



MTQ CORPORATION - RELEASE OF FIRST HALF FY2016 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 2015 release its financial results for the first-half ending 30 September 2015.

However, the Company wishes to inform the market that its unaudited first-half FY 2016 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.

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.

- ENDS -

Further information:

Ashley Muirhead
Chief Financial Officer
Neptune Marine Services Ltd
Tel: +61 8 6242 2222

Robin King
Chief Executive Officer
Neptune Marine Services Ltd
Tel: +61 8 6242 2222



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 2015

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

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2015

| | Group 3 months ended | | | Group 6 months ended | | |
|--|-------------------------|--------------------|-------------|-------------------------|--------------------|-------------|
| | 30.9.15 S\$'000 | 30.9.14 S\$'000 | Change % | 30.9.15 S\$'000 | 30.9.14 S\$'000 | Change % |
| Revenue | 57,820 | 80,334 | -28% | 117,832 | 157,028 | -25% |
| Cost of sales (Note A) | (42,784) | (54,019) | 21% | (87,175) | (104,610) | 17% |
| Gross profit | 15,036 | 26,315 | -43% | 30,657 | 52,418 | -42% |
| Other income (Note B) | 2,035 | 12 | 16858% | 2,463 | 392 | 528% |
| Staff costs | (9,256) | (11,930) | 22% | (19,450) | (24,135) | 19% |
| Other operating expenses (Note C) | (8,173) | (7,271) | -12% | (15,446) | (15,016) | -3% |
| Profit/(loss) from operating activities | (358) | 7,126 | n/m | (1,776) | 13,659 | n/m |
| Finance costs (Note D) | (509) | (624) | 18% | (1,040) | (1,252) | 17% |
| Share of results of joint venture | (29) | (173) | 83% | (329) | (446) | 26% |
| Profit/(loss) before taxation | (896) | 6,329 | n/m | (3,145) | 11,961 | n/m |
| Taxation expense (Note E) | 662 | (1,002) | n/m | 567 | (2,268) | n/m |
| Profit/(loss) for the financial period, net of tax | (234) | 5,327 | n/m | (2,578) | 9,693 | n/m |
| Other comprehensive income: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Exchange difference on translation of foreign operations | 879 | (4,676) | n/m | (746) | (3,748) | 80% |
| Net gain on hedge of net investment in foreign operation | 1,020 | 1,800 | -43% | 1,440 | 1,500 | -4% |
| Net fair value of loss on derivatives | (16) | - | -100% | (51) | - | -100% |
| Other comprehensive income/(loss) for the financial period, net of tax (Note F) | 1,883 | (2,876) | n/m | 643 | (2,248) | n/m |
| Total comprehensive income/(loss) for the financial period | 1,649 | 2,451 | -33% | (1,935) | 7,445 | n/m |
| Attributable to: | | | | | | |
| Owners of the Company | (501) | 5,282 | n/m | (2,832) | 9,406 | n/m |
| Non-controlling interests | 267 | 45 | 493% | 254 | 287 | -11% |
| | (234) | 5,327 | n/m | (2,578) | 9,693 | n/m |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 1,381 | 2,762 | -50% | (2,130) | 7,460 | n/m |
| Non-controlling interests | 268 | (311) | n/m | 195 | (15) | n/m |
| | 1,649 | 2,451 | -33% | (1,935) | 7,445 | n/m |

n/m : not meaningful



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

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2015

Note A - Cost of sales include :-

| | Group | | | Group | | |
|---|--------------------------------|--------------------------------|----------|--------------------------------|--------------------------------|----------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | Change % | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 | Change % |
| Operating lease expenses | 4,349 | 3,478 | 25% | 7,342 | 5,267 | 39% |
| Depreciation of property, plant and equipment | 2,822 | 2,498 | 13% | 5,655 | 4,703 | 20% |

Note B - Other income comprises :-

| | Group | | | Group | | |
|---|--------------------------------|--------------------------------|----------|--------------------------------|--------------------------------|----------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | Change % | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 | Change % |
| Interest income | 44 | 38 | 16% | 85 | 89 | -4% |
| Rental income | - | - | 0% | - | 3 | -100% |
| Gain/(loss) on sale of property, plant and equipment, net | - | (209) | 100% | 44 | (138) | n/m |
| Government grants | 49 | 16 | 206% | 160 | 16 | 900% |
| Commission received | 134 | 117 | 15% | 283 | 289 | -2% |
| Gain on disposal of scrap | 9 | 47 | -81% | 23 | 77 | -70% |
| Insurance claims | 1,766 | - | 100% | 1,766 | - | 100% |
| Others | 33 | 3 | 1000% | 102 | 56 | 82% |
| | 2,035 | 12 | 16858% | 2,463 | 392 | 528% |

Note C - Other operating expenses include :-

| | Group | | | Group | | |
|--|--------------------------------|--------------------------------|----------|--------------------------------|--------------------------------|----------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | Change % | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 | Change % |
| Depreciation of property, plant and equipment | 589 | 548 | 7% | 1,055 | 1,076 | -2% |
| Amortisation of intangible assets | 45 | 63 | -29% | 91 | 126 | -28% |
| Fixed assets written off | 1,341 | 380 | 253% | 1,382 | 395 | 250% |
| Loss/(gain) on exchange, net | (125) | (636) | -80% | 152 | (487) | n/m |
| Allowance for/(reversal of) doubtful receivables, net | 248 | (235) | n/m | 343 | (236) | n/m |
| Bad debts written off, net | (46) | 3 | n/m | (46) | 9 | n/m |
| Allowance for inventory obsolescence and inventories written off | 34 | 50 | -32% | 80 | 101 | -21% |
| Audit, legal, consultancy and professional fees | 934 | 1,016 | -8% | 1,822 | 2,086 | -13% |
| Operating lease expenses | 1,575 | 1,637 | -4% | 3,251 | 3,299 | -1% |
| Utilities expenses | 473 | 616 | -23% | 1,051 | 1,168 | -10% |

Note D - Finance costs comprise :-

| | Group | | | Group | | |
|-----------------------------|--------------------------------|--------------------------------|----------|--------------------------------|--------------------------------|----------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | Change % | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 | Change % |
| Interest on: | | | | | | |
| - bank loans and overdrafts | 500 | 615 | -19% | 1,020 | 1,233 | -17% |
| - finance lease payables | 9 | 9 | 0% | 20 | 19 | 5% |
| | 509 | 624 | -18% | 1,040 | 1,252 | -17% |

Note E - Taxation expense :-

Under/(over) provision in respect of prior years:-

| | Group | | | Group | | |
|---------------------|--------------------------------|--------------------------------|----------|--------------------------------|--------------------------------|----------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | Change % | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 | Change % |
| - current taxation | (202) | - | -100% | (205) | - | -100% |
| - deferred taxation | - | (32) | n/m | 78 | (201) | n/m |
| | (202) | (32) | 531% | (127) | (201) | -37% |

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.



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 2015

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 period

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 30.9.15 | 31.3.15 | 30.9.15 | 31.3.15 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Goodwill | 20,786 | 21,568 | - | - |
| Intangible assets | 402 | 472 | - | - |
| Investment properties | - | - | 967 | 991 |
| Property, plant and equipment | 79,709 | 81,616 | 407 | 505 |
| Investment in subsidiaries | - | - | 64,828 | 45,066 |
| Investment in joint venture | 918 | 1,543 | - | - |
| Receivables | 881 | 1,144 | 59,817 | 80,762 |
| Prepayments | 23 | 35 | 16 | 28 |
| Deferred tax assets | 7,888 | 6,947 | - | - |
| | 110,607 | 113,325 | 126,035 | 127,352 |
| Current assets | | | | |
| Inventories | 29,252 | 26,952 | - | - |
| Trade and other receivables | 60,270 | 68,873 | 11,071 | 11,850 |
| Prepayments | 4,904 | 3,120 | 232 | 100 |
| Cash and cash equivalents | 38,837 | 44,135 | 412 | 2,413 |
| | 133,263 | 143,080 | 11,715 | 14,363 |
| Current liabilities | | | | |
| Trade and other payables | (39,872) | (44,460) | (2,995) | (2,457) |
| Derivatives | (197) | (120) | - | - |
| Finance lease payable | (369) | (455) | - | - |
| Bank borrowings | (6,206) | (6,932) | (3,086) | (3,864) |
| Provisions | (1,487) | (1,455) | - | - |
| Provision for taxation | (6,853) | (7,269) | (873) | (809) |
| | (54,984) | (60,691) | (6,954) | (7,130) |
| Net current assets | 78,279 | 82,389 | 4,761 | 7,233 |
| Non-current liabilities | | | | |
| Other payables | (443) | - | (6,233) | (6,239) |
| Finance lease payable | (318) | (342) | - | - |
| Long term bank borrowings | (50,511) | (52,703) | (8,496) | (9,252) |
| Deferred tax liabilities | (2,726) | (2,466) | (93) | (93) |
| Provisions | (1,818) | (1,853) | (78) | (78) |
| | (55,816) | (57,364) | (14,900) | (15,662) |
| Net assets | 133,070 | 138,350 | 115,896 | 118,923 |
| Equity attributable to owners of the Company | | | | |
| Share capital [1(d)(i)] | 36,807 | 36,807 | 36,807 | 36,807 |
| Treasury shares [1(d)(iv)] | (116) | - | (116) | - |
| Reserves [1(d)(i)] | 86,794 | 92,153 | 79,205 | 82,116 |
| Shareholders' funds | 123,485 | 128,960 | 115,896 | 118,923 |
| Non-controlling interests | 9,585 | 9,390 | - | - |
| Total equity | 133,070 | 138,350 | 115,896 | 118,923 |

Balance Sheet Review

The change in net asset were mainly due to:

- loss of S\$2.6 million recognised for the financial period;
- net translation gain of S\$0.7 million arising from foreign currency movements; and
- dividend paid during the financial period amounting to S\$3.1 million.

Overall bank borrowings decreased from S\$59.6 million to S\$56.7 million resulting mainly from repayment as well as revaluation of the loans.



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 2015

1(b)(i) 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 period

| | 30.9.15 | | 31.3.15 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amount repayable in one year or less, or on demand | 6,575 | - | 7,387 | - |
| Amount repayable after one year | 50,829 | - | 53,045 | - |
| | <u>57,404</u> | <u>-</u> | <u>60,432</u> | <u>-</u> |

The Group's borrowings as at 30 September 2015 decreased to S\$57.4 million from S\$60.4 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the bank borrowings are as follows:

Facility 1: S\$11.6 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\$2.4 million

- Corporate guarantee from the Company.

Facility 3: S\$2.6 million

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

Facility 4: S\$9.4 million

- Corporate guarantee from the Company.

Facility 5: S\$29.9 million

- Corporate guarantee from the Company.

Facility 6: S\$0.7 million

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

There were no debt securities as at 30 September 2015 and 31 March 2015.



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 2015

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 2015

| | Group | | Group | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 3 months ended 30.9.15 S\$'000 | 3 months ended 30.9.14 S\$'000 | 6 months ended 30.9.15 S\$'000 | 6 months ended 30.9.14 S\$'000 |
| Cash flows from operating activities: | | | | |
| Profit/(loss) from operations before taxation | (896) | 6,329 | (3,145) | 11,961 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 3,411 | 3,046 | 6,710 | 5,779 |
| Amortisation of intangible assets | 45 | 63 | 91 | 126 |
| (Gain)/loss on sale of property, plant and equipment, net | - | 209 | (44) | 138 |
| Fixed assets written off | 1,341 | 380 | 1,382 | 395 |
| Allowance for/(reversal of) doubtful receivables, net | 248 | (235) | 343 | (236) |
| Bad debts written off, net | (46) | 3 | (46) | 9 |
| Allowance for inventory obsolescence and inventories written off | 34 | 50 | 80 | 101 |
| Share of joint venture results | 29 | 173 | 329 | 446 |
| Employee equity benefits expense | (128) | 251 | 43 | 429 |
| Provision made during the year | 72 | 85 | 148 | 130 |
| Interest income | (44) | (38) | (85) | (89) |
| Interest expense | 509 | 624 | 1,040 | 1,252 |
| Operating profit before changes in working capital | 4,575 | 10,940 | 6,846 | 20,441 |
| (Increase)/decrease in inventories | (2,523) | 431 | (2,380) | 1,572 |
| Decrease in receivables and prepayments | 1,939 | 2,494 | 7,429 | 5,928 |
| Increase/(decrease) in payables | (434) | 787 | (4,129) | (5,695) |
| Currency realignment | (307) | (854) | (606) | (584) |
| Cash generated from operations | 3,250 | 13,798 | 7,160 | 21,662 |
| Interest income received | 44 | 38 | 85 | 89 |
| Interest expense paid | (510) | (628) | (1,048) | (1,259) |
| Income taxes paid, net | (1,037) | (938) | (1,050) | (1,948) |
| Net cash provided by operating activities | 1,747 | 12,270 | 5,147 | 18,544 |
| Cash flows from investing activities: | | | | |
| Purchase of property, plant and equipment | (1,721) | (2,106) | (5,679) | (6,979) |
| Proceeds from sale of property, plant and equipment | 2 | 74 | 58 | 955 |
| Purchase of intangible assets | - | (142) | - | (167) |
| Loans to joint venture | - | - | (712) | - |
| Loans granted to staff | - | - | - | (130) |
| Loans repaid by staff | 16 | 20 | 31 | 62 |
| Net cash used in investing activities | (1,703) | (2,154) | (6,302) | (6,259) |
| Cash flows from financing activities: | | | | |
| Dividend paid | (3,082) | (1,270) | (3,082) | (1,270) |
| Share issuance expense | - | (38) | - | (38) |
| Proceeds from bank borrowings | - | - | 3 | - |
| Share buy-back | - | - | (312) | - |
| Settlement of share-based payment arrangements | - | (652) | - | (652) |
| Repayment of bank borrowings | (991) | (877) | (1,939) | (1,759) |
| Repayment of finance lease | (111) | (42) | (245) | (216) |
| Net cash used in financing activities | (4,184) | (2,879) | (5,575) | (3,935) |
| Net change in cash and cash equivalents | (4,140) | 7,237 | (6,730) | 8,350 |
| Cash and cash equivalents at beginning of financial period | 41,160 | 38,669 | 44,135 | 37,432 |
| Effect of exchange rate changes on cash and cash equivalents | 1,817 | (1,101) | 1,432 | (977) |
| Cash and cash equivalents at end of financial period | 38,837 | 44,805 | 38,837 | 44,805 |

Note

Cash and cash equivalents consist of the following:-

| | Group | |
|--------------------------|-----------------------|-----------------------|
| | As at 30.9.15 S\$'000 | As at 30.9.14 S\$'000 |
| Fixed deposits | 7,703 | 6,540 |
| Cash at bank and in hand | 31,134 | 38,265 |
| | 38,837 | 44,805 |

Cash Flows Review

Cash generated from operation before working capital was S\$4.6 million in this quarter. Taking into account the FY2015's final dividend, capital expenditure and changes in working capital in this quarter, cash and cash equivalent for the Group decreased to S\$38.8 million as at 30 September 2015 from S\$41.2 million as at 30 June 2015.



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 2015

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 period.

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2015

| 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 2014 | 34,108 | - | (7) | 95,105 | - | 1,745 | 130,951 | 9,655 | 140,606 |
| Profit for the financial period, net of tax | - | - | - | 9,406 | - | - | 9,406 | 287 | 9,693 |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | (3,446) | - | - | - | (3,446) | (302) | (3,748) |
| Net loss on hedge of net investment in foreign operation | - | - | 1,500 | - | - | - | 1,500 | - | 1,500 |
| Other comprehensive income/(loss) for the financial period | - | - | (1,946) | - | - | - | (1,946) | (302) | (2,248) |
| Total comprehensive income/(loss) for the financial period | - | - | (1,946) | 9,406 | - | - | 7,460 | (15) | 7,445 |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividend 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 arrangements | - | - | - | - | - | (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) | 101,463 | - | 1,351 | 136,959 | 9,570 | 146,529 |
| Balance as at 1 April 2015 | 36,807 | - | (3,047) | 93,704 | - | 1,496 | 128,960 | 9,390 | 138,350 |
| Profit/(loss) for the financial period, net of tax | - | - | - | (2,832) | - | - | (2,832) | 254 | (2,578) |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | (694) | - | - | - | (694) | (52) | (746) |
| Net gain on hedge of net investment in foreign operation | - | - | 1,440 | - | - | - | 1,440 | - | 1,440 |
| Net fair value of loss on derivatives | - | - | - | - | - | (44) | (44) | (7) | (51) |
| Other comprehensive income/(loss) for the financial period | - | - | 746 | - | - | (44) | 702 | (59) | 643 |
| Total comprehensive income/(loss) for the financial period | - | - | 746 | (2,832) | - | (44) | (2,130) | 195 | (1,935) |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividend paid in respect of previous financial period, tax exempt (one-tier) | - | - | - | (3,082) | - | - | (3,082) | - | (3,082) |
| Settlement of share-based payment arrangements | - | 196 | - | - | - | (196) | - | - | - |
| Employee equity benefits expense | - | - | - | - | - | 49 | 49 | - | 49 |
| Share buy-back | - | (312) | - | - | - | - | (312) | - | (312) |
| Total contributions by and distribution to owners | - | (116) | - | (3,082) | - | (147) | (3,345) | - | (3,345) |
| Balance as at 30 September 2015 | 36,807 | (116) | (2,301) | 87,790 | - | 1,305 | 123,485 | 9,585 | 133,070 |



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 2015

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2015

| <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 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 |
| Dividend 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 |
| Balance as at 1 April 2015 | 36,807 | - | 79,419 | 2,697 | 118,923 |
| Profit for the financial period, net of tax, representing total comprehensive income for the financial period | - | - | 318 | - | 318 |
| Dividend paid in respect of previous financial period, tax exempt (one-tier) | - | - | (3,082) | - | (3,082) |
| Share buy-back | - | (312) | - | - | (312) |
| Settlement of share-based payment arrangements | - | 196 | - | (196) | - |
| Employee equity benefits expense | - | - | - | 49 | 49 |
| Total transactions with owners in their capacity as owners | - | (116) | (3,082) | (147) | (3,345) |
| Balance as at 30 September 2015 | 36,807 | (116) | 76,655 | 2,550 | 115,896 |



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 2015

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.

| | | |
|---|------------------|------------------|
| | 30.9.15 | 30.6.15 |
| | (S\$'000) | (S\$'000) |
| Share Capital | 36,807 | 36,807 |
| | 30.9.15 | 30.9.14 |
| | ('000) | ('000) |
| Total number of issued shares | 154,521 | 153,818 |
| Total number of treasury shares | 148 | - |
| Total number of issued shares excluding treasury shares | 154,373 | 153,818 |

MTQ Share Plan

As at 30 September 2015, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 406,519 shares (30 September 2014: 310,081). 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 | Number of shares | | Outstanding as at 30/9/2015 |
|---------------|----------------------------|------------------|-----------------------------|
| | Outstanding as at 1/7/2015 | Granted Released | |
| 29/8/2014 | 310,081 | - | 155,043 |
| 26/8/2015 | - | 348,087 | 251,476 |
| | 310,081 | 348,087 | 406,519 |

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.

| | | |
|---|----------------|----------------|
| | 30.9.15 | 31.3.15 |
| | ('000) | ('000) |
| Total number of issued shares | 154,521 | 154,521 |
| Total number of treasury shares | 148 | - |
| Total number of issued shares excluding treasury shares | 154,373 | 154,521 |

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 September 2015, the Company transferred 251,649 of its treasury shares pursuant to the settlement of MTQ Share Plan, resulting in 148,351 treasury shares as at 30 September 2015 (30 June 2015: 400,000).

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 2015. 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.



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 2015

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 30.9.15 (cents) | 3 months ended 30.9.14 (cents) | 6 months ended 30.9.15 (cents) | 6 months ended 30.9.14 (cents) |
| Earnings per ordinary share:- | | | | |
| Basic (Note A) | (0.32) | 3.46 | (1.84) | 6.17 |
| Diluted (Note A) | (0.32) | 3.45 | (1.83) | 6.15 |

Note A

| | Group | | Group | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 3 months ended 30.9.15 \$'000 | 3 months ended 30.9.14 \$'000 | 6 months ended 30.9.15 \$'000 | 6 months ended 30.9.14 \$'000 |
| Profit/(loss) attributable to owners of the Company | (501) | 5,282 | (2,832) | 9,406 |

| | Number of shares | | Number of shares | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 3 months ended 30.9.15 '000 | 3 months ended 30.9.14 '000 | 6 months ended 30.9.15 '000 | 6 months ended 30.9.14 '000 |
| Weighted average number of ordinary shares for basic earnings per share computation | 154,203 | 152,635 | 154,267 | 152,524 |
| Effects of dilution: | | | | |
| - Employee share-based payment scheme | 407 | 310 | 407 | 310 |
| Weighted average number of ordinary shares for diluted earnings per share computation | 154,610 | 152,945 | 154,674 | 152,834 |

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 | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 30.9.15 (\$) | 31.3.15 (\$) | 30.9.15 (\$) | 31.3.15 (\$) |
| Net asset value per ordinary share* | 0.80 | 0.83 | 0.75 | 0.77 |

* 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.



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 2015

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 2015 ("2QFY2016") vs 3 months ended 30 September 2014 ("2QFY2015")

The Group reported S\$57.8 million revenue for 2QFY2016, a decrease of 28% year-on-year ("yoy"). The lower revenue was primarily due to weak demand for oilfield engineering business, especially in Singapore. Bahrain continued to see a healthy level of activities and generated slightly higher revenue yoy. Engine Systems' operating performance was stable, however, the impact of a weaker Australian dollar weighed on revenue in the quarter compared to a year ago.

Weaker gross margins have persisted in this current quarter, reflecting market pressures. Gross profit decreased by 43% yoy to S\$15.0 million for 2QFY2016. Gross profit margin declined to 26% for the quarter, compared to 33% a year ago.

To mitigate the weaker business outlook, operating expenses and staff costs as a whole have continued to be reduced in the quarter. Notwithstanding such efforts, the Group reported a net loss attributable to shareholders of negative S\$0.5 million, which translated to a diluted loss per share of 0.32 Singapore cents for the quarter.

6 months ended 30 September 2015 ("6MFY2016") vs 6 months ended 30 September 2014 ("6MFY2015")

The Group reported S\$117.8 million revenue for 6MFY2016, a decrease of 25% year-on-year ("yoy"). The lower revenue was primarily due to weak demand for oilfield engineering business, especially in Singapore. Bahrain continued to see a healthy level of activities and generated slightly higher revenue yoy. Engine Systems' operating performance was stable, however, the impact of a weaker Australian dollar weighed on revenue in the quarter compared to a year ago.

The challenging market environment has put downward pressure on gross margin. Gross profit decreased by 42% yoy to S\$30.7 million for 6MFY2016. Gross profit margin declined to 26% for the first half of the year, compared to 33% a year ago.

To mitigate the weaker business outlook, operating expenses and staff costs as a whole have continued to be reduced. Notwithstanding such efforts, the Group reported a net loss attributable to shareholders of negative S\$2.8 million, which translated to a diluted loss per share of 1.83 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.

As oil prices remain weak and MTQ continues to see tepid demand for oilfield services, especially in Singapore which has historically had a reasonable workload due to new build activity.

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? 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) |

c) Date payable

Not applicable

d) Books closure date

Not applicable

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

No dividend has been declared/recommended for the quarter ended 30 September 2015.

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 2015 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
29 October 2015