



ASX RELEASE

31 October 2016

## MTQ CORPORATION - RELEASE OF FIRST HALF FY2017 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 2016 release its financial results for the first-half ending 30 September 2016.

However, the Company wishes to inform the market that its unaudited first-half FY2017 results have been incorporated into the unaudited results of its parent company (MTQ Corporation) for this period and MTQ Corporation's results have been released to the Singapore stock exchange. A copy of these results is attached.

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### **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.

### **Further information:**

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**Chief Executive Officer**  
Neptune Marine Services Ltd  
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## MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

### 2QFY17 losses due to prevalent weakness in activity

- Depressed activity levels in the oilfield and subsea sectors continue
- Improved Bahrain performance despite pricing pressures
- Proposed disposal of Engine Systems division, strengthening balance sheet

**Singapore, 28 October 2016** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, maintenance and subsea services group, reported today its results for the three months and six months ended 30 September 2016 (“2QFY2017” and “1HFY2017” respectively).

Financial Highlights	2QFY2017	2QFY2016	Chg	1HFY2017	1HFY2016	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
<b>Revenue</b>	24,819	46,244	(46)	59,463	95,509	(38)
<b>Gross Profit</b>	4,222	11,104	(62)	12,108	22,991	(47)
<b>Gross Profit Margin</b>	17.0%	24.0%		20.4%	24.1%	
<b>Other Income</b>	368	2,029	(82)	544	2,440	(78)
<b>Other Operating Expenses</b>	(4,688)	(6,817)	31	(9,167)	(12,703)	28
<b>Staff Costs</b>	(5,863)	(7,178)	18	(12,128)	(15,372)	21
<b>Finance Costs</b>	(335)	(479)	30	(684)	(978)	30
<b>Share of Results of Joint Venture</b>	279	(29)	n/m	161	(329)	n/m
<b>Loss From Continuing Operations, net of tax</b>	(5,523)	(586)	(842)	(8,187)	(3,203)	(156)
<b>Loss attributable to Owners of the Company</b>	(4,325)	(501)	(763)	(6,509)	(2,832)	(130)

## **Financial Review**

The Group reported S\$24.8 million revenue for 2QFY2017, a decrease of 46% year-on-year (“yoy”) due to low activity levels in the oilfield and subsea divisions as well as some projects deferrals in the subsea division. Activity levels in Bahrain remained healthy with a slight improvement in gross profit margin despite pricing pressures. Overall, the Group’s gross profit margin for 2QFY2017 was lower as a result of an overall decrease in revenue and pricing pressures.

Costs continue to taper off, but at a slower pace compared to the decline in revenue.

The results from our Binder Indonesian joint venture improved on the back of increased orders from pipe support contracts won last year as well as some urgent jobs contracted in 2QFY2017.

The Group recorded a net loss from continuing operations of S\$5.5 million for the quarter. Comparative results were affected by insurance claims recorded in 2QFY2016.

<b>Cash flows</b>	<b>2QFY2017</b>	<b>2QFY2016</b>	<b>1HFY2017</b>	<b>1HFY2016</b>
	<b>SGD’000</b>	<b>SGD’000</b>	<b>SGD’000</b>	<b>SGD’000</b>
<b>Net cash from/(used in):</b>				
- <b>Operating activities</b>	880	1,747	6,336	5,147
- <b>Investing activities</b>	(332)	(1,703)	(565)	(6,302)
- <b>Financing activities</b>	(1,017)	(4,184)	(1,416)	(5,575)
<b>Net change in cash &amp; cash equivalents (inclusive of exchange rate effects)</b>	311	(2,323)	4,685	(5,298)
<b>Cash and cash equivalents at end of financial period</b>	29,652	38,837	29,652	38,837

The Group had a net cash outflow of S\$2.2 million from operations before working capital for the period due to the losses recorded. Working capital changes, however, resulted in positive overall operating cash flows for the quarter. Investing cash flows remained minimal during the period. Financing wise, there was a dividend paid by Neptune group during the period resulting in a cash outflow of S\$658k to non-controlling interests.

The Group’s cash of S\$29.7 million is an increase of S\$4.7 million from S\$25.0 million as at 31 March 2016. Net gearing remains conservative and relatively unchanged through this period.

Balance Sheet	30 Sept 2016	31 Mar 2016
	SGD'000	SGD'000
Net current assets	68,655	66,444
Net assets	105,270	113,374
Bank borrowings and finance leases	43,974	44,087
Shareholder's funds	98,672	105,664
Net gearing <sup>1</sup>	15.2%	14.4%
Net assets value per share <sup>2</sup>	64 cents	68 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 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.

As announced on 27 October 2016, the Group is expecting an improvement to net tangible assets and a significant reduction in net debt gearing from the Proposed Disposal, thus further strengthening the balance sheet and providing more financial flexibility to the Group in the current environment.

## **Results & outlook**

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

*“We continued to see weak subsea demand in all operating areas except in the Middle East where activity remains robust.*

*We will look to focus on growing our business in the Middle East. Overall recovery will require an improvement in activity levels, especially in the South East Asia/Australia region, where sentiment remains muted.*

*While we remain attentive to cash conservation and labour utilization, the disposal of the Engine Systems business will help to further improve the balance sheet, weather the current down-turn and capitalise on new opportunities.”*

- End -

**About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)**

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorised working partner for some of the world’s largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in addition to repair and manufacture of oilfield equipments, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. Neptune Marine Services Limited is located in Perth, Western Australia, and has operational presence in the UK and Asia. Neptune provides engineering services to offshore oil and gas, marine and renewable energy industries with a focus on subsea and topside services. In 2014, MTQ expanded into the design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil & gas sector through Binder Group Pty Ltd, which has production facilities in Perth and Indonesia.

For more information, please log on [www.mtq.com.sg](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 September 2016**

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 2016

	Group 3 months ended			Group 6 months ended		
	30.9.16	30.9.15	Change	30.9.16	30.9.15	Change
	S\$'000	(Re-presented) S\$'000	%	S\$'000	(Re-presented) S\$'000	%
<b>Revenue</b>	24,819	46,244	-46%	59,463	95,509	-38%
Cost of sales (Note A)	(20,597)	(35,140)	41%	(47,355)	(72,518)	35%
<b>Gross profit</b>	4,222	11,104	-62%	12,108	22,991	-47%
Other income (Note B)	368	2,029	-82%	544	2,440	-78%
Staff costs	(5,863)	(7,178)	18%	(12,128)	(15,372)	21%
Other operating expenses (Note C)	(4,688)	(6,817)	31%	(9,167)	(12,703)	28%
<b>Loss from operating activities</b>	(5,961)	(862)	-592%	(8,643)	(2,644)	-227%
Finance costs (Note D)	(335)	(479)	30%	(684)	(978)	30%
Share of results of joint venture	279	(29)	n/m	161	(329)	n/m
<b>Loss before taxation from continuing operations</b>	(6,017)	(1,370)	-339%	(9,166)	(3,951)	-132%
Taxation credit (Note E)	494	784	-37%	979	748	31%
<b>Loss from continuing operations, net of tax</b>	(5,523)	(586)	-842%	(8,187)	(3,203)	-156%
<b>Discontinued operation:</b>						
<b>Profit from discontinued operation, net of tax</b>	817	352	132%	1,346	625	115%
<b>Loss for the period</b>	(4,706)	(234)	-1911%	(6,841)	(2,578)	-165%
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of foreign operations	2,227	879	-153%	(155)	(746)	79%
Net (loss)/gain on hedge of net investment in foreign operations	(540)	1,020	n/m	(120)	1,440	n/m
Net fair value loss on derivatives	(64)	(16)	-300%	(268)	(51)	-425%
<b>Other comprehensive income/(loss) for the financial period, net of tax (Note F)</b>	1,623	1,883	14%	(543)	643	n/m
<b>Total comprehensive income/(loss) for the financial period</b>	(3,083)	1,649	n/m	(7,384)	(1,935)	-282%
<b>Loss for the financial period attributable to:</b>						
Owners of the Company:						
Loss from continuing operations	(5,142)	(853)	-503%	(7,855)	(3,457)	-127%
Profit from discontinued operation	817	352	132%	1,346	625	115%
Loss for the period attributable to Owners of the Company	(4,325)	(501)	-763%	(6,509)	(2,832)	-130%
(Loss)/profit for the period attributable to Non-controlling interests	(381)	267	n/m	(332)	254	n/m
	(4,706)	(234)	-1911%	(6,841)	(2,578)	-165%
<b>Total comprehensive loss attributable to:</b>						
Owners of the Company:						
(Loss)/profit from continuing operations	(4,020)	1,287	n/m	(8,418)	(2,389)	-252%
Profit from discontinued operation	1,163	94	1137%	1,488	259	475%
(Loss)/profit for the period attributable to Owners of the Company	(2,857)	1,381	n/m	(6,930)	(2,130)	-225%
(Loss)/profit for the period attributable to Non-controlling interests	(226)	268	n/m	(454)	195	n/m
	(3,083)	1,649	n/m	(7,384)	(1,935)	-282%

n/m : not meaningful



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2016**

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

	Group			Group		
	3 months ended 30.9.16	3 months ended 30.9.15 (Re-presented)	Change	6 months ended 30.9.16	6 months ended 30.9.15 (Re-presented)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating lease expenses	1,190	4,349	-73%	2,174	7,342	-70%
Depreciation of property, plant and equipment	1,863	2,699	-31%	3,716	5,414	-31%

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

	Group			Group		
	3 months ended 30.9.16	3 months ended 30.9.15 (Re-presented)	Change	6 months ended 30.9.16	6 months ended 30.9.15 (Re-presented)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	40	38	5%	58	74	-22%
Gain/(loss) on sale of property, plant and equipment, net	15	-	-100%	29	32	-9%
Government grants	21	49	-57%	52	160	-68%
Commission received	-	134	100%	23	283	-92%
Gain on disposal of scrap	21	9	133%	31	23	35%
Insurance claims	32	1,766	-98%	32	1,766	-98%
Others	239	33	624%	319	102	213%
	368	2,029	-82%	544	2,440	-78%

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

	Group			Group		
	3 months ended 30.9.16	3 months ended 30.9.15 (Re-presented)	Change	6 months ended 30.9.16	6 months ended 30.9.15 (Re-presented)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	338	512	-34%	684	897	-24%
Amortisation of intangible assets	10	45	-78%	33	91	-64%
Fixed assets written off	187	1,341	-86%	187	1,382	-86%
(Gain)/loss on exchange, net	(51)	(152)	-66%	(206)	122	n/m
Allowance for doubtful receivables, net	40	244	-84%	40	334	-88%
Bad debts written off/(back), net	-	(46)	-100%	-	(46)	-100%
Audit, legal, consultancy and professional fees	731	883	-17%	1,626	1,713	-5%
Operating lease expenses	951	1,056	-10%	1,931	2,196	-12%
Utilities expenses	340	440	-23%	702	984	-29%

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

	Group			Group		
	3 months ended 30.9.16	3 months ended 30.9.15 (Re-presented)	Change	6 months ended 30.9.16	6 months ended 30.9.15 (Re-presented)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on:						
- bank loans and overdrafts	333	474	-30%	677	966	-30%
- finance lease payables	2	5	-60%	7	12	-42%
	335	479	-30%	684	978	-30%

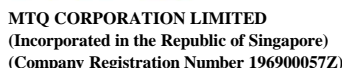
**Note E - Taxation expense/(credit) :-**

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

	Group			Group		
	3 months ended 30.9.16	3 months ended 30.9.15 (Re-presented)	Change	6 months ended 30.9.16	6 months ended 30.9.15 (Re-presented)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
- current taxation	(2)	(202)	-99%	(30)	(205)	-85%
- deferred taxation	-	-	-	18	78	-77%
	(2)	(202)	-99%	(12)	(127)	-91%

**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.



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.

Group		Company	
30.9.16 S\$'000	31.3.16 S\$'000	30.9.16 S\$'000	31.3.16 S\$'000
10,281	15,488	-	-
116	148	-	-
-	-	920	944
57,144	63,440	233	305
-	-	63,969	63,969
1,123	962	-	-
2,725	2,175	49,986	54,016
10	18	3	11
8,106	8,976	-	-
79,505	91,207	115,111	119,245
16,496	25,735	-	-
27,090	52,883	8,076	3,701
3,178	3,300	175	37
25,178	24,967	2,326	823
71,942	106,885	10,577	4,561
27,763	-	-	-
179,210	198,092	125,688	123,806
(19,568)	(31,883)	(1,780)	(1,745)
(222)	(343)	-	-
(3,112)	(3,079)	(1,020)	(1,008)
(78)	(1,523)	-	-
(1,003)	(3,613)	(391)	(391)
(23,983)	(40,441)	(3,191)	(3,144)
(328)	(392)	(3,823)	(10,354)
(376)	(171)	-	-
(40,264)	(40,494)	(12,654)	(13,068)
(890)	(1,483)	(57)	(35)
(1,032)	(1,737)	(80)	(80)
(42,890)	(44,277)	(16,614)	(23,537)
(7,067)	-	-	-
(73,940)	(84,718)	(19,805)	(26,681)
105,270	113,374	105,883	97,125
36,807	36,807	36,807	36,807
(4)	(116)	(4)	(116)
61,869	68,973	69,080	60,434
98,672	105,664	105,883	97,125
6,598	7,710	-	-
105,270	113,374	105,883	97,125

- loss of S\$6.8 million recognised for the financial period; and
- net translation loss of S\$0.3 million arising from translation of foreign operations.

Apart from the classification of MTQES as held-for-sale (refer to paragraph 5), changes in working capital items were mainly due to timing differences and the lower revenue for the six month ended 30 September 2016.

Overall bank borrowings decreased from S\$43.6 million to S\$43.4 million resulting mainly from repayment of the loans.





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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2016**

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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 period.

	30.9.16		31.3.16	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,969	1,365	2,073	1,349
Amount repayable after one year	10,780	29,860	10,968	29,697
	<u>12,749</u>	<u>31,225</u>	<u>13,041</u>	<u>31,046</u>

The Group's borrowings as at 30 September 2016 decreased to S\$44.0 million from S\$44.1 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the secured bank borrowings are as follows:

Facility 1: S\$8.8 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

Facility 2: S\$2.7 million

- Fixed and floating charge over all the assets of a subsidiary; and

Facility 3: S\$0.7 million

- Fixed and floating charge over the assets of a subsidiary; and

There were no debt securities as at 30 September 2016 and 31 March 2016.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2016**

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 2016**

	Group		Group	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.9.16	30.9.15	30.9.16	30.9.15
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Loss before taxation from continuing operations	(6,017)	(1,370)	(9,166)	(3,951)
Profit before taxation from discontinued operation	1,115	474	1,798	806
Adjustments for:				
Depreciation of property, plant and equipment	2,345	3,411	4,704	6,710
Amortisation of intangible assets	10	45	33	91
(Gain)/loss on sale of property, plant and equipment, net	(23)	-	(37)	(44)
Fixed assets written off	187	1,341	187	1,382
Allowance for doubtful receivables, net	38	248	43	343
Bad debts written back, net	-	(46)	-	(46)
Allowance for inventory obsolescence and inventories written off	35	34	79	80
Share of joint venture results	(279)	29	(161)	329
Employee equity benefits expense	25	(128)	(12)	43
Provision made during the period	48	72	129	148
Interest income	(45)	(44)	(69)	(85)
Interest expense	365	509	744	1,040
<b>Operating profit/(loss) before changes in working capital</b>	<b>(2,196)</b>	<b>4,575</b>	<b>(1,728)</b>	<b>6,846</b>
Decrease/(Increase) in inventories	(582)	(2,523)	(195)	(2,380)
Decrease/(Increase) in receivables and prepayments	10,019	1,939	20,872	7,429
Increase/(Decrease) in payables	(6,205)	(434)	(8,389)	(4,129)
Currency realignment	653	(307)	(595)	(606)
<b>Cash generated from operations</b>	<b>1,689</b>	<b>3,250</b>	<b>9,965</b>	<b>7,160</b>
Interest income received	45	44	69	85
Interest expense paid	(336)	(510)	(717)	(1,048)
Income taxes paid, net	(518)	(1,037)	(2,981)	(1,050)
<b>Net cash generated from operating activities</b>	<b>880</b>	<b>1,747</b>	<b>6,336</b>	<b>5,147</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(379)	(1,721)	(641)	(5,679)
Proceeds from sale of property, plant and equipment	33	2	47	58
Loans to joint venture	-	-	-	(712)
Loans repaid by staff	14	16	29	31
<b>Net cash used in investing activities</b>	<b>(332)</b>	<b>(1,703)</b>	<b>(565)</b>	<b>(6,302)</b>
<b>Cash flows from financing activities:</b>				
Dividend paid	-	(3,082)	-	(3,082)
Dividend paid by a subsidiary to non-controlling interests	(658)	-	(658)	-
Proceeds from bank borrowings	-	-	-	3
Share buy-back	(56)	-	(56)	(312)
Repayment of bank borrowings	(256)	(991)	(515)	(1,939)
Repayment of finance lease	(47)	(111)	(187)	(245)
<b>Net cash used in financing activities</b>	<b>(1,017)</b>	<b>(4,184)</b>	<b>(1,416)</b>	<b>(5,575)</b>
Net change in cash and cash equivalents	(469)	(4,140)	4,355	(6,730)
Cash and cash equivalents at beginning of financial period	29,341	41,160	24,967	44,135
Effect of exchange rate changes on cash and cash equivalents	780	1,817	330	1,432
<b>Cash and cash equivalents at end of financial period</b>	<b>29,652</b>	<b>38,837</b>	<b>29,652</b>	<b>38,837</b>

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 30.9.16	As at 30.9.15
	S\$'000	S\$'000
Continuing operations:		
Fixed deposits	1,060	7,414
Cash at bank and in hand	24,118	29,977
	25,178	37,391
Within assets classified as held for sale:		
Fixed deposits	301	289
Cash at bank and in hand	4,173	1,157
	4,474	1,446
	29,652	38,837

Cash Flows Review

The Group had a net cash outflow of S\$2.2 million from operations before working capital for the period due to the loss recorded. Working capital changes, however, resulted in a positive overall operating cash flows for the quarter. Investing cash flows remained minimal during the period. Financing wise, there was a dividend paid by Neptune group during the period resulting in a cash outflow of S\$658k to non-controlling interests. Overall, taking into account the effect of exchange rate changes, the Group's cash as at 30 September 2016 was S\$29.7 million, increase of S\$4.7 million from S\$25.0 million as at 31 March 2016.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2016**

**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 PERIOD ENDED 30 SEPTEMBER 2016**

<b>Group</b>	<b>Attributable to owners of the Company</b>						<b>Shareholders' Funds</b>	<b>Non-Controlling Interest</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Foreign Currency Translation Reserve</b>	<b>Retained Earnings</b>	<b>Fair Value Adjustment Reserve</b>	<b>Other Reserves</b>			
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 April 2015</b>	36,807	-	(3,047)	93,704	-	1,496	128,960	9,390	138,350
<b>Loss for the financial period, net of tax</b>	-	-	-	(2,832)	-	-	(2,832)	254	(2,578)
<b>Other comprehensive income/(loss)</b>									
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)
<b>Other comprehensive income/(loss) for the financial period</b>	-	-	746	-	-	(44)	702	(59)	643
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	746	(2,832)	-	(44)	(2,130)	195	(1,935)
<b>Contributions by and distributions to owners</b>									
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)
<b>Total contributions by and distribution to owners</b>	-	(116)	-	(3,082)	-	(147)	(3,345)	-	(3,345)
<b>Balance as at 30 September 2015</b>	36,807	(116)	(2,301)	87,790	-	1,305	123,485	9,585	133,070
<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>	-	-	-	(6,509)	-	-	(6,509)	(332)	(6,841)
<b>Other comprehensive income/(loss)</b>									
Exchange difference on translation of subsidiaries	-	-	(68)	-	-	-	(68)	(87)	(155)
Net loss on hedge of net investment in foreign operation	-	-	(120)	-	-	-	(120)	-	(120)
Net fair value of loss on derivatives	-	-	-	-	-	(233)	(233)	(35)	(268)
<b>Other comprehensive loss for the financial period</b>	-	-	(188)	-	-	(233)	(421)	(122)	(543)
<b>Total comprehensive loss for the financial period</b>	-	-	(188)	(6,509)	-	(233)	(6,930)	(454)	(7,384)
<b>Contributions by and distributions to owners</b>									
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	(658)	(658)
Settlement of share-based payment arrangements	-	168	-	-	-	(168)	-	-	-
Employee equity benefits expense	-	-	-	-	-	(6)	(6)	-	(6)
Share buy-back	-	(56)	-	-	-	-	(56)	-	(56)
<b>Total contributions by and distribution to owners</b>	-	112	-	-	-	(174)	(62)	(658)	(720)
<b>Balance as at 30 September 2016</b>	36,807	(4)	(5,185)	65,646	-	1,408	98,672	6,598	105,270



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2016**

**STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

<u>Company</u>	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Other Reserve S\$'000	Shareholders' Funds S\$'000
<b>Balance as at 1 April 2015</b>	36,807	-	79,419	2,697	118,923
<b>Profit for the financial period, net of tax, representing total comprehensive income for the financial period</b>	-	-	318	-	318
Dividend paid in respect of previous financial period, tax exempt (one-tier)	-	-	(3,082)	-	(3,082)
Employee equity benefits expense	-	-	-	49	49
Share buy-back	-	(312)	-	-	(312)
Settlement of share-based payment	-	196	-	(196)	-
<b>Total transactions with owners in their capacity as owners</b>	-	(116)	(3,082)	(147)	(3,345)
<b>Balance as at 30 September 2015</b>	36,807	(116)	76,655	2,550	115,896
<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>	-	-	8,868	-	8,868
Share buy-back	-	(56)	-	-	(56)
Settlement of share-based payment arrangements	-	168	-	(168)	-
Employee equity benefits expense	-	-	-	(54)	(54)
<b>Total transactions with owners in their capacity as owners</b>	-	112	-	(222)	(110)
<b>Balance as at 30 September 2016</b>	36,807	(4)	66,553	2,527	105,883



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	30.9.16 (S\$'000)	30.6.16 (S\$'000)
Share Capital	36,807	36,807
	30.9.16 ('000)	30.9.15 ('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

### MTQ Share Plan

As at 30 September 2016, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 117,139 shares (30 September 2015: 406,519). The movements in the number of shares comprised in Awards granted under the MTQ Share Plan for the quarter are as follows:

#### Shares comprised in Awards granted:

Date of Grant	Outstanding as at 1/7/2016	Granted	Number of shares Released	Forfeited	Outstanding as at 30/9/2016
29/8/2014	155,043	-	(155,043)	-	-
26/8/2015	233,936	-	(116,797)	-	117,139
	388,979	-	(271,840)	-	117,139

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.

	30.9.16 ('000)	31.3.16 ('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

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

In August 2016, the Company purchased 130,000 shares. Subsequently in September 2016, the Company transferred 271,840 of its treasury shares pursuant to the settlement of MTQ Share Plan, resulting in 6,511 treasury shares as at 30 September 2016 (30 June 2016: 148,351).

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.

Apart from the classification and presentation in accordance with FRS 105 as described below, the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements. The Group has also applied FRS and INT FRS that became effective in the financial year beginning on or after 1 April 2016. 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.

Discontinued operations and disposal group classified as held for sale:

On 4 October 2016, the Company announced that it has entered into an agreement to dispose MTQ Engine Systems (Aust) Pty Ltd ("MTQES"), a wholly-owned subsidiary subject to certain conditions precedent. In compliance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, the assets and liabilities of MTQES are classified as a disposal group held for sale on the consolidated balance sheet and its results are presented separately in the statement of comprehensive income as "Discontinued Operations". The change of classification and presentation has no effect to the profit or loss after tax and net asset value of the Group.



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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.**

	Continuing operations		Group Discontinued operations		Total	
	3 months ended 30.9.16 (cents)	3 months ended 30.9.15 (cents)	3 months ended 30.9.16 (cents)	3 months ended 30.9.15 (cents)	3 months ended 30.9.16 (cents)	3 months ended 30.9.15 (cents)
<b>Earnings per ordinary share:-</b>						
Basic (Note A)	(3.33)	(0.55)	0.53	0.23	(2.80)	(0.32)
Diluted (Note A)	(3.33)	(0.55)	0.53	0.23	(2.80)	(0.32)
	6 months ended 30.9.16 (cents)	6 months ended 30.9.15 (cents)	6 months ended 30.9.16 (cents)	6 months ended 30.9.15 (cents)	6 months ended 30.9.16 (cents)	6 months ended 30.9.15 (cents)
Basic (Note A)	(5.09)	(2.24)	0.87	0.41	(4.22)	(1.83)
Diluted (Note A)	(5.09)	(2.24)	0.87	0.41	(4.22)	(1.83)

**Note A**

	Continuing operations		Group Discontinued operations		Total	
	3 months ended 30.9.16 \$'000	3 months ended 30.9.15 \$'000	3 months ended 30.9.16 \$'000	3 months ended 30.9.15 \$'000	3 months ended 30.9.16 \$'000	3 months ended 30.9.15 \$'000
(Loss)/profit attributable to owners of the Company	(5,142)	(853)	817	352	(4,325)	(501)
	6 months ended 30.9.16 \$'000	6 months ended 30.9.15 \$'000	6 months ended 30.9.16 \$'000	6 months ended 30.9.15 \$'000	6 months ended 30.9.16 \$'000	6 months ended 30.9.15 \$'000
(Loss)/profit attributable to owners of the Company	(7,855)	(3,457)	1,346	625	(6,509)	(2,832)

	Number of shares		Number of shares	
	3 months ended 30.9.16 '000	3 months ended 30.9.15 '000	3 months ended 30.9.16 '000	3 months ended 30.9.15 '000
Weighted average number of ordinary shares for basic earnings per share computation	154,378	154,203	154,376	154,267
Effects of dilution:				
- Employee share-based payment scheme	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	154,378	154,203	154,376	154,267

**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	
	30.9.16 (\$)	31.3.16 (\$)	30.9.16 (\$)	31.3.16 (\$)
Net asset value per ordinary share*	0.64	0.68	0.69	0.63

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



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

3 months ended 30 September 2016 ("2QFY2017") vs 3 months ended 30 September 2015 ("2QFY2016")

The Group reported S\$24.8 million revenue for 2QFY2017, a decrease of 46% year-on-year ("yoy") due to low activity levels in oilfield and subsea divisions as well as some projects deferrals in subsea divisions. Activity levels in Bahrain remained healthy with a slight improvement in gross profit margin despite pricing pressures. Overall Group's gross profit margin for 2QFY2017 was lower as a result of an overall decrease in revenue and pricing pressures.

Costs continue to taper off but at a slower pace compared to the decline in revenue.

The results from our Binder Indonesian joint venture improved on the back of increased orders from Binder pipe support contracts won last year as well as some urgent jobs contracted in 2QFY2017.

The Group recorded a net loss from continuing operations of S\$5.5 million for the quarter. Comparative results were affected by insurance claims recorded in 2QFY2016.

6 months ended 30 September 2016 ("6MFY2017") vs 6 months ended 30 September 2015 ("6MFY2016")

The Group reported S\$59.5 million revenue for 6MFY2017, a decrease of 38% year-on-year ("yoy") due to low activity levels in oilfield and subsea divisions as well as some projects deferrals in subsea divisions. Activity levels in Bahrain remained healthy with a slight improvement in gross profit margin despite pricing pressures. Overall Group's gross profit margin for 6MFY2017 was low as a result of an overall decrease in revenue and pricing pressures.

Costs continue to taper off but at a slower pace compared to the decline in revenue.

The results from our Binder Indonesian joint venture improved on the back of increased orders from Binder pipe support contracts won last year as well as some urgent jobs contracted in 6MFY2017.

The Group recorded a net loss from continuing operations of S\$8.2 million for the quarter. Comparative results were affected by insurance claims recorded in 6MFY2016.

- 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 Group continued to see weak subsea demand in all operating areas except in the Middle East where activity remains robust. While the Group remain attentive to cash conservation and labour utilisation, the disposal of MTQES will help to further improve the balance sheet, weather the current down-turn and capitalise on new opportunities.

- 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 September 2016.

- 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 2016 to be false or misleading, in any material aspect.

- 15 Confirmation of Undertakings from Directors and Executive Officer 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  
28 October 2016