



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

Unaudited Condensed Interim Financial Statements
For the six-month financial period ended 30 September 2021

MTQ Corporation Limited and its Subsidiaries

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MTQ Corporation Limited and its Subsidiaries**Condensed interim consolidated statement of comprehensive income
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

	Note	30.9.2021	30.9.2020	Change
		\$'000	\$'000	%
Revenue	4	24,859	25,964	-4%
Cost of sales		(17,653)	(18,613)	-5%
Gross profit		7,206	7,351	-2%
Other income	5	883	2,697	-67%
Staff costs		(3,801)	(3,987)	-5%
Other operating expenses		(2,754)	(3,096)	-11%
Profit from operating activities	6	1,534	2,965	-48%
Finance costs	7	(424)	(540)	-21%
Profit before tax		1,110	2,425	-54%
Tax (expense)/credit	8	(63)	68	n/m
Profit for the period		1,047	2,493	-58%
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translation of subsidiaries		351	(878)	n/m
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net change in fair value of other investment		322	(34)	n/m
Other comprehensive income for the period, net of tax		673	(912)	n/m
Total comprehensive income for the period		1,720	1,581	9%

MTQ Corporation Limited and its Subsidiaries**Condensed interim consolidated statement of comprehensive income (cont'd)
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

	Note	30.9.2021	30.9.2020	Change
		\$'000	\$'000	%
Profit for the period		1,047	2,493	-58%
Attributable to:				
Owners of the Company		1,065	2,548	-58%
Non-controlling interests		(18)	(55)	-67%
Profit for the period		1,047	2,493	-58%
Total comprehensive income for the period		1,720	1,581	9%
Attributable to:				
Owners of the Company		1,745	1,445	21%
Non-controlling interests		(25)	136	n/m
Total comprehensive income for the period		1,720	1,581	9%
Earnings per share attributable to owners of the Company (cents per share)				
- Basic	9	0.49	1.18	
- Diluted	9	0.49	1.18	

n/m: not meaningful

MTQ Corporation Limited and its Subsidiaries

**Condensed interim balance sheets
As at 30 September 2021**

(In Singapore dollars)

	Note	Group		Company	
		30.9.2021	31.3.2021	30.9.2021	31.3.2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Goodwill	11	3,199	3,236	–	–
Intangible assets	11	135	194	–	–
Investment property		–	–	953	987
Property, plant and equipment	12	24,842	24,174	132	154
Right-of-use assets	13	7,859	7,736	4,142	4,280
Interests in subsidiaries		–	–	36,834	36,270
Other investment	14	2,282	1,961	–	–
Investment in associate and joint venture		–	–	114	114
Receivables		61	90	8,685	7,681
Prepayments		29	41	18	30
Deferred tax assets		414	405	–	–
		38,821	37,837	50,878	49,516
Current assets					
Inventories		14,552	13,435	–	–
Trade and other receivables		15,412	12,929	13,616	15,123
Prepayments		1,559	2,804	69	64
Cash and cash equivalents		19,799	22,468	5,144	6,728
		51,322	51,636	18,829	21,915
Total assets		90,143	89,473	69,707	71,431
Current liabilities					
Trade and other payables		9,070	8,613	1,042	1,223
Lease liabilities		648	448	252	246
Bank borrowings	15	1,392	1,131	1,017	1,006
Provisions		211	250	–	–
Provision for taxation		164	142	27	27
		11,485	10,584	2,338	2,502
Net current assets		39,837	41,052	16,491	19,413
Non-current liabilities					
Trade and other payables		–	–	2,641	2,641
Lease liabilities		9,430	9,459	5,259	5,386
Bank borrowings	15	12,833	13,512	7,544	8,016
Deferred tax liabilities		276	280	27	23
Provisions		108	108	93	93
		22,647	23,359	15,564	16,159
Total liabilities		34,132	33,943	17,902	18,661
Net assets		56,011	55,530	51,805	52,770
Equity attributable to owners of the Company					
Share capital	16	48,917	48,916	48,917	48,916
Treasury shares	16	(41)	(41)	(41)	(41)
Reserves		7,253	6,589	2,929	3,895
Shareholders' funds		56,129	55,464	51,805	52,770
Non-controlling interests		(118)	66	–	–
Total equity		56,011	55,530	51,805	52,770

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month financial period ended 30 September 2021**

(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 2020		48,915	(10)	(417)	25,241	(5,587)	68,142	1,528	69,670
Profit/(loss) for the period net of tax		–	–	–	2,548	–	2,548	(55)	2,493
Exchange difference on translation of subsidiaries		–	–	(942)	–	–	(942)	64	(878)
Net change in fair value of other investment		–	–	–	–	(161)	(161)	127	(34)
Total comprehensive income for the period		–	–	(942)	2,548	(161)	1,445	136	1,581
Dividend paid in respect of previous financial year, tax exempt (one-tier)	17	–	–	–	(1,080)	–	(1,080)	–	(1,080)
Dividend paid by a subsidiary to non-controlling interests		–	–	–	–	–	–	(1,568)	(1,568)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	–	1	–	1
Share buy-back		–	(31)	–	–	–	(31)	–	(31)
Total contributions by and distributions to owners		1	(31)	–	(1,080)	–	(1,110)	(1,568)	(2,678)
Balance as at 30 September 2020		48,916	(41)	(1,359)	26,709	(5,748)	68,477	96	68,573

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month financial period ended 30 September 2021**

(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 2021		48,916	(41)	(1,884)	15,540	(7,067)	55,464	66	55,530
Profit/(loss) for the period, net of tax		–	–	–	1,065	–	1,065	(18)	1,047
Exchange difference on translation of subsidiaries		–	–	358	–	–	358	(7)	351
Net change in fair value of other investment		–	–	–	–	322	322	–	322
Total comprehensive income for the period		–	–	358	1,065	322	1,745	(25)	1,720
Dividend paid in respect of previous financial year, tax exempt (one-tier)	17	–	–	–	(1,081)	–	(1,081)	–	(1,081)
Distributions paid by a subsidiary to non-controlling interests		–	–	–	–	–	–	(159)	(159)
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share-based payment arrangements after vesting date		–	–	–	9	(9)	–	–	–
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	–	1	–	1
Total contributions by and distributions to owners		1	–	–	(1,072)	(9)	(1,080)	(159)	(1,239)
Balance as at 30 September 2021		48,917	(41)	(1,526)	15,533	(6,754)	56,129	(118)	56,011

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

	Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Company						
Balance as at 1 April 2020		48,915	(10)	18,568	2,516	69,989
Profit for the period, net of tax		–	–	3,495	–	3,495
Total comprehensive income for the period		–	–	3,495	–	3,495
Dividend paid in respect of previous financial year, tax exempt (one-tier)	17	–	–	(1,080)	–	(1,080)
Share buy-back		–	(31)	–	–	(31)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	1
Total contributions by and distributions to owners		1	(31)	(1,080)	–	(1,110)
Balance as at 30 September 2020		48,916	(41)	20,983	2,516	72,374
Balance as at 1 April 2021		48,916	(41)	1,379	2,516	52,770
Profit for the period, net of tax		–	–	115	–	115
Total comprehensive income for the period		–	–	115	–	115
Dividend paid in respect of previous financial year, tax exempt (one-tier)	17	–	–	(1,081)	–	(1,081)
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share- based payment arrangements after vesting date		–	–	9	(9)	–
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	–	–	–	1
Total contributions by and distributions to owners		1	–	(1,072)	(9)	(1,080)
Balance as at 30 September 2021		48,917	(41)	422	2,507	51,805

MTQ Corporation Limited and its Subsidiaries**Condensed interim consolidated cash flow statement
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

	Note	30.9.2021	30.9.2020
		\$'000	\$'000
Cash flows from operating activities:			
Profit before tax		1,110	2,425
Adjustments for:			
Depreciation of property, plant and equipment	6	1,362	1,650
Depreciation of right-of-use assets	6	389	392
Amortisation of intangible assets	6	68	193
(Gain)/loss on disposal of property, plant and equipment, net		(65)	16
Reversal of allowance for impairment of trade receivables	6	(5)	–
Bad debts written-off, net	6	–	1
Reversal of allowance for inventory obsolescence	6	(91)	(13)
Interest income		(2)	(58)
Interest expense		424	540
Provisions made during the period		24	8
		<hr/>	<hr/>
Operating cash flows before changes in working capital		3,214	5,154
(Increase)/decrease in receivables and prepayments		(2,784)	8,324
Increase in inventories and work-in-progress		(947)	(739)
Increase/(decrease) in payables		339	(3,723)
Others		230	(662)
		<hr/>	<hr/>
Cash generated from operations		52	8,354
Interest income received		2	58
Interest expense paid		(424)	(540)
Income taxes paid		(5)	(20)
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities		(375)	7,852
		<hr/>	<hr/>

MTQ Corporation Limited and its Subsidiaries**Condensed interim consolidated cash flow statement (cont'd)
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

	Note	30.9.2021	30.9.2020
		\$'000	\$'000
Cash flows from investing activities:			
Purchase of property, plant and equipment		(584)	(997)
Addition of intangible assets	11	(10)	(55)
Proceeds from disposal of quoted investments, net of brokerage		2	–
Proceeds from disposal of property, plant and equipment	12	65	161
Loans repaid by/(to) joint ventures, net		335	(216)
Loans repaid by staff		29	35
		<hr/>	<hr/>
Net cash used in investing activities		(163)	(1,072)
		<hr/>	<hr/>
Cash flows from financing activities:			
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue		1	1
Dividend paid in respect of previous financial year, tax exempt (one-tier)		(1,081)	(1,080)
Distributions by a subsidiary to non-controlling interests		(159)	(925)
Proceeds from bank borrowings		–	2,848
Repayment of bank borrowings		(498)	(9,518)
Repayment of principal portion of lease liabilities		(348)	(346)
Share buy-back		–	(31)
		<hr/>	<hr/>
Net cash used in financing activities		(2,085)	(9,051)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(2,623)	(2,271)
Cash and cash equivalents at beginning of financial period		22,468	20,536
Effect of exchange rate changes on cash and cash equivalents		(46)	886
		<hr/>	<hr/>
Cash and cash equivalents at end of financial period		19,799	19,151
		<hr/>	<hr/>

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month financial period ended 30 September 2021

(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 financial period ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the "Group")

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

2. Basis of preparation

The condensed interim financial statements for the six-month financial period ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2021.

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

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

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

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

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

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

3. Seasonal operations

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

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

4. Segment and revenue information

(a) *Revenue*

Disaggregation of revenue

	Services, repair and contract revenue		Trading sales		Rental income		Total	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines								
Oilfield Engineering								
Engineering services	17,906	22,171	–	–	–	–	17,906	22,171
Trading/sales of oilfield equipment, pipe support/suspensions, spares	–	–	5,918	3,082	–	–	5,918	3,082
Rental of equipment	–	–	–	–	365	215	365	215
Other services	670	496	–	–	–	–	670	496
	18,576	22,667	5,918	3,082	365	215	24,859	25,964
Timing of transfer of goods or services								
At a point in time	–	–	5,918	3,082	–	–	5,918	3,082
Over time	18,576	22,667	–	–	365	215	18,941	22,882
	18,576	22,667	5,918	3,082	365	215	24,859	25,964

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month financial period ended 30 September 2021

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) *Operating segments*

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

(i) *Investment holding*

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

(ii) *Oilfield engineering*

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

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

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021

(In Singapore dollars)

4. Segment and revenue information (cont'd)

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

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
6 months ended 30.9.2021					
Revenue:					
External sales	–	24,859	–		24,859
Inter-segment sales	2,121	595	(2,716)	A	–
Total sales	2,121	25,454	(2,716)		24,859
Results:					
Interest income	2	–	–		2
Depreciation and amortisation	(324)	(1,495)	–		(1,819)
Reversal of allowance for inventory obsolescence	–	91	–		91
Reversal of allowance for impairment of trade receivables	–	5	–		5
Finance costs	(280)	(144)	–		(424)
Segment (loss)/profit before tax	(2,281)	3,391	–		1,110
Tax expense	(3)	(60)	–		(63)
Assets and liabilities: (As at 30.9.2021)					
Segment assets	23,679	66,050	–		89,729
Deferred tax assets					414
Total assets					90,143

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021

(In Singapore dollars)

4. Segment and revenue information (cont'd)

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

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
Segment liabilities	(8,873)	(10,594)	–		(19,467)
Provision for taxation					(164)
Deferred tax liabilities					(276)
Bank borrowings					(14,225)
Total liabilities					<u>(34,132)</u>

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021

(In Singapore dollars)

4. Segment and revenue information (cont'd)

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

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
6 months ended 30.9.2020					
Revenue:					
External sales	–	25,964	–		25,964
Inter-segment sales	2,077	743	(2,820)	A	–
Total sales	2,077	26,707	(2,820)		25,964
Results:					
Interest income	58	–	–		58
Rental income	106	–	–		106
Depreciation and amortisation	(315)	(1,920)	–		(2,235)
Reversal of allowance for inventory obsolescence	–	13	–		13
Bad debts written-off, net	–	(1)	–		(1)
Finance costs	(316)	(224)	–		(540)
Segment (loss)/profit before tax	(2,347)	4,772	–		2,425
Tax credit	27	41	–		68
Assets and liabilities:					
(As at 31.3.2021)					
Segment assets	24,910	64,158	–		89,068
Deferred tax assets					405
Total assets					89,473

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021

(In Singapore dollars)

4. Segment and revenue information (cont'd)

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

	Investment holding	Oilfield engineering	Eliminations	Note	Per consolidated financial statements
	\$'000	\$'000	\$'000		\$'000
Segment liabilities	(9,324)	(9,554)	—		(18,878)
Provision for taxation					(142)
Deferred tax liabilities					(280)
Bank borrowings					(14,643)
Total liabilities					<u>(33,943)</u>

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 financial period ended 30 September 2021**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(c) *Geographical segments*

	External sales		Non-current assets	
	30.9.2021	30.9.2020	30.9.2021	31.3.2021
	\$'000	\$'000	\$'000	\$'000
Singapore	11,454	9,372	17,589	17,930
Australia	1,941	658	9	11
Bahrain	10,252	14,203	17,380	15,956
United Kingdom	1,212	1,731	3,339	3,404
	<hr/>	<hr/>	<hr/>	<hr/>
	24,859	25,964	38,317	37,301

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.

5. Other income

	Group	
	30.9.2021	30.9.2020
	\$'000	\$'000
Interest income	2	58
Rental income	–	106
Gain on disposal of property, plant and equipment	65	–
Commission received	42	3
Gain on disposal of scrap material	72	30
Government grants	702	2,500
	<hr/>	<hr/>
	883	2,697

MTQ Corporation Limited and its Subsidiaries**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

6. Profit from operating activities

Profit from operating activities is stated after charging the following:

	Group	
	30.9.2021	30.9.2020
	\$'000	\$'000
(a) Other operating expenses		
Reversal of allowance for impairment of trade receivables	(5)	–
Bad debts written-off, net	–	1
Amortisation of intangible assets	68	193
Depreciation of property, plant and equipment	270	279
Depreciation of right-of-use assets	359	360
Directors' fees paid to directors of the Company	118	126
Reversal of allowance for inventory obsolescence	(91)	(13)
Loss on disposal of property, plant and equipment, net	–	16
Loss/(gain) on foreign exchange, net	158	(58)
Consultancy fees paid to a director of the Company	76	79
Audit, legal, consultancy and professional fees	575	641
Utilities expenses	128	104
	<hr/>	<hr/>
(b) Cost of sales		
Depreciation of right-of-use assets	30	32
Depreciation of property, plant and equipment	1,092	1,371
	<hr/> <hr/>	<hr/> <hr/>

7. Finance costs

	Group	
	30.9.2021	30.9.2020
	\$'000	\$'000
Interest on:		
- Bank loans	182	291
- Lease liabilities	242	249
	<hr/>	<hr/>
	424	540
	<hr/> <hr/>	<hr/> <hr/>

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

8. Tax expense/(credit)

The major components of income tax expense/(credit) for the period ended 30 September are as follows:

	Group	
	30.9.2021	30.9.2020
	\$'000	\$'000
<i>Consolidated statement of comprehensive income</i>		
<u>Current income tax</u>		
- Current income tax	23	28
- Over provision in respect of previous years	–	(12)
- Withholding tax expense	53	17
	76	33
<u>Deferred income tax</u>		
- Movement in temporary differences	(13)	(85)
- Over provision in respect of previous years	–	(16)
	(13)	(101)
Tax expense/(credit) recognised in statement of comprehensive income	63	(68)

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month financial period ended 30 September 2021

(In Singapore dollars)

9. Earnings per share

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

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

The outstanding warrants are excluded from the calculation of diluted earnings per share for the financial period ended 30 September 2020 as the average market prices of ordinary shares during the 6 months ended 30 September 2020 were lower than the exercise price of the warrants.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial period ended 30 September:

	Group	
	30.9.2021	30.9.2020
	\$'000	\$'000
Profit for the period attributable to owners of the Company	1,065	2,548
	Number of shares	
	30.9.2021	30.9.2020
	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	216,149	216,212
Effects of dilution:		
– Employee share-based payment scheme	–	11
– Outstanding warrants pursuant to MTQ Rights cum Warrants Issue	775	–
Weighted average number of ordinary shares for diluted earnings per share computation	216,924	216,223

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month financial period ended 30 September 2021

(In Singapore dollars)

10. Net asset value per ordinary share

	Group		Company	
	30.9.2021	31.3.2021	30.9.2021	31.3.2021
	\$	\$	\$	\$
Net asset value per ordinary share*	0.26	0.26	0.24	0.24

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

11. Goodwill and intangible assets

During the six months ended 30 September 2021, the Group acquired intangible assets amounting to \$10,000 (30 September 2020: \$55,000).

Impairment testing of goodwill

The Group performed its annual impairment test at year end and when circumstances indicated that the carrying amount may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used in the value-in-use calculations were disclosed in the annual consolidated financial statements for the year ended 31 March 2021. There were no significant updates to the estimates and assumptions applied since the audited financial statements as at 31 March 2021.

12. Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets (mainly workshop equipment) amounting to \$1,869,000 (30 September 2020: \$997,000) and disposed of assets amounting to \$Nil book value (30 September 2020: \$177,000) for proceeds of \$65,000 (30 September 2020: \$161,000).

13. Right-of-use assets

During the six months ended 30 September 2021, there were additions amounting to \$501,000 (30 September 2020: \$33,000), mainly relating to the renewal of tenancy agreements for workers' accommodation.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

14. Other investment

	Group	
	30.9.2021	31.3.2021
	\$'000	\$'000
At beginning of period	1,961	4,099
Fair value adjustment on investment security carried at FVOCI		
- Owners of the Company	322	(1,480)
- Non-controlling interests	-	134
Currency realignment	1	(150)
Distributions to non-controlling interests	-	(642)
Disposal	(2)	-
At end of period	2,282	1,961

15. Bank borrowings

	Group		Company	
	30.9.2021	31.3.2021	30.9.2021	31.3.2021
	\$'000	\$'000	\$'000	\$'000
<i>Current portion</i>				
Secured	1,017	1,006	1,017	1,006
Unsecured	375	125	-	-
	1,392	1,131	1,017	1,006
<i>Non-current portion</i>				
Secured	2,544	3,016	2,544	3,016
Unsecured	10,289	10,496	5,000	5,000
	12,833	13,512	7,544	8,016
Total bank borrowings	14,225	14,643	8,561	9,022

During the six months period ended 30 September 2021, the Group's bank borrowings decreased from \$14,643,000 to \$14,225,000 mainly due to repayment of the 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 financial period ended 30 September 2021**

(In Singapore dollars)

16. Share capital and treasury shares

	Group and Company					
	30.9.2021		31.3.2021		30.9.2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
a) Ordinary shares issued and fully paid						
At beginning of period	216,336	48,916	216,334	48,916	216,331	48,915
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	4	1	2	—*	3	1
At end of period	<u>216,340</u>	<u>48,917</u>	<u>216,336</u>	<u>48,916</u>	<u>216,334</u>	<u>48,916</u>

*less than \$1,000

	Group and Company					
	30.9.2021		31.3.2021		30.9.2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
b) Treasury shares						
At beginning of period	188	41	188	41	46	10
Share buy-back	—	—	—	—	142	31
At end of period	<u>188</u>	<u>41</u>	<u>188</u>	<u>41</u>	<u>188</u>	<u>41</u>
Total number of issued shares excluding treasury shares						
At end of period	<u>216,152</u>		<u>216,148</u>		<u>216,146</u>	

There was no movement in treasury shares during the period ended 30 September 2021.

There were no subsidiary holdings as at 30 September 2021, 31 March 2021 and 30 September 2020.

MTQ Share Plan

As at 30 September 2021, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to Nil (30 September 2020: 11,392) shares. The movements in the number of shares comprised in Awards granted under the MTQ Share Plan for the period are as follows:

Date of Grant	Number of shares				At 30.9.2021
	At 1.4.2021	Granted	Released	Forfeited	
26.8.2015	11,392	—	—	(11,392)	—

MTQ Corporation Limited and its Subsidiaries**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

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

As at 30 September 2021, the aggregate number of warrants pursuant to the MTQ Rights cum Warrants Issue in FY19 amounted to 15,438,000 (30 September 2020: 15,444,000). The movements in the number of warrants for the period are as follows:

	Group and Company	
	30.9.2021	30.9.2020
	'000	'000
At beginning of period	15,442	15,447
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	(4)	(3)
At end of period	15,438	15,444

17. Dividends

	Group and Company	
	30.9.2021	30.9.2020
	\$'000	\$'000
Declared and paid during the financial period		
<i>Dividends on ordinary shares:</i>		
- Final tax exempt (one-tier) dividend for 2021: 0.5 cents (2020: 0.5 cents) per share	1,081	1,080

18. Commitments and contingencies**(a) Capital expenditure**

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

	Group		Company	
	30.9.2021	31.3.2021	30.9.2021	31.3.2021
	\$'000	\$'000	\$'000	\$'000
Authorised and committed	-	150	-	-

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month financial period ended 30 September 2021**

(In Singapore dollars)

18. Commitment and contingencies (cont'd)

(b) *Contingent liabilities*

	Group		Company	
	30.9.2021	31.3.2021	30.9.2021	31.3.2021
	\$'000	\$'000	\$'000	\$'000
Corporate guarantees issued by the Company for bank facilities utilised by subsidiaries	–	–	376	251
Guarantees issued to external parties	1,540	1,164	1,046	797

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

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

Guarantee issued to MMA

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

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month financial period ended 30 September 2021

(In Singapore dollars)

19. Related party disclosure

In addition to directors' fees, compensation paid to key management personnel 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 on terms agreed by the parties concerned:

Sale and purchase of goods and services

	Group		Company	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	\$'000	\$'000	\$'000	\$'000
Associate and Joint ventures				
- Sales of goods	69	23	–	–
- Purchase of goods	960	385	–	–
Subsidiaries				
- Management fee income	–	–	1,375	1,403
- Rental income from investment property	–	–	568	535
- Interests on loans	–	–	34	65

20. 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 financial period ended 30 September 2021**

(In Singapore dollars)

20. 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					
30.9.2021					
Financial asset:					
Other investment	14	2,282	–	–	2,282
31.3.2021					
Financial asset:					
Other investment	14	1,961	–	–	1,961

The fair value of the other investment (Note 14) is determined by reference to its quoted closing prices at the balance sheet date.

(c) Financial instruments whose carrying amount approximates fair value

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

21. Subsequent events

There are no known 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 period ended 30 September 2021 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 net assets were mainly due to:

- a) total comprehensive income of S\$1.7 million;
- b) payment of S\$1.1 million dividends in respect of previous financial year; and
- c) S\$0.2 million distributions by a subsidiary (Blossomvale Holdings Ltd) to non-controlling interests.

Further information on certain balance sheet items can be found in notes 11 to 16. Apart from the above, the movement in working capital items were mainly due to timing differences.

Condensed Interim Consolidated Cash Flow Statement

The Group recorded net cash inflows of S\$3.2 million from operations before working capital during the period. Working capital movements for the period, however, were negative mainly due to increased activities during the period compared to half a year ago. Within financing activities, the Group paid S\$1.1 million cash dividend in respect of previous financial year to its shareholders during the period. Together with the quarterly repayment of a loan facility, the Group's overall cash position was S\$19.8 million as at 30 September 2021.

Condensed Interim Consolidated Statement of Comprehensive Income

The Group reported S\$24.9 million revenue for the six months period ended 30 September 2021 ("1HFY2022"), a decrease of 4% year-on-year ("yoy") compared to S\$26.0 million reported for the six months period ended 30 September 2020 ("1HFY2021"), mainly due to lower revenues from Bahrain. Revenue elsewhere in the Group showed steady improvement, particularly in Singapore as the Group experienced higher activities.

Other income for 1HFY2022 was lower as government grants continued to taper off. Other operating expenses and staff costs decreased due to continuous costs tightening. Finance costs also decreased with lower borrowings during the period.

Overall, the Group recorded a net profit of S\$1.0 million in 1HFY2022.

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.

Despite recording a slightly lower revenue than 1HFY2021, it is refreshing to see a positive trend quarter-on-quarter. Bahrain started the year slowly but orders have picked up in recent months. Elsewhere, stronger pipe support orders in LNG projects boosted revenues in the period. Overall, the Group's underlying operating results returned to being profitable notwithstanding government support and this should continue into second half of the year barring any unforeseen circumstances.

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? No.

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? Yes.

For the financial period ended 30 September 2020

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

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared/recommended for the current financial period reported on to maintain a prudent balance sheet and conserve cash.

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. Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results of the Company and of the Group for the six-month ended 30 September 2021 to be false or misleading, in any material aspect.

10. 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.

BY ORDER OF THE BOARD

Tan Lee Fang
Company Secretary
29 October 2021