



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

- Modest improvement year-on-year but outlook remains challenging
- Financial position and gearing remain sound

Singapore, 30 October 2017 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, maintenance and subsea services group, reported today its results for the three months and six months ended 30 September 2017 (“2QFY2018” and “1HFY2018” respectively).

Financial Highlights	2QFY2018	2QFY2017	Chg	1HFY2018	1HFY2017	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	30,619	24,819	23	61,148	59,463	3
Gross Profit	3,808	4,222	(10)	9,334	12,108	(23)
Gross Profit Margin	12.4%	17.0%		15.3%	20.4%	
Other Income	415	368	13	992	544	82
Other Operating Expenses	(4,160)	(4,688)	11	(7,832)	(9,167)	15
Staff Costs	(5,133)	(5,863)	12	(10,542)	(12,128)	13
Finance Costs	(206)	(335)	39	(466)	(684)	32
Share of Results of Joint Venture	(257)	279	nm	(514)	161	nm
Loss before tax from Continuing Operations	(5,533)	(6,017)	8	(9,028)	(9,166)	2
Profit from Discontinued Operation, net of tax	-	817	(100)	-	1,346	-100
Loss attributable to Owners of the Company	(4,979)	(4,325)	(15)	(7,981)	(6,509)	(23)

Financial Review

The Group reported S\$30.6 million overall revenue for 2QFY2018, bringing the year-to-date revenue slightly higher than the corresponding period a year ago. In 2QFY2018, the Group deferred S\$0.7 million of revenue from a customer whose holding company went into voluntary liquidation recently. Excluding this item, the Group's gross profit margin for 2QFY2018 would have been 14.7% instead of the headline 12.4%.

The operating expenses also included a S\$0.4 million loss arising from reclassification of historical foreign currency translation reserves upon winding-up of a dormant subsidiary. This has no impact to the net assets of the Group.

Other operating, staff and finance expenses continued to show positive variances as a result of the Group's continuous effort to rationalize costs. Share of joint venture results was weaker due to a lower level of sales in the period.

Overall, loss before tax from continuing operations narrowed from S\$6.0 million in 2QFY2017 to S\$5.5 million in 2QFY2018.

Cash flows	2QFY2018	2QFY2017	1HFY2018	1HFY2017
	SGD'000	SGD'000	SGD'000	SGD'000
Net cash from/(used in):				
- Operating activities	(1,647)	880	(4,678)	6,336
- Investing activities	(2,147)	(332)	6,801	(565)
- Financing activities	(659)	(1,017)	(17,721)	(1,416)
Net change in cash & cash equivalents (inclusive of exchange rate effects)	(4,149)	311	(15,775)	4,685
Cash and cash equivalents at end of financial period	15,633	29,652	15,633	29,652

The Group had a net cash outflow of S\$1.6 million from operations in 2QFY2018. Investing cash flows for the quarter included S\$1.8 million paid for the acquisition of Tranche 1 Shares of In-Line Group as announced on 25 July 2017. Within financing cash flows, repayment of bank borrowings represents the Group's quarterly instalment of one of the bank facilities.

Overall, the Group's ending cash and cash equivalents was S\$15.6 million with net debt gearing a healthy 8.0% as at 30 September 2017.

Balance Sheet	30 Sept 2017	31 Mar 2017
	SGD'000	SGD'000
Net current assets	31,478	65,293
Net assets	90,962	99,972
Net tangible assets	80,452	89,419
Cash and cash equivalents	15,633	31,408
Bank borrowings and finance leases	23,568	41,741
Shareholder's funds	85,473	93,945
Net debt gearing ¹	8.0%	9.4%
Net assets value per share ²	55 cents	61 cents

¹ Net debt gearing ratio is calculated based on net debt divided by net capitalization. The Group includes within its net debt, bank borrowings and finance lease payable, less cash and cash equivalents. Net capitalization 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 period.

Outlook

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

“The industry is still in the early stages of a slow recovery and this is expected to persist into 2018. Nonetheless, we see significant interest by oil companies to plan ahead for new projects as depletion of existing resources continues and costs fall.

The deferral of revenue in the Neptune segment this quarter has weakened the Group's results and operating cash flows. However, our financial position and net debt gearing remain sound as we continue to maximize opportunities and boost utilisation. ”

- 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 equipment, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. 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. 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.

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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 2017

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 QUARTER ENDED 30 SEPTEMBER 2017

	Group 3 months ended			Group 6 months ended		
	30.9.17 S\$'000	30.9.16 S\$'000	Change %	30.9.17 S\$'000	30.9.16 S\$'000	Change %
Revenue	30,619	24,819	23%	61,148	59,463	3%
Cost of sales (Note A)	(26,811)	(20,597)	-30%	(51,814)	(47,355)	-9%
Gross profit	3,808	4,222	-10%	9,334	12,108	-23%
Other income (Note B)	415	368	13%	992	544	82%
Staff costs	(5,133)	(5,863)	12%	(10,542)	(12,128)	13%
Other operating expenses (Note C)	(4,160)	(4,688)	11%	(7,832)	(9,167)	15%
Loss from operating activities	(5,070)	(5,961)	15%	(8,048)	(8,643)	7%
Finance costs (Note D)	(206)	(335)	39%	(466)	(684)	32%
Share of results of joint venture	(257)	279	n/m	(514)	161	n/m
Loss before taxation from continuing operations	(5,533)	(6,017)	8%	(9,028)	(9,166)	2%
Taxation credit	257	494	-48%	531	979	-46%
Loss from continuing operations, net of tax	(5,276)	(5,523)	4%	(8,497)	(8,187)	-4%
Discontinued operations:						
Profit from discontinued operations, net of tax	-	817	-100%	-	1,346	-100%
Loss for the period	(5,276)	(4,706)	-12%	(8,497)	(6,841)	-24%
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of foreign operations	(52)	2,227	n/m	(879)	(155)	-467%
Net gain on hedge of net investment in foreign operations	-	(540)	100%	-	(120)	100%
Net fair value gain/(loss) on derivatives	42	(64)	n/m	28	(268)	n/m
Foreign currency reserve reclassified to profit or loss upon winding-up of a subsidiary	363	-	100%	363	-	100%
Other comprehensive (loss)/income for the financial period, net of tax (Note F)	353	1,623	-78%	(488)	(543)	10%
Total comprehensive loss for the financial period	(4,923)	(3,083)	-60%	(8,985)	(7,384)	-22%
Loss for the financial period attributable to:						
Owners of the Company:						
From continuing operations	(4,979)	(5,142)	3%	(7,981)	(7,855)	-2%
From discontinued operations	-	817	-100%	-	1,346	-100%
Total attributable to Owners of the Company	(4,979)	(4,325)	-15%	(7,981)	(6,509)	-23%
Non-controlling interests	(297)	(381)	22%	(516)	(332)	-55%
	(5,276)	(4,706)	-12%	(8,497)	(6,841)	-24%
Total comprehensive loss attributable to:						
Owners of the Company:						
From continuing operations	(4,662)	(4,020)	-16%	(8,447)	(8,418)	0%
From discontinued operations	-	1,163	-100%	-	1,488	-100%
Total attributable to Owners of the Company	(4,662)	(2,857)	-63%	(8,447)	(6,930)	-22%
Non-controlling interests	(261)	(226)	-15%	(538)	(454)	-19%
	(4,923)	(3,083)	-60%	(8,985)	(7,384)	-22%

n/m : not meaningful



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2017

Note A - Cost of sales includes :-

	Group			Group		
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.9.17	30.9.16	Change	30.9.17	30.9.16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating lease expenses	2,883	1,190	142%	5,519	2,174	154%
Depreciation of property, plant and equipment	1,708	1,863	-8%	3,414	3,716	-8%

Note B - Other income comprises :-

	Group			Group		
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.9.17	30.9.16	Change	30.9.17	30.9.16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	10	40	-75%	35	58	-40%
Gain on sale of property, plant and equipment, net	95	15	533%	160	29	452%
Government grants	50	21	138%	276	52	431%
Commission received	-	-	n/m	14	23	-39%
Gain on disposal of scrap	5	21	-76%	37	31	19%
Insurance claims	196	32	513%	372	32	1063%
Others	59	239	-75%	98	319	-69%
	415	368	13%	992	544	82%

Note C - Other operating expenses includes :-

	Group			Group		
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.9.17	30.9.16	Change	30.9.17	30.9.16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	313	338	-7%	622	684	-9%
Amortisation of intangible assets	11	10	10%	20	33	-39%
Fixed assets written-off	-	187	100%	15	187	-92%
(Gain)/loss on exchange, net	25	(51)	n/m	(106)	(206)	-49%
Allowance for doubtful receivables, net	-	40	100%	-	40	100%
Reversal of inventory obsolescence	(37)	-	-100%	(246)	-	-100%
Loss on winding-up of a subsidiary	(362)	-	-100%	(362)	-	-100%
Audit, legal, consultancy and professional fees	602	731	-18%	1,348	1,626	-17%
Operating lease expenses	828	951	-13%	1,600	1,931	-17%
Utilities expenses	356	340	5%	723	702	3%

Note D - Finance costs comprise :-

	Group			Group		
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.9.17	30.9.16	Change	30.9.17	30.9.16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on:						
- bank loans and overdrafts	202	333	-39%	460	677	-32%
- finance lease payables	4	2	100%	6	7	-14%
	206	335	-39%	466	684	-32%

Note E - Taxation expense/(credit) :-

Included in the tax expense/(credit) were under/(over) provision in respect of prior years:-

	Group			Group		
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.9.17	30.9.16	Change	30.9.17	30.9.16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
- current taxation	-	(2)	-100%	1	(30)	n/m
- deferred taxation	118	-	100%	(53)	18	n/m

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.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2017

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 2017

Non-current assets

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

Current assets

Inventories
Trade and other receivables
Prepayments
Cash and cash equivalents

Total assets

Current liabilities

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

Non-current liabilities

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

Total liabilities

Net assets

Equity attributable to owners of the Company

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

Total equity

Group		Company	
30.9.17	31.3.17	30.9.17	31.3.17
S\$'000	S\$'000	S\$'000	S\$'000
10,430	10,451	-	-
80	102	-	-
-	-	873	897
50,924	54,694	132	176
-	-	55,166	59,189
114	114	114	114
2,403	1,108	1,808	-
2,465	2,440	70,368	53,892
33	7	33	-
7,421	7,089	-	-
73,870	76,005	128,494	114,268
14,327	14,966	-	-
33,268	46,878	9,808	20,328
2,998	2,541	87	94
15,633	31,408	1,822	10,987
66,226	95,793	11,717	31,409
140,096	171,798	140,211	145,677
(22,279)	(26,017)	(1,059)	(1,383)
(216)	(331)	-	-
(11,629)	(3,190)	(1,015)	(1,044)
(205)	(444)	-	-
(419)	(518)	-	-
(34,748)	(30,500)	(2,074)	(2,427)
(286)	(309)	(3,628)	(7,169)
(124)	(498)	-	-
(11,599)	(37,722)	(11,599)	(12,311)
(889)	(1,407)	(55)	(55)
(1,488)	(1,390)	(82)	(82)
(14,386)	(41,326)	(15,364)	(19,617)
(49,134)	(71,826)	(17,438)	(22,044)
90,962	99,972	122,773	123,633
36,807	36,807	36,807	36,807
(3)	(4)	(3)	(4)
48,669	57,142	85,969	86,830
85,473	93,945	122,773	123,633
5,489	6,027	-	-
90,962	99,972	122,773	123,633

Balance Sheet Review

The change in net asset were mainly due to the total comprehensive loss of S\$9.0 million recorded for the financial period.

Cash and cash equivalents reduced as the Group repaid some of its bank borrowings during the period, resulting in a decrease in overall bank borrowings from S\$40.9 million to S\$23.2 million. Reduction in current trade and other receivables were mainly due to the receipt of the final part consideration of S\$9.5 million arising from the disposal of Engine Systems last financial year. Investment in joint ventures increased by about S\$1.3 million following the acquisition of Tranche 1 Shares of In-Line Group as announced on 25 July 2017.

Apart from the above, changes in working capital items were mainly due to timing differences.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2017

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.

	30.9.17		31.3.17	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,231	10,614	2,124	1,397
Amount repayable after one year	6,723	5,000	7,809	30,411
	<u>7,954</u>	<u>15,614</u>	<u>9,933</u>	<u>31,808</u>

The Group's borrowings as at 30 September 2017 decreased from S\$41.7 million to S\$23.6 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the secured bank borrowings are as follows:

S\$8.0 million secured facility

- 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 the assets of a subsidiary;
- Registered charge over the book debts of the Company.

There were no debt securities as at 30 September 2017 and 31 March 2017.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2017

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 QUARTER ENDED 30 SEPTEMBER 2017

	3 months ended 30.9.17 S\$'000	3 months ended 30.9.16 S\$'000	Group 6 months ended 30.9.17 S\$'000	Group 6 months ended 30.9.16 S\$'000
Cash flows from operating activities:				
Loss before taxation from continuing operations	(5,533)	(6,017)	(9,028)	(9,166)
Profit before taxation from discontinued operations	-	1,115	-	1,798
Adjustments for:				
Depreciation of property, plant and equipment	2,021	2,345	4,036	4,704
Amortisation of intangible assets	11	10	20	33
Loss on winding-up of a subsidiary	362	-	362	-
Gain on sale of property, plant and equipment, net	(95)	(23)	(160)	(37)
Fixed assets written-off	-	187	15	187
Allowance for doubtful receivables, net	-	38	-	43
Allowance for/(reversal of) inventory obsolescence	(37)	35	(246)	79
Share of joint venture results	257	(279)	514	(161)
Employee equity benefits expense	4	25	11	(12)
Provisions made	66	48	146	129
Interest income	(10)	(45)	(35)	(69)
Interest expense	206	365	466	744
Operating loss before changes in working capital	(2,748)	(2,196)	(3,899)	(1,728)
Decrease in inventories	338	(582)	865	(195)
Decrease receivables and prepayments	3,563	10,019	3,569	20,872
Decrease in payables	(1,863)	(6,205)	(3,990)	(8,389)
Currency realignment	(417)	653	(378)	(595)
Cash (used in)/generated from operations	(1,127)	1,689	(3,833)	9,965
Interest income received	10	45	35	69
Interest expense paid	(206)	(336)	(486)	(717)
Income taxes paid, net	(324)	(518)	(394)	(2,981)
Net cash (used in)/generated from operating activities	(1,647)	880	(4,678)	6,336
Cash flows from investing activities:				
Purchase of property, plant and equipment	(346)	(379)	(1,032)	(641)
Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs	-	-	9,513	-
Proceeds from sale of property, plant and equipment	198	33	279	47
Acquisition of a joint venture	(1,808)	-	(1,808)	-
Loans to a joint venture	(178)	-	(178)	-
Loans granted to staff	(24)	-	(24)	-
Loans repaid by staff	11	14	51	29
Net cash from/(used in) investing activities	(2,147)	(332)	6,801	(565)
Cash flows from financing activities:				
Dividend paid by a subsidiary to non-controlling interests	-	(658)	-	(658)
Share buy-back	(37)	(56)	(37)	(56)
Repayment of bank borrowings	(259)	(256)	(17,308)	(515)
Repayment of finance lease	(363)	(47)	(376)	(187)
Net cash used in financing activities	(659)	(1,017)	(17,721)	(1,416)
Net change in cash and cash equivalents	(4,453)	(469)	(15,598)	4,355
Cash and cash equivalents at beginning of financial period	19,782	29,341	31,408	24,967
Effect of exchange rate changes on cash and cash equivalents	304	780	(177)	330
Cash and cash equivalents at end of financial period	15,633	29,652	15,633	29,652

Note

Cash and cash equivalents consist of the following:-

	Group As at 30.9.17 S\$'000	Group As at 30.9.16 S\$'000
Continuing Operations:		
Fixed deposits	1,289	1,060
Cash at bank and in hand	14,344	24,118
	15,633	25,178
Discontinuing Operations:		
Fixed deposits	-	301
Cash at bank and in hand	-	4,173
	15,633	29,652

Cash Flows Review

The Group had a net cash outflow of S\$1.6 million from operations in 2QFY2018. Investing cash flows for the quarter included S\$1.8 million paid for the acquisition of Tranche 1 Shares of In-Line Group as announced on 25 July 2017. Within financing cash flows, repayment of bank borrowings represents the Group's quarterly instalment of one of the bank facilities.

Overall, the Group's ending cash and cash equivalents was S\$15.6 million with net debt gearing a healthy 8.0% as at 30 September 2017.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2017

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 QUARTER ENDED 30 SEPTEMBER 2017

Group	Attributable to owners of the Company						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	S\$'000	S\$'000
Balance as at 1 April 2016	36,807	(116)	(4,997)	72,155	-	1,815	105,664	113,374
Loss for the financial period, net of tax	-	-	-	(6,509)	-	-	(6,509)	(6,841)
Other comprehensive income/(loss)								
Exchange difference on translation of subsidiaries	-	-	(68)	-	-	-	(68)	(155)
Net loss on hedge of net investment in foreign operation	-	-	(120)	-	-	-	(120)	(120)
Net fair value of loss on derivatives	-	-	-	-	-	(233)	(233)	(268)
Other comprehensive income/(loss) for the financial period	-	-	(188)	-	-	(233)	(421)	(543)
Total comprehensive loss for the financial period	-	-	(188)	(6,509)	-	(233)	(6,930)	(7,384)
Contributions by and distributions to owners								
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	(658)	(658)
Settlement of share-based payment arrangements	-	168	-	-	-	(168)	-	-
Employee equity benefits expense	-	-	-	-	-	(6)	(6)	(6)
Share buy-back	-	(56)	-	-	-	-	(56)	(56)
Total contributions by and distribution to owners	-	112	-	-	-	(174)	(62)	(720)
Balance as at 30 September 2016	36,807	(4)	(5,185)	65,646	-	1,408	98,672	105,270
Balance as at 1 April 2017	36,807	(4)	(1,417)	57,022	-	1,537	93,945	99,972
Loss for the financial period, net of tax	-	-	-	(7,981)	-	-	(7,981)	(8,497)
Other comprehensive income/(loss)								
Exchange difference on translation of subsidiaries	-	-	(853)	-	-	-	(853)	(879)
Reclassification to profit or loss on winding-up of a subsidiary	-	-	363	-	-	-	363	363
Net fair value of loss on derivatives	-	-	-	-	-	24	24	28
Other comprehensive loss for the financial period	-	-	(490)	-	-	24	(466)	(488)
Total comprehensive income/(loss) for the financial period	-	-	(490)	(7,981)	-	24	(8,447)	(8,985)
Contributions by and distributions to owners								
Settlement of share-based payment arrangements	-	38	-	-	-	(38)	-	-
Employee equity benefits expense	-	-	-	-	-	12	12	12
Share buy-back	-	(37)	-	-	-	-	(37)	(37)
Total contributions by and distribution to owners	-	1	-	-	-	(26)	(25)	(25)
Balance as at 30 September 2017	36,807	(3)	(1,907)	49,041	-	1,535	85,473	90,962



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2017

Company

	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 2016	36,807	(116)	57,685	2,749	97,125
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	8,868	-	8,868
Share buy-back	-	(56)	-	-	(56)
Settlement of share-based payment arrangements	-	168	-	(168)	-
Share issuance expense	-	-	-	(54)	(54)
Transfer of treasury shares pursuant to exercise of options	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	112	-	(222)	(110)
Balance as at 30 September 2016	36,807	(4)	66,553	2,527	105,883
Balance as at 1 April 2017	36,807	(4)	84,288	2,542	123,633
Loss for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	(835)	-	(835)
Share buy-back	-	(37)	-	-	(37)
Settlement of share-based payment arrangements	-	38	-	(38)	-
Employee equity benefits expense	-	-	-	12	12
Total transactions with owners in their capacity as owners	-	1	-	(26)	(25)
Balance as at 30 September 2017	36,807	(3)	83,453	2,516	122,773



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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 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.

	30.9.17 (\$'000)	30.6.17 (\$'000)
Share Capital	36,807	36,807
	30.9.17 ('000)	30.9.16 ('000)
Total number of issued shares	154,521	154,521
Total number of treasury shares	8	7
Total number of issued shares excluding treasury shares	154,513	154,514

There were no subsidiary holdings as at 30 September 2017 and 30 September 2016.

MTQ Share Plan

As at 30 September 2017, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 11,392 shares (30 September 2016: 117,139). The movements in the number of shares comprised in Awards granted under the MTQ Share Plan for the quarter are as follows:

Shares comprised in Awards granted:

Date of Grant	Outstanding as at 1/7/2017	Granted	Number of shares Released	Forfeited	Outstanding as at 30/9/2017
26/8/2015	109,600	-	(98,208)		11,392
	109,600	-	(98,208)	-	11,392

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.

	30.9.17 ('000)	31.3.17 ('000)
Total number of issued shares	154,521	154,521
Total number of treasury shares	8	7
Total number of issued shares excluding treasury shares	154,513	154,514

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.

In August 2017, the Company purchased 100,000 shares. Subsequently in September 2017, the Company transferred 98,208 of its treasury shares pursuant to the settlement of MTQ Share Plan, resulting in 8,303 treasury shares as at 30 September 2017 (30 September 2016: 6,511).

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 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.

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 2017. 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.

Not applicable.



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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 year, after deducting any provision for preference dividends.

	Group					
	Continuing operations		Discontinued operations		Total	
	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended
	30.9.17	30.9.16	30.9.17	30.9.16	30.9.17	30.9.16
	(cents)	(cents)	(cents)	(cents)	(cents)	(cents)
Earnings per ordinary share:-						
Basic and diluted (Note A)	(3.22)	(3.33)	-	0.53	(3.22)	(2.80)
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30.9.17	30.9.16	30.9.17	30.9.16	30.9.17	30.9.16
	(cents)	(cents)	(cents)	(cents)	(cents)	(cents)
Basic and diluted (Note A)	(5.17)	(5.09)	-	0.87	(5.17)	(4.22)

Note A

	Group					
	Continuing operations		Discontinued operations		Total	
	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended
	30.9.17	30.9.16	30.9.17	30.9.16	30.9.17	30.9.16
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(Loss)/profit attributable to owners of the Company	(4,979)	(5,142)	-	817	(4,979)	(4,325)
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30.9.17	30.9.16	30.9.17	30.9.16	30.9.17	30.9.16
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(Loss)/profit attributable to owners of the Company	(7,981)	(7,855)	-	1,346	(7,981)	(6,509)

	Number of shares		Number of shares	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.9.17	30.9.16	30.9.17	30.9.16
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	154,499	154,378	154,507	154,376

Effects of dilution:

Potential ordinary shares that would be issued upon under the MTQ Share Plan are excluded from the calculation of diluted loss per share due to its anti-dilution effect.

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	
	30.9.17	31.3.17	30.9.17	31.3.17
	(\$)	(\$)	(\$)	(\$)
Net asset value per ordinary share*	0.55	0.61	0.79	0.80

* 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.



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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 2017 ("2QFY2018") vs 3 months ended 30 September 2016 ("2QFY2017")

The Group reported S\$30.6 million overall revenue for 2QFY2018, bringing the year-to-date revenue slightly higher than the corresponding period a year ago. In 2QFY2018, the Group deferred S\$0.7 million of revenue from a customer whose holding company went into voluntary liquidation recently. Excluding this item, the Group's gross profit margin for 2QFY2018 would have been 14.7% instead of the headline 12.4%.

The other operating expenses also included S\$0.4 million loss arising from reclassification of historical foreign currency translation reserves upon winding-up of a dormant subsidiary. This has no impact to the net assets of the Group.

Other operating, staff and finance expenses continued to show positive variances as a result of the Group's continuous effort to rationalize costs. Share of joint venture results was weaker due to a lower level of sales in the period.

Overall, loss before tax from continuing operations narrowed from S\$6.0 million in 2QFY2017 to S\$5.5 million in 2QFY2018

6 months ended 30 September 2017 ("6MFY2018") vs 6 months ended 30 September 2016 ("6MFY2017")

The Group reported S\$61.1 million overall revenue for 6MFY2018, slightly higher than the corresponding period a year ago. In 6MFY2018, the Group deferred S\$0.7 million of revenue from a customer whose holding company went into voluntary liquidation recently. Excluding this item, the Group's gross profit margin for 6MFY2018 would have been 16.4% instead of the headline 15.3%.

The other operating expenses also included S\$0.4 million loss arising from reclassification of historical foreign currency translation reserves upon winding-up of a dormant subsidiary. This has no impact to the net assets of the Group.

Other operating, staff and finance expenses continued to show positive variances as a result of the Group's continuous effort to rationalize costs. Share of joint venture results was weaker due to a lower level of sales in the period.

Overall, loss before tax from continuing operations narrowed from S\$9.2 million in 6MFY2017 to S\$9.0 million in 6MFY2018.

- 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.**

The industry is still in the early stages of a slow recovery and this is expected to persist into 2018. Nonetheless, the Group sees significant interest by oil companies to plan ahead for new projects as depletion of existing resources continues and costs fall. The Group's financial position and net debt gearing remain sound as it continue to maximize opportunities and boost utilisation.

- 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? No

b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? No

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

No dividend has been declared/recommendeded for the financial period ended 30 September 2017.

- 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 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 2017 to be false or misleading, in any material aspect.

- 15 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.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
30 October 2017