2022/2023
ANNUAL REPORT

MTQ CORPORATION LIMITED

CONTENTS

VISION

To be the leader in the fields that we operate.

MISSION

Provide our customers service quality, our employees job satisfaction and our shareholders return on their investment at a level which meets and surpasses their expectations.

CORE VALUES

- be **S**incere in all our intentions
- be **T**ransparent in all that we do
- be **A**lert to the needs of others
- be **R**esponsible in delivering

CORPORATE PROFILE

MTQ Corporation Limited ("MTQ" or the "Group") specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations, supply of oilfield equipment and tools, engineering services with a focus in topside services, as well as pipe support and pipe suspension products. Well-known for its broad experience for over 50 years and commitment to service quality, the Group is the authorised working partner for some of the world's largest OEMs in drilling equipment and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards.

OUR SERVICES

With the combined engineering capabilities of our accredited facilities at MTQ Engineering, Bahrain, Pemac, Binder Group and In-Line Valve, we are able to offer complete manufacturing, repair and refurbishment services to the oil and gas industry. Our services include:

- Supply of oilfield equipment
- Equipment component manufacturing
- Remanufacturing of most drilling tools
- Oilfield equipment design and engineering services
- Equipment recertification and rig inspections
- General oilfield fabrication and welding
- Design and manufacturing of pipe support products
- Design, engineering, assembly and testing of flow control valves

Some of the products that we represent for sale and rental are:

- All forms of drilling spools, adaptors and related pressure control drilling equipment
- Heat exchanger mud coolers
- Shale shakers
- Drilling handling tools and spares handling tools
- BOP pressure test units and torque tools
- Valves, including safety and drilling diverter valves
- Mud pumps
- Drillpipe protectors
- Safety equipment
- Pipeline products

Our key certifications include:

- API Q1, 5CT, 6A, 16A, 16C, 7-1
- ISO 9001:2015
- ISO 45001:2018
- BizSAFE Star

MILESTONES

2023
Relocation of Singapore headquarter to Tuas South following proposed disposal of Pandan property

2022
Strategic collaboration with Cameron Singapore, a Schlumberger company

2019
Disposal of the property, rights and assets and entire business of Neptune Marine Services Limited in Australia

2018
Acquisition of Mid-Continent Equipment Group's business of supplying and distributing oilfield equipment and spares and incorporation of Mid-Continent Distribution Pte Ltd

2017
Acquisition of In-Line Valve, which is headquartered in United Kingdom and focused in the flow control valves for the upstream oil and gas industry

2016
Divestment of turbochargers and fuel injection businesses in Australia with the disposal of MTQ Engine Systems (Aust) Pty Ltd

2014
Expanded into design and manufacturing of proprietary and custom-built pipe support and pipe suspension through acquisition of Binder Group which has production facility in Indonesia

2012
Acquisition of Neptune Marine Services Limited located in Perth, which provides engineering services with a focus of subsea and topside services and has operational presence in the UK and Asia

2011
Acquisition of Premier Group located in Singapore, which repairs and manufactures oilfield equipment as well as supplies oilfield equipment and tools manufactured by some leading global brands

2009
Incorporated MTQ Oilfield Services W.L.L. in Bahrain to provide services to the oil and gas industry in Bahrain and Gulf states

2003
Metalock (Singapore) Limited (originally known as Metalock (Singapore) Pte Ltd) renamed to MTQ Corporation Limited and expanded into fuel injection business in Australia

2002
Divestment of marine related businesses

1999
Listed on SGX Mainboard and expanded into sales and repair of turbochargers business in Australia

1988
Listed on SGX SESDAQ

1969
Metalock (Singapore) Pte Ltd was incorporated as private limited company in Singapore and subsequently embarked on oilfield engineering, fabrication and equipment rental businesses

1959
Commenced operations in Singapore as Metalock (Far East) Ltd to set up a branch specialising in repairs of marine equipment

MESSAGE FROM THE CHAIRMAN AND GROUP CEO

Dear Shareholders,

OVERVIEW

MTQ Corporation recorded revenue of S$83.8 million for the financial year ended 31 March 2023 ("FY2023"), a 61% increase from S$52.0 million attained in the previous year. This represents our highest recorded revenues for the Oilfield Engineering segment since FY2015 when the industry was in a different upward cycle. We continue to improve our operating profitability with profit after tax of S$3.9 million recorded following a year where we achieved record revenues in Bahrain and upgraded our infrastructure in Singapore for the long term.

Oil prices have tended to remain high since February 2022. We expect that current oil prices will remain relatively stable moving ahead. Drilling activity continues to increase, especially in the USA and in the Middle East. What has also been noticeable is the large number of rigs being mobilised to begin work in the Middle East, noticeably in Saudi Arabia, the UAE and Qatar. This greater pool of offshore rigs working in the Middle East is a positive trend for our Bahrain operations. The number of rigs that remain available in SE Asia has consequently shrunk. This has dramatically improved rig utilisation in most markets and day rates should start to increase moving ahead. The challenge ahead will be whether investment in new builds return. Climate change concerns and the pivot to renewables should moderate any activity there.

A significant development for the Group this year was the relocation of our core Singapore operations from Pandan Loop. We have been operating out of our Pandan Loop facility since 1979 and the impending sale of that facility represents the end of an era. Having completed the infrastructure upgrade needed in Tuas South to secure our JTC lease, we have progressively moved operations from within the Group to Tuas South. Our vision in Tuas South is to remain the independent integrated facility of choice for the still significant energy sector that operates in Singapore and SE Asia.

Another important corporate development in the year is that having installed solar panels in two of our facilities in Singapore, we have succeeded in reducing our own carbon footprint significantly. We remain focused on continuing this process for the rest of our facilities in Singapore and Bahrain. For the year ended 31 March 2023, 40% of our energy needs in Pandan Loop and Loyang in Singapore came from renewable energy. As was mentioned last year, all businesses can and should do their part in reducing their carbon footprint.

We continue to look at new sectors of growth outside of fossil fuels but the nature of strengths in metal working do not lend any real benefits in the wind or solar areas. We remain focused on our customers and our employees, and to work positively towards delivering better services as the energy market improves.

BUSINESS REVIEW

Summary

Within the Oilfield Engineering division, our Bahrain facility is now the major engine of growth. Our Bahrain operations recorded its highest annual revenue on the back of steady demand from drilling contractors and Original Equipment Manufacturers ("OEMs") operating in the Middle East. During the year, we manage to secure significant work from the emergence of national drilling companies in Saudi Arabia. Their efforts to intensify drilling activities have created growth opportunities for us to both upgrade and maintain more drilling equipment. This has complemented the work we continue to secure from OEMs in manufacturing, maintenance and testing.

Our Singapore operations also recorded good growth for the year. The additional work arising from our partnership with Cameron drilling in aftermarket services contributed towards the increase as did the work that arose from modifications to rigs that were being deployed from Asia to the Middle East. The general level of inquiries for our products and services has been steadily improving, especially in the second half of the year.

During the year, we incurred several one-off expenses that affected our overall results. We had to incur relocation costs to Tuas South and additional overheads from operating in two locations. We also had to incur capital expenditure for our facility in Tuas South and made other provisions re inventory and subsidiary liquidation.

Our financial position continues to remain strong, net debt gearing has risen to 9.5% on the back of higher working capital financing and capital expenditures on new premises, however the impending disposal of Pandan Loop will reduce the level of net debt gearing. We are also pleased that our existing banking facilities in Singapore have been refinanced during the year.

Oilfield Engineering – Improving Outlook

Our Bahrain business continues to work at being the facility of choice for OEMs and drilling contractors in the region, notably in Saudi Arabia. Our ability to support drillers expanding their offshore drilling activities has been particularly noticeable this year where we have seen significant increase in drillings rigs. Having facilities in both SE Asia and the Middle East strengthens our value proposition to our customers. A major area for the year ahead is regional expansion of customers as well as building more product niches like drilling manifolds.

In Singapore, we saw an increase in demand from those drilling contractors motivated to maintain their equipment in an improving market. We are also poised to benefit from increased outsourcing from OEMs facilities in the region. Our trading and agency businesses have been integrated into the Tuas South facility as we focus on supporting drilling contractors.

People and Safety

Post Covid-19, the challenge of finding a workforce for the future has intensified. In Singapore, despite a stronger business outlook and reinforcements from the Cameron team who joined us at Tuas South, our workforce increase has been modest. Moving to Tuas South has also lengthened the commute for the Singaporeans on our team. In Bahrain, we continue to rely on foreign workers to man our equipment and maintain the current high levels of utilisation we are achieving. Many of our colleagues have also taken long leave as they were the ones who did not see their families all through Covid-19.

Relying on overseas workers to helm workshop positions is going to be a recurrent reality for our businesses and the cost of maintaining such labour is also rising. It has been difficult to recruit for replacements in recent years but we continue to invest in training and retention of all staff.

The Group continues to focus on improving its safety performance. While total number of accidents and accident frequency rate remains relatively low, areas of improvement continue to be identified. Reinforcing the safety mindset at work is a constant effort and safety education and training remains important, especially as activity picks up.

The total staff strength for the Group and its operating subsidiaries is about 414, broken down by geographical segments as follows:

Country	Headcount as at 31 March 2023	Headcount as at 31 March 2022
Singapore	195	183
Bahrain	200	182
Australia and UK	19	19
	414	**384**

Sustainability – the Future

As the world grapples with an uncertain future, all businesses have to respond to the trends of climate change and more protectionist agendas. For us, embracing renewable energy is very much a reality. At the same time, we recognise that fossil fuels will need to be an important component of the energy landscape and embrace our role in supporting safe, reliable and cost-effective drilling and exploration. We do not see a contradiction in that.

We also feel that the Middle East will be an increasingly important area of oil and gas development and remain keen to look for more opportunities to strengthen our position there. Serving markets is getting harder and harder to do from abroad. We remain keen to also explore options in the renewable space but have not found opportunities to capitalise on our current strengths.

We recently announced our proposed expansion into the UAE to further solidify our position as a leading industry player in the Middle East. This will unlock growth opportunities for the Group particularly as UAE undergoes a significant oil and gas expansion plan. We will maintain ongoing communication with stakeholders to ensure transparency and updates on our progress.

We want to thank all shareholders who have supported the Group through the years. The Board is pleased to again recommend a one-tier tax exempt final dividend of 0.5 Singapore cents per share, subject to shareholders' approval at the forthcoming Annual General Meeting. While the businesses have improved, the Group remains cautious re its working capital as well as its proposed UAE's expansion requirements. Should our business outlook remain robust moving ahead, the Board will definitely look to reward shareholders as it has consistently done.

KUAH KOK KIM
Chairman

KUAH BOON WEE
Group Chief Executive Officer

BOARD OF DIRECTORS

KUAH KOK KIM *Chairman*
Mr. Kuah joined the Board on 1 January 1997, was appointed as Executive Chairman on 9 September 1997 and was the Chief Executive Officer of the Group until 30 June 2010. He was re-designated to Non-Executive Chairman on 1 October 2012 and was last re-appointed as Director at MTQ's Annual General Meeting on 28 July 2022.

Mr. Kuah possesses extensive business experience which was accumulated through his many years of involvement in the marine logistics as well as oil and gas related industries.

KUAH BOON WEE *Group Chief Executive Officer*
Mr. Kuah joined the Board on 10 October 2006 and was appointed Group Chief Executive Officer on 1 July 2010. He was re-elected as Director at MTQ's Annual General Meeting on 30 July 2021. A UK qualified chartered accountant with a university degree in mechanical engineering, he was previously a senior management executive of PSA International Pte Ltd, having served as CEO of PSA Singapore terminals.

NICHOLAS CAMPBELL COCKS *Lead Independent Director*
Mr. Cocks joined the Board on 1 October 2010 and was last re-elected as Director at MTQ's Annual General Meeting on 28 July 2022. He was appointed as Lead Independent Director on 6 May 2013, re-designated to Chairman of the Nomination and Remuneration Committee and appointed as a member of the Audit Committee on 28 July 2020. Mr. Cocks graduated from Australian National University, Canberra, with a degree in Commerce. Mr. Cocks is the Chief Executive Officer of Readymix Group and the Managing Partner of Velocity Ventures.

CHEW SOO LIN *Independent Director*
Mr. Chew joined the Board on 18 May 2012 and was last re-elected as Director at MTQ's Annual General Meeting on 28 July 2020. He was appointed as Chairman of the Audit Committee on 1 August 2012 and a member of the Nomination and Remuneration Committee on 28 July 2020. A UK qualified chartered accountant, Mr. Chew is the Executive Chairman of Khong Guan Limited. Mr. Chew also serves on the board of several other listed companies.

ONG ENG YAW *Non-Executive; Non-Independent Director*
Mr. Ong joined the Board on 28 October 2016 and was appointed as a member of the Nomination and Remuneration Committee on the same date. He was last re-elected as Director at MTQ's Annual General Meeting on 28 July 2020. Mr. Ong graduated with a Bachelor of Laws (Second Class Upper Division) from University College London and holds a Master of Science (Investment Management) from the Cass Business School and a Master of Business Administration from INSEAD. Mr. Ong is a senior executive in Hwa Hong Corporation Limited and is also an independent director with Singapore Reinsurance Corporation Limited, a member of the Fairfax Financial Group.

HO GEK SIM GRACE *Independent Director*
Ms. Ho joined the Board on 26 October 2022. She graduated with a Bachelor of Sciences (Biochemistry & Microbiology) from The National University of Singapore and holds a Master of Business Administration (Finance & Marketing) from The Australian Graduate School of Management, University of New South Wales, Sydney, Australia. Ms. Ho is the Chief Executive Officer of Super Grains Pte Ltd and its subsidiaries, also an Advisor at local tech startups, SWAT Mobility Pte Ltd and 8VI Holdings Limited.

HO HAN SIONG CHRISTOPHER *Non-Executive; Non-Independent Director*
Mr. Ho joined the Board on 30 October 2007 and was last re-elected as Director at MTQ's Annual General Meeting on 30 July 2021. He is a member of the Audit Committee. Mr. Ho graduated from the University of Wisconsin at Madison, USA, in 1989, with a double degree in Computer Engineering and Computer Science. Mr. Ho is the Senior Vice President for Investments of Tai Tak Securities Pte Ltd.

SENIOR MANAGEMENT

CORPORATE OFFICE
TAN LEE FANG *Group Financial Controller and Company Secretary*
Ms. Tan joined the Group in 2014 and was holding the position of Financial Controller prior to her appointment as Group Financial Controller and Company Secretary with effect from 31 December 2017. She is responsible for the Group's financial and management reporting, taxation and corporate secretarial functions. Ms. Tan has more than 15 years of experience working in a listed company and in an audit firm. She holds a Bachelor of Accountancy (Honours) degree and is a member of the Institute of Singapore Chartered Accountants.

OILFIELD ENGINEERING
VINCENT TAN *Managing Director – MTQ Engineering Pte Ltd*
Mr. Tan holds a Masters of Business Administration with Distinction from University of Louisville at Kentucky, USA, and a Bachelor of Mechanical Engineering (Honours) from Nanyang Technological University. He joined MTQ Engineering Pte Ltd in June 2012. Mr. Tan has more than 20 years of experience in general and operations management in the oil and gas industry. Prior to joining MTQ, Mr. Tan was the Director of Sales, Pacific Rim of National Oilwell Varco – Fiber Glass Systems Division.

SUMARDI BIN SIDI *Managing Director – Pemac Pte Ltd*
Mr. Sidi has more than 30 years of experience in repair, manufacturing and remanufacturing of API Product Specification (5CT, 7-1, 6A, 16A and 16C) servicing drilling contractors in the region. He has extensive knowledge and experience in engineering design, quality control and assurance. He is a Certified Welding Inspector with the American Welding Society.

ASIF SALIM VORAJEE *Managing Director – MTQ Oilfield Services W.L.L.*
Mr. Vorajee holds a Master of Engineering (Honours) in Mechanical Engineering. He joined MTQ Oilfield Services W.L.L in January 2012 and has more than 10 years of experience in mechanical engineering with extensive knowledge in API repair, manufacturing and remanufacturing in the drilling industry. Mr. Vorajee is responsible for the oilfield engineering business located in Bahrain.

GROUP STRUCTURE

As at 15 June 2023

MTQ Corporation Limited

- 100.0% MTQ Engineering Pte Ltd
- 99.0% MTQ Oilfield Services W.L.L.
  - 1.0%
- 100.0% Premier Sea & Land Pte Ltd
  - 100.0% Premier Estate Private Limited
- 100.0% Pemac Pte Ltd
- 100.0% MTQ Equipment Rental Pte Ltd
- 100.0% MTQ Fabrication Pte Ltd
- 100.0% Blossomvale Investments Pte Ltd
  - 100.0% Blossomvale (NAH) Pte Ltd
    - 100.0% Blossomvale Subsea Stabilisation Sdn Bhd
    - 100.0% Blossomvale (NMO) Pte Ltd
    - 99.9% Blossomvale NMSSB Sdn Bhd
      - 0.1%
- 100.0% Violetbloom Investments Pte Ltd
- 100.0% Everfield Pte Ltd
- 100.0% Mid-Continent Distribution Pte Ltd
- 100.0% In-Line Valve Company Limited
- 100.0% In-Line Valve (ME) Limited
- 100.0% MTQ Binder Holdings Pte Ltd
  - 100.0% Binder Group Pty Ltd
    - 100.0% Binder Asia Pte Ltd
    - 90.0% Binder Holdings Pte Ltd
      - 10.0%
      - 50.0% PT Binder Indonesia

Please refer to pages 106-108 for more information.

FIVE-YEARS FINANCIAL PROFILE

	2023	2022	2021	2020	2019
FOR THE YEAR (IN S$'000)					
Revenue[1]	83,834	52,043	49,052	74,302	47,506
EBITDA[2]	12,252	5,707	6,627	14,197	6,694
Profit / (loss) before tax[1,2]	6,184	1,406	1,366	7,767	(2,967)
Profit / (loss) after tax[1,2]	6,029	1,255	2,008	7,205	(3,133)
Profit / (loss) attributable to owners of the Company[2]	5,893	1,290	2,104	4,845	(4,921)
AT YEAR END (IN S$'000)					
Net current assets	37,701	28,557	41,052	48,980	37,686
Total assets	124,789	102,599	89,473	115,426	145,036
Total liabilities	61,761	45,422	33,943	45,756	73,885
Net debt / (cash)[3]	6,651	2,226	(7,825)	620	2,215
Shareholders' funds	63,028	57,313	55,464	68,142	68,196
Net tangible assets[4]	59,822	54,130	52,034	59,474	62,471
FINANCIAL RATIOS					
Return on shareholders' funds (%)[2,5]	9.35	2.25	3.79	7.11	(7.22)
Interest cover	6.99	6.87	7.33	8.22	3.44
(EBITDA / Net interest expense)[2,6]	times	times	times	times	times
Net debt gearing ratio (%)[7]	9.55	3.75	N.A.	0.88	3.02
PER SHARE DATA					
Basic earnings / (loss) (in Singapore cents)[2,8]	2.73	0.60	0.97	2.24	(2.31)
Net tangible assets (in Singapore cents)[9]	27.30	25.04	24.07	27.50	28.88
Net asset value (in Singapore cents)[10]	28.76	26.51	25.66	31.51	31.53
Dividend per share, paid or proposed in respect of the financial year (in Singapore cents)	0.50	0.50	1.00	0.50	-
Dividend payout ratio (%)[2,11]	18.32	83.33	103.09	22.32	-

[1] *Excluding discontinued operation's statistic.*

[2] *Excluding impacts of accounting impairments/write-offs, allowances/provisions as well as gain/(loss) from liquidation of subsidiaries.*

[3] *Net debt/(cash) is defined as the aggregate of bank borrowings, less cash and bank equivalents (see note 39 of the financial statements).*

[4] *Net tangible assets is defined as shareholders' funds less intangible assets and goodwill.*

[5] *Return on shareholders' funds is defined as profit/(loss) attributable to owners of the Company divided by shareholders' funds.*

[6] *Net interest expense refers to interest expense less interest income.*

[7] *Net debt gearing is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt and total equity. This ratio is not applicable for 2021 given that the Group's cash exceeded its gross debt as at 31 March 2021.*

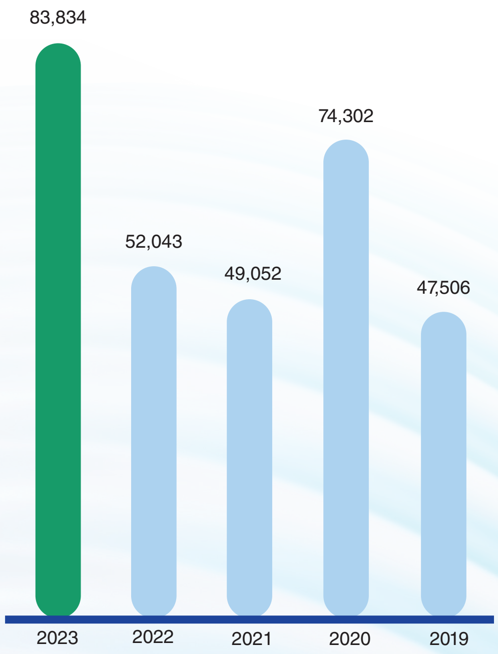
[8] *Basic earnings/(loss) per share is defined as profit/(loss) attributable to owners of the Company divided by weighted average number of issued shares.*

[9] *Net tangible assets per share is defined as net tangible assets divided by total number of issued shares excluding treasury shares.*

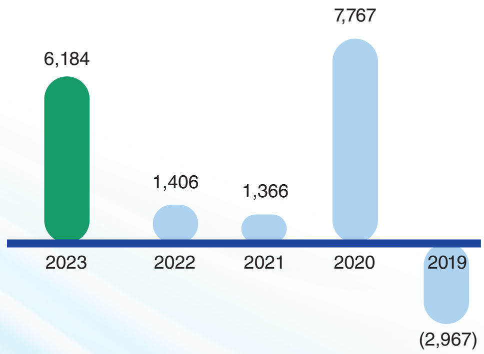
[10] *Net asset value is defined as shareholders' funds divided by total number of issued shares excluding treasury shares.*

[11] *Dividend payout ratio is defined as dividend per share paid/payable in respect of the financial year divided by the basic earnings per share.*

REVENUE (S$'000)

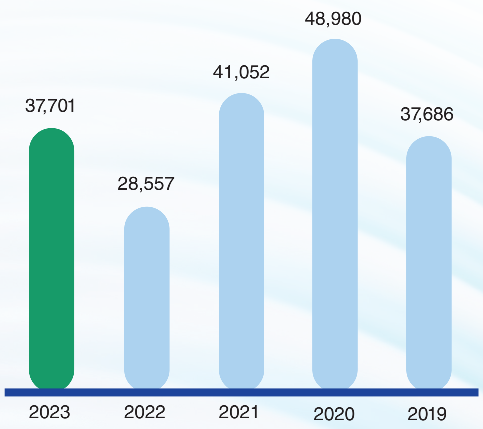


PROFIT / (LOSS) BEFORE TAX# (S$'000)

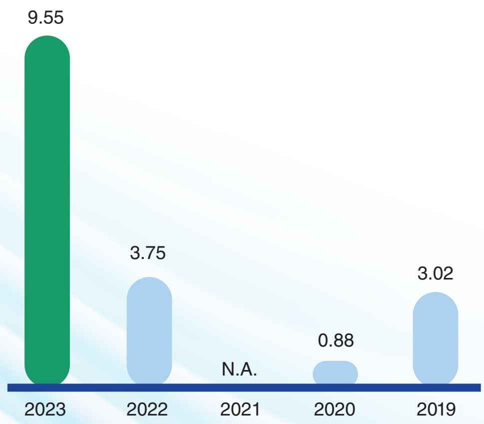


Excluding discontinued operation and impacts of accounting impairments/write-offs, allowances/provisions as well as gain/loss from liquidation of subsidiaries.

NET CURRENT ASSETS (S$'000)



NET DEBT GEARING RATIO (%)



FINANCIAL REVIEW

REVENUE

In the financial year ended 31 March 2023 ("FY2023"), the Group recorded revenue of S$83.8 million, an increase in revenue of S$31.8 million or 61.2% from S$52.0 million recorded in the financial year ended 31 March 2022 ("FY2022").

The increase was mainly due to higher activities 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.

More breakdowns of revenue can be found in Notes 4 and 32 of the financial statements.

PROFIT

Overall gross profit increased by 84.0% to S$27.0 million in FY2023. In line with higher revenue, the gross profit margin improved from 28.2% to 32.2% as the Group operated at a high utilisation throughout the financial year.

Other income decreased by 41.6% to S$0.9 million in FY2023 mainly due to lower government grants as COVID-19 related grants tapered off since 2HFY2022.

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 operations from Pandan Loop to Tuas South. Pandan Property related costs and relocation costs incurred during the year were S$1.1 million and S$0.8 million respectively.

During the year, the Group also recognised a loss on liquidation relating to the reclassification of S$1.0 million historical foreign currency translation and hedge reserves to the profit or loss upon completion of liquidation of Blossomvale Holdings Ltd. In addition, the Group recognised additional provisions for inventory obsolescence on certain inventories that have not been utilised due to a shift in market requirements for these particular specifications of inventories.

Finance costs increased by 110.6% to S$1.8 million in FY2023 mainly due to higher borrowings and interest rate environment during the year, as well as additional interest on lease liabilities arising from the Tuas's lease accounting.

Overall, the Group recorded a net profit of S$3.9 million, S$2.6 million or 200.6% increase from FY2022. Excluding the non-cash impairments and provisions as well as government grants received, the Group's underlying profit after tax increased by S$5.5 million from the S$0.3 million recorded in FY2022.

BALANCE SHEET

The movements in most balance sheet items were due to 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 (please refer to Note 22 of the financial statements) and the higher working capital requirements to support the increase in activities during the year.

Total Group's borrowings increased by S$9.7 million, mainly to bridge interim working capital requirements. During the year, the Group refinanced its key bank facilities which are now maturing in 2026.

Overall, net assets increased by S$5.9 million or 10.2% to S$63.0 million mainly due to the improved results of the Group for the year and after taking into account S$2.5 million revaluation gain of the Group's interests in MMA Offshore Limited through an equity reserve in line with the increase in its share price during the year. Similarly, shareholders' funds increased by 10.0% from a year ago.

CASH FLOWS

The Group recorded net cash inflows of S$12.1 million from operations before changes in working capital for the year. Working capital requirements, however, increased due to the significant growth during the year.

Within the investing activities, the Group paid an amount of S$3.3 million for the additional and alteration works associated with the Tuas Property.

Financing activities mainly comprised net drawdown of S$9.8 million bank borrowings as well as S$1.1 million dividends paid during the year.

Overall, the Group had cash and cash equivalents of S$13.6 million as at 31 March 2023.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2023, the Group's total bank borrowings stood at S$20.2 million, representing 32.1% (FY2022: 18.4%) of shareholders' fund and a net debt position of S$6.7 million (FY2022: S$2.2 million).

The capital of the Company remained unchanged during the financial year except for the additional ordinary shares issued on exercise of warrants pursuant to MTQ Rights cum Warrants Issue. There were additional 5.7 million warrants being exercised post year-end, bringing the total to about 56.5% of the total warrants issued. The warrants expired on 17 April 2023 and this concluded the 2018 MTQ Rights Cum Warrants exercise.

DIVIDENDS

The Board of Directors is recommending a one-tier final cash dividend of 0.5 Singapore cents, subject to shareholders' approval at the forthcoming Annual General Meeting.

Despite an improved performance for FY2023, the Group is maintaining a 0.5 Singapore cents final dividend as it cautiously navigates its working capital requirements amid current high growth phase.

FINANCIAL AND CORPORATE CALENDAR

2023

31 July
FY2023 Annual General Meeting

30 June
FY2022/2023 Annual report, Proxy form, Notice of Annual General Meeting and Proposed renewal of share buyback mandate

30 June
Notice of record and payment dates for FY2023 proposed final dividend

5 June
Incorporation of a wholly-owned subsidiary and proposed expansion into UAE

10 May
Full year FY2023 Results Announcement

26 April
Change of registered office address

17 April
Expiration of warrants

15 March
Notice of expiry of warrants

26 January
Completion of members' voluntary liquidation of subsidiaries

2022

28 October
Half year FY2023 Results Announcement

26 October
Appointment of Independent Director

1 September
Proposed disposal of Pandan property

26 August
Minutes of FY2022 Annual General Meeting

28 July
FY2022 Annual General Meeting

29 June
FY2021/2022 Annual report, Proxy form, Notice of Annual General Meeting and Proposed renewal of share buyback mandate

29 June
Notice of record and payment dates for FY2022 proposed final dividend

11 May
Full year FY2022 Results Announcement

11 May
Announcement pursuant to Listing Rule 706A

CORPORATE INFORMATION

BOARD OF DIRECTORS
Kuah Kok Kim *Chairman*
Kuah Boon Wee *Group Chief Executive Officer*
Nicholas Campbell Cocks *Lead Independent Director*
Chew Soo Lin *Independent Director*
Ho Gek Sim Grace *Independent Director*
Ho Han Siong Christopher *Non-Independent Director*
Ong Eng Yaw Non-*Independent Director*

AUDIT COMMITTEE
Chew Soo Lin *Chairman*
Nicholas Campbell Cocks
Ho Han Siong Christopher

NOMINATION AND REMUNERATION COMMITTEE
Nicholas Campbell Cocks *Chairman*
Chew Soo Lin
Ong Eng Yaw

COMPANY SECRETARY
Tan Lee Fang

REGISTERED OFFICE
100 Tuas South Avenue 8
Singapore 637424
Telephone: (65) 6777 7651
Facsimile: (65) 6777 6433
Website: www.mtq.com.sg

REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360
Website: www.boardroomlimited.com

PRINCIPAL BANKERS
DBS Bank Ltd
United Overseas Bank Limited

AUDITOR
Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

PARTNER-IN-CHARGE
Philip Ng Weng Kwai
(since financial year ended 31 March 2021)

INVESTOR RELATIONS
Email: investorrelation@mtq.com.sg

DIRECTORY OF PRINCIPAL OFFICES

MTQ CORPORATION LIMITED
100 Tuas South Avenue 8, Singapore 637424
Telephone: (65) 6777 7651
Facsimile: (65) 6777 6433
Website: www.mtq.com.sg

CONTACT:
Kuah Kok Kim *Chairman*
Email: kkkuah@mtq.com.sg

Kuah Boon Wee *Group Chief Executive Officer*
Email: kuahbw@mtq.com.sg

Tan Lee Fang *Group Financial Controller / Company Secretary*
Email: leefang@mtq.com.sg

MTQ ENGINEERING PTE LTD
PREMIER SEA & LAND PTE LTD
MID-CONTINENT DISTRIBUTION PTE LTD
100 Tuas South Avenue 8, Singapore 637424
Telephone: (65) 6777 7651 / (65) 6543 1433
Facsimile: (65) 6777 6433 / (65) 6543 1219
Websites: www.mtq.com.sg;
www.mtqpremier.com.sg;
www.midcontinents.com

CONTACT:
Vincent Tan *Managing Director*
Email: vincenttan@mtq.com.sg

PEMAC PTE LTD
54 Loyang Way, Singapore 508747
Telephone: (65) 6542 5611
Website: www.mtqpemac.com.sg

CONTACT:
Sumardi Bin Sidi *Managing Director*
Email: sidi@mtqpemac.com.sg

MTQ OILFIELD SERVICES W.L.L.
Building 498, Road 1508, HIDD 115
Manama, Kingdom of Bahrain
Telephone: (973) 1716 6800
Facsimile: (973) 1716 6801
Website: www.mtq.com.sg

CONTACT:
Asif Salim Vorajee *Managing Director*
Email: asif.v@mtqos.com

IN-LINE VALVE COMPANY LTD
Unit 6, The Galloway Centre, Express Way
Newbury, RG14 5TL, United Kingdom
Telephone: (44) 1635 45025
Facsimile: (44) 1635 210270
Website: www.inlinevalve.co.uk

CONTACT:
Oliver Brooke *Director*
Email: oli@inlinevalve.co.uk

FINANCIAL REPORT

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") and the Management of the Company ("the Group") are committed to maintaining a standard of corporate governance to ensure shareholders' interests and enhance corporate performance and accountability.

This report sets out the Group's corporate governance practices with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "MAS") on 6 August 2018 (the "2018 CG Code"). The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the 2018 CG Code and any deviations are explained below.

For ease of reference, the relevant principle of the 2018 CG Code under discussion is identified in bold. However, other sections of this report may also have an impact on the disclosures as this report is meant to be read as a whole, instead of being compartmentalised under the different principles of the 2018 CG Code.

(A) BOARD MATTERS

<u>The Board's Conduct of its Affairs</u>

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. It assumes stewardship and control of the Group's resources and undertakes overall responsibility for long-term success of the Group and works with Management to achieve this and Management remains accountable to the Board.

The Board's roles include the following:

- provide entrepreneurial leadership, sets the vision and objectives of the Group and directs the Group's strategic policies, while ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

- oversee the establishment of a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

- review the performance of the Management and financial performance of the Group;

- sets the Group's values and standards, and ensures that obligations to shareholders and others are understood and met;

- identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; and

- consider sustainability issues as part of its strategic formulation and assume responsibility for corporate governance.

All the Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board has a code of conduct and ethics for Directors which assists the Directors in the discharge of their duties. This code covers key areas such as conflicts of interest, directors' declaration of interest under the Companies Act, external appointments and dealings in the securities of the Company.

Directors facing any conflict of interest with the Group will recuse themselves from participating in any discussions and decisions on the transaction or proposed transaction involving the issues of conflict.

Board Approval

The Group has adopted internal guidelines via a Structured Delegation of Authority matrix which sets out the authorisation and approval limits for revenue and capital expenditures, contractual commitments, disposal, assets write-offs and provisioning at Board and Management levels.

Matters which are specifically referred to the Board for decision include:

a) those involving a conflict of interest for a substantial shareholder or a Director;

b) material acquisitions and disposals of assets;

c) corporate or financial restructuring and share issuances;

d) dividends and other returns to shareholders;

e) matters specified under the Group's interested person transaction policy;

f) major financial decisions such as investment and divestment proposals, the annual budget, major funding proposals and expenditures exceeding a prescribed amount; and

g) half year and full year financial results announcement and the annual report for release to the SGX-ST.

Board and Board Committees

To assist in the execution of its responsibilities and enhance the effectiveness of the Board, the Board is supported by the Board Committees, namely, the Audit Committee (the "AC") and Nomination and Remuneration Committee (the "NRC"), each of which is chaired by a Non-Executive Independent Director. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. The composition, terms of reference and summary of the activities of each Committee are detailed later in this report. The Chairman of each Committee will report to the Board the outcome of the Committee meetings. Further information on the roles and responsibilities of the NRC and AC are set out under the Principles throughout this Corporate Governance Report.

Board and Board Committees meetings as well as Annual General Meeting ("AGM") are scheduled well in advance. The Company is not required to perform quarterly reporting of its financial results in view of the amendments to the SGX-ST Listing Rules, which came into effect on 7 February 2020. Notwithstanding this, the Board continues to conduct meetings for the first and third quarters of the financial year to receive key financial and operational updates, significant business activities and the overall business environment, in addition to the half-yearly meetings which coincide with the announcement of the Group's half year and full year results respectively. Ad-hoc meetings are also convened as and when circumstances require.

The Company's Constitution allows Board meetings to be conducted by way of telephone conferencing or any other methods of simultaneous communication by electronic or telegraphic means whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions through circulating resolutions.

The number of Board and Board Committees and general meetings held for the financial year ended 31 March 2023 and the attendance of each Director are as follows:

Type of Meetings		Board	Audit Committee	Nomination and Remuneration Committee	AGM
No. of Meetings held		**5**	**4**	**2**	**1**
Name of Director		**Meetings attended**			
Kuah Kok Kim	(Chairman)	5	3*	–	1
Kuah Boon Wee	(Executive)	5	4*	2*	1
Nicholas Campbell Cocks	(Lead Independent)	5	4	2	1
Chew Soo Lin	(Independent)	5	4	2	1
Ho Gek Sim Grace	(Independent)	4	3*	–	1
Ho Han Siong Christopher	(Non-Executive; Non-Independent)	5	4	–	1
Ong Eng Yaw	(Non-Executive; Non-Independent)	5	4*	2	1

* Attendance by invitation of the Committee.

Induction, Training and Development

To assist newly appointed Directors, if any, in discharging their duties, they are provided with an orientation on the background information about the Group's history, business operations, strategic directions, governance practices, relevant statutory and regulatory compliance issues as well as industry-specific knowledge. Upon the appointment of each new Director, the Company will furnish a formal letter to the Director, which sets out the Director's duties and obligations as a member of the Board. Incoming Directors are also given full access to the past years' annual reports and minutes of the Board meetings.

In addition, in accordance with the SGX-ST Listing Rules, unless the NRC is of the view that training is not required as the newly appointed director has other relevant experience, the new director appointed by the Board, who has no prior experience as director of an issuer listed on the SGX-ST, must undergo mandatory training courses organised by the Singapore Institute of Directors. A new Independent Director, Ms. Ho Gek Sim Grace, who has no prior experience as director of an issuer on the SGX-ST, has completed the mandatory training courses prior to her appointment on 26 October 2022.

All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the 2018 CG Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of the Directors' participation in industry conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as directors. During the year under review, all the Directors have attended and completed the sustainability training course prescribed by the Singapore Exchange Regulation ("SGX RegCo"), to equip themselves with basic knowledge on sustainability matters.

Changes to regulatory and financial reporting standards which have bearing on the Company's or Directors' obligations are also closely monitored by Management and conveyed to the Directors at Board Meetings, specially convened meetings or via written updates. During the year under review, the Directors were briefed on the following:

- industry developments, business initiatives as well as any significant developments, issues or risks affecting the Group; and
- new and revised financial reporting standards applicable to the Group.

Access to Information

Directors have separate and independent access to the Company's Management, the Company Secretary, internal and external auditors of the Group at all times.

In order to ensure that the Board is able to fulfil its responsibilities efficiently and effectively, Management provides monthly management report, complete with relevant analysis and commentaries of the performance, to the Board on a timely basis to enable them to keep abreast of the Group's performance, position and prospects. Board reports, including financial information and annual budget, significant corporate issues and management proposals requiring the approval of the Board, are circulated to all the Directors prior to each Board and Committees meeting. In respect of budgets, any material variances between the projections and actual results are also highlighted and explained. Other information is also provided to the Board members as needed on an on-going basis.

As a general rule, board reports are sent to Board members at least 3 working days before the Board meeting to afford the Directors with sufficient time to review the board reports prior to the meeting.

The Company Secretary administers, attends and prepares minutes of the Board and Committee meetings and assists the Chairman in ensuring the Board procedures are followed and reviewed and the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practice and processes. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Independent Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board as stipulated in the Company's Constitution.

Should Directors, whether as a group or individually, need independent professional advice to fulfil their duties, such advice may be obtained from external advisers and the cost of which will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board comprises seven (7) Directors of whom three (3) are Non-Executive Independent Directors and two (2) are Non-Executive Non-Independent Directors. Accordingly, independent directors make up one-third and non-executive directors make up a majority of the Board. There was no alternate Director appointed during the year.

Independence

The Board, through the NRC, assessed the independence of the Board members taking into consideration of Provision 2.1 of the 2018 CG Code and Rule 210(5)(d)(i) and (ii) of the Listing Manual of the SGX-ST (the "**Listing Rules**") and the individual Director's declaration.

To assess and review the independence of each Director, each Independent Director is required to complete a Director's Independence Confirmation Form (drawn up based on Principle 2 of the 2018 CG Code and the Listing Rules) annually to confirm his independence. In the review of the Directors' independence, the NRC (with the respective Directors abstaining from reviewing his own independence), with the concurrence of the Board, has determined that:

1) Ms. Ho Gek Sim Grace is independent in conduct, character and judgment, and has no relationships with the Group, its substantial shareholders or its officers, or circumstances which are likely to affect or could appear to affect her judgment.

2) Mr. Ho Han Siong Christopher and Mr. Ong Eng Yaw are not considered independent by virtue of their association with Tai Tak Securities Pte Ltd ("Tai Tak") and Singapore Warehouse Company (Private) Ltd ("Singapore Warehouse") respectively. Both Tai Tak and Singapore Warehouse are substantial shareholders of the Company.

3) The NRC, together with the Board, has rigorously reviewed the independence of Mr. Nicholas Campbell Cocks and Mr. Chew Soo Lin, both of whom have served more than 9 years, as recommended by the 2018 CG Code and is of the view that both Mr. Chew's and Mr. Cocks's length of service has not compromised their objectivity and judgment in discharging their duties and responsibilities as Independent Directors, after considering the following factors (a) shareholding interest, (b) gift or financial assistance, (c) business dealings and (d) financial independence. They do not have any immediate family member who is employed by the Company or its related companies for the past three financial years and whose remuneration is determined by the NRC of the Company. The Board and the NRC also acknowledge and recognise the benefits of their substantial knowledge over the Group's businesses and operations and experience as well as stability brought by long-serving Independent Directors.

On 6 August 2018, the SGX-ST amended the Listing Rules following the publication of the 2018 CG Code by the MAS. As part of the amendments to the 2018 CG Code, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Rules for mandatory compliance. On 28 November 2018, the SGX-ST issued the Transitional Practice Note 3 to establish transitional arrangements for certain guidelines shifted into the Listing Rules. Pursuant thereto and in respect of Rule 210(5)(d)(iii) of the Listing Rules (which came into effect on 1 January 2022), to ensure that the independence designation of a director who has served for more than 9 years as at and from 1 January 2022 is not affected, his or her continued appointment as an Independent Director will have to be subject to the two-tier voting.

The continued appointment of both Mr. Nicholas Campbell Cocks and Mr. Chew Soo Lin as Independent Directors has been sought and approved in separate resolutions by (i) all shareholders and (ii) shareholders excluding the Directors and the Group CEO, and associates of such Directors and the Group CEO at the AGMs held on 28 July 2022 (FY2022 AGM) and 30 July 2021 (FY2021 AGM) respectively pursuant to Listing Rule 210(5)(d)(iii). Such approval shall continue in force until the earlier of their retirement or resignation as Directors or at the conclusion of the third AGM after the FY2021 and FY2022 AGM. However on 11 January 2023, SGX RegCo announced the removal of Listing Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST. Accordingly, pursuant to Rule 210(5)(d)(iv) of the Listing Rules, both Mr. Nicholas Campbell Cocks and Mr. Chew Soo Lin will continue to serve as independent Directors of the Company until the annual general meeting held for financial year ended 31 March 2024.

As the Group Chief Executive Officer ("Group CEO") of the Company, Mr. Kuah Boon Wee is considered non-independent by virtue of his employment with the Company.

In addition, the Board has considered Mr. Kuah Kok Kim, (i) the father of Mr. Kuah Boon Wee, the Group CEO of the Company; and (ii) a substantial shareholder of the Company, as non-independent.

Each member of the NRC and the Board recused himself from the NRC's and the Board's deliberation respectively on his own independence.

Three (3) out of the seven (7) Directors are independent and the Board recognises that this is not in accordance with Provision 2.2 of the 2018 CG Code that requires independent directors to make up a majority of the board where the Chairman is not independent. The Board is cognizant of the requirement under Rule 710 of the Listing Rules which requires issuers to explicitly state, when deviating from the provisions prescribed in the 2018 CG Code an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.The explanations are as follows:

- Although the Independent Directors are not in a majority, the Board, together with the NRC, is of the view that there is a strong independent element on the Board considering that there are five (5) Non-Executive Directors, making up a majority of the Board. The Board has always discussed important issues robustly without having individual or small group of individuals dominate the Board's decision-making process. Including the three (3) Independent Directors, the Non-Executive Directors have collectively demonstrated strong independence character and are able to provide objective advice in the best interests of the Company.

- The Executive Directors possess better industry knowledge to take the Group forward while the Non-Executive Directors, who are professionals and experts in their own fields, bring with them a wide spectrum of industry knowledge and skills, experience in accounting, financial, legal and regulatory and business strategies, are able to contribute their valuable experiences and provide independent judgment during Board deliberations. The Non-Executive Directors, including the Independent Directors, have always take on active roles in questioning, assessing and defending decisions on strategy and policy that are presented to them. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively.

- The Board has a Lead Independent Director, Mr. Nicholas Campbell Cocks, to assume the board chairmanship role and to provide leadership, in instances where the Chairman is perceived to be conflicted and has to recuse himself from the discussions, recommendations or board decisions relating to such matters. The Lead Independent Director is also available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

- Each of the two Board Committees is chaired by Independent Director.

In view of the above, the Board is satisfied that the Board's composition has an appropriate level of independence, diversity of thoughts and background and existing practices adopted by the Company to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the 2018 CG Code. Nevertheless, the Board and the NRC will constantly examine its composition from time to time to ensure a strong and independent element on the Board.

Board Diversity

The Board has put in place a Board Diversity Policy in July 2022, which sets out its policy and framework for promoting diversity on the Board. The Board recognises the importance of having a Board comprising persons whose diverse skills, experience and attributes provide for effective direction for the Group and contributes to the quality of its decision making.

The Board, in concurrence with the NRC, has approved the following diversity targets to be met by the composition of the Board:

Targets	Progress
Achieve at least one female representation on the Board	With the new appointment of Ms. Ho Gek Sim Grace as a Director of the Company in October 2022, the Board has achieved its target of at least one female representation. The Board noted that the Council for Board Diversity has recommended for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030, and will strive to increase its female representation in the Board over time.
Maintain age diversity with Directors, with age ranging from 50s to above 70s with majority of the Directors within the above 50s but below 70s age group	The Board has continued to maintain this target.

Notwithstanding that the Company has currently met its target on female representation, when making recommendations to the Board for the appointment of a new Director, the NRC will continue to take steps and ensure that:

- if external search consultants are used to search for candidates, the requirement to present female candidates will be made known;
- female candidates are included for consideration; and
- the various aspects of diversity such as qualifications, skills, experience, gender, age, ethnicity and knowledge of the Company of the candidates will be taken into consideration as part of its recruitment exercise to be consistent with the intent of Provision 2.4 of the 2018 CG Code and to arrive at a desired balanced composition of the Board.

The Board comprises of business leaders and professional with diverse background and broad range of knowledge, expertise and experience in different fields such as accounting, finance, legal, management and strategic planning, providing an effective blend of business and operational expertise, which enable the Board to make decisions in the best interest of the Company. The varied backgrounds of the Directors enable Management to benefit from their respective expertise and diverse background.

Accordingly, taking into consideration the nature and scope of the Group’s operations, the NRC and the Board are of the view that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications and age on the Board, and is satisfied that the objectives of the Board Diversity Policy are met.

The NRC and the Board acknowledge that improvements to Board diversity practices are an ongoing process and that skill-set and core competencies required of the Board may change over time as the business of the Group develops. The NRC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness and will recommend appropriate revisions to the Board for consideration and approval.

Board Guidance

The Non-Executive Directors and/or Independent Directors constructively review and assist the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting agreed objectives and monitor the report performance. They meet and/or hold discussions as and when required without the Management's presence to facilitate a more effective check on the Management.

The Directors are also welcomed to request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the Management. The Chairman will make the necessary arrangements for the briefings, informal discussions or explanations required by the Directors.

The Directors' academic, professional qualifications, background and experience are set out in the "Board of Directors" section of this Annual Report.

Meeting of Directors without Management

The Non-Executive Directors (including Independent Directors) would meet without the presence of the Management or Executive Directors before the Board meeting as and when circumstances warrant for such. Thereafter, the Lead Independent Director would feedback to the Chairman and the Group CEO on any concerns or feedback raised by them during such meeting.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr. Kuah Kok Kim was re-designated to Non-Executive Chairman of the Company since 1 October 2012. His responsibility is to lead the Board to ensure its effectiveness on all aspects of its role, set its agenda, control the quality, accuracy and timeliness of the flow of information to the Board, ensure effective communication with shareholders, encourage constructive relations between the Board and Management, facilitate the effective contribution of the Directors, encourage constructive relations between the Directors and assist in compliance with the Company's guidelines on corporate governance.

Mr. Kuah Boon Wee, the son of Mr. Kuah Kok Kim, is the Group CEO of the Company. He is responsible for the implementation of the Group's strategies and policies, and the conduct of the Group's operations and businesses, through the assistance of senior management. The Group CEO assists the Chairman in the latter's execution of his responsibilities.

In view that the Chairman is not an Independent Director, the Board has appointed Mr. Nicholas Campbell Cocks as the Lead Independent Director since 2013. He leads and co-ordinates the activities of the Independent Directors and calls for meetings of the Independent Directors, where necessary. He is the principal liaison on board issues between the Independent Directors and the Chairman, including having to deal with the Management of any actual or perceived conflict of interest that may arise.

The Company's Constitution has made provisions for the Group CEO to be subject to the one-third rotation rule as well. This is to separate his management roles from his position as a Board member and to enable shareholders to exercise their full rights to select all Board members. The Board has also established various committees with the power and authority to perform key functions beyond the authority of, or without undue influence from, the Group CEO.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NRC is formed to undertake the roles of the Nomination Committee and the Remuneration Committee.

The NRC comprises the following Directors who are all Non-Executive, and majority of whom, including the Chairman, are independent:

Nicholas Campbell Cocks	(Chairman)	(Lead Independent Director)
Chew Soo Lin		(Independent Director)
Ong Eng Yaw		(Non-Independent Director)

The NRC is regulated by a set of written terms of reference that are in line with the 2018 CG Code and the NRC held two meetings for the financial year ended 31 March 2023. The principal nomination functions include, but are not limited to, the following:

- making recommendations to the Board on appointments and re-nominations of existing Directors for re-election and/or any member of the Board Committees;
- oversee the Board and key management personnel's succession and leadership development plans;
- assessing the effectiveness of the Board as a whole, the Board Committees, and each Director's competencies, commitment, contribution and performance;
- evaluating the independence of the Directors;
- reviewing the Board structure, size and composition, having regards to the scope and nature of the operations of the Group and the core competencies of the Directors as a group; and
- deciding whether a Director is able to and has been adequately carrying out his duties as Director of the Company particularly where Director has multiple board representations.

Article 91 of the Company's Constitution requires one-third of the Directors to retire by rotation at every AGM. The Board complies with Rule 720(5) of the Listing Rules that each director is required to retire at least once every three years. In addition, Article 97 of the Company's Constitution stipulates that all new Directors must submit themselves for re-election at the next AGM of the Company immediately following their appointment.

The dates of initial appointment and last re-election of the Directors are set out below:

Director	Appointment	Date of Initial Appointment	Date of Last Re-election
Kuah Kok Kim	Chairman	01.01.1997	28.07.2022
Kuah Boon Wee	Executive Director	10.10.2006	30.07.2021
Nicholas Campbell Cocks	Lead Independent Director	01.10.2010	28.07.2022
Chew Soo Lin	Independent Director	18.05.2012	28.07.2020
Ho Gek Sim Grace	Independent Director	26.10.2022	–
Ho Han Siong Christopher	Non-Executive; Non-Independent Director	30.10.2007	30.07.2021
Ong Eng Yaw	Non-Executive; Non-Independent Director	28.10.2016	28.07.2020

The NRC has recommended the re-election of Mr. Chew Soo Lin and Mr. Ong Eng Yaw who are retiring pursuant to Article 91 and Ms. Ho Gek Sim Grace who is retiring pursuant to Article 97 of the Company's Constitution to be re-elected as Directors of the Company at the forthcoming AGM.

On 11 January 2023, SGX RegCo announced the removal of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST. Accordingly, pursuant to Rule 210(5)(d)(iv) of the Listing Rules, Mr. Chew Soo Lin will continue to serve as an Independent Director of the Company until the annual general meeting held for financial year ended 31 March 2024.

Mr. Chew Soo Lin, Mr. Ong Eng Yaw and Ms. Ho Gek Sim Grace, being eligible, had consented to remain in office. Each of these Directors, being interested in matter, had abstained from all discussions and recommendations in respect of their re-election.

The Board has accepted the NRC's recommendations.

Shareholders are provided with additional information on Directors seeking re-election on pages 141 to 142 of this Annual Report.

Nomination and Selection of Directors

When a need for a new director arises, either to replace a retiring director or to enhance the Board's strength, the NRC will, in consultation with Management and the Board, source for new candidates with the desired competencies and taking into consideration such as qualifications, skills, experience, age, gender, ethnicity and knowledge of the Company. If necessary, external consultants may be engaged to source for potential candidates. In addition, the NRC may also tap on its networking contacts or through recommendations from Board members, business associates and professional bodies to assist with identifying and shortlisting of candidates. The NRC will then recommend its shortlisted candidates to the Board. Meeting with the candidates will be arranged to facilitate open discussion to assess the suitability and mutual expectation before the appointment is considered and approved. For the year under review, a new Independent Director was appointed on 26 October 2022.

Review of Directors' Independence

The NRC conducts an annual review of each Director's independence and takes into consideration the relevant provisions in the 2018 CG Code and Listing Rules. The NRC has ascertained that save for Mr. Kuah Kok Kim, Mr. Kuah Boon Wee, Mr. Ho Han Siong Christopher and Mr. Ong Eng Yaw, all Directors are considered independent according to the criteria. Please refer to our disclosure under Principle 2 above on the determination of independence. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NRC is responsible for deciding if a Director is able to and has been adequately carrying out his duties as a Director if he has multiple board representations.

The NRC, together with the Board, is satisfied that Directors who have multiple board representations have committed sufficient time, attention and contributed meaningfully to the affairs of the Group. Their multiple board representations do not hinder their abilities to carry out their duties as Directors of the Company. Accordingly, there is no limit set on the number of listed company board representations a Director may hold. However, each Director is required to disclose to the NRC his board representation whenever there are changes to his directorship. In addition, the NRC, together with the Board would continue to review from time to time the board representations and other principal commitments of the Directors to ensure that they continue to meet the demands of the Group and are able to discharge their duties adequately. Based on the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at the Board and Board Committee meetings, the NRC and the Board are satisfied that all Directors have discharged their duties adequately for the financial year ended 31 March 2023.

Apart from the Group, below are the lists of the Directors' principal commitments and directorships both present and those past held over the preceding five (5) years:

Name of Director	Present directorships in other listed companies	Past directorships in other listed companies held over the preceding 5 years	Present principal commitments	Past principal commitments held over the preceding 5 years
Kuah Kok Kim	–	–	–	–
Kuah Boon Wee	– The Hour Glass Limited – UOB-Kay Hian Holdings Limited – Sing Investments & Finance Limited	–	–	–
Nicholas Campbell Cocks	–	–	Mr. Cocks is the Chief Executive Officer of Readymix Group and the Managing Partner of Velocity Ventures.	–
Chew Soo Lin	– Asia-Pacific Strategic Investment Ltd – Duty Free International Limited – Khong Guan Limited – Kim Hin Joo (Malaysia) Berhad	– China Medical (International) Group Limited	Mr. Chew is the Executive Chairman of Khong Guan Limited and sits on the board of certain subsidiaries of Khong Guan Limited.	–
Ho Han Siong Christopher	–	–	Mr. Ho is the Senior Vice President for Investments of Tai Tak Securities Pte Ltd and sits on the board of certain subsidiaries of Tai Tak Group.	–
Ho Gek Sim Grace	–	–	Ms. Ho is the Chief Executive Office of Super Grains Pte Ltd and its subsidiaries, and an Advisor at local tech startups, SWAT Mobility Pte Ltd and 8VI Holdings Limited. She is also an Advisory Member of National Library Board of Singapore Digital Services and Customer Experience Committee and sits on the board of SQL View (S) Pte Ltd.	1) NTUC Link Board (Independent director) 2) NTUC Enterprise Transformation Committee (Advisory member) 3) NTUC Enterprise Digital Transformation Steering Committee (Advisory member) 4) NTUC Income Digital & Technology Committee (Advisory member)
Ong Eng Yaw	–	–	Mr. Ong is a senior executive in Hwa Hong Corporation Limited. He also sits on the board of certain subsidiaries of Hwa Hong Corporation Limited.	–

Key Information on Directors

The profile of the Directors and key information are set out under "Board of Directors" section in this Annual Report. Additional information on Directors seeking re-election as required under Rule 720(6) of the Listing Rules is also appended to the Notice of AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation and Board Performance Criteria

On an annual basis, the NRC will also assess the Directors' performance as a whole based on the achievement of the Group's strategic and long-term objectives. The assessment process involves evaluation against a set of objectives, quantitative and qualitative performance criteria proposed by the NRC and approved by the Board. While the 2018 CG Code recommends that the directors be assessed individually, the NRC felt that it is more appropriate and effective to evaluate the Board on a whole, bearing in mind that each Board Member contributes in different ways. A director would have been appointed or re-nominated on the strength of his calibre and relevant experience that could contribute to the proper guidance of the Group's businesses. Management can also access them for guidance or exchange of views outside the formal environment of Board meetings.

As part of the Board effectiveness evaluation for the financial year ended 31 March 2023, all the Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance and the Board Committees. The results of the completed questionnaires are collated by the Company Secretary who will then submit to the NRC. The findings are analysed and discussed by the NRC and presented to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. These performance criteria shall not change from year to year, and where circumstances deem it necessary for any criteria to be changed, the NRC and the Board shall justify their decision for the change.

The NRC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The NRC regulated by a set of written terms of reference that are in line with the 2018 CG Code and its principal remuneration functions include, but are not limited to, the following:

- making recommendations to the Board a framework of remuneration for the Board and key management personnel of the Group, covering all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and benefit-in-kind;
- determining the remuneration package for each Director and the Group CEO as well as the key management personnel;
- administering the MTQ Share Plan and any other share option or share plan established from time to time for the Directors and key management personnel; and
- reviewing the senior executive development, succession plans and recruitment strategies of the Group.

Where necessary, the NRC may seek external expert advice in the field of executive compensation outside the Company. During the financial year, the NRC has not sought external advice nor appointed any external remuneration consultant.

In setting the remuneration packages, the Group is committed to ensuring its remuneration structures are appropriately aligned with shareholder value creation over the short and long term and focuses on motivating, rewarding and retaining key executives. The remuneration structures aim to link performance and reward against the profits or objectives set in the Group's business plans and strategies while taking into account challenges and market forces that the Group is confronted with when faced with cyclical and economic forces.

Remuneration Structure

(i) Remuneration of Non-Executive Directors

The Non-Executive Directors do not have service contracts, receive retirement benefits nor do they participate in any incentive programs. Each Non-Executive Director is paid director's fee, of which the amount is dependent on their level of responsibilities.

Each Non-Executive Director, except the Chairman of the Board, receives a base fee of S$27,000 while the Chairman of the Board receives a base fee of S$59,500. An additional fee of S$6,750 to S$20,250 is paid if the Director (except the Chairman of the Board) serves as member or Chairman of the AC or the NRC. The additional fees paid for serving on a committee recognises the additional time commitment required by the Directors.

The NRC has recommended to the Board a total amount of up to S$350,000 as Directors' fees for the financial year ending 31 March 2024 ("FY2024"), to be paid quarterly in arrears. This would be tabled for approval by shareholders of the Company at the forthcoming AGM. No Director is involved in deciding his own remuneration. The Directors' fees are paid wholly in cash.

The Board concurred with the NRC that the proposed Directors' fees for FY2024 is appropriate and not excessive, taking into consideration the level of contributions by the Directors, their responsibilities and obligations and factors such as effort and time spent for serving on the Board and Board Committees.

In addition to the above, the Chairman of the Board is paid consultancy fees for consultancy services provided to a subsidiary of the Group.

(ii) Remuneration of Executive Director

The remuneration scheme for the Executive Director is linked to performance, service record, experience and scope of responsibility. Performance is measured against the profits or objectives set in the Group's business plans and strategies. The Group CEO, being the Executive Director, does not receive director's fees.

The service contract for the Group CEO does not contain onerous removal clauses. The terms of service contract, including any early termination compensations clauses, have been reviewed and approved by the Board.

The Group CEO's remuneration mix comprises:

- Fixed element – salary and benefits which accounts for approximately 25% of the maximum remuneration in a financial year.
- Variable element – is payable between one (1) to four (4) years, subject to certain conditions in the terms of service contract agreement and the NRC's approval.

(iii) Remuneration of Top Five Key Management Personnel

The Group segments its employees into 3 key groupings:

a) individuals who are best able to influence the long-term strategy and direction of the organisation;

b) key employees across the organisation who have a greater influence over business outcomes; and

c) all other employees.

In creating a total remuneration framework for segment (a) and (b) employees, the Group adopts both short and long-term incentives in addition to the fixed element of the employees' remuneration.

Short-term rewards are cash-based and reflect both the individual and business performance over the relevant financial period. The amount to be awarded is based on the profits of the business units as well as the individual's performance score during the annual appraisal process.

Remuneration Outcome

The remuneration paid* to the Directors during the financial year ended 31 March 2023 are set out below:

Name of Director	Fixed Component[1] (S$'000)	Variable Component[2] (S$'000)	Provident Fund[3] (S$'000)	Benefits[4] (S$'000)	Consultancy Fees[5] (S$'000)	Directors' Fees[6] (S$'000)	Total (S$'000)
Kuah Kok Kim[7]	–	–	–	–	156	60	216
Kuah Boon Wee[7]	371	28	16	22	–	–	437
Nicholas Campbell Cocks	–	–	–	–	–	49	49
Chew Soo Lin	–	–	–	–	–	54	54
Ho Gek Sim Grace	–	–	–	–	–	12	12
Ho Han Siong Christopher	–	–	–	–	–	38	38
Ong Eng Yaw	–	–	–	–	–	34	34

* All the remuneration paid were rounded to the nearest thousand.

1 Fixed Component refers to base salary and Annual Wage Supplement paid during the financial year ended 31 March 2023.

2 Variable Component refers to cash bonuses awarded for financial year ended 31 March 2022's performance paid out during the financial year ended 31 March 2023.

3 Provident Fund represents payments in respect of statutory contributions to the Singapore Provident Fund.

4 Benefits are stated on the basis of direct costs, and include car benefits and other non-cash benefits such as club memberships.

5 Consultancy Fees refer to fees for consultancy services provided to a subsidiary during the financial year ended 31 March 2023.

6 Directors' Fees are paid on a quarterly basis in arrears.

7 Mr. Kuah Kok Kim, Chairman of the Company, is the father of Mr. Kuah Boon Wee, Group CEO of the Company.

The remuneration* of the top 5 key management personnel (who are not directors) of the Group are as follows:

Name of Key Management Personnel	Fixed Component[1] (S$'000)	Variable Component (S$'000)	Provident Fund[4] (S$'000)	Benefits[5] (S$'000)	Total (S$'000)
S$250,001 to S$500,000					
Asif Salim Vorajee	191	46[2]	16	134	387
Sumardi Bin Sidi	160	84[2]	10	25	279
Vincent Tan	213	20[2]	19	18	270
Ian Robert Hortin	162	60[3]	17	31	270
S$250,000 and below					
Tan Lee Fang	131	15[2]	17	–	163

* All the remuneration were rounded to the nearest thousand.

1 Fixed Component refers to base salary and Annual Wage Supplement (if any) paid during the financial year ended 31 March 2023.

2 Included cash bonus, which was awarded for financial year ended 31 March 2022's performance paid out during the financial year ended 31 March 2023.

3 Included commissions paid out during the financial year ended 31 March 2023.

4 Provident Fund represents payments in respect of statutory contributions to national pension schemes.

5 Benefits are stated on the basis of direct costs, and include car benefits and other non-cash benefits such as club memberships.

The total amount paid to the top 5 key management personnel during the financial year ended 31 March 2023 is S$1.4 million.

There was no termination, retirement and post-employment benefits granted to the Directors, Group CEO or other key management personnel for the financial year under review.

There are no contractual provisions which allow the Company to reclaim incentive components of remuneration from the key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Remuneration of employees who are immediate family members of a Director or the CEO

Other than Mr. Kuah Kok Kim and Mr. Kuah Boon Wee, no employee of the Company and its subsidiaries was an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during the financial year ended 31 March 2023.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control and risk management framework and has implemented a system of internal controls and risk management designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Group adopts a bottom-up approach for the risk management process to address financial, operational, compliance and information technology risks. Business units implement appropriate risk management frameworks and have the primary responsibility and accountability to identify, evaluate, manage and monitor risks that may have an impact on their operations. Appropriate risk management frameworks that are adopted form integral parts of the business operations. Risks identified are regularly reviewed and monitored by the respective management teams at management meetings or at forums specifically convened to ensure sufficient controls are in place to mitigate these risks affecting the Group.

The AC reviews the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls and risk management systems (including climate-related risks) established by Management.

The Group outsourced its internal audit function to Crowe Horwath First Trust Risk Advisory Pte Ltd ("IA"), which provides internal audit, enterprise risk management and sustainability reporting services to about 32 public corporations in Singapore. Locally, Crowe has 10 professionals led by 2 directors. The engagement team in providing internal audit services to the Group comprises Mr. Goh Sia (Team Partner), Mr. Chia Shu Siang (Team Lead) and Mr. Joseph Goh (Team Manager), who are assisted by a team of professionals.

Mr. Goh Sia is a practising member, Institute of Singapore Chartered Accountants ("ISCA"), Certified Internal Auditor, Certified Information Systems Auditor, Certified in Quality Assurance Review and Certified in Risk Management Assurance, who has more than 20 years in audit and consulting services. He is a Senior Partner leading the Assurance and Risk Advisory teams in Crowe Horwath First Trust LLP. Mr. Chia Shu Siang is a non-practicing member, ISCA, and a Certified Internal Auditor, who has over 19 years of experience in providing financial assurance and risk consulting services to companies ranging from multinationals, public listed companies and government corporations. Whilst Mr. Joseph Goh is a CPA Australia, Certified Internal Auditor and Certified Information Systems Auditor, who has more than 8 years of experience in providing assurance and risk advisory services.

The internal audit reviews were carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

Reporting directly to the AC, the IA plans the work in consultation with, but independent of Management and its yearly plan is submitted to the AC for review and approval. The IA has unrestricted access to the Company's documents, records, properties, and personnel of the Group. The IA presents his findings to the AC on a yearly basis. Any non-compliance or internal control weaknesses noted during the internal audit, the corresponding recommendations and Management's responses are reported to the AC. The AC approves the hiring, removal and evaluation of the IA. On an annual basis, the AC has also reviewed and is satistied that the Group's IA function is independent, effective and adequately resourced by qualified and experienced professionals.

During the financial year under review, the Board and the AC have reviewed the adequacy and effectiveness of the Group's internal controls to address the Group's financial, operational, compliance and information technology controls and risk management systems. In addition, the Board also received written assurances:

- from the Group CEO and Group Financial Controller that the Group's financial records have been properly maintained and the financial statements for the financial year ended 31 March 2023 give a true and fair view of the Group's operations and finances; and
- from the Group CEO, Group Financial Controller and other key management personnel that the Group's risk management and internal control systems in place are adequate and effective.

The AC has reviewed and is satisfied:

- with the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management systems;
- with the adequacy and effectiveness of the internal audit function;
- that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company and the Group; and
- that the independence of the external auditor has not been compromised in relation to the non-audit services provided.

Based on the internal controls and risk management framework established and maintained by the Management, review of work performed by the internal and external auditors, regular audits conducted by independent parties for industrial accreditation and customer quality controls and reviews performed by the Management, the Board and the various Board Committees as well as the assurances from the Group CEO, Group Financial Controller and other key management personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 31 March 2023.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against irregularities especially those arising from poor judgment in decision making, human error, losses and fraud.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following Directors:

Chew Soo Lin	(Chairman)	(Independent Director)
Nicholas Campbell Cocks		(Lead Independent Director)
Ho Han Siong Christopher		(Non-Independent Director)

The AC comprises three (3) members, who are all Non-Executive, and majority of whom including Chairman are independent. The members of the AC are appropriately qualified to discharge their responsibilities and have relevant accounting and related financial management experience and expertise. None of the AC members were previous partners or directors of the Company's external auditor, Ernst & Young LLP, within the last two years or has any financial interest in the audit firm.

The AC has been set up to perform the functions required pursuant to Section 201B(5) of the Companies Act, the Listing Rules and the Code of Corporate Governance. The principal functions of the AC are found on the Directors' Statement section on pages 34 to 35 of this Annual Report.

The Board is of the view that members of the AC have the requisite accounting and financial management expertise or experience to carry out their duties. The AC regulated by a set of written terms of reference that are in line with the 2018 CG Code. During the financial year, the AC has carried out duties as provided in their terms of reference.

The AC meets at least four times a year and plays a key role in assisting the Board to ensure that the financial reporting and internal accounting controls of the Group meet the highest standards. Changes to accounting standards which have a direct impact on the financial statements will be highlighted to the AC from time to time by the external auditor. The AC met four times during the financial year ended 31 March 2023.

The AC is empowered to investigate any matter within its written terms of reference, including matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention. The AC has the full discretion to invite any Director and/or executive officer to attend its meetings. The AC also has full access to the internal and external auditors without the presence of the management of the Company as well as full access to records, resources and personnel, to enable it to discharge its functions properly.

In addition, the AC reviews the scope and results of the audit and its cost effectiveness, and on an annual basis, the adequacy, effectiveness, independence and objectivity of the external auditor of the Group. In line with Rule 1207(6) of the Listing Rules, the AC has also taken into account the nature and extent of non-audit services provided by them and has confirmed that the non-audit services provided by the external auditor would not affect their independence. A breakdown of the fees for audit and non-audit services paid to the auditor for the financial year ended 31 March 2023 are found on page 71 of this Annual Report.

The AC meets with the internal and external auditors at least once on an annual basis, without the presence of Management, to review the overall scope of both internal and external audits, and the assistance given by management to the auditors. The AC pays full attention to any material weaknesses reported and the recommendations proposed by both the internal and external auditors to ensure that the Group maintains a sound system of internal controls. In addition to the above, the AC reviews the half year and full year financial statements of the Group before submitting them to the Board for its approval and the announcement of the financial results.

The AC keeps abreast of the changes to accounting standards and issues that may have a direct impact on the financial statements by referring to the best practices and guidance as well as reports issued from time to time from the relevant authorities and professionals. During the year, the AC was also briefed on the new accounting standards that might impact the Group's consolidated financial statements by the external auditor at the AC meetings.

In the review of the financial statements, the AC has discussed with the Management the significant accounting principles that were applied and their judgments and estimates of items that might affect the integrity of the financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the financial statements. The Key Audit Matters (KAMs) impacting the annual financial statements were discussed with the Management and the external auditor and were reviewed by the AC. Details of the KAMs are found on pages 36 to 40 of this Annual Report.

The Company has in place a whistle-blowing policy where employees of the Group and other stakeholders may raise concerns about possible improprieties in matter of financial reporting, misconduct or wrongdoing relating to the Group and its officers or other matters in confidence and in good faith, without fear of reprisal. The Company is committed to ensure that any whistleblower is protected against detrimental or unfair treatment. The AC is responsible for the oversight and monitoring of the whistle-blowing policy and ensuring that it is properly administered. To ensure independent investigation of such matters and appropriate follow-up action, all whistle-blowing reports are to be sent to the AC and are kept confidential. Details of the whistle-blowing policy are given to all staff and new recruits during orientation. There were no whistle-blowing reports received during the year under review.

The AC is satisfied that the Company has complied with Rules 712 and 715 read with 716 of the Listing Rules regarding the appointment of auditors of the Company and its subsidiaries. The AC has recommended to the Board the re-appointment of Ernst & Young LLP as the external auditor of the Company for the financial year ending 31 March 2024.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to treat all shareholders fairly and equitably and recognises, protects and facilitates the exercise of shareholders' rights.

The Company strives for timeliness and transparency in its disclosures to the shareholders and the public and will continue to disseminate any price-sensitive information on a comprehensive, accurate and timely basis through SGX-ST via SGXNet. The Company does not practice selective disclosure of information. Such information will be simultaneously posted on our corporate website at www.mtq.com.sg and investor portal, www.shareinvestor.com. Financial results and annual reports will be announced within the legally prescribed periods.

The Group has an internal investor relations team which may contact and liaise with analysts and media, if necessary, upon release of its financial results. An investor relations email account, investorrelation@mtq.com.sg, has been set up to communicate with the analysts, media and shareholders.

Shareholders are invited to attend the general meetings to put forth any questions or share their views regarding the proposed resolutions and the Group's business and affairs. Shareholders are informed of shareholders' meetings through notices contained in annual reports and/or appendixes/circulars sent to all shareholders.

In order to allow sufficient time for shareholders to review, the Annual Report FY2022/2023, together with the Appendix and Notice of AGM, will be made available to the Shareholders at least 28 days in advance before the scheduled AGM date. These documents are also published on the SGXNet and our corporate website, www.mtq.com.sg.

If any shareholder is unable to attend, the Company's Constitution has made provisions for shareholders to appoint a proxy or proxies to attend and vote on their behalf. The Company is, however, not implementing absentia voting methods such as mail, e-mail or fax until the authentication of shareholder identity and other related security issues have been addressed satisfactorily.

An email account, lead_id@mtq.com.sg, addressed to the Lead Independent Director has been set up to communicate and solicit feedback from the shareholders.

At the shareholders' meetings, separate resolutions are set for each distinct issue.

The Company has implemented electronic poll voting for all shareholders' resolutions since 2014. All shareholders present are briefed on the voting procedures before the start of the meeting. Independent scrutineers firm is appointed to conduct the voting process and to validate the votes after each resolution. Shareholders are allowed to vote in person or by proxy if they are unable to attend the Company's AGM. The Company's Constitution allows a shareholder to appoint two or more proxies to attend and vote on the shareholder's behalf at the general meeting of shareholders. The proxy need not be a Member of the Company. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at each general meeting of shareholders. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, were announced immediately at the AGM and via SGXNET thereafter.

At general meetings, shareholders are given the opportunity to share their views and direct questions to the Board on any matter relating to the Group's businesses and operations or resolutions tabled at the meeting. The Directors and Management are present at the general meeting to address shareholders' queries. The external auditor is also present at the AGM of the Company to address queries about the conduct of audit and the preparation and content of the Auditor's Report.

The proceedings of the general meeting are minuted by the Company Secretary, including all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are publicly available on the Company's corporate website, www.mtq.com.sg.

Due to the COVID-19 pandemic, the FY2020, FY2021 and FY2022 AGMs were convened and held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") and shareholders were not be able to attend the AGM in person.

However, on 3 March 2023, SGX RegCo has announced that that the Ministry of Law will revoke the Order from 1 July 2023. Consequent to this, general meetings that all listed issuers conduct from the date of the revocation of the Order will have to return to the physical mode. Accordingly, the Company will resume physical meeting for the forthcoming FY2023 AGM at Carlton Hotel.

Following the amendments to Rule 705(2) of the Listing Rules which came into effect from 7 February 2020, the Company is no longer required to release the Group's unaudited financial statements on a quarterly basis. After due deliberation, the Board decided not to continue with quarterly reporting of the Group's financial results and instead, release financial reports on a half-yearly basis with effect from the financial year ended 31 March 2020. Notwithstanding this, the Company continue to keep shareholders updated on material developments relating to the Company and the Group in compliance with the continuing disclosure obligations, as and when appropriate.

The Company does not have a formal dividend policy. The Board takes into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate in considering the form, frequency and amount of dividend payments. All dividend payouts are clearly communicated to shareholders in public announcement via SGXNet. The Board is cognizant of the requirement to provide reasons in support of its decision in the event it is not declaring or recommending a dividend.

For the financial year ended 31 March 2023, the Company has proposed a one-tier tax exempt final dividend of 0.5 Singapore cents per share, subject to shareholders' approval at the forthcoming AGM.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company actively engage with its stakeholders through various medium and channels to ensure that its business interests are aligned with those of its stakeholders.

The Company's engagement with all stakeholders including key areas of focus and engagement channels are set out in the Sustainability Report section which can be found on page 127 of this Annual Report.

The Company maintains a corporate website, www.mtq.com.sg, to communicate and engage with stakeholders.

DEALINGS IN SECURITIES

(Rule 1207(19) of the Listing Rules)

The Company has adopted an internal code to provide guidance to the Company, its Directors and officers of the Group in regards to trading in the Company's securities ("Code").

The Directors and officers of the Group are notified and reminded to observe insider trading laws at all times and against dealing in securities when they are in possession of unpublished price sensitive information and on short-term considerations.

The Company, its Directors and officers of the Group are refrained from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year financial statements ("window periods").

Consistent to the above, the Company will not undertake any purchase of its own ordinary shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. The window periods as stated above also apply for share buyback.

In addition, Directors are required to report to the Company Secretary within two business days whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with the requirements of the Listing Rules.

The Company has complied with its Code and has not dealt in its securities during the above window periods. In addition, the Company Secretary has, from time to time, updated the Directors and officers with regulations on prohibitions on dealing in the Company's securities.

MATERIAL CONTRACTS

(Rule 1207(8) of the Listing Rules)

Except as disclosed in the financial statements, there were no material contracts of the Company and of the Group involving the interests of the Group CEO, each Director or controlling shareholders, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

(Rule 907 of the Listing Rules)

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are on an arms' length basis and are not prejudicial to the interests of the shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rules 1207(17) and 920 of the Listing Rules. There were no interested person transactions entered into by the Group during the financial year under review.

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of MTQ Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 March 2023.

Opinion of the Directors

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Kuah Kok Kim
Kuah Boon Wee
Nicholas Campbell Cocks
Chew Soo Lin
Ho Han Siong Christopher
Ong Eng Yaw
Ho Gek Sim Grace (Appointed on 26 October 2022)

Arrangements to enable Directors to acquire shares and debentures

Except as described in the paragraphs below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
The Company	**At 1.4.2022**	**At 31.3.2023**	**At 21.4.2023**	**At 1.4.2022**	**At 31.3.2023**	**At 21.4.2023**
(Ordinary shares)						
Kuah Kok Kim	54,313,010	54,313,010	58,317,217	–	–	–
Kuah Boon Wee	7,669,539	7,669,539	7,669,539	–	–	–
Nicholas Campbell Cocks	637,659	739,373	739,373	–	–	–
Ong Eng Yaw	–	–	–	–	11,843,570	11,843,570
(Warrants)[1]						
Kuah Kok Kim	4,004,207	4,004,207	–	–	–	–
Kuah Boon Wee	786,804	786,804	–	–	–	–
Nicholas Campbell Cocks	101,714	–	–	–	–	–
Ong Eng Yaw	–	–	–	–	87,092	–

1. The warrants have expired on 17 April 2023 and were delisted from the Official List of the Singapore Exchange Securities Trading Limited on 18 April 2023.

Mr. Kuah Kok Kim is deemed to have an interest in shares of the Company's subsidiaries, associate and joint venture by virtue of his interest in more than 20% of the issued share capital of the Company as at the end of the financial year.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share Plan

(a) The Group has adopted a compensation scheme, known as the MTQ Share Plan (the "Share Plan"), approved by shareholders of the Company at an Extraordinary General Meeting held on 26 July 2013, to grant the right to receive fully paid ordinary shares ("Award"). The Share Plan, *inter alia*, allows for the participation of employees of the Group and employees of associated companies (a company as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")) who meet the eligibility criteria, but does not include any controlling shareholders and their associates as defined in the Listing Manual of SGX-ST, nor the non-executive directors.

The Share Plan is administered by the Nomination and Remuneration Committee which comprises the following members:

Nicholas Campbell Cocks (Chairman)
Chew Soo Lin
Ong Eng Yaw

The selection of the participants in the Share Plan and the grant of Award are determined by the Nomination and Remuneration Committee at its absolute discretion.

Share Plan (cont'd)

(b) The principal terms of the Share Plan are:

(i) ***Size and Duration***

The total number of new shares which may be delivered by the Company pursuant to the Awards granted under the Share Plan (the "New Shares") on any date, when added to the aggregate number of ordinary shares issued or issuable under any other share schemes which may be implemented by the Company, shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of grant.

The Share Plan shall continue in force at the discretion of the Nomination and Remuneration Committee subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the Share Plan may continue beyond this stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Share Plan, any grant of Awards made pursuant to the Share Plan prior to such expiry or termination will continue to remain valid.

(ii) ***Eligibility to participate in the Share Plan***

Subject to the absolute discretion of the Nomination and Remuneration Committee, the following persons, unless they are also non-executive directors, controlling shareholders and/or their associates (collectively known as the "Participants"), shall be eligible to participate in the Share Plan:

– employees of the Group who have attained the age of twenty-one years before the date of the Award and hold such rank as may be designated by the Nomination and Remuneration Committee from time to time; and

– employees of associated companies who have attained the age of twenty-one years before the date of the Award and hold such rank as may be designated by the Nomination and Remuneration Committee from time to time and who, in the opinion of the Nomination and Remuneration Committee, have contributed to the success of the Group.

(iii) ***Grant of Awards***

Awards under the Share Plan may be granted at any time during the period when the Share Plan is in force. The Nomination and Remuneration Committee shall, in its absolute discretion, decide, in relation to each Award:

– the participants;

– the Award date;

– the number of fully paid ordinary shares which are the subject of the Award;

– the performance targets and the period during which the targets are to be satisfied;

– the extent to which the fully paid ordinary shares which are the subject of that Award shall be released on the prescribed performance targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;

– the vesting date; and

– any other condition as the Nomination and Remuneration Committee may determine.

The granted Awards may not be sold, transferred, mortgaged, charged, assigned, pledged, encumbered or otherwise disposed of, in whole or in part or in any way whatsoever, except with the prior approval of the Nomination and Remuneration Committee and if a participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse.

Share Plan (cont'd)

(b) The principal terms of the Share Plan are: (cont'd)

(iv) ***Operation of the Share Plan***

Subject to the prevailing legislation and the rules of the Listing Manual and such consents or other required action by any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Share Plan and the Company's Constitution, the Company will have the flexibility to settle the Awards upon their vesting by way of:

– issuing new ordinary shares of the Company as fully paid;

– delivering existing ordinary shares (including, to the extent permitted by law, treasury shares); and/or

– paying the aggregate market price in cash in lieu of allotment or transfer of some or all of the new or existing ordinary shares.

(c) In the prior year ended 31 March 2022, 11,392 shares comprised in the Awards granted under the MTQ Share Plan was forfeited. There are no outstanding shares comprised in Awards granted pursuant to the MTQ Share Plan as at 31 March 2022 and 31 March 2023.

(d) None of the Directors of the Company is a participant of the Share Plan since the commencement date to the end of the financial year ended 31 March 2023.

(e) No eligible participant has received shares pursuant to the release of Awards granted which, in aggregate, represents 5% or more of the aggregate of (i) the total number of the New Shares available under the Share Plan; and (ii) the total number of existing ordinary shares delivered pursuant to the settlement of the Awards under the Share Plan.

Audit Committee

As at the date of this report, the Audit Committee comprises of the following members:

Chew Soo Lin (Chairman)
Nicholas Campbell Cocks
Ho Han Siong Christopher

During the financial year, the Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors and reviewed the internal auditor's evaluation of the adequacy of the system of internal accounting controls and the assistance given by the Company's management to the internal and external auditors;
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed the effectiveness of material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;

Audit Committee (cont'd)

- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Listing Manual of SGX-ST.

The Audit Committee, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions.

The Audit Committee convened four meetings during the financial year and has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

The Audit Committee has recommended to the Board of Directors that the auditor, Ernst & Young LLP, be nominated for re-appointment as external auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Kuah Boon Wee
Director

Chew Soo Lin
Director

Singapore
16 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of MTQ Corporation Limited
For the financial year ended 31 March 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MTQ Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2023, the consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (cont'd)

We have identified the following matters as key audit matters:

Impairment assessment of goodwill

SFRS(I) 1-36 Impairment of Assets requires goodwill to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. As at 31 March 2023, the carrying amount of the Group's goodwill amounted to $2,870,000 and was allocated to a single cash-generating unit ("CGU").

The recoverable amount of the CGU to which the goodwill is allocated was determined based on value-in-use calculations derived from cash flow projections. The impairment assessment process involves a high degree of judgment and is subject to significant estimation uncertainties associated with the on-going Ukraine-Russia conflict, sentiments of rising interest rates and prevailing market and economic conditions, which require the management to make various assumptions to the underlying cash flow projections. Accordingly, we identified this as a key audit matter.

Our audit procedures included, amongst others, the following:

- We obtained an understanding of management's impairment assessment process and how management has considered the impact of the prevailing market and economic conditions on the underlying key assumptions.
- We assessed the methodology and arithmetical accuracy of the value-in-use calculations.
- We considered the robustness of management's budgeting process by comparing the actual financial performance against previous forecast and projections.
- We evaluated the reasonableness of management's key assumptions, in particular, revenue, gross margin, discount rates and long-term growth rates projections, to historical data and corroborated to external research on market outlook.
- We engaged the assistance of our internal valuation specialist to assess the reasonableness of the discount rate used by management by comparing to external sources and checking to comparable companies in the same industry.
- We performed sensitivity analysis on the recoverable amounts of the goodwill based on reasonably possible changes in key assumptions.
- We also assessed the adequacy of the Group's disclosures in Note 10 to the consolidated financial statements.

Key audit matters (cont'd)

Valuation of inventories

The carrying value of the Group's inventories as at 31 March 2023 amounted to $17,406,000, net of allowance for inventory obsolescence of $3,031,000. The carrying amount of inventories represented 14% of the Group's total assets as at 31 March 2023.

Inventories are stated at the lower of cost and net realisable value. Inventories are written down to the lower of cost and net realisable value if they are damaged, slow-moving, or become obsolete due to a low market demand. The uncertainties associated with the prevailing market and economic conditions, technological advancements, and pricing competition, increases the risk of the inventories becoming slow moving or obsolete.

Allowance for decline in market value and obsolescence of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, and estimated costs to be incurred for their sales.

Management's judgment was involved in evaluating and adjusting the allowances, in respect of slow moving and obsolete inventories to arrive at valuation of inventories based on lower of cost and net realisable value. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. Accordingly, we identified this as a key audit matter as management's assessment is highly judgmental and subjective.

Our audit procedures included, amongst others, the following:

- We evaluated the appropriateness of management's assessment with respect to slow moving and obsolete inventories.

- We reviewed the management's provisioning policy for inventories to test the robustness of the process in identifying the inventories which required allowance.

- We assessed the adequacy of the allowance by reviewing the movements for long-aged inventories, checked the historical recovery, and current market price.

- We performed further testing on long aged inventory items, by tracing to actual recent sales and checking the market prices to vendor quotations received during and subsequent to the financial year.

- We also assessed the adequacy of the Group's disclosures in Note 19 to the consolidated financial statements.

Key audit matters (cont'd)

Recoverability of trade receivables and contract assets

The carrying amount of the Group's trade receivables of $22,276,000 and contract assets of $4,946,000 as at 31 March 2023 were significant to the Group as collectively they represented 22% of the Group's total assets as at 31 March 2023.

The credit worthiness of debtors may be impacted by the prevailing market and economic conditions. This may result in higher overdue trade receivables and greater collectability risks. Furthermore, the recoverability assessment required management to apply its judgment in the estimation process. As such, we determined the recoverability of trade receivables and contract assets as a key audit matter.

The Group determines impairment of trade receivables and contract assets by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, the Group provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Group's historical default rates analysed by percentage of allowance for doubtful debts to the total credit sales for the past five years, adjusted for current and forward-looking information (where appropriate).

Our audit procedures included, amongst others, the following:

- We obtained an understanding of the Group's credit policies and credit assessment procedures.
- We assessed the Group's processes and controls relating to the monitoring of trade receivables and contract assets and considered aging to identify collection risks.
- We evaluated the adequacy of the allowance for impairment of trade receivables and contract assets through the following:
  - Evaluated management's assumptions and inputs used in the determination of historical default rates and assessed the reasonableness of management's assumptions used in establishing the forward-looking factors by considering the impact that the prevailing market and economic conditions, inflation as well as the on-going Ukraine-Russia conflict, may have on customers' businesses;
  - Checked the arithmetic accuracy of the expected credit loss allowance computation;
  - Reviewed debtors aging report to identify any long overdue receivables and reviewed their historical pattern of settlement;
  - Inquired management if there are any known insolvent debtors or disputed receivables and discussed with management on the collectability of receivables and adequacy of allowance for impairment of these trade receivables;
  - Discussed with management on the recoverability of the contract assets by considering the historical pattern of settlement for the debtors whom billings have yet to be raised for the contract assets;
  - Reviewed the collectability of the trade receivables on a sampling basis, by way of obtaining evidence of receipts subsequent to the balance sheet date from the customers and monitoring if there are any adverse developments on the significant customers based on the publicly available information.
- We also assessed the adequacy of the Group's disclosures on the trade receivables and contract assets and the related risks such as credit risk in Notes 20 and 36(a) to the consolidated financial statements respectively.

Key audit matters (cont'd)

Impairment assessment of interests in subsidiaries and intercompany receivables (Company level)

The carrying amount of the interests in subsidiaries and intercompany receivables as at 31 March 2023 amounted to $32,471,000 and $31,715,000 respectively. These investments and intercompany receivables represent 70% of the Company's total assets and are subject to impairment and expected credit loss assessment. This area was significant to our audit because the assessment of recoverable amount involves management exercising significant judgment and making assumptions about the respective subsidiaries' future performance. Accordingly, we determined this as a key audit matter.

During the financial year ended 31 March 2023, impairment losses on interests in subsidiaries of $4,000 and intercompany receivables of $795,000 and write-back of allowance for impairment of intercompany receivables from subsidiaries amounting to $3,780,000 were recorded at Company level.

Our audit procedures included, amongst others, the following:

- In respect to interests in subsidiaries with indicators of impairment, we performed similar procedures to those as described in key audit matter – Impairment assessment of goodwill.

- In respect of intercompany receivables, we evaluated the adequacy of the allowance for impairment of intercompany receivables through the following:

  – Reviewed management's process of monitoring collectability and review of credit risks of the intercompany receivables and where relevant and available, obtained evidence of subsequent repayment of the amount due from subsidiaries;

  – Evaluated management's determination of whether there has been significant increase in the credit risk of the receivables from the subsidiaries since initial recognition and whether the expected credit loss is material to the financial statements. In particular, we considered the repayment trends of the subsidiaries, historical and future cash flows generating ability of the subsidiaries, recoverable amounts and market values of the assets held by subsidiaries (where available) and outlook observed from external information sources.

- We also assessed the adequacy of disclosures in Notes 15, 18 and 20 to the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Philip Ng Weng Kwai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
16 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023 (In Singapore dollars)

	Note	2023 $'000	2022 $'000
Revenue	4	83,834	52,043
Cost of sales		(56,848)	(37,374)
Gross profit		26,986	14,669
Other income	5	892	1,527
Staff costs		(9,700)	(8,368)
Other operating expenses		(12,412)	(5,561)
Profit from operating activities	6	5,766	2,267
Finance costs	7	(1,754)	(833)
Profit before tax		4,012	1,434
Tax expense	8	(155)	(151)
Profit for the year		3,857	1,283
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of subsidiaries		(1,083)	(74)
Foreign currency translation and hedge reserves reclassified to profit or loss on liquidation of a subsidiary		1,003	–
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of other investment		2,495	1,675
Other comprehensive income for the year, net of tax		2,415	1,601
Total comprehensive income for the year		6,272	2,884
Profit for the year		3,857	1,283
Attributable to:			
Owners of the Company		3,721	1,318
Non-controlling interests		136	(35)
Profit for the year		3,857	1,283
Total comprehensive income for the year		6,272	2,884
Attributable to:			
Owners of the Company		6,136	2,927
Non-controlling interests		136	(43)
Total comprehensive income for the year		6,272	2,884
Basic and diluted earnings per share attributable to owners of the Company (cents per share)			
- Basic	9	1.72	0.61
- Diluted	9	1.72	0.61

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2023 (In Singapore dollars)

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Goodwill	10	2,870	3,110	–	–
Intangible assets	11	336	73	–	–
Investment properties	12	–	–	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	15	–	–	32,471	32,483
Other investment	16	6,130	3,635	–	–
Investment in associate and joint venture	17	–	–	114	114
Receivables	18	20	44	10,111	6,461
Prepayments	18	4	17	4	6
Deferred tax assets	26	179	274	–	–
		59,844	59,359	62,366	60,550
Current assets					
Inventories	19	17,406	15,692	–	–
Trade and other receivables	20	27,974	17,100	21,996	16,006
Prepayments	18	1,246	2,119	107	69
Cash and cash equivalents	21	13,568	8,329	2,226	1,859
		60,194	43,240	24,329	17,934
Assets held for sale	22	4,751	–	4,733	–
Total assets		124,789	102,599	91,428	78,484
Current liabilities					
Trade and other payables	23	19,296	11,464	3,232	2,018
Lease liabilities	24	992	1,395	742	973
Bank borrowings	25	1,493	1,511	993	1,011
Provisions	27	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	22	5,270	–	5,270	–
Net current assets		37,701	28,557	18,795	13,907

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2023 (In Singapore dollars)

		Group		Company	
	Note	2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Non-current liabilities					
Lease liabilities	24	15,383	21,319	11,426	17,296
Bank borrowings	25	18,726	9,044	14,258	4,023
Deferred tax liabilities	26	295	261	49	13
Provisions	27	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	28(a)	49,579	48,919	49,579	48,919
Treasury shares	28(b)	(41)	(41)	(41)	(41)
Reserves	29	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023 (In Singapore dollars)

Group	Note	Attributable to owners of the Company							
		Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Other reserves	Shareholders' funds	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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	16, 29	–	–	–	–	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)	30	–	–	–	(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	28	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023 (In Singapore dollars)

Group	Note	Attributable to owners of the Company							
		Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Other reserves	Shareholders' funds	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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	16, 29	–	–	–	–	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)	30	–	–	–	(1,081)	–	(1,081)	–	(1,081)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	28	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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2023 (In Singapore dollars)

	Note	2023 $'000	2022 $'000
Cash flows from operating activities:			
Profit before tax		4,012	1,434
Adjustments for:			
Depreciation of property, plant and equipment	6	2,678	2,504
Depreciation of right-of-use assets	6	1,480	835
Amortisation of intangible assets	6,11	158	131
Loss on liquidation of a subsidiary	6	1,003	–
Gain on disposal of property, plant and equipment, net	5	(180)	(279)
Allowance for impairment of trade receivables, net	6,20	29	50
Bad debts written-off, net	6	–	1
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	6,19	1,169	(28)
Interest income	5	(2)	(2)
Interest expense	7	1,754	833
Provisions made during the year	27	(25)	24
Operating cash flows before changes in working capital		12,076	5,503
Increase in receivables and prepayments		(10,867)	(4,382)
Increase in inventories and work-in-progress		(3,134)	(2,191)
Increase in payables		6,925	1,973
Others		(38)	83
Cash generated from operations		4,962	986
Interest income received		2	2
Interest expense paid		(1,645)	(830)
Income taxes paid, net		(21)	(31)
Net cash generated from operating activities		3,298	127

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2023 (In Singapore dollars)

	Note	2023 $'000	2022 $'000
Cash flows from investing activities:			
Purchase of property, plant and equipment		(5,909)	(8,597)
Addition of intangible assets	11	(440)	(9)
Proceeds from disposal of quoted investments, net of brokerage charges	16	–	2
Proceeds and advances from disposal of property, plant and equipment and right-of-use assets		630	279
Additions to right-of-use assets	24	–	(102)
Loans repaid by joint ventures, net		–	335
Loans repaid by staff		49	57
Net cash used in investing activities		(5,670)	(8,035)
Cash flows from financing activities:			
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue	28	660	3
Dividend paid in respect of previous financial year, tax exempt (one-tier)	30	(1,081)	(1,081)
Distributions by a subsidiary to non-controlling interests		–	(159)
Proceeds from bank borrowings		11,290	–
Repayment of bank borrowings		(1,513)	(4,129)
Repayment of principal portion of lease liabilities	24	(1,441)	(757)
Net cash generated from/(used in) financing activities		7,915	(6,123)
Net increase/(decrease) in cash and cash equivalents		5,543	(14,031)
Cash and cash equivalents at 1 April	21	8,329	22,468
Effect of exchange rate changes on cash and cash equivalents		(304)	(108)
Cash and cash equivalents at 31 March	21	13,568	8,329

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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").

With effect from 26 April 2023, the registered office and principal place of business of the Company was changed from 182 Pandan Loop, Singapore 128373 to 100 Tuas South Avenue 8, Singapore 637424.

The principal activities of the Company relate to those of an investment holding and management company.

The nature of the operations and principal activities of the subsidiaries are described in Note 33. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "$") and all values are rounded to the nearest thousand ("$'000") except when otherwise indicated.

2.2 Changes in accounting policies and estimates

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12/SFRS(I) 1: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 16 Leases: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange ruling at the end of the reporting period.

2.5 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. Summary of significant accounting policies (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls are lost;

– De-recognises the carrying amount of any non–controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re–classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the period in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability are recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date at fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit that is expected to benefit from the synergies of the combination.

2. Summary of significant accounting policies (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

The cash-generating unit to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.6 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

<u>Trading sales</u>

Revenue from trading sales is recognised at a point in time upon the satisfaction of each performance obligations, usually on delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

<u>Services, repair and contract revenue</u>

Revenue from repair work, engineering, overhaul, service work and construction contracts is recognised over time by reference to the ratio of labour hours and costs incurred to-date to the estimated total labour hours and costs for each contract, with due consideration given to the inclusion of only those costs that reflect work performed. The estimated costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

<u>Rental income</u>

Income from rental services is recognised on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.7 Revenue recognition (cont'd)

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

2.8 Contract balances

Contract assets

The contract assets relate to the Group's conditional rights to consideration in exchange for goods or services transferred to the customer. Contract assets are recognised when the Group transfers goods or renders services to a customer before the customer pays consideration or before payment is due. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

2.9 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies within the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Equity compensation plan

Employees of the Group receive remuneration in the form of share-based payment transactions as consideration for services rendered.

The cost of equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity-settled awards at the date on which the awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, together with a corresponding increase in the employee equity benefit reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee equity benefit reserve is transferred to retained earnings upon expiry of the awards. The employee equity benefit reserve is transferred to share capital if new shares are issued to settle the awards, or to treasury shares if awards are satisfied by the reissuance of treasury shares.

2. Summary of significant accounting policies (cont'd)

2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and land use rights	–	30 to 57 years
Workshop equipment	–	2 to 3 years
Tenancy rights	–	1 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies (cont'd)

2.10 Leases (cont'd)

Group as a lessee (cont'd)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.7. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.12 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided, using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with interests in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.12 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with interests in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.13 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Summary of significant accounting policies (cont'd)

2.13 Intangible assets (cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

<u>Software</u>

Software acquired are initially recognised at cost and amortised on a straight-line basis over its estimated finite useful life of 3 to 5 years.

<u>Know-how</u>

Costs relating to welding procedures specifications are capitalised and amortised on a straight-line basis over its estimated finite useful life of 3 years.

<u>Customer relationships</u>

Customer relationships acquired are initially recognised at cost and amortised on a straight-line basis over its estimated finite useful life of 5 years.

<u>Other intangible assets</u>

Costs relating to designed packages and others are capitalised and amortised on a straight-line basis over its estimated finite useful life of 3 years.

2.14 Investment properties

Investment properties are held by the Company to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal. In determining the amount of consideration from the de-recognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

2. Summary of significant accounting policies (cont'd)

2.15 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.11. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis or a diminishing value basis over the estimated useful lives of the assets as follows:

Leasehold buildings	–	the remaining lease terms of 30 to 57 years at the time of acquisition
Plant, workshop and rental equipment	–	2 to 20 years
Furniture and fixtures	–	2 to 20 years
Motor vehicles	–	3 to 10 years
Office equipment	–	1 to 5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.16 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, interests in subsidiaries are accounted for at cost less any impairment losses.

2. Summary of significant accounting policies (cont'd)

2.17 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2.18 Joint venture and associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is an entity over which the Group has joint control in the financial and operating policy decisions of the entity and has rights to the net assets of the joint arrangement.

The Group recognises its investment in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint ventures' profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate or joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture. The profit or loss reflects the share of results of the operations of the associate or joint ventures. Distributions received from the associate or joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate and joint venture.

When the Group's share of losses in an associate or joint venture exceeds its interest, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint venture used in applying the equity method are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.19 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing the inventories to their present location and condition and are accounted for, as follows:

(i) Raw materials: purchase cost on a first-in-first out basis

(ii) Finished goods and work in progress: cost of direct materials, direct labour and proportion of production overheads based on normal operating capacity. These costs are determined using the first-in-first-out method except for those relating to pipe supports, pipe suspensions and oilfield equipment spares, where costs are determined on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. Summary of significant accounting policies (cont'd)

2.21 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investment in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the assets are de-recognised or impaired, and through the amortisation process.

<u>Investment in equity instruments</u>

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("FVOCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.21 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.22 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale or collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment where appropriate.

Generally, the Group considers a financial asset in default when contractual payments are past due for more than 90-120 days, having considered other qualitative indicators when appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

2.23 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (cont'd)

2.24 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.25 Dividend

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.26 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

    (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

    (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Summary of significant accounting policies (cont'd)

2.29 Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is deducted from the asset's carrying amount and amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.30 Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.31 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

2. Summary of significant accounting policies (cont'd)

2.31 Non-current assets held for sale (cont'd)

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

3. Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

<u>Income taxes</u>

The Group has exposure to income taxes in several jurisdictions. Significant judgment is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Company's provision for taxation and deferred tax liabilities as at 31 March 2023 is $30,000 (2022: $25,000) and $49,000 (2022: $13,000) respectively.

The carrying amount of the Group's provision for taxation as at 31 March 2023 is $100,000 (2022: $95,000). The carrying amount of the Group's deferred tax assets and deferred tax liabilities as at 31 March 2023 is $179,000 (2022: $274,000) and $295,000 (2022: $261,000) respectively. Further details are disclosed in Note 26.

<u>Impairment of non-financial assets</u>

Management exercises significant judgment in determining whether there is any indication that any non-financial asset may have been impaired. This exercise requires management to consider both internal and external sources of information which include but are not limited to observable indications that the value of the asset has declined during the period significantly more than would be expected as a result of the passage of time or normal use; significant adverse changes in the expected usage of the asset that have taken place or will take place in the near future; significant increase in market interest rates; evidence of obsolescence or physical damage; and worse than expected economic performance of the asset.

For assets with indicators of impairment, management determines the recoverable amount of the assets based on fair value less costs to sell for leasehold buildings and value-in-use calculations for plant, workshop and rental equipment and right-of-use assets. The fair values of the Group's leasehold buildings are determined by accredited independent valuer using market comparable approach. The value-in-use calculations for plant, workshop and rental equipment and right-of-use assets are based on cash flow projections and they require management's assumptions regarding revenue, gross margins, growth rates and discount rates. The carrying value of the Group's property, plant and equipment and right-of-use assets as at 31 March 2023 are disclosed in Notes 13 and 14.

3. Significant accounting estimates and judgments (cont'd)

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Allowance for ECLs of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs and the carrying amount of the Group's trade receivables and contract assets as at 31 March 2023 are disclosed in Note 20.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill and key assumptions applied in the determination of the value-in-use including sensitivity analysis are disclosed in Note 10.

Allowance for decline in market value and obsolescence of inventories

Allowance for decline in market value and obsolescence of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, saleability of the inventories, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. However, factors beyond its control, such as demand levels, technological advances, and pricing competition, could change from period to period. Management's judgment was involved in evaluating and adjusting the allowance, in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated. The carrying value of the Group's inventories and the allowance for inventory obsolescence as at 31 March 2023 are disclosed in Note 19.

Impairment of interests in subsidiaries and intercompany receivables (Company level)

For interests in subsidiaries with indicators of impairment, management determines the recoverable amount of the investment using the value-in-use calculations derived from cash flow projections of the subsidiaries. The key assumptions applied in the determination of the value-in-use for the interests in subsidiaries are disclosed in Note 15.

In relation to intercompany receivables, management provides for ECLs based on the general approach and the extent of loss allowance is dependent on consideration of many factors, amongst others, the extent of credit deterioration since initial recognition, information and data that indicate the credit quality of the subsidiaries and the probability of default, amounts that are expected to be recovered in a default and adjustment for forward-looking information. The amounts due from subsidiaries, including their carrying amount and their related impairment as at 31 March 2023 are disclosed in Notes 18 and 20.

4. Revenue

Revenue represents the value arising from the services, repair, trading and rental of equipment. Revenue is recognised in accordance with the accounting policy disclosed in Note 2.7.

Revenue is disaggregated to services, trading and rental business segment.

Disaggregation of revenue

	Services, repair and contract revenue		Trading sales		Rental income		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'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

Contract balances

Information about trade receivables and contract assets are disclosed as follows:

	Group	
	2023	2022
	$'000	$'000
Trade receivables (Note 20)	22,276	16,399
Contract assets (Note 20)	4,946	–

The contract assets pertain to unbilled work-in-progress related to contracts with customers. Contract assets are transferred to trade receivables when the rights become unconditional.

5. Other income

	Group 2023 $'000	Group 2022 $'000
Interest income	2	2
Rental income	147	64
Gain on disposal of property, plant and equipment, net	180	279
Commission received	44	46
Gain on disposal of scrap material	292	162
Government grants	142	907
Others	85	67
	892	1,527

6. Profit from operating activities

Profit from operating activities is stated after charging the following:

	Group 2023 $'000	Group 2022 $'000
(a) Manpower costs		
(i) Amounts recognised in statement of comprehensive income		
Salaries, wages and bonuses	17,799	14,592
Defined contribution plan expense	2,151	1,804
Others	1,711	1,360
	21,661	17,756
Included in cost of sales	11,961	9,388
Included in staff costs	9,700	8,368
	21,661	17,756

6. Profit from operating activities (cont'd)

(a) Manpower costs (cont'd)

(ii) Amounts paid to a director and key management personnel

The amounts paid to a director and key management personnel during the financial years ended 31 March 2023 and 31 March 2022 are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Director's remuneration:		
- Salaries, wages and bonuses	399	413
- Defined contribution plan expense	16	16
- Others	22	27
	437	456
Other key management personnel:		
- Salaries, wages and bonuses	1,082	973
- Defined contribution plan expense	79	66
- Others	208	205
	1,369	1,244

(b) Other operating expenses

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Allowance for impairment of trade receivables, net	20	29	50
Bad debts written-off, net		–	1
Amortisation of intangible assets	11	158	131
Depreciation of property, plant and equipment		788	573
Depreciation of right-of-use assets		1,410	776
Directors' fees paid to directors of the Company		247	235
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	19	1,169	(28)
Loss on liquidation of a subsidiary		1,003	–
Loss/(gain) on foreign exchange, net		403	(24)
Consultancy fees paid to a director of the Company		156	154
Legal and professional fees		422	603
Utilities expenses		943	252
Property tax		626	178
Relocation costs		820	–
Travelling expenses		656	353

6. Profit from operating activities (cont'd)

(c) Cost of sales

	Group	
	2023	2022
	$'000	$'000
Depreciation of right-of-use assets	70	59
Depreciation of property, plant and equipment	1,890	1,931

(d) Auditor's remuneration

Audit and non-audit fees are as follows:

	Group	
	2023	2022
	$'000	$'000
Non-audit fees to:		
- Auditor of the Company	58	65
- Auditor of subsidiaries	11	–
Audit fees to:		
- Auditor of the Company	369	323
- Auditor of subsidiaries	38	32

7. Finance costs

	Group	
	2023	2022
	$'000	$'000
Interest on:		
- Bank loans	828	312
- Lease liabilities	926	518
- Others	–	3
	1,754	833

8. Tax expense

(a) *Major components of tax expense for the years ended 31 March are as follows:*

	Group	
	2023	**2022**
	$'000	**$'000**
Consolidated statement of comprehensive income		
<u>Current income tax</u>		
- Current income tax	5	–
- Over provision in respect of previous years	–	(25)
- Withholding tax expense	21	64
	26	39
<u>Deferred income tax</u>		
- Movement in temporary differences	82	121
- Under/(over) provision in respect of previous years	47	(9)
	129	112
Tax expense recognised in statement of comprehensive income	155	151

(b) *Relationship between tax expense and accounting profit*

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit before tax	4,012	1,434
Tax at Singapore statutory tax rate of 17% (2022: 17%)	682	244
Effect of difference in effective tax rates of other countries	(1,335)	(692)
Non-deductible expenses	1,245	248
Income not subject to tax	(768)	(285)
Effect of partial tax exemption and tax incentives	–	(7)
Deferred tax assets not recognised	231	614
Under/(over) provision in respect of previous years		
- current tax	–	(25)
- deferred tax	47	(9)
Withholding tax expense	21	64
Others	32	(1)
Tax expense recognised in statement of comprehensive income	155	151

9. Earnings per share

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

Diluted earnings per share are calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial 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 years ended 31 March:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit for the financial year, net of tax, attributable to owners of the Company	3,721	1,318

	Number of shares	
	2023	**2022**
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share computation*		
Effects of dilution:	216,181	216,151
- Outstanding warrants pursuant to MTQ Rights cum Warrants Issue	355	1,109
Weighted average number of ordinary shares for diluted earnings per share computation	216,536	217,260

* The weighted average number of shares took into account the weighted average effect of 3,002,000 (2022: 12,000) ordinary shares that the Company issued on exercise of warrants pursuant to MTQ Rights cum Warrants Issue (Note 28) during the year. The warrants have expired on 17 April 2023, subsequent to the financial year end.

10. Goodwill

Goodwill acquired through business combinations has been allocated to the valve business CGU as follows:

	Group
	$'000
At 1 April 2021	3,236
Currency realignment	(126)
At 31 March 2022 and 1 April 2022	3,110
Currency realignment	(240)
At 31 March 2023	2,870

For the financial year ended 31 March 2023 (In Singapore dollars)

10. Goodwill (cont'd)

Impairment testing of goodwill

The recoverable amount 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 fifth year through perpetuity using a long-term growth rate applicable to the CGU.

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

	2023	**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	0.5% to 4.3%	0.4% to 2.5%
Discount rates	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.

Sensitivity to changes in assumptions

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

Impairment

Based on the impairment assessment, the recoverable amount of the CGU was found to be higher than its carrying amount as at 31 March 2023.

11. Intangible assets

Group	Customer relationships	Software	Know-how	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
At 1 April 2021	565	70	456	325	1,416
Additions	–	–	9	–	9
Currency realignment	3	–	3	2	8
At 31 March 2022 and 1 April 2022	568	70	468	327	1,433
Additions	–	34	7	399	440
Currency realignment	–	(1)	(9)	(29)	(39)
At 31 March 2023	568	103	466	697	1,834
Accumulated amortisation and impairment loss:					
At 1 April 2021	565	36	428	193	1,222
Amortisation for the year	–	20	29	82	131
Currency realignment	3	–	3	1	7
At 31 March 2022 and 1 April 2022	568	56	460	276	1,360
Amortisation for the year	–	16	5	137	158
Currency realignment	–	(2)	(8)	(10)	(20)
At 31 March 2023	568	70	457	403	1,498
Net carrying amount:					
At 31 March 2023	–	33	9	294	336
At 31 March 2022	–	14	8	51	73

12. Investment properties

	Company
	$'000
Balance sheet:	
Cost	
At 1 April 2021	7,605
Additions[1]	2,710
At 31 March 2022 and 1 April 2022	10,315
Additions[2]	3,901
Reclassified to assets held for sale (Note 22)[3]	(7,606)
At 31 March 2023	6,610
Accumulated depreciation	
At 1 April 2021	6,618
Depreciation	91
At 31 March 2022 and 1 April 2022	6,709
Depreciation	189
Reclassified to assets held for sale (Note 22)[3]	(6,741)
At 31 March 2023	157
Net carrying amount	
At 31 March 2023	6,453
At 31 March 2022	3,606

1 This relates to the leasehold property situated at 100 Tuas South Avenue 8, Singapore 637424 ("Tuas property"), which was acquired in the prior year ended 31 March 2022.

2 During the year, additional and alteration works to the Tuas property amounted to $3,901,000 were capitalised.

3 During the year, the Company's property located at 182 Pandan Loop, Singapore 128373 was reclassified to assets held for sale. Further details are disclosed in Note 22.

	Company	
	2023	2022
	$'000	$'000
Statement of comprehensive income:		
Rental income from investment properties charged to subsidiaries	3,141	1,291
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	3,037	1,260

The fair value of the investment property held by the Company as at 31 March 2023 amounted to $20,300,000 (2022: aggregate fair value of the two investment properties amounted to $23,600,000). The fair value was based on valuation performed by an accredited independent valuer with recognised and relevant professional qualification and with recent experience in the location and category of the property being valued. In determining the fair value, the valuer performed valuation using primarily the market comparable method and cross-checked the value determined using income approach and replacement cost approach.

12. Investment properties (cont'd)

The investment property held by the Company as at 31 March 2023 is as follows:

Location	Description	Tenure
100 Tuas South Avenue 8 Singapore 637424	Office building and workshop	30 years lease from 1 April 2012 (subject to satisfaction of certain criteria as set out by JTC Corporation)

13. Property, plant and equipment

Group	Leasehold buildings $'000	Plant, workshop, and rental equipment $'000	Furniture and fixtures, office equipment and motor vehicles $'000	Assets under construction $'000	Total $'000
Cost					
At 1 April 2021	29,764	42,668	7,271	14	79,717
Currency realignment	92	95	7	–	194
Additions	2,710	5,823	590	–	9,123
Disposals	–	(206)	(47)	–	(253)
Transfer/reclassification	–	36	(186)	(14)	(164)
At 31 March 2022 and 1 April 2022	32,566	48,416	7,635	–	88,617
Currency realignment	(283)	(280)	(73)	–	(636)
Additions	3,901	2,337	783	–	7,021
Disposals	(52)	(1,140)	(60)	–	(1,252)
Reclassified to assets held for sale (Note 22)	(7,606)	(183)	(477)	–	(8,266)
At 31 March 2023	28,526	49,150	7,808	–	85,484
Accumulated depreciation and impairment loss					
At 1 April 2021	11,764	38,430	5,349	–	55,543
Currency realignment	22	87	6	–	115
Depreciation	574	1,608	322	–	2,504
Disposals	–	(206)	(47)	–	(253)
Transfer/reclassification	–	36	(200)	–	(164)
At 31 March 2022 and 1 April 2022	12,360	39,955	5,430	–	57,745
Currency realignment	(80)	(265)	(36)	–	(381)
Depreciation	678	1,568	432	–	2,678
Disposals	(52)	(991)	(59)	–	(1,102)
Reclassified to assets held for sale (Note 22)	(6,741)	(165)	(477)	–	(7,383)
At 31 March 2023	6,165	40,102	5,290	–	51,557
Net carrying amount					
At 31 March 2023	22,361	9,048	2,518	–	33,927
At 31 March 2022	20,206	8,461	2,205	–	30,872

13. Property, plant and equipment (cont'd)

Company	Workshop equipment	Furniture and fixtures, office equipment and motor vehicles	Total
	$'000	$'000	$'000
Cost			
At 1 April 2021	209	2,208	2,417
Additions	–	15	15
At 31 March 2022 and 1 April 2022	209	2,223	2,432
Additions	–	83	83
At 31 March 2023	209	2,306	2,515
Accumulated depreciation			
At 1 April 2021	209	2,054	2,263
Depreciation	–	49	49
At 31 March 2022 and 1 April 2022	209	2,103	2,312
Depreciation	–	58	58
At 31 March 2023	209	2,161	2,370
Net carrying amount			
At 31 March 2023	–	145	145
At 31 March 2022	–	120	120

13. Property, plant and equipment (cont'd)

(a) *Leasehold buildings held by the Group include the following:*

Location	Description	Area sq. m.	Tenure	Net carrying amount 2023 $'000	Net carrying amount 2022 $'000
Leasehold building					
182 Pandan Loop, Singapore 128373*@	Office building and workshop	14,271	27 years lease from 16 September 2009	–@	920
Bahrain International Investment Park, HIDD, Kingdom of Bahrain	Office building and workshop	22,397	50 years lease from 1 September 2009	11,124	11,652
54 Loyang Way Singapore 508747	Office building and workshop	6,912	57 years lease from 1 March 1995	4,784	4,948
100 Tuas South Avenue 8 Singapore 637424*	Office building and workshop	31,000#	30 years lease from 1 April 2012#	6,453	2,686

* These leasehold buildings have been classified as investment properties at Company level as the properties are leased to subsidiaries (Note 12).

@ Reclassified to assets held for sale during the financial year (Note 22).

The final tenure and area of the land on which the leasehold building is situated on is subjected to the satisfaction of certain criteria as set out by JTC Corporation.

(b) *Assets pledged as securities*

The carrying amounts of property, plant and equipment pledged as securities to secure bank facilities of subsidiaries are as follows:

	Net carrying amount 2023 $'000	Net carrying amount 2022 $'000
Leasehold buildings	11,124	11,652
Furniture and fixtures, office equipment and motor vehicles	1,318	601
Plant, workshop and rental equipment	4,045	2,635

(c) *Cash outflows on purchase of property, plant and equipment*

Cash payments of $5,909,000 (2022: $8,597,000) were made to purchase property, plant and equipment during the year ended 31 March 2023, of which $153,000 (2022: $695,000) relates to advances paid to suppliers (Note 18).

14. Right-of-use assets

Group	Land and land use rights $'000	Workshop equipment $'000	Tenancy rights $'000	Total $'000
Cost				
At 1 April 2021	11,676	168	1,376	13,220
Currency realignment	9	–	(2)	7
Additions	13,813	73	546	14,432
Write-offs	–	(14)	–	(14)
At 31 March 2022 and 1 April 2022	25,498	227	1,920	27,645
Currency realignment	–	(28)	(37)	(65)
Remeasurement (Note 24)	195	–	–	195
Additions	–	128	88	216
Write-offs	–	(116)	(133)	(249)
Reclassified to assets held for sale (Note 22)	(7,502)	–	–	(7,502)
At 31 March 2023	18,191	211	1,838	20,240
Accumulated depreciation				
At 1 April 2021	4,185	140	1,159	5,484
Currency realignment	2	–	4	6
Depreciation	429	27	379	835
Write-offs	–	(14)	–	(14)
At 31 March 2022 and 1 April 2022	4,616	153	1,542	6,311
Currency realignment	(7)	–	(39)	(46)
Depreciation	1,066	37	377	1,480
Write-offs	–	(116)	(133)	(249)
Reclassified to assets held for sale (Note 22)	(3,634)	–	–	(3,634)
At 31 March 2023	2,041	74	1,747	3,862
Net carrying amount				
At 31 March 2023	16,150	137	91	16,378
At 31 March 2022	20,882	74	378	21,334

14. Right-of-use assets (cont'd)

Company	Land and land use rights $'000
Cost	
At 1 April 2021	7,355
Additions	13,813
At 31 March 2022 and 1 April 2022	21,168
Remeasurement (Note 24)	146
Reclassified to assets held for sale (Note 22)	(7,502)
At 31 March 2023	13,812
Accumulated depreciation	
At 1 April 2021	3,075
Depreciation	333
At 31 March 2022 and 1 April 2022	3,408
Depreciation	970
Reclassified to assets held for sale (Note 22)	(3,634)
At 31 March 2023	744
Net carrying amount	
At 31 March 2023	13,068
At 31 March 2022	17,760

During the financial year, the annual rent payments of the land lease contracts with JTC Corporation were revised to reflect changes in market rental rates. The right-of-use assets and lease liabilities (Note 24) were subsequently remeasured to reflect the revised lease payments arising from changes in rent payments and it is presented as 'remeasurement' in the right-of-use assets and lease liabilities.

15. Interests in subsidiaries

	Company	
	2023 $'000	2022 $'000
Unquoted shares, at cost:		
Beginning and end of financial year	34,171	34,171
Allowance for impairment of cost of investments	(20,104)	(20,100)
	14,067	14,071
Intercompany indebtedness:		
Non-trade amounts due from subsidiaries	23,470	23,646
Allowance for impairment of intercompany indebtedness	(5,066)	(5,234)
	18,404	18,412
Total interests in subsidiaries	32,471	32,483

Further details regarding the cost of investments in subsidiaries are set out in Note 33.

15. Interests in subsidiaries (cont'd)

Movement in allowance for impairment in cost of investments:

	Company	
	2023	**2022**
	$'000	**$'000**
At 1 April	20,100	19,339
Charge for the year	4	761
At 31 March	20,104	20,100

During the year, management carried out a review of the recoverable amounts of the cost of investments in subsidiaries. Following the review, an impairment loss of $4,000 (2022: $761,000) was recognised in profit or loss of the Company.

The recoverable amounts of the cost of investments in subsidiaries were estimated based on value-in-use calculations derived from cash flow projections. Key assumptions adopted in the value-in-use calculations include revenue projections, gross margins, growth rates and discount rates. Management believes that any reasonably possible change in the above key assumptions are not likely to cause any of the recoverable amounts of the investments to be materially lower than their respective carrying amount.

Intercompany indebtedness

The amounts and loans owing by subsidiaries included as part of the Company's net interests in subsidiaries are unsecured, interest-free, have no repayment terms and are repayable only when the cash flows of the subsidiaries permit.

<u>Due from a subsidiary that is impaired</u>

The non-current amounts due from a subsidiary that is impaired at the end of the reporting period and the movement of the allowance account used to record the impairment is as follows:

	Company	
	2023	**2022**
	$'000	**$'000**
Amounts due from a subsidiary - nominal value	6,360	6,280
Less: Allowance for impairment	(5,066)	(5,234)
	1,294	1,046
Allowance for impairment:		
At 1 April	5,234	4,910
Currency realignment	(652)	(25)
Charge for the year	484	349
At 31 March	5,066	5,234

16. Other investment

	Note	Group	
		2023	2022
		$'000	$'000
At 1 April		3,635	1,961
Fair value adjustment on investment security carried at FVOCI	29	2,495	1,675
Currency realignment		–	1
Disposal		–	(2)
At 31 March		6,130	3,635

The Group's investment in quoted equity shares relates to its interest in equity shares of MMA Offshore Limited ("MMA") received as part of the purchase consideration for the sale of its operating businesses and assets of Blossomvale Holdings Ltd ("BLV", previously known as Neptune Marine Services Limited) during the financial year ended 31 March 2020.

In prior year ended 31 March 2022, the disposal relates to the disposal of the remaining shares in MMA held by BLV prior to the commencement of liquidation of BLV.

Management has assessed and is of the view that the Group does not retain significant influence over MMA. The investment was irrevocably designated at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

17. Investment in associate and joint venture

	Group
	$'000
Equity accounted:	
At 31 March 2022 and 31 March 2023	–

	Company
	$'000
Unquoted shares, at cost:	
At 31 March 2022 and 31 March 2023	114

17. Investment in associate and joint venture (cont'd)

Associate

Aggregate information about the Group's investment in associate that is not individually material is as follows:

	Group	
	2023	2022
	$'000	$'000
Profit/(loss) after tax	213	(83)
Other comprehensive income	6	3
Total comprehensive income	219	(80)

In the prior year, the Group had not recognised losses relating to this associate based on its SFRS(I) financial statements where its share of losses exceeds the Group's interest in its associate. The Group's cumulative share of unrecognised losses as at 31 March 2022 was $16,000. The Group had not incurred obligations or made payments on behalf of the associate.

The associate reported a total unaudited comprehensive income of $219,000 during the financial year ended 31 March 2023, of which the Group's share of profits amounted to $44,000. Although the Group's share of profits exceeds the cumulative share of losses previously not recognised, the Group has not recognised the profits relating to this associate as it is still pending the finalisation of the associate's audited results where the profitability of the associate remains uncertain as at 31 March 2023. The Group's share of unrecognised profits as at 31 March 2023 amounted to $28,000.

Joint venture - PT Binder Indonesia

The Group has 50% (2022: 50%) equity interest in a jointly-controlled entity, PT Binder Indonesia that is held through a subsidiary. The joint venture is incorporated in Indonesia and manufactures proprietary and custom-built pipe support and provides pipe suspension solutions. The Group jointly controls the venture with other partner under the contractual agreement and unanimous consent is required for all major decisions over relevant activities.

Summarised financial information in respect of PT Binder Indonesia[1] based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2023	2022
	$'000	$'000
Summarised balance sheet:		
Cash and cash equivalents	142	265
Other current assets	12,859	12,941
Total current assets	13,001	13,206
Total non-current assets	162	114
Total assets	13,163	13,320
Current trade and other payables	10,546	11,318
Non-current other payables	3,125	3,813
Total liabilities	13,671	15,131
Net liabilities	(508)	(1,811)
Group's share of net liabilities at 50% ownership interest	(254)	(906)
Carrying amount of the investment	–	–

17. Investment in associate and joint venture (cont'd)

Joint venture - PT Binder Indonesia (cont'd)

	Group	
	2023	2022
	$'000	$'000
Summarised statement of comprehensive income:		
Revenue	12,100	13,642
Other income	41	27
Depreciation	(31)	(41)
Operating expenses	(11,001)	(13,313)
Profit before tax	1,109	315
Tax expense	–	–
Profit after tax	1,109	315
Other comprehensive income	194	(29)
Total comprehensive income	1,303	286

The joint venture reported a total unaudited comprehensive income of $1,303,000 (2022: $286,000) during the financial year ended 31 March 2023, of which the Group's share of profits amounted to $652,000 (2022: $143,000). The Group has not recognised the profits relating to this joint venture as it will only resume recognising its share of those profits only after its share of profits exceeds the cumulative share of losses previously not recognised. The Group's cumulative share of unrecognised losses as at 31 March 2023 amounted to $254,000 (2022: $906,000). The Group has not incurred obligations or made payments on behalf of the joint venture.

1 Audited by Tasnim, Fardiman, Sapuan, Nuzuliana, Ramdan & Rekan

18. Receivables and prepayments

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Receivables				
Non-current				
Amounts due from subsidiaries				
- Trade	–	–	4,822	3,304
- Non-trade	–	–	65,673	70,745
- Interest-bearing loan	–	–	1,986	3,034
Allowance for amounts due from subsidiaries	–	–	(62,370)	(70,622)
	–	–	10,111	6,461
Staff loans, at amortised cost	20	44	–	–
	20	44	10,111	6,461
Prepayments				
Current				
Advances to suppliers	809	1,818	–	–
Other prepayments	437	301	107	69
	1,246	2,119	107	69
Non-current				
Other prepayments	4	17	4	6

18. Receivables and prepayments (cont'd)

Interest-bearing loan to a subsidiary is funded by bank borrowings – Facility 1 (Note 25). It is denominated in United States Dollars and bears interest at the rate of 1.50% (2022: 1.50%) per annum above the Cost of Funds.

Trade and non-trade amounts due from subsidiaries are unsecured and are not expected to be repaid within the next twelve months. These amounts are expected to be settled in cash.

Expected credit losses

The non-current loans due from a joint venture and amounts due from subsidiaries that are impaired at the end of the reporting period and the movement in allowance for expected credit losses computed based on lifetime ECLs are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amounts due from subsidiaries - nominal value	–	–	72,481	77,083
Loans due from a joint venture - nominal value	2,708	2,708	–	–
Less: Allowance for impairment	(2,708)	(2,708)	(62,370)	(70,622)
	–	–	10,111	6,461
At 1 April	2,708	2,708	70,622	71,061
Currency realignment	–	–	(4,472)	(439)
Write-back for the year	–	–	(3,780)	–
At 31 March	2,708	2,708	62,370	70,622

Management has assessed that there is no reasonable expectation of recovery of the loans due from a joint venture that were fully impaired during the financial year ended 31 March 2021 as the joint venture continues to be in a net liabilities position as at 31 March 2022 and 31 March 2023.

The interest-free staff loans are extended to certain staff of the Company and its subsidiaries to purchase cars. These loans are repayable by monthly instalments over two to five years with the last repayment due in financial year ending 2025 (2022: 2025). The individuals concerned had entered into agreements with the Company or the respective subsidiaries to assign all rights of ownership of the cars to the Company or the subsidiaries until full settlement of the loans. The staff loans are carried at amortised cost. The difference between the amortised cost and gross loan receivables is recognised as prepaid staff benefits. The total staff loans are as follows:

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Staff loans at amortised costs:					
Current, classified under trade and other receivables	20	128	103	–	–
Non-current, classified under receivables		20	44	–	–
		148	147	–	–

19. Inventories

	Group 2023 $'000	Group 2022 $'000
Balance sheet:		
First-in-first-out basis		
- Raw materials	11,142	8,640
- Work-in-progress	2,927	2,909
- Finished goods	1,189	1,914
- Goods-in-transit	618	762
	15,876	14,225
Weighted average basis		
- Finished goods	1,508	1,424
- Work-in-progress	22	43
	1,530	1,467
Total inventories at lower of cost and net realisable value	17,406	15,692
Inventories are stated after deducting allowance for inventory obsolescence of:		
- first-in-first-out basis	2,966	2,040
- weighted average basis	65	66
	3,031	2,106
Movement in allowance for inventory obsolescence:		
At 1 April	2,106	2,558
Allowance/(reversal of allowance) for inventory obsolescence	968	(232)
Utilised	–	(230)
Currency realignment	(43)	10
At 31 March	3,031	2,106
Income statement:		
Inventories recognised as an expense in the income statement	55,860	33,417
Inclusive of the following charge/(credit) included in other operating expenses:		
- Allowance/(reversal of allowance) for inventory obsolescence	968	(232)
- Stock written-off (directly to profit or loss)	201	204

The allowance for inventory obsolescence recognised during the financial year ended 31 March 2023 was largely for certain inventories that have not been utilised due to a shift in market requirements for these particular specifications of inventories.

20. Trade and other receivables

		Group		Company	
	Note	2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Trade receivables		22,276	16,399	–	–
Contract assets	4	4,946	–	–	–
Staff loans, current	18	128	103	–	–
Sundry deposits		266	100	2	2
Sundry receivables		333	402	365	267
Trade amounts due from a joint venture		25	96	25	100
Amounts due from subsidiaries					
- Trade		–	–	10,067	5,942
- Non-trade		–	–	11,537	9,695
		27,974	17,100	21,996	16,006

Amounts due from a joint venture and subsidiaries are unsecured, interest-free and repayable upon demand. These amounts are expected to be settled in cash.

Included in the sundry deposits is an amount of $56,000 (2022: $Nil) pledged with a financial institution as security for a bank guarantee issued.

Trade receivables are unsecured, non-interest bearing and are generally on 0 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition and are expected to be settled in cash.

Trade and other receivables are stated after deducting an allowance for impairment of trade and other receivables of:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables	495	466	–	–
Amounts due from subsidiaries	–	–	1,661	1,375
Trade and other receivables	495	466	1,661	1,375

20. Trade and other receivables (cont'd)

Trade and other receivables are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	6,418	3,784	20,414	14,858
Australian Dollars	198	244	–	–
United States Dollars	20,147	12,495	1,338	894
Bahraini Dinar	883	314	–	–
British Pounds	89	14	5	5
Others	239	249	239	249
	27,974	17,100	21,996	16,006

Expected credit losses

Trade receivables and contract assets

The gross carrying amount of trade receivables and contract assets which represents the maximum exposure to loss is as follows:

	Group			
	2023		2022	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
	$'000	$'000	$'000	$'000
Current	20,260	–	10,148	–
Less than 30 days past due	4,495	–	3,965	–
30 to 60 days past due	1,344	–	1,124	–
61 to 90 days past due	243	–	882	–
More than 90 days past due	1,375	(495)	746	(466)
	27,717	(495)	16,865	(466)

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECLs are as follows:

	Group	
	2023	2022
	$'000	$'000
At 1 April	466	593
Currency realignment	–	(2)
Charge for the year	29	50
Written-off	–	(175)
At 31 March	495	466

20. Trade and other receivables (cont'd)

Expected credit losses (cont'd)

Amounts due from subsidiaries

The gross carrying amount of amounts due from subsidiaries which represents the maximum exposure to loss is as follows:

	Company			
	2023		2022	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
	$'000	$'000	$'000	$'000
Amounts due from subsidiaries	23,265	(1,661)	17,012	(1,375)

The movement in allowance for expected credit losses of amounts due from subsidiaries computed based on lifetime ECLs are as follows:

	Company	
	2023	2022
	$'000	$'000
At 1 April	1,375	1,115
Currency realignment	(25)	7
Charge for the year	311	253
At 31 March	1,661	1,375

21. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and in hand	13,568	8,329	2,226	1,859

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At the end of the reporting period, bank deposit of $65,000 (2022: $66,000) are pledged as security to secure bank facility of a subsidiary.

21. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	5,007	3,569	1,790	1,810
Australian Dollars	572	1,345	–	–
United States Dollars	6,945	3,274	434	47
British Pounds	161	96	–	–
Bahraini Dinar	566	39	–	–
Euro	312	4	–	–
Others	5	2	2	2
	13,568	8,329	2,226	1,859

22. 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 and the Option fee and deposit of 5.0% of the Sale Price was received by the Company during the year. 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 Corporation for the assignment of lease of the Pandan Property from the Company to the Purchaser ("JTC Approval") by 31 December 2023.

Accordingly, the carrying amount of the Pandan Property, including the right-of-use assets and lease liabilities associated with the land that the property 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.

On 11 April 2023, subsequent to the financial year end, the Company received the JTC Approval which is subject to certain conditions. The Company is working with the Purchaser to fulfil these conditions and is looking to complete the sale within the next twelve months.

22. Assets held for sale (cont'd)
Liabilities directly associated with the assets held for sale (cont'd)

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	Company
	2023	2023
	$'000	$'000
Assets		
Investment property	–	865
Property, plant and equipment	883	–
Right-of-use assets	3,868	3,868
Assets held for sale	4,751	4,733
Liabilities		
Lease liabilities directly associated with assets held for sale	(5,270)	(5,270)
Net liabilities held for sale	(519)	(537)

The expenses attributable to the assets held for sale incurred for the year ended 31 March 2023 amounted to $1,096,000 (2022: $1,102,000).

23. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	9,479	4,553	–	–
Sundry payables	1,787	929	841	120
Accrual for staff-related costs	4,198	2,998	399	301
Sundry accruals	3,652	2,899	1,461	1,005
Trade amounts due to a joint venture	180	85	–	–
Amounts owing to subsidiaries	–	–	531	592
	19,296	11,464	3,232	2,018

23. Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	6,632	4,067	3,230	2,018
Australian Dollars	155	285	–	–
United States Dollars	7,451	3,902	2	–
Bahraini Dinar	4,746	2,878	–	–
British Pounds	91	258	–	–
Euro	221	20	–	–
Others	–	54	–	–
	19,296	11,464	3,232	2,018

Trade and sundry payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

Current amounts owing to subsidiaries are non-trade, unsecured, non-interest bearing and are repayable on demand in cash.

Amounts due to a joint venture are unsecured, non-interest bearing and are repayable upon demand in cash.

24. Lease liabilities

The Group has entered into commercial leases on certain premises and equipment. The Group also has certain leases with lease terms of 12 months or less and leases with low value, which the Group applied the recognition exemptions for these leases.

	Group	
	2023	2022
	$'000	$'000
At 1 April	22,714	9,907
Remeasurement (Note 14)	195	–
Additions	216	13,560
Reclassified as liabilities directly associated with the assets held for sale (Note 22)	(5,270)	–
Accretion of interest	926	518
Currency realignment	(39)	4
Payments	(2,367)	(1,275)
At 31 March	16,375	22,714
Current	992	1,395
Non-current	15,383	21,319
	16,375	22,714

24. Lease liabilities (cont'd)

Amounts recognised in consolidated statement of comprehensive income

	Group	
	2023	2022
	$'000	$'000
Depreciation of right-of-use assets	1,480	835
Interest expense on lease liabilities	926	518
Expense relating to short-term leases	362	246
Expense relating to leases of low-value assets	23	30
Total amounts recognised in income statement	2,791	1,629

Amounts recognised in consolidated cash flow statement

	Group	
	2023	2022
	$'000	$'000
Additions to right-of-use assets	–	102
Repayment of principal portion of lease liabilities	1,441	757
Total cash outflows for leases	1,441	859

	Company	
	2023	2022
	$'000	$'000
At 1 April	18,269	5,632
Remeasurement (Note 14)	146	–
Additions	–	12,941
Reclassified as liabilities directly associated with the assets held for sale (Note 22)	(5,270)	–
Accretion of interest	728	317
Payments	(1,705)	(621)
At 31 March	12,168	18,269
Current	742	973
Non-current	11,426	17,296
	12,168	18,269

25. Bank borrowings

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Bank borrowings, current portion				
Secured (Facility 1)	993	1,011	993	1,011
Unsecured (Facility 4)	500	500	–	–
Total current bank borrowings	1,493	1,511	993	1,011
Bank borrowings, non-current portion				
Secured (Facility 1)	993	2,023	993	2,023
Unsecured (Facility 2)	7,000	–	7,000	–
Unsecured (Facility 3)	9,841	5,642	6,265	2,000
Unsecured (Facility 4)	892	1,379	–	–
Total non-current bank borrowings	18,726	9,044	14,258	4,023
Total bank borrowings	20,219	10,555	15,251	5,034

Bank borrowings are denominated in the following currencies at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore Dollars	13,992	3,879	12,600	2,000
United States Dollars	6,227	6,676	2,651	3,034
	20,219	10,555	15,251	5,034

Facility 1

The United States Dollars denominated bank loans are repayable over quarterly instalments starting from December 2012 with last instalment due on 28 March 2025. Interest is payable at the rate of 1.50% (2022: 1.50%) per annum above the Cost of Funds. The facility is used to fund an interest-bearing loan to a subsidiary (Note 18).

The facility is secured by the following:

– 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.

Facility 2

The multi-currency denominated revolving credit facility as at 31 March 2023 was refinanced during the year. The Group drawn down an amount of $7,000,000 during the year and the amount is repayable on 4 May 2026. In prior year, the loan was fully settled as at year end. Interest is payable at the rate of 3.00% per annum over the SORA (2022: 3.00% per annum over the SIBOR) or 3.10% per annum over the SOFR (2022: 3.10% per annum over the LIBOR) in 2023 and depending on the currencies being drawn.

25. Bank borrowings (cont'd)

Facility 3

The multi-currency denominated revolving credit facility as at 31 March 2023 was refinanced during the year and is now repayable on 3 April 2026 (2022: 2 April 2023). Interest is payable at the rate of 2.85% per annum over the SORA or SOFR (2022: 2.60% per annum over the prevailing Swap Offer or the bank's prevailing Cost of Funds) depending on the currencies being drawn.

Facility 4

The Singapore Dollars denominated bank loan is repayable over 48 monthly instalments, starting from 23 January 2022 with last instalment due on 23 December 2025. Interest is payable at the rate of 2.00% (2022: 2.00%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2022	Cash flows	Non-cash changes		31 March 2023
			Foreign exchange movement	Reclassification	
	$'000	$'000	$'000	$'000	$'000
Bank borrowings					
Current	1,511	(1,513)	14	1,481	1,493
Non-current	9,044	11,290	(127)	(1,481)	18,726
Total	10,555	9,777	(113)	–	20,219

	1 April 2021	Cash flows	Non-cash changes		31 March 2022
			Foreign exchange movement	Reclassification	
	$'000	$'000	$'000	$'000	$'000
Bank borrowings					
Current	1,131	(1,129)	1	1,508	1,511
Non-current	13,512	(3,000)	40	(1,508)	9,044
Total	14,643	(4,129)	41	–	10,555

26. Deferred tax assets/(liabilities)

	Note	Group $'000	Company $'000
At 1 April 2021		125	(23)
(Charge)/credit to profit and loss during the financial year	8	(112)	10
At 31 March 2022 and 1 April 2022		13	(13)
Charge to profit and loss during the financial year	8	(129)	(36)
At 31 March 2023		(116)	(49)

26. Deferred tax assets/(liabilities) (cont'd)

Deferred tax as at the end of reporting period relates to the following:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets				
Unabsorbed capital allowances and unutilised tax losses	158	226	–	16
Employee benefits	62	74	20	23
	220	300	20	39
Deferred tax liability				
Excess of net book value over tax written down value of property, plant and equipment	(336)	(287)	(69)	(52)
Deferred tax (liabilities)/assets, net	(116)	13	(49)	(13)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The net amounts determined after appropriate offsetting are shown in the balance sheets as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets	179	274	–	–
Deferred tax liabilities	(295)	(261)	(49)	(13)

Unrecognised tax losses

At the end of the reporting period, the Group had unutilised tax losses with no expiry of approximately $17,571,000 (2022: $41,667,000), net of amounts transferred under the group relief transfer system, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The amount and use of these tax losses and capital allowances is subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the countries where the companies reside.

The potential tax benefit of approximately $4,514,000 (2022: $12,006,000) from these unutilised tax losses has not been recognised in the financial statements due to the uncertainty of their recoverability.

In the prior year, an amount of $25,940,000 was included in the unutilised tax losses arising from the Group's subsidiaries, which were in the process of voluntary winding-up or strike off. The potential tax benefit arising from these tax losses amounts to $7,776,000. The voluntary liquidation of these subsidiaries was completed during the financial year ended 31 March 2023.

Unrecognised temporary differences relating to investments in subsidiaries

The Group has not recognised a deferred tax liability of $1,492,000 (2022: $295,000) as at 31 March 2023 in respect of undistributed profits of a foreign subsidiary as the distribution is controlled by the Company and there is currently no intention for the profits to be remitted to Singapore.

27. Provisions

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current	93	218	–	–
Non-current	113	115	96	96
	206	333	96	96

Represented by:

	Make good provision	Long-service leave	Liquidated damages	Total
	$'000	$'000	$'000	$'000
Group				
At 1 April 2021	93	196	69	358
Currency realignment	–	(2)	(1)	(3)
Provisions during the year	3	11	10	24
Utilised during the year	–	(46)	–	(46)
At 31 March 2022 and 1 April 2022	96	159	78	333
Currency realignment	–	(19)	(7)	(26)
Provisions during the year	–	7	(32)	(25)
Utilised during the year	–	(52)	(24)	(76)
At 31 March 2023	96	95	15	206

	Make good provision	
	2023	2022
	$'000	$'000
Company		
At 1 April	96	93
Accretion of interest	–	3
At 31 March	96	96

Make good provision

In accordance with certain lease agreements, provisions are recognised for expected cost required to be incurred to reinstate the leased premises to their original condition upon the expiry of the leases at various dates. The provisions were based on quotations received from contractors. Assumptions made by management included variables such as inflation rate and discount rate used to calculate the provision. As such, the actual amounts eventually paid out could be different from the above provisions due to changes in the variables such as discount rate and inflation.

27. Provisions (cont'd)

Provision for long service leave

Provision for long service leave is recognised and measured at the present value of the expected future payment to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Provision for liquidated damages

This relates to the provision for potential claim for liquidated damages for late deliveries of $15,000 (2022: $78,000) as at 31 March 2023.

28. Share capital and treasury shares

	Group and Company			
	2023		2022	
	No. of shares '000	$'000	No. of shares '000	$'000
(a) Ordinary shares issued and fully paid				
At 1 April	216,348	48,919	216,336	48,916
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	3,002	660	12	3
At 31 March	219,350	49,579	216,348	48,919

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company except that no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares.

All ordinary shares carry one vote per share without restrictions, except for treasury shares which have no voting rights. The ordinary shares have no par value.

On 18 April 2018, the Company issued 61,806,000 right shares at an issue price of $0.20 per share and 15,451,000 detachable warrants to its shareholders. Each warrant carries the rights to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.22 per warrant for each new share. Each warrant may be exercised at any time during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding five years from the date of issue of the warrants. The exercise price of the warrants and the number of warrants are fixed except for certain events pursuant to the terms and conditions of the warrants set out in the Deed Poll. The newly issued shares ranked *pari passu* in all respects with the previously issued shares. Part of the share issuance expenses amounting to $254,000 were deducted against share capital.

During the financial year, 3,002,000 (2022: 12,000) warrants were exercised and accordingly, 12,428,000 (2022: 15,430,000) warrants remained outstanding as at reporting date.

Subsequent to the financial year ended 31 March 2023, a further 5,711,000 warrants have been exercised resulting in additional 5,711,000 ordinary shares being issued subsequent to 31 March 2023. The remaining unexercised warrants expired on 17 April 2023 and were delisted from the Official List of the Singapore Exchange Securities Trading Limited on 18 April 2023.

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

	Group and Company			
	2023		2022	
	No. of shares '000	$'000	No. of shares '000	$'000
(b) Treasury shares				
At 1 April and 31 March	188	41	188	41

Treasury shares relate to ordinary shares of the Company that are held by the Company.

29. Reserves

	Group	
	2023 $'000	2022 $'000
Retained earnings	18,426	15,786
Foreign currency translation reserve	(2,182)	(1,950)
Other reserves		
- Gain on sale/transfer of treasury shares	2,507	2,507
- Premium paid on acquisition of non-controlling interests or reduction in share capital of a subsidiary	(1,078)	(1,078)
- Net fair value of loss on derivatives	–	(152)
- Share of joint venture's remeasurement of employee benefits liabilities	(96)	(96)
- Fair value reserve of other investment at FVOCI	(4,087)	(6,582)
	(2,754)	(5,401)
	13,490	8,435

	Company	
	2023 $'000	2022 $'000
Retained earnings		
At 1 April	1,644	1,379
Profit for the year	2,724	1,337
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share-based payment arrangements after vesting date	–	9
Dividends	(1,081)	(1,081)
At 31 March	3,287	1,644
Other reseves		
At 1 April	2,507	2,516
Transfer from employee equity benefits reserve to retained earnings on forfeiture of share-based payment arrangements after vesting date to retained earnings	–	(9)
At 31 March	2,507	2,507
	5,794	4,151

29. Reserves (cont'd)

Foreign currency translation reserve

The foreign currency translation reserve comprises exchange differences arising from the translation of financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency. The foreign currency translation reserve is also used to record the effect of hedging of net investments in foreign operations.

Gain on sale/transfer of treasury shares

This represents the gain arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Premium paid on acquisition of non-controlling interests or reduction in share capital of a subsidiary

This represents the premium paid on acquisition of non-controlling interests arising from the acquisition of additional equity interest in BLV while retaining control and the reduction of share capital of BLV prior to financial year ended 31 March 2023. BLV has been liquidated during the year.

Employee equity benefits reserve

Employee equity benefits reserve represents the equity-settled awards granted to employees (Note 34). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date (or acquisition date if later) of equity-settled share schemes, and is reduced by the expiry, cancellation or release of the awards.

Movements in reserves are set out in the consolidated statement of changes in equity.

Fair value reserve of other investment at FVOCI

Fair value reserve of other investment at FVOCI represents the cumulative fair value changes, net of tax, of an investment security at FVOCI.

	Group	
	Fair value reserve	
	2023	**2022**
	$'000	**$'000**
At 1 April	6,582	8,257
Fair value adjustment on investment security carried at FVOCI (Note 16)	(2,495)	(1,675)
At 31 March	4,087	6,582

30. Dividends

	Group and Company	
	2023	2022
	$'000	$'000
Declared and paid during the financial year		
Dividends on ordinary shares:		
- Final tax exempt (one-tier) dividend for 2022: 0.5 cents (2021: 0.5 cents) per share	1,081	1,081
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final tax exempt (one-tier) dividend for 2023: 0.5 cents (2022: 0.5 cents) per share	1,124[1]	1,081

1 Includes the additional 5,711,000 ordinary shares being issued subsequent to the financial year ended 31 March 2023 (Note 28 (a)).

31. 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Authorised and committed	405	1,724	17	313

(b) *Contingent liabilities*

	Group		Company	
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 comprise performance and warranty bonds issued to customers or third party service providers.

31. Commitments and contingencies (cont'd)

(c) *Financial support*

The Company has provided letters of financial support to certain subsidiaries that it will not demand repayment of the amounts owing by such subsidiaries unless such repayment will not jeopardise the ability of these subsidiaries to meet their obligations as and when they fall due. The total amounts owing from these subsidiaries, net of allowances for impairment, is $25,069,000 (2022: $12,877,000).

(d) *Other commitments*

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

32. Information by segment on the Group's operations

(a) *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.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

32. Information by segment on the Group's operations (cont'd)

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

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

	Investment holding $'000	Oilfield engineering $'000	Eliminations $'000	Note	Per consolidated financial statements $'000
2023					
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)
(Loss)/gain on disposal of property, plant and equipment, net	(1)	181	–		180
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)
Assets and liabilities:					
Additions to non-current assets	4,184	3,688	–		7,872
Segment assets	40,670	83,940	–		124,610
Deferred tax assets					179
Total assets					124,789
Segment liabilities	(22,839)	(18,308)	–		(41,147)
Provision for taxation					(100)
Deferred tax liabilities					(295)
Bank borrowings					(20,219)
Total liabilities					(61,761)

32. Information by segment on the Group's operations (cont'd)

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

	Investment holding $'000	Oilfield engineering $'000	Eliminations $'000	Note	Per consolidated financial statements $'000
2022					
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)
Assets and liabilities:					
Additions to non-current assets	16,570	6,994	–		23,564
Segment assets	35,762	66,563	–		102,325
Deferred tax assets					274
Total assets					102,599
Segment liabilities	(22,360)	(12,151)	–		(34,511)
Provision for taxation					(95)
Deferred tax liabilities					(261)
Bank borrowings					(10,555)
Total liabilities					(45,422)

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

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

32. Information by segment on the Group's operations (cont'd)

(b) Geographical segments

	External sales		Non-current assets	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore	38,707	23,264	38,695	39,017
Australia	2,402	3,278	33	8
Bahrain	40,337	24,096	17,983	16,778
United Kingdom	2,388	1,405	2,930	3,221
	83,834	52,043	59,641	59,024

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.

(c) Information about major customers

Revenue from two major customers amounted to $29,970,000 (2022: one major customer amounted to $6,889,000) arising from sales by the Oilfield Engineering segment.

33. Subsidiaries

The subsidiaries as at 31 March are:

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective interest in equity held by the Group	
			2023	2022
			%	%
	Held by the Company and its subsidiaries			
i	MTQ Engineering Pte Ltd (Republic of Singapore)	Providing engineering and manufacturing services to the oil and gas industry (Republic of Singapore)	100	100
iii	MTQ Equipment Rental Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
iii	MTQ Fabrication Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
i	Blossomvale Investments Pte Ltd (Republic of Singapore)	Investment holding (Republic of Singapore)	100	100
iii	Violetbloom Investments Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100

For the financial year ended 31 March 2023 (In Singapore dollars)

33. Subsidiaries (cont'd)

The subsidiaries as at 31 March are (cont'd):

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective interest in equity held by the Group	
			2023	2022
			%	%
	Held by the Company and its subsidiaries (cont'd)			
iii	Everfield Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
iii	MTQ Binder Holdings Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
ii	MTQ Oilfield Services W.L.L. (Kingdom of Bahrain)	Service, manufacture and assemble oilfield equipment and related spare parts in the oil and gas industry (Kingdom of Bahrain)	100	100
i	Premier Sea & Land Pte Ltd (Republic of Singapore)	Trading of oilfield industry materials and supplies machinery and equipment and rental of machinery and equipment (Republic of Singapore)	100	100
i	Pemac Pte Ltd (Republic of Singapore)	Manufacture of high pressure piping, general steel fabrication works, repairing of oilfield equipment and fabrication of pressure vessels (Republic of Singapore)	100	100
i	Mid-Continent Distribution Pte Ltd (Republic of Singapore)	Trading of oilfield equipment and spares (Republic of Singapore)	100	100
i	Premier Estate Private Limited (Republic of Singapore)	Investment holding (Republic of Singapore)	100	100
iii,iv	Blossomvale Holdings Ltd (Australia)	Inactive (Australia)	–*	87.1
iii	Blossomvale (NAH) Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
iii	Blossomvale (NMO) Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
iii	PT Neptune Subsea Stabilisation (Indonesia)	Inactive (Indonesia)	–*	100
iii	Blossomvale Subsea Stabilisation Sdn Bhd (Malaysia)	Inactive (Malaysia)	100	100

For the financial year ended 31 March 2023 (In Singapore dollars)

33. Subsidiaries (cont'd)

The subsidiaries as at 31 March are (cont'd):

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective interest in equity held by the Group 2023 %	2022 %
	Held by the Company and its subsidiaries (cont'd)			
iii,v	Blossomvale NMSSB Sdn Bhd (Brunei)	Inactive (Brunei)	100	100
iii	Binder Group Pty Ltd (Australia)	Design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions (Australia)	100	100
i	Binder Asia Pte Ltd (Republic of Singapore)	Trading of proprietary and custom-built pipe support and pipe suspension solutions (Republic of Singapore)	100	100
iii	Binder Holdings Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	100	100
iii	In-Line Valve Company Limited (United Kingdom)	Design, engineering, assembly and testing of flow control valves (United Kingdom)	100	100
iii	In-Line Valve (ME) Limited (United Arab Emirates)	Inactive (United Arab Emirates)	100	100

i. Audited by Ernst & Young LLP, Singapore

ii. Audited by member firms of Ernst & Young Global in their respective countries

iii. Not required to be audited under the law in its country of incorporation

iv. Subsidiary that had material non-controlling interest ("NCI") as an aggregate in the prior year ended 31 March 2022. Total gain allocated to NCI during the year was $136,000 (2022: loss of $35,000). Accumulated NCI as at 31 March 2023 is $Nil (2022: debit $136,000). On 26 January 2023, the voluntary liquidation of the subsidiary was completed.

v. In the process of voluntary winding-up as at reporting date

* Liquidated during the financial year

34. Employee benefits

MTQ Share Plan

The Group has adopted a compensation scheme, known as the MTQ Share Plan (the "Share Plan"), approved by shareholders of the Company at an Extraordinary General Meeting held on 26 July 2013, to grant the right to receive fully paid ordinary shares ("Award"). The Share Plan, inter alia, allows for the participation of employees of the Group and employees of associated companies (a company as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")) who meet the eligibility criteria, but does not include any controlling shareholders and their associates as defined in the Listing Manual of SGX-ST, nor the Non-Executive Directors.

The Share Plan is administered by the Nomination and Remuneration Committee which comprises the following members:

Nicholas Campbell Cocks (Chairman)
Chew Soo Lin
Ong Eng Yaw

The selection of the participants in the Share Plan and the grant of Award are to be determined by the Nomination and Remuneration Committee at its absolute discretion.

The principal terms of the Share Plan are:

(i) Size and duration

The total number of new shares which may be delivered by the Company pursuant to the Awards granted under the Share Plan (the "New Shares") on any date, when added to the aggregate number of ordinary shares issued or issuable under any other share schemes which may be implemented by the Company, shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of grant.

The Share Plan shall continue in force at the discretion of the Nomination and Remuneration Committee subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the Share Plan may continue beyond this stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Share Plan, any grant of shares made pursuant to the Share Plan prior to such expiry or termination will continue to remain valid.

(ii) Eligibility to participate in the Scheme

Subject to the absolute discretion of the Nomination and Remuneration Committee, the following persons, unless they are also non-executive directors, controlling shareholders and/or their associates, shall be eligible to participate in the Share Plan:

– employees of the Group who have attained the age of twenty-one years before the date of the Award and hold such rank as may be designated by the Nomination and Remuneration Committee from time to time; and

– employees of associated companies who have attained the age of twenty-one years before the date of the Award and hold such rank as may be designated by the Nomination and Remuneration Committee from time to time and who, in the opinion of the Nomination and Remuneration Committee, have contributed to the success of the Group (collectively known as the "Participants").

34. Employee benefits (cont'd)

MTQ Share Plan (cont'd)

(iii) Grant of Awards

Awards under the Share Plan may be granted at any time during the period when the Share Plan is in force. The Nomination and Remuneration Committee shall, in its absolute discretion, decide, in relation to each Award:

– the participants;

– the Award date;

– the number of fully paid ordinary shares which are the subject of the Award;

– the performance targets and the period during which the targets are to be satisfied;

– the extent to which the fully paid ordinary shares which are the subject of that Award shall be released on the prescribed performance targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;

– the vesting date; and

– any other condition as the Nomination and Remuneration Committee may determine.

The granted Award may not be sold, transferred, mortgaged, charged, assigned, pledged, encumbered or otherwise disposed of, in whole or in part or in any way whatsoever, except with the prior approval of the Nomination and Remuneration Committee and if a participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse.

(iv) Operation of Share Plan

Subject to the prevailing legislation and the rules of the Listing Manual and such consents or other required action by any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Share Plan and the Company's Constitutions, the Company will have the flexibility to settle the Awards upon their vesting by way of:

– issuing new ordinary shares of the Company as fully paid;

– delivering existing ordinary shares (including, to the extent permitted by law, treasury shares); and/or

– paying the aggregate market price in cash in lieu of allotment or transfer of some or all of the new or existing ordinary shares.

In the prior year ended 31 March 2022, 11,392 shares comprised in the Awards granted under the MTQ Share Plan was forfeited. There are no outstanding shares comprised in Awards granted pursuant to the MTQ Share Plan as at 31 March 2023 and 31 March 2022.

35. Related party disclosure

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

(a) *Sale and purchase of goods and services*

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Associate and Joint ventures				
- Sales of goods	127	100	–	–
- Purchase of goods	1,987	2,014	–	–
Subsidiaries				
- Dividend income	–	–	–	2,638
- Management fee income	–	–	3,481	2,723
- Rental income from investment property	–	–	3,141	1,291
- Other rental income	–	–	638	–
- Interests on loans	–	–	119	63

(b) *Compensation of key management personnel*

Key management personnel are defined as persons who have authority and responsibility for planning, directing and controlling the activities of the Group.

Details of their remuneration paid during the year and other related party transactions have been disclosed in Note 6.

36. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial instruments, other than quoted securities, comprise bank borrowings, lease liabilities and cash and cash equivalents. All financial transactions with the banks are governed by banking facilities duly accepted with the Board of Directors ("Board") resolutions, with banking mandates which define the permitted financial instruments and facilities limits, approved by the Board. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The key financial risks faced by the Group include credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board reviews and agrees policies and procedures for the management of these risks, which are executed by the key management personnel of the Group. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are made to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The Group has made allowances, where necessary, for potential losses on credits extended.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each financial year. The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the end of financial year with the risk of default as at the date of initial recognition.

Generally, the Group considers a financial asset in default when contractual payments are past due for more than 90-120 days, having considered other qualitative indicators when appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Profile of the debtors such as financial strength and size of the debtors' company;
- Historical trading relationships;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments and there is no reasonable expectation of recovery, such as a trade debtor failing to engage in a repayment plan with the Group or entering into bankruptcy. Where loans and receivables have been written-off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(i) Trade and other receivables

The Group determines impairment of trade receivables and contract assets by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, the Group provides for lifetime expected credit losses using simplified approach. The allowance rates are determined based on the Group's historical default rates analysed by percentage of allowance for doubtful debts to the total credit sales for the past five years, adjusted for current and forward-looking information (where appropriate).

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 20.

(ii) Intercompany receivables

The Group provides for ECLs based on the general approach and the extent of loss allowance is dependent on consideration of many factors, amongst others, the extent of credit deterioration since initial recognition, information and data that indicate the credit quality of the subsidiaries and the probability of default, amounts that are expected to be recovered in a default and adjustment for forward-looking information.

Information regarding loss allowance movement of intercompany receivables are disclosed in Notes 18 and 20.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by:

– the carrying amount of each class of financial assets recognised in the balance sheets.

– corporate guarantees provided by the Company for bank facilities utilised by subsidiaries as at the end of the reporting period is $97,000 (2022: $330,000) (Note 31(b)).

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables and contract assets on an on-going basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the end of the reporting period are as follows:

	Group			
	2023		2022	
	$'000	% of total	$'000	% of total
By country				
Singapore	6,235	23	2,078	13
Australia	557	2	301	2
United Kingdom	44	–*	13	–*
Saudi Arabia	14,258	52	9,684	59
Malaysia	2,070	8	2,106	13
Indonesia	174	1	368	2
United States	103	–*	268	2
Bahrain	642	2	237	2
Brunei	125	1	465	3
United Arab Emirates	220	1	441	2
Japan	–	–	–	–*
Dubai	35	–*	4	–*
Egypt	1,602	6	–	–
Others	1,157	4	434	2
	27,222	100	16,399	100
By industry sectors				
Oil and gas	27,103	100	16,207	99
Marine and shipping	–	–	–	–*
Mining	41	–*	65	–*
Others	78	–*	127	1
	27,222	100	16,399	100

* Less than 1%.

At the end of the reporting period, approximately 64% (2022: 42%) of the Group's trade receivables and contract assets were due from five major customers who are leading providers of products and services to the global upstream oil and gas industry.

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 18 and 20.

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and Australian Dollar ("AUD"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"), AUD and SGD. The Group's trade and other receivables and trade and other payables balances at the end of the reporting period have similar exposures.

As at 31 March 2023, approximately 18% (2022: 16%) of the Group's trade and other receivables and 34% (2022: 38%) of the Group's trade and other payables are denominated in foreign currencies.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. The currency mix of the cash and cash equivalents of the Group and Company as at the end of the reporting period are set out in Note 21.

The Group enters into foreign exchange forward contracts and holds foreign currencies where necessary, to hedge against its foreign exchange risk in anticipated purchase or sale transactions denominated in foreign currencies. The Group's treasury policy prescribes only "plain vanilla" or treasury hedging instruments with limited downside risk, namely foreign exchange spot and forward contracts, or holder of options (the "Permitted Transactions"). These instruments are generic in nature with no embedded or leverage features and any deviation from these instruments would require specific approval from the Board. Any complex foreign exchange or derivatives transactions involving any combination of the Permitted Transactions or any combination of the Permitted Transactions and other derivatives transactions are prohibited.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading nor any of the treasury transactions for profit purpose. It is not in the interest of the Group to engage in trading for profit or to speculate or trade in treasury instruments. The purpose of engaging in treasury transactions is solely for hedging.

In addition to transactional exposure, the Group is also exposed to foreign currency exchange movements arising from its net investment in foreign operations. The Group does not have any formal policy with respect to such foreign currency exposure as its investments are long term in nature, and management of such foreign currency exposure is considered on a case-by-case basis.

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the USD, AUD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

	2023		2022	
	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
	$'000	$'000	$'000	$'000
Group				
USD				
- strengthened 3% (2022: 3%)	43	462	(21)	462
- weakened 3% (2022: 3%)	(43)	(462)	21	(462)
AUD				
- strengthened 3% (2022: 3%)	–	17	21	28
- weakened 3% (2022: 3%)	–	(17)	(21)	(28)
SGD				
- strengthened 3% (2022: 3%)	11	(60)	4	(60)
- weakened 3% (2022: 3%)	(11)	60	(4)	60

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility by monitoring its net operating cash flow through the review of its working capital requirements regularly, and maintaining an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions.

36. Financial risk management objectives and policies (cont'd)

(c) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The tables below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period, based on contractual undiscounted repayment obligations:

	Total contractual cash flows $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000
Group				
2023				
Non-derivative financial liabilities				
Trade and other payables	(19,296)	(19,296)	–	–
Bank borrowings	(24,052)	(2,828)	(21,224)	–
Lease liabilities	(31,823)	(2,151)	(6,635)	(23,037)
Contractual undiscounted financial liabilities	(75,171)	(24,275)	(27,859)	(23,037)
2022				
Non-derivative financial liabilities				
Trade and other payables	(11,464)	(11,464)	–	–
Bank borrowings	(10,978)	(1,837)	(9,141)	–
Lease liabilities	(33,731)	(2,313)	(6,907)	(24,511)
Contractual undiscounted financial liabilities	(56,173)	(15,614)	(16,048)	(24,511)
Company				
2023				
Non-derivative financial liabilities				
Trade and other payables	(3,232)	(3,232)	–	–
Bank borrowings	(18,359)	(2,071)	(16,288)	–
Lease liabilities	(24,032)	(1,712)	(5,617)	(16,703)
Contractual undiscounted financial liabilities	(45,623)	(7,015)	(21,905)	(16,703)
2022				
Non-derivative financial liabilities				
Trade and other payables	(2,018)	(2,018)	–	–
Bank borrowings	(5,242)	(1,159)	(4,083)	–
Lease liabilities	(25,531)	(1,697)	(5,866)	(17,968)
Contractual undiscounted financial liabilities	(32,791)	(4,874)	(9,949)	(17,968)

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

		Group	
	Note	Total contractual cash flow $'000	1 year or less $'000
Group			
2023			
Issued financial guarantees to external parties	31	694	694
2022			
Issued financial guarantees to external parties	31	1,074	1,074
Company			
2023			
Issued guarantees for bank facilities utilised by subsidiaries	31	97	97
Issued financial guarantees to external parties	31	516	516
2022			
Issued guarantees for bank facilities utilised by subsidiaries	31	330	330
Issued financial guarantees to external parties	31	628	628

36. Financial risk management objectives and policies (cont'd)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its bank borrowings. Bank borrowings are contracted with the objectives of minimising interest burden by carefully evaluating the relative benefits between fixed rate and variable rate whilst maintaining an acceptable debt maturity profile.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the interest rates, with all other variables held constant:

	Effect on Group's profit before tax (Decrease)/increase	
	2023	**2022**
	$'000	**$'000**
50 basis points increase (2022: 50 basis points increase)	(94)	(43)
50 basis points decrease (2022: 50 basis points decrease)	94	43

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's cash and cash equivalents and bank borrowings where applicable. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

37. Classification of financial assets and liabilities

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Financial assets measured at FVOCI					
Other investment	16	6,130	3,635	–	–
Financial assets measured at amortised cost					
Receivables	18	20	44	10,111	6,461
Trade and other receivables	20	27,974	17,100	21,996	16,006
Cash and cash equivalents	21	13,568	8,329	2,226	1,859
Total financial assets		47,692	29,108	34,333	24,326
Total non-financial assets		77,097	73,491	57,095	54,158
Total assets		124,789	102,599	91,428	78,484
Financial liabilities measured at amortised cost					
Trade and other payables	23	19,296	11,464	3,232	2,018
Lease liabilities	24	16,375	22,714	12,168	18,269
Bank borrowings	25	20,219	10,555	15,251	5,034
Total financial liabilities		55,890	44,733	30,651	25,321
Total non-financial liabilities		5,871	709	5,445	134
Total liabilities		61,761	45,442	36,096	25,455

38. 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.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 March 2023 and 31 March 2022.

38. 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					
2023					
Financial asset:					
Other investment	16	6,130	–	–	6,130
2022					
Financial asset:					
Other investment	16	3,635	–	–	3,635

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

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

Management has determined that the carrying amount of cash and cash equivalents (Note 21), trade and other receivables (other than non-current amounts due from subsidiaries) (Notes 18 and 20), trade and other payables (other than non-current amounts due from subsidiaries) (Note 23), lease liabilities (Note 24) and bank borrowings (Note 25) based on their notional amounts, reasonably approximate their fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of non-current amounts due from subsidiaries (Note 18) reasonably approximate their fair values as their discounted expected future cash flows are not materially different from their notional amounts.

39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings, sell assets or reduce borrowings. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

39. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings, less cash and cash equivalents. Net capitalisation refers to net debt plus shareholders' funds and non-controlling interests.

	Note	Group 2023 $'000	Group 2022 $'000
Bank borrowings	25	20,219	10,555
Less: Cash and cash equivalents	21	(13,568)	(8,329)
Net debt		6,651	2,226
Shareholders' funds		63,028	57,313
Add: Non-controlling interests		–	(136)
Net capitalisation		69,679	59,403
Net debt gearing ratio		10%	4%

40. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on 16 June 2023.

Issued and Fully Paid-Up Capital (including Treasury Shares)	:	S$51,409,374.48
Number of Issued Shares (excluding Treasury Shares)	:	224,872,783
Number/ Percentage of Treasury Shares	:	188,303 (0.084%)
Class of Shares	:	Ordinary Share
Voting Rights	:	One Vote Per Share

There is no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	80	7.00	3,724	0.00
100 - 1,000	87	7.61	45,952	0.02
1,001 - 10,000	426	37.27	2,311,846	1.03
10,001 - 1,000,000	526	46.02	36,872,391	16.40
1,000,001 AND ABOVE	24	2.10	185,638,870	82.55
TOTAL	**1,143**	**100.00**	**224,872,783**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	KUAH KOK KIM	58,317,217	25.93
2	CITIBANK NOMINEES SINGAPORE PTE LTD	36,416,378	16.19
3	TAI TAK SECURITIES PTE LTD	24,947,669	11.09
4	SINGAPORE WAREHOUSE COMPANY (PRIVATE) LTD	11,843,570	5.27
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	10,990,530	4.89
6	DBS NOMINEES (PRIVATE) LIMITED	6,324,517	2.81
7	PHILLIP SECURITIES PTE LTD	5,647,635	2.51
8	OCBC SECURITIES PRIVATE LIMITED	3,534,566	1.57
9	ABN AMRO CLEARING BANK N.V.	3,150,717	1.40
10	YEO SIEW CHANG	2,320,000	1.03
11	IFAST FINANCIAL PTE. LTD.	2,263,636	1.01
12	RAFFLES NOMINEES (PTE.) LIMITED	2,261,233	1.01
13	MAYBANK SECURITIES PTE. LTD.	2,014,468	0.90
14	STUART GEORGE MONTGOMERY	1,842,040	0.82
15	PETER LOCK HONG CHEONG	1,766,611	0.79
16	TOH ONG TIAM	1,627,200	0.72
17	TAN KAH BOH ROBERT@ TAN KAH BOO	1,542,074	0.69
18	TAN KIM SENG	1,521,739	0.68
19	UOB KAY HIAN PRIVATE LIMITED	1,447,041	0.64
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,338,824	0.60
	TOTAL	**181,117,665**	**80.55**

STATISTICS OF SHAREHOLDINGS

As at 15 June 2023

SUBSTANTIAL SHAREHOLDERS AS AT 15 JUNE 2023

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Kuah Kok Kim	58,317,217	25.93	–	–
Maclean Investments Limited	26,831,478[1]	11.93	–	–
Tai Tak Securities Pte Ltd	24,947,669	11.09	–	–
Singapore Warehouse Company (Private) Ltd	11,843,570	5.27	–	–
BOS Trustee Limited	–	–	26,831,478[2]	11.93
Bank of Singapore Limited	–	–	26,831,478[2]	11.93
Oversea-Chinese Banking Corporation Limited	–	–	26,831,478[2]	11.93
Kurt Robert Malkolm Lindblad	–	–	26,831,478[2]	11.93
Tai Tak Estates Sendirian Berhad	–	–	24,947,669[3]	11.09
SG Investments Pte Ltd	–	–	24,947,669[4]	11.09
Ho Han Leong Calvin	25,000	0.01	24,947,669[5]	11.09
Hwa Hong Corporation Limited	–	–	11,843,570[6]	5.27
Sanjuro United Pte Ltd	–	–	11,843,570[6]	5.27
Ergonomix Ltd	–	–	11,843,570[6]	5.27
Ergonomix L.P. (acting by its general partner, Ergonomix Ltd)	–	–	11,843,570[6]	5.27
Diamond GP Holdings II Ltd	–	–	11,843,570[6]	5.27
Dymon Asia Private Equity (S.E. Asia) II Ltd.	–	–	11,843,570[6]	5.27
DAPE Ltd	–	–	11,843,570[6]	5.27
Crystalic Star Global Limited	–	–	11,843,570[6]	5.27
Zen Capital Pte Ltd	–	–	11,843,570[6]	5.27
Cheng Zen-Tak, Kelvin	–	–	11,843,570[6]	5.27
Ely Investments (Pte) Ltd	–	–	11,843,570[6]	5.27
Ong Bee Leem	–	–	11,843,570[6]	5.27
Ong Eng Yaw	–	–	11,843,570[6]	5.27

[1] Maclean Investments Limited ("Maclean") through its custodian, Citibank Nominees Singapore Pte Ltd, holds 26,831,478 Shares in the Company.

[2] BOS Trustee Limited ("BOSTL") is the trustee of a trust known as The Limpa Trust ("the Trust") constituted by the Settlor, Mr. Kurt Robert Malkolm Lindblad. Maclean, a company incorporated in British Virgin Islands, is the investment holding vehicle of the Trust and is 100% owned by BOSTL in its capacity as trustee of the Trust. BOSTL is a wholly-owned subsidiary of Bank of Singapore Limited ("BOS") and BOS in turn is a wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited ("OCBC"). Hence BOSTL, BOS and OCBC are deemed to be interested in the Shares held by Maclean. Under the terms of the Trust, Mr. Kurt Robert Malkolm Lindblad is deemed to be interested in the Shares that are held by Maclean.

[3] Tai Tak Estates Sendirian Berhad is deemed to be interested in the Shares held by Tai Tak Securities Pte Ltd by virtue of Section 4 of the Securities and Futures Act.

[4] SG Investments Pte Ltd is deemed to be interested in the Shares held by Tai Tak Securities Pte Ltd by virtue of Section 4 of the Securities and Futures Act.

[5] Mr. Ho Han Leong Calvin is deemed to be interested in the Shares held by Tai Tak Securities Pte Ltd by virtue of Section 4 of the Securities and Futures Act.

[6] Each of Hwa Hong Corporation Limited, Sanjuro United Pte Ltd, Ergonomix Ltd, Ergonomix L.P. (acting by its general partner, Ergonomix Ltd), Diamond GP Holdings II Ltd, Dymon Asia Private Equity (S.E. Asia) II Ltd, DAPE Ltd, Crystalic Star Global Limited, Zen Capital Pte Ltd, Cheng Zen-Tak, Kelvin, Ely Investments (Pte) Ltd, Ong Bee Leem and Ong Eng Yaw is deemed to be interested in the Shares held by Singapore Warehouse Company (Private) Ltd by virtue of Section 4 of the Securities and Futures Act.

Note:

The above percentage is calculated based on the Company's issued share capital (excluding treasury shares) of 224,872,783 Shares.

PUBLIC FLOAT

Based on information available to the Company as at 15 June 2023, approximately 41.8% of the issued shares of the Company are held by the public and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

SUSTAINABILITY REPORT

OVERVIEW OF REPORT

This Sustainability Report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option and the SGX-ST Listing Rule 711(A), 711(B) and the guidance set out in the Practice Note 7.6. We have adopted the GRI for its robust regime and detailed guidance on the disclosure and also a globally recognised sustainability reporting framework. Our data is reported in good faith and to the best of our knowledge.

The Group has not obtained any independent external assurance of the information being reported. Feedback from all stakeholders is welcome and can be sent to sustainability@mtq.com.sg.

BOARD STATEMENT

Sustainability is a part of Company's wider strategy to create long term value for all its stakeholders. This year's report addresses the activities and measurements in the financial year ended 31 March 2023 (the "reporting period") and included additional climate-related disclosures where applicable.

The key material environmental, social and governance factors for MTQ, including relevant climate-related risks and opportunities, have been identified by the management. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's overall strategic direction and policies.

SUSTAINABILITY APPROACH

Our approach to sustainability is guided by the overall MTQ's mission to provide our customers service quality, our employees job satisfaction and our shareholders return on their investment at a level which meets and surpasses their expectations. The Group manages its sustainability issues as an integral part of the risk management and good business practices. In striving to achieve this, MTQ adopts 4 core STAR values:

Be **S**incere in all our intentions
Be **T**ransparent in all that we do
Be **A**lert to the needs of others
Be **R**esponsible in delivering

Our core values comprise principles which employees can observe in all aspects of our business and in our dealings with customers, suppliers, contractors and other stakeholders. This approach takes a balanced holistic goal from the economic, environmental and social perspectives and aligns itself with MTQ's sustainability goals.

REPORTING PROCESS AND MATERIAL TOPICS

The Group has a risk management framework which is based upon the underlying principles of corporate governance addressing the financial, operational, compliance, information technology and climate-related risks that are material and relevant to the Group. More information on the Group's corporate governance can be found on pages 12 to 30.

The Group's sustainability reporting process is included in its internal audit scope for review by its Internal Auditor commencing FY2023.

In identifying and prioritising topics to be reported, we applied the Principle of Materiality on the topics which are relevant to the businesses of the Group, taking into consideration the significance of impacts and the availability of the reporting information required. An executive meeting attended by certain senior management of the Group and headed by the Group CEO was convened to determine the key topics. A conclusive meeting was held with the Board of Directors to finalise the key topics thereafter.

In addition to the material topics identified in prior years, the Group included Emissions as an additional topic this year.

List of material topics:

Economic Performance
Employment
Diversity and Equal Opportunity
Occupational Health and Safety
Energy
Emissions

The information presented under the above topics takes into account significant subsidiaries of the Group and excluded associated companies in which the Group does not have control of. Where activity data relates to the facilities that the Group operates in, only the key leasehold properties that the Group owns have been included.

MEMBERSHIPS, EXTERNAL CHARTERS AND CERTIFICATIONS

Apart from those disclosed in page 1, the list of memberships, external charters and certifications maintained by the subsidiaries of the Group also includes:

- Singapore Business Federation
- Singapore Chinese Chamber of Commerce & Industry
- Association of Singapore Marine Industries
- LowCarbonSG Accredition (Partner of Carbon Pricing Leadership Coalition of Singapore)
- International Association of Drilling Contractors – South-East Asia Chapter

OUR STAKEHOLDERS

Below are the groups of stakeholders identified based on their level of influence and impact in sustainability issues together with the potential impact these stakeholders can have on our activities.

Stakeholders	Mode of engagement	Key topics raised
Customers	Customers satisfaction surveys Site and office visits Phone calls and e-mails	Quality of products and services and delivery Customer satisfaction Payments and credit terms
Suppliers	Suppliers visits and meetings Phone calls and e-mails Periodic review meetings	Quality assurance and compliance Supply chain management
Investors/ Shareholders	Shareholders' meetings Investor forums Corporate website	Economic performance Corporate governance Business and growth strategies
Employees	Town hall meetings Periodic safety meetings Scheduled meetings with Trade Union[1] representatives	Outlook of the Group Employees' welfare and benefits Health and safety
Principal Bankers	Scheduled meetings	Financial health Regulatory compliance Banking matters
Regulators	Formal modes and channels of communication	Compliance with applicable rules and regulations Health and Safety reporting Employment related matters

[1] About 35% (2022: 33%) of the employees in Singapore are covered by a collective agreement with a certain trade union. The collective bargaining arrangement serves to form a joint decision-making concerning working conditions, performance, rewards, re-employment and other employment related matters within the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

MTQ is governed by a number of laws and regulations in the social and economic area and any non-compliance can result in significant impacts to the Group such as significant fines, loss of licenses/certifications, loss of customers as well as damage of reputation.

Regulatory and compliance risks are managed as one of the fundamental parts of the Group's risks management system and policy. We are also subjected to audits by organisations/bodies/customers/auditors on a periodic basis. The Group also has an internal control and system in place to ensure that any non-compliance is promptly highlighted, followed-up and rectified. For the reporting period, we are glad to report that the Group has not received any fines or sanctions, nor has any significant open or unresolved non-compliance or audit issues (2022: None). The Group aims to maintain this track record in future years.

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

Creating wealth and the levels of economic value generated and distributed (EVG&D) are fundamental for a sustainable business. For MTQ, the components of how historical EVG&D performed are summed up in the Financial Profile and Financial Review sections (read together with the rest of the financial statements). The following tables provide a summary of EVG&D in the current reporting period based on GRI's reporting requirements.

	2023 S$'000	2022 S$'000
Direct economic value/Revenue generated	83,834	52,043
Other income	892	1,527
Direct economic value distributed:		
Operating costs, employee wages and benefits:		
Costs of sales	(56,848)	(37,374)
Staff costs	(9,700)	(8,368)
Other operating costs	(10,240)	(5,589)
Payments to providers of capital:		
Dividends	(1,124)[1]	(1,081)
Finance costs	(1,754)	(833)
Payments to government:		
Income and withholding taxes	(26)	(39)
	(79,692)	(53,284)
Net economic value generated	5,034	286
Reconciliation to Net Profit for the year:		
Profit for the year	3,857	1,283
Items in profit or loss not included in the above:		
Deferred tax expense	129	112
Allowance/(reversal of allowance) for inventory obsolescence and stock written-off, net	1,169	(28)
Loss on liquidation of a subsidiary	1,003	–
Items not included in profit or loss:		
Dividends	(1,124)[1]	(1,081)
Net economic value generated	5,034	286

Note: For direct economic value/revenue generated by segments and countries, please refer to pages 104 to 106 in the segment information.

[1] Includes proposed final dividend of approximately S$1.12 million (0.5 Singapore cents per share) which is subject to shareholders' approval in the forthcoming Annual General Meeting.

Defined benefit plan obligations and other retirement plans

The Group makes monthly mandatory contributions to defined benefit and contribution plans as required by the local regulations in the countries the Group operates in. In providing a retirement plan for our employees, the Group relies on its general resources to fulfil its obligations. The Group's obligations and liabilities have been recognised within Accrual for staff-related costs within Trade and other payables in the balance sheets. Contribution rates for employers and employees depend on the schemes in the jurisdictions where our companies are set up such as Central Provident Fund in Singapore, Superannuation in Australia and General Organisation for Social Insurance in Kingdom of Bahrain.

Financial assistance received from governments

The Group receives assistance from governments in terms of financial and non-financial initiatives. Financial assistance received from governments in FY2022 were mainly related to COVID-19 reliefs in the forms of cash grants and rebates and these benefits has tapered-off during 2HFY2022, resulting in a significant decrease in FY2023.

Other ongoing initiatives included productivity grants, subsidies, tax deductions as well as financial assistance for re-employ experienced older and retired workers, developing and training employees. Total government grants received during the reporting period was S$142,000 (2022: S$907,000).

EMPLOYMENT;
DIVERSITY AND EQUAL OPPORTUNITY

Employees are our most valuable assets and the ability to attract and retain talent is key to our business. The Group complies with local labour laws where we operate in as well as minimum wage laws where such regulations exist.

In developing general competencies, the Group actively engage and cultivate our employees to their fullest potential via initiatives such as vocational trainings, course sponsorship, Education Assistance Programme leading to formal qualifications.

In FY2023, regulations relating to COVID-19 have been easing up progressively. Nevertheless, the Group continues to adopt flexible work arrangements for suitable roles/functions.

New employee hires and employee turnover; and diversity of employees

The Group's turnover increased noticeably during the year. As borders reopens and travel restrictions being lifted globally, the Group saw an increase in foreign workers who decided to return to their home countries for good after not being able to in a while. The remaining turnovers were mainly mainly due to natural attrition. To compensate this, new employee hire rate increased from 20% to 28% as the Group cope with the increased activities during FY2023.

	2023			2022		
	Female	Male	Total	Female	Male	Total
Number of leavers	11	69	80	5	43	48
Turnover rate	3%	18%	21%	1%	12%	14%
Number of new hires	12	99	111	8	62	70
New employee hire rate	3%	25%	28%	2%	18%	20%

Members of the Board of Directors are not included in the above. Board diversity is discussed separately in the Group's Corporate Governance section of this Annual Report.

As at 31 March 2023, female employees represented about 14% (FY2022: 14%) of the total employees of the Group.

To preserve talents and experience, apart from engaging in standard retention initiatives, the Group embrace a non-discrimination policy particularly among older workers which represent a facet of our diverse workforce. We encourage employees to work beyond the retirement age as far as health and job requirements permit. As at the end of the reporting periods, the older workers demographic are as follows:

Workers above 50 years old	2023	2022
Above 50 – retirement age	13.0%	14.4%
Above retirement age	5.0%	5.7%

The statistics for the Group's employees who serve more than 5 years are as follows.

Length of service	2023	2022
5 – 10 years	16%	23%
10 – 15 years	14%	14%
> 15 years	14%	14%

The challenges surrounding labour market in the countries where the Group operates in is perennial and will impact the Group's workforce demographics continually. The Group, not only will have to continue its efforts to maintain an attractive employment environment, but also have to be ready and transform itself to tackle new challenges in the current labour dynamics with the view of long term sustainability.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety management system
Hazard identification, risk assessment and incident investigation

Health and safety is of utmost importance to the Group and is central to its business culture as a safe and healthy workforce builds business success. Our commitment to the health, safety and wellbeing is underpinned by the philosophy that no job is worth an injury and the belief that all injuries and work related diseases are preventable. To implement our health and safety policy and maintain our commitment, we:

- Establish and maintain a Health and Safety Management System[1] with measurable objectives and targets;
- Provide and maintain safe workplaces, systems, plant and equipment;
- Maintain effective Stop Work Authority process which allows employees to stop unsafe work;
- Apply procedures and systems that identify hazards and assess and manage risks through elimination or where this is not practical, other appropriate control measures;
- Assess and continuously review the safety management and safety performance of external providers to ensure our employees are not exposed to unacceptable risks;
- Comply with all applicable laws, standards and regulations and, where practicable, apply the higher of our own standards, the customer's or industry best practice;
- Report, investigate, analyse and share all incidents, including near misses, to maximise learning and prevent similar events in the future;
- Plan and conduct regular audits, inspections and reviews to measure compliance with this policy and our standards and to facilitate and communicate continuous improvement; and
- Foster a culture that encourages and rewards frank and fearless participation, reporting and consultation in the management of health and safety.

[1] The Group's Occupational Health and Safety Management System conforms to the ISO 45001:2018.

The table below shows a brief statistics of the scope of incidents, according to the severity, occurred during the reporting period. Management takes every injury seriously and has taken every measure possible to prevent its re-occurrence. While 2023's safety statistics below remained relatively low, areas of improvement continued to be identified.

	2023	2022
Fatal	–	–
Major injuries	2	–
Minor injuries	2	2
Total number of accidents	4	2
Man-days lost ("MDL")	17	6
Accident frequency rate ("AFR")[1]	2.76	2.4
Accident severity rate ("ASR")[2]	15.64	7.22

1 Computed as number of accidents per million of work hours.
2 Computed as MDL per million of work hours.

MTQ endeavors to continue improving its occupational health and safety environment as activity picks up and maintain zero fatality rate.

Promotion of worker health

The workplace is an important aspect of many employees' lives and on average, employees will spend about one third of their waking hours at work. MTQ understands how many of the issues in the modern workplace can contribute to inactive lifestyles, stress and alarmingly high rates of preventable disease. Prior to the COVID-19 restrictions, MTQ has the programmes below to promote its workers health. The Group will look to resume them when possible.

- Annual employee health screening exercise
- Daily morning exercise
- Exercise-by-your-own programme
- Wellbeing seminars from internal and visiting speakers
- Selected corporate sporting events
- Weekly fruit day

ENERGY;
EMISSIONS

The Group is adopting a phased approach to mandatory climate reporting consistent with the recommendations of the Task Force on Climate-related Financial Disclosures:

- Climate-related risks and opportunities are taken into consideration in the determination of the Group's overall strategic direction and policies. The governance, strategy, approach and reporting processes for climate-related risks and disclosures are as described at the beginning of this Sustainability Report.
- Climate risks and opportunities have been integrated into the overall risks management framework, reported and reviewed at least once annually.
- The Group started tracking key metrics last financial year (base year) with the aim of expanding our climate related disclosures from FY2023 onwards. Metrics used and targets are discussed in more details in the next sections.
- The Group will look to enhance and include disclosures relating to its scenario analysis as well as opportunities and risks in the future.

Energy consumption within the organisation

Like many organisations, MTQ's primary energy demand comes from the electricity purchased from external suppliers. Since FY2022, MTQ started working with major energy providers to explore and utilise the rooftop spaces of our facilities for the installations of solar systems. While the Group successfully deployed the solar systems in two of our Singapore facilities in early 2022, our Bahrain's solar project fell apart as the previous developer, whom we were working with, pulled out of the arrangement. We have since commenced talks with another party for the solar deployment in Bahrain and this is currently still in the works as at reporting date.

We took the same initiatives as soon as we took over the new Tuas facility and signed a solar power purchase agreement late 2022. This is for a capacity of almost twice of what was deployed in Pandan Property. Installation of the solar facilities in Tuas is ongoing and is slated to be completed soon.

Electricity consumed (in MWh)	**Non-renewable**	**Renewable (solar)**	**Total**
FY2023			
Singapore			
- Tuas	1,637	–	1,637
- Pandan Loop	903	557	1,460
- Loyang	42	80	122
	2,582	637	3,219
Bahrain	4,953	–	4,953
Total electricity consumed for the Group	**7,535**	**637**	**8,172**
FY2022			
Singapore			
- Tuas	121[1]	–	121[1]
- Pandan Loop	1,276	84	1,360
- Loyang	94	36	130
	1,491[1]	120	1,611[1]
Bahrain	4,380	–	4,380
Total electricity consumed for the Group	**5,871[1]**	**120**	**5,991[1]**

[1] Restated to include consumption at Tuas property (omitted in prior year's reporting as data was not readily available as of reporting date).

	FY2023	**FY2022**
Electricity intensity (in kWh per S$ revenue)	0.10	0.12

Total electricity/energy consumption increased significantly during the year mainly due to a significant increase in activities. In FY2023, the Group was also running surplus overheads while the Group shifts its key Singapore operations from Pandan Loop to Tuas South. The relocation is completed as at reporting date. Once the solar facilities are deployed in Tuas, the ratio of energy derived from renewable sources is expected to increase considerably and this will bode well with the Group's target to reduce greenhouse gas (GHG) emission intensity in the long run.

The Group's direct (Scope 1) and indirect (Scope 2) GHG emissions mainly come from consumption of diesel and non-renewable energy respectively and are summarised below.

Emissions	FY2023 (t CO_2e)	FY2022 (t CO_2e)
Scope 1[1]	135	56
Scope 2[2]	3,057	2,382
	3,192	**2,438**

[1] Emission from diesel and its emission factor is derived using the GHG Protocol Tool for Stationary Combustion (V4.1).

[2] Emission from electricity is location based and is derived from the average operating margin factors from the Energy Market Authority of Singapore. One location based factor is used to estimate the entire market-based factor for the Group.

	FY2023	FY2022
GHG Emission Intensity (in kg CO_2e /Revenue)	0.038	0.047

Despite the increase in total GHG emissions in line with higher energy/electricity consumed above, electricity and emission intensity reduced slightly during the year. Apart from deploying solar panels in our facilities, the Group will continue to evaluate our processes and equipment for more energy-efficient opportunities in our daily operations.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE & DESCRIPTION	REFERENCE
GRI 2: GENERAL DISCLOSURES 2021	**ORGANISATION PROFILE**	
	2-1 Organisational details	Cover page
	2-2 Entities included in the organisation's sustainability reporting	Page 126
	2-3 Reporting period, frequency and contact point	Page 126
	2-4 Restatements of information	Page 132
	2-5 External assurance	No assurance obtained
	2-6 Activities, value chain and other business relationships	Page 1
	2-7 Employees	Pages 3, 127 and 129-130
	GOVERNANCE	
	2-9 Governance structure and composition	Pages 12-30
	2-10 Nomination and selection of the highest governance body	Pages 19-20
	2-11 Chair of the highest governance body	Page 18
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 12-15
	2-13 Delegation of responsibility for managing impacts	Pages 12-15
	2-14 Role of the highest governance body in sustainability reporting	Page 126
	2-15 Conflicts of interest	Pages 12-13 and 30
	2-16 Communication of critical concerns	Pages 28-30
	2-17 Collective knowledge of the highest governance body	Pages 14-15
	2-18 Evaluation of the performance of the highest governance body	Page 22
	2-19 Remuneration policies	Pages 22-25
	2-20 Process to determine remuneration	Pages 22-25
	STRATEGY, POLICIES AND PRACTICES	
	2-22 Statement on sustainable development strategy	Page 126
	2-23 Policy commitments	Page 126
	2-24 Embedding policy commitments	Page 126
	2-25 Processes to remediate negative impacts	Page 28
	2-26 Mechanisms for seeking advice and raising concerns	Page 28
	2-27 Compliance with laws and regulations	Page 127
	2-28 Membership associations	Pages 1 and 127
	2-29 Approach to stakeholder engagement	Pages 28-30 and 127
	2-30 Collective bargaining agreements	Page 127
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Page 126
	3-2 List of material topics	
	3-3 Management of material topics	

GRI STANDARD	DISCLOSURE & DESCRIPTION	REFERENCE
GRI 201: ECONOMIC PERFORMANCE 2016	103-1 Explanation of the material topic and its Boundary	Pages 128-129 and its relevant explanatory notes
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	201-1 Direct economic value generated and distributed	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
GRI 401: EMPLOYMENT 2016 GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	103-1 Explanation of the material topic and its Boundary	Pages 129-130
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	401-1 New employee hires and employee turnover	
	405-1 Diversity of governance bodies and employees	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	103-1 Explanation of the material topic and its Boundary	Pages 130-131
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-6 Promotion of worker health	
GRI 302: ENERGY 2016 GRI 305: EMISSIONS 2016	103-1 Explanation of the material topic and its Boundary	Pages 131-133
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	302-1 Energy consumption within the organisation	
	302-3 Energy intensity	
	305-1 Direct (Scope 1) GHG emissions	
	305-2 Indirect (Scope 2) GHG emissions	
	305-4 GHG Emissions intensity	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **MTQ Corporation Limited** (“the **Company**”) will be held at Carlton Hotel, Empress Ballroom 4, Level 2, 76 Bras Basah Road, Singapore 189558 on Monday, 31 July 2023 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Independent Auditor’s Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 March 2023. (2022: A one-tier tax exempt final dividend of 0.5 Singapore cents per ordinary share). **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to the Company’s Constitution:

Mr. Chew Soo Lin	[Retiring under Article 91]	**(Resolution 3)**
Mr. Ong Eng Yaw	[Retiring under Article 91]	**(Resolution 4)**
Ms. Ho Gek Sim Grace	[Retiring under Article 97]	**(Resolution 5)**

[See Explanatory Note (i)]

4. To re-appoint Ernst & Young LLP as the Company’s Auditor and to authorise the Directors to fix its remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

6. To approve the payment of Directors’ fees of up to S$350,000 (2023: S$320,000) for the financial year ending 31 March 2024, to be paid quarterly in arrears. **(Resolution 7)**
[See Explanatory Note (ii)]

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

provided such adjustment in sub-paragraph 2(a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**
[See Explanatory Note (iii)]

8. **Authority to issue shares under The MTQ Corporation Limited Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to The MTQ Corporation Limited Scrip Dividend Scheme from time to time set out in the Circular to Shareholders dated 10 June 2004 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 9)**
[See Explanatory Note (iv)]

9. **Proposed Renewal of the Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act 1967, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire ordinary shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to this Notice of Annual General Meeting dated 30 June 2023 (the "**Appendix**"), in accordance with the terms of the Share Buyback Mandate set out in the Appendix, and the Share Buyback Mandate shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of (i) the next Annual General Meeting of the Company, (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which Share Purchases are carried out to the full extent mandated, whichever is earliest.
[See Explanatory Note (v)] **(Resolution 10)**

By Order of the Board

Tan Lee Fang
Company Secretary

Singapore, 30 June 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolutions 3,4 and 5 – Detailed information about the Directors of the Company can be found in the "Board of Directors" and "Corporate Governance" section of this Annual Report. Please also refer to the section titled "Additional Information on Directors seeking Re-Election" appended to this Notice of Annual General Meeting for additional information on the retiring Directors.

Mr. Chew Soo Lin will, upon re-election as a Director of the Company, remains as Chairman of the Audit Committee and member of the Nomination and Remuneration Commitee, and will be considered independent until the conclusion of the Annual General Meeting held in FY2024.

Mr. Ong Eng Yaw will, upon re-election as a Director of the Company, remains as member of the Nomination and Remuneration Committee and will be considered non-independent.

Ms. Ho Gek Sim Grace, upon re-election as a Director of the Company, will be considered independent.

(ii) Ordinary Resolution 7 proposed in item 6, if passed, will authorise the Directors of the Company to pay Directors' fees for the financial year ending 31 March 2024 to Directors quarterly in arrears.

(iii) Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising (a) the conversion or exercise of any convertible securities; (b) share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual; and (c) any subsequent bonus issue, consolidation or subdivision of shares, provided such adjustments in sub-paragraphs (a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution.

(iv) Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the MTQ Corporation Limited Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive shares in lieu of the cash amount of that qualifying dividend.

(v) Ordinary Resolution 10 proposed in item 9 above, if passed, will authorise the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting or the date on which Share Purchases are carried out to the full extent mandated, whichever is the earliest, to purchase or otherwise acquire ordinary shares in the capital of the Company by way of market purchases or off-market purchases on an equal access scheme of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the price of up to but not exceeding the Maximum Price as defined in the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company for the financial year ended 31 March 2023 are set out in greater detail in the Appendix.

Important Notes:

1. **The AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually.** Printed copies of this Notice of AGM, Proxy Form, FY2023 Annual Report and Appendix in relation to the Proposed Renewal of the Share Buyback Mandate have been despatched to members. They are also available on SGXNet and on the Company's website at the URL http://www.mtq.com.sg/investor.html.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies) / corporate representative(s).

For avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote at the AGM on their behalf.

CPF and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **19 July 2023**, being seven (7) working days prior to the date of the AGM.

3. A member, who is not a relevant intermediary, of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member, who is a relevant intermediary, of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. In the absence of specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company, 100 Tuas South Avenue 8 Singapore 637424; or

   (b) if by email, be received at mtqagm@mtq.com.sg.

   in either case, the Proxy Form shall be received by the Company not less than forty-eight (48) hours before the time appointed for the Meeting, that is no later than **10.00 a.m**. on **29 July 2023**.

7. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by **5.00 p.m.** on **24 July 2023**:

   (a) in hard copy by post to the registered office of the Company at 100 Tuas South Avenue 8 Singapore 637424; or

   (b) by email to mtqagm@mtq.com.sg.

   Members submitting questions in advance by post or email must provide us with the following details:

   (a) Full name (as per CDP / CPF / SRS record)

   (b) NRIC / FIN / Passport No. / Company registration No.

   (c) Manner in which MTQ shares are held through (CDP / CPF / SRS)

   for verification purposes, failing which the submission will be treated as invalid.

   The Company will endeavour to address all substantial and relevant questions received in advance from members at the Annual General Meeting on **31 July 2023**.

9. The Annual Report for the financial year ended 31 March 2023 ("FY2023 Annual Report") made available on 30 June 2023 can be accessed via SGXNet and the Company's website at the URL http://www.mtq.com.sg/investor.html.

   The following documents are also made available to members on 30 June 2023 together with this Notice of AGM via SGXNet and the Company's website at the URL http://www.mtq.com.sg/investor.html:

   (a) Appendix to the Notice of AGM dated 30 June 2023 in respect of the Proposed Renewal of the Share Buyback Mandate;

   (b) Additional Information on Directors seeking re-election; and

   (c) Proxy Form in relation to the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

The following additional information on Mr. Chew Soo Lin, Mr. Ong Eng Yaw and Ms. Ho Gek Sim Grace, all of whom are seeking re-election as Directors at this Annual General Meeting, is to be read in conjunction with their respective biographies in this Annual Report.

	Chew Soo Lin	**Ong Eng Yaw**	**Ho Gek Sim Grace**
Date of Appointment	18 May 2012	28 October 2016	26 October 2022
Date of last re-appointment (if applicable)	28 July 2020	28 July 2020	N.A
Age	75	51	53
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-appointment	The Board has considered the Nomination and Remuneration Committee's recommendation and assessment of Mr. Chew Soo Lin's qualifications, experience, independent and commitment in the discharge of his duties as Independent Director of the Company, *inter alia*, and is satisfied that he will continue to contribute to the Board.	The Board has considered the Nomination and Remuneration Committee's recommendation and assessment of Mr. Ong Eng Yaw's qualifications, experience and commitment in the discharge of his duties as Non-Executive Non-Independent Director of the Company, *inter alia*, and is satisfied that he will continue to contribute to the Board.	The Board has considered the Nomination and Remuneration Committee's recommendation and assessment of Ms. Ho Gek Sim Grace's qualification, experience, independent and commitment in the discharge of her duties as Independent Director of the Company, *inter alia*, and is satisfied that she will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	No	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee	Non-Executive; Non-Independent Director / Member of Nomination and Remuneration Committee	Independent Director
Professional qualifications	Please refer to the Directors' respective biographies on page 4.		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

	Chew Soo Lin	Ong Eng Yaw	Ho Gek Sim Grace
Working experience and occupation(s) during the past 10 years	Please refer to the Directors' respective biographies on page 4.		November 2022 to present: Chief Executive Officer, Super Grains Pte Ltd April 2022 to present : Advisor, SWAT Mobility Pte Ltd (Global) 2019 to March 2022 : President, SWAT Mobility Pte Ltd (Global) 2017 to 2019 : Chief Marketing & Communication Officer, and Strategy Leader (Asean), IBM Global Services Pte Ltd (Asean) 2015 to 2017 : Chief Commercial Officer & Managing Director (Group Sales), Singapore Post Limited (Global) 2013 to 2015 : Head of Marketing & Managing Director, SAP Asia Pte Ltd (Asia Pacific & Japan)
Shareholding interest in the listed issuer and its subsidiaries	No	Please refer to Directors' Statement on page 32 of this Annual Report.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to MTQ Corporation Limited	Yes	Yes	Yes
Other Principal Commitments* Including Directorships	Please refer to the Directors' respective biographies in the Corporate Governance Section on page 21 of this Annual Report.		
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Negative Confirmation for Mr. Chew Soo Lin, Mr. Ong Eng Yaw and Ms. Ho Gek Sim Grace		

MTQ CORPORATION LIMITED

(Company Registration No. 196900057Z)
(Incorporated In the Republic of Singapore)

IMPORTANT:
1. The Annual General Meeting ("AGM") will be held physically at Carlton Hotel, Empress Ballroom 4, Level 2, 76 Bras Basah Road, Singapore 189558. **Members have no option to participate virtually**.
2. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see note 4 for the definition of "relevant intermediary").
3. For investors who have used their CPF monies to buy the MTQ Corporation Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
4. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____ (Name)

of ____ (Address)

being a member/members of MTQ CORPORATION LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Monday, 31 July 2023, at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

Voting will be conducted by poll. If you wish to cast or exercise all your votes "for" or "against" or abstain from voting on a resolution, please tick "✓" in the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Independent Auditor's Report			
2.	Payment of proposed one-tier tax exempt final dividend			
3	Re-election of Mr. Chew Soo Lin as a Director			
4	Re-election of Mr. Ong Eng Yaw as a Director			
5	Re-election of Ms. Ho Gek Sim Grace as a Director			
6	Re-appointment of Ernst & Young LLP as the Company's Auditor and authorising Directors to fix its remuneration			
7	Approval of Directors' fees for FY2024 amounting up to S$350,000			
8	Authority to issue shares			
9	Authority to issue shares under The MTQ Corporation Limited Scrip Dividend Scheme			
10	Proposed renewal of the Share Buyback Mandate			

Dated this ___________ day of _______________ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholder (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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Affix postage stamp

The Company Secretary
MTQ Corporation Limited
100 Tuas South Avenue 8
Singapore 637424

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5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company, 100 Tuas South Avenue 8, Singapore 637424; or

   (b) if by email, be received at mtqagm@mtq.com.sg.

   in either case, the Proxy Form shall be received by the Company not less than forty-eight (48) hours before the time appointed for the Meeting, that is no later than 10.00 a.m. on 29 July 2023.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing a proxy or proxies is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing a proxy or proxies is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 June 2023.

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MTQ CORPORATION LIMITED
Co. Reg. No. 196900057Z
100 Tuas South Avenue 8
Singapore 637424
Telephone: (65) 6777 7651
Facsimile: (65) 6777 6433