



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of immediately preceding financial year.

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Group		Change %
	12 months ended 31.3.20	31.3.19	
	S\$'000	S\$'000	
		(Restated)	
Revenue	74,302	47,506	56%
Cost of sales (Note A)	(50,404)	(35,804)	41%
Gross profit	23,898	11,702	104%
Other income (Note B)	805	389	107%
Staff costs	(9,568)	(7,703)	24%
Other operating expenses (Note C)	(6,202)	(6,210)	0%
Profit/(loss) from operating activities	8,933	(1,822)	n/m
Finance costs (Note D)	(1,496)	(1,524)	-2%
Share of results of associate and joint ventures	206	114	81%
Profit/(loss) before taxation from continuing operations	7,643	(3,232)	n/m
Tax expense (Note E)	(901)	(166)	443%
Profit/(loss) from continuing operations, net of tax	6,742	(3,398)	n/m
Discontinued operations:			
Loss from discontinued operation, net of tax	(2,508)	(2,167)	16%
Profit/(loss) for the year	4,234	(5,565)	n/m
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of subsidiaries, associate and joint ventures	(212)	292	n/m
Net fair value loss on derivatives	(78)	(59)	32%
Reclassification of foreign currency translation reserve to profit or loss on disposal/winding up of subsidiaries	2,363	11	21382%
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net change in fair value of other investment	(7,782)	-	100%
Other comprehensive income for the year (Note F)	(5,709)	244	n/m
Total comprehensive income for the year	(1,475)	(5,321)	-72%
Profit/(loss) for the year attributable to:			
Owners of the Company:			
Profit/(loss) from continuing operations	6,911	(3,196)	n/m
Loss from discontinued operation	(2,485)	(1,990)	25%
Profit/(loss) for the year attributable to Owners of the Company	4,426	(5,186)	n/m
Loss for the year attributable to Non-controlling interests	(192)	(379)	-49%
	4,234	(5,565)	n/m
Total comprehensive income attributable to:			
Owners of the Company			
Profit/(loss) from continuing operations	393	(2,424)	n/m
Loss from discontinued operation	(441)	(2,450)	-82%
Profit/(loss) for the year attributable to Owners of the Company	(48)	(4,874)	-99%
Loss for the year attributable to Non-controlling interests	(1,427)	(447)	219%
	(1,475)	(5,321)	-72%

n/m : not meaningful



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

Note A - Cost of sales includes :-

	Group		Change %
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)	
Depreciation of property, plant and equipment	3,130	3,693	-15%
Depreciation of right-of-use assets (Note G)	63	59	7%

Note B - Other income comprises :-

	Group		Change %
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)	
Interest income	42	85	-51%
Rental income	116	-	100%
Gain on sale of property, plant and equipment, net	333	34	879%
Government grants	80	80	0%
Commission received	32	16	100%
Gain on disposal of scrap material	178	132	35%
Others	24	42	-43%
	<u>805</u>	<u>389</u>	107%

Note C - Other operating expenses includes :-

	Group		Change %
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)	
Depreciation of property, plant and equipment	504	582	-13%
Depreciation of right-of-use assets (Note G)	686	646	6%
Amortisation of intangible assets	329	228	44%
Fixed assets written-off	17	-	0%
Gain on foreign exchange, net	(277)	(45)	516%
Allowance for impairment of trade receivables, net	53	2	2550%
Bad debts written-off, net	2	-	100%
Allowance for inventory obsolescence, net	124	265	-53%
Loss on winding-up of a subsidiary	-	11	-100%
Audit, legal, consultancy and professional fees	1,242	1,256	-1%
Utilities expenses	266	246	8%

Note D - Finance costs comprises :-

	Group		Change %
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)	
Interest on:			
- bank loans	982	1,006	-2%
- lease liabilities (Note G)	511	515	-1%
- others	3	3	0%
	<u>1,496</u>	<u>1,524</u>	-2%

Note E - Tax expense :-

Included in the income tax expense were:-

	Group		Change %
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)	
(Over)/under provision in respect of previous years			
- current taxation	-	(72)	-100%
- deferred taxation	(126)	53	n/m
Write-off of deferred tax assets	339	-	100%

Note F - Disclosure of tax effect relating to other comprehensive income :-

There was no tax expense/benefit incurred/derived from any component of other comprehensive income.

Note G - Adoption of SFRS(I) 16 Leases

The depreciation of right-of-use assets and the interest expense on lease liabilities were resulted from the adoption of SFRS(I) 16 Leases. Please refer to paragraph 5a for more information.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 19690057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(b)(f) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Group		Company	
	31.3.20 S\$'000	31.3.19 S\$'000 (Restated)	31.3.20 S\$'000	31.3.19 S\$'000 (Restated)
Non-current assets				
Goodwill	7,886	4,806	-	-
Intangible assets	782	919	-	-
Investment property	-	-	869	852
Property, plant and equipment	26,582	42,251	161	80
Right-of-use assets (Note A)	8,478	15,803	4,556	4,832
Investment in subsidiaries	-	-	52,602	50,819
Other investment	4,099	-	-	-
Investment in associate and joint ventures	-	3,824	114	3,718
Receivables	3,016	3,161	16,930	48,946
Prepayments	-	6	-	6
Deferred tax assets	455	901	5	-
	51,298	71,671	75,237	109,253
Current assets				
Inventories	15,690	14,971	-	-
Trade and other receivables	25,190	36,979	11,355	14,457
Prepayments	2,712	1,600	51	74
Cash and cash equivalents	20,536	19,815	5,030	3,265
	64,128	73,365	16,436	17,796
Total assets	115,426	145,036	91,673	127,049
Current liabilities				
Trade and other payables	(13,058)	(30,721)	(1,339)	(1,080)
Finance lease payable	-	(131)	-	-
Lease liabilities (Note A)	(669)	(2,188)	(233)	(222)
Bank borrowings	(1,065)	(1,013)	(1,065)	(1,013)
Provisions	(209)	(897)	-	-
Provision for taxation	(147)	(729)	(28)	(18)
	(15,148)	(35,679)	(2,665)	(2,333)
Non-current liabilities				
Trade and other payables	-	(199)	(2,639)	(2,640)
Finance lease payable	-	(173)	-	-
Lease liabilities (Note A)	(9,903)	(16,434)	(5,632)	(5,865)
Bank borrowings	(20,091)	(20,713)	(10,658)	(11,465)
Deferred tax liabilities	(479)	(418)	-	(48)
Provisions	(135)	(269)	(90)	(87)
	(30,608)	(38,206)	(19,019)	(20,105)
Total liabilities	(45,756)	(73,885)	(21,684)	(22,438)
Net assets	69,670	71,151	69,989	104,611
Equity attributable to owners of the Company				
Share capital [1(d)(i)]	48,915	48,914	48,915	48,914
Treasury shares [1(d)(iv)]	(10)	(3)	(10)	(3)
Reserves [1(d)(i)]	19,237	19,285	21,084	55,700
Shareholders' funds	68,142	68,196	69,989	104,611
Non-controlling interests	1,528	2,955	-	-
Total equity	69,670	71,151	69,989	104,611

Balance Sheet Review

The changes in most balance sheet lines were mainly due to:

- Disposal of Neptune operating segment during the year;
- Increase in other investment of S\$4.1m arising from the consideration shares in MMA Offshore received as a result of the disposal of the Neptune segment after taking into account S\$7.8m revaluation loss through an equity reserve as at 31 March 2020; and
- Consolidation of In-Line Group following completion of the sale and purchase of Tranche 3 Shares resulting in an increase of goodwill of S\$3.1m (In-Line Group was previously equity accounted for as a joint venture).

Apart from the above, the change in net assets were mainly due to the total comprehensive loss of S\$1.5m, and changes in working capital items were mainly due to timing differences.

Apart from the current portion of a long term debt, all of the Group's bank borrowings continued to be classified as non-current following the Group's completion of its refinancing exercises in March 2020.

Note A:

Right-of-use assets and lease liabilities recognised in the statement of financial position were resulted from the adoption of SFRS(I) 16 Leases. Please refer to paragraph 5a for more information.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	31.3.20		31.3.19	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,065	-	1,144	-
Amount repayable after one year	4,258	15,833	5,238	15,648
	<u>5,323</u>	<u>15,833</u>	<u>6,382</u>	<u>15,648</u>

The Group's borrowings and finance leases as at 31 March 2020 decrease from S\$22.0 million to S\$21.2 million mainly due to fixed repayment and revaluation of the bank loans. Details of the collateral for the secured bank borrowings are as follows:

S\$5.2 million secured facility

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

There were no debt securities as at 31 March 2020 and 31 March 2019.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Group	
	12 months ended 31.3.20 S\$'000	12 months ended 31.3.19 S\$'000 (Restated)
Cash flows from operating activities:		
Profit/(loss) before taxation from continuing operations	7,643	(3,232)
Loss before taxation from discontinued operation	(2,342)	(1,865)
Adjustments for:		
Depreciation of property, plant and equipment	4,936	6,940
Depreciation of right-of-use assets	1,762	2,372
Amortisation of intangible assets	347	265
Loss on disposal/winding-up of subsidiaries	1,278	11
Gain on disposal of property, plant and equipment, net	(305)	(32)
Fixed assets written-off	17	-
Allowance for impairment of trade receivables, net	682	29
Bad debts written-off, net	2	-
Allowance for inventory obsolescence	124	265
Share of results of associate and joint ventures	(206)	(114)
Provisions made during the period	178	152
Interest income	(36)	(82)
Interest expense	1,763	2,030
Operating cash flows before changes in working capital	15,843	6,741
Increase in inventories and work-in-progress	(1,750)	(151)
Increase in receivables and prepayments	(7,707)	(10,882)
(Decrease)/increase in payables	(6,366)	11,897
Currency realignment	622	525
Cash generated from operations	642	8,130
Interest income received	36	82
Interest expense paid	(1,760)	(2,027)
Income taxes (paid)/received, net	(354)	200
Net cash (used in)/generated from operating activities	(1,436)	6,385
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,188)	(1,419)
Addition of intangible assets	(211)	(213)
Acquisition of a business	-	(1,192)
Cash acquired from step-up acquisition of a subsidiary	1,116	-
Proceeds from disposal of property, plant and equipment	801	53
Investment in a joint venture	-	(1,796)
Proceeds from disposal of subsidiaries, net of cash disposed and transaction costs	5,469	-
Loans to joint ventures, net	(219)	(1,042)
Loans granted to staff	(139)	(69)
Loans repaid by staff	43	36
Net cash generated from/(used in) investing activities	5,672	(5,642)
Cash flows from financing activities:		
Share buy-back	(7)	-
Proceeds from exercise of warrants pursuant to MTQ Rights cum Warrants Issue	1	-
Proceeds from Rights cum Warrants Issue	-	12,107
Repayment of bank borrowings	(1,032)	(1,014)
Repayment of finance lease payable	(109)	(207)
Repayment of principal portion of lease liabilities	(1,521)	(2,159)
Net cash (used in)/generated from financing activities	(2,668)	8,727
Net change in cash and cash equivalents	1,568	9,470
Cash and cash equivalents at beginning of financial year	19,815	10,759
Effect of exchange rate changes on cash and cash equivalents	(847)	(414)
Cash and cash equivalents at end of financial year	20,536	19,815

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 31.3.20 S\$'000	As at 31.3.19 S\$'000
Continuing operations:		
Fixed deposits	8,086	5,381
Cash at bank and on hand	12,450	14,434
	20,536	19,815

Cash Flows Review

The Group recorded net cash inflows of S\$15.8 million from operations before changes in working capital for the year. Working capital requirements, however, increased with higher activities during the year. Investing cash flows included the S\$5.5 million cash consideration, net of cash disposed, received from the disposal of Neptune segment. Including the quarterly repayments of bank borrowings and lease liabilities, the Group's ending cash and cash equivalents was S\$20.5 million, bringing the Group's net gearing to 0.9% as at 31 March 2020.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Group	Attributable to owners of the Company							Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Other Reserves	Shareholders' Funds			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 April 2018 (As previously reported)	36,807	(3)	(3,152)	28,224	1,310	63,186	3,504	66,690	
Adoption of SFRS(I) 16	-	-	-	(2,223)	-	(2,223)	(102)	(2,325)	
Balance as at 1 April 2018 (Restated)	36,807	(3)	(3,152)	26,001	1,310	60,963	3,402	64,365	
Loss for the year, net of tax	-	-	-	(5,186)	-	(5,186)	(379)	(5,565)	
Other comprehensive income									
Exchange difference on translation of subsidiaries, associate and joint ventures	-	-	352	-	-	352	(60)	292	
Net fair value loss on derivatives	-	-	-	-	(51)	(51)	(8)	(59)	
Reclassification to profit or loss on winding-up of a subsidiary	-	-	11	-	-	11	-	11	
Other comprehensive income for the year	-	-	363	-	(51)	312	(68)	244	
Total comprehensive income for the year	-	-	363	(5,186)	(51)	(4,874)	(447)	(5,321)	
Contributions by and distributions to owners									
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants	12,107	-	-	-	-	12,107	-	12,107	
Issue, net of transaction costs	12,107	-	-	-	-	12,107	-	12,107	
Total contributions by and distribution to owners	24,214	-	-	-	-	24,214	-	24,214	
Balance as at 31 March 2019 (Restated)	48,914	(3)	(2,789)	20,815	1,259	68,196	2,955	71,151	
Balance as at 31 March 2019 (As previously reported)	48,914	(3)	(2,789)	23,319	1,259	70,700	3,070	73,770	
Adjustment to initial accounting for business combination	-	-	-	(66)	-	(66)	-	(66)	
Adoption of SFRS(I) 16	-	-	-	(2,438)	-	(2,438)	(115)	(2,553)	
Balance as at 31 March 2019 (Restated) and 1 April 2019	48,914	(3)	(2,789)	20,815	1,259	68,196	2,955	71,151	
Profit/(loss) for the year, net of tax	-	-	-	4,426	-	4,426	(192)	4,234	
Other comprehensive income									
Exchange difference on translation of subsidiaries, associate and joint ventures	-	-	9	-	-	9	(221)	(212)	
Reclassification to profit or loss on disposal of subsidiaries	-	-	2,363	-	-	2,363	-	2,363	
Net change in fair value of other investment	-	-	-	-	(6,778)	(6,778)	(1,004)	(7,782)	
Net fair value loss on derivatives	-	-	-	-	(68)	(68)	(10)	(78)	
Other comprehensive income for the year	-	-	2,372	-	(6,846)	(4,474)	(1,235)	(5,709)	
Total comprehensive income for the year	-	-	2,372	4,426	(6,846)	(48)	(1,427)	(1,475)	
Contributions by and distributions to owners									
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	1	-	-	-	-	1	-	1	
Share buy-back	-	(7)	-	-	-	(7)	-	(7)	
Total contributions by and distribution to owners	1	(7)	-	-	-	(6)	-	(6)	
Balance as at 31 March 2020	48,915	(10)	(417)	25,241	(5,587)	68,142	1,528	69,670	



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Company

	Share Capital	Treasury Shares	Retained Earnings	Other Reserves	Shareholders' Funds
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2018 (As previously reported)	36,807	(3)	73,430	2,516	112,750
Adoption of SFRS(1) 16	-	-	(1,189)	-	(1,189)
Balance as at 1 April 2018 (Restated)	36,807	(3)	72,241	2,516	111,561
Loss for the year, representing total comprehensive income for the year	-	-	(19,057)	-	(19,057)
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants Issue, net of transaction costs	12,107	-	-	-	12,107
Total contributions by and distribution to owners	12,107	-	-	-	12,107
Balance as at 31 March 2019 (Restated)	48,914	(3)	53,184	2,516	104,611
Balance as at 31 March 2019 (As previously reported)	48,914	(3)	54,439	2,516	105,866
Adoption of SFRS(1) 16	-	-	(1,255)	-	(1,255)
Balance as at 31 March 2019 (Restated) and 1 April 2019	48,914	(3)	53,184	2,516	104,611
Loss for the period, representing total comprehensive income for the period	-	-	(34,616)	-	(34,616)
Share buy-back	-	(7)	-	-	(7)
Issuance of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	1	-	-	-	1
Total contributions by and distribution to owners	1	(7)	-	-	(6)
Balance as at 31 March 2020	48,915	(10)	18,568	2,516	69,989



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, sub-division, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of shares	
	('000)	('000)
As at 31 December 2019 and 1 January 2020	216,327	48,914
Issue of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	4	1
As at 31 March 2020	<u>216,331</u>	<u>48,915</u>
	31.3.20	31.3.19
	('000)	('000)
Total number of issued shares	216,331	216,327
Total number of treasury shares	46	8
Total number of issued shares excluding treasury shares	<u>216,285</u>	<u>216,319</u>

There were no subsidiary holdings as at 31 March 2020 and 31 March 2019.

MTQ Share Plan

As at 31 March 2020, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 11,392 shares (31 March 2019: 11,392). There was no movement in the number of shares comprised in Awards granted under the MTQ Share Plan during the period 1 January 2020 to 31 March 2020.

Warrants pursuant to MTQ Rights cum Warrants Issue

As at 31 March 2020, the aggregate number of warrants pursuant to the MTQ Rights cum Warrants Issue in FY19 amounted to 15,446,683 (31 March 2019: 15,451,245). The movements in the number of warrants for the period 1 January 2020 to 31 March 2020 are as follows:

Warrants

	No. of warrants
As at 31 December 2019 and 1 January 2020	15,451,165
Issue of ordinary shares on exercise of warrants pursuant to MTQ Rights cum Warrants Issue	(4,482)
As at 31 March 2020	<u>15,446,683</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.3.20	31.3.19
	('000)	('000)
Total number of issued shares	216,331	216,327
Total number of treasury shares	46	8
Total number of issued shares excluding treasury shares	<u>216,285</u>	<u>216,319</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company purchased 37,300 of its own shares in March 2020 resulting in 45,603 treasury shares as at 31 March 2020 (31 March 2019 and 31 December 2019: 8,303).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

NIL

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

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

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

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the audited financial statements for the year ended 31 March 2019, except as disclosed in paragraph 5 below.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

- a) On 1 April 2019, the Group and the Company adopted all new and revised SFRS(Ds) and INT SFRS(Ds) that are relevant to its operations and are effective for annual periods beginning on or after 1 January 2019. The adoption of new/revised SFRS(Ds) and INT SFRS(Ds) did not have any significant impact on the financial performance or position of the Group except for the following:

Application of SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use assets.

The Group has adopted SFRS(I) 16 using the full retrospective method of adoption with the date of initial application on 1 April 2019. On the adoption of SFRS(I) 16, the Group had measured the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date discounted using the lessee's incremental borrowing rate as of the date of commencement of the lease.

In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months as of commencement date.

On the adoption of SFRS(I) 16, the Group had recognised right-of-use assets and lease liabilities for its leases previously classified as operating leases.

- b) On 31 August 2018, the Company's subsidiary, Mid-Continent Distribution Pte. Ltd. ("Mid-Continent") entered into a Sale Purchase Agreement to acquire a business of supplying and distributing oilfield equipment and spares and the assets in relation thereto (the "Business").

On the date of acquisition, the fair value of the net identifiable assets amounting to S\$372,000 and goodwill of S\$820,000 were determined on a provisional basis as the allocation of purchase price had not been finalised. In accordance with the prevailing accounting standards, a thorough purchase price allocation was completed during the current financial period and the following adjustments were made retrospectively:

- i) Reduction of goodwill by S\$567,000
- ii) Recognition of S\$567,000 of intangible asset relating to customer relationships that existed as at acquisition date, resulting in additional amortisation of S\$66,000 in the period ended 31 March 2019.

- c) On 23 July 2019, the Company announced that its subsidiary, Neptune Marine Services Limited, has entered into an agreement to dispose of all the issued securities of certain subsidiaries of Neptune Marine Services subject to certain conditions precedent. In compliance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations, the results are presented separately in the statement of comprehensive income as "Discontinued Operation". The change of presentation has no effect to the profit or loss after tax and net asset value of the Group.

- d) Comparatives

The comparative figures that have been restated with significance impact arising from the adoption of SFR(I) and finalisation of the purchase price allocation described above are summarised below:

Consolidated statement of comprehensive income	12 months ended 31 March 2019					
	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)	Re-presented under discontinued operation (S\$'000)	Restated (S\$'000)
Cost of sales	(102,743)	42	-	(102,701)	66,897	(35,804)
Staff costs	(17,593)	313	-	(17,280)	9,577	(7,703)
Other operating expenses	(15,259)	403	(66)	(14,922)	8,712	(6,210)
Finance costs	(1,043)	(987)	-	(2,030)	506	(1,524)

Statement of financial position (Group)	As at 31 March 2019				As at 1 April 2018			
	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)
Non-current assets	-	15,803	-	15,803	-	17,422	-	17,422
Right-of-use assets	5,372	-	(567)	4,805	4,560	-	-	4,560
Goodwill	-	-	-	-	380	-	-	380
Intangible assets	418	-	501	919	-	-	-	-
Current assets	-	-	-	-	-	-	-	-
Prepayments	1,638	(38)	-	1,600	1,607	(31)	-	1,576
Current liabilities	-	-	-	-	-	-	-	-
Trade and other payable	(31,025)	304	-	(30,721)	(19,060)	312	-	(18,748)
Lease liabilities	-	(2,188)	-	(2,188)	-	(2,039)	-	(2,039)
Non-current liabilities	-	-	-	-	-	-	-	-
Lease liabilities	-	(16,434)	-	(16,434)	-	(17,989)	-	(17,989)
<u>Equity attributable to owners of the Company</u>	-	-	-	-	-	-	-	-
Retained earnings	23,319	(2,438)	(66)	20,815	28,224	(2,223)	-	26,001
Non-controlling interests	3,070	(115)	-	2,955	3,504	(102)	-	3,402

Statement of financial position (Company)	As at 31 March 2019				As at 1 April 2018			
	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)
Non-current assets	-	-	-	-	-	-	-	-
Right-of-use assets	-	4,832	-	4,832	-	5,137	-	5,137
Current liabilities	-	-	-	-	-	-	-	-
Lease liabilities	-	(222)	-	(222)	-	(212)	-	(212)
Non-current liabilities	-	-	-	-	-	-	-	-
Lease liabilities	-	(5,865)	-	(5,865)	-	(6,114)	-	(6,114)
<u>Equity attributable to owners of the Company</u>	-	-	-	-	-	-	-	-
Retained earnings	54,439	(1,255)	-	53,184	73,430	(1,189)	-	72,241

Consolidated statement of cash flows	12 months ended 31 March 2019			
	As previously reported (S\$'000)	Effect of SFRS(I) 16 (S\$'000)	Effect of PPA adjustment (S\$'000)	Restated (S\$'000)
Cash flows from operating activities	-	-	-	-
Depreciation of right-of-use assets	-	2,372	-	2,372
Amortisation of intangible assets	199	-	66	265
Increase in payables	11,889	8	-	11,897
Increase in receivables and prepayments	(10,889)	7	-	(10,882)
Interest expense	1,043	987	-	2,030
Interest expense paid	(1,040)	(987)	-	(2,027)
Cash flows from financing activities	-	-	-	-
Repayment of principal portion of lease liabilities	-	(2,159)	-	(2,159)



Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group					
	Continuing operations		Discontinued operation		Total	
	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)
Basic (cents)	3.19	(1.50)	(1.15)	(0.93)	2.04	(2.43)
Diluted (cents)	3.19	(1.50)	(1.15)	(0.93)	2.04	(2.43)

	Group					
	Continuing operations		Discontinued operation		Total	
	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)	12 months ended 31.3.20	12 months ended 31.3.19 (Restated)
Profit/(loss) attributable to owners of the Company (S\$'000)	6,911	(3,196)	(2,485)	(1,990)	4,426	(5,186)

	Group	
	12 months ended 31.3.20	12 months ended 31.3.19
	Weighted average number of ordinary shares for basic earnings per share computation ('000)	216,317
Effects of dilution: - Employee share-based payment scheme ('000)	11	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	216,328	213,440

The outstanding warrants were excluded as potential ordinary shares from the calculation of diluted earnings/(loss) per share as the average market prices of ordinary shares during the 12 months ended 31 March 2019 and 31 March 2020 was lower than the exercise price of the warrants. The potential ordinary shares that would be issued under MTQ Share Plan are also excluded from the calculation of diluted loss per share for the 12 months ended 31 March 2019 due to its anti-dilutive effect.



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 19690057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.3.20 (S\$)	31.3.19 (S\$) (Restated)	31.3.20 (S\$)	31.3.19 (S\$) (Restated)
Net asset value per ordinary share*	0.32	0.32	0.32	0.48

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

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

12 months ended 31 March 2020 ("12MFY2020") vs 12 months ended 31 March 2019 ("12MFY2019")

The Group reported S\$74.3 million revenue for FY2020, an increase of 56.4% from FY2019 as activities continue to pick up within the Group. In particular, revenue from Bahrain increased by 67.8% to S\$31.4 million during the year. Correspondingly, gross profit margin improved to 32.2% from 24.6% as a result of higher utilisation and better job mix.

Other operating expenses remained relatively unchanged while staff costs increased in tandem with the higher revenue. Overall, the Group reported a net profit from continuing operations of S\$6.7 million in FY2020.

Loss from Discontinued Operation comprised the results of the Neptune segment that was disposed during the financial year and included the realisation of S\$2.4 million historical foreign currency translation loss residing in the reserves to profit or loss upon disposal.

Overall, the Group recorded a net profit of S\$4.2 million for FY2020, its first profitable year since FY2015. This is after tax expense of S\$0.9 million which consisted mainly of deferred tax expenses arising from the utilisation of prior years' tax losses.

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

No forecast has been previously made or disclosed to shareholders. There is no deviation from the commentary discussion made under Paragraph 10 of the third quarter announcement.

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

The Group is grappling with both a weaker outlook for energy demand as well as disruptions caused by COVID-19 and this is likely to result in a challenging year ahead. The Group is in a strong financial position and financial support from both governments in Singapore and Bahrain in the form of wage support and rebates has been helpful. The Group will remain prudent and will keep shareholders updated on any material developments.

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

a) Current Financial Period Reported On

Any dividend declared for the present financial period? Yes

For the financial year ended 31 March 2020

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

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

b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? No

c) Date payable

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

d) Books closure date

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

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable

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

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

14 Confirmation of Undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual

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

15 Business Segmental Information

By Operating Segments

	For The Financial Year Ended 31 March 2020					
	Continuing Operations				Discontinued Operations (Neptune Marine Services)	
	Investment Holding S\$'000	Oilfield Engineering S\$'000	Eliminations S\$'000	Subtotal S\$'000	S\$'000	Total S\$'000
Revenue & Expenses						
External sales	-	74,302	-	74,302	49,068	123,370
Inter-segment sales	4,731	2,382	(7,179)	(66)	66	-
Total sales	4,731	76,684	(7,179)	74,236	49,134	123,370
Interest income	42	-	-	42	(6)	36
Depreciation and amortisation	(622)	(4,090)	-	(4,712)	(2,333)	(7,045)
Allowance for inventory obsolescence, net	-	(124)	-	(124)	-	(124)
Allowance for impairment of trade receivables, net	-	(53)	-	(53)	(629)	(682)
Bad debts written off, net	-	(2)	-	(2)	-	(2)
Loss on disposal of subsidiaries	-	-	-	-	(1,278)	(1,278)
Finance costs	(742)	(754)	-	(1,496)	(267)	(1,763)
Share of results of associate and joint ventures	-	206	-	206	-	206
Segment (loss)/profit before tax	(5,148)	12,791	-	7,643	(2,342)	5,301
Tax credit/(expense)	53	(615)	-	(562)	(166)	(728)
Write-off deferred tax assets	(339)	-	-	(339)	-	(339)
Assets & Liabilities						
Additions to non-current assets	192	1,552	-	1,744	989	2,733
Segment assets	34,180	80,791	-	114,971	-	114,971
Deferred tax assets	-	-	-	-	-	455
Total assets						115,426
Segment liabilities	(10,544)	(13,430)	-	(23,974)	-	(23,974)
Provision for taxation	-	-	-	-	-	(147)
Deferred tax liabilities	-	-	-	-	-	(479)
Bank borrowings and finance lease liabilities	-	-	-	-	-	(21,156)
Total liabilities						(45,756)
	For The Financial Year Ended 31 March 2019					
	Continuing Operations				Discontinued Operations (Neptune Marine Services)	
	Investment Holding S\$'000 (Restated)	Oilfield Engineering S\$'000 (Restated)	Eliminations S\$'000 (Restated)	Subtotal S\$'000 (Restated)	S\$'000 (Restated)	Total S\$'000 (Restated)
Revenue & Expenses						
External sales	-	47,506	-	47,506	83,390	130,896
Inter-segment sales	4,252	1,927	(6,241)	(62)	62	-
Total sales	4,252	49,433	(6,241)	47,444	83,452	130,896
Interest income	85	-	-	85	(3)	82
Depreciation and amortisation	(667)	(4,541)	-	(5,208)	(4,369)	(9,577)
Allowance for inventory obsolescence	-	(265)	-	(265)	-	(265)
Allowance for impairment of trade receivables, net	-	(2)	-	(2)	(27)	(29)
Loss on winding-up of a subsidiary	(11)	-	-	(11)	-	(11)
Finance costs	(736)	(788)	-	(1,524)	(506)	(2,030)
Share of results of joint venture	(114)	228	-	114	-	114
Segment (loss)/profit before tax	(5,188)	1,956	-	(3,232)	(1,863)	(5,095)
Tax expenses	(57)	(109)	-	(166)	(304)	(470)



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Year Ended 31 March 2020

Assets & Liabilities						
Additions to non-current assets	108	1,750	-	1,858	819	2,677
Segment assets	22,237	65,010	-	87,247	56,888	144,135
Deferred tax assets						901
Total assets						145,036
Segment liabilities	(9,450)	(11,372)	-	(20,822)	(29,886)	(50,708)
Provision for taxation						(729)
Deferred tax liabilities						(418)
Bank borrowings and finance lease liabilities						(22,050)
Total liabilities						(73,885)

By Geographical Segments

	For The Financial Year Ended 31 March 2020						
	Singapore S\$'000	Australia S\$'000	Bahrain S\$'000	United Kingdom S\$'000	Indonesia S\$'000	Others S\$'000	Total
External sales	42,420	36,866	31,408	12,676	-	-	123,370
Non-current assets*	21,646	4,109	18,793	3,279	-	-	47,827

	For The Financial Year Ended 31 March 2019						
	Singapore S\$'000 (Restated)	Australia S\$'000 (Restated)	Bahrain S\$'000 (Restated)	United Kingdom S\$'000 (Restated)	Indonesia S\$'000 (Restated)	Others S\$'000 (Restated)	Total S\$'000 (Restated)
External sales	37,252	59,929	18,717	14,998	-	-	130,896
Non-current assets*	28,216	13,795	19,881	5,711	-	-	67,603

* Excludes deferred tax assets and non-current receivables and prepayments

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

Refer to item 8.

17 A breakdown of sales as follows:-

	Group		
	31.3.20 S\$'000	31.3.19 S\$'000 (Restated)	Increase/ (decrease) %
First half year			
(a) Revenue	34,391	20,689	66%
(b) Profit/(loss) after tax	1,948	(2,444)	180%
Second half year			
(a) Revenue	39,911	26,817	49%
(b) Profit/(loss) after tax	4,794	(954)	n/m

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

	Latest Full Year (FY 2020) S\$'000	Previous Full Year (FY 2019) S\$'000
a) Ordinary	-	-
- Interim	-	-
- Final	1,081	-
b) Preference	-	-
c) Total	1,081	-

The final dividend for the financial year ended 31 March 2020 is estimated based on the Proposed Final Dividend of 0.5 Singapore cents per ordinary shares and the total outstanding number of shares as at 31 March 2020.

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

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Kuah Kok Kim	75	Father of Director and Chief Executive Officer, Kuah Boon Wee	Re-designated as Non-executive Chairman since 2012	NIL
Kuah Boon Wee	53	Son of Director and substantial shareholder, Kuah Kok Kim	Appointed as Group Chief Executive Officer since 2010	NIL

20 Use of Net Proceeds from Rights cum Warrants Issue

The board of directors (the "Board") of MTQ Corporation Limited (the "Company") refers to the Company's announcements made on 30 January 2018, 5 March 2018, 14 March 2018, 26 March 2018, 17 April 2018, 18 April 2018, 14 May 2018, 29 June 2018, 26 July 2018, 31 October 2018, 29 January 2019, 13 May 2019, 12 July 2019, 24 July 2019, 30 October 2019 and 6 February 2020 as well as the Offer Information Statement dated 23 March 2018 and the status report on the use of Net Proceeds in the Company FY2017/2018 and FY2018/2019 Annual Reports.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Offer Information Statement. Any reference to a time of day and date herein shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The Board wishes to update Shareholders that a further S\$0.3 million of the Net Proceeds has been utilised for debt repayment.

Together with the S\$11.4 million utilised as announced on SGXNET on 6 February 2020, the Company has utilised S\$11.7 million of the Net Proceeds as set out below:

S/N	Use of Net Proceeds	Additional Amount Utilised S\$'million	Cumulative Amount Utilised S\$'million
1	Payment for In-Line Shares	-	1.8
2	Debt Repayment	0.3	2.4
3	Working Capital*	-	7.5
	Total	0.3	11.7

*Working capital purposes include, inter alia, payments of trade and other payables, compliance costs, professional fees and staff costs.

The above utilisation of the Net Proceeds is consistent with the intended use of Net Proceeds disclosed in the Offer Information Statement.

The Board will make periodic announcements on the utilisation of the remaining S\$0.3 million of the Net Proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD

Tan Lee Fang
Company Secretary
12 May 2020



MTQ CORPORATION LIMITED

182 PANDAN LOOP SINGAPORE 128373 TEL: (65) 6774 9332 FAX: (65) 6777 6433

FOR IMMEDIATE RELEASE

MTQ Group recorded profitable FY2020

- Strong organic growth in Oilfield Engineering, recorded profit of S\$6.7 million from continuing operations
- Loss from discontinued operations mainly due to accounting loss from disposal of Neptune segment
- Proposed final dividend of Singapore 0.5 cents per share

Singapore, 12 May 2020 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, repair and maintenance services group, reported today its results for the full year ended 31 March 2020 (“FY2020”).

Financial Highlights	FY2020	FY2019 (Restated)	Chg
	SGD'000	SGD'000	%
Revenue	74,302	47,506	56
Gross Profit	23,898	11,702	104
<i>Gross Profit Margin</i>	32.2%	24.6%	
Other Income	805	389	107
Staff Costs	(9,568)	(7,703)	24
Other Operating Expenses	(6,202)	(6,210)	-
Finance Costs	(1,496)	(1,524)	(2)
Share of Results of Joint Ventures and Associate	206	114	81
Profit/(loss) before tax from Continuing Operations	7,643	(3,232)	nm
Tax expense	(901)	(166)	443
Profit/(loss) from Continuing Operations, net of tax	6,742	(3,398)	nm
Loss from Discontinued Operation, net of tax	(2,508)	(2,167)	16
Profit/(loss) for the year	4,234	(5,565)	nm

Financial Review

The Group reported S\$74.3 million revenue for FY2020, an increase of 56% from FY2019 as activities continue to pick up within the Group. In particular, revenue from Bahrain increased by 67.8% to S\$31.4 million during the year. Correspondingly, gross profit margin improved to 32.2% from 24.6% as a result of higher utilisation and better job mix.

Other operating expenses remained relatively unchanged while staff costs increased in tandem with the higher revenue. Overall, the Group reported a net profit from continuing operations of S\$6.7 million in FY2020.

Loss from Discontinued Operation comprised the results of the Neptune segment that was disposed during the financial year and included the realisation of S\$2.4 million historical foreign currency translation loss residing in the reserves to profit or loss upon disposal.

Overall, the Group recorded a net profit of S\$4.2 million for FY2020, its first profitable year since FY2015. This is after tax expense of S\$0.9 million which consisted mainly of deferred tax expenses arising from the utilisation of prior years' tax losses.

Segmental Profit/(Loss) After Tax	FY2020	FY2019
	SGD'000	SGD'000
		(Restated)
Neptune¹	(2,508)	(2,167)
Oilfield Engineering	12,176	1,847
Investment Holding	(5,434)	(5,245)
Total	4,234	(5,565)

¹This segment was disposed during the financial year and presented as Discontinued Operation in the profit or loss of the Group.

The Board of Directors has proposed a final cash dividend of 0.5 Singapore cents per share, representing a payout ratio of approximately 24.4% of the Group's profit attributable to shareholders.

Cash flows	FY2020	FY2019 (Restated)
	SGD'000	SGD'000
Net cash from/(used in):		
- Operating activities (before changes in working capital)	15,843	6,741
- Operating activities (changes in working capital)	(17,279)	(356)
- Investing activities	5,672	(5,642)
- Financing activities	(2,668)	8,727
Net change in cash & cash equivalents (inclusive of exchange rate effects)	721	9,056
Cash and cash equivalents at end of financial year	20,536	19,815

The Group recorded net cash inflows of S\$15.8 million from operations before changes in working capital for the year. Working capital requirements, however, increased with higher activities during the year. Investing cash flows included the S\$5.5 million cash consideration, net of cash disposed, received from the disposal of Neptune segment. Including the quarterly repayments of bank borrowings and lease liabilities, the Group's ending cash and cash equivalents was S\$20.5 million.

Balance Sheet	31 Mar 2020	31 Mar 2019 (Restated)
	SGD'000	SGD'000
Net current assets	48,980	37,686
Net assets	69,670	71,151
Cash and cash equivalents	20,536	19,815
Bank borrowings and finance leases	21,156	22,030
Shareholder's funds	68,142	68,196
Net gearing¹	0.9%	3.0%
Net assets value per share²	32 cents	32 cents

¹ Net gearing ratio is calculated based on net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings and finance lease payable, excluding lease liabilities arising from the adoption of the new SFRS(I) 16 Leases, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity.

² Net assets value is calculated based on the Group's net assets after deducting the non-controlling interest, divided by the total number of issued shares excluding treasury shares as at the end of the financial year.

The Group's financial position as at 31 March 2020 remained healthy with minimal net gearing. The increase in net current assets is in line with the improved results during the year. Net assets, on the other hand, showed a slight decrease after taking into account S\$7.8 million revaluation loss of the Group's interests in MMA Offshore through an equity reserve as its share price dropped in March 2020. Following the completion of refinancing exercises in March 2020, about S\$15.8 million of the Group's borrowings now mature in 2023.

Results & outlook

Commenting on the financial results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said,

“The Group is pleased to report a profitable year and a strong fourth quarter from the Oilfield Engineering segment, which recorded net full year profits of S\$6.7 million. This is in line with previous quarters’ announcements. With the Neptune segment discontinued, our Oilfield Engineering operations in Bahrain and Singapore form the bulk of our Group activities. The Board is pleased to propose a modest dividend of 0.5 Singapore cents per share to thank shareholders for their support through these recent.

However, post FY2020, the Group is now grappling with both a weaker outlook for energy demand as well as disruptions caused by COVID-19 and this is likely to result in a challenging year ahead. We are working closely with customers to fulfil the orders on hand in the current situation. The Group is in a strong financial position and financial support from both governments in Singapore and Bahrain in the form of wage support and rebates has been helpful.

We will remain prudent and will keep shareholders updated on any material developments.”

- End -

About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 35 years and commitment to service quality, MTQ 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. The Premier group, in addition to repair and manufacture of oilfield equipment, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. The Binder group, based in Perth with a production facility in Indonesia, designs and manufactures proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas sector. Mid-Continent is an oilfield equipment and spares supplier distributing wide range of trusted oilfield manufacturer brands. In-Line Valve, headquartered in the United Kingdom, designs, engineers and supplies flow control valves focused in the upstream oil and gas industry.

For more information, please log on www.mtq.com.sg

For more information please contact:

investorrelation@mtq.com.sg

Tel: (65) 67749428

Fax: (65) 67776433