



## MTQ CORPORATION LIMITED

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### FOR IMMEDIATE RELEASE

# MTQ records earnings of S\$10.6 million for FY11

- Revenue increased by 12% year-on-year (“y-o-y”) to S\$91.7 million supported by broad-based growth in both Oilfield Engineering and Engine Systems businesses
- Robust offshore market in Asia and Middle East to translate into positive growth opportunities for the Group

**Singapore, 29 April 2011** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering specialist in the fabrication, repair and maintenance of oilfield equipment, is pleased to report a net profit attributable to shareholders of S\$10.6 million for the financial year ended 31 March 2011 (“FY11”).

### Financial Highlights (S\$'000)

Financial Highlights	FY11	FY10	% Change
Revenue	91,714	81,966	12
Gross Profit	37,520	33,697	11
Gross Profit Margin	40.9%	41.1%	-
Profit before taxation	13,318	14,317	(7)
Net profit attributable to shareholders	10,631	12,034	(12)
Net Margin	11.6%	14.7%	-
Basic earnings per ordinary share (cents)*	12.04	13.67	(12)

\* Based on 88.282 million shares for FY11 (FY10: 88.059 million shares)

The Group's revenue increased 12% y-o-y to S\$91.7 million in FY11, primarily driven by broad-based growth in both Oilfield Engineering and Engine Systems businesses. OEM equipment repair and rental activities have contributed to the 6% y-o-y growth in revenue from the Oilfield Engineering business to S\$42.9 million in FY11. Revenue from Engine Systems

increased by 20% y-o-y to clock S\$49.6 million in FY11, mainly driven by acquisitions made during the year and organic growth.

In line with the increase in revenue, the Group's gross profit also increased by 11% y-o-y to S\$37.5 million in FY11. Despite the higher start up losses for Bahrain in FY11, Oilfield Engineering's operating profit increased by 17% y-o-y to S\$11.1 million in FY11. The Engine Systems Division recorded an improvement in its profit from operating activities by 45.9% mainly due to higher revenues.

Although both operating divisions performed better, the Group's overall profit after tax decreased by 11% y-o-y to S\$10.7 million in FY11 due to the inclusion of an S\$1.9m one-off gain on disposal of financial assets in FY10 and a S\$1.2 million adverse movement in the fair value of financial instruments between FY10 and FY11. Excluding this, the FY11 group profit after tax would have been 19% higher than that of FY10.

For FY11, the Group recorded basic earnings per share of 12.04 Singapore cents (FY10: 13.67 Singapore cents). Optimal management of working capital resources strengthened the Group's cash position to S\$23.8 million as at 31 March 2011 and the net asset value per share was 88 Singapore cents as at 31 March 2011 (31 March 2010: 84 Singapore cents).

### **Rewarding the shareholders**

The Board of Directors is pleased to recommend a tax-exempt (one-tier) final dividend of 2.0 Singapore cents per ordinary share on top of the interim dividend of 2.0 Singapore cents declared previously. Both interim and final dividend are under the Scrip Dividend Scheme. This brings the total dividend for FY11 to 4.0 Singapore cents, representing a dividend payout ratio of 33%.

### **Moving ahead**

Commenting on the outlook, Mr Kuah Boon Wee, Chief Executive Officer said, ***“We have witnessed in the industry strong order flow of sophisticated rigs and other offshore vessels to the major marine players recently. This, coupled with relatively high oil prices, indicates that exploration and production spending is on the increase and will potentially translate into positive demand for our products and services.*”**

*Our established operations in Singapore and Australia have recorded strong operating performances for FY11 and we expect to build on that performance into the future. The Bahrain facility will be commencing operations in the new financial year.*

*We will work closely with existing and new customers so that we can continue to grow as their businesses grow. We will also continue to explore new business opportunities in areas that complement our existing oilfield and engine systems businesses.”*

- 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 drilling 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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