



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

MTQ Group recorded profitable 4QFY2019

- Quarterly and full-year revenue increased by 83% and 17% respectively
- Profit of S\$0.9 million recorded in 4QFY2019
- Stronger operating cash flows further strengthens financial position

Singapore, 13 May 2019 – 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 twelve months ended 31 March 2019 (“4QFY2019” and “FY2019” respectively).

Financial Highlights ¹	4QFY2019	4QFY2018	Chg	FY2019	FY2018	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
					(Restated)	
Revenue	41,226	22,561	83	130,896	111,866	17
Gross Profit	8,935	3,300	171	28,153	17,235	63
Gross Profit Margin	21.7%	14.6%		21.5%	15.4 %	
Other Income	184	271	(32)	827	1,340	(38)
Other Operating Expenses¹	(3,517)	(4,571)	(23)	(15,259)	(15,795)	(3)
Staff Costs	(4,516)	(4,351)	4	(17,593)	(19,976)	(12)
Finance Costs	(266)	(176)	51	(1,043)	(840)	24
Share of Results of Associate and Joint Ventures	137	(241)	n.m.	114	(967)	n.m.
Profit/(Loss) Before Tax ¹	957	(5,768)	n.m.	(4,801)	(19,003)	(75)
Income Tax (Expense)/ Credit¹	(61)	220	n.m.	(470)	1,219	n.m.
Profit/(Loss) After Tax ¹	896	(5,548)	n.m.	(5,271)	(17,784)	(70)

¹The comparative figures exclude impairments of goodwill and write-off of deferred tax assets amounting to S\$5.5 million and S\$6.3 million recognised in 4QFY2018 respectively.

Financial Review

The Group reported revenue of S\$41.2 million in 4QFY2019, an increase of 83% year-on-year (“yoy”) on the back of an improvement in activities across all segments within the Group. This brings the full-year revenue to S\$130.9 million, 17% higher than a year ago. Correspondingly, the Group’s gross margins improved from 15% to 22%.

Included in operating expenses were S\$0.3 million of allowances made for slow moving inventories. Excluding this, overall staff and operating expenses declined slightly mainly due to the cost rationalisation measures taken a year ago. The reduction in these costs should taper off as activities pick up.

Overall, the Group recovered from a loss after tax of S\$5.5 million in 4QFY2018 to a profit of S\$0.9 million in 4QFY2019. This narrowed the year-to-date loss after tax from S\$17.8 million a year ago to S\$5.3 million in FY2019.

Segmental Profit/(Loss) After Tax¹	FY2019	FY2018	FY2017
	SGD’000	SGD’000	SGD’000
		(Restated)	
Neptune¹	(2,900)	(11,451)	(9,235)
Oilfield Engineering	1,937	(1,760)	(6,109)
Investment Holding	(4,308)	(4,577)	(3,812)
Others	-	4	(48)
Total¹	(5,271)	(17,784)	(19,204)

¹The comparative figures exclude impairments of goodwill and write-off of deferred tax assets recognised in 4QFY2018.

In line with better revenues, all segments showed improvements for the year as a whole. In particular, Oilfield Engineering recorded a profit after tax for the first time in 3 years.

Cash flows	4QFY2019	4QFY2018	FY2019	FY2018
	SGD'000	SGD'000	SGD'000	SGD'000
				(Restated)
Net cash from/(used in):				
- Operating activities	5,480	(1,471)	4,226	(7,271)
- Investing activities	(347)	(470)	(5,642)	5,691
- Financing activities	(288)	(300)	10,886	(18,375)
Net change in cash & cash equivalents (inclusive of exchange rate effects)	4,845	(2,241)	9,470	(19,955)
Cash and cash equivalents at end of financial period/year	19,815	10,759	19,815	10,759

The Group recorded net cash inflows of S\$5.5 million and S\$4.2 million from operating activities for the quarter and the year respectively. FY2019 cash flows comprised a payment of S\$1.8 million for the acquisition of Tranche 2 Shares of In-Line Group and an investment of S\$1.2 million for the acquisition of the trading, oilfield equipment and spares business from Mid-Continent Equipment Group Pte Ltd during the year. Together with the S\$12.1 million proceeds from the Rights cum Warrants Issue as well as the quarterly repayment of a loan facility, the Group's overall cash position increased S\$9.5 million to S\$19.8 million as at 31 March 2019 resulting in net gearing of 2.9%.

Balance Sheet	31 Mar 2019	31 Mar 2018
	SGD'000	SGD'000
Net current assets	39,608	32,950
Net assets	73,770	66,690
Net tangible assets	67,979	61,750
Cash and cash equivalents	19,815	10,759
Bank borrowings and finance leases	22,030	22,634
Shareholder's funds	70,700	63,186
Net gearing¹	2.9%	15.1%
Net assets value per share²	33 cents	41 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 and subsidiary holding.

Results & outlook

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

“We are delighted to present a good quarter of revenue and to be profitable in 4QFY2019. We are encouraged by the progress that we have made so far. Oilfield Engineering continued to build on the positive trend from a year ago and recorded its first profit for the segment in a while now. While having a slow start to the financial year, the Neptune segment caught up to a certain extent in the second half and narrowed its overall loss for the year.

While the results trend positively and enquiry levels remain healthy, much remains to be done as uncertainties persist in our business environment. Some of our asset owner customers still face refinancing woes. The Group is continuing its efforts in strengthening the Neptune segment for the long term, exploring new partnerships.

Meanwhile, we need to continue to be prudent in our expenditure although reinvestments in certain area will be required in the near-to-mid-term.”

- 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 31 March 2019

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 31 MARCH 2019

	Group 3 months ended			Group 12 months ended		
	31.3.19 S\$'000	31.3.18 S\$'000	Change %	31.3.19 S\$'000	31.3.18 S\$'000 (Restated)	Change %
Revenue	41,226	22,561	83%	130,896	111,866	17%
Cost of sales (Note A)	(32,291)	(19,261)	68%	(102,743)	(94,631)	9%
Gross profit	8,935	3,300	171%	28,153	17,235	63%
Other income (Note B)	184	271	-32%	827	1,340	-38%
Staff costs	(4,516)	(4,351)	4%	(17,593)	(19,976)	-12%
Other operating expenses (Note C)	(3,517)	(10,116)	-65%	(15,259)	(21,340)	-28%
Profit/(loss) from operating activities	1,086	(10,896)	n/m	(3,872)	(22,741)	-83%
Finance costs (Note D)	(266)	(176)	51%	(1,043)	(840)	24%
Share of results of associate and joint ventures	137	(241)	n/m	114	(967)	n/m
Profit/(loss) before taxation	957	(11,313)	n/m	(4,801)	(24,548)	-80%
Income tax expense (Note E)	(61)	(6,093)	-99%	(470)	(5,094)	-91%
Profit/(loss) for the period/year, net of tax	896	(17,406)	n/m	(5,271)	(29,642)	-82%
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of subsidiaries, associate and joint ventures	(426)	(1,211)	-65%	292	(3,368)	n/m
Net fair value (loss)/gain on derivatives	(189)	3	n/m	(59)	(60)	-2%
Share of joint venture's loss on remeasurement of employee benefits liabilities	-	(115)	-100%	-	(149)	-100%
Reclassification of foreign currency translation reserve to profit or loss on winding-up of a subsidiary	11	-	100%	11	(38)	n/m
Other comprehensive income for the period/year (Note F)	(604)	(1,323)	-54%	244	(3,615)	n/m
Total comprehensive income for the period/year	292	(18,729)	n/m	(5,027)	(33,257)	-85%
Profit/(loss) for the period/year attributable to:						
Owners of the Company	822	(15,945)	n/m	(4,905)	(27,381)	-82%
Non-controlling interests	74	(1,461)	n/m	(366)	(2,261)	-84%
	896	(17,406)	n/m	(5,271)	(29,642)	-82%
Total comprehensive income attributable to:						
Owners of the Company	253	(17,170)	n/m	(4,593)	(30,734)	-85%
Non-controlling interests	39	(1,559)	n/m	(434)	(2,523)	-83%
	292	(18,729)	n/m	(5,027)	(33,257)	-85%

n/m : not meaningful



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 March 2019

Note A - Cost of sales includes :-

	Group			Group		
	3 months ended 31.3.19 S\$'000	3 months ended 31.3.18 S\$'000	Change %	12 months ended 31.3.19 S\$'000	12 months ended 31.3.18 S\$'000	Change %
Operating lease expenses	78	380	-79%	4,100	5,735	-29%
Depreciation of property, plant and equipment	1,425	1,633	-13%	5,820	6,693	-13%

Note B - Other income comprises :-

	Group			Group		
	3 months ended 31.3.19 S\$'000	3 months ended 31.3.18 S\$'000	Change %	12 months ended 31.3.19 S\$'000	12 months ended 31.3.18 S\$'000	Change %
Interest income	15	3	400%	82	44	86%
Rental income	19	-	100%	19	-	100%
(Loss)/gain on sale of property, plant and equipment, net	(8)	54	n/m	32	298	-89%
Government grants	93	83	12%	196	446	-56%
Commission received	-	-	0%	16	14	14%
Gain on disposal of scrap material	43	35	23%	140	95	47%
Insurance claims	-	85	-100%	226	357	-37%
Others	22	11	100%	116	86	35%
	184	271	-32%	827	1,340	-38%

The decrease in government grants was due to the absence of fuel tax credit from the Australian subsidiaries.

Note C - Other operating expenses includes :-

	Group			Group		
	3 months ended 31.3.19 S\$'000	3 months ended 31.3.18 S\$'000	Change %	12 months ended 31.3.19 S\$'000	12 months ended 31.3.18 S\$'000	Change %
Depreciation of property, plant and equipment	274	313	-12%	1,120	1,245	-10%
Amortisation of intangible assets	58	73	-21%	199	102	95%
(Gain)/loss on foreign exchange, net	(219)	12	n/m	(39)	9	n/m
Allowance for impairment of trade receivables, net	2	923	-100%	29	923	-97%
Allowance/(reversal of allowance) for inventory obsolescence	288	(43)	n/m	265	(293)	n/m
Impairment of goodwill	-	5,545	-100%	-	5,545	-100%
Loss/(gain) on winding-up of a subsidiary	11	-	100%	11	(39)	n/m
Audit, legal, consultancy and professional fees	746	576	30%	2,758	2,607	6%
Operating lease expenses	702	774	-9%	3,043	3,203	-5%
Utilities expenses	396	388	2%	1,471	1,452	1%

Note D - Finance costs comprises :-

	Group			Group		
	3 months ended 31.3.19 S\$'000	3 months ended 31.3.18 S\$'000	Change %	12 months ended 31.3.19 S\$'000	12 months ended 31.3.18 S\$'000	Change %
Interest on:						
- bank loans	258	170	52%	1,006	826	22%
- finance lease payables	5	4	25%	34	12	183%
- others	3	2	50%	3	2	50%
	266	176	51%	1,043	840	24%

Note E - Income tax expense :-

Included in the income tax expense were:-

	Group			Group		
	3 months ended 31.3.19 S\$'000	3 months ended 31.3.18 S\$'000	Change %	12 months ended 31.3.19 S\$'000	12 months ended 31.3.18 S\$'000	Change %
(Over)/under provision in respect of previous years						
- current taxation	(20)	(303)	-93%	(57)	(596)	-90%
- deferred taxation	38	8	375%	55	297	-81%
Write-off of deferred tax assets	-	6,313	-100%	-	6,313	-100%

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 31 March 2019

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 MARCH 2019

Non-current assets

Goodwill
Intangible assets
Investment property
Property, plant and equipment
Investment in subsidiaries
Investment in associate and joint ventures
Receivables
Prepayments
Deferred tax assets

Current assets

Inventories
Trade and other receivables
Prepayments
Tax recoverable
Cash and cash equivalents

Total assets

Current liabilities

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

Non-current liabilities

Trade and other payables
Finance lease payable
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	
31.3.19 S\$'000	31.3.18 S\$'000 (Restated)	31.3.19 S\$'000	31.3.18 S\$'000
5,373	4,560	-	-
418	380	-	-
-	-	852	850
42,251	46,924	80	76
-	-	50,819	49,242
3,824	1,922	3,718	1,922
3,161	2,388	48,946	65,182
6	25	6	25
901	958	-	-
55,934	57,157	104,421	117,297
14,971	14,733	-	-
36,979	26,378	14,457	14,085
1,638	1,607	74	89
-	502	-	6
19,815	10,759	3,265	331
73,403	53,979	17,796	14,511
129,337	111,136	122,217	131,808
(31,025)	(19,060)	(1,080)	(3,026)
(131)	(204)	-	-
(1,013)	(981)	(1,013)	(981)
(897)	(355)	-	-
(729)	(429)	(18)	-
(33,795)	(21,029)	(2,111)	(4,007)
(199)	(250)	(2,640)	(2,629)
(173)	(32)	-	-
(20,713)	(21,417)	(11,465)	(12,285)
(418)	(604)	(48)	(53)
(269)	(1,114)	(87)	(84)
(21,772)	(23,417)	(14,240)	(15,051)
(55,567)	(44,446)	(16,351)	(19,058)
73,770	66,690	105,866	112,750
48,914	36,807	48,914	36,807
(3)	(3)	(3)	(3)
21,789	26,382	56,955	75,946
70,700	63,186	105,866	112,750
3,070	3,504	-	-
73,770	66,690	105,866	112,750

Balance Sheet Review

During the year, the Group acquired Mid-Continent Equipment Group Pte Ltd's business of supplying and distributing oilfield equipment and spares and the assets in relation thereto. As part of the acquisition, the Group has identified a provisional goodwill of S\$813,000 (US\$600,000) as at the date of acquisition. The carrying amount of the provisional goodwill will be adjusted on a retrospective basis when the final allocation of purchase price has been completed.

Investment in associate and joint ventures increased by S\$1.8 million mainly due to the acquisition of Tranche 2 Shares of In-Line Group.

The remaining changes in net assets were mainly due to the S\$12.1 million net proceeds from Rights cum Warrants Issue exercise received, offset by the total comprehensive loss of S\$5.0 million recorded for the financial year.

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 31 March 2019

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.

	31.3.19		31.3.18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,144	-	1,185	-
Amount repayable after one year	5,238	15,648	5,917	15,532
	<u>6,382</u>	<u>15,648</u>	<u>7,102</u>	<u>15,532</u>

The Group's borrowings and finance leases as at 31 March 2019 decreased from S\$22.6 million to S\$22.0 million mainly due to fixed repayment of a bank loan, partially offset by the appreciation of USD exchange rate against SGD. Details of the collateral for the secured bank borrowings are as follows:

S\$6.1 million secured facility

- First all-monies registered legal mortgage over a 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 interest-bearing loan from the Company to a subsidiary.

There were no debt securities as at 31 March 2019 and 31 March 2018.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 March 2019

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 MARCH 2019

	Group		Group	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.3.19	31.3.18	31.3.19	31.3.18
	S\$'000	S\$'000	S\$'000	S\$'000
				(Restated)
Cash flows from operating activities:				
Profit/(loss) before taxation	957	(11,313)	(4,801)	(24,548)
Adjustments for:				
Depreciation of property, plant and equipment	1,699	1,946	6,940	7,938
Amortisation of intangible assets	58	73	199	102
Loss/(gain) on winding-up of a subsidiary	11	-	11	(39)
Loss/(gain) on sale of property, plant and equipment, net	8	(54)	(32)	(298)
Allowance for impairment of trade receivables, net	2	923	29	923
Allowance/(reversal of allowance) for inventory obsolescence	288	(43)	265	(293)
Share of results of associate and joint ventures	(137)	241	(114)	967
Impairment loss on goodwill	-	5,545	-	5,545
Employee equity benefits expense	-	-	-	11
Provisions made during the period	166	(27)	259	139
Interest income	(15)	(3)	(82)	(44)
Interest expense	266	176	1,043	840
Operating cash flows before changes in working capital	3,303	(2,536)	3,717	(8,757)
Decrease/(increase) in inventories and work-in-progress	315	57	(151)	445
(Increase)/decrease in receivables and prepayments	(897)	6,224	(10,889)	10,649
Increase/(decrease) in payables	3,225	(4,796)	11,767	(7,476)
Currency realignment	(71)	(319)	540	(1,059)
Cash generated from/(used in) operations	5,875	(1,370)	4,984	(6,198)
Interest income received	15	3	82	44
Interest expense paid	(263)	(174)	(1,040)	(858)
Income taxes (paid)/received, net	(147)	70	200	(259)
Net cash generated from/(used in) operating activities	5,480	(1,471)	4,226	(7,271)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(247)	(380)	(1,419)	(2,207)
Addition of intangible assets	(109)	(384)	(213)	(384)
Acquisition of a business	-	-	(1,192)	-
Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs	-	-	-	9,513
Proceeds from disposal of property, plant and equipment	-	74	53	454
Investment in a joint venture	-	-	(1,796)	(1,808)
Loans to joint ventures	-	172	(1,042)	(6)
Loans granted to staff	-	-	(69)	(32)
Loans repaid by staff	9	48	36	161
Net cash (used in)/generated from investing activities	(347)	(470)	(5,642)	5,691
Cash flows from financing activities:				
Proceeds from bank borrowings	-	-	-	1,400
Share buy-back	-	-	-	(37)
Proceeds from Rights cum Warrants Issue	-	-	12,107	-
Repayment of bank borrowings	(252)	(248)	(1,014)	(19,168)
Repayment of finance lease payable	(36)	(52)	(207)	(570)
Net cash (used in)/generated from financing activities	(288)	(300)	10,886	(18,375)
Net change in cash and cash equivalents	4,845	(2,241)	9,470	(19,955)
Cash and cash equivalents at beginning of financial period/year	15,125	13,274	10,759	31,408
Effect of exchange rate changes on cash and cash equivalents	(155)	(274)	(414)	(694)
Cash and cash equivalents at end of financial period/year	19,815	10,759	19,815	10,759

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at	As at
	31.3.19	31.3.18
	S\$'000	S\$'000
Fixed deposits	5,381	1,163
Cash at bank and on hand	14,434	9,596
	19,815	10,759

Cash Flows Review

The Group recorded net cash inflows of S\$5.5 million and S\$4.2 million from operating activities for the quarter and the year respectively on the back of improved results for the periods. FY2019 investing cash flows comprised a payment of S\$1.8 million for the acquisition of Tranche 2 Shares of In-Line Group and an investment of S\$1.2 million for acquisition of the trading, oilfield equipment and spares business from Mid-Continent Equipment Group Pte Ltd during the year. Together with the receipt of S\$12.1 million of proceeds from the Rights cum Warrants Issue which concluded in April 2018 as well as the quarterly repayment of a loan facility, the Group's overall cash position increased S\$9.5 million to S\$19.8 million as at 31 March 2019.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 March 2019

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 31 MARCH 2019

Group	Attributable to owners of the Company					Non-Controlling Interest	Total Equity	
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Other Reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 1 April 2017 (As previously reported)	36,807	(4)	(1,417)	57,022	1,537	93,945	6,027	99,972
Adoption of SFRS(I) 1	-	-	1,417	(1,417)	-	-	-	-
Balance as at 1 April 2017 (Restated)	36,807	(4)	-	55,605	1,537	93,945	6,027	99,972
Loss for the year, net of tax	-	-	-	(27,381)	-	(27,381)	(2,261)	(29,642)
Other comprehensive income								
Exchange difference on translation of subsidiaries	-	-	(3,114)	-	-	(3,114)	(254)	(3,368)
Reclassification to profit or loss on winding-up of a subsidiary	-	-	(38)	-	-	(38)	-	(38)
Net fair value loss on derivatives	-	-	-	-	(52)	(52)	(8)	(60)
Share of joint venture's loss on remeasurement of employee benefits liabilities	-	-	-	-	(149)	(149)	-	(149)
Other comprehensive income for the year	-	-	(3,152)	-	(201)	(3,353)	(262)	(3,615)
Total comprehensive income for the year	-	-	(3,152)	(27,381)	(201)	(30,734)	(2,523)	(33,257)
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 31 March 2018 (Restated)	36,807	(3)	(3,152)	28,224	1,310	63,186	3,504	66,690
Balance as at 31 March 2018 (As previously reported)	36,807	(3)	(4,168)	29,240	1,310	63,186	3,504	66,690
Adoption of SFRS(I) 1	-	-	1,016	(1,016)	-	-	-	-
Balance as at 31 March 2018 (Restated) and 1 April 2018	36,807	(3)	(3,152)	28,224	1,310	63,186	3,504	66,690
Loss for the year, net of tax	-	-	-	(4,905)	-	(4,905)	(366)	(5,271)
Other comprehensive income								
Exchange difference on translation of subsidiaries	-	-	352	-	-	352	(60)	292
Reclassification to profit or loss on winding-up of a subsidiary	-	-	11	-	-	11	-	11
Net fair value loss on derivatives	-	-	-	-	(51)	(51)	(8)	(59)
Other comprehensive income for the year	-	-	363	-	(51)	312	(68)	244
Total comprehensive income for the year	-	-	363	(4,905)	(51)	(4,593)	(434)	(5,027)
Contributions by and distributions to owners								
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants	12,107	-	-	-	-	12,107	-	12,107
Issue, net of transaction costs	12,107	-	-	-	-	12,107	-	12,107
Total contributions by and distribution to owners	24,214	-	-	-	-	24,214	-	24,214
Balance as at 31 March 2019	48,914	(3)	(2,789)	23,319	1,259	70,700	3,070	73,770



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 31 MARCH 2019

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 2017	36,807	(4)	84,288	2,542	123,633
Loss for the year, representing total comprehensive income for the year	-	-	(10,858)	-	(10,858)
Employee equity benefits expense	-	-	-	12	12
Share buy-back	-	(37)	-	-	(37)
Settlement of share-based payment arrangements	-	38	-	(38)	-
Total contributions by and distribution to owners	-	1	-	(26)	(25)
Balance as at 31 March 2018	36,807	(3)	73,430	2,516	112,750
Balance as at 1 April 2018	36,807	(3)	73,430	2,516	112,750
Loss for the year, representing total comprehensive income for the year	-	-	(18,991)	-	(18,991)
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants Issue, net of transaction costs	12,107	-	-	-	12,107
Total contributions by and distribution to owners	12,107	-	-	-	12,107
Balance as at 31 March 2019	48,914	(3)	54,439	2,516	105,866



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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.

	31.3.19 (S\$'000)	31.12.18 (S\$'000)
Share Capital	48,914	48,914
	31.3.19 ('000)	31.3.18 ('000)
Total number of issued shares	216,327	154,521
Total number of treasury shares	8	8
Total number of issued shares excluding treasury shares	216,319	154,513

There were no subsidiary holdings as at 31 March 2019 and 31 March 2018.

MTQ Share Plan

As at 31 March 2019, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 11,392 shares (31 March 2018: 11,392). There was no movement in the number of shares comprised in Awards granted under the MTQ Share Plan during the quarter.

Warrants

During the quarter ended 30 June 2018, the Company issued 15,451,245 warrants as part of the MTQ's Rights cum Warrants Issue exercise and these warrants remain outstanding as at 31 March 2019 (31 March 2018: Nil).

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.

	31.3.19 ('000)	31.3.18 ('000)
Total number of issued shares	216,327	154,521
Total number of treasury shares	8	8
Total number of issued shares excluding treasury shares	216,319	154,513

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 was no movement in treasury shares in the quarter ended 31 March 2019. There were 8,303 treasury shares as at 31 March 2019 and 31 December 2018.

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 adopted SFRS(I) on 1 April 2018. These financial statements for the 3 months and 12 months ended 31 March 2019 are the first sets of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS"). Please refer to paragraph 5 for more details.



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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.

In adopting SFRS(I)s on 1 April 2018, the Group is required to apply all of the mandatory transition requirements in SFRS(I). The Group's opening balance sheet has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

The adoption of new/revised SFRS(I)s and INT SFRS(I)s did not have any significant impact on the financial performance or position of the Group except for the following:

a) **Application of SFRS(I) 1 First Time Adoption of SFRS(I)**

The Group has elected for the optional exemption to reset the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, an accumulated amount of S\$1,417,000 of foreign currency translation loss was reclassified to the opening retained earnings as at 1 April 2017.

b) **Comparatives**

The comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) described above are summarised below:

Consolidated statement of comprehensive income

	3 months ended 31 March 2018			12 months ended 31 March 2018		
	Reported under SFRS (\$'000)	Effect of transition to SFRS(I) (\$'000)	Restated under SFRS(I) (\$'000)	Reported under SFRS (\$'000)	Effect of transition to SFRS(I) (\$'000)	Restated under SFRS(I) (\$'000)
Other operating expenses	-	-	-	(21,741)	401	(21,340)
Reclassification of foreign currency translation reserve to profit or loss on winding-up of a subsidiary	-	-	-	363	(401)	(38)

Group Balance Sheet

	As at 31 March 2018			As at 1 April 2017		
	Reported under SFRS (\$'000)	Effect of transition to SFRS(I) (\$'000)	Restated under SFRS(I) (\$'000)	Reported under SFRS (\$'000)	Effect of transition to SFRS(I) (\$'000)	Restated under SFRS(I) (\$'000)
Retained earnings	29,240	(1,016)	28,224	57,022	(1,417)	55,605
Foreign currency translation reserve	(4,168)	1,016	(3,152)	(1,417)	1,417	-

There is no impact to net assets and total equity.

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			
	3 months ended 31.3.19	3 months ended 31.3.18	12 months ended 31.3.19	12 months ended 31.3.18 (Restated)
Earnings per ordinary share:-				
Basic (cents)	0.38	(10.32)	(2.30)	(17.72)
Diluted (cents)	0.38	(10.32)	(2.30)	(17.72)
Profit/(loss) attributable to owners of the Company (\$'000)	822	(15,945)	(4,905)	(27,381)
Weighted average number of ordinary shares for basic earnings per share computation ('000)	216,318	154,513	213,440	154,510
Effects of dilution:				
- Employee share-based payment scheme ('000)	11	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	216,329	154,513	213,440	154,510

The outstanding warrants are excluded from the calculation of diluted loss per share due to its anti-dilutive effect as the average market price of ordinary shares during the 3 and 12 months ended 31 March 2019 was lower than the exercise price of the warrants. The potential ordinary shares that would be issued under MTQ Share Plan are also excluded from the calculation of diluted loss per share for the 12 months ended 31 March 2019 due to its anti-dilutive 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	
	31.3.19 (\$)	31.3.18 (\$)	31.3.19 (\$)	31.3.18 (\$)
Net asset value per ordinary share*	0.33	0.41	0.49	0.73

* Based on the net assets after deducting the non-controlling interests, divided by total number of issued shares excluding treasury shares as at the reporting dates.



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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 March 2019 ("4QFY2019") vs 3 months ended 31 March 2018 ("4QFY2018")

The Group reported revenue of S\$41.2 million in 4QFY2019, an increase of 83% year-on-year ("yoy") on the back of an improvement in activities across all segments within the Group. Correspondingly, the Group's gross margins improved from 15% to 22%.

Included in operating expenses were S\$0.3 million of allowances made for slow moving inventories. Excluding this, overall staff and operating expenses declined slightly mainly due to the cost rationalisation measures taken a year ago. The reduction in these costs should taper off as activities pick up.

Overall, the Group recovered from a loss after tax in 4QFY2018 to a profit of S\$0.9 million in 4QFY2019.

12 months ended 31 March 2019 ("12MFY2019") vs 12 months ended 31 March 2018 ("12MFY2018")

The Group reported revenue of S\$130.9 million, 17% higher than a year ago on the back of an improvement in activities across all segments within the Group. Correspondingly, the Group's gross margins improved from 15% to 22%.

Included in operating expenses were S\$0.3 million of allowances made for slow moving inventories. Excluding this, overall staff and operating expenses declined slightly mainly due to the cost rationalisation measures taken a year ago. The reduction in these costs should taper off as activities pick up.

Overall, excluding the goodwill impairment and write-off of deferred tax assets recognised in prior year, the Group's year-to-date loss after tax narrowed from S\$17.8 million a year ago to S\$5.3 million in FY2019.

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.

While the results trend positively and enquiry levels remain healthy, much remains to be done as uncertainties persist in the Group's business environment. The Group will continue to be prudent in its expenditure although reinvestments in certain area will be required in the near-to-mid-term.

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 and the reason(s) for the decision.

No dividend has been declared/recommended for the current financial period reported on to maintain a prudent balance sheet and conserve cash.

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 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.

15 Business Segmental Information

By Operating Segments

	For The Financial Year Ended 31 March 2019				
	Continuing Operations				
	Investment Holding	Oilfield Engineering	Neptune	Others	Eliminations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue & Expenses					
External sales	-	47,506	83,390	-	-
Inter-segment sales	4,252	1,927	62	-	(6,241)
Total sales	4,252	49,433	83,452	-	(6,241)
Interest income	77	-	5	-	-
Depreciation and amortisation	(319)	(4,110)	(2,710)	-	-
Allowance for inventory obsolescence	-	(265)	-	-	-
Allowance for impairment of trade receivables, net	-	(2)	(27)	-	-
Loss on winding-up of a subsidiary	(11)	-	-	-	-
Finance costs	(295)	(714)	(34)	-	-
Share of results of associates and joint venture	114	-	-	-	-
Segment (loss)/profit before tax	(4,251)	2,046	(2,596)	-	-
Tax expenses	(57)	(109)	(304)	-	-
Assets & Liabilities:					
Additions to non-current assets	108	1,241	762	-	-
Segment assets	15,306	63,286	49,844	-	-
Deferred tax assets	-	-	-	-	-
Total assets					
Segment liabilities	(829)	(9,612)	(21,277)	-	-
Provision for taxation	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Bank borrowings and finance lease liabilities	-	-	-	-	-
Total liabilities					



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15 Business Segmental Information

By Operating Segments

	For The Financial Year Ended 31 March 2018					
	Continuing Operations					
	Investment Holding	Oilfield Engineering	Neptune	Others	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	(Restated)					(Restated)
Revenue & Expenses						
External sales	-	41,080	70,786	-	-	111,866
Inter-segment sales	4,640	943	71	-	(5,654)	-
Total sales	4,640	42,023	70,857	-	(5,654)	111,866
Interest income	9	-	35	-	-	44
Depreciation and amortisation	(385)	(4,429)	(3,226)	-	-	(8,040)
Reversal of inventory obsolescence and inventories written-off	-	293	-	-	-	293
Allowance for impairment of trade receivables, net	-	-	(923)	-	-	(923)
Impairment of goodwill	-	-	(5,545)	-	-	(5,545)
Loss on winding-up of a subsidiary	39	-	-	-	-	39
Finance costs	(202)	(579)	(59)	-	-	(840)
Share of results of joint venture	-	(967)	-	-	-	(967)
Segment (loss)/profit before tax	(4,563)	(2,594)	(17,395)	4	-	(24,548)
Tax (expenses)/credit	(14)	834	399	-	-	1,219
Write-off of deferred tax assets	-	-	(6,313)	-	-	(6,313)
Assets & Liabilities						
Additions to non-current assets	31	1,473	1,736	-	-	3,240
Segment assets	10,266	59,978	39,934	-	-	110,178
Deferred tax assets						958
Total assets						111,136
Segment liabilities	(947)	(8,565)	(11,267)	-	-	(20,779)
Provision for taxation						(429)
Deferred tax liabilities						(604)
Bank borrowings and finance lease liabilities						(22,634)
Total liabilities						(44,446)

By Geographical Segments

by Geographical Segments

	For The Financial Year Ended 31 March 2019					
	Singapore S\$'000	Australia S\$'000	Bahrain S\$'000	United Kingdom S\$'000	Others S\$'000	Total S\$'000
External sales	37,252	59,929	18,717	14,998	-	130,896
Non-current assets*	21,121	7,932	18,244	4,569	-	51,866

	For The Financial Year Ended 31 March 2018					
	Singapore S\$'000	Australia S\$'000	Bahrain S\$'000	United Kingdom S\$'000	Others S\$'000	Total S\$'000
External sales	33,174	50,672	13,446	12,744	1,830	111,866
Non-current assets*	16,556	9,177	24,718	3,335	-	53,786

* Excludes deferred tax assets and non-current receivables and prepayments

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to item 8.

17 A breakdown of sales as follows:-

	Group		
	31.3.19	31.3.18	Increase/ (decrease)
	S\$'000	S\$'000	%
First half year		(Restated)	
(a) Revenue	51,135	61,148	-16%
(b) Loss after tax	(5,920)	(8,096)	-27%
Second half year			
(a) Revenue	79,761	50,718	57%
(b) Profit/(loss) after tax	649	(21,546)	n/m

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year (FY2019) S\$'000	Previous Full Year (FY2018) S\$'000
a) Ordinary	-	-
- Interim	-	-
- Final	-	-
b) Preference	-	-
c) Total	-	-



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19 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Kuah Kok Kim	74	Father of Director and Chief Executive Officer, Kuah Boon Wee	Re-designated as Non-executive Chairman since 2012	NIL
Kuah Boon Wee	52	Son of Director and substantial shareholder, Kuah Kok Kim	Appointed as Group Chief Executive Officer since 2010	NIL

20 Use of Net Proceeds from Rights cum Warrants Issue

The board of directors (the "Board") of MTQ Corporation Limited (the "Company") refers to the Company's announcements made on 30 January 2018, 5 March 2018, 14 March 2018, 26 March 2018, 17 April 2018, 18 April 2018, 14 May 2018, 29 June 2018, 26 July 2018, 31 October 2018 and 29 January 2019 as well as the Offer Information Statement dated 23 March 2018 and the status report on the use of Net Proceeds in the Company FY2017/2018 Annual Report.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Offer Information Statement. Any reference to a time of day and date herein shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The Board wishes to update Shareholders that a further S\$0.3 million of the Net Proceeds has been utilised for debt repayment.

Together with the S\$10.2 million utilised as announced on SGXNET on 29 January 2019, the Company has utilised S\$10.5 million of the Net Proceeds as set out below:

S/N	Use of Net Proceeds	Additional Amount Utilised S\$'million	Cumulative Amount Utilised S\$'million
1	Payment for In-Line Shares	-	1.8
2	Debt Repayment	0.3	1.2
3	Working Capital	-	7.5
	Total	0.3	10.5

The above utilisation of the Net Proceeds is consistent with the intended use of Net Proceeds disclosed in the Offer Information Statement.

The Board will make periodic announcements on the utilisation of the remaining S\$1.5 million of the Net Proceeds as and when such proceeds are materially disbursed.

BY ORDER OF THE BOARD

Tan Lee Fang
Company Secretary
13 May 2019