



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

MTQ's FY2012 net profit increased by 37% to S\$14.6m

- Revenue up 40% to S\$128.4m mainly attributable to additional contributions from its acquisition of the Premier group and steady performances from the rest of the Group's other operations.
- Gross profit increase of 25% to S\$47.0m. Overall gross profit margin was lower due to shift in product mix and start-up costs from new operations.

Singapore, 7 May 2012 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering specialist in the fabrication, repair and maintenance of oilfield equipment, has delivered a sterling set of results for its financial year ended 31 March 2012 (“FY2012”). Revenue grew by 40% year-on-year (“yoy”) to S\$128.4 million mainly due to contributions from its recent acquisition, the Premier group, which performed better than expectation. Net profit attributable to shareholders, which included a write-back of tax provision of S\$3.4 million, surged by 37% yoy to S\$14.6 million.

Financial Highlights (S\$'000)

Financial Highlights	FY2012	FY2011	% Change
Revenue	128,395	91,714	40
Gross Profit	47,027	37,520	25
Gross Profit Margin	36.6%	40.9%	-
Profit before Taxation	13,898	13,318	4
Net Profit Attributable to Shareholders	14,607	10,631	37
Net Margin	11.4%	11.6%	-
Basic Earnings per Ordinary Share (cents)*	16.30	12.04	35

* Based on 89.6 million shares for FY2012 (FY2011: 88.3 million shares)

Revenue contribution from the Oilfield Engineering Division, including 9 months of contribution from the Premier group, grew to S\$74.1 million in FY2012. The Engine Systems Division's revenue grew 10.2% yoy to S\$54.6 million in FY2012 despite difficult operating environments in Australia.

Gross profit increased 25% yoy to S\$47.0 million in FY2012. The gross profit margin reduced slightly from 40.9% for FY2011 to 36.6% for FY2012 due to a shift in product mix and start-up costs from new operations.

Strong cashflow and balance sheet

MTQ's businesses continue to generate excellent cash flows, with the Group's operations generating S\$20.6 million in FY2012.

The Group's balance sheet remains strong with a net gearing ratio of 0.18 times and a strong cash balance of S\$27.3 million.

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. In conjunction with the interim dividend of 2.0 Singapore cents, this brings MTQ's dividend yield to about 5% based on a closing share price of S\$0.79 (as at 30 March 2012) and a dividend payout ratio of 25% for FY2012.

Outlook

Commenting on the outlook, Mr Kuah Boon Wee, Chief Executive Officer said, ***“We are pleased with the Group's overall performance in FY2012. In particular, special mention should be made for our recent acquisition, the Premier group, whose performance has exceeded our expectation.*”**

Current oil price levels and underlying demand encourage drilling activities. We are fairly optimistic that strong drilling activities will continue to stimulate fresh demand for our services and we are well placed to benefit from our expertise in this field. We will exercise caution over the medium term horizon as the global economic environment remains subdued. Our goal remains to build and enhance our range of subsea services and products, with emphasis on drilling contractors and other industry players. ”

- 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. The Premier group, in addition to repair and manufacture of oilfield equipments, is also supplier of oilfield equipments and tools manufactured by some of the leading global brands. 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

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