



## MTQ CORPORATION LIMITED

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### FOR IMMEDIATE RELEASE

- Weaker results mainly arising from lower subsea activities at Neptune
- Reduced finance costs following repayment of bank borrowings
- Improved net debt gearing

**Singapore, 25 July 2017** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, maintenance and subsea services group, reported today its results for the three months ended 30 June 2017 (“1QFY2018”).

Financial Highlights	1QFY2018	1QFY2017	Chg
	SGD'000	SGD'000	%
Revenue	30,529	34,644	(12)
Gross Profit	5,526	7,886	(30)
Gross Profit Margin	18.1%	22.8%	
Other Income	577	176	228
Other Operating Expenses	(3,672)	(4,479)	18
Staff Costs	(5,409)	(6,265)	14
Finance Costs	(260)	(349)	26
Share of Results of Joint Venture	(257)	(118)	(118)
Loss before tax from Continuing Operations	(3,495)	(3,149)	(11)
Profit from Discontinued Operation, net of tax	-	529	(100)
Loss attributable to Owners of the Company	(3,002)	(2,184)	(37)

### Financial Review

The Group reported S\$30.5 million revenue for 1QFY2018, a decrease of 12% quarter-on-quarter (“qoq”) due to lower activity in the Neptune segment. Coupled with the continued pricing pressure, gross profit reduced by 30% to S\$5.5 million.

Continuing cost rationalization measures have led to a reduction in operating and staff costs by 15% as compared to 1QFY2017. Finance costs also declined by 26% as the Group repaid S\$17.0 million of borrowings in 1QFY2018. Overall, the Group reported a net loss attributable to shareholders of S\$3.0 million for 1QFY2018.

Cash flows	1QFY2018	1QFY2017
	SGD'000	SGD'000
<b>Net cash from/(used in):</b>		
- Operating activities	(3,031)	5,456
- Investing activities	8,948	(233)
- Financing activities	(17,062)	(399)
<b>Net change in cash &amp; cash equivalents (inclusive of exchange rate effects)</b>	(11,626)	4,374
<b>Cash and cash equivalents at end of financial period</b>	19,782	29,341

The Group had a net cash outflow of S\$3.0 million from operations for the quarter due to the loss recorded and negative working capital changes for the period. Within investing activities, the Group received the final part consideration of S\$9.5 million during the quarter from the disposal of Engine Systems.

Despite a lower cash and cash equivalents balance, the Group's net debt gearing improved from 9.4% to 4.6%.

Balance Sheet	30 June 2017	31 Mar 2017
	SGD'000	SGD'000
<b>Net current assets</b>	46,606	65,293
<b>Net assets</b>	95,917	99,972
<b>Cash and cash equivalents</b>	19,782	31,408
<b>Bank borrowings and finance leases</b>	24,414	41,741
<b>Shareholder's funds</b>	90,167	93,945
<b>Net gearing<sup>1</sup></b>	4.6%	9.4%
<b>Net assets value per share<sup>2</sup></b>	58 cents	61 cents

<sup>1</sup> Net gearing ratio is calculated based on net debt divided by net capitalization. The Group includes within its net debt, bank borrowings and finance lease payable, less cash and cash equivalents. Net capitalization refers to net debt plus total equity.

<sup>2</sup> Net assets value per share is calculated based on the Group's net assets after deducting the non-controlling interest, divided by the total number of issued shares excluding treasury shares as at the end of the financial period.

## **Outlook**

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

*“Our Neptune segment recorded a slow start to the year on the back of reduced activity in Australia, reflecting the generally challenging business environment there. This has effected overall results. Notwithstanding this, most of the other businesses recorded slight improvements with the Middle East’s activity being the most robust.*

*During the quarter we revisited our financing needs and took a strategic view to fully repay all our Australian dollar borrowings to reduce finance costs. Our financial position remains strong.*

*The road to recovery remains a challenging one and we remain focused on broadening our markets in this competitive environment as well as enhancing efficiency and utilization.”*

- 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.

For more information, please log on [www.mtq.com.sg](http://www.mtq.com.sg)

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

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

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

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2017

	Group 3 months ended		Change %
	30.6.17 S\$'000	30.6.16 (Re-presented) S\$'000	
<b>Revenue</b>	30,529	34,644	-12%
Cost of sales (Note A)	(25,003)	(26,758)	7%
<b>Gross profit</b>	5,526	7,886	-30%
Other income (Note B)	577	176	228%
Staff costs	(5,409)	(6,265)	14%
Other operating expenses (Note C)	(3,672)	(4,479)	18%
<b>Loss from operating activities</b>	(2,978)	(2,682)	-11%
Finance costs (Note D)	(260)	(349)	26%
Share of results of joint venture	(257)	(118)	-118%
<b>Loss before taxation from continuing operations</b>	(3,495)	(3,149)	-11%
Taxation credit	274	485	-44%
<b>Loss from continuing operations, net of tax</b>	(3,221)	(2,664)	-21%
<b>Discontinued operations:</b>			
<b>Profit from discontinued operations, net of tax</b>	-	529	-100%
<b>Loss for the period</b>	(3,221)	(2,135)	-51%
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations	(827)	(2,382)	-65%
Net gain on hedge of net investment in foreign operations	-	420	-100%
Net fair value loss on derivatives	(14)	(204)	-93%
<b>Other comprehensive (loss)/income for the financial period, net of tax (Note F)</b>	(841)	(2,166)	-61%
<b>Total comprehensive loss for the financial period</b>	(4,062)	(4,301)	6%
<b>Loss for the financial period attributable to:</b>			
Owners of the Company:			
From continuing operations	(3,002)	(2,713)	-11%
From discontinued operations	-	529	-100%
Total attributable to Owners of the Company	(3,002)	(2,184)	-37%
Non-controlling interests	(219)	49	n/m
	(3,221)	(2,135)	-51%
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company:			
From continuing operations	(3,785)	(4,398)	14%
From discontinued operations	-	325	-100%
Total attributable to Owners of the Company	(3,785)	(4,073)	7%
Non-controlling interests	(277)	(228)	-21%
	(4,062)	(4,301)	6%

On 4 October 2016, the Company disposed a wholly-owned subsidiary, MTQ Engine Systems (Aust) Pty Ltd ("MTQES"). In compliance with FRS105 Non-Current Assets Held for Sale and Discounted Operations, MTQES' results were presented separately in the statement of comprehensive income as "Discounted Operations" from period ended 30 September 2016 onwards. Accordingly, the statement of comprehensive income for the period ended 30 June 2016 has been re-presented as well.

n/m : not meaningful



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

**Note A - Cost of sales includes :-**

	Group		Change
	3 months ended 30.6.17	3 months ended 30.6.16 (Re-presented)	
	S\$'000	S\$'000	%
Operating lease expenses	2,636	984	168%
Depreciation of property, plant and equipment	1,706	1,853	-8%

**Note B - Other income comprises :-**

	Group		Change
	3 months ended 30.6.17	3 months ended 30.6.16 (Re-presented)	
	S\$'000	S\$'000	%
Interest income	25	18	39%
Gain/(loss) on sale of property, plant and equipment, net	65	14	364%
Government grants	226	31	629%
Commission received	14	23	-39%
Gain on disposal of scrap	32	10	220%
Insurance claims	176	-	100%
Others	39	80	-51%
	<u>577</u>	<u>176</u>	228%

**Note C - Other operating expenses includes :-**

	Group		Change
	3 months ended 30.6.17	3 months ended 30.6.16 (Re-presented)	
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	309	346	-11%
Amortisation of intangible assets	9	23	-61%
Fixed assets written off	15	-	100%
(Gain)/loss on exchange, net	(131)	(155)	-15%
Allowance for inventory obsolescence and inventories written off	(209)	-	-100%
Audit, legal, consultancy and professional fees	746	895	-17%
Operating lease expenses	772	980	-21%
Utilities expenses	367	362	1%

**Note D - Finance costs comprise :-**

	Group		Change
	3 months ended 30.6.17	3 months ended 30.6.16 (Re-presented)	
	S\$'000	S\$'000	%
Interest on:			
- bank loans and overdrafts	258	344	-25%
- finance lease payables	2	5	-60%
	<u>260</u>	<u>349</u>	-26%

**Note E - Taxation expense/(credit) :-**

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

	Group		Change
	3 months ended 30.6.17	3 months ended 30.6.16 (Re-presented)	
	S\$'000	S\$'000	%
- current taxation	1	(28)	n/m
- deferred taxation	(170)	18	n/m

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

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



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

1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.17</b> <b>S\$'000</b>	<b>31.3.17</b> <b>S\$'000</b>	<b>30.6.17</b> <b>S\$'000</b>	<b>31.3.17</b> <b>S\$'000</b>
<b>Non-current assets</b>				
Goodwill	10,380	10,451	-	-
Intangible assets	90	102	-	-
Investment properties	-	-	885	897
Property, plant and equipment	52,880	54,694	146	176
Investment in subsidiaries	-	-	58,938	59,189
Other investment	114	114	114	114
Investment in joint venture	852	1,108	-	-
Receivables	2,312	2,440	70,067	53,892
Prepayments	25	7	25	-
Deferred tax assets	7,008	7,089	-	-
	<b>73,661</b>	<b>76,005</b>	<b>130,175</b>	<b>114,268</b>
<b>Current assets</b>				
Inventories	14,648	14,966	-	-
Trade and other receivables	36,322	46,878	11,749	20,328
Prepayments	3,494	2,541	139	94
Cash and cash equivalents	19,782	31,408	1,980	10,987
	<b>74,246</b>	<b>95,793</b>	<b>13,868</b>	<b>31,409</b>
<b>Total assets</b>	<b>147,907</b>	<b>171,798</b>	<b>144,043</b>	<b>145,677</b>
<b>Current liabilities</b>				
Trade and other payables	(24,057)	(26,017)	(993)	(1,383)
Finance lease payable	(327)	(331)	-	-
Bank borrowings	(2,406)	(3,190)	(1,029)	(1,044)
Provisions	(308)	(444)	-	-
Provision for taxation	(542)	(518)	-	-
	<b>(27,640)</b>	<b>(30,500)</b>	<b>(2,022)</b>	<b>(2,427)</b>
<b>Non-current liabilities</b>				
Other payables	(295)	(309)	(7,126)	(7,169)
Finance lease payable	(425)	(498)	-	-
Long term bank borrowings	(21,256)	(37,722)	(11,949)	(12,311)
Deferred tax liabilities	(947)	(1,407)	(54)	(55)
Provisions	(1,427)	(1,390)	(82)	(82)
	<b>(24,350)</b>	<b>(41,326)</b>	<b>(19,211)</b>	<b>(19,617)</b>
<b>Total liabilities</b>	<b>(51,990)</b>	<b>(71,826)</b>	<b>(21,233)</b>	<b>(22,044)</b>
<b>Net assets</b>	<b>95,917</b>	<b>99,972</b>	<b>122,810</b>	<b>123,633</b>
<b>Equity attributable to owners of the Company</b>				
Share capital [1(d)(i)]	36,807	36,807	36,807	36,807
Treasury shares [1(d)(iv)]	(4)	(4)	(4)	(4)
Reserves [1(d)(i)]	53,364	57,142	86,007	86,830
Shareholders' funds	90,167	93,945	122,810	123,633
Non-controlling interests	5,750	6,027	-	-
<b>Total equity</b>	<b>95,917</b>	<b>99,972</b>	<b>122,810</b>	<b>123,633</b>

**Balance Sheet Review**

The change in net asset were mainly due to:

- loss of S\$3.2 million recognised for the period; and
- net translation loss of S\$0.8 million arising from translation of foreign operations.

Cash and cash equivalents reduced as the Group repaid some of its bank borrowings during the quarter, resulting in a decrease in overall bank borrowings from S\$40.9 million to S\$23.7 million.

Reduction in other receivables were mainly due to the receipt of the final part consideration of S\$9.5 million arising from the disposal of Engine Systems last financial year.

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



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

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

	30.6.17		31.3.17	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,356	1,377	2,124	1,397
Amount repayable after one year	7,374	14,307	7,809	30,411
	<u>8,730</u>	<u>15,684</u>	<u>9,933</u>	<u>31,808</u>

The Group's borrowings as at 30 June 2017 decreased from S\$41.7 million to S\$24.4 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the secured bank borrowings are as follows:

S\$8.0 million secured facility

- First all-monies registered legal mortgage over a 50-year leasehold land and property at Bahrain International Investment Park, Hidd, Kingdom of Bahrain;
- First registered fixed and floating charge over a subsidiary;
- Registered charge over the book debts of the Company.

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





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

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2017**

	Group	
	3 months ended 30.6.17 S\$'000	3 months ended 30.6.16 S\$'000
<b>Cash flows from operating activities:</b>		
Loss before taxation from continuing operations	(3,495)	(3,149)
Profit before taxation from discontinued operations	-	683
Adjustments for:		
Depreciation of property, plant and equipment	2,015	2,359
Amortisation of intangible assets	9	23
Gain on sale of property, plant and equipment, net	(65)	(14)
Fixed assets written off	15	-
Allowance for doubtful receivables, net	-	5
Allowance for inventory obsolescence and inventories written off	(209)	44
Share of joint venture results	257	118
Employee equity benefits expense	7	(37)
Provision made	80	81
Interest income	(25)	(24)
Interest expense	260	379
<b>Operating profit/(loss) before changes in working capital</b>	<b>(1,151)</b>	<b>468</b>
Decrease in inventories	527	387
Decrease receivables and prepayments	6	10,853
Decrease in payables	(2,127)	(2,184)
Currency realignment	39	(1,248)
<b>Cash (used in)/generated from operations</b>	<b>(2,706)</b>	<b>8,276</b>
Interest income received	25	24
Interest expense paid	(280)	(381)
Income taxes paid, net	(70)	(2,463)
<b>Net cash (used in)/generated from operating activities</b>	<b>(3,031)</b>	<b>5,456</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(686)	(262)
Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs	9,513	-
Proceeds from sale of property, plant and equipment	81	14
Loans repaid by staff	40	15
<b>Net cash from/(used in) investing activities</b>	<b>8,948</b>	<b>(233)</b>
<b>Cash flows from financing activities:</b>		
Repayment of bank borrowings	(17,049)	(259)
Repayment of finance lease	(13)	(140)
<b>Net cash used in financing activities</b>	<b>(17,062)</b>	<b>(399)</b>
Net change in cash and cash equivalents	(11,145)	4,824
Cash and cash equivalents at beginning of financial period	31,408	24,967
Effect of exchange rate changes on cash and cash equivalents	(481)	(450)
<b>Cash and cash equivalents at end of financial period</b>	<b>19,782</b>	<b>29,341</b>

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 30.6.17 S\$'000	As at 30.6.16 S\$'000
Fixed deposits	1,862	2,424
Cash at bank and in hand	17,920	26,917
	<b>19,782</b>	<b>29,341</b>

Cash Flows Review

The Group had a net cash outflow of S\$3.0 million from operations for the quarter due to the loss recorded and negative working capital changes for the period. Within investing activities, the Group received the final part consideration of S\$9.5 million during the quarter from the disposal of Engine Systems.

During the quarter, the Group took a strategic view and fully repaid some of its bank borrowings to reduce finance costs.



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

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

<u>Group</u>	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			
<b>Balance as at 1 April 2016</b>	36,807	(116)	(4,997)	72,155	-	1,815	105,664	7,710	113,374
<b>Loss for the financial period, net of tax</b>	-	-	-	(2,184)	-	-	(2,184)	49	(2,135)
<b>Other comprehensive income/(loss)</b>									
Exchange difference on translation of subsidiaries	-	-	(2,131)	-	-	-	(2,131)	(251)	(2,382)
Net gain on hedge of net investment in foreign operation	-	-	420	-	-	-	420	-	420
Net fair value of loss on derivatives	-	-	-	-	-	(178)	(178)	(26)	(204)
Other comprehensive income/(loss) for the financial period	-	-	(1,711)	-	-	(178)	(1,889)	(277)	(2,166)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	(1,711)	(2,184)	-	(178)	(4,073)	(228)	(4,301)
<b>Contributions by and distributions to owners</b>									
Employee equity benefits expense	-	-	-	-	-	(36)	(36)	-	(36)
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	(36)	(36)	-	(36)
<b>Balance as at 30 June 2016</b>	<b>36,807</b>	<b>(116)</b>	<b>(6,708)</b>	<b>69,971</b>	<b>-</b>	<b>1,601</b>	<b>101,555</b>	<b>7,482</b>	<b>109,037</b>
<b>Balance as at 1 April 2017</b>	36,807	(4)	(1,417)	57,022	-	1,537	93,945	6,027	99,972
<b>Loss for the financial period, net of tax</b>	-	-	-	(3,002)	-	-	(3,002)	(219)	(3,221)
<b>Other comprehensive income/(loss)</b>									
Exchange difference on translation of subsidiaries	-	-	(771)	-	-	-	(771)	(56)	(827)
Net fair value of loss on derivatives	-	-	-	-	-	(12)	(12)	(2)	(14)
Other comprehensive loss for the financial period	-	-	(771)	-	-	(12)	(783)	(58)	(841)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	(771)	(3,002)	-	(12)	(3,785)	(277)	(4,062)
<b>Contributions by and distributions to owners</b>									
Employee equity benefits expense	-	-	-	-	-	7	7	-	7
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	7	7	-	7
<b>Balance as at 30 June 2017</b>	<b>36,807</b>	<b>(4)</b>	<b>(2,188)</b>	<b>54,020</b>	<b>-</b>	<b>1,532</b>	<b>90,167</b>	<b>5,750</b>	<b>95,917</b>



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

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

**Company**

	<b>Share Capital</b>	<b>Treasury</b>	<b>Retained</b>	<b>Other</b>	<b>Shareholders'</b>
	<b>S\$'000</b>	<b>Shares</b>	<b>Earnings</b>	<b>Reserve</b>	<b>Funds</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 April 2016</b>	36,807	(116)	57,685	2,749	97,125
<b>Profit for the financial period, net of tax, representing total comprehensive income for the financial period</b>	-	-	7,035	-	7,035
Employee equity benefits expense	-	-	-	(84)	(84)
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	(84)	(84)
<b>Balance as at 30 June 2016</b>	<b>36,807</b>	<b>(116)</b>	<b>64,720</b>	<b>2,665</b>	<b>104,076</b>
<b>Balance as at 1 April 2017</b>	36,807	(4)	84,288	2,542	123,633
<b>Loss for the financial period, net of tax, representing total comprehensive income for the financial period</b>	-	-	(830)	-	(830)
Share buy-back	-	-	-	-	-
Settlement of share-based payment arrangements	-	-	-	-	-
Employee equity benefits expense	-	-	-	7	7
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	7	7
<b>Balance as at 30 June 2017</b>	<b>36,807</b>	<b>(4)</b>	<b>83,458</b>	<b>2,549</b>	<b>122,810</b>



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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.

	<b>30.6.17</b>	<b>31.3.17</b>
	(\$'000)	(\$'000)
Share Capital	36,807	36,807
	<b>30.6.17</b>	<b>30.6.16</b>
	('000)	('000)
Total number of issued shares	154,521	154,521
Total number of treasury shares	7	148
Total number of issued shares excluding treasury shares	154,514	154,373

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

**MTQ Share Plan**

As at 30 June 2017, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 106,538 shares (30 June 2016: 388,979). The movements in the number of shares comprised in Awards granted under the MTQ Share Plan for the quarter are as follows:

**Shares comprised in Awards granted:**

Date of Grant	Outstanding as at 1/4/2017	Granted	Number of shares		Outstanding as at 30/6/2017
			Released	Forfeited	
26/8/2015	110,769	-	-	(4,231)	106,538
	110,769	-	-	(4,231)	106,538

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.

	<b>30.6.17</b>	<b>31.3.17</b>
	('000)	('000)
Total number of issued shares	154,521	154,521
Total number of treasury shares	7	7
Total number of issued shares excluding treasury shares	154,514	154,514

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no movement in treasury shares in the quarter ended 30 June 2017. There were 6,511 treasury shares as at 30 June 2017 and 31 March 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Nil.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements. The Group has also applied FRS and INT FRS that became effective in the financial year beginning on or after 1 April 2017. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.



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

	Group					
	Continuing operations		Discontinued operations		Total	
	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended
<b>Earnings per ordinary share:-</b>	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>
	(cents)	(cents)	(cents)	(cents)	(cents)	(cents)
Basic and diluted (Note A)	(1.94)	(1.77)	-	0.34	(1.94)	(1.43)

Note A.

	Group					
	Continuing operations		Discontinued operations		Total	
	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended
	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(Loss)/profit attributable to owners of the Company	(3,002)	(2,713)	-	529	(3,002)	(2,184)

	Number of shares	
	3 months ended	3 months ended
		<b>30.6.17</b>
	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	154,514	154,373
Effects of dilution:		

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

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30.6.17 (\$)	31.3.17 (\$)	30.6.17 (\$)	31.3.17 (\$)
Net asset value per ordinary share*	0.58	0.61	0.79	0.80

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



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**8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

3 months ended 30 June 2017 ("1QFY2018") vs 3 months ended 30 June 2016 ("1QFY2017")

The Group reported S\$30.5 million revenue for 1QFY2018, a decrease of 12% quarter-on-quarter ("qoq") due to lower activity in the Neptune segment. Coupled with the continued pricing pressure, gross profit reduced by 30% to S\$5.5 million.

Continuing cost rationalization measures have led to a reduction in operating and staff costs by 15% as compared to 1QFY2017. Finance costs also declined by 26% as the Group repaid S\$17.0 million of borrowings in 1QFY2017.

Overall, the Group reported a net loss attributable to shareholders of S\$3.0 million for 1QFY2018.

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

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

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The road to recovery remains a challenging one and the Group remains focused on broadening its markets in this competitive environment as well as enhancing efficiency and utilization.

**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 for the financial period ended 30 June 2017.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

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

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial results of the Company and of the Group for the quarter ended 30 June 2017 to be false or misleading, in any material aspect.

**15 Confirmation of Undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual**

Pursuant to Listing Rule 720(1), the Company has received undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 of the SGX-ST Listing Manual.

**BY ORDER OF THE BOARD**

Dominic Siu Man Kit  
Company Secretary  
25 July 2017