



ASX RELEASE

30 October 2014

MTQ CORPORATION - RELEASE OF FIRST HALF FY2015 RESULTS

PERTH, Western Australia: Neptune Marine Services Limited (ASX: **NMS**, **Neptune** or the **Company**) confirms that in accordance with the ASX Listing Rules, it will by the end of November 2014 release its financial results for the first-half ending 30 September 2014.

However, the Company wishes to inform the market that its unaudited first-half FY 2015 results have been incorporated into the unaudited results of its parent company (MTQ Corporation) for this period and MTQ Corporation's results have today been released to the Singapore stock exchange. A copy of these results is attached.

-ENDS-

About Neptune Marine Services Limited

Neptune is a leading provider of services and integrated engineered solutions to the international oil and gas, marine and renewable energy industries. Its services include asset integrity, commercial diving, geophysical and geotechnical survey, manufacturing, testing and assembly, NEPSYS® dry underwater welding, pipeline stabilisation and protection, remotely operated vehicles, subsea and pipeline engineering, surface and subsea positioning, and topside inspection, repair and maintenance.

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MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

MTQ reports S\$6.4 million pre-tax profit

- Higher revenue and gross profit recorded for 2QFY2015
- Gross profit margin declined from 36.9% to 32.8% mainly due to product mix within the Oilfield Engineering business in Singapore
- First profitable quarter recorded in Bahrain offset by lower profits from Singapore and operating loss for Binder Group

Singapore, 30 October 2014 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or the “Group”), an established regional engineering, maintenance and subsea services group, reported revenue of S\$80.3 million for the quarter ended September 30, 2014 (2QFY2015), an increase of 24% year-on-year (yoy). The gross profit for the same quarter was S\$26.3 million, an increase of 10% yoy. The result was achieved amid a weaker business environment for the oilfield service sector, particularly in Singapore.

	2QFY2015	2QFY2014	Chg	1HFY2015	1HFY2014	Chg
Financial Highlights	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	80,334	64,911	24	157,028	159,301	(1)
Gross profit	26,315	23,958	10	52,418	51,992	1
Gross profit margin	32.8%	36.9%	-	33.4%	32.6%	-
Staff costs	11,930	9,683	23	24,135	21,770	11
Other operating expenses	7,207	7,068	2	14,890	14,827	-
Profit before taxation	6,393	6,946	(8)	12,087	14,879	(19)
Net profit attributable to equity holders (PATMI)	5,346	5,502	(3)	9,532	11,985	(20)

Financial review

Group's revenue increased 24% yoy to S\$80.3 million, mainly due to the inclusion of Binder Group ("Binder") results, which was absent in 2QFY2014. Neptune and Bahrain recorded higher revenue for 2QFY2015. Gross profit increased by 10% to S\$26.3 million in 2QFY2015 despite lower margins recorded in the Oilfield Engineering business in Singapore.

Staff cost increased in tandem with the higher revenue, with most of the additional costs due to the inclusion of Binder. However, as a percentage of revenue, overall operating costs remained comparable to the same quarter last year.

Bahrain was profitable for the quarter and year-to-date. Activities in Binder, however, continued to be quiet and a loss was recorded as revenue remains below expectations. Engine Systems segment recorded a modest increase in profits.

Overall, profit before taxation decreased 8% for the quarter to S\$6.4 million. Consequently, profit attributable to shareholders of S\$5.3 million was achieved, translating to basic earnings per share of 3.50 Singapore cents for the quarter.

The Group is pleased to declare an interim dividend of 2.0 Singapore cents per share. This represents an effective increase of 20% from the corresponding period in the prior year after taking into account the bonus issue earlier this quarter.

Balance Sheet	Sep 30, 2014	Mar 31, 2014	Chg
	SGD'000	SGD'000	%
Net current assets	91,174	83,631	9
Net assets	146,655	140,606	4
Cash and cash equivalents	44,805	37,432	20
Finance lease payable	1,022	1,360	(25)
Borrowings	61,253	64,517	(5)
Shareholders' funds	137,085	130,951	5
Net gearing*	10.6%	16.8%	n.m.
Net assets value per share (Singapore cents)**	89	86	3

*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, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity.

** 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 period, adjusted for the effect of bonus issue.

The balance sheet remained healthy, with a 19.7 % net increase in cash and a significant decrease in net gearing to 10.6%. The NAV of S\$0.89 per ordinary share as at 30 September 2014 represents a 3% increase from the same as at 31 March 2014.

Market condition and the outlook

The recent fall in global oil prices and concerns about economic growth have definitely affected market sentiment negatively.

Commenting on the results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer, said, "Our businesses performed satisfactorily in the quarter despite the quieter market conditions. The business in Bahrain continues to make steady progress on the back of improving volumes and has achieved a milestone in this period with profitability recorded.

With significant new drilling assets poised to join the market, market sentiment is likely to remain muted. Notwithstanding this business environment, we will continue to drive efforts to secure sales while looking to expand service offerings in new markets."

- 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 30 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 equipments, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network. Neptune Marine Services Limited is located in Perth, Western Australia, and has operational presence in the UK and Asia. Neptune provides engineering services to offshore oil and gas, marine and renewable energy industries with a focus on subsea and topside services. In 2014, MTQ expanded into the design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil & gas sector through Binder Group Pty Ltd, which has production facilities in Perth and Indonesia.

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

Issued for and on behalf of MTQ Corporation Limited

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

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

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

(i) STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014

GROUP

	Group 3 months ended			Group 6 months ended		
	30.9.14 S\$'000	30.9.13 S\$'000	Change %	30.9.14 S\$'000	30.9.13 S\$'000	Change %
Revenue	80,334	64,911	24%	157,028	159,301	-1%
Cost of sales (Note A)	(54,019)	(40,953)	-32%	(104,610)	(107,309)	3%
Gross profit	26,315	23,958	10%	52,418	51,992	1%
Other income (Note B)	12	456	-97%	392	1,002	-61%
Staff costs	(11,930)	(9,683)	-23%	(24,135)	(21,770)	-11%
Other operating expenses (Note C)	(7,207)	(7,068)	-2%	(14,890)	(14,827)	0%
Profit from operating activities	7,190	7,663	-6%	13,785	16,397	-16%
Finance costs (Note D)	(624)	(717)	13%	(1,252)	(1,518)	18%
Share of results of joint venture	(173)	-	-100%	(446)	-	-100%
Profit from operations before taxation	6,393	6,946	-8%	12,087	14,879	-19%
Taxation expense	(1,002)	(1,230)	19%	(2,268)	(2,420)	6%
Profit for the financial period, net of tax	5,391	5,716	-6%	9,819	12,459	-21%
Other comprehensive income:						
Exchange difference on translation of subsidiaries	(4,676)	245	n/m	(3,748)	(7,024)	47%
Net gain on hedge of net investment in foreign operation	1,800	-	100%	1,500	3,749	-60%
Other comprehensive income/(loss) for the financial period, net of tax (Note E)	(2,876)	245	n/m	(2,248)	(3,275)	31%
Total comprehensive income for the financial period	2,515	5,961	-58%	7,571	9,184	-18%
Profit attributable to:						
Owners of the Company	5,346	5,502	-3%	9,532	11,985	-20%
Non-controlling interests	45	214	-79%	287	474	-39%
	5,391	5,716	-6%	9,819	12,459	-21%
Total comprehensive income attributable to:						
Owners of the Company	2,826	5,698	-50%	7,586	9,349	-19%
Non-controlling interests	(311)	263	n/m	(15)	(165)	91%
	2,515	5,961	-58%	7,571	9,184	-18%

n/m : not meaningful



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

Note A - Cost of sales include :-

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.9.14	30.9.13	%	30.9.14	30.9.13	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Operating lease expenses	3,478	1,324	163%	5,267	7,563	-30%
Depreciation of property, plant and equipment	2,498	2,081	20%	4,703	4,181	12%

Note B - Other income comprises :-

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.9.14	30.9.13	%	30.9.14	30.9.13	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest income	38	125	-70%	89	142	-37%
Rental income	-	59	-100%	3	118	-97%
(Loss)/Gain on sale of property, plant and equipment, net	(209)	19	n/m	(138)	187	n/m
Government grant	16	14	14%	16	14	14%
Commission received	117	192	-39%	289	411	-30%
Gain on disposal of scrap	47	33	42%	77	50	54%
Other income	3	14	-79%	56	80	-30%
	12	456	-97%	392	1,002	-61%

Note C - Other operating expenses include :-

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.9.14	30.9.13	%	30.9.14	30.9.13	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation of property, plant and equipment	548	465	18%	1,076	950	13%
Amortisation of intangible assets	-	8	-100%	-	19	-100%
Fixed assets written off	380	-	100%	395	-	100%
Gain on exchange, net	(636)	(29)	2093%	(487)	(260)	87%
Allowance for /(Reversal of) doubtful receivables and bad debts written off/(back), net	(232)	145	n/m	(227)	78	n/m
Allowance for inventory obsolescence and inventories written off	50	54	-7%	101	112	-10%
Audit, legal, consultancy and professional fees	1,016	1,132	-10%	2,086	2,089	0%
Operating lease expenses	1,637	1,559	5%	3,299	3,135	5%
Utilities expenses	616	532	16%	1,168	1,077	8%

Note D - Finance costs comprise :-

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.9.14	30.9.13	%	30.9.14	30.9.13	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest on:						
- bank loans and overdrafts	615	692	-11%	1,233	1,464	-16%
- finance lease payables	9	25	-64%	19	54	-65%
	624	717	-13%	1,252	1,518	-18%

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

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



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

1(b)(i) 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 30 SEPTEMBER 2014

Non-current assets

Goodwill
Intangible assets
Investment properties
Property, plant and equipment
Investment in subsidiaries
Investment in joint venture
Receivables
Prepayments
Deferred tax assets

Current assets

Inventories
Trade and other receivables
Prepayments
Cash and cash equivalents

Current liabilities

Trade and other payables
Finance lease payable
Bank borrowings
Provisions
Provision for taxation

Net current assets

Non-current liabilities

Other payables
Finance lease payable
Long term bank borrowings
Deferred tax liabilities
Provisions

Net assets

Equity attributable to owners of the Company

Share capital [1(d)(i)]
Reserves [1(d)(i)]
Shareholders' funds
Non-controlling interests

Total equity

Group		Company	
30.9.14	31.3.14	30.9.14	31.3.14
S\$'000	S\$'000	S\$'000	S\$'000
30,510	31,673	-	-
167	-	-	-
-	-	1,014	1,038
79,949	81,519	555	624
-	-	44,794	44,763
2,009	2,320	-	-
1,136	3,766	79,384	76,981
7	7	-	-
5,648	4,703	-	-
119,426	123,988	125,747	123,406
27,178	29,031	-	-
73,014	78,308	14,311	15,362
4,389	2,685	180	73
44,805	37,432	3,720	2,669
149,386	147,456	18,211	18,104
(43,059)	(49,605)	(2,833)	(3,594)
(481)	(807)	-	-
(6,521)	(6,501)	(3,578)	(3,544)
(1,662)	(2,104)	-	-
(6,489)	(4,808)	(168)	(168)
(58,212)	(63,825)	(6,579)	(7,306)
91,174	83,631	11,632	10,798
(4,400)	(4,598)	(6,241)	(6,247)
(541)	(553)	-	-
(54,732)	(58,016)	(10,354)	(12,029)
(2,602)	(2,608)	(106)	(106)
(1,670)	(1,238)	(76)	(76)
(63,945)	(67,013)	(16,777)	(18,458)
146,655	140,606	120,602	115,746
36,098	34,108	36,098	34,108
100,987	96,843	84,504	81,638
137,085	130,951	120,602	115,746
9,570	9,655	-	-
146,655	140,606	120,602	115,746

Balance Sheet Review

The change in net asset were mainly due to:

- profit of S\$9.8 million recognised for the financial period; and
- net translation loss of S\$2.2 million arising from foreign currency movements.

Overall bank borrowings decreased from S\$64.5 million to S\$61.3 million resulting mainly from repayment as well as revaluation of the loans. Accordingly, the overall Group's net debt gearing has decreased from 16.8% to 10.6%.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	30.9.14		31.3.14	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	7,002	-	7,308	-
Amount repayable after one year	55,273	-	58,569	-
	<u>62,275</u>	<u>-</u>	<u>65,877</u>	<u>-</u>

The Group's borrowings as at 30 September 2014 decreased to S\$62 million from S\$65.9 million as at 31 March 2014 mainly due to repayment and revaluation of the loans. Details of the collateral for the bank borrowings are as follows:

Facility 1: S\$13.9 million

- 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 a subsidiary;
- Registered charge over the book debts of the Company; and
- Corporate guarantee from a subsidiary of the Company.

Facility 2: S\$2.2 million

- Corporate guarantee from the Company.

Facility 3: S\$2.9 million

- Fixed and floating charge over all the assets of a subsidiary; and
- Corporate guarantee from the Company.

Facility 4: S\$8.0 million

- Corporate guarantee from the Company.

Facility 5: S\$33.4 million

- Corporate guarantee from the Company.

Facility 6: S\$0.8 million

- Fixed and floating charge over the assets of a subsidiary; and
- Corporate guarantee from the Company.

There were no debt securities as at 31 March 2014 and 30 September 2014.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Group		Group	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.9.14	30.9.13	30.9.14	30.9.13
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit from operations before taxation	6,393	6,946	12,087	14,879
Adjustments for:				
Depreciation of property, plant and equipment	3,046	2,546	5,779	5,131
Amortisation of intangible assets	-	8	-	19
(Gain)/loss on sale of property, plant and equipment, net	209	(19)	138	(187)
Fixed assets written off	380	-	395	-
Net fair value loss on held-for-trading investment securities	-	1	-	39
Share of joint venture results	173	-	446	-
Employee equity benefits expense	251	155	429	421
Interest income	(38)	(125)	(89)	(142)
Interest expense	624	717	1,252	1,518
Operating profit before changes in working capital	11,038	10,229	20,437	21,678
Decrease in inventories	480	253	1,673	3,427
Decrease in receivables and prepayments	2,262	15,307	5,701	12,155
Increase/(decrease) in payables	872	(7,406)	(5,565)	(13,428)
Currency realignment	(854)	1,116	(584)	(590)
Cash generated from operations	13,798	19,499	21,662	23,242
Interest income received	38	125	89	142
Interest expense paid	(628)	(628)	(1,259)	(1,460)
Income taxes paid, net	(938)	(2,353)	(1,948)	(2,722)
Net cash provided by operating activities	12,270	16,643	18,544	19,202
Cash flows from investing activities:				
Purchase of property, plant and equipment	(2,106)	(2,670)	(6,979)	(5,830)
Proceeds from sale of property, plant and equipment	74	130	955	846
Purchase of intangible assets	(142)	-	(167)	-
Acquisition of non-controlling interests	-	(8)	-	(1,511)
Loans granted to staff	-	-	(130)	-
Loans repaid by staff	20	11	62	23
Net cash used in investing activities	(2,154)	(2,537)	(6,259)	(6,472)
Cash flows from financing activities:				
Dividends paid	(1,270)	(965)	(1,270)	(965)
Share issuance expense	(38)	(33)	(38)	(33)
Proceeds from bank borrowings	-	-	-	1,621
Settlement of share-based payment	(652)	(268)	(652)	(268)
Repayment of bank borrowings	(877)	(4,848)	(1,759)	(5,899)
Repayment of finance lease	(42)	(169)	(216)	(383)
Net cash used in financing activities	(2,879)	(6,283)	(3,935)	(5,927)
Net change in cash and cash equivalents	7,237	7,823	8,350	6,803
Cash and cash equivalents at beginning of financial period	38,669	38,688	37,432	40,911
Effect of exchange rate changes on cash and cash equivalents	(1,101)	(1,163)	(977)	(2,366)
Cash and cash equivalents at end of financial period	44,805	45,348	44,805	45,348

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at	As at
	30.9.14	30.9.13
	S\$'000	S\$'000
Fixed deposits	5,825	406
Cash at bank and in hand	38,980	44,942
	44,805	45,348

Cash Flows Review

Operating cash flows remained healthy for the quarter and year-to-date. The Group continues to invest in the businesses, resulting in a total cash outflow of S\$2.2 million for the quarter in investing activities. Taking into account the dividends and bank borrowings paid during the quarter, the Group generated an overall net cash inflow of S\$7.2 million during the quarter ended 30 September 2014.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2014

I(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 period

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Group	Attributable to owners of the Company						Shareholders' Funds	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Fair Value Adjustment Reserve	Other Reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 1 April 2013	31,740	-	1,090	82,129	-	3,671	118,630	13,148	131,778
Profit for the financial period, net of tax	-	-	-	11,985	-	-	11,985	474	12,459
Other comprehensive income/(loss)									
Exchange difference on translation of subsidiaries	-	-	(6,385)	-	-	-	(6,385)	(639)	(7,024)
Net gain on hedge of net investment in foreign operation	-	-	3,749	-	-	-	3,749	-	3,749
Other comprehensive income for the financial period	-	-	(2,636)	-	-	-	(2,636)	(639)	(3,275)
Total comprehensive income for the financial period	-	-	(2,636)	11,985	-	-	9,349	(165)	9,184
Contributions by and distributions to owners									
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(2,504)	-	-	(2,504)	-	(2,504)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,539	-	-	-	-	-	1,539	-	1,539
Share issuance expense	(33)	-	-	-	-	-	(33)	-	(33)
Settlement of share-based payment	-	-	-	-	-	(239)	(239)	(36)	(275)
Employee equity benefits expense	-	-	-	-	-	353	353	68	421
Total contributions by and distribution to owners	1,506	-	-	(2,504)	-	114	(884)	32	(852)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	191	191	(1,383)	(1,192)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	191	191	(1,383)	(1,192)
Balance as at 30 September 2013	33,246	-	(1,546)	91,610	-	3,976	127,286	11,632	138,918
Balance as at 1 April 2014	34,108	-	(7)	95,105	-	1,745	130,951	9,655	140,606
Profit for the financial period, net of tax	-	-	-	9,532	-	-	9,532	287	9,819
Other comprehensive income/(loss)									
Exchange difference on translation of subsidiaries	-	-	(3,446)	-	-	-	(3,446)	(302)	(3,748)
Net gain on hedge of net investment in foreign operation	-	-	1,500	-	-	-	1,500	-	1,500
Other comprehensive income for the financial period	-	-	(1,946)	-	-	-	(1,946)	(302)	(2,248)
Total comprehensive income for the financial period	-	-	(1,946)	9,532	-	-	7,586	(15)	7,571
Contributions by and distributions to owners									
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(3,048)	-	-	(3,048)	-	(3,048)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,778	-	-	-	-	-	1,778	-	1,778
Issuance of ordinary shares pursuant to scrip MTQ Share Plan	250	-	-	-	-	(250)	-	-	-
Share issuance expense	(38)	-	-	-	-	-	(38)	-	(38)
Settlement of share-based payment	-	-	-	-	-	(566)	(566)	(86)	(652)
Employee equity benefits expense	-	-	-	-	-	422	422	16	438
Total contributions by and distribution to owners	1,990	-	-	(3,048)	-	(394)	(1,452)	(70)	(1,522)
Balance as at 30 September 2014	36,098	-	(1,953)	101,589	-	1,351	137,085	9,570	146,655



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<u>Company</u>	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Other Reserve S\$'000	Shareholders' Funds S\$'000
Balance as at 1 April 2013	31,740	-	63,842	2,165	97,747
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	11,605	-	11,605
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	(2,504)	-	(2,504)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,539	-	-	-	1,539
Share issuance expense	(33)	-	-	-	(33)
Total transactions with owners in their capacity as owners	1,506	-	(2,504)	-	(998)
Balance as at 30 September 2013	33,246	-	72,943	2,165	108,354
Balance as at 1 April 2014	34,108	-	79,335	2,303	115,746
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	5,847	-	5,847
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	(3,048)	-	(3,048)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,778	-	-	-	1,778
Issuance of ordinary shares pursuant to scrip MTQ Share Plan	250	-	-	(250)	-
Employee equity benefits expense	-	-	-	317	317
Share issuance expense	(38)	-	-	-	(38)
Total transactions with owners in their capacity as owners	1,990	-	(3,048)	67	(991)
Balance as at 30 September 2014	36,098	-	82,134	2,370	120,602



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	(S\$'000)
As at 1 July 2014	34,108
Issuance of ordinary shares pursuant to scrip dividend scheme	1,778
Issuance of ordinary shares pursuant to scrip MTQ Share Plan	250
Share issuance expense	(38)
As at 30 September 2014	<u>36,098</u>

As at 30 September 2013 and 30 September 2014, there are no options outstanding.

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 corresponding period of immediately preceding year.

	30.9.14 ('000)	30.9.13 ('000)
Total number of issued shares	<u>153,818</u>	<u>126,325</u>

There were no treasury shares as at 31 March 2014, 30 September 2013 and 30 September 2014.

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.

There is no movement in treasury shares during the quarter ended 30 September 2014.

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 qualifications or emphasis of a matter).

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.

Other than the per share calculations (as described below), the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements. The Group has also applied FRS and INT FRS that became effective in the financial year beginning on or after 1 April 2014. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

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.

Earnings per share calculations

On 11 July 2014, the Company issued 25,401,697 ordinary shares pursuant to the bonus issue on the basis of one (1) bonus share for every five (5) existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares increased from 127,009,416 shares to 152,411,113 shares. As a result, the number of ordinary shares used for the per share calculations has been adjusted for retrospectively as required by FRS 33.



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

	Group		Group	
	3 months ended 30.9.14	3 months ended 30.9.13 (Restated)	6 months ended 30.9.14	6 months ended 30.9.13 (Restated)
	(cents)	(cents)	(cents)	(cents)
Earnings per ordinary share:-				
Basic (Note A)	3.50	3.66	6.25	7.97
Diluted (Note A)	3.50	3.66	6.24	7.97

Note A

	Group		Group	
	3 months ended 30.9.14 \$'000	3 months ended 30.9.13 \$'000	6 months ended 30.9.14 \$'000	6 months ended 30.9.13 \$'000
Profit attributable to owners of the Company	5,346	5,502	9,532	11,985

	Number of shares		Number of shares	
	3 months ended 30.9.14 '000	3 months ended 30.9.13 (Restated) '000	6 months ended 30.9.14 '000	6 months ended 30.9.13 (Restated) '000
Weighted average number of ordinary shares for basic earnings per share computation	152,635	150,427	152,524	150,340
Effects of dilution:				
- Employee share-based payment scheme	310	-	310	-
Weighted average number of ordinary shares for diluted earnings per share computation	152,945	150,427	152,834	150,340

- 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	
	30.9.14	31.3.14 (Restated)	30.9.14	31.3.14 (Restated)
	(S\$)	(S\$)	(S\$)	(S\$)
Net asset value per ordinary share*	0.89	0.86	0.78	0.76

* 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, adjusted for the effect of bonus issue



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- 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.**

3 months ended 30 September 2014 ("2QFY2015") vs 3 months ended 30 September 2013 ("2QFY2014")

Revenue increased 24% to S\$80.3 million mainly due to the inclusion of revenue from Binder Group (which was absent in 2QFY2014), as well as higher revenues from Neptune and Bahrain. Gross profit increased by 10% to S\$26.3 million in 2QFY2015 despite lower margins in the Oilfield Engineering business in Singapore.

Staff costs increased in tandem with higher revenue, with most of the additional costs due to the inclusion of Binder. However, as a percentage of revenue, overall operating costs remained comparable to 2QFY2014.

Bahrain was profitable for the quarter. Activities in Binder, however, continued to be quiet and a loss was recorded as revenue remains below expectations. Engine Systems segment recorded a modest increase in profits. Overall, profit before taxation decreased 8% in 2QFY2015 to S\$6.4 million. Consequently, profit attributable to shareholders of S\$5.3 million was achieved, translating to basic earnings per share of 3.50 Singapore cents for the quarter.

6 months ended 30 September 2014 ("1H FY2015") vs 6 months ended 30 September 2013 ("1H FY2014")

Revenue decreased by 1% to S\$157.0 million mainly due to the absence of vessel campaign that boosted Neptune's revenue in 1QFY2014, augmented by the inclusion of Binder Group's revenue in 1H FY2015 as well as higher revenues from Bahrain and Neptune in 2QFY2015. Gross profit and gross profit margin were higher in 1H FY2015 mainly due to improvements from Bahrain and Neptune in 2QFY2015.

Staff costs increased in tandem with the higher revenue, with most of the additional costs due to the inclusion of Binder. However, as a percentage of revenue, overall operating costs remained comparable to 1H FY2014.

Bahrain recorded a marginal profit for 1H FY2015, while Binder remained quiet and recorded a loss as revenue remains below expectations. Engine Systems segment recorded a modest increase in profits. Overall profit before taxation decreased 19% in 1H FY2015 to S\$12.1 million. Consequently, profit attributable to shareholders of S\$9.5 million was achieved, translating to basic earnings per share of 6.25 Singapore cents for the period.

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

No forecast nor prospect statement has been previously disclosed to shareholders.

- 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.**

With significant new drilling assets poised to join the market, market sentiment is likely to remain muted. Notwithstanding this business environment, the Group will continue to drive efforts to secure sales while looking to expand service offerings in new markets.

- 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 period ended 30 September 2014

Name of Dividend	Interim
Dividend Type	Cash/ Scrip
Dividend Amount per share (in cents)	2.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

The Scrip Dividend Scheme (approved at the Extraordinary General Meeting held on 2 July 2004) will be applicable to the Proposed interim Dividend. The Scrip Dividend Scheme would provide shareholders with the option to elect for their distribution to be paid:

- 1) in cash; or
- 2) in fully paid shares.

Further details on the Scrip Dividend Scheme will be announced at a later date.

b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? Yes

For the financial period ended 30 September 2013

Name of Dividend	Interim
Dividend Type	Cash/ Scrip
Dividend Amount per share (in cents)	2.0 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

c) Date payable

The interim dividend will be paid on or about 06 January 2015

d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of MTQ Corporation Limited (the "Company") will be closed on 14 November 2014 for the purposes of determining the Shareholders' entitlements to the Interim Dividend. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00pm, on 14 November 2014 will be registered to determine Shareholders' entitlements to the Interim Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00pm on 14 November 2014 will be entitled to the Interim Dividend.

- 12 If no dividend has been declared/recommended, a statement to that effect.**

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 did not obtain general mandate from shareholders for IPTs.

- 14 Negative confirmation by the Board pursuant to Rule 705(5)**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial results of the Company and of the Group for the quarter ended 30 September 2014 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
30-Oct-14