



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 2023

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 and full year ended 31 March 2023**

(In Singapore dollars)

	Note	2H2023	2H2022	Change	FY2023	FY2022	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	48,932	27,184	80%	83,834	52,043	61%
Cost of sales		(32,687)	(19,721)	66%	(56,848)	(37,374)	52%
Gross profit		16,245	7,463	118%	26,986	14,669	84%
Other income	5	376	644	-42%	892	1,527	-42%
Staff costs		(5,105)	(4,567)	12%	(9,700)	(8,368)	16%
Other operating expenses		(8,392)	(2,807)	199%	(12,412)	(5,561)	123%
Profit from operating activities	6	3,124	733	326%	5,766	2,267	154%
Finance costs	7	(1,040)	(409)	154%	(1,754)	(833)	111%
Profit before tax		2,084	324	543%	4,012	1,434	180%
Tax expense	8	(12)	(88)	-86%	(155)	(151)	3%
Profit for the period/year		2,072	236	778%	3,857	1,283	201%
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange difference on translation of subsidiaries		(2,237)	(425)	426%	(1,083)	(74)	1,364%
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		2,347	1,353	73%	2,495	1,675	49%
Other comprehensive income for the period/year, net of tax		1,113	928	20%	2,415	1,601	51%
Total comprehensive income for the period/year		3,185	1,164	174%	6,272	2,884	117%

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 2023**

(In Singapore dollars)

	Note	2H2023	2H2022	Change	FY2023	FY2022	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period/year		2,072	236	778%	3,857	1,283	201%
Attributable to:							
Owners of the Company		1,936	253	665%	3,721	1,318	182%
Non-controlling interests		136	(17)	n/m	136	(35)	n/m
Profit for the period/year		2,072	236	778%	3,857	1,283	201%
Total comprehensive income for the period/year		3,185	1,164	174%	6,272	2,884	117%
Attributable to:							
Owners of the Company		3,049	1,182	158%	6,136	2,927	110%
Non-controlling interests		136	(18)	n/m	136	(43)	n/m
Total comprehensive income for the period/year		3,185	1,164	174%	6,272	2,884	117%
Earnings per share attributable to owners of the Company (cents per share)							
- Basic	9	0.90	0.12		1.72	0.61	
- Diluted	9	0.89	0.12		1.72	0.61	

n/m: not meaningful

MTQ Corporation Limited and its Subsidiaries

**Condensed interim balance sheets
As at 31 March 2023**

(In Singapore dollars)

	Note	Group		Company	
		31.3.2023 \$'000	31.3.2022 \$'000	31.3.2023 \$'000	31.3.2022 \$'000
Non-current assets					
Goodwill	11	2,870	3,110	–	–
Intangible assets	12	336	73	–	–
Investment properties		–	–	6,453	3,606
Property, plant and equipment	13	33,927	30,872	145	120
Right-of-use assets	14	16,378	21,334	13,068	17,760
Interests in subsidiaries		–	–	32,471	32,483
Other investment	15	6,130	3,635	–	–
Investment in associate and joint venture		–	–	114	114
Receivables		20	44	10,111	6,461
Prepayments		4	17	4	6
Deferred tax assets		179	274	–	–
		59,844	59,359	62,366	60,550
Current assets					
Inventories		17,406	15,692	–	–
Trade and other receivables		27,974	17,100	21,996	16,006
Prepayments		1,246	2,119	107	69
Cash and cash equivalents		13,568	8,329	2,226	1,859
		60,194	43,240	24,329	17,934
Assets held for sale	16	4,751	–	4,733	–
Total assets		124,789	102,599	91,428	78,484
Current liabilities					
Trade and other payables		19,296	11,464	3,232	2,018
Lease liabilities		992	1,395	742	973
Bank borrowings	17	1,493	1,511	993	1,011
Provisions		93	218	–	–
Provision for taxation		100	95	30	25
		21,974	14,683	4,997	4,027
Liabilities directly associated with the assets held for sale	16	5,270	–	5,270	–
Net current assets		37,701	28,557	18,795	13,907
Non-current liabilities					
Lease liabilities		15,383	21,319	11,426	17,296
Bank borrowings	17	18,726	9,044	14,258	4,023
Deferred tax liabilities		295	261	49	13
Provisions		113	115	96	96
		34,517	30,739	25,829	21,428
Total liabilities		61,761	45,422	36,096	25,455
Net assets		63,028	57,177	55,332	53,029
Equity attributable to owners of the Company					
Share capital	18	49,579	48,919	49,579	48,919
Treasury shares	18	(41)	(41)	(41)	(41)
Reserves		13,490	8,435	5,794	4,151
Shareholders' funds		63,028	57,313	55,332	53,029
Non-controlling interests		–	(136)	–	–
Total equity		63,028	57,177	55,332	53,029

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2023**

(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 year, net of tax		–	–	–	1,318	–	1,318	(35)	1,283
Exchange difference on translation of subsidiaries		–	–	(66)	–	–	(66)	(8)	(74)
Net change in fair value of other investment	15	–	–	–	–	1,675	1,675	–	1,675
Total comprehensive income for the year		–	–	(66)	1,318	1,675	2,927	(43)	2,884
Dividend paid in respect of previous financial year, tax exempt (one-tier)	19	–	–	–	(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		3	–	–	–	–	3	–	3
Total contributions by and distributions to owners		3	–	–	(1,072)	(9)	(1,078)	(159)	(1,237)
Balance as at 31 March 2022		48,919	(41)	(1,950)	15,786	(5,401)	57,313	(136)	57,177

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2023**

(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		48,919	(41)	(1,950)	15,786	(5,401)	57,313	(136)	57,177
Profit for the year, net of tax		–	–	–	3,721	–	3,721	136	3,857
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	15	–	–	–	–	2,495	2,495	–	2,495
Total comprehensive income for the year		–	–	(232)	3,721	2,647	6,136	136	6,272
Dividend paid in respect of previous financial year, tax exempt (one-tier)	19	–	–	–	(1,081)	–	(1,081)	–	(1,081)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		660	–	–	–	–	660	–	660
Total contributions by and distributions to owners		660	–	–	(1,081)	–	(421)	–	(421)
Balance as at 31 March 2023		49,579	(41)	(2,182)	18,426	(2,754)	63,028	–	63,028

MTQ Corporation Limited and its Subsidiaries

**Condensed interim statement of changes in equity
For the six-month and full year ended 31 March 2023**

(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 2021		48,916	(41)	1,379	2,516	52,770
Profit for the year, net of tax		–	–	1,337	–	1,337
Total comprehensive income for the year		–	–	1,337	–	1,337
Dividend paid in respect of previous financial year, tax exempt (one-tier)	19	–	–	(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		3	–	–	–	3
Total contributions by and distributions to owners		3	–	(1,072)	(9)	(1,078)
Balance as at 31 March 2022		48,919	(41)	1,644	2,507	53,029
Balance as at 1 April 2022		48,919	(41)	1,644	2,507	53,029
Profit for the year, net of tax		–	–	2,724	–	2,724
Total comprehensive income for the year		–	–	2,724	–	2,724
Dividend paid in respect of previous financial year, tax exempt (one-tier)	19	–	–	(1,081)	–	(1,081)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue		660	–	–	–	660
Total contributions by and distributions to owners		660	–	(1,081)	–	(421)
Balance as at 31 March 2023		49,579	(41)	3,287	2,507	55,332

MTQ Corporation Limited and its Subsidiaries

**Condensed interim consolidated cash flow statement
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

	Note	2H2023 \$'000	2H2022 \$'000	FY2023 \$'000	FY2022 \$'000
Cash flows from operating activities:					
Profit before tax		2,084	324	4,012	1,434
Adjustments for:					
Depreciation of property, plant and equipment	6	1,337	1,142	2,678	2,504
Depreciation of right-of-use assets	6	743	446	1,480	835
Amortisation of intangible assets	6	90	63	158	131
Loss on liquidation of a subsidiary	6	1,003	–	1,003	–
Gain on disposal of property, plant and equipment, net	5	(17)	(214)	(181)	(279)
Fixed assets written-off	6	–	–	1	–
Allowance for impairment of trade receivables, net	6	29	55	29	50
Bad debts written-off, net	6	–	1	–	1
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	6	1,169	63	1,169	(28)
Interest income	5	(2)	–	(2)	(2)
Interest expense	7	1,040	409	1,754	833
Provisions made during the year		(32)	–	(25)	24
Operating cash flows before changes in working capital					
		7,444	2,289	12,076	5,503
Increase in receivables and prepayments		(903)	(1,598)	(10,867)	(4,382)
Decrease/(increase) in inventories and work-in-progress		1,170	(1,244)	(3,134)	(2,191)
Increase in payables		164	1,634	6,925	1,973
Others		(27)	(146)	(38)	83
Cash generated from operations					
		7,848	935	4,962	986
Interest income received		2	–	2	2
Interest expense paid		(931)	(406)	(1,645)	(830)
Income taxes paid		(10)	(26)	(21)	(31)
Net cash generated from operating activities					
		6,909	503	3,298	127

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**Condensed interim consolidated cash flow statement (cont'd)
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

	Note	2H2023 \$'000	2H2022 \$'000	FY2023 \$'000	FY2022 \$'000
Cash flows from investing activities:					
Purchase of property, plant and equipment		(4,216)	(8,013)	(5,909)	(8,597)
Addition of intangible assets		(19)	–	(440)	(9)
Proceeds from disposal of quoted investments, net of brokerage		–	–	–	2
Proceeds from disposal of property, plant and equipment		157	214	630	279
Additions to right-of-use assets		–	(102)	–	(102)
Loans repaid by joint ventures, net		–	–	–	335
Loans repaid by staff		16	28	49	57
Net cash used in investing activities		(4,062)	(7,873)	(5,670)	(8,035)
Cash flows from financing activities:					
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue		660	2	660	3
Dividend paid in respect of previous financial year, tax exempt (one-tier)		–	–	(1,081)	(1,081)
Distributions by a subsidiary to non-controlling interests		–	–	–	(159)
Proceeds from bank borrowings		3,600	–	11,290	–
Repayment of bank borrowings		(754)	(3,631)	(1,513)	(4,129)
Repayment of principal portion of lease liabilities		(721)	(409)	(1,441)	(757)
Net cash generated from/(used in) financing activities		2,785	(4,038)	7,915	(6,123)
Net increase/(decrease) in cash and cash equivalents		5,632	(11,408)	5,543	(14,031)
Cash and cash equivalents at beginning of financial period/year		8,297	19,799	8,329	22,468
Effect of exchange rate changes on cash and cash equivalents		(361)	(62)	(304)	(108)
Cash and cash equivalents at end of financial period/year		13,568	8,329	13,568	8,329

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(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 2023 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 2022.

2. Basis of preparation

The condensed interim financial statements for the six-month and full year ended 31 March 2023 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 2022.

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 and full year ended 31 March 2023

(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 2022.

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 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 2023**

(In Singapore dollars)

4. Segment and revenue information

(a) *Revenue*

Disaggregation of revenue

	Services, repair and contract revenue		Trading sales		Rental income		Total	
	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines								
Oilfield Engineering								
Oilfield services	41,051	21,506	–	–	–	–	41,051	21,506
Trading/sales of oilfield equipment, pipe support/suspensions, spares	–	–	7,451	5,168	–	–	7,451	5,168
Rental services	–	–	–	–	47	87	47	87
Other services	383	423	–	–	–	–	383	423
	41,434	21,929	7,451	5,168	47	87	48,932	27,184
Timing of transfer of goods or services								
At a point in time	–	–	7,451	5,168	–	–	7,451	5,168
Over time	41,434	21,929	–	–	47	87	41,481	22,016
	41,434	21,929	7,451	5,168	47	87	48,932	27,184

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(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	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major product or service lines								
Oilfield Engineering								
Oilfield services	67,889	39,809	–	–	–	–	67,889	39,809
Trading/sales of oilfield equipment, pipe support/suspensions, spares	–	–	15,098	11,086	–	–	15,098	11,086
Rental services	–	–	–	–	85	452	85	452
Other services	762	696	–	–	–	–	762	696
	68,651	40,505	15,098	11,086	85	452	83,834	52,043
Timing of transfer of goods or services								
At a point in time	–	–	15,098	11,086	–	–	15,098	11,086
Over time	68,651	40,505	–	–	85	452	68,736	40,957
	68,651	40,505	15,098	11,086	85	452	83,834	52,043

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(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.

(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.

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**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(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
2H2023					
Revenue:					
External sales	–	48,932	–		48,932
Inter-segment sales	4,206	4,417	(8,623)	A	–
Total sales	4,206	53,349	(8,623)		48,932
Results:					
Interest income	2	–	–		2
Rental income	76	–	–		76
Depreciation and amortisation	(733)	(1,437)	–		(2,170)
Gain on disposal of property, plant and equipment, net	–	17	–		17
Allowance for inventory obsolescence and stock written-off, net	–	(1,169)	–		(1,169)
Allowance for impairment of trade receivables	–	(29)	–		(29)
Loss on liquidation of a subsidiary	(1,003)	–	–		(1,003)
Finance costs	(795)	(245)	–		(1,040)
Segment (loss)/profit before tax	(5,208)	7,292	–		2,084
Tax (expense)/credit	(40)	28	–		(12)
2H2022					
Revenue:					
External sales	–	27,184	–		27,184
Inter-segment sales	2,276	832	(3,108)	A	–
Total sales	2,276	28,016	(3,108)		27,184
Results:					
Rental income	64	–	–		64
Depreciation and amortisation	(400)	(1,251)	–		(1,651)
Gain on disposal of property, plant and equipment, net	–	214	–		214
Allowance for inventory obsolescence and stock written-off, net	–	(63)	–		(63)
Allowance for impairment of trade receivables	–	(55)	–		(55)
Bad debts written-off	–	(1)	–		(1)
Finance costs	(271)	(138)	–		(409)
Segment (loss)/profit before tax	(2,398)	2,722	–		324
Tax credit/(expense)	17	(105)	–		(88)

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 2023

(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
FY2023					
Revenue:					
External sales	–	83,834	–		83,834
Inter-segment sales	8,021	8,201	(16,222)	A	–
Total sales	8,021	92,035	(16,222)		83,834
Results:					
Interest income	2	–	–		2
Rental income	147	–	–		147
Depreciation and amortisation	(1,469)	(2,847)	–		(4,316)
Fixed assets written-off	(1)	–	–		(1)
Gain on disposal of property, plant and equipment, net	–	181	–		181
Allowance for inventory obsolescence and stock written-off, net	–	(1,169)	–		(1,169)
Allowance for impairment of trade receivables	–	(29)	–		(29)
Loss on liquidation of a subsidiary	(1,003)	–	–		(1,003)
Finance costs	(1,317)	(437)	–		(1,754)
Segment (loss)/profit before tax	(8,918)	12,930	–		4,012
Tax expense	(39)	(116)	–		(155)
FY2022					
Revenue:					
External sales	–	52,043	–		52,043
Inter-segment sales	4,397	1,427	(5,824)	A	–
Total sales	4,397	53,470	(5,824)		52,043
Results:					
Interest income	2	–	–		2
Rental income	64	–	–		64
Depreciation and amortisation	(724)	(2,746)	–		(3,470)
Gain on disposal of property, plant and equipment, net	–	279	–		279
Reversal of allowance for inventory obsolescence and stock written-off, net	–	28	–		28
Allowance for impairment of trade receivables	–	(50)	–		(50)
Bad debts written-off	–	(1)	–		(1)
Finance costs	(551)	(282)	–		(833)
Segment (loss)/profit before tax	(4,679)	6,113	–		1,434
Tax credit/(expense)	14	(165)	–		(151)

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 2023**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(b) Operating segments (cont'd)

	Investment holding	Oilfield engineering	Total
	\$'000	\$'000	\$'000
Assets and liabilities:			
As at 31.3.2023			
Segment assets	40,670	83,940	124,610
Deferred tax assets			179
Total assets			<u>124,789</u>
Segment liabilities	(22,839)	(18,308)	(41,147)
Provision for taxation			(100)
Deferred tax liabilities			(295)
Bank borrowings			(20,219)
Total liabilities			<u>(61,761)</u>
As at 31.3.2022			
Segment assets	35,762	66,563	102,325
Deferred tax assets			274
Total assets			<u>102,599</u>
Segment liabilities	(22,360)	(12,151)	(34,511)
Provision for taxation			(95)
Deferred tax liabilities			(261)
Bank borrowings			(10,555)
Total liabilities			<u>(45,422)</u>

(c) Geographical segments

	External sales				Non-current assets	
	2H2023	2H2022	FY2023	FY2022	31.3.2023	31.3.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	20,137	11,810	38,707	23,264	38,695	39,017
Australia	1,057	1,337	2,402	3,278	33	8
Bahrain	26,427	13,844	40,337	24,096	17,983	16,778
United Kingdom	1,311	193	2,388	1,405	2,930	3,221
	<u>48,932</u>	<u>27,184</u>	<u>83,834</u>	<u>52,043</u>	<u>59,641</u>	<u>59,024</u>

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.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

4. Segment and revenue information (cont'd)

(d) *A breakdown of sales and profit after tax*

	FY2023	Group FY2022	Change
	\$'000	\$'000	%
(a) <i>First half year</i>			
Revenue	34,902	24,859	40%
Profit after tax	1,785	1,047	70%
(b) <i>Second half year</i>			
Revenue	48,932	27,184	80%
Profit after tax	2,072	236	778%

5. Other income

	2H2023	2H2022	Group FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Interest income	2	–	2	2
Rental income	76	64	147	64
Gain on disposal of property, plant and equipment, net	17	214	181	279
Commission received	40	4	44	46
Gain on disposal of scrap material	148	90	292	162
Government grants	79	205	142	907
Others	14	67	84	67
	376	644	892	1,527

The decrease in other income was mainly due to lower government grants as COVID-19 related grants has tapered off from FY2022.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

6. Profit from operating activities

Profit from operating activities is stated after charging the following:

	Group			
	2H2023	2H2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
(a) Other operating expenses				
Allowance for impairment of trade receivables, net	29	55	29	50
Bad debts written-off, net	–	1	–	1
Amortisation of intangible assets	90	63	158	131
Depreciation of property, plant and equipment	394	303	788	573
Depreciation of right-of-use assets	703	417	1,410	776
Directors' fees paid to directors of the Company	129	117	247	235
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	1,169	63	1,169	(28)
Loss on liquidation of a subsidiary	1,003	–	1,003	–
Fixed assets written-off	–	–	1	–
Loss/(gain) on foreign exchange, net	723	(182)	403	(24)
Consultancy fees paid to a director of the Company	77	78	156	154
Audit, legal, consultancy and professional fees	482	448	898	1,023
Utilities expenses	414	124	943	252
Property tax	302	89	626	178
Relocation costs	808	–	820	–
Travelling expenses	335	198	656	353
	<hr/>	<hr/>	<hr/>	<hr/>
(b) Cost of sales				
Depreciation of right-of-use assets	40	29	70	59
Depreciation of property, plant and equipment	943	839	1,890	1,931
	<hr/>	<hr/>	<hr/>	<hr/>

7. Finance costs

	Group			
	2H2023	2H2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Interest on:				
- Bank loans	583	130	828	312
- Lease liabilities	457	276	926	518
- Others	–	3	–	3
	<hr/>	<hr/>	<hr/>	<hr/>
	1,040	409	1,754	833
	<hr/>	<hr/>	<hr/>	<hr/>

MTQ Corporation Limited and its Subsidiaries**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

8. Tax expense

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

	Group			
	2H2023	2H2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
<i>Consolidated statement of comprehensive income</i>				
<u>Current income tax</u>				
- Current income tax	3	(40)	5	–
- Over provision in respect of previous years	–	(8)	–	(25)
- Withholding tax expense	10	11	21	64
	13	(37)	26	39
<u>Deferred income tax</u>				
- Movement in temporary differences	(45)	134	82	121
- Under/(over) provision in respect of previous years	44	(9)	47	(9)
	(1)	125	129	112
Tax expense recognised in statement of comprehensive income	12	88	155	151

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

9. Earnings per share

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			
	2H2023	2H2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Profit for the period/year attributable to owners of the Company	1,936	253	3,721	1,318

	Number of shares			
	6 months ended		12 months ended	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	216,202	216,152	216,181	216,151
Effects of dilution:				
– Outstanding warrants pursuant to MTQ Rights cum Warrants Issue	400	1,428	355	1,109
Weighted average number of ordinary shares for diluted earnings per share computation	216,602	217,580	216,536	217,260

10. Net asset value per ordinary share

	Group		Company	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	\$	\$	\$	\$
Net asset value per ordinary share*	0.29	0.27	0.25	0.25

* 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 year.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

11. Goodwill

	Group	
	31.3.2023	31.3.2022
	\$'000	\$'000
At 1 April	3,110	3,236
Currency realignment	(240)	(126)
At 31 March	2,870	3,110

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to one (2022: 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:

	31.3.2023	31.3.2022
Revenue projection for the first year	Financial budgets	Financial budgets
Revenue growth rates for a further 4 years	2.1% to 5.0%	5.0% to 12.2%
Gross margins	26.0% to 33.0%	35.0% to 40.0%
Long-term growth rates (per annum)	0.5% to 4.3%	0.4% to 2.5%
Discount rates (per annum)	10.7% to 18.8%	7.3% to 14.8%

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 2023

(In Singapore dollars)

11. Goodwill (cont'd)

Sensitivity to changes in assumptions

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

Impairment loss recognised

Based on the impairment assessment, the recoverable amount of the CGU was found to be higher than its carrying amount.

12. Intangible assets

During the year ended 31 March 2023, there were additions amounting to \$440,000 (31 March 2022: \$9,000), mainly relating to designed packages.

13. Property, plant and equipment

During the year ended 31 March 2023, there were additions amounting to \$7,021,000 (31 March 2022: \$9,123,000), mainly relating to workshop equipment and additional and alteration works associated with the leasehold property in Tuas. The Group also disposed assets with a carrying value of \$150,000 (31 March 2022: \$Nil) for proceeds of \$630,000 (31 March 2022: \$279,000). Included in the proceeds is an amount of \$300,000 relating to the 5% deposit received for the sale of Pandan Property (Note 16).

14. Right-of-use assets

During the year ended 31 March 2023, there were additions amounting to \$411,000 (31 March 2022: \$14,432,000), mainly relating to the remeasurement of the land-use rights associated with the leasehold property arising from the variable lease payments based on revision to the underlying rental price index and new rental agreements for workshop equipment entered during the year.

15. Other investment

	Group	
	31.3.2023	31.3.2022
	\$'000	\$'000
At 1 April	3,635	1,961
Fair value adjustment on investment security carried at FVOCI	2,495	1,675
Currency realignment	–	1
Disposal	–	(2)
At 31 March	6,130	3,635

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

16. **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 particularised in the Option to the Purchaser for an aggregate consideration of \$6,000,000 (“Sale Price”). The Option was exercised on the same day. The Sale Price represents an excess of approximately \$6,519,000 to the net carrying value of the Pandan Property (including lease accounting) and the plant and equipment as at 31 March 2023.

The sale and purchase of the Pandan Property is subject to certain conditions of the Option including obtaining written approval from JTC for the assignment of lease of the Pandan Property from the Company to the Purchaser (“JTC Approval”) by 31 December 2023.

On 11 April 2023, subsequent to financial year end, the Company received the JTC Approval but subject to certain conditions. As at date of announcement, the Company is working with the Purchaser to fulfil these conditions and is looking to complete the sale as soon as possible.

Accordingly, the carrying amount of the Pandan Property, including the right-of-use assets and lease liabilities associated with the land that the property is situated on and certain plant and equipment is 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 expenses attributable to the assets held for sale incurred for the period/year ended 31 March 2023 amounted to \$531,000 and \$1,096,000 (31 March 2022: \$554,000 and \$1,102,000) 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 2023**

(In Singapore dollars)

17. Bank borrowings

	Group		Company	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	\$'000	\$'000	\$'000	\$'000
<i>Current portion</i>				
Secured	993	1,011	993	1,011
Unsecured	500	500	–	–
	1,493	1,511	993	1,011
<i>Non-current portion</i>				
Secured	993	2,023	993	2,023
Unsecured	17,733	7,021	13,265	2,000
	18,726	9,044	14,258	4,023
Total bank borrowings	20,219	10,555	15,251	5,034

The Group's bank borrowings as at 31 March 2023 increased from \$10,555,000 to \$20,219,000 mainly due to additional drawdowns 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.

The unsecured bank facilities have been refinanced for another 3 years and will currently mature in 2026.

MTQ Corporation Limited and its Subsidiaries

**Notes to the condensed interim financial statements
For the six-month and full year ended 31 March 2023**

(In Singapore dollars)

18. Share capital and treasury shares

	Group and Company					
	6 months ended 31.3.2023		6 months ended 30.9.2022		6 months ended 31.3.2022	
	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	216,348	48,919	216,348	48,919	216,340	48,917
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	3,002	660	–	–	8	2
At end of period	219,350	49,579	216,348	48,919	216,348	48,919

	Group and Company					
	6 months ended 31.3.2023		6 months ended 30.9.2022		6 months ended 31.3.2022	
	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	219,162		216,160		216,160	

There was no movement in treasury shares during the period/year ended 31 March 2023.

There were no subsidiary holdings as at 31 March 2023, 30 September 2022 and 31 March 2022.

MTQ Share Plan

There are no outstanding shares comprised in Awards granted pursuant to the MTQ Share Plan as at 31 March 2023, 30 September 2022 and 31 March 2022.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

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

Warrants pursuant to MTQ Rights cum Warrants Issue

As at 31 March 2023, the aggregate number of warrants pursuant to the MTQ Rights cum Warrants Issue in FY2019 amounted to 12,428,000 (31 March 2022: 15,430,000). The movements in the number of warrants for the period are as follows:

	Group and Company		
	6 months ended 31.3.2023	6 months ended 30.9.2022	6 months ended 31.3.2022
	'000	'000	'000
At beginning of period	15,430	15,430	15,438
Exercise of warrants pursuant to MTQ Rights cum Warrants Issue	(3,002)	–	(8)
At end of period	12,428	15,430	15,430

Subsequent to reporting date, a further 5,711,000 warrants have been exercised resulting in a further 5,711,000 ordinary shares being issued subsequent to 31 March 2023.

19. Dividends

	Group and Company	
	31.3.2023	31.3.2022
	\$'000	\$'000
Declared and paid during the financial year		
<i>Dividends on ordinary shares:</i>		
- Final tax exempt (one-tier) dividend for 2022: 0.5 cents (2021: 0.5 cents) per share	1,081	1,081

Please refer to page 34 for more information relating to proposed final dividend for the year ended 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 2023

(In Singapore dollars)

20. 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 recognised in the financial statements:

	Group		Company	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	\$'000	\$'000	\$'000	\$'000
Authorised and committed	405	1,724	17	313

(b) *Contingent liabilities*

	Group		Company	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	\$'000	\$'000	\$'000	\$'000
Corporate guarantees issued by the Company for bank facilities utilised by subsidiaries	–	–	97	330
Guarantees issued to external parties	694	1,074	516	628

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 comprised performance and warranty bonds issued to customers or third party service providers.

(c) *Other commitments*

As at 31 March 2023, the Group has entered into a lease arrangement that has not yet commenced as at reporting date. The lease payments have not been reflected in the measurement of lease liabilities as lease payments will only commence from August 2024 at about S\$284,000 per annum and the lease arrangement is cancellable before that, subject to certain conditions.

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

21. 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	
	2H2023	2H2022	2H2023	2H2022
	\$'000	\$'000	\$'000	\$'000
Associate and Joint ventures				
- Sales of goods	29	31	–	–
- Purchase of goods	681	1,044	–	–
Subsidiaries				
- Management fee income	–	–	2,062	1,348
- Rental income from investment property	–	–	1,931	723
- Interests on loans	–	–	70	29

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Associate and Joint ventures				
- Sales of goods	127	100	–	–
- Purchase of goods	1,987	2,014	–	–
Subsidiaries				
- Management fee income	–	–	3,481	2,723
- Rental income from investment property	–	–	4,110	1,291
- Interests on loans	–	–	119	63

MTQ Corporation Limited and its Subsidiaries

Notes to the condensed interim financial statements For the six-month and full year ended 31 March 2023

(In Singapore dollars)

21. 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 2023 and 31 March 2022 are as follows:

	Group			
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Director's remuneration:				
- Salaries, wages and bonuses	214	200	399	413
- Defined contribution plan expense	9	5	16	16
- Others	12	15	22	27
	<u>235</u>	<u>220</u>	<u>437</u>	<u>456</u>
Other key management personnel:				
- Salaries, wages and bonuses	536	457	1,082	973
- Defined contribution plan expense	41	30	79	66
- Others	109	90	208	205
	<u>686</u>	<u>577</u>	<u>1,369</u>	<u>1,244</u>

22. 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 2023**

(In Singapore dollars)

22. 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					
31.3.2023					
Financial asset:					
Other investment	15	6,130	–	–	6,130
31.3.2022					
Financial asset:					
Other investment	15	3,635	–	–	3,635

The fair value of the other investment (Note 15) 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.

23. 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 2023 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 most balance sheet lines were mainly due to:

- a) the reclassification of the carrying amounts of Pandan Property and certain property, plant and equipment as assets held for sale and liabilities directly associated with the assets held for sale (Note 16);
- b) additions to property, plant and equipment mainly relating to workshop equipment and additional and alteration works relating to the leasehold property in Tuas of S\$5.9 million;
- c) net proceeds from bank borrowings of S\$9.8 million; and
- d) payment of S\$1.1 million dividends in respect of previous financial year.

Apart from the above, the change in net assets were mainly due to the total comprehensive income of S\$6.3 million (inclusive of the increase in fair value of other investment (Note 15)). Movements in working capital items were mainly due to timing differences.

Further information on certain balance sheet items can be found in notes 11 to 18.

Condensed Interim Consolidated Cash Flow Statement

The Group recorded net cash inflows of S\$6.9 million from operations for 2HFY2023 as working capital started to stabilize, turning around the year-to-date cash flows from operating activities to positive S\$3.3 million.

Within the investing activities, the Group paid an amount of S\$3.2 million (FY2023: S\$3.3 million) for the additional and alteration works associated with the leasehold property in Tuas. Together with the S\$2.8 million (FY2023: S\$9.8 million) net proceeds from bank borrowings, the Group had cash and cash equivalents of S\$13.6 million as at 31 March 2023 and a net debt gearing of 9.5%.

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

Condensed Interim Consolidated Statement of Comprehensive Income

6 months ended 31 March 2023 ("2HFY2023") vs 6 months ended 31 March 2022 ("2HFY2022")

The Group reported S\$48.9 million revenue for 2HFY2023, an increase of 80% year-on-year ("yoy") compared to S\$27.2 million in 2HFY2022 as activities continue to pick up particularly in the Middle East where Bahrain posted its highest annual revenues. In Singapore, the Group also recorded significant growth mainly due to spillover opportunities from the Middle East. Gross profit margins have also improved to 32-33% levels as the Group operated at a high utilization throughout the financial period.

Other operating expenses and staff costs rose in tandem with higher revenue growth. However, other operating expenses also included surplus overheads arising from operating out of two facilities while the Group shifts its key Singapore operations from Pandan Loop to Tuas. Pandan Property related costs and relocation costs incurred during the period were S\$0.5 million and S\$0.8 million respectively. These expenses will discontinue in the near future once the disposal of the Group's leasehold property in Pandan Loop is completed. Finance costs increased with higher borrowings during the period and additional interest on lease liabilities from Tuas's lease accounting.

Despite the increase in costs, the Group recorded a significant increase in underlying profit before tax of S\$4.2 million in 2HFY2023.

Loss on liquidation of a subsidiary relates to the reclassification of S\$1.0 million historical foreign currency translation and hedge reserves to profit or loss upon completion of liquidation of Blossomvale Holdings Ltd (this has no impact to net assets nor total comprehensive income). In addition, the Group recognized additional provisions for inventory obsolescence on certain inventories that have not been utilized for some time due to a shift in market requirements for these particular specifications of inventories. It was also notable that government grants reduced significantly due to discontinuation of COVID-19 related grants.

Overall, the Group recorded a net profit of S\$2.1 million in 2HFY2023.

12 months ended 31 March 2023 ("FY2023") vs 12 months ended 31 March 2022 ("FY2022")

The Group reported S\$83.8 million revenue for FY2023, an increase of 61% year-on-year ("yoy") compared to S\$52.0 million in FY2022 as activities continue to pick up particularly in the Middle East where Bahrain posted its highest annual revenues. In Singapore, the Group also recorded significant growth mainly due to spillover opportunities from the Middle East. Gross profit margins have also improved to 32-33% levels as the Group operated at a high utilization throughout the financial year.

Other operating expenses and staff costs rose in tandem with higher revenue growth. However, other operating expenses also included surplus overheads arising from operating out of two facilities while the Group shifts its key Singapore operations from Pandan Loop to Tuas. Pandan Property related costs and relocation costs incurred during the year were S\$1.1 million and S\$0.8 million respectively. These expenses will discontinue in the near future once the disposal of the Group's leasehold property in Pandan Loop is completed. Finance costs increased with higher borrowings during the year and additional interest on lease liabilities from Tuas's lease accounting.

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

Condensed Interim Consolidated Statement of Comprehensive Income (cont'd)

12 months ended 31 March 2023 ("FY2023") vs 12 months ended 31 March 2022 ("FY2022")

Despite the increase in costs, the Group recorded a significant increase in underlying profit before tax of S\$6.0 million in FY2023.

Loss on liquidation of a subsidiary relates to the reclassification of S\$1.0 million historical foreign currency translation and hedge reserves to profit or loss upon completion of liquidation of Blossomvale Holdings Ltd (this has no impact to net assets nor total comprehensive income). In addition, the Group recognized additional provisions for inventory obsolescence on certain inventories that have not been utilized for some time due to a shift in market requirements for these particular specifications of inventories. It was also notable that government grants reduced significantly due to discontinuation of COVID-19 related grants.

Overall, the Group recorded a net profit of S\$3.9 million in FY2023.

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 committed to maintaining current operating levels and to meet to the needs of its customers. It will focus on investing in its people and its infrastructure to drive operational efficiencies. The Group will also accelerate its efforts to look for new areas of growth amid current high utilization levels, with the Middle East being an important area for any future growth.

The Group has recently announced that it received consent from JTC for the sale of its leasehold property in Pandan Loop and is also working towards completing the disposal as soon as it can.

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 2023

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 2022

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.

(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.

MTQ Corporation Limited and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2

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:

	31.3.2023	31.3.2022
	\$'000	\$'000
a) Ordinary		
- Interim	-	-
- Final	1,124	1,081
b) Preference	-	-
c) Total	1,124	1,081

The final dividend for the financial year ended 31 March 2023 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.

12. Disclosure of person occupying a managerial position in the issuer of 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	78	Father of Director and Chief Executive Officer, Kuah Boon Wee	Re-designated as Non-executive Chairman since 2012	NIL
Kuah Boon Wee	56	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 2023