** | (118) | (714) | (83) | (138) | (776) | (82) |
| **Profit After Tax from continuing operations[1]** | **2,001** | **1,584** | **27** | **3,494** | **3,099** | **13** |
| **Profit/(loss) from discontinued operations, net of tax** | 624 | 198 | 215 | 1,345 | (51) | n/m |
| **Overall Profit After Tax[1]** | **2,625** | **1,782** | **47** | **4,839** | **3,048** | **59** |
| **Gain on disposal of Pandan Property** | **-** | - | - | **-** | 6,367 | (100) |
| **Profit After Tax per Financial Statements** | **2,625** | **1,782** | **47** | **4,839** | **9,415** | **(49)** |

[1]Excluding one-off gain of S$6.4 million from sale of Pandan Property recognized in 1HFY2024.

## Financial Review

The Group reported S$29.8 million revenue for 2HFY2025, a decrease of 11% year-on-year ("YOY") compared to S$33.4 million in 2HFY2024. On a full-year basis, Group revenue declined by 5.5% to S$63.3 million, largely due to lower contributions from the Bahrain segment, which was affected by a slowdown in activity following Saudi Aramco's rig suspensions. Singapore posted revenue growth for the full year, driven by strong first-half demand and a stable second half. The UK segment recorded lower revenue, with the prior year benefitting from one-off catch-up orders. Despite lower revenue, the Group delivered stronger gross profit margins, benefited from a more favorable sales mix.

| Revenue by geographical segment | 2HFY2025 | 2HFY2024 (Re-presented) | FY2025 | FY2024 (Re-presented) |
|---|---|---|---|---|
| | SGD'000 | SGD'000 | SGD'000 | SGD'000 |
| **Singapore** | **13,091** | 14,021 | **30,112** | 27,601 |
| **Bahrain** | **15,462** | 16,108 | **29,945** | 34,526 |
| **United Kingdom** | **1,294** | 3,235 | **3,220** | 4,839 |
| **Total** | **29,847** | 33,364 | **63,277** | 66,966 |

Total staff costs and other operating expenses included approximately S$0.8m and S$0.9m of UAE-related pre-operating costs for 2HFY2025 and FY2025 respectively. Excluding these, overall staff costs and other operating expenses remained relatively stable despite foreign exchange fluctuations. Finance costs declined over the periods, in line with lower average borrowings.

Excluding the S$6.4m gain from sale of Pandan Property recognized in the prior year, the Group's profit after tax improved by 47% to S$2.6 million in 2HFY2025, bringing profit after tax for the full year to S$4.8 million – a 59% increase year-on-year.

Profit from discontinued operations mainly comprised contributions from Pemac, which the Group has completed the disposal following shareholders' approval on 14 April 2025. The gain from this disposal, estimated at approximately S$0.8 million will be recognized in the next financial year.

| Cash flows | 2HFY2025 | 2HFY2024 | FY2025 | FY2024 |
|---|---|---|---|---|
| | SGD'000 | SGD'000 | SGD'000 | SGD'000 |
| Net cash from/(used in): | | | | |
| - Operating activities | 5,756 | 7,266 | 8,332 | 4,393 |
| - Investing activities | (12,093) | (988) | (11,548) | 2,943 |
| - Financing activities | 7,837 | (2,531) | (998) | (8,709) |
| - Net change in cash & cash equivalents (inclusive of exchange rate effects) | 1,648 | 3,709 | (4,251) | (1,277) |
| Cash and cash equivalents at end of financial period/year | 8,040 | 12,291 | 8,040 | 12,291 |
| Classified as Assets Held for Sale | (374) | - | (374) | - |
| Cash and cash equivalents presented at Balance Sheet | 7,666 | 12,291 | 7,666 | 12,291 |

The Group generated net cash inflows from operations of S$5.8 million in 2HFY2025, bringing year-to-date operating cash flows to S$8.3 million. Investing activities included capital expenditure of approximately S$11.0 million in 2HFY2025 (year-to-date: S$18.9 million), related to the Group's expansion into the UAE, which was partially supported by net proceeds from bank borrowings. As at 31 March 2025, the Group's cash and cash equivalents stood at approximately S$7.7 million, prior to the receipt of first tranche payment of S$3.2 million from the disposal of Pemac in April 2025.

| Balance Sheet | 31 Mar 2025 | 31 Mar 2024 |
|---|---|---|
| | SGD'000 | SGD'000 |
| Net current assets | 35,770 | 42,034 |
| Net assets | 81,209 | 78,770 |
| Cash and cash equivalents | 7,666 | 12,291 |
| Bank borrowings | 16,531 | 13,869 |
| Shareholder's funds | 81,209 | 78,770 |
| Net gearing[1] | 9.8% | 2.0% |
| Net assets value per share[2] | 36 cents | 35 cents |

[1] *Net gearing ratio is calculated based on 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 total equity.*

[2] *Net assets value is calculated based on the Group's net assets, divided by the total number of issued shares excluding treasury shares as at the end of the financial year.*

The Board has recommended a final dividend of 0.5 Singapore cents per share, reaffirming our commitment to rewarding shareholders while maintaining a prudent financial strategy.

## Results & outlook

Commenting on the financial results and outlook, Mr Asif Salim Vorajee, Group Chief Executive Officer said,

***"We are pleased to have delivered another profitable year, with improved margins despite a softer top-line performance, reflecting our continued focus on operational efficiency and earnings quality.***

***While this year's performance in Bahrain was affected by the suspension of rig operations by Saudi Aramco, this may not reflect the region's longer-term potential. While we expect its performance to improve on rig resumptions, we remain cautious in the near term given the current uncertainties. Meanwhile, our current operations continue to provide a steady base, with Singapore remaining a key contributor.***

***Looking ahead, we remain focused on scaling our operations as the UAE facility comes online. Construction is nearing completion, and we are working to fulfil the remaining regulatory and operational requirements to commence revenue generation. Bringing the UAE facility into full operation remains a top priority, and we are committed to achieving this in the shortest possible time."***

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**About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)**

Established in 1969, **MTQ Corporation Limited ("MTQ")** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 50 years and commitment to service quality, MTQ is the authorized 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. Premier Sea & Land is a supplier of oilfield equipment and tools manufactured by some of the leading global brands. Mid-Continent is an oilfield equipment and spares supplier distributing wide range of trusted oilfield manufacturer brands. In-Line Valve, headquartered in the United Kingdom, designs, engineers and supplies flow control valves focused in the upstream oil and gas industry.

For more information, please log on www.mtq.com.sg

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