

MTQ CORPORATION LIMITED
(Incorporated in Singapore)
(Company Registration No. 196900057Z)

DISPOSAL OF ALL REMAINING SHARES IN MMA OFFSHORE LIMITED (“MMA”)

1. INTRODUCTION

The Board of Directors (the “Board”) of MTQ Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the notice of scheme meeting, supplementary scheme booklet and all other related market announcements lodged by MMA Offshore Limited (“**MMA**”) with the Australian Securities Exchange (the “**Scheme Announcements**”), which contain the details of the acquisition of 100% of the fully paid ordinary shares in MMA via a Scheme of Arrangement (the “**Scheme**”) by Cyan MMA Holdings Pty Limited (“**Cyan**”).

As part of the Scheme, Cyan has acquired all the remaining 1,996,774 shares in MMA held by the Group (“**Remaining MMA Shares**”), which formed approximately 0.5% of the total MMA shares on issue as at Scheme implementation date, at a consideration of A\$2.70 per MMA share (the “**Disposal**”). The Scheme has been implemented, and the consideration has been received on 25 July 2024.

For more information of the Scheme, please refer to MMA’s Scheme Announcements which are accessible in electronic forms from <https://www.asx.com.au>.

2. INFORMATION ON MMA SHARES

MMA, a company that was listed on the Australian Securities Exchange, is a leading provider of marine and subsea services globally. With a fleet of modern offshore vessels and expertise, MMA delivers pioneering blue solutions to support energy and offshore renewable projects, governments and coastal infrastructure around the world.

The MMA shares were received by the Group on 7 November 2019 as part of the purchase consideration pursuant to the sale of the entire operating businesses (including certain subsidiaries and assets) of Blossomvale Holdings Ltd (previously known as Neptune Marine Services Limited which was liquidated in 2023).

The Group, through a series of open market transactions, disposed a total of 3,891,066 MMA shares between March – June 2024, resulting in 1,996,774 Remaining MMA Shares held by the Group prior to the Disposal.

The Remaining MMA Shares were carried at the Group’s balance sheets as Other Investment at fair value with subsequent changes through other comprehensive income (“FVOCI”). Based on the Group’s audited consolidated financial statements for the financial year ended 31 March 2024, the fair value of the Remaining MMA Shares disposed was approximately S\$4.57 million (out of S\$8.90 million fair value of the total MMA shares held by the Group as at 31 March 2024). There were no net profits attributable to the MMA shares as there were no dividends received from MMA and the changes in fair value were recorded in other comprehensive income.

The closing price as at 11 July 2024 was A\$2.69 per MMA Share, being the latest available open market price prior to this announcement.

3. RATIONALE

The Disposal was carried out in accordance with the Scheme, which was approved by MMA's shareholders and the Federal Court of Australia, and implemented on 25 July 2024.

4. PROCEEDS

The aggregate cash consideration received as part of the Scheme by the Group is approximately S\$4.74 million (the "**Proceeds**"), representing the fair value of the Remaining MMA Shares as at the date of Disposal. No gain or loss were recorded by the Group as the MMA shares were carried at FVOCI.

The positive cash inflow arising from the Disposal will improve the Group's liquidity and financial position, providing resources that can be redeployed for working capital and the ongoing expansion into the UAE.

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

5.1 Based on the latest announced consolidated financial statements of the Group for FY2024, the relative figures in relation to the Disposal computed on the bases set out under Rule 1006 of the Listing Manual are as follows:

Rule	Basis	Relative Figure
1006(a)	Net asset value of MMA Shares disposed, compared with the Group's net asset value	5.81% ⁽¹⁾
1006(b)	Net profits attributable to the investment in MMA, compared with the Group's net profits	0.0% ⁽²⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation, based on the total number of issued shares excluding treasury shares	6.79% ⁽³⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) Based on the carrying value of the disposed Remaining MMA Shares and net asset value of the Group as at 31 March 2024.
- (2) There were no net profits attributable to the disposed Remaining MMA Shares as there were no dividends received from MMA and the changes in fair value were recorded in other comprehensive income.
- (3) This figure is based on the Proceeds of approximately S\$4.74 million and the Company's market capitalisation of approximately S\$69.71 million. The Company's market capitalisation was computed based on the Company's existing number of issued shares (less treasury shares) of 224,873,000 ordinary shares ("**Shares**") and the volume weighted average price of S\$0.31 per Share on 24 July 2024, which is the last full market day on which the Shares were traded prior to the Disposal.

5.2 As the relative figures computed for Rules 1006(a) and 1006(c) are more than 5.0% but do not exceed 20%, the Disposal is a "Discloseable Transaction" as defined in Rule 1010 of the Listing Manual.

6. FINANCIAL EFFECTS OF THE DISPOSAL

6.1 The financial effects of the Disposal set out below are purely for illustrative purposes only and do not reflect the actual results and financial position of the Company or the Group after the Disposal. The financial effects of the Disposal were calculated based on the consolidated financial statements of the Group for FY2024, being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

6.2 Net tangible asset ("**NTA**") and Earnings per Share ("**EPS**")

As (i) the MMA shares were carried at FVOCI; and (ii) there were no profits attributable to the MMA Shares, there would have been no financial impact of the Disposal to the Group's NTA or EPS had the Disposal took place on 31 March 2024 or 1 April 2023 respectively (assuming the fair value of the disposed Remaining MMA Shares as of those dates were adjusted to the fair value as at the date of Disposal).

6.3 Net debt gearing

For the purpose of computing net debt gearing of the Group, it is assumed that the Disposal was completed on 31 March 2024. The effect of the Disposal on the net debt gearing of the Group is as follows:

	Before the Disposal	After the Disposal
Net debt/(cash) (S\$'000)	1,578	(3,157)
Net capitalisation (S\$'000)	80,348	75,613
Net debt gearing ¹	2.0%	N.A ²

¹Net debt gearing is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt and total equity.

²Not applicable as the Group's cash would have exceeded its gross debt.

7. SERVICE CONTRACT

No person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Disposal.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respectively associates has any interest, direct or indirect, in the Disposal, other than their respective shareholdings (if any) in the Company.

By Order of the Board

Tan Lee Fang

Company Secretary

25 July 2024