

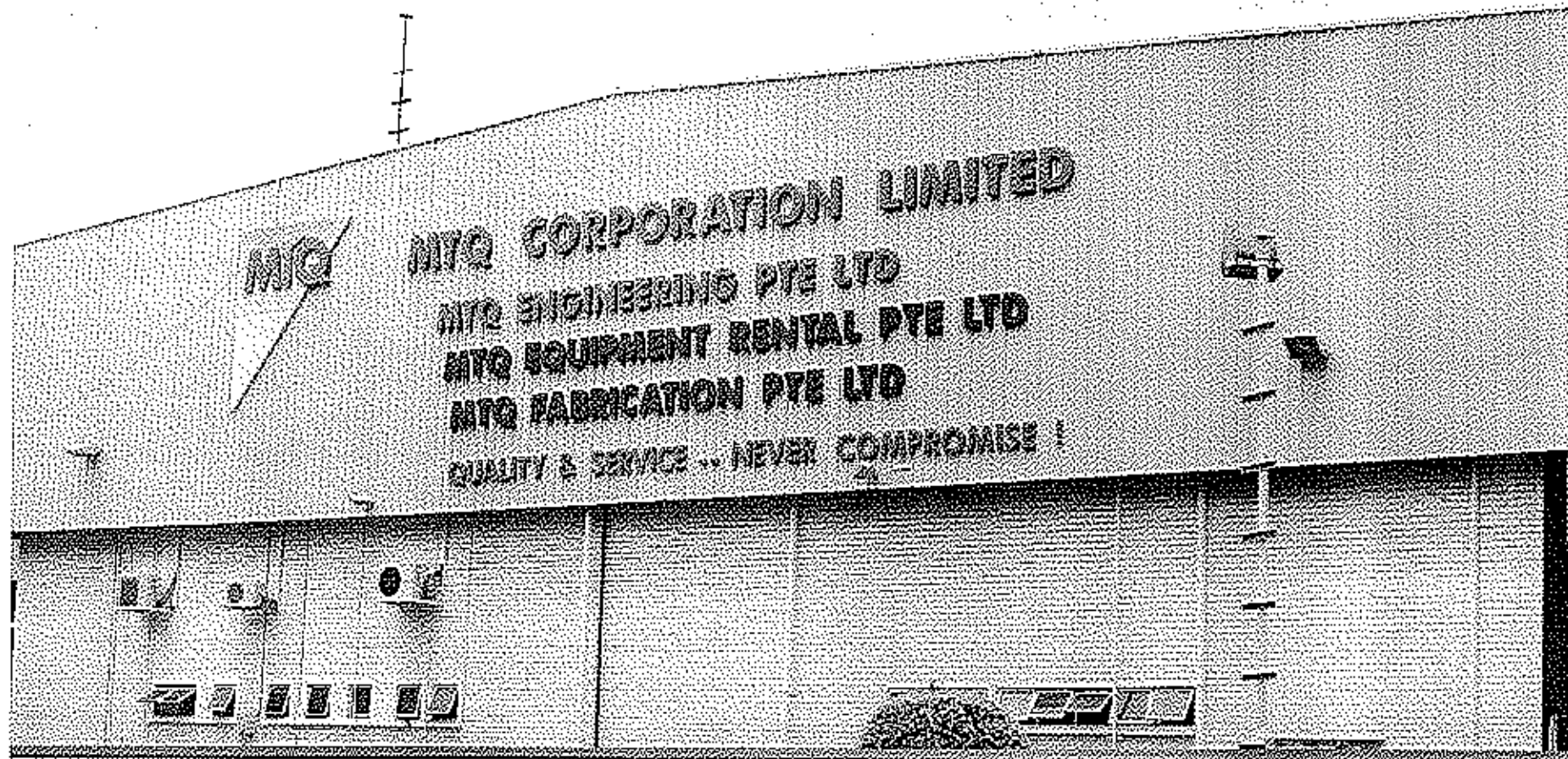
MTQ Corporation Limited

Corporate Presentation

1HFY2010 Results Briefing



MTQ Corporation Limited





MTQ Corporation Limited

Presentation Outline

- About MTQ
- Financial Overview
- Operational Highlights
- Going Forward
- Key Investment Merits
- Q & A



MTQ

MTQ Corporation Limited

About MTQ

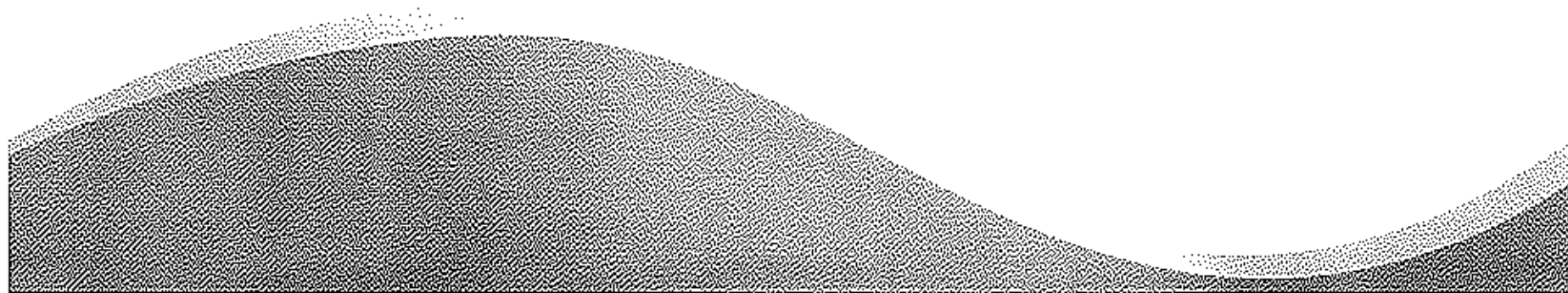




MTQ Corporation Limited

Corporate Milestones

- 1959 Began operations in Singapore when Metalock (Far East) Ltd set up a branch in Singapore to specialise in repairs of marine equipment.
- 1969 Incorporated as Metalock (Singapore) Limited on 25 January 1969.
- 1988 Listed on SGX Sesdaq on 18 April 1988.
- 1999 Listed on SGX Mainboard on 9 September 1999 and expanded into sales and repair of turbochargers business in Australia.
- 2003 Changed its name from Metalock (Singapore) Limited to MTQ Corporation Limited and expanded into complementary fuel injection business in Australia.
- 2004 Expanded into oilfield equipment rental business in Singapore.
- 2006 Expanded into oilfield fabrication business in Singapore.
- 2008 Achieved historical profits due to full divestment of RCR and outstanding performance of its two operational divisions.
- 2009 Incorporated MTQ Oilfield Services W.L.L ("MTQ Bahrain") in Bahrain to provide services to the oil and gas industry to Bahrain and the Gulf States.**



MTQ Corporation Limited

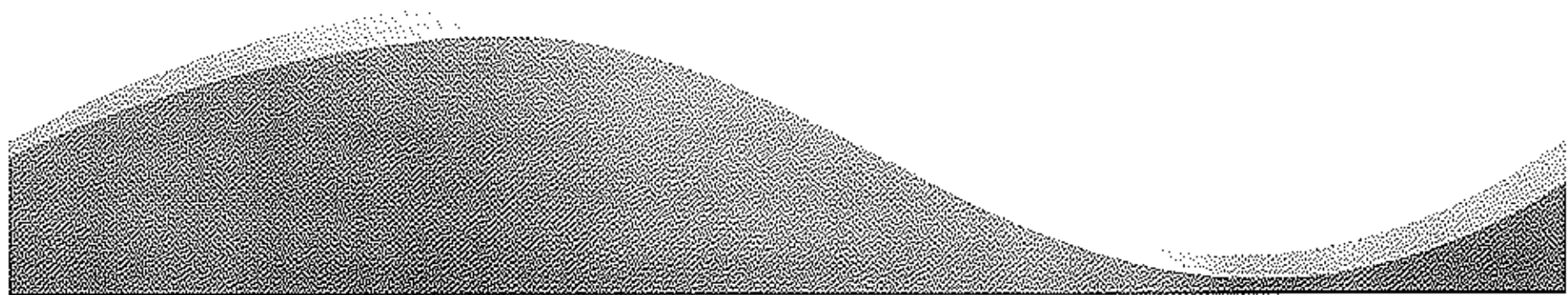


Vision

To be the leader in the field that we operate

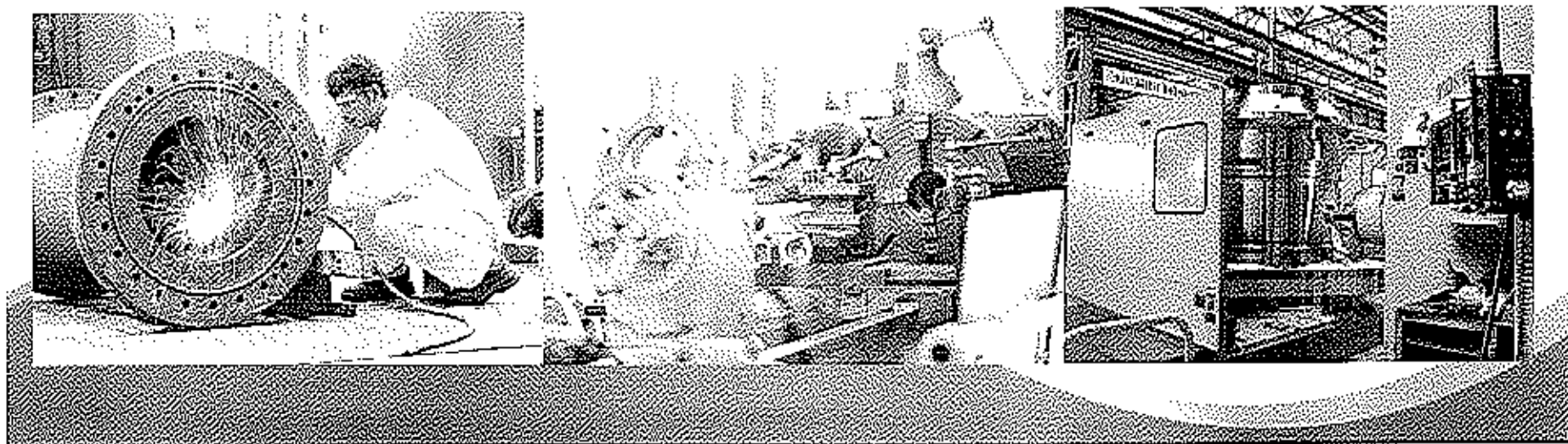
Mission Statement

Provide our customers service quality, our employees job satisfaction and our shareholders return on their investments of a level which meets and surpasses their expectations



Principal Activities

1. Oilfield Engineering
 - Specializes in repairing and reconditioning of oilfield equipment for drilling & exploration of oil & gas
 - Provides complementary fabrication and equipment rental services.
 - OEM authorized repair facilities for Cooper Cameron, Varco BJ and QVM Valves – in particular, Blow Out Preventers (used to prevent blowouts during drilling operations)



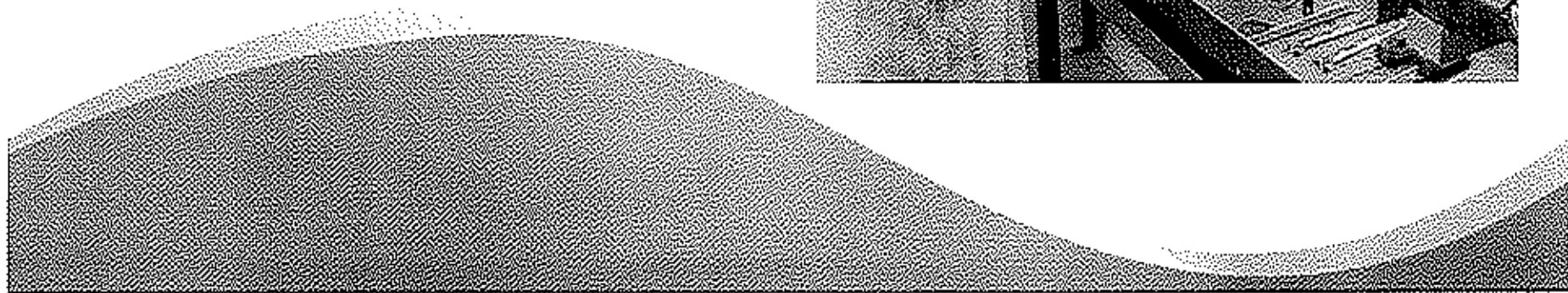
Principal Activities



2. Engine Systems

- Largest aftermarket authorised service supplier of turbochargers and diesel fuel injection spare parts in Australia representing world renowned brands such as Bosch*, IHI, Garrett, Denso, Schwitzer etc

* Please refer to Future Plans – Division level

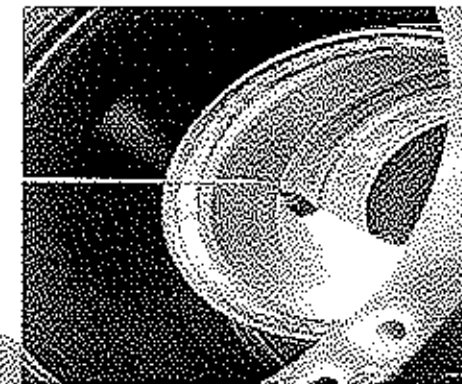


Competitive Advantages



1. Oilfield Engineering

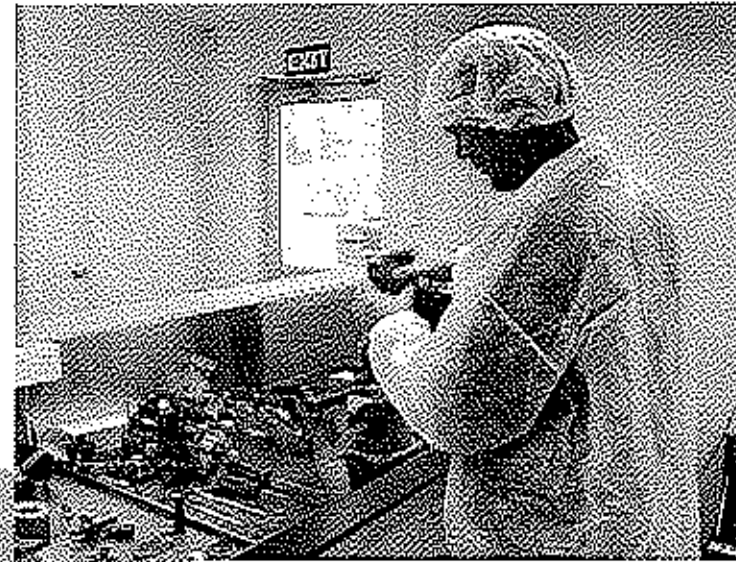
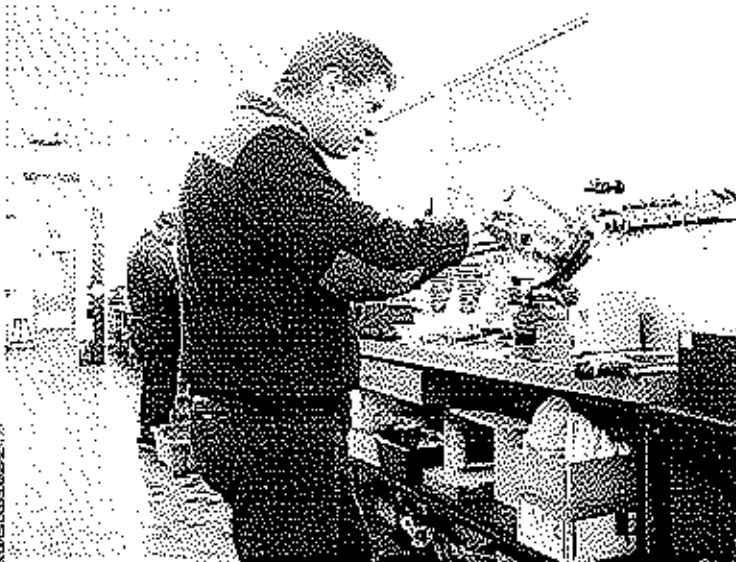
- One of the leading service provider of engineering solutions for oilfield equipments with over 30 years of relevant experiences
- High barriers to entry – high initial set up costs, constant requirement for upgrade of skills and capabilities
- Strong commitment to high service quality
- Extensive customer bases in various regions – Asia, Middle East, US, etc
- Operates in one of the lowest oil production costs areas, hence even with a drop in oil prices, our business will be cushioned to a large extent.



Competitive Advantages

2. Engine Systems

- Long established brand name among industry peers
- Has a wide nationwide network in Australia
- Owns state-of-the-art facilities such as clean rooms and dynamometers

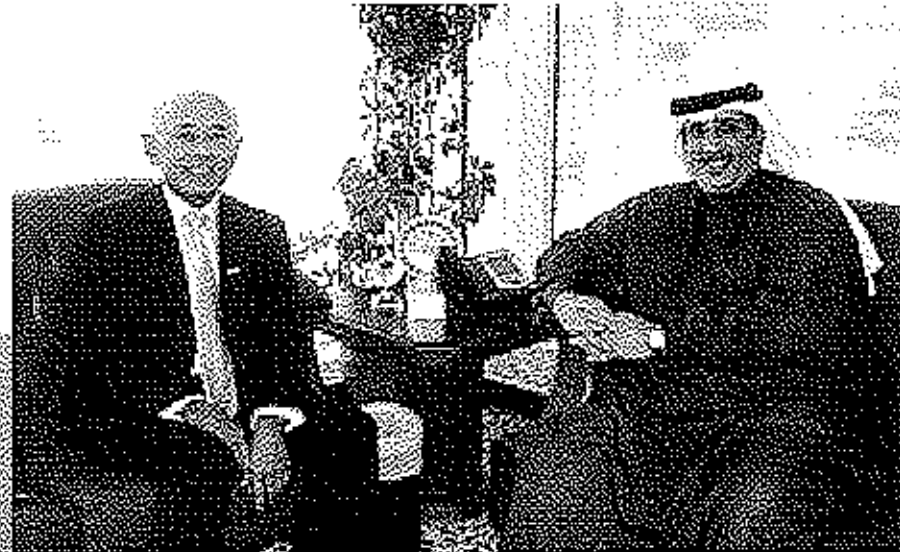


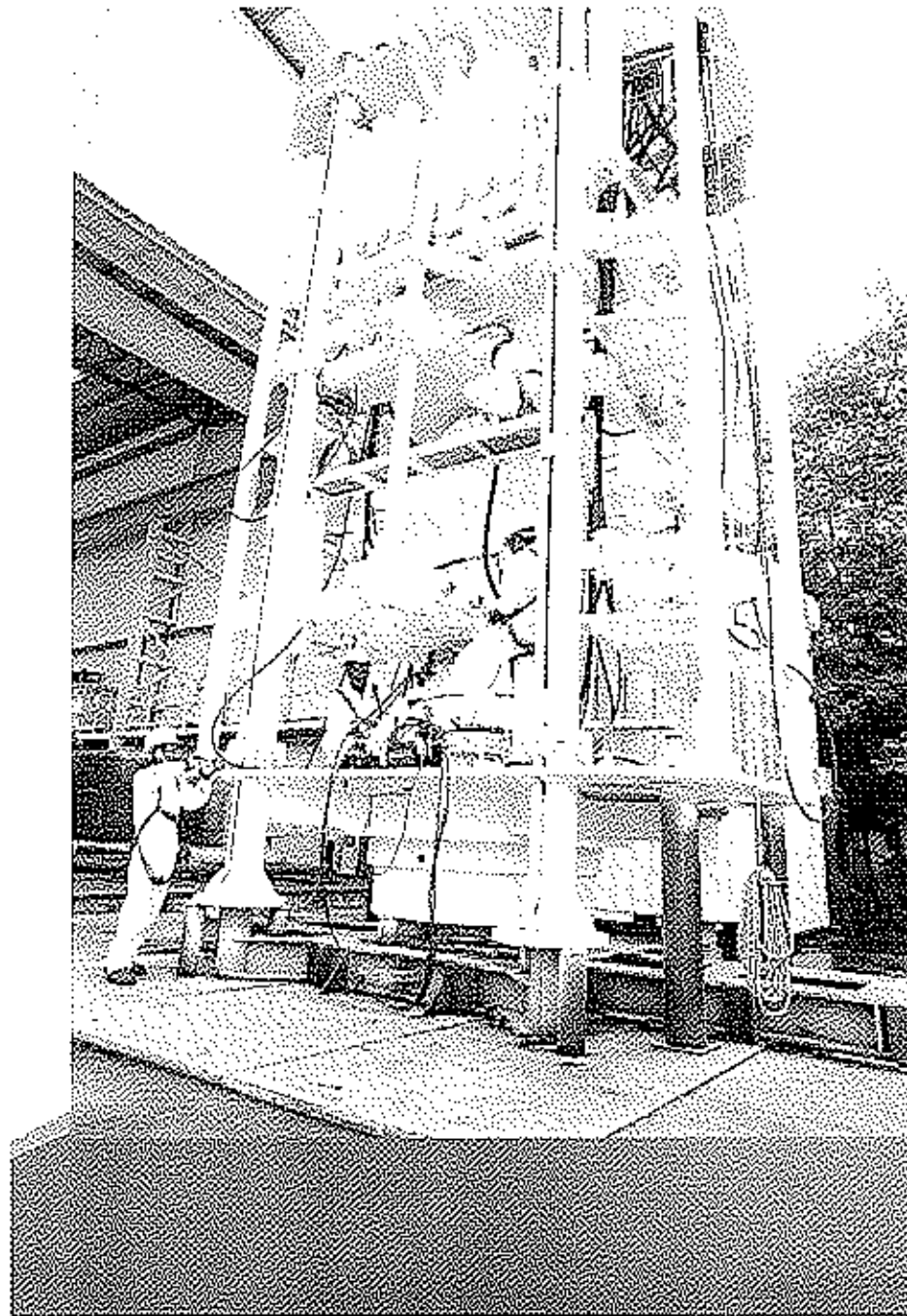


MTQ Corporation Limited

Expansion into Bahrain

- Incorporated a wholly-owned subsidiary in Bahrain in June 2009
- Total expected investment is US\$20 million over the next 2-3 years
- State-of-the-art facility based in Bahrain International Investment Park
- Plans to provide engineering, repair and refurbishment services
- Open doors to larger Middle East markets such as Saudi Arabia, Kuwait, Qatar, etc
- The development is on track with the building of the facility expected to begin in early 2010.





MTQ

MTQ Corporation Limited

Financial Overview

Income Statement and Cash Flows

1HFY10 vs 1HFY09



MTQ Corporation Limited

S\$'000	1HFY2010	1HFY2009	%Change
Revenue	39,767	45,363	(12%)
Profit before taxation	8,470	8,472	NM
Profit after taxation	7,182	6,998	3%
Profit attributable to shareholders	7,185	7,002	3%
Basic Earnings per share (in Singapore cents)	8.16*	7.60**	7%
Net Cash provided by Operating Activities	5,750	(2,979)	293%

NM: Not meaningful

*Based on 88.059 million shares **Based on 92.125 million shares

Note: Pcr share data excludes treasury shares of

- 7.5 million shares (as at 30 Sept 09)

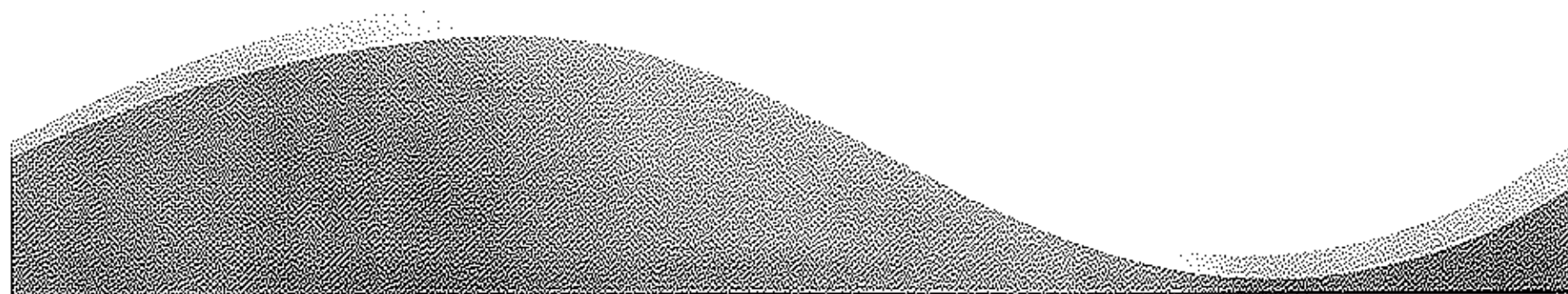
- 5.5 million shares (as at 30 Sept 08)

Balance Sheet



MTQ Corporation Limited

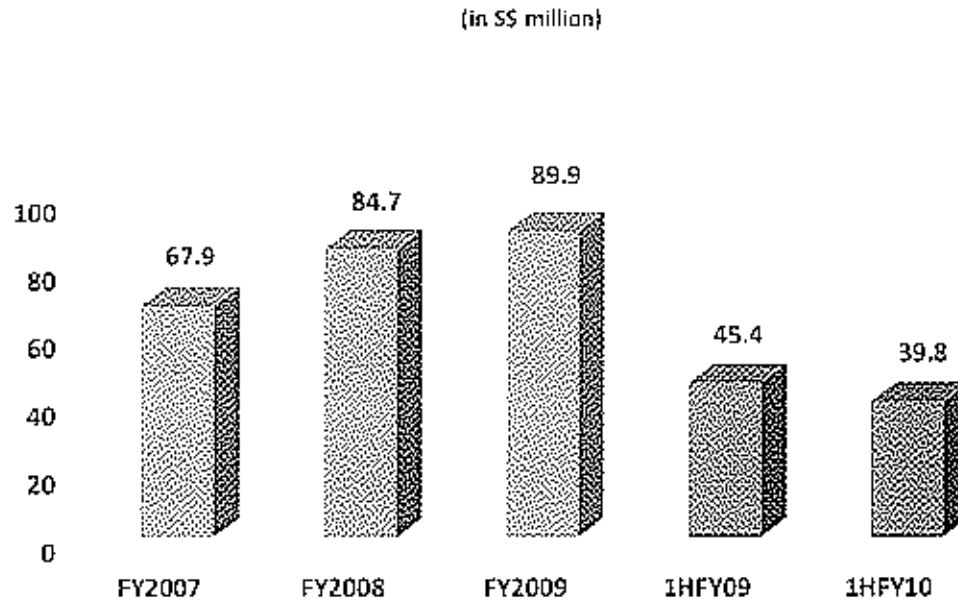
S\$'000	As at 30 Sept 2009	As at 31 March 2009	%Change
Net Current Assets	43,458	35,263	23%
Total Assets	98,627	84,881	16%
Total Liabilities	27,087	28,051	3%
Total Shareholders' Fund	72,208	57,495	26%
Net Asset Value per share (in Singapore cents)	82.0	65.3	26%
Cash and Cash Equivalents	27,692	21,984	26%



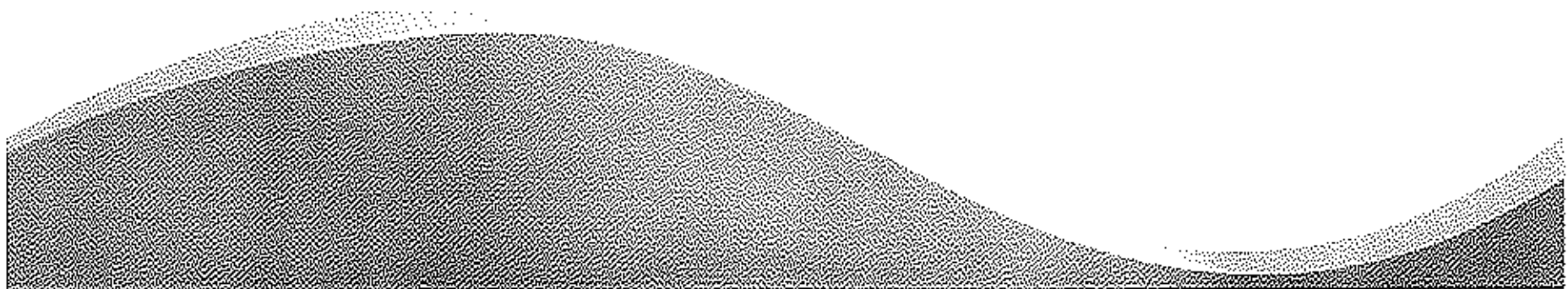
Revenue (FY07-1HFY10)



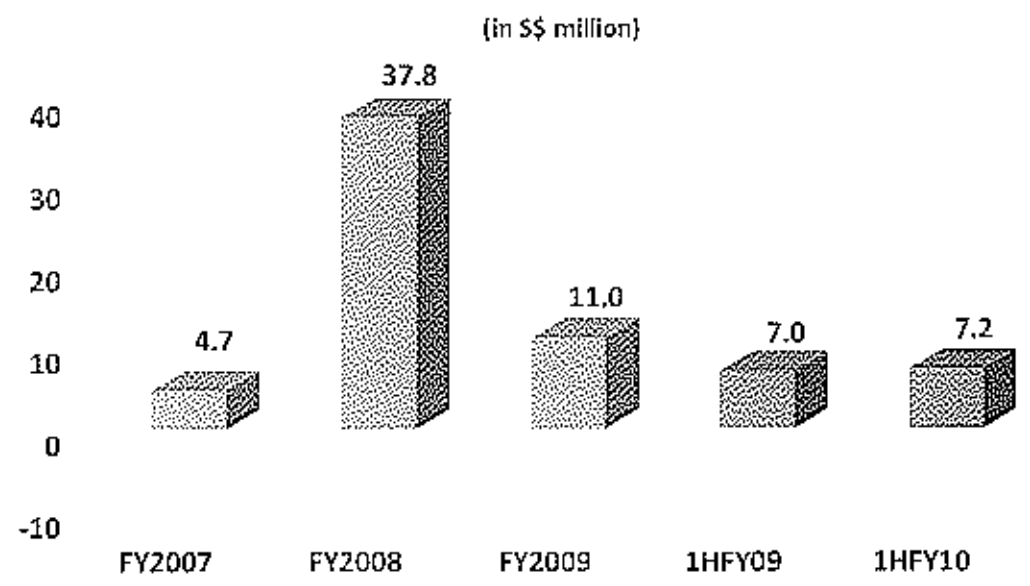
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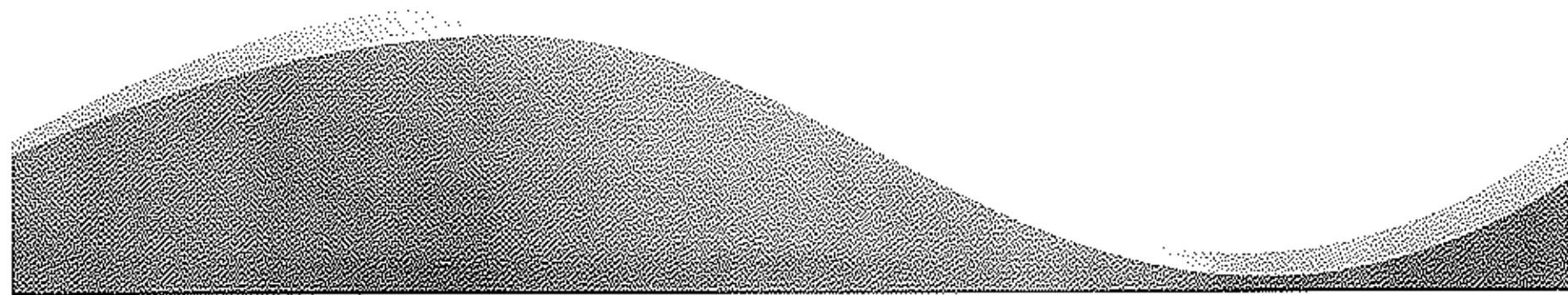
Revenue declined by **12%** to **S\$39.8M**, due to the impact of global economic downturn on Oilfield Engineering division and weaker Australian dollars, and partially offset by improved operating performance in the Engine Systems division.



Profit attributable to shareholders (FY07-1HFY10)



Net profit attributable to shareholders improved marginally from S\$7.0 million in 1HFY09 to S\$7.2 million in 1HFY10, which included one-off net gain of S\$1.9 million from the partial disposal of long term investment in quoted shares.



Dividend



MTQ Corporation Limited

(in Singapore cents)

1HFY10 1.0^a

1HFY09 1.0^a

FY2009 3.0^a

FY2008 27.0^b

FY2007 2.5^c

0 5 10 15 20 25 30

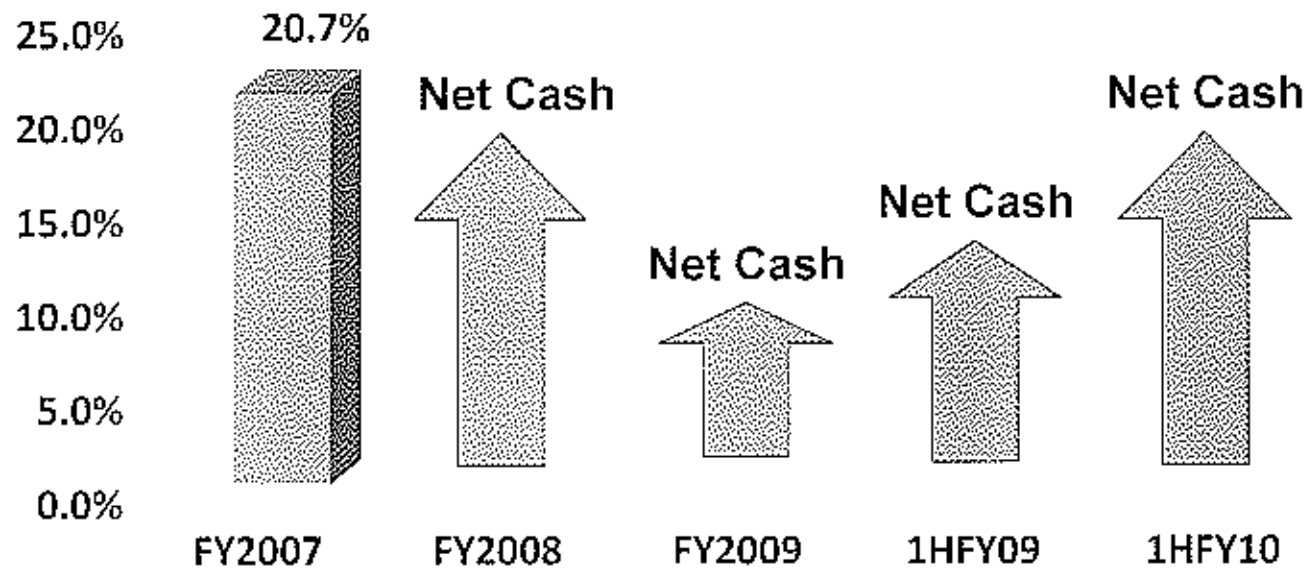
Notes:

^a Tax-exempt (one-tier) dividend

^b Includes a final tax-exempt dividend of 2.0 cents, a special gross dividend of 24.0 cents and an interim gross dividend of 1.0 cents.

^c Gross dividend

Net Debt Gearing ratio*

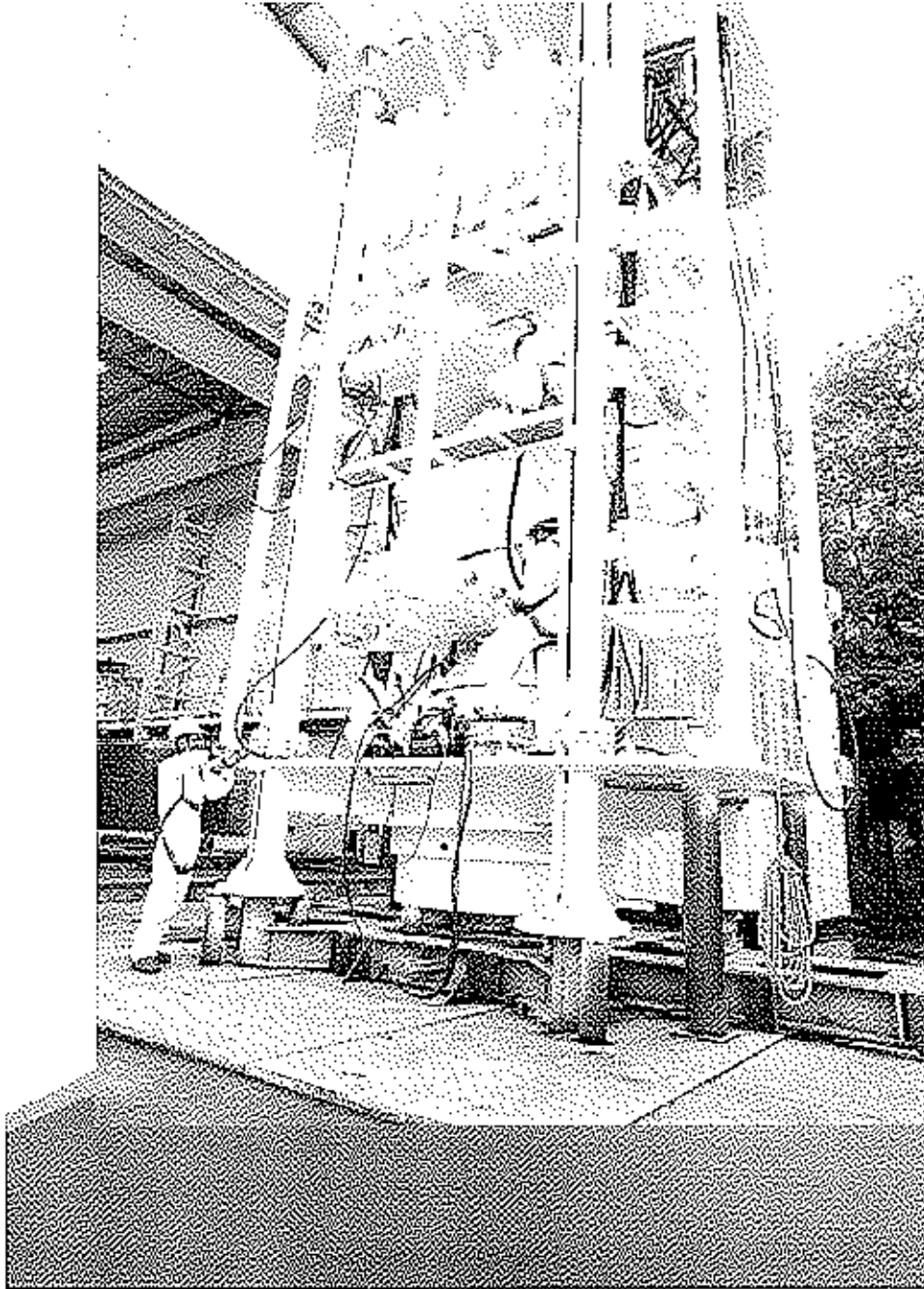


*Note:
Ratio of Net debt/(Aggregate
of net debt and shareholders'
funds less minority interest)

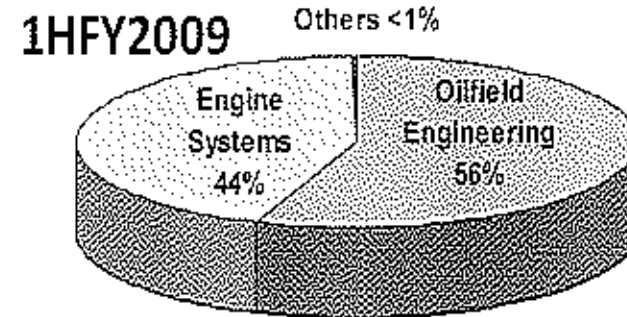
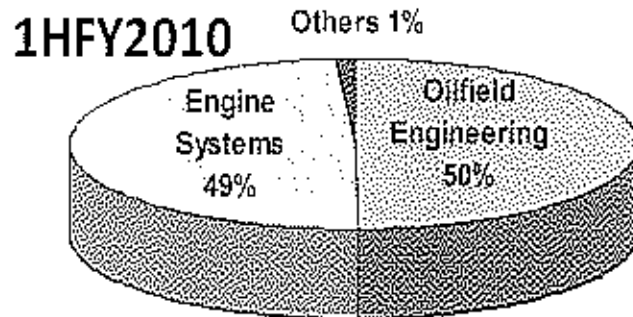


MTQ Corporation Limited

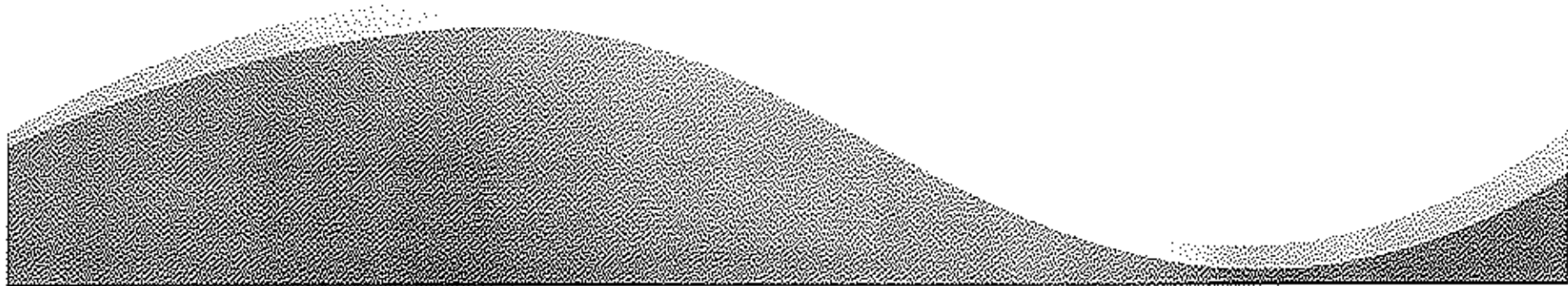
Operational Highlights

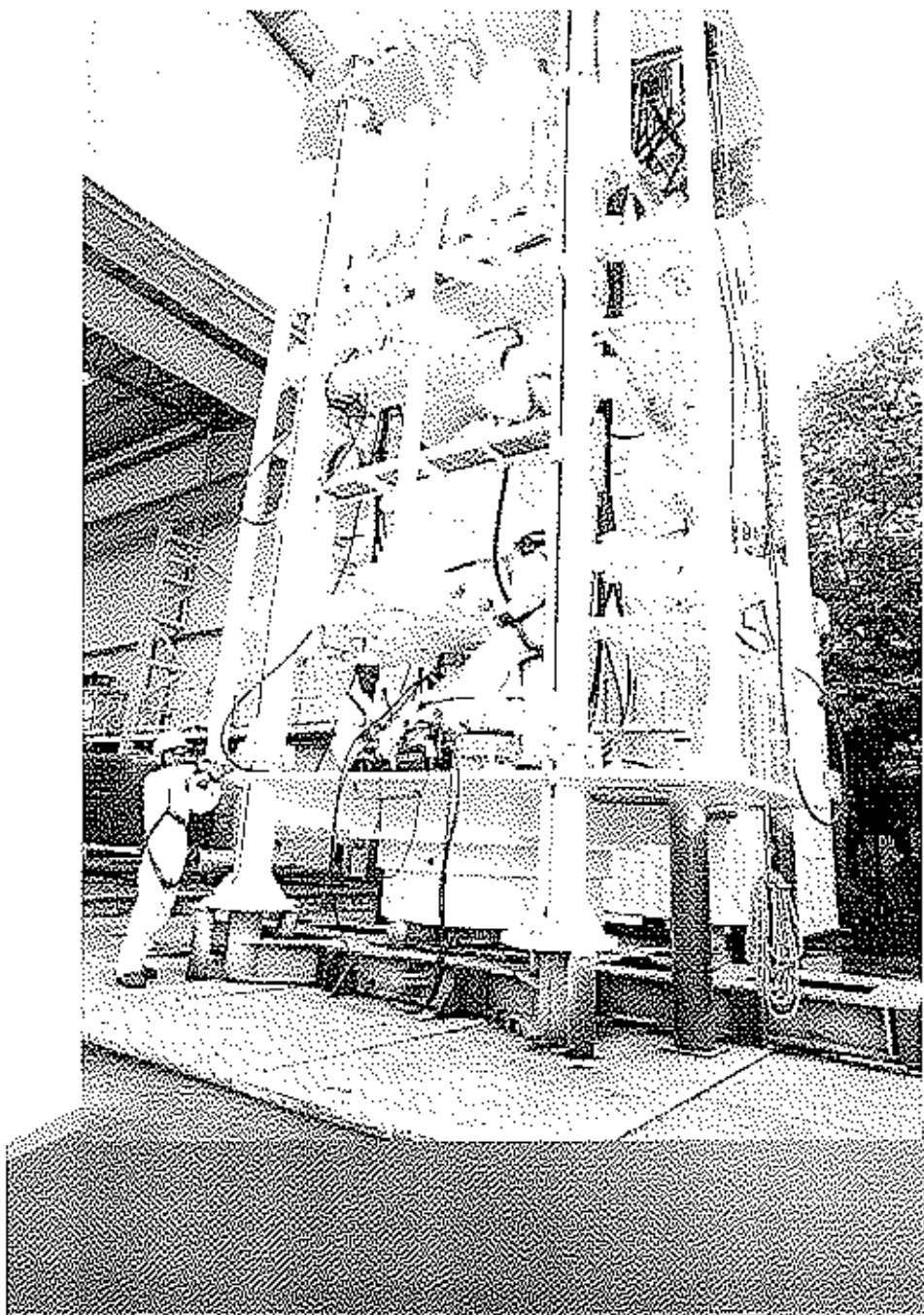


Revenue by Business Segments



- Core repair business under Oilfield Engineering business impacted by the slowdown in orders and global economic downturn
- Increased contribution by Engine Systems operations by A\$1.5 million





Going Forward



MTQ Corporation Limited

Industry Overview

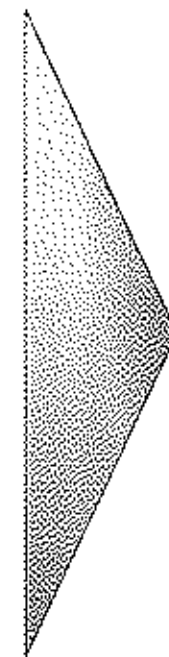
Sustainable demand in oil & gas activities

Drivers

Newly built onshore and offshore rigs

Worldwide increase in number of rigs and oil exploration related vessels led to more requirements for repair and maintenance

Increasing demand for safety requirements led to maintenance requirements

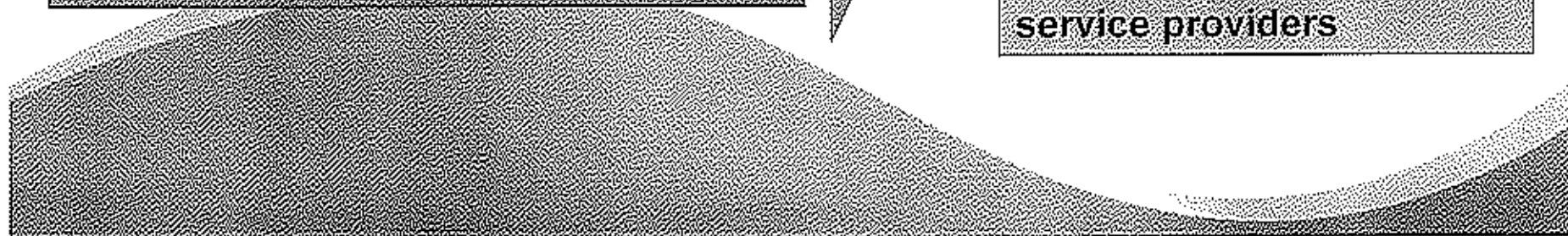


Results

Continuous overall demand for engineering, repair and maintenance services

Customers are more concerned about the quality and timeliness of the services

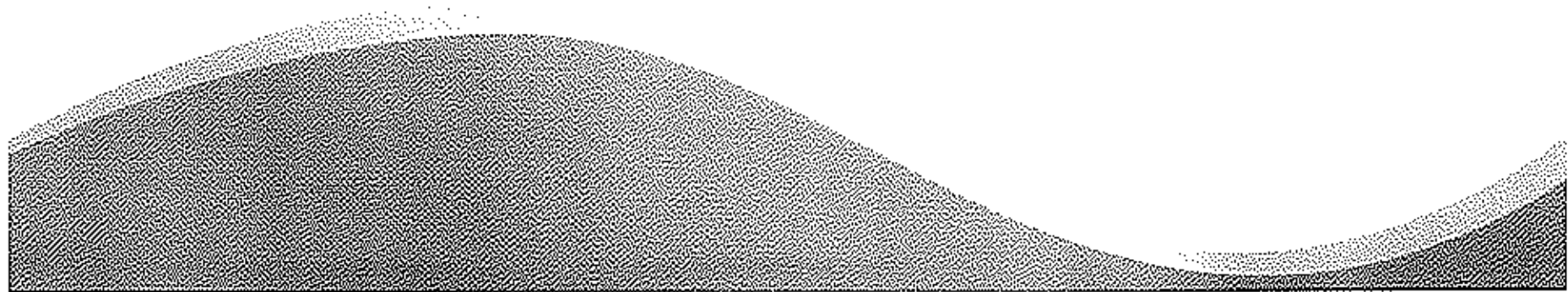
Demand for experienced service providers



Industry Outlook

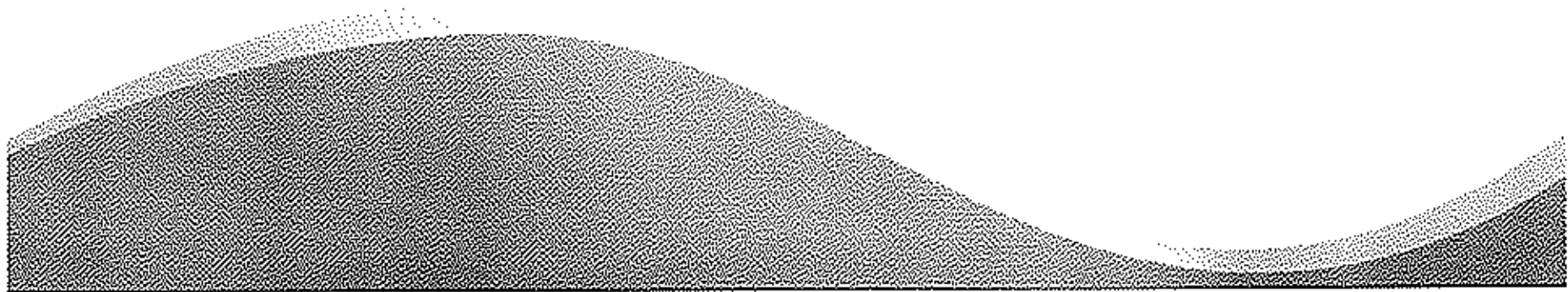
Based on various industry reports, it is gathered that:

- Onshore and offshore discoveries are harder to find
 - stimulate higher level of oil exploration activities
- Continuous repair and maintenance demands for the rigs
 - average age for various types of rigs in the world are above 20 years
 - this also translate into the urgency to build new rigs with more sophisticated capabilities to cope with the technology advancements over the years



Challenges Ahead

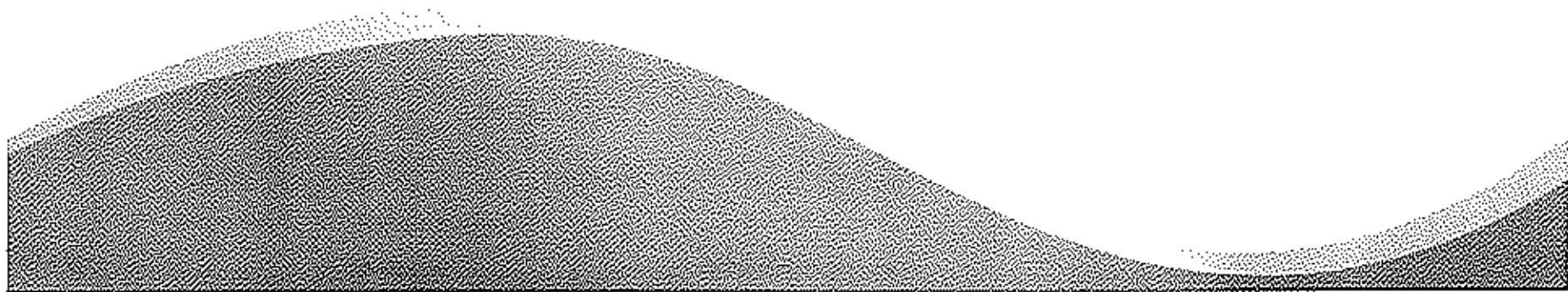
- Weak global economic recovery and volatility in oil prices
- Finding new products/services to complement existing business in Australia
- Constant upgrading of manpower skills to keep up with the technology advancement



Future Plans – Company level



- Enhancing core competences for the twin engines of growth – Oilfield Engineering and Engine Systems
- Open to strategic mergers and acquisition opportunities that are compatible with MTQ's existing products and operational capabilities
- Defensive measures such as various cost cutting initiatives to maximise performance and operational efficiencies



Future Plans – Division level



MTQ Corporation Limited

Oilfield Engineering

- Focus on development of MTQ Bahrain (expected to be completed within the next 2 to 3 years)
- Continue to strengthen MTQ's market positioning within the oil and gas sector in the region

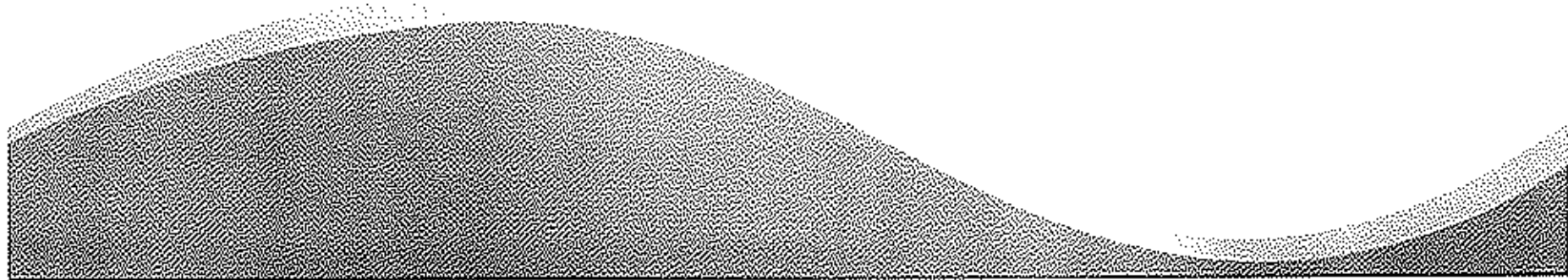
Engine Systems

- Capitalise on recent exclusive dealership of Bosch products via the "Bosch Superstore" concept



BOSCH

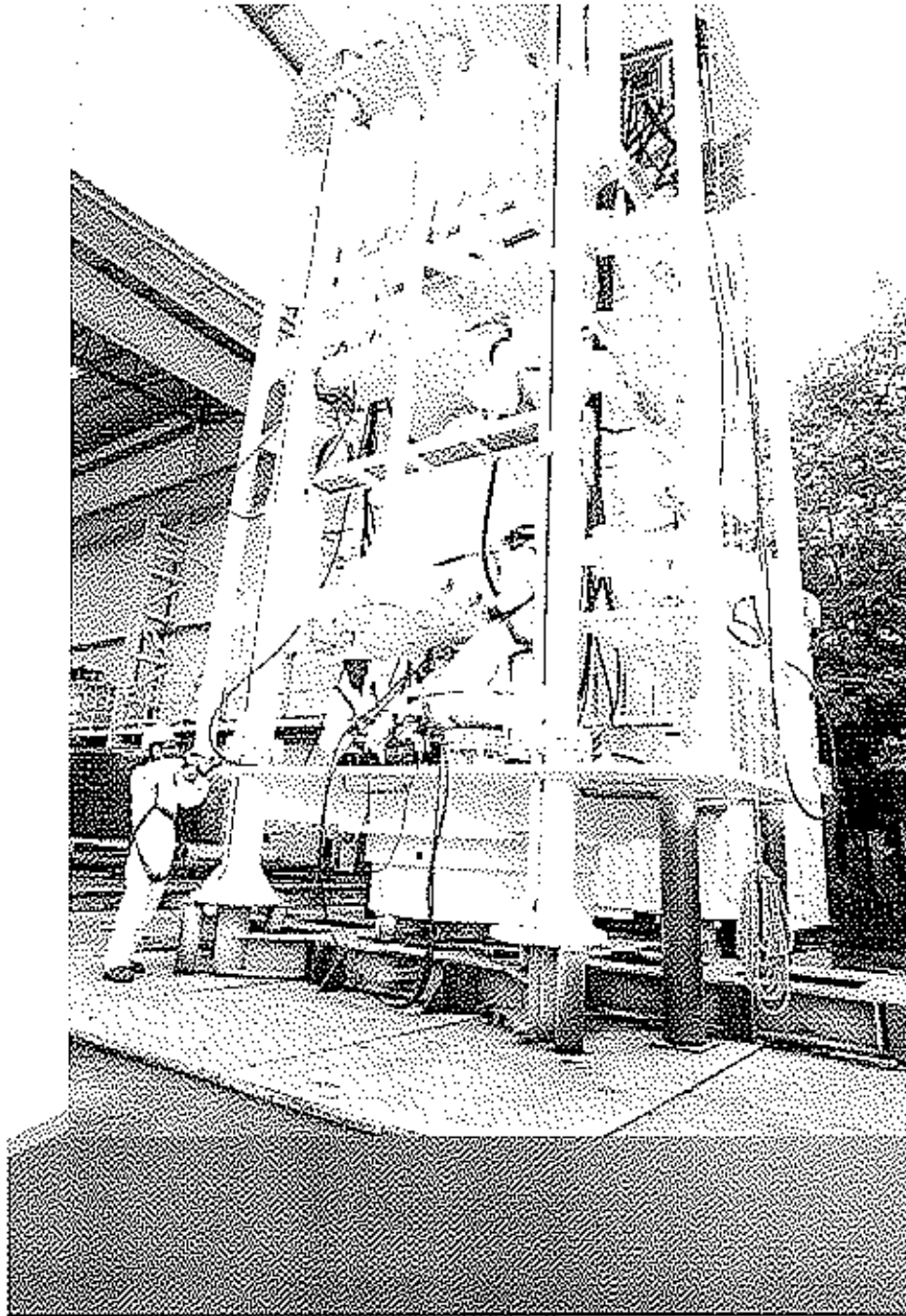
- Continue to strengthen market positioning in the Australian Automotive Aftermarket





MTQ Corporation Limited

Key Investment Merits



Key Investment Merits

- Good track record and performance over the years
- Healthy balance sheet with negligible gearing and generates positive cash flows
- Based on closing share price of S\$0.73 as at 27 Oct 09:
 - Trading at 4.5x PE (annualised)
 - Price to book = 0.89x
 - Stable dividend payout representing 12.3% of 1HFY10 earnings

