



## MTQ CORPORATION LIMITED

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### FOR IMMEDIATE RELEASE

# MTQ reports net earnings of S\$5.4 million for 1HFY11

- Revenue improved by 12% to S\$44.6 million on the back of healthy growth in both Oilfield Engineering and Engine Systems divisions
- Excluding the one-off disposal gain in 1HFY10, earnings before tax would be higher by 4%
- Interim dividend doubled to 2.0 cents per ordinary share

**Singapore, 3 November 2010** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), one of the established regional engineering specialists in the fabrication, repair and maintenance of oilfield equipment, is pleased to report a net profit attributable to shareholders of S\$5.4 million for the six months ended 30 September 2010 (“1HFY11”).

### Financial Highlights

Overall Highlights	1HFY11 S\$ '000	1HFY10 S\$ '000	% Change
Revenue	44,633	39,767	12
Profit from operating activities	6,970	8,542	(18)
Profit before taxation	6,892	8,470	(19)
Net profit attributable to shareholders	5,381	7,185	(25)
Basic earnings per ordinary share (cents)*	6.11	8.16	(25)

\* Based on 88.059 million shares (excluding treasury shares of 7.5 million shares as at both period ends)

For the period under review, overall revenue grew from S\$39.8 million to S\$44.6 million, up 12% from 1HFY10. Within the Oilfield Engineering division, the Group saw improved demand

for its products and services, notably in the OEM repair segment. Together with the encouraging progress made in the equipment rental business, the contribution from Oilfield Engineering increased by S\$1.3 million or 7%, as compared to the previous corresponding period.

In Australia, results from the Engine Systems Division reflected a combination of both organic growth and the impact of new acquisitions in Sydney and Brisbane made during the period. The results also included a full period contribution from Bosch Superstore, a strategic tie-up with global brand Bosch which started in November 2009. This led to a 13% growth in revenue for Engine Systems Division in 1HFY11.

In terms of overall profitability, gross profit rose by 9% to S\$17.9 million. Excluding the S\$1.9 million one-off gain on disposal of available-for-sale financial assets recorded in 1HFY10, the Group's profit before tax would be higher by 4% for the current period.

As at 30 September 2010, MTQ maintains a healthy balance sheet with a net cash position of S\$14.7 million.

### **Interim Dividend**

To reward shareholders, the Board of Directors is pleased to recommend a tax-exempt (one-tier) interim dividend of 2.0 cent per ordinary share under the Scrip Dividend Scheme ("Scheme"). Details of the Scheme are set out in prescribed announcement – Notice of Book Closure Dates for Interim Dividend released today.

### **Going Forward**

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

***"The current outlook for oil and gas drilling activities is encouraging. This should translate into good demand for our engineering services in both Singapore and Bahrain, which we expect to commence in early 2011. Elsewhere, we also hope to build on our recent initiatives in Australia to drive stronger sales and profits within the Engine Systems Division. We remain positive about our immediate overall prospects and will continue to focus on creating greater value for our customers, employees and shareholders."***

- End -

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

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specializes in engineering solutions for oilfield equipments, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorized working partner for some of the world’s largest OEMs in wellhead equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network.

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

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**Issued for and on behalf of MTQ Corporation Limited**

**By Financial PR Pte Ltd**

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