



Securities Investors Association (Singapore)

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GST Reg No: M90367530Y

Issuer: MTQ Corporation Limited

Stock code: M05

Meeting details:

Date: 28 July 2022

Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. As noted in the message from the chairman and Group CEO, except for Binder which focuses on downstream plant and power stations, the rest of the group's businesses are primarily focused on supporting drilling and exploration in upstream and production activity.

As part of the new strategic collaboration with Schlumberger, the group will provide support for after-sales services to Cameron pressure-controlled equipment in most of the Asia Pacific region for a period of 10 years.

- (i) **Is it possible for management to give shareholders a better understanding of the potential uplift in revenue and profit that will result from the recent partnership with Schlumberger?**
- (ii) Rig utilisation has increased, especially in the Middle East and Asia Pacific. **What is the typical delay before repair and maintenance services are requested?**
- (iii) **Other than training and improving retention rates, what are management's strategies to address the challenges in recruiting foreign-sourced workers for machining, welding and fitting jobs in the Singapore and Bahrain workshops? How much of the work can be automated?**
- (iv) As at 31 March 2022, the group has cash and cash equivalents of \$8.33 million, down from \$22.5 million a year ago (page 49). **Does the group have the necessary working capital to fund its operations and to support its growth plans?**

Q2. The need to address climate change is driving the global transition from fossil fuels to renewable energy sources. The group is also renewing its efforts to look at new sectors of growth outside of fossil fuels.

- (i) **Can the board/management share its thinking on the mid to long-term growth prospects of its oilfield engineering business?**
- (ii) **In the board/management's scenario planning, will there be a secular decline in demand for fossil fuels in the near term? Is the risk of a secular decline overstated?**
- (iii) **Has the board established targets (in terms of timeline and investments) for the group's diversification efforts (to non-fossil fuel businesses)?**
- (iv) **In addition, can the board help shareholders better understand how the group will be addressing its Scope 1, Scope 2 and Scope 3 emissions?**

Q3. As disclosed in the corporate governance report, the group outsourced its internal audit function to Robert Tan Partners PAC, a corporate member of the Institute of Internal Auditors Singapore (the “IA”).

The audit committee (AC) is satisfied that the group’s IA function is independent, effective and adequately resourced by qualified and experienced professionals.

The internal audit reviews were conducted in accordance with the guidelines established in the International Professional Practices Framework and guided by the components established in the COSO Internal Control – Integrated Framework.

- (i) **What was the scope of the internal audit for FY2022? How long is the internal audit cycle?**
- (ii) **Can the AC confirm that the internal audit covered all the subsidiaries, including those in Australia, Bahrain, the United Kingdom and the United States of America?**
- (iii) **Did the IA also cover the joint venture, PT Binder Indonesia?**
- (iv) **How were the scope and the effectiveness of the IA affected in the past two years by the closure of national borders? What were the challenges faced by the Robert Tan Partners PAC, if any, on the audit of the group’s overseas entities?**
- (v) **For the benefit of shareholders, would management disclose the key findings and the recommendations of the IA?**
- (vi) **What is the level of oversight by the AC on the actions taken by management to follow-up on the recommendations?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

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