



ASX RELEASE

2 February 2015

MTQ CORPORATION - RELEASE OF 3RD QUARTER FY2015 RESULTS

PERTH, Western Australia: Neptune Marine Services Limited (ASX: **NMS, Neptune**) announces that the unaudited financial results of its parent company (MTQ Corporation Limited) for the 3RD quarter FY 2015 (period ending 31 December 2014) have been released to the Singapore stock exchange. A copy of these results is attached. Neptune forms part of the MTQ Group and accordingly Neptune's unaudited results for this period have been incorporated into MTQ's results.

Neptune is not required to provide quarterly financial disclosure to the ASX. Neptune confirms that in accordance with the ASX Listing Rules, it will by the end of May 2015 release its Appendix 4E Preliminary Final Report for its financial year ending 31 March 2015.

-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\$3.2 million pre-tax profit for 3QFY2015

- Revenue and profit growth in Bahrain, offset by lower profits from Singapore and losses from Binder Group
- Weak customer demand for Binder and Singapore is expected to persist
- Strong financial position to weather the oil and gas market volatilities

Singapore, 30 January 2015 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, maintenance and subsea services group, reported net profit attributable to shareholders of S\$2.2 million for the three months ended 31 December 2014 (“3QFY2015”).

| Financial Highlights | 3QFY2015 | 3QFY2014 | Chg | 9MFY2015 | 9MFY2014 | Chg |
|---|----------|----------|------|----------|----------|------|
| | SGD'000 | SGD'000 | % | SGD'000 | SGD'000 | % |
| Revenue | 74,857 | 75,143 | 0 | 231,885 | 234,444 | (1) |
| Gross Profit | 21,913 | 25,397 | (14) | 74,331 | 77,389 | (4) |
| Gross Profit Margin | 29.3% | 33.8% | - | 32.1% | 33.0% | - |
| Other Operating Expenses | 6,798 | 6,431 | 6 | 21,688 | 21,254 | 2 |
| Staff Costs | 11,384 | 10,813 | 5 | 35,519 | 32,583 | 9 |
| Profit Before Taxation | 3,195 | 8,009 | (60) | 15,282 | 22,888 | (33) |
| Net Profit Attributable to Equity Holders (PATMI) | 2,205 | 6,396 | (66) | 11,737 | 18,381 | (36) |

Financial Review

The Group reported revenue of S\$74.9 million for 3QFY2015, comparable to 3QFY2014. Gross profit, however, declined by 14% quarter-on-quarter to S\$21.9 million mainly due to lower gross profit and margins recorded in the Oilfield Engineering business in Singapore and the inclusion of Binder's losses. Both Bahrain and Neptune recorded higher revenues and gross profits. Lower sales activities were recorded in all the Singapore businesses reflecting the impact of weaker market conditions.

Notwithstanding the additional costs arising from the inclusion of Binder's results, overall operating costs as a percentage of revenue remained comparable to 3QFY2014.

While Bahrain maintained its momentum and delivered a stronger quarter, Neptune recorded higher operating expenses for the quarter which lowered its overall contributions.

Overall, profit attributable to equity holders was S\$2.2 million, a 66% decline from 3QFY2014, translating to basic earnings per share 1.43 Singapore cents for 3QFY2015, compared to 4.22 Singapore cents for 3QFY2014.

| Balance Sheet | 31 Dec 2014 | 31 Mar 2014 |
|-------------------------------------|--------------------|--------------------|
| | SGD'000 | SGD'000 |
| Net current assets | 93,186 | 83,631 |
| Net assets | 148,532 | 140,606 |
| Cash and cash equivalents | 43,962 | 37,432 |
| Finance lease payable | 874 | 1,360 |
| Borrowings | 61,045 | 64,517 |
| Shareholder's funds | 138,855 | 130,951 |
| Net gearing¹ | 10.8% | 16.8% |
| Net assets value² | 90.0 cents | 86.0 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, 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 shareholders' funds divided by the total number of issued shares excluding treasury shares as at the end of the financial period.

The Group maintained a strong financial position with higher cash balances and lower net debt gearing as at 31 December 2014. Cash flows from operations of S\$20.7 million for 9MFY2015 boosted the Group's cash balances to S\$44.0 million as at 31 December 2014 after further investments in the businesses, dividend payment and net repayment of borrowings which resulted in lowered the net debt gearing from 16.8% to 10.8%.

Outlook

Commenting on the results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said, *“Our current quarter results have been affected by lower contributions from our Singapore operations. The combination of a weaker market sentiment and reduced day rates have led to lower levels of activity in our oilfield engineering facilities. The exception has been Bahrain, which had a stronger quarter. However the outlook has weakened since. The market for new downstream capital infrastructure remains challenging for Binder.*

We expect the operating environment to remain subdued for the foreseeable future. Most of our customers are looking to reduce exploration expenditure and we are focused on capturing all available market opportunities. We will continue to watch our cost base with the imminent Neptune rationalisation an important part of that objective. The Group is in strong financial shape with low gearing. We are well positioned to remain strong through current troughs and to look forward to the inevitable recovery.”

- 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
By Financial PR Pte Ltd**

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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 31 December 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 year

(i) STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014

GROUP

| | Group 3 months ended | | | Group 9 months ended | | |
|--|-------------------------|---------------------|-------------|-------------------------|---------------------|-------------|
| | 31.12.14 S\$'000 | 31.12.13 S\$'000 | Change % | 31.12.14 S\$'000 | 31.12.13 S\$'000 | Change % |
| Revenue | 74,857 | 75,143 | 0% | 231,885 | 234,444 | -1% |
| Cost of sales (Note A) | (52,944) | (49,746) | -6% | (157,554) | (157,055) | 0% |
| Gross profit | 21,913 | 25,397 | -14% | 74,331 | 77,389 | -4% |
| Other income (Note B) | 221 | 542 | -59% | 613 | 1,540 | -60% |
| Staff costs | (11,384) | (10,813) | -5% | (35,519) | (32,583) | -9% |
| Other operating expenses (Note C) | (6,798) | (6,431) | -6% | (21,688) | (21,254) | -2% |
| Profit from operating activities | 3,952 | 8,695 | -55% | 17,737 | 25,092 | -29% |
| Finance costs (Note D) | (590) | (686) | 14% | (1,842) | (2,204) | 16% |
| Share of results of joint venture | (167) | - | -100% | (613) | - | -100% |
| Profit from operations before taxation | 3,195 | 8,009 | -60% | 15,282 | 22,888 | -33% |
| Taxation expense | (880) | (1,329) | 34% | (3,148) | (3,749) | 16% |
| Profit for the financial period, net of tax | 2,315 | 6,680 | -65% | 12,134 | 19,139 | -37% |
| Other comprehensive income: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Exchange difference on translation of subsidiaries | (1,533) | (1,019) | -50% | (5,281) | (8,043) | 34% |
| Net gain on hedge of net investment in foreign operation | 930 | 1,259 | -26% | 2,430 | 5,008 | -51% |
| Other comprehensive income/(loss) for the financial period, net of tax (Note E) | (603) | 240 | n/m | (2,851) | (3,035) | 6% |
| Total comprehensive income for the financial period | 1,712 | 6,920 | -75% | 9,283 | 16,104 | -42% |
| Profit attributable to: | | | | | | |
| Owners of the Company | 2,205 | 6,396 | -66% | 11,737 | 18,381 | -36% |
| Non-controlling interests | 110 | 284 | -61% | 397 | 758 | -48% |
| | 2,315 | 6,680 | -65% | 12,134 | 19,139 | -37% |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 1,610 | 6,659 | -76% | 9,196 | 16,008 | -43% |
| Non-controlling interests | 102 | 261 | -61% | 87 | 96 | -9% |
| | 1,712 | 6,920 | -75% | 9,283 | 16,104 | -42% |

n/m : not meaningful



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2014

Note A - Cost of sales include :-

| | Group | | | Group | | |
|---|----------------|----------------|--------|----------------|----------------|--------|
| | 3 months ended | 3 months ended | Change | 9 months ended | 9 months ended | Change |
| | 31.12.14 | 31.12.13 | % | 31.12.14 | 31.12.13 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Operating lease expenses | 3,163 | 1,339 | 136% | 8,430 | 8,902 | -5% |
| Depreciation of property, plant and equipment | 2,846 | 2,093 | 36% | 7,579 | 6,274 | 21% |

Note B - Other income comprises :-

| | Group | | | Group | | |
|---|----------------|----------------|--------|----------------|----------------|--------|
| | 3 months ended | 3 months ended | Change | 9 months ended | 9 months ended | Change |
| | 31.12.14 | 31.12.13 | % | 31.12.14 | 31.12.13 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Interest income | 65 | 78 | -17% | 154 | 220 | -30% |
| Rental income | - | 59 | -100% | 3 | 177 | -98% |
| Gain/(Loss) on sale of property, plant and equipment, net | 2 | 92 | -98% | (136) | 279 | n/m |
| Government grants | - | 12 | -100% | 16 | 26 | -38% |
| Commission received | 117 | 250 | -53% | 406 | 661 | -39% |
| Gain on disposal of scrap | 36 | 44 | -18% | 113 | 94 | 20% |
| Other income | 1 | 7 | -86% | 57 | 83 | -31% |
| | 221 | 542 | -59% | 613 | 1,540 | -60% |

Note C - Other operating expenses include :-

| | Group | | | Group | | |
|---|----------------|----------------|--------|----------------|----------------|--------|
| | 3 months ended | 3 months ended | Change | 9 months ended | 9 months ended | Change |
| | 31.12.14 | 31.12.13 | % | 31.12.14 | 31.12.13 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Depreciation of property, plant and equipment | 518 | 474 | 9% | 1,594 | 1,424 | 12% |
| Amortisation of intangible assets | 10 | - | 100% | 10 | 15 | -33% |
| Fixed assets written off | - | - | 0% | 360 | - | 100% |
| Gain on exchange, net | (959) | (49) | -1857% | (1,446) | (309) | -368% |
| Allowance for /(Reversal of) doubtful receivables and bad debts written off/(back), net | (107) | (411) | 74% | (334) | (333) | 0% |
| Allowance for inventory obsolescence and inventories written off | 49 | 54 | -9% | 150 | 166 | -10% |
| Audit, legal, consultancy and professional fees | 1,158 | 1,007 | 15% | 3,244 | 3,171 | 2% |
| Operating lease expenses | 1,718 | 1,609 | 7% | 5,017 | 4,744 | 6% |
| Utilities expenses | 626 | 444 | 41% | 1,794 | 1,521 | 18% |

Note D - Finance costs comprise :-

| | Group | | | Group | | |
|-----------------------------|----------------|----------------|--------|----------------|----------------|--------|
| | 3 months ended | 3 months ended | Change | 9 months ended | 9 months ended | Change |
| | 31.12.14 | 31.12.13 | % | 31.12.14 | 31.12.13 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Interest on: | | | | | | |
| - bank loans and overdrafts | 583 | 674 | -14% | 1,816 | 2,138 | -15% |
| - finance lease payables | 7 | 12 | -42% | 26 | 66 | -61% |
| | 590 | 686 | -14% | 1,842 | 2,204 | -16% |

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 31 December 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 31 DECEMBER 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 | |
|-----------------|----------------|-----------------|----------------|
| 31.12.14 | 31.3.14 | 31.12.14 | 31.3.14 |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | | |
| 29,787 | 31,673 | - | - |
| 188 | - | - | - |
| - | - | 1,003 | 1,038 |
| 79,603 | 81,519 | 570 | 624 |
| - | - | 44,928 | 44,763 |
| 1,913 | 2,320 | - | - |
| 1,140 | 3,766 | 81,051 | 76,981 |
| 7 | 7 | - | - |
| 6,114 | 4,703 | - | - |
| 118,752 | 123,988 | 127,552 | 123,406 |
| | | | |
| 28,048 | 29,031 | - | - |
| 74,383 | 78,308 | 11,562 | 15,362 |
| 6,340 | 2,685 | 2,393 | 73 |
| 43,962 | 37,432 | 4,087 | 2,669 |
| 152,733 | 147,456 | 18,042 | 18,104 |
| | | | |
| (44,039) | (49,605) | (2,563) | (3,594) |
| (433) | (807) | - | - |
| (6,716) | (6,501) | (3,713) | (3,544) |
| (1,652) | (2,104) | - | - |
| (6,707) | (4,808) | (168) | (168) |
| (59,547) | (63,825) | (6,444) | (7,306) |
| 93,186 | 83,631 | 11,598 | 10,798 |
| | | | |
| (4,278) | (4,598) | (6,241) | (6,247) |
| (441) | (553) | - | - |
| (54,329) | (58,016) | (9,816) | (12,029) |
| (2,660) | (2,608) | (106) | (106) |
| (1,698) | (1,238) | (76) | (76) |
| (63,406) | (67,013) | (16,239) | (18,458) |
| 148,532 | 140,606 | 122,911 | 115,746 |
| | | | |
| 36,097 | 34,108 | 36,097 | 34,108 |
| 102,758 | 96,843 | 86,814 | 81,638 |
| 138,855 | 130,951 | 122,911 | 115,746 |
| 9,677 | 9,655 | - | - |
| 148,532 | 140,606 | 122,911 | 115,746 |

Balance Sheet Review

The change in net asset were mainly due to:

- profit of S\$12.1 million recognised for the financial period; and
- net translation loss of S\$2.9 million arising from foreign currency movements.

Overall bank borrowings decreased from S\$64.5 million to S\$61.0 million resulting mainly from repayment as well as revaluation of the loans. Accordingly, the Group's net debt gearing has decreased from 16.8% to 10.8%.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2014

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.

| | 31.12.14 | | 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 | 7,149 | - | 7,308 | - |
| Amount repayable after one year | 54,770 | - | 58,569 | - |
| | <u>61,919</u> | <u>-</u> | <u>65,877</u> | <u>-</u> |

The Group's borrowings as at 31 December 2014 decreased to S\$62.0 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\$13.5 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\$9.2 million

- Corporate guarantee from the Company.

Facility 5: S\$32.5 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 31 December 2014.



MTQ CORPORATION LIMITED
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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 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 year.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2014

| | Group | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 3 months ended | 3 months ended | 9 months ended | 9 months ended |
| | 31.12.14 | 31.12.13 | 31.12.14 | 31.12.13 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | | | |
| Profit from operations before taxation | 3,195 | 8,009 | 15,282 | 22,888 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 3,364 | 2,567 | 9,173 | 7,698 |
| Amortisation of intangible assets | 10 | - | 10 | 15 |
| (Gain)/loss on sale of property, plant and equipment, net | (2) | (92) | 136 | (279) |
| Fixed assets written off | - | - | 360 | - |
| Net fair value loss on held-for-trading investment securities | - | - | - | 39 |
| Share of joint venture results | 167 | - | 613 | - |
| Employee equity benefits expense | 155 | 85 | 584 | 506 |
| Gain on sale of held-for-trading investment securities | - | (225) | - | (225) |
| Interest income | (65) | (78) | (154) | (220) |
| Interest expense | 590 | 686 | 1,842 | 2,204 |
| Operating profit before changes in working capital | 7,414 | 10,952 | 27,846 | 32,626 |
| (Increase)/decrease in inventories | (888) | (709) | 785 | 3,538 |
| (Increase)/decrease in receivables and prepayments | (3,339) | (5,619) | 2,362 | 5,716 |
| Increase/(decrease) in payables | 897 | 2,135 | (4,668) | (11,293) |
| Currency realignment | (120) | 216 | (707) | (1,136) |
| Cash generated from operations | 3,964 | 6,975 | 25,618 | 29,451 |
| Interest income received | 65 | 78 | 154 | 220 |
| Interest expense paid | (587) | (686) | (1,846) | (2,146) |
| Income taxes paid, net | (1,313) | (2,340) | (3,261) | (5,062) |
| Net cash provided by operating activities | 2,129 | 4,027 | 20,665 | 22,463 |
| Cash flows from investing activities: | | | | |
| Purchase of property, plant and equipment | (2,762) | (2,889) | (9,741) | (8,719) |
| Proceeds from sale of property, plant and equipment | 194 | 353 | 1,149 | 1,199 |
| Proceeds from sale of held-for-trading investment securities | - | 970 | - | 970 |
| Purchase of intangible assets | (31) | - | (198) | - |
| Acquisition of non-controlling interests | - | - | - | (1,511) |
| Loans granted to staff | - | (39) | (130) | (39) |
| Loans repaid by staff | 14 | 9 | 76 | 32 |
| Net cash used in investing activities | (2,585) | (1,596) | (8,844) | (8,068) |
| Cash flows from financing activities: | | | | |
| Dividends paid | - | - | (1,270) | (965) |
| Share issuance expense | - | - | (39) | (33) |
| Proceeds from bank borrowings | 1,057 | 1,139 | 1,057 | 2,760 |
| Settlement of share-based payment arrangements | - | - | (643) | (272) |
| Repayment of bank borrowings | (918) | (2,022) | (2,677) | (7,921) |
| Repayment of finance lease | (185) | (150) | (401) | (533) |
| Net cash used in financing activities | (46) | (1,033) | (3,973) | (6,964) |
| Net change in cash and cash equivalents | (502) | 1,398 | 7,848 | 7,431 |
| Cash and cash equivalents at beginning of financial period | 44,805 | 45,348 | 37,432 | 40,911 |
| Effect of exchange rate changes on cash and cash equivalents | (341) | (573) | (1,318) | (2,169) |
| Cash and cash equivalents at end of financial period | 43,962 | 46,173 | 43,962 | 46,173 |

Note

Cash and cash equivalents consist of the following:-

| | Group | |
|--------------------------|---------------|---------------|
| | As at | As at |
| | 31.12.14 | 31.12.13 |
| | S\$'000 | S\$'000 |
| Fixed deposits | 5,942 | 389 |
| Cash at bank and in hand | 38,020 | 45,784 |
| | 43,962 | 46,173 |

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\$2.6 million for the quarter in investing activities and overall net cash outflow of S\$0.5 million during the quarter.



MTQ CORPORATION LIMITED
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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2014

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 PERIOD ENDED 31 DECEMBER 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 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 April 2013, as previously reported | 31,740 | - | 1,090 | 82,129 | - | 3,671 | 118,630 | 13,148 | 131,778 |
| Adjustment to initial accounting for business combination | - | - | 175 | (6,168) | - | (2,281) | (8,274) | (2,745) | (11,019) |
| Balance as at 1 April 2013, restated | 31,740 | - | 1,265 | 75,961 | - | 1,390 | 110,356 | 10,403 | 120,759 |
| Profit for the financial period, net of tax | - | - | - | 18,381 | - | - | 18,381 | 758 | 19,139 |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | (7,381) | - | - | - | (7,381) | (662) | (8,043) |
| Net gain on hedge of net investment in foreign operation | - | - | 5,008 | - | - | - | 5,008 | - | 5,008 |
| Other comprehensive income for the financial period | - | - | (2,373) | - | - | - | (2,373) | (662) | (3,035) |
| Total comprehensive income/(loss) for the financial period | - | - | (2,373) | 18,381 | - | - | 16,008 | 96 | 16,104 |
| 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 arrangements | - | - | - | - | - | (236) | (236) | (36) | (272) |
| Employee equity benefits expense | - | - | - | - | - | 428 | 428 | 78 | 506 |
| Total contributions by and distribution to owners | 1,506 | - | - | (2,504) | - | 192 | (806) | 42 | (764) |
| Changes in ownership interests in subsidiaries | | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | - | - | - | - | - | (70) | (70) | (1,121) | (1,191) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | (70) | (70) | (1,121) | (1,191) |
| Balance as at 31 December 2013 | 33,246 | - | (1,108) | 91,838 | - | 1,512 | 125,488 | 9,420 | 134,908 |
| 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 | - | - | - | 11,737 | - | - | 11,737 | 397 | 12,134 |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | (4,971) | - | - | - | (4,971) | (310) | (5,281) |
| Net gain on hedge of net investment in foreign operation | - | - | 2,430 | - | - | - | 2,430 | - | 2,430 |
| Other comprehensive income for the financial period | - | - | (2,541) | - | - | - | (2,541) | (310) | (2,851) |
| Total comprehensive income/(loss) for the financial period | - | - | (2,541) | 11,737 | - | - | 9,196 | 87 | 9,283 |
| 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 MTQ Share Plan | 250 | - | - | - | - | (250) | - | - | - |
| Share issuance expense | (39) | - | - | - | - | - | (39) | - | (39) |
| Settlement of share-based payment arrangements | - | - | - | - | - | (559) | (559) | (84) | (643) |
| Employee equity benefits expense | - | - | - | - | - | 576 | 576 | 19 | 595 |
| Total contributions by and distribution to owners | 1,989 | - | - | (3,048) | - | (233) | (1,292) | (65) | (1,357) |
| Balance as at 31 December 2014 | 36,097 | - | (2,548) | 103,794 | - | 1,512 | 138,855 | 9,677 | 148,532 |



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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 | - | - | 24,221 | - | 24,221 |
| 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 31 December 2013 | 33,246 | - | 85,559 | 2,165 | 120,970 |
| 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 | - | - | 8,015 | - | 8,015 |
| 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 MTQ Share Plan | 250 | - | - | (250) | - |
| Employee equity benefits expense | - | - | - | 459 | 459 |
| Share issuance expense | (39) | - | - | - | (39) |
| Total transactions with owners in their capacity as owners | 1,989 | - | (3,048) | 209 | (850) |
| Balance as at 31 December 2014 | 36,097 | - | 84,302 | 2,512 | 122,911 |



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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.

| | |
|--|---------------|
| Share Capital | (S\$'000) |
| As at 30 September 2014 and 31 December 2014 | <u>36,097</u> |

MTQ Share Plan

As at 31 December 2014, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 310,081 shares (31 December 2013: Nil). The movements in the number of shares comprised in Awards granted under the MTQ Share Plan are as follows:

Shares comprised in Awards granted:

| Date of Grant | Number of shares | | |
|---------------|------------------|---------|----------------|
| | At 1/4/2014 | Granted | Released |
| 29/8/2014 | - | 465,119 | (155,038) |
| | | | <u>310,081</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.

| | 31.12.14 (‘000) | 31.3.14 (‘000) |
|-------------------------------|--------------------|-------------------|
| Total number of issued shares | <u>153,818</u> | <u>127,009</u> |

There were no treasury shares as at 31 March 2014, 31 December 2013 and 31 December 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 31 December 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 year, after deducting any provision for preference dividends.

| | Group | | Group | |
|--------------------------------------|-------------------------|------------------------------------|-------------------------|------------------------------------|
| | 3 months ended 31.12.14 | 3 months ended 31.12.13 (Restated) | 9 months ended 31.12.14 | 9 months ended 31.12.13 (Restated) |
| | (cents) | (cents) | (cents) | (cents) |
| Earnings per ordinary share:- | | | | |
| Basic (Note A) | 1.43 | 4.22 | 7.67 | 12.19 |
| Diluted (Note A) | 1.42 | 4.22 | 7.62 | 12.19 |

Note A

| | Group | | Group | |
|--|--------------------------------|---|--------------------------------|---|
| | 3 months ended 31.12.14 \$'000 | 3 months ended 31.12.13 (Restated) \$'000 | 9 months ended 31.12.14 \$'000 | 9 months ended 31.12.13 (Restated) \$'000 |
| Profit attributable to owners of the Company | 2,205 | 6,396 | 11,737 | 18,381 |

| | Number of shares | | Number of shares | |
|---|------------------------------|---|------------------------------|---|
| | 3 months ended 31.12.14 '000 | 3 months ended 31.12.13 (Restated) '000 | 9 months ended 31.12.14 '000 | 9 months ended 31.12.13 (Restated) '000 |
| Weighted average number of ordinary shares for basic earnings per share computation | 153,818 | 151,591 | 152,957 | 150,758 |
| Effects of dilution: | | | | |
| - Employee share-based payment scheme | 1,017 | - | 1,017 | - |
| Weighted average number of ordinary shares for diluted earnings per share computation | 154,835 | 151,591 | 153,974 | 150,758 |

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 | |
|-------------------------------------|----------|--------------------|----------|--------------------|
| | 31.12.14 | 31.3.14 (Restated) | 31.12.14 | 31.3.14 (Restated) |
| | (S\$) | (S\$) | (S\$) | (S\$) |
| Net asset value per ordinary share* | 0.90 | 0.86 | 0.80 | 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 31 December 2014 ("3QFY2015") vs 3 months ended 31 December 2013 ("3QFY2014")

The Group reported revenue of S\$74.9 million for 3QFY2015, comparable to 3QFY2014. Gross profit, however, declined by 14% quarter-on-quarter to S\$21.9 million mainly due to lower gross profit and margins recorded in the Oilfield Engineering business in Singapore and the inclusion of Binder's losses. Both Bahrain and Neptune recorded higher revenues and gross profits. Lower sales activities were recorded in all the Singapore businesses reflecting the impact of weaker market conditions.

Notwithstanding the additional costs arising from the inclusion of Binder's results, overall operating costs as a percentage of revenue remained comparable to 3QFY2014.

While Bahrain maintained its momentum and delivered a stronger quarter, Neptune recorded higher operating expenses for the quarter which lowered its overall contributions.

Overall, profit attributable to equity holders was S\$2.2 million, a 66% decline from 3QFY2014, translating to basic earnings per share 1.43 Singapore cents for 3QFY2015, compared to 4.22 Singapore cents for 3QFY2014.

- 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.**

Most of the customers in the industry are looking to reduce exploration expenditure and the Group expects the operating environment to remain subdued for the foreseeable future. With a strong financial position, the Group is well positioned to remain strong through current troughs and to look forward to the inevitable recovery.

- 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/recommended, a statement to that effect.**

No dividend has been declared/recommended during the quarter ended 31 December 2014.

- 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 31 December 2014 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
30-Jan-15