



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

Unaudited Condensed Interim Financial Statements
For the six-month and full year ended 31 March 2024

MTQ Corporation Limited and its Subsidiaries

Index

| | Page |
|---|-------------|
| <u>Condensed interim consolidated statement of comprehensive income</u> | <u>1</u> |
| <u>Condensed interim balance sheets</u> | <u>3</u> |
| <u>Condensed interim statement of changes in equity</u> | <u>4</u> |
| <u>Condensed interim consolidated cash flow statement</u> | <u>7</u> |
| <u>Notes to the condensed interim financial statements</u> | <u>9</u> |
| <u>Other information required by Listing Rule Appendix 7.2</u> | <u>37</u> |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| | Note | 2H2024 | 2H2023 | Change | FY2024 | FY2023 | Change |
|---|------|----------|------------|--------|----------|------------|--------|
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| | | | (Restated) | | | (Restated) | |
| Revenue | 4 | 37,062 | 47,875 | -23% | 73,746 | 81,432 | -9% |
| Cost of sales | | (24,998) | (32,026) | -22% | (50,730) | (55,457) | -9% |
| Gross profit | | 12,064 | 15,849 | -24% | 23,016 | 25,975 | -11% |
| Other income | 5 | 285 | 368 | -23% | 6,976 | 855 | 716% |
| Staff costs | | (4,268) | (4,531) | -6% | (8,252) | (8,491) | -3% |
| Other operating expenses | | (4,516) | (8,288) | -46% | (9,355) | (12,198) | -23% |
| Profit from operating activities | 6 | 3,565 | 3,398 | 5% | 12,385 | 6,141 | 102% |
| Finance costs | 7 | (920) | (1,040) | -12% | (1,857) | (1,754) | 6% |
| Profit before tax from continuing operations | | 2,645 | 2,358 | 12% | 10,528 | 4,387 | 140% |
| Tax expense | 8 | (744) | (12) | 6,100% | (825) | (214) | 286% |
| Profit from continuing operations, net of tax | | 1,901 | 2,346 | -19% | 9,703 | 4,173 | 133% |
| Discontinued operations: Loss from discontinued operation, net of tax | 11 | (119) | (274) | -57% | (288) | (375) | -23% |
| Profit for the period/year | | 1,782 | 2,072 | -14% | 9,415 | 3,798 | 148% |
| Other comprehensive income: | | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Exchange difference on translation of subsidiaries | | (392) | (2,237) | -83% | 562 | (1,083) | n/m |
| Foreign currency translation and hedge reserves reclassified to profit or loss on liquidation of a subsidiary | | – | 1,003 | -100% | – | 1,003 | -100% |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Net change in fair value of other investment | | 5,665 | 2,347 | 141% | 6,744 | 2,495 | 170% |
| Other comprehensive income for the period/year, net of tax | | 5,273 | 1,113 | 374% | 7,306 | 2,415 | 203% |
| Total comprehensive income for the period/year | | 7,055 | 3,185 | 122% | 16,721 | 6,213 | 169% |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income (cont'd)
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| | Note | 2H2024 | 2H2023 | Change | FY2024 | FY2023 | Change |
|--|------|--------|------------|--------|--------|------------|--------|
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| | | | (Restated) | | | (Restated) | |
| Profit for the period/year | | 1,782 | 2,072 | -14% | 9,415 | 3,798 | 148% |
| Attributable to: | | | | | | | |
| Owners of the Company | | | | | | | |
| From continuing operations | | 1,901 | 2,210 | -14% | 9,703 | 4,037 | 140% |
| From discontinued operation | | (119) | (274) | -57% | (288) | (375) | -23% |
| Profit for the year attributable to Owners of the Company | | 1,782 | 1,936 | -8% | 9,415 | 3,662 | 157% |
| Non-controlling interests | | – | 136 | -100% | – | 136 | -100% |
| Profit for the period/year | | 1,782 | 2,072 | -14% | 9,415 | 3,798 | 148% |
| Total comprehensive income for the period/year | | 7,055 | 3,185 | 122% | 16,721 | 6,213 | 169% |
| Attributable to: | | | | | | | |
| Owners of the Company | | | | | | | |
| From continuing operations | | 7,174 | 3,323 | 116% | 17,009 | 6,452 | 164% |
| From discontinued operation | | (119) | (274) | -57% | (288) | (375) | -23% |
| Profit for the year attributable to Owners of the Company | | 7,055 | 3,049 | 131% | 16,721 | 6,077 | 175% |
| Non-controlling interests | | – | 136 | -100% | – | 136 | -100% |
| Total comprehensive income for the period/year | | 7,055 | 3,185 | 122% | 16,721 | 6,213 | 169% |
| Earnings/(loss) per share attributable to owners of the Company (cents per share) | | | | | | | |
| - Basic | | | | | | | |
| From continuing operations | 9(a) | 0.84 | 1.03 | | 4.32 | 1.86 | |
| From discontinued operation | 11 | (0.05) | (0.13) | | (0.13) | (0.17) | |
| Total earnings per share | 9(b) | 0.79 | 0.90 | | 4.19 | 1.69 | |
| - Diluted | | | | | | | |
| From continuing operations | 9(a) | 0.84 | 1.02 | | 4.32 | 1.86 | |
| From discontinued operation | 11 | (0.05) | (0.13) | | (0.13) | (0.17) | |
| Total earnings per share | 9(b) | 0.79 | 0.89 | | 4.19 | 1.69 | |

n/m: not meaningful

MTQ Corporation Limited and its Subsidiaries

**Condensed interim balance sheets
As at 31 March 2024**

(In Singapore dollars)

| | Note | Group | | | Company | | |
|---|------|----------------|----------------|----------------|---------------|---------------|---------------|
| | | 31.3.2024 | 31.3.2023 | 1.4.2022 | 31.3.2024 | 31.3.2023 | 1.4.2022 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | | (Restated) | (Restated) | | (Restated) | (Restated) |
| Non-current assets | | | | | | | |
| Goodwill | 12 | 2,975 | 2,870 | 3,110 | – | – | – |
| Intangible assets | 13 | 271 | 336 | 73 | – | – | – |
| Investment properties | | – | – | – | 6,428 | 6,453 | 3,606 |
| Property, plant and equipment | 14 | 35,469 | 33,927 | 30,872 | 181 | 145 | 120 |
| Right-of-use assets | 15 | 20,032 | 16,378 | 21,334 | 12,848 | 13,068 | 17,760 |
| Interests in subsidiaries | | – | – | – | 34,036 | 32,471 | 32,483 |
| Other investment | 16 | 8,903 | 6,130 | 3,635 | – | – | – |
| Investment in associate and joint venture | | – | – | – | 114 | 114 | 114 |
| Receivables | | – | 20 | 44 | 9,082 | 10,111 | 6,461 |
| Prepayments | | 793 | 4 | 17 | 31 | 4 | 6 |
| Deferred tax assets | | 166 | 179 | 274 | – | – | – |
| | | 68,609 | 59,844 | 59,359 | 62,720 | 62,366 | 60,550 |
| Current assets | | | | | | | |
| Inventories | | 19,764 | 17,406 | 15,692 | – | – | – |
| Trade and other receivables | | 25,513 | 27,974 | 17,100 | 23,602 | 21,996 | 16,006 |
| Prepayments | | 2,160 | 1,246 | 2,119 | 115 | 107 | 69 |
| Cash and cash equivalents | | 12,291 | 13,568 | 8,329 | 4,636 | 2,226 | 1,859 |
| | | 59,728 | 60,194 | 43,240 | 28,353 | 24,329 | 17,934 |
| Assets held for sale | 17 | – | 4,751 | – | – | 4,733 | – |
| Total assets | | 128,337 | 124,789 | 102,599 | 91,073 | 91,428 | 78,484 |
| Current liabilities | | | | | | | |
| Trade and other payables | 15 | 14,422 | 19,296 | 11,464 | 1,976 | 3,232 | 2,018 |
| Lease liabilities | | 904 | 992 | 1,395 | 473 | 742 | 973 |
| Bank borrowings | 18 | 1,508 | 1,493 | 1,511 | 1,008 | 993 | 1,011 |
| Provisions | | – | 93 | 218 | – | – | – |
| Provision for taxation | | 860 | 100 | 95 | 860 | 30 | 25 |
| | | 17,694 | 21,974 | 14,683 | 4,317 | 4,997 | 4,027 |
| Liabilities directly associated with the assets held for sale | 17 | – | 5,270 | – | – | 5,270 | – |
| Net current assets | | 42,034 | 37,701 | 28,557 | 24,036 | 18,795 | 13,907 |
| Non-current liabilities | | | | | | | |
| Lease liabilities | 15 | 19,099 | 15,383 | 21,319 | 11,391 | 11,426 | 17,296 |
| Bank borrowings | 18 | 12,361 | 18,726 | 9,044 | 9,000 | 14,258 | 4,023 |
| Deferred tax liabilities | | 317 | 282 | 189 | 134 | 131 | 31 |
| Provisions | | 96 | 113 | 115 | 96 | 96 | 96 |
| | | 31,873 | 34,504 | 30,667 | 20,621 | 25,911 | 21,446 |
| Total liabilities | | 49,567 | 61,748 | 45,350 | 24,938 | 36,178 | 25,473 |
| Net assets | | 78,770 | 63,041 | 57,249 | 66,135 | 55,250 | 53,011 |
| Equity attributable to owners of the Company | | | | | | | |
| Share capital | 19 | 50,836 | 49,579 | 48,919 | 50,836 | 49,579 | 48,919 |
| Treasury shares | 19 | (41) | (41) | (41) | (41) | (41) | (41) |
| Reserves | | 27,975 | 13,503 | 8,507 | 15,340 | 5,712 | 4,133 |
| Shareholders' funds | | 78,770 | 63,041 | 57,385 | 66,135 | 55,250 | 53,011 |
| Non-controlling interests | | – | – | (136) | – | – | – |
| Total equity | | 78,770 | 63,041 | 57,249 | 66,135 | 55,250 | 53,011 |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| Group | Note | Attributable to owners of the Company | | | | | | Non-controlling interests \$'000 | Total equity \$'000 |
|---|------|---------------------------------------|---------------------------|--|-----------------------------|--------------------------|-------------------------------|-------------------------------------|------------------------|
| | | Share capital \$'000 | Treasury shares \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | Other reserves \$'000 | Shareholders' funds \$'000 | | |
| Balance as at 1 April 2022 (As previously reported) | | 48,919 | (41) | (1,950) | 15,786 | (5,401) | 57,313 | (136) | 57,177 |
| Impact on amendments to SFRS(I) 1-12 | | – | – | – | 72 | – | 72 | – | 72 |
| Balance as at 1 April 2022 (As restated) | | 48,919 | (41) | (1,950) | 15,858 | (5,401) | 57,385 | (136) | 57,249 |
| Profit for the year, net of tax | | – | – | – | 3,662 | – | 3,662 | 136 | 3,798 |
| Exchange difference on translation of subsidiaries | | – | – | (1,083) | – | – | (1,083) | – | (1,083) |
| Reclassification to profit or loss on liquidation of a subsidiary | | – | – | 851 | – | 152 | 1,003 | – | 1,003 |
| Net change in fair value of other investment | 16 | – | – | – | – | 2,495 | 2,495 | – | 2,495 |
| Total comprehensive income for the year | | – | – | (232) | 3,662 | 2,647 | 6,077 | 136 | 6,213 |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | 20 | – | – | – | (1,081) | – | (1,081) | – | (1,081) |
| Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue | 19 | 660 | – | – | – | – | 660 | – | 660 |
| Total contributions by and distributions to owners | | 660 | – | – | (1,081) | – | (421) | – | (421) |
| Balance as at 31 March 2023 (As restated) | | 49,579 | (41) | (2,182) | 18,439 | (2,754) | 63,041 | – | 63,041 |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| Group | Note | Attributable to owners of the Company | | | | | | Non-controlling interests \$'000 | Total equity \$'000 |
|---|------|---------------------------------------|---------------------------|--|-----------------------------|--------------------------|-------------------------------|-------------------------------------|------------------------|
| | | Share capital \$'000 | Treasury shares \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | Other reserves \$'000 | Shareholders' funds \$'000 | | |
| Balance as at 1 April 2023 (As previously reported) | | 49,579 | (41) | (2,182) | 18,426 | (2,754) | 63,028 | – | 63,028 |
| Impact on amendments to SFRS(I) 1-12 | | – | – | – | 13 | – | 13 | – | 13 |
| Balance as at 1 April 2023 (As restated) | | 49,579 | (41) | (2,182) | 18,439 | (2,754) | 63,041 | – | 63,041 |
| Profit for the year, net of tax | | – | – | – | 9,415 | – | 9,415 | – | 9,415 |
| Exchange difference on translation of subsidiaries | | – | – | 562 | – | – | 562 | – | 562 |
| Net change in fair value of other investment | 16 | – | – | – | – | 6,744 | 6,744 | – | 6,744 |
| Total comprehensive income for the year | | – | – | 562 | 9,415 | 6,744 | 16,721 | – | 16,721 |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | 20 | – | – | – | (1,124) | – | (1,124) | – | (1,124) |
| Dividend paid in respect of current financial year, tax exempt (one-tier) | 20 | – | – | – | (1,125) | – | (1,125) | – | (1,125) |
| Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue | 19 | 1,257 | – | – | – | – | 1,257 | – | 1,257 |
| Total contributions by and distributions to owners | | 1,257 | – | – | (2,249) | – | (992) | – | (992) |
| Balance as at 31 March 2024 | | 50,836 | (41) | (1,620) | 25,605 | 3,990 | 78,770 | – | 78,770 |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| | Note | Share capital \$'000 | Treasury shares \$'000 | Retained earnings \$'000 | Other reserves \$'000 | Total equity \$'000 |
|---|------|-------------------------|---------------------------|-----------------------------|--------------------------|------------------------|
| Company | | | | | | |
| Balance as at 1 April 2022 (As previously reported) | | 48,919 | (41) | 1,644 | 2,507 | 53,029 |
| Impact on amendments to SFRS(I) 1-12 | | – | – | (18) | – | (18) |
| Balance as at 1 April 2022 (As restated) | | 48,919 | (41) | 1,626 | 2,507 | 53,011 |
| Profit for the year, net of tax | | – | – | 2,660 | – | 2,660 |
| Total comprehensive income for the year | | – | – | 2,660 | – | 2,660 |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | 20 | – | – | (1,081) | – | (1,081) |
| Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue | 19 | 660 | – | – | – | 660 |
| Total contributions by and distributions to owners | | 660 | – | (1,081) | – | (421) |
| Balance as at 31 March 2023 (As restated) | | 49,579 | (41) | 3,205 | 2,507 | 55,250 |
| Balance as at 1 April 2023 (As previously reported) | | 49,579 | (41) | 3,287 | 2,507 | 55,332 |
| Impact on amendments to SFRS(I) 1-12 | | – | – | (82) | – | (82) |
| Balance as at 1 April 2023 (As restated) | | 49,579 | (41) | 3,205 | 2,507 | 55,250 |
| Profit for the year, net of tax | | – | – | 11,877 | – | 11,877 |
| Total comprehensive income for the year | | – | – | 11,877 | – | 11,877 |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | 20 | – | – | (1,124) | – | (1,124) |
| Dividend paid in respect of current financial year, tax exempt (one-tier) | 20 | – | – | (1,125) | – | (1,125) |
| Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue | 19 | 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) | 12,833 | 2,507 | 66,135 |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| | Note | 2H2024 \$'000 | 2H2023 \$'000 (Restated) | FY2024 \$'000 | FY2023 \$'000 (Restated) |
|--|------|------------------|--------------------------------|------------------|--------------------------------|
| Cash flows from operating activities: | | | | | |
| Profit before taxation from continuing operation | | 2,645 | 2,358 | 10,528 | 4,387 |
| Loss before taxation from discontinued operation | | (119) | (274) | (288) | (375) |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | | 1,493 | 1,337 | 2,968 | 2,678 |
| Depreciation of right-of-use assets | 6 | 672 | 743 | 1,322 | 1,480 |
| Amortization of intangible assets | 6 | 78 | 90 | 151 | 158 |
| Loss on liquidation of a subsidiary | 6 | – | 1,003 | – | 1,003 |
| Gain on disposal of property, plant and equipment, net | | (50) | (17) | (97) | (180) |
| Loss on write-off of a lease | 6 | 3 | – | 3 | – |
| Gain on disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs | | – | – | (6,367) | – |
| Gain on disposal of business, net of transaction costs | 11 | (254) | – | (254) | – |
| (Reversal of allowance)/allowance for impairment of trade receivables, net | | (3) | 29 | (3) | 29 |
| Allowance for inventory obsolescence and stock written-off, net | 6 | 119 | 1,169 | 14 | 1,169 |
| Interest income | | – | (2) | (1) | (2) |
| Interest expense | 7 | 920 | 1,040 | 1,857 | 1,754 |
| Provisions made during the year | | 2 | (32) | 6 | (25) |
| Operating cash flows before changes in working capital | | 5,506 | 7,444 | 9,839 | 12,076 |
| Decrease/(increase) in receivables and prepayments | | 2,877 | (903) | 2,787 | (10,867) |
| (Increase)/decrease in inventories and work-in-progress | | (488) | 1,170 | (2,328) | (3,134) |
| Increase/(decrease) in payables | | 295 | 164 | (3,917) | 6,925 |
| Others | | (104) | (27) | (172) | (38) |
| Cash generated from operations | | 8,086 | 7,848 | 6,209 | 4,962 |
| Interest income received | | – | 2 | 1 | 2 |
| Interest expense paid | | (812) | (931) | (1,800) | (1,645) |
| Income taxes paid | | (8) | (10) | (17) | (21) |
| Net cash generated from operating activities | | 7,266 | 6,909 | 4,393 | 3,298 |

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement (cont'd)
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

| | Note | 2H2024 \$'000 | 2H2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 |
|--|------|------------------|------------------|------------------|------------------|
| Cash flows from investing activities: | | | | | |
| Purchase of property, plant and equipment | | (5,682) | (4,216) | (7,519) | (5,909) |
| Addition of intangible assets | | (81) | (19) | (81) | (440) |
| Indirect costs of obtaining a lease | | (14) | – | (121) | – |
| Proceeds from sale of quoted investments, net of brokerage | | 3,971 | – | 3,971 | – |
| Proceeds from disposal of property, plant and equipment | | 459 | 157 | 770 | 330 |
| Proceeds from disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs | | – | – | 5,548 | 300 |
| Proceeds from disposal of business, net of transaction costs | | 347 | – | 347 | – |
| Loans repaid by staff | | 12 | 16 | 28 | 49 |
| Net cash (used in)/generated from investing activities | | (988) | (4,062) | 2,943 | (5,670) |
| Cash flows from financing activities: | | | | | |
| Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue | | – | 660 | 1,257 | 660 |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | | – | – | (1,124) | (1,081) |
| Dividend paid in respect of current financial year, tax exempt (one-tier) | | (1,125) | – | (1,125) | – |
| Proceeds from bank borrowings | | 1,000 | 3,600 | 1,000 | 11,290 |
| Repayment of bank borrowings | | (1,751) | (754) | (7,421) | (1,513) |
| Repayment of principal portion of lease liabilities | | (655) | (721) | (1,296) | (1,441) |
| Net cash (used in)/generated from financing activities | | (2,531) | 2,785 | (8,709) | 7,915 |
| Net increase/(decrease) in cash and cash equivalents | | 3,747 | 5,632 | (1,373) | 5,543 |
| Cash and cash equivalents at beginning of financial period/year | | 8,582 | 8,297 | 13,568 | 8,329 |
| Effect of exchange rate changes on cash and cash equivalents | | (38) | (361) | 96 | (304) |
| Cash and cash equivalents at end of financial period/year | | 12,291 | 13,568 | 12,291 | 13,568 |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

1. Corporate information

MTQ Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim financial statements as at and for the six-month and full year ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company relate to those of an investment holding and management company. The principal activities of the subsidiaries are disclosed in the Group's annual consolidated financial statements as at 31 March 2023.

2. Basis of preparation

The condensed interim financial statements for the six-month and full year ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2023.

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

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

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

A number of amendments to Standards have become applicable for the current reporting period. Except for the impact arising from the adoption of SFRS(I) 1-12 described below, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Amendments to SFRS(I) 1-12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

On 1 April 2023, the Group adopted the amendments to SFRS(I) 1-12 Income taxes, which is effective for annual periods beginning on or after 1 January 2023.

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

2. Basis of preparation (cont'd)

2.1 *New and amended standards adopted by the Group (cont'd)*

Amendments to SFRS(I) 1-12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (cont'd)

In prior years, the Group applied the initial recognition exemption to lease transactions and recognized the tax impacts in profit or loss when they are incurred and therefore, no deferred tax on leases was recognized. Following the amendments, the Group has determined the temporary differences and corresponding deferred tax assets in relation to lease liabilities and deferred tax liabilities in relation to its right-of-use assets, which qualifies for offset under SFRS(I) 1-12 Income taxes.

The impact of the retrospective adjustments of the amendments to the Group's and Company financial statements lines are summarized below. The amendment did not have an impact on the Group's operating, investing and financing cash flows.

Consolidated statement of comprehensive income (extract)

| | As previously reported \$'000 | Restatement amount \$'000 | As restated \$'000 |
|--------------------------------------|-------------------------------------|---------------------------------|-----------------------|
| 12 months ended 31 March 2023 | | | |
| Tax expense | (155) | (59) | (214) |

Group's statement of financial position (extract)

| | As previously reported \$'000 | Restatement amount \$'000 | As restated \$'000 |
|---|-------------------------------------|---------------------------------|-----------------------|
| As at 1 April 2022 | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 261 | (72) | 189 |
| Equity | | | |
| Retained earnings | 15,786 | 72 | 15,858 |
| As at 31 March 2023 and 1 April 2023 | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 295 | (13) | 282 |
| Equity | | | |
| Retained earnings | 18,426 | 13 | 18,439 |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

2. Basis of preparation (cont'd)

2.1 *New and amended standards adopted by the Group (cont'd)*

Amendments to SFRS(I) 1-12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (cont'd)

Company's statement of financial position (extract)

| | As previously reported \$'000 | Restatement amount \$'000 | As restated \$'000 |
|---|-------------------------------------|---------------------------------|-----------------------|
| As at 1 April 2022 | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 13 | 18 | 31 |
| Equity | | | |
| Retained earnings | 1,644 | (18) | 1,626 |
| <hr/> | | | |
| As at 31 March 2023 and 1 April 2023 | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 49 | 82 | 131 |
| Equity | | | |
| Retained earnings | 3,287 | (82) | 3,205 |
| <hr/> | | | |

2.2 *Use of judgements and estimates*

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

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

3. Seasonal operations

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

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

4. Segment and revenue information

(a) *Revenue*

Disaggregation of revenue

| | Services, repair and contract revenue | | Trading sales | | Rental income | | Total | |
|--|---------------------------------------|--------|---------------|------------|---------------|--------|--------|------------|
| | 2H2024 | 2H2023 | 2H2024 | 2H2023 | 2H2024 | 2H2023 | 2H2024 | 2H2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | | | (Restated) | | | | (Restated) |
| Major product or service lines | | | | | | | | |
| Oilfield Engineering | | | | | | | | |
| Oilfield services | 30,788 | 41,051 | – | – | – | – | 30,788 | 41,051 |
| Trading/sales of oilfield equipment and spares | – | – | 5,474 | 6,394 | – | – | 5,474 | 6,394 |
| Rental services | – | – | – | – | 507 | 47 | 507 | 47 |
| Other services | 293 | 383 | – | – | – | – | 293 | 383 |
| | 31,081 | 41,434 | 5,474 | 6,394 | 507 | 47 | 37,062 | 47,875 |
| Timing of transfer of goods or services | | | | | | | | |
| At a point in time | – | – | 5,474 | 6,394 | – | – | 5,474 | 6,394 |
| Over time | 31,081 | 41,434 | – | – | 507 | 47 | 31,588 | 41,481 |
| | 31,081 | 41,434 | 5,474 | 6,394 | 507 | 47 | 37,062 | 47,875 |

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(a) Revenue (cont'd)

Disaggregation of revenue (cont'd)

| | Services, repair and contract revenue | | Trading sales | | Rental income | | Total | |
|--|---------------------------------------|--------|---------------|------------|---------------|--------|--------|------------|
| | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | | | | (Restated) | | | | (Restated) |
| Major product or service lines | | | | | | | | |
| Oilfield Engineering | | | | | | | | |
| Oilfield services | 60,608 | 67,889 | – | – | – | – | 60,608 | 67,889 |
| Trading/sales of oilfield equipment and spares | – | – | 11,856 | 12,696 | – | – | 11,856 | 12,696 |
| Rental services | – | – | – | – | 649 | 85 | 649 | 85 |
| Other services | 633 | 762 | – | – | – | – | 633 | 762 |
| | 61,241 | 68,651 | 11,856 | 12,696 | 649 | 85 | 73,746 | 81,432 |
| Timing of transfer of goods or services | | | | | | | | |
| At a point in time | – | – | 11,856 | 12,696 | – | – | 11,856 | 12,696 |
| Over time | 61,241 | 68,651 | – | – | 649 | 85 | 61,890 | 68,736 |
| | 61,241 | 68,651 | 11,856 | 12,696 | 649 | 85 | 73,746 | 81,432 |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *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.

The design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas industry business in Australia has been represented as discontinued operation following the disposal (Note 11).

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

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments (cont'd)*

| | Continuing operations | | | | | Discontinued operation | Per consolidated financial statements |
|---|-----------------------|----------------------|--------------|------|----------|------------------------|---------------------------------------|
| | Investment holding | Oilfield engineering | Eliminations | Note | Subtotal | | |
| | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 |
| 2H2024 | | | | | | | |
| Revenue: | | | | | | | |
| External sales | – | 37,062 | – | | 37,062 | 1,045 | 38,107 |
| Inter-segment sales | 3,784 | 1,056 | (4,919) | A | (79) | 79 | – |
| Total sales | 3,784 | 38,118 | (4,919) | | 36,983 | 1,124 | 38,107 |
| Results: | | | | | | | |
| Rental income | 54 | – | – | | 54 | – | 54 |
| Depreciation and amortization | (705) | (1,538) | – | | (2,243) | – | (2,243) |
| Loss on write-off of a lease | – | (3) | – | | (3) | – | (3) |
| Gain on disposal of property, plant and equipment, net | – | 50 | – | | 50 | – | 50 |
| Gain on disposal of business, net of transaction costs | – | – | – | | – | 254 | 254 |
| Allowance for inventory obsolescence and stock written-off, net | – | (119) | – | | (119) | – | (119) |
| Reversal of allowance for impairment of trade receivables | – | – | – | | – | 3 | 3 |
| Finance costs | (315) | (605) | – | | (920) | – | (920) |
| Segment (loss)/profit before tax | (3,565) | 6,210 | – | | 2,645 | (119) | 2,526 |
| Tax (expense)/credit | (758) | 14 | – | | (744) | – | (744) |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments (cont'd)*

| | Continuing operations | | | | | Discontinued operation \$'000 | Per consolidated financial statements \$'000 |
|---|--|--|------------------------|------|----------------------------------|----------------------------------|---|
| | Investment holding \$'000 (Restated) | Oilfield engineering \$'000 (Restated) | Eliminations \$'000 | Note | Subtotal \$'000 (Restated) | | |
| 2H2023 | | | | | | | |
| Revenue: | | | | | | | |
| External sales | – | 47,875 | – | | 47,875 | 1,057 | 48,932 |
| Inter-segment sales | 4,206 | 4,411 | (8,623) | A | (6) | 6 | – |
| Total sales | 4,206 | 52,286 | (8,623) | | 47,869 | 1,063 | 48,932 |
| Results: | | | | | | | |
| Interest income | 2 | – | – | | 2 | – | 2 |
| Rental income | 76 | – | – | | 76 | – | 76 |
| Depreciation and amortization | (733) | (1,433) | – | | (2,166) | (4) | (2,170) |
| Gain on disposal of property, plant and equipment, net | – | 9 | – | | 9 | 8 | 17 |
| Allowance for inventory obsolescence and stock written-off, net | – | (1,169) | – | | (1,169) | – | (1,169) |
| Allowance for impairment of trade receivables | – | (29) | – | | (29) | – | (29) |
| Loss on liquidation of a subsidiary | (1,003) | – | – | | (1,003) | – | (1,003) |
| Finance costs | (795) | (245) | – | | (1,040) | – | (1,040) |
| Segment (loss)/profit before tax | (5,287) | 7,645 | – | | 2,358 | (274) | 2,084 |
| Tax (expense)/credit | (40) | 28 | – | | (12) | – | (12) |

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

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments (cont'd)*

| | Continuing operations | | | | | Discontinued operation | Per consolidated financial statements |
|---|-----------------------|----------------------|--------------|------|----------|------------------------|---------------------------------------|
| | Investment holding | Oilfield engineering | Eliminations | Note | Subtotal | | |
| | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 |
| FY2024 | | | | | | | |
| Revenue: | | | | | | | |
| External sales | – | 73,746 | – | | 73,746 | 2,028 | 75,774 |
| Inter-segment sales | 8,104 | 3,289 | (11,491) | A | (98) | 98 | – |
| Total sales | 8,104 | 77,035 | (11,491) | | 73,648 | 2,126 | 75,774 |
| Results: | | | | | | | |
| Interest income | – | – | – | | – | 1 | 1 |
| Rental income | 111 | – | – | | 111 | – | 111 |
| Depreciation and amortization | (1,406) | (3,031) | – | | (4,437) | (4) | (4,441) |
| Loss on write-off of a lease | – | (3) | – | | (3) | – | (3) |
| (Loss)/gain on disposal of property, plant and equipment, net | (15) | 112 | – | | 97 | – | 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 for inventory obsolescence and stock written-off, net | – | (14) | – | | (14) | – | (14) |
| Reversal of allowance for impairment of trade receivables | – | – | – | | – | 3 | 3 |
| Finance costs | (998) | (859) | – | | (1,857) | – | (1,857) |
| Segment (loss)/profit before tax | (1,648) | 12,176 | – | | 10,528 | (288) | 10,240 |
| Tax expense | (792) | (33) | – | | (825) | – | (825) |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments (cont'd)*

| | Continuing operations | | | | | Discontinued operation \$'000 | Per consolidated financial statements \$'000 (Restated) |
|---|--|--|------------------------|------|----------------------------------|----------------------------------|---|
| | Investment holding \$'000 (Restated) | Oilfield engineering \$'000 (Restated) | Eliminations \$'000 | Note | Subtotal \$'000 (Restated) | | |
| FY2023 | | | | | | | |
| Revenue: | | | | | | | |
| External sales | – | 81,432 | – | | 81,432 | 2,402 | 83,834 |
| Inter-segment sales | 8,021 | 8,141 | (16,222) | A | (60) | 60 | – |
| Total sales | 8,021 | 89,573 | (16,222) | | 81,372 | 2,462 | 83,834 |
| Results: | | | | | | | |
| Interest income | 2 | – | – | | 2 | – | 2 |
| Rental income | 147 | – | – | | 147 | – | 147 |
| Depreciation and amortization | (1,469) | (2,841) | – | | (4,310) | (6) | (4,316) |
| (Loss)/gain on disposal of property, plant and equipment, net | (1) | 173 | – | | 172 | 8 | 180 |
| Allowance for inventory obsolescence and stock written-off, net | – | (1,169) | – | | (1,169) | – | (1,169) |
| Allowance for impairment of trade receivables | – | (29) | – | | (29) | – | (29) |
| Loss on liquidation of a subsidiary | (1,003) | – | – | | (1,003) | – | (1,003) |
| Finance costs | (1,317) | (437) | – | | (1,754) | – | (1,754) |
| Segment (loss)/profit before tax | (9,050) | 13,437 | – | | 4,387 | (375) | 4,012 |
| Tax expense | (98) | (116) | – | | (214) | – | (214) |

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

Note A: Inter-segment revenues are eliminated on consolidation

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) Operating segments (cont'd)

| | Continuing operations | | | Discontinued operation | Total |
|--|-----------------------|----------------------|----------|------------------------|-----------------|
| | Investment holding | Oilfield engineering | Subtotal | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets and liabilities: As at 31.3.2024 | | | | | |
| Segment assets | 41,661 | 86,510 | 128,171 | – | 128,171 |
| Deferred tax assets | | | | | 166 |
| Total assets | | | | | <u>128,337</u> |
| Segment liabilities | (16,440) | (18,081) | (34,521) | – | (34,521) |
| Provision for taxation | | | | | (860) |
| Deferred tax liabilities | | | | | (317) |
| Bank borrowings | | | | | (13,869) |
| Total liabilities | | | | | <u>(49,567)</u> |

| | Continuing operations | | | Discontinued operation | Total |
|--|-----------------------|----------------------|----------------------|------------------------|----------------------|
| | Investment holding | Oilfield engineering | Subtotal | | |
| | \$'000 | \$'000 (Restated) | \$'000 (Restated) | \$'000 | \$'000 (Restated) |
| Assets and liabilities: As at 31.3.2023 | | | | | |
| Segment assets | 40,670 | 82,344 | 123,014 | 1,596 | 124,610 |
| Deferred tax assets | | | | | 179 |
| Total assets | | | | | <u>124,789</u> |
| Segment liabilities | (22,839) | (17,920) | (40,759) | (388) | (41,147) |
| Provision for taxation | | | | | (100) |
| Deferred tax liabilities | | | | | (282) |
| Bank borrowings | | | | | (20,219) |
| Total liabilities | | | | | <u>(61,748)</u> |

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(c) Geographical segments

| | External sales | | | | Non-current assets | |
|----------------------|------------------|------------------|------------------|------------------|---------------------|---------------------|
| | 2H2024 \$'000 | 2H2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 | 31.3.2024 \$'000 | 31.3.2023 \$'000 |
| Singapore | 17,719 | 20,137 | 34,381 | 38,707 | 40,153 | 38,695 |
| Bahrain | 16,108 | 26,427 | 34,526 | 40,337 | 18,114 | 17,983 |
| Australia | 1,045 | 1,057 | 2,028 | 2,402 | – | 33 |
| United Kingdom | 3,235 | 1,311 | 4,839 | 2,388 | 3,207 | 2,930 |
| United Arab Emirates | – | – | – | – | 6,176 | – |
| | 38,107 | 48,932 | 75,774 | 83,834 | 67,650 | 59,641 |

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.

(d) A breakdown of sales and profit after tax

| | FY2024 | Group FY2023 | Change |
|-----------------------------|--------|-----------------|--------|
| | \$'000 | \$'000 | % |
| | | (Restated) | |
| (a) First half year | | | |
| Revenue | 36,684 | 33,557 | 9% |
| Profit after tax | 7,633 | 1,726 | 342% |
| (b) Second half year | | | |
| Revenue | 37,062 | 47,875 | -23% |
| Profit after tax | 1,782 | 2,072 | -14% |

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

5. Other income

| | Group | | | |
|--|---------------|---------------|---------------|---------------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Restated) | | (Restated) |
| Interest income | – | 2 | – | 2 |
| Rental income | 54 | 76 | 111 | 147 |
| Gain on disposal of property, plant and equipment, net | 50 | 9 | 97 | 172 |
| Gain on disposal of assets held for sale and liabilities directly associated with the assets held for sale, net of transaction costs | – | – | 6,367 | – |
| Commission received | 1 | 40 | 52 | 44 |
| Gain on disposal of scrap material | 105 | 148 | 232 | 263 |
| Government grants | 42 | 79 | 52 | 142 |
| Others | 33 | 14 | 65 | 85 |
| | <u>285</u> | <u>368</u> | <u>6,976</u> | <u>855</u> |

6. Profit from operating activities

Profit from operating activities is stated after charging the following:

| | Group | | | |
|---|---------------|---------------|---------------|---------------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Restated) | | (Restated) |
| (a) Other operating expenses | | | | |
| Allowance for impairment of trade receivables, net | – | 29 | – | 29 |
| Amortization of intangible assets | 78 | 90 | 151 | 158 |
| Depreciation of property, plant and equipment | 534 | 390 | 1,046 | 782 |
| Depreciation of right-of-use assets | 615 | 703 | 1,206 | 1,410 |
| Directors' fees paid to directors of the Company | 153 | 129 | 301 | 247 |
| Allowance for inventory obsolescence and stock written-off, net | 119 | 1,169 | 14 | 1,169 |
| Loss on write-off of a lease | 3 | – | 3 | – |
| Loss on liquidation of a subsidiary | – | 1,003 | – | 1,003 |
| Loss/(gain) on foreign exchange, net | 29 | 723 | (92) | 403 |
| Consultancy fees paid to a director of the Company | 92 | 77 | 169 | 156 |
| Audit, legal, consultancy and professional fees | 430 | 478 | 883 | 889 |
| Utilities expenses | 374 | 414 | 1,054 | 943 |
| Property tax | 242 | 302 | 510 | 626 |
| Relocation costs | – | 808 | 334 | 820 |
| Travelling expenses | 565 | 328 | 984 | 649 |
| | <u>565</u> | <u>328</u> | <u>984</u> | <u>649</u> |

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

6. Profit from operating activities (cont'd)

| | Group | | | |
|---|--------|--------|--------|--------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (b) Cost of sales | | | | |
| Depreciation of right-of-use assets | 57 | 40 | 116 | 70 |
| Depreciation of property, plant and equipment | 959 | 943 | 1,918 | 1,890 |

7. Finance costs

| | Group | | | |
|---------------------|--------|--------|--------|--------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest on: | | | | |
| - Bank loans | 476 | 583 | 1,077 | 828 |
| - Lease liabilities | 444 | 457 | 780 | 926 |

8. Tax expense

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

| | Group | | | |
|---|--------|--------|--------|----------------------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 (Restated) |
| <i>Consolidated statement of comprehensive income</i> | | | | |
| <u>Current income tax</u> | | | | |
| - Current income tax [^] | 717 | 3 | 830 | 5 |
| - Over provision in respect of previous years | (34) | - | (70) | - |
| - Withholding tax expense | 8 | 10 | 17 | 21 |
| | 691 | 13 | 777 | 26 |
| <u>Deferred income tax</u> | | | | |
| - Movement in temporary differences | 3 | (45) | 16 | 141 |
| - Under provision in respect of previous years | 50 | 44 | 32 | 47 |
| | 53 | (1) | 48 | 188 |
| Tax expense recognized in statement of comprehensive income | 744 | 12 | 825 | 214 |

[^] The increase in current income tax was mainly due to balancing charge arising from the disposal of Pandan Property (Note 17).

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

9. Earnings per share

(a) Continuing operations

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

Diluted earnings per share are calculated by dividing profit for the financial period/year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued upon 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 period/year ended 31 March:

| | Group | | | |
|--|-------------------------|----------------------|------------------------|----------------------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 (Restated) | \$'000 | \$'000 (Restated) |
| Profit for the period/year attributable to owners of the Company | 1,782 | 1,936 | 9,415 | 3,662 |
| <i>Add:</i> Loss from discontinued operation, net of tax, attributable to owners of the Company (Note 11) | 119 | 274 | 288 | 375 |
| Profit for the period/year attributable to owners of the Company used in the computation of basic and diluted per share from continuing operations | <u>1,901</u> | <u>2,210</u> | <u>9,703</u> | <u>4,037</u> |
| | Number of shares | | | |
| | 6 months ended | | 12 months ended | |
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | '000 | '000 | '000 | '000 |
| Weighted average number of ordinary shares for basic earnings per share computation* | 224,873 | 216,202 | 224,782 | 216,181 |
| Effects of dilution: | | | | |
| – Outstanding warrants pursuant to MTQ Rights cum Warrants Issue [#] | – | 400 | 15 | 355 |
| Weighted average number of ordinary shares for diluted earnings per share computation | <u>224,873</u> | <u>216,602</u> | <u>224,797</u> | <u>216,536</u> |

* The weighted average number of shares took into account the weighted average effect of ordinary shares that the Company issued on exercise of warrants pursuant to MTQ Rights cum Warrants Issue (Note 19) during the financial period/year. The remaining unexercised warrants have expired on 17 April 2023.

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

9. Earnings per share (cont'd)

(b) *Earnings per share computation*

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

10. Net asset value per ordinary share

| | Group | | Company | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| Net asset value per ordinary share* | \$ 0.35 | \$ 0.29 | \$ 0.29 | \$ 0.25 |

* Based on the net assets divided by total number of issued shares excluding treasury shares as at end of financial year.

11. Discontinued operation

During the financial period/year, the Group's 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 a third party (the "Transaction") for a consideration of \$362,000 (A\$412,000).

The Transaction was completed on 1 February 2024. As a result, the income and expenses of Binder's operating business are presented separately in the consolidated statement of comprehensive income as "Loss from discontinued operation, net of tax" for the periods/years ended 31 March 2024 and 2023. The comparative results of the Group have been re-presented to report separately profit and loss items from continuing and discontinued operation.

Following the completion of the Transaction, Binder Group Pty Ltd has been renamed to MTQ (Aust) Pty Ltd and is currently inactive.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

11. Discontinued operation (cont'd)

The effects of the Transaction on the financial statements of the Group are as follows:

| | 31.3.2024 \$'000 |
|--|----------------------------|
| Property, plant and equipment | 27 |
| Inventories | 136 |
| Other prepayments and deposits, net | 25 |
| Provisions | (95) |
| Net assets disposed | <u>93</u> |
| Total sales consideration received, net of transaction costs | 347 |
| Less: Net assets disposed | <u>(93)</u> |
| Gain on disposal of business, net of transaction costs | <u>254</u> |

The summarized financial information of the discontinued operation is as follows:

Income statement disclosures

| | 2H2024 | 2H2023 | FY2024 | FY2023 |
|--|---------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | 1,045 | 1,057 | 2,028 | 2,402 |
| Cost of sales | (676) | (661) | (1,177) | (1,391) |
| Gross profit | 369 | 396 | 851 | 1,011 |
| Other income | – | 8 | 1 | 37 |
| Staff costs | (405) | (574) | (962) | (1,209) |
| Other operating expenses | (337) | (104) | (432) | (214) |
| Loss from operating activities | (373) | (274) | (542) | (375) |
| Gain on disposal of business, net of transaction costs | 254 | – | 254 | – |
| Loss from discontinued operation, net of tax | <u>(119)</u> | <u>(274)</u> | <u>(288)</u> | <u>(375)</u> |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

11. Discontinued operation (cont'd)

Cash flow statement disclosures

| | 2H2024 | 2H2023 | FY2024 | FY2023 |
|------------------------|--------|--------|--------|--------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | (335) | (295) | (333) | (498) |
| Investing | 347 | 8 | 347 | (25) |
| Financing | – | – | – | – |
| Net cash in/(out)flows | 12 | (287) | 14 | (523) |

Loss per share disclosures

The information on loss per share from discontinued operation is as follows:

| | 2H2024 | 2H2023 | FY2024 | FY2023 |
|--|--------|--------|--------|--------|
| Loss from discontinued operation attributable to owners of the Company (S\$'000) | (119) | (274) | (288) | (375) |
| Basic and diluted loss per share (cents per share) | (0.05) | (0.13) | (0.13) | (0.17) |

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

12. Goodwill

| | Group | |
|----------------------|-----------|-----------|
| | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 |
| At 1 April | 2,870 | 3,110 |
| Currency realignment | 105 | (240) |
| At 31 March | 2,975 | 2,870 |

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to one (2023: one) cash-generating unit ("CGU") for impairment testing as follows:

- Valve Business

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

Key assumptions used in the value-in-use calculation

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

| | 31.3.2024 | 31.3.2023 |
|--|-------------------|-------------------|
| Revenue projection for the first year | Financial budgets | Financial budgets |
| Revenue growth rates for a further 4 years | 1.7% to 5.0% | 2.1% to 5.0% |
| Gross margins | 19.0% to 33.0% | 26.0% to 33.0% |
| Long-term growth rates (per annum) | 0.4% to 2.5% | 0.5% to 4.3% |
| Discount rates (per annum) | 10.3% to 16.7% | 10.7% to 18.8% |

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.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

12. Goodwill (cont'd)

Sensitivity to changes in assumptions

The Group believes that any reasonable possible changes 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 loss recognized

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.

13. Intangible assets

During the year ended 31 March 2024, there were additions amounting to \$81,000 (31 March 2023: \$440,000) mainly relating to welding procedures specifications and software.

14. Property, plant and equipment

During the year ended 31 March 2024, there were additions amounting to \$4,945,000, mainly relating to the construction work-in-progress of a facility in the UAE as well as purchase of workshop equipment. The Group also disposed assets with a carrying value of \$673,000 (31 March 2023: \$150,000) for proceeds of \$770,000 (31 March 2023: \$330,000).

15. Right-of-use assets

During the year, the Group recognized an additional right-of-use assets (with a corresponding increase in lease liabilities) arising from the lease arrangement entered for a 32,587 m² of land in the UAE.

16. Other investment

| | Group | |
|--|-----------|-----------|
| | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 |
| At 1 April | 6,130 | 3,635 |
| Fair value adjustment on investment security carried at FVOCI | 6,744 | 2,495 |
| Disposal | (3,971) | – |
| At 31 March | 8,903 | 6,130 |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

17. **Assets held for sale** **Liabilities directly associated with the assets held for sale**

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 prior year ended 31 March 2023.

Accordingly, the carrying amount of the Pandan Property, including the right-of-use assets and lease liabilities associated with the land that the property was situated on and certain plant and equipment was presented on the balance sheet as assets held for sale and liabilities directly associated with the assets held for sale.

The major classes of assets and liabilities of the Group and the Company classified as held for sale as at 31 March 2023 are, as follows:

| | Group 31.3.2023 \$'000 | Company 31.3.2023 \$'000 |
|---|--|--|
| Assets | | |
| Investment property | – | 865 |
| Property, plant and equipment | 883 | – |
| Right-of-use assets | 3,868 | 3,868 |
| Assets held for sale | <u>4,751</u> | <u>4,733</u> |
| Liabilities | | |
| Lease liabilities directly associated with assets held for sale | <u>(5,270)</u> | <u>(5,270)</u> |
| Net liabilities held for sale | <u>(519)</u> | <u>(537)</u> |

The sale was completed 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 was recognized within Other Income in the Statement of Comprehensive Income (Note 5).

The expenses attributable to the assets held for sale incurred for the period and year ended 31 March 2024 amounted to \$Nil and \$267,000 (31 March 2023: \$531,000 and \$1,096,000) respectively, mainly arising from the investment holding segment.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

18. Bank borrowings

| | Group | | Company | |
|-----------------------------------|-----------|-----------|-----------|-----------|
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Current portion</i> | | | | |
| Secured | 1,008 | 993 | 1,008 | 993 |
| Unsecured | 500 | 500 | – | – |
| | 1,508 | 1,493 | 1,008 | 993 |
| <i>Non-current portion</i> | | | | |
| Secured | – | 993 | – | 993 |
| Unsecured | 12,361 | 17,733 | 9,000 | 13,265 |
| | 12,361 | 18,726 | 9,000 | 14,258 |
| Total bank borrowings | 13,869 | 20,219 | 10,008 | 15,251 |

The Group's bank borrowings as at 31 March 2024 decreased from \$20,219,000 to \$13,869,000 mainly due to repayment of bank loans. Details of the collateral for the secured bank borrowings are as follows:

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

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2024**

(In Singapore dollars)

19. Share capital and treasury shares

| | Group and Company | | | | | |
|---|-------------------------------------|--------|-------------------------------------|--------|-------------------------------------|--------|
| | 6 months ended 31.3.2024 | | 6 months ended 30.9.2023 | | 6 months ended 31.3.2023 | |
| | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 |
| a) Ordinary shares issued and fully paid | | | | | | |
| At beginning of period | 225,061 | 50,836 | 219,350 | 49,579 | 216,348 | 48,919 |
| Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue | – | – | 5,711 | 1,257 | 3,002 | 660 |
| At end of period | 225,061 | 50,836 | 225,061 | 50,836 | 219,350 | 49,579 |

| | Group and Company | | | | | |
|--|-------------------------------------|--------|-------------------------------------|--------|-------------------------------------|--------|
| | 6 months ended 31.3.2024 | | 6 months ended 30.9.2023 | | 6 months ended 31.3.2023 | |
| | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 |
| b) Treasury shares | | | | | | |
| At beginning and end of period | 188 | 41 | 188 | 41 | 188 | 41 |
| Total number of issued shares excluding treasury shares | | | | | | |
| At end of period | 224,873 | | 224,873 | | 219,162 | |

There was no movement in treasury shares during the period/year ended 31 March 2024.

There were no subsidiary holdings as at 31 March 2024, 30 September 2023 and 31 March 2023.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

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

Warrants pursuant to MTQ Rights cum Warrants Issue

Following the expiry of the remaining unexercised warrants on 17 April 2023 as disclosed in the Group's latest annual financial statements for the financial year ended 31 March 2023, there are no outstanding warrants pursuant to the MTQ Rights cum Warrants Issue as at 31 March 2024 (31 March 2023: 12,428,000). The movements in the number of warrants for the period are as follows:

| | Group and Company | | |
|---|-----------------------------|-----------------------------|-----------------------------|
| | 6 months ended 31.3.2024 | 6 months ended 30.9.2023 | 6 months ended 31.3.2023 |
| | '000 | '000 | '000 |
| At beginning of period | – | 12,428 | 15,430 |
| Exercise of warrants pursuant to MTQ Rights cum Warrants Issue | – | (5,711) | (3,002) |
| Expired | – | (6,717) | – |
| At end of period | – | – | 12,428 |

20. Dividends

| | Group and Company | |
|---|-------------------|-----------|
| | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 |
| Declared and paid during the financial year | | |
| <i>Dividends on ordinary shares:</i> | | |
| - Final tax exempt (one-tier) dividend for FY2023: 0.5 cents (FY2022: 0.5 cents) per share | 1,124 | 1,081 |
| - Interim tax exempt (one-tier) dividend for FY2024: 0.5 cents (FY2023: Nil cents) per share | 1,125 | – |

Please refer to page 39 for more information relating to proposed final dividend for the year ended 31 March 2024.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

21. 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, but not recognized in the financial statements:

| | Group | | Company | |
|---|-----------|-----------|-----------|-----------|
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Authorized and committed</u> | | | | |
| (a) Relating to UAE expansion: | | | | |
| - Construction of new facility | 13,472 | – | – | – |
| - Purchase of machineries and equipment | 7,225 | – | – | – |
| (b) Others | 103 | 405 | – | 17 |
| Total authorized and committed | 20,800 | 405 | – | 17 |

(b) *Contingent liabilities*

| | Group | | Company | |
|---|-----------|-----------|-----------|-----------|
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Corporate guarantees issued by the Company for bank facilities utilized by subsidiaries | – | – | 125 | 97 |
| Guarantees issued to external parties | 901 | 694 | 724 | 516 |

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 comprised 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 \$30,533,000 (31 March 2023: \$25,069,000).

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

22. Related party disclosure

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

(a) Sale and purchase of goods and services

| | Group | | Company | |
|--|--------|--------|---------|--------|
| | 2H2024 | 2H2023 | 2H2024 | 2H2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Associate and Joint ventures | | | | |
| - Sales of goods | – | 29 | – | – |
| - Purchase of goods | 634 | 681 | – | – |
| Subsidiaries | | | | |
| - Management fee income | – | – | 1,547 | 2,062 |
| - Rental income from investment property | – | – | 1,999 | 1,389 |
| - Other rental income | – | – | – | 542 |
| - Interests on loans | – | – | 319 | 70 |

| | Group | | Company | |
|--|--------|--------|---------|--------|
| | FY2024 | FY2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Associate and Joint ventures | | | | |
| - Sales of goods | 29 | 127 | – | – |
| - Purchase of goods | 1,228 | 1,987 | – | – |
| Subsidiaries | | | | |
| - Management fee income | – | – | 3,622 | 3,481 |
| - Rental income from investment property | – | – | 3,865 | 3,141 |
| - Other rental income | – | – | 259 | 638 |
| - Interests on loans | – | – | 385 | 119 |

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

22. Related party disclosure (cont'd)

(b) Compensation of key management personnel

The amounts paid to a director and key management personnel during the financial period/year ended 31 March 2024 and 31 March 2023 are as follows:

| | Group | | | |
|-------------------------------------|------------|------------|--------------|--------------|
| | 2HFY2024 | 2HFY2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Director's remuneration: | | | | |
| - Salaries, wages and bonuses | 200 | 214 | 428 | 399 |
| - Defined contribution plan expense | 5 | 9 | 13 | 16 |
| - Others | 14 | 12 | 26 | 22 |
| | <u>219</u> | <u>235</u> | <u>467</u> | <u>437</u> |
| Other key management personnel: | | | | |
| - Salaries, wages and bonuses | 532 | 536 | 1,163 | 1,082 |
| - Defined contribution plan expense | 32 | 41 | 75 | 79 |
| - Others | 96 | 109 | 190 | 208 |
| | <u>660</u> | <u>686</u> | <u>1,428</u> | <u>1,369</u> |

23. 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.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2024

(In Singapore dollars)

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

(b) *Assets measured at fair value*

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

| | Note | Quoted prices in active markets for identical instruments (Level 1) \$'000 | Significant other observable inputs (Level 2) \$'000 | Significant unobservable inputs (Level 3) \$'000 | Total \$'000 |
|-------------------------|------|--|---|--|-----------------|
| Group | | | | | |
| 31.3.2024 | | | | | |
| Financial asset: | | | | | |
| Other investment | 16 | 8,903 | – | – | 8,903 |
| 31.3.2023 | | | | | |
| Financial asset: | | | | | |
| Other investment | 16 | 6,130 | – | – | 6,130 |

The fair value of the other investment (Note 16) is determined by reference to its quoted closing prices at the balance sheet date.

(c) *Financial instruments whose carrying amount approximates fair value*

Management has determined that the carrying amount of cash and cash equivalents, trade and other receivables (other than non-current amounts due from subsidiaries), trade and other payables, lease liabilities and bank borrowings based on their notional amounts, reasonably approximates their fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of non-current amounts due from subsidiaries reasonably approximate their fair values as their discounted expected future cash flows are not materially different from their notional amounts.

24. Subsequent events

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

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

The condensed interim financial statements for the six-month and full year ended 31 March 2024 have not been audited nor reviewed by the Company's auditors.

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

3. Review of performance of the Group

Condensed Interim Balance Sheets

The changes in Balance Sheets were mainly due to:

- a) increase in property, plant and equipment of S\$1,542,000 (please refer to Note 14);
- b) increase in right-of-use assets and lease liabilities of S\$3,654,000 and S\$3,628,000 respectively (please refer to Note 15);
- c) increase in other investment by S\$2,773,000 (please refer to Note 16); and
- d) decrease in bank borrowings (please refer to Note 18).

Apart from the above, movements in working capital items were mainly due to timing differences. Further information on certain other balance sheet items can be found in notes 11 to 19.

Condensed Interim Consolidated Cash Flow Statement

The Group recorded net cash inflows of S\$7.3 million from operations for 2HFY2024, turning around the 1HFY2024's cash flows from operating activities to positive S\$4.4 million year-to-date.

Within the investing activities, the Group spent about S\$5.7 million (year-to-date: S\$7.5 million) on capital expenditure mainly relating to the expansion into the UAE. This was partially offset by the net proceeds of S\$4.0 million from the partial disposal of the MMA Shares as announced on 25 March 2024. Overall, cash and cash equivalents stood at about S\$12.3 million as at 31 March 2024 (31 March 2023: S\$13.6 million).

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

Condensed Interim Consolidated Statement of Comprehensive Income

6 months ended 31 March 2024 ("2HFY2024") vs 6 months ended 31 March 2023 ("2HFY2023")

The Group reported S\$37.1 million revenue for 2HFY2024, a decrease of 23% year-on-year ("yoy") compared to S\$47.9 million in 2HFY2023. The decrease primarily stemmed from the exceptional performance during the same period last year, fueled by the rapid expansion of drilling rigs in the Middle East. Additionally, the Group also had an irregular opportunity to retrofit certain rigs constructed in Singapore for deployment to the Middle East. While this bolstered the revenues for both Singapore and Bahrain in 2HFY2023, it has since normalized in FY2024. Despite the absence of this extraordinary circumstance, the Group delivered stable growth while improving profitability.

Compared to 2HFY2023, there was a considerable reduction in other operating expenses arising from the absence of Pandan Property related costs and relocation costs in 2HFY2024. Staff costs and finance costs did not vary significantly year on year. 2HFY2024 also saw minimal "exceptional" non-cash provisions and/or loss on liquidation of a subsidiary, resulting in slightly better overall PBT compared to the corresponding period a year ago.

During the period, the Group divested its loss-making Australian pipe-support business resulting in a modest gain on disposal of S\$0.3 million. This gain, along with the results of the business, were presented within Loss from Discontinued Operation.

Overall, the Group recorded a net profit of S\$1.8 million in 2HFY2024.

12 months ended 31 March 2024 ("FY2024") vs 12 months ended 31 March 2023 ("FY2023")

The Group reported S\$73.7 million revenue for FY2024, a decrease of 9% year-on-year ("yoy") compared to S\$81.4 million in FY2023. The decrease primarily stemmed from the exceptional performance during the same period last year, fueled by the rapid expansion of drilling rigs in the Middle East. Additionally, the Group also had an irregular opportunity to retrofit certain rigs constructed in Singapore for deployment to the Middle East. While this bolstered the revenues for both Singapore and Bahrain in FY2023, it has since normalized in FY2024. Despite the absence of this extraordinary circumstance, the Group delivered stable growth while improving profitability.

Compared to FY2023, there was a considerable reduction in other operating expenses arising from the absence of Pandan Property related costs and relocation costs in FY2024. Staff costs and finance costs did not vary significantly year on year. FY2024 also saw minimal "exceptional" non-cash provisions and/or loss on liquidation of a subsidiary, resulting in better overall PBT compared to the corresponding period a year ago.

During the year, the Group divested its loss-making Australian pipe-support business resulting in a modest gain on disposal of S\$0.3 million. This gain, along with the results of the business, were presented within Loss from Discontinued Operation.

Overall, the Group recorded a full-year net profit of S\$9.4 million, boosted by the S\$5.4 million gain on disposal of Pandan Property, net of tax.

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

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

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

The Group is delighted to announce another profitable year, with contributions from operations in both Bahrain and Singapore. Singapore recorded a strong finish and the Group is cautiously optimistic that this recovery will continue. Current overall utilization levels remain healthy and the general level of inquiries remains encouraging.

The recent divestment of the Group's loss-making Australian pipe-support business is part of the overall Group's wider strategy to streamline its operations allowing a more concentrated focus on growing its core businesses supporting drilling-related activities in the Middle East and Singapore.

The expansion into the UAE is progressing – the Group has commenced the construction of the facility and is currently expected to be completed next year. Meanwhile, the Group will look to initiate preparatory measures to minimize delays to full operation in the UAE.

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

(a) Current Financial Period Reported

Any dividend declared for the present financial period? Yes.

For the financial period ended 31 March 2024

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

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

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? Yes.

For the financial period ended 31 March 2023

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

(c) Date payable

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

6. If a decision regarding dividend has been made, the required information has been disclosed (cont'd):

(d) Record date

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

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

Not applicable.

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

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

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

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

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

Refer to item 3 above.

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

| | 31.3.2024 | 31.3.2023 |
|---------------|--------------|--------------|
| | \$'000 | \$'000 |
| a) Ordinary | | |
| - Interim | 1,125 | – |
| - Final | 1,124 | 1,124 |
| b) Preference | – | – |
| c) Total | <u>2,249</u> | <u>1,124</u> |

The final dividend for the financial year ended 31 March 2024 was estimated based on the Proposed Final Dividend of 0.5 Singapore cents per ordinary shares and the total outstanding number of shares (excluding treasury shares) as at the date of this announcement.

MTQ Corporation Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2

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

| Name | Age | Family, relationship with any director, chief executive officer and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|------------|---|--|--|
| Kuah Kok Kim | 79 | Father of Director and Chief Executive Officer, Kuah Boon Wee | Re-designated as Non-executive Chairman since 2012 | NIL |
| Kuah Boon Wee | 57 | Son of Director and substantial shareholder, Kuah Kok Kim | Appointed as Group Chief Executive Officer since 2010 | NIL |

BY ORDER OF THE BOARD

Tan Lee Fang
Company Secretary
10 May 2024