



**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 2012**

1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial period

(i) STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2012

**GROUP**

|  | Group<br>3 months ended |                     |             | Group<br>6 months ended |                     |             |
|--|-------------------------|---------------------|-------------|-------------------------|---------------------|-------------|
|  | 30.09.12<br>S\$'000     | 30.09.11<br>S\$'000 | Change<br>% | 30.09.12<br>S\$'000     | 30.09.11<br>S\$'000 | Change<br>% |
| <b>Revenue</b>   | 40,070                  | 38,078              | 5%          | 78,508                  | 62,590              | 25%         |
| Cost of sales (Note A)   | (25,431)                | (23,765)            | 7%          | (50,169)                | (39,917)            | 26%         |
| <b>Gross profit</b>  | 14,639                  | 14,313              | 2%          | 28,339                  | 22,673              | 25%         |
| Other income (Note B)  | 573                     | 183                 | 213%        | 1,562                   | 302                 | 417%        |
| Staff costs  | (5,008)                 | (5,123)             | -2%         | (9,999)                 | (9,086)             | 10%         |
| Other operating expenses (Note C)  | (3,783)                 | (4,060)             | -7%         | (7,421)                 | (7,352)             | 1%          |
| <b>Profit from operating activities</b>  | 6,421                   | 5,313               | 21%         | 12,481                  | 6,537               | 91%         |
| Finance costs (Note D)   | (140)                   | (280)               | -50%        | (505)                   | (505)               | 0%          |
| <b>Profit from operations before taxation</b>  | 6,281                   | 5,033               | 25%         | 11,976                  | 6,032               | 99%         |
| Taxation expense (Note E)  | (1,259)                 | (878)               | 43%         | (2,247)                 | (1,648)             | 36%         |
| <b>Profit for the financial period, net of tax</b>   | 5,022                   | 4,155               | 21%         | 9,729                   | 4,384               | 122%        |
| <b>Other comprehensive income:</b>   |                         |                     |             |                         |                     |             |
| Exchange difference on translation of foreign operations                                       | (489)                   | 926                 | n/m         | (501)                   | 1,299               | n/m         |
| Liquidation of a subsidiary  | -                       | -                   | n/m         | 374                     | -                   | n/m         |
| Net change in fair value of available-for-sale financial assets                                | 3,025                   | (5,484)             | n/m         | (3,467)                 | (6,674)             | -48%        |
| Net change in fair value of available-for-sale financial assets reclassified to profit or loss | (100)                   | -                   | n/m         | (562)                   | -                   | n/m         |
| <b>Other comprehensive income/(loss) for the financial period, net of tax (Note F)</b>         | 2,436                   | (4,558)             | n/m         | (4,156)                 | (5,375)             | -23%        |
| <b>Total comprehensive income for the financial period</b>                                     | 7,458                   | (403)               | n/m         | 5,573                   | (991)               | n/m         |
| <b>Profit attributable to:</b>   |                         |                     |             |                         |                     |             |
| Owners of the Company  | 5,022                   | 4,155               | 21%         | 9,729                   | 4,384               | 122%        |
| Non-controlling interests  | -                       | -                   | n/m         | -                       | -                   | n/m         |
|  | 5,022                   | 4,155               | 21%         | 9,729                   | 4,384               | 122%        |
| <b>Total comprehensive income attributable to:</b>   |                         |                     |             |                         |                     |             |
| Owners of the Company  | 7,458                   | (403)               | n/m         | 5,573                   | (991)               | n/m         |
| Non-controlling interests  | -                       | -                   | n/m         | -                       | -                   | n/m         |
|  | 7,458                   | (403)               | n/m         | 5,573                   | (991)               | n/m         |

n/m : not meaningful



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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

|   | Group                           |                                 |          | Group                           |                                 |          |
|---|---------------------------------|---------------------------------|----------|---------------------------------|---------------------------------|----------|
|   | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | Change % | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 | Change % |
| Depreciation of property, plant and equipment | 1,064                           | 867                             | 23%      | 2,140                           | 1,819                           | 18%      |

**Note B - Other income comprise :-**

|   | Group                           |                                 |          | Group                           |                                 |          |
|---|---------------------------------|---------------------------------|----------|---------------------------------|---------------------------------|----------|
|   | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | Change % | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 | Change % |
| Dividends   | -                               | -                               | n/m      | -                               | 3                               | n/m      |
| Interest income   |                                 |                                 |          |                                 |                                 |          |
| - bank deposits   | 11                              | 22                              | -50%     | 24                              | 73                              | -67%     |
| - staff loans   | -                               | 6                               | n/m      | -                               | 6                               | n/m      |
| Gain on sale of equity securities, net                    | 121                             | -                               | n/m      | 657                             | -                               | n/m      |
| Gain/(loss) on sale of property, plant and equipment, net | 303                             | (1)                             | n/m      | 589                             | 3                               | 19533%   |
| Job credits   | -                               | 71                              | n/m      | -                               | 71                              | n/m      |
| Commission received                                       | 80                              | -                               | n/m      | 162                             | -                               | n/m      |
| Other income  | 58                              | 85                              | -32%     | 130                             | 146                             | -11%     |
|   | 573                             | 183                             | 213%     | 1,562                           | 302                             | 417%     |

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

|  | Group                           |                                 |          | Group                           |                                 |          |
|--|---------------------------------|---------------------------------|----------|---------------------------------|---------------------------------|----------|
|  | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | Change % | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 | Change % |
| Depreciation of property, plant and equipment                            | 477                             | 469                             | 2%       | 933                             | 712                             | 31%      |
| Amortisation of intangible assets  | 11                              | 12                              | -8%      | 24                              | 25                              | -4%      |
| Fixed assets written off   | 3                               | -                               | n/m      | 3                               | -                               | n/m      |
| (Gain)/Loss on exchange, net   | 205                             | 208                             | -1%      | 24                              | 478                             | -95%     |
| Allowance for doubtful receivables and bad debts written off/(back), net | 2                               | (21)                            | n/m      | 52                              | 24                              | 117%     |
| Allowance for inventory obsolescence and inventories written off         | 66                              | 67                              | -1%      | 134                             | 183                             | -27%     |
| Loss on liquidation of a subsidiary                                      | -                               | -                               | n/m      | 256                             | -                               | n/m      |

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

|                             | Group                           |                                 |          | Group                           |                                 |          |
|-----------------------------|---------------------------------|---------------------------------|----------|---------------------------------|---------------------------------|----------|
|                             | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | Change % | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 | Change % |
| Interest on:                |                                 |                                 |          |                                 |                                 |          |
| - bank loans and overdrafts | 125                             | 264                             | -53%     | 475                             | 473                             | 0%       |
| - finance lease payables    | 15                              | 16                              | -6%      | 30                              | 32                              | -6%      |
|                             | 140                             | 280                             | -50%     | 505                             | 505                             | 0%       |

**Note E - Taxation expense :-**

Under/(over) provision in respect of prior years:-

|                     | Group                           |                                 |          | Group                           |                                 |          |
|---------------------|---------------------------------|---------------------------------|----------|---------------------------------|---------------------------------|----------|
|                     | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | Change % | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 | Change % |
| - current taxation  | 90                              | 2                               | 4400%    | (12)                            | 100                             | n/m      |
| - deferred taxation | 124                             | (42)                            | n/m      | 124                             | (78)                            | n/m      |
|                     | 214                             | (40)                            | n/m      | 112                             | 22                              | 409%     |

**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.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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 year

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

|  | Group               |                     | Company             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 30.09.12<br>S\$'000 | 31.03.12<br>S\$'000 | 30.09.12<br>S\$'000 | 31.03.12<br>S\$'000 |
| <b>Non-current assets</b>                                |                     |                     |                     |                     |
| Goodwill   | 12,174              | 12,346              | -                   | -                   |
| Intangible assets  | 45                  | 72                  | -                   | -                   |
| Investment properties                                    | -                   | -                   | 1,045               | 1,066               |
| Property, plant and equipment                            | 48,652              | 51,161              | 361                 | 385                 |
| Investment in subsidiaries                               | -                   | -                   | 53,222              | 53,294              |
| Investment securities                                    | 14,885              | 18,048              | -                   | -                   |
| Receivables  | 153                 | 97                  | 46,146              | 42,873              |
| Prepayments  | 16                  | 16                  | 9                   | 9                   |
| Deferred tax assets                                      | 1,445               | 1,566               | -                   | 13                  |
|  | 77,370              | 83,306              | 100,783             | 97,640              |
| <b>Current assets</b>                                    |                     |                     |                     |                     |
| Inventories  | 26,634              | 24,405              | -                   | -                   |
| Trade and other receivables                              | 28,463              | 27,244              | 5,116               | 16,949              |
| Prepayments  | 1,179               | 860                 | 24                  | 33                  |
| Investment securities                                    | 951                 | 889                 | -                   | -                   |
| Cash and cash equivalents                                | 26,315              | 27,314              | 5,809               | 5,886               |
|  | 83,542              | 80,712              | 10,949              | 22,868              |
| <b>Current liabilities</b>                               |                     |                     |                     |                     |
| Trade and other payables                                 | (23,520)            | (23,461)            | (1,655)             | (2,007)             |
| Finance lease payable, current portion                   | (515)               | (429)               | -                   | -                   |
| Bank borrowings  | (6,562)             | (24,104)            | (2,606)             | (20,843)            |
| Loans from a non-controlling shareholder of a subsidiary | -                   | (701)               | -                   | -                   |
| Provisions, current portion                              | (1,231)             | (1,259)             | -                   | -                   |
| Provision for taxation                                   | (3,947)             | (3,893)             | (232)               | (393)               |
|  | (35,775)            | (53,847)            | (4,493)             | (23,243)            |
| <b>Net current assets/(liabilities)</b>                  | 47,767              | 26,865              | 6,456               | (375)               |
| <b>Non-current liabilities</b>                           |                     |                     |                     |                     |
| Other payables   | -                   | -                   | (6,464)             | (4,878)             |
| Finance lease payable                                    | (303)               | (480)               | -                   | -                   |
| Long term bank borrowings                                | (30,836)            | (20,912)            | (17,753)            | (16,984)            |
| Deferred tax liabilities                                 | (1,324)             | (1,406)             | (143)               | -                   |
| Provisions   | (1,253)             | (1,241)             | (70)                | (70)                |
|  | (33,716)            | (24,039)            | (24,430)            | (21,932)            |
| <b>Net assets</b>  | 91,421              | 86,132              | 82,809              | 75,333              |
| <b>Equity attributable to owners of the Company</b>      |                     |                     |                     |                     |
| Share capital [1(d)(i)]                                  | 30,780              | 29,857              | 30,780              | 29,857              |
| Treasury shares [1(d)(iv)]                               | (3,976)             | (3,992)             | (3,976)             | (3,992)             |
| Reserves [1(d)(i)]                                       | 64,617              | 60,827              | 56,005              | 49,468              |
| Shareholders' funds                                      | 91,421              | 86,692              | 82,809              | 75,333              |
| Non-controlling interests                                | -                   | (560)               | -                   | -                   |
| <b>Total equity</b>                                      | 91,421              | 86,132              | 82,809              | 75,333              |

Balance Sheet Review

The decrease in non-current assets is mainly due to the decline in the fair value of available-for-sale equity securities, as well as disposal of certain available-for-sale equity securities. The change in current and non-current liabilities is mainly due to the restructuring of the Group's debt portfolio. The decrease in total liabilities is mainly due to repayment of a bank loan by the Company, offset by draw-down of bank loans by subsidiaries.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

|  | 30.09.12           |                      | 31.03.12           |                      |
|--|--------------------|----------------------|--------------------|----------------------|
|  | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amount repayable in one year or less, or on demand | 7,077              | -                    | 24,533             | -                    |
| Amount repayable after one year                    | 31,139             | -                    | 21,392             | -                    |
|  | <u>38,216</u>      | <u>-</u>             | <u>45,925</u>      | <u>-</u>             |

The Group's borrowings as at 30 September 2012 decreased to S\$38.2 million from S\$45.9 million as at 31 March 2012 mainly due to repayment of a bank loan by the Company, offset by draw-down of bank loans by subsidiaries. Details of the collateral for the bank borrowings are as follows:

Facility 1: S\$20.4million

- 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; and
- Corporate guarantee from a subsidiary of the Company.

Facility 2: S\$2.1 million

- Corporate guarantee from the Company.

Facility 3: S\$4.4 million

- Fixed and floating charge over all the assets of a subsidiary
- Corporate guarantee from the Company.

Facility 4: S\$10.6 million

- Corporate guarantee from the Company.

There was no debt securities as at 30 September 2012 and 31 March 2012.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

**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 2012**

|  | Group                           |                                 | Group                           |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | 3 months ended 30.09.12 S\$'000 | 3 months ended 30.09.11 S\$'000 | 6 months ended 30.09.12 S\$'000 | 6 months ended 30.09.11 S\$'000 |
| <b>Cash flows from operating activities:</b>                                 |                                 |                                 |                                 |                                 |
| Profit from operations before taxation                                       | 6,281                           | 5,033                           | 11,976                          | 6,032                           |
| Adjustments for:   |                                 |                                 |                                 |                                 |
| Depreciation of property, plant and equipment                                | 1,541                           | 1,336                           | 3,073                           | 2,531                           |
| Loss on liquidation of a subsidiary  | -                               | -                               | 256                             | -                               |
| Amortisation of intangible assets  | 11                              | 12                              | 24                              | 25                              |
| (Gain)/loss on sale of property, plant and equipment, net                    | (303)                           | 1                               | (589)                           | (3)                             |
| Fixed assets written off   | 3                               | -                               | 3                               | -                               |
| Net fair value (gain)/loss on held-for-trading investment securities         | (131)                           | 388                             | (62)                            | 574                             |
| Net fair value loss in equity derivatives                                    | -                               | 54                              | -                               | 121                             |
| Gain on sale of equity securities, net                                       | (121)                           | -                               | (657)                           | -                               |
| Interest income  | (11)                            | (28)                            | (24)                            | (79)                            |
| Interest expense   | 140                             | 280                             | 505                             | 505                             |
| Dividend income  | -                               | -                               | -                               | (3)                             |
| <b>Operating profit before changes in working capital</b>                    | <b>7,410</b>                    | <b>7,076</b>                    | <b>14,505</b>                   | <b>9,703</b>                    |
| Decrease in gross amount due from customers for contract work-in-progress    | -                               | 256                             | -                               | 3,353                           |
| (Increase)/decrease in inventories and work-in-progress                      | (256)                           | 2,383                           | (1,274)                         | 1,402                           |
| Increase in receivables and prepayments                                      | (1,172)                         | (2,967)                         | (2,493)                         | (7,230)                         |
| Decrease in investment securities  | -                               | 1                               | -                               | 1                               |
| Increase/(decrease) in payables  | 140                             | (2,329)                         | 952                             | (1,538)                         |
| Currency realignment   | (504)                           | (61)                            | (382)                           | 81                              |
| <b>Cash generated from operations</b>  | <b>5,618</b>                    | <b>4,359</b>                    | <b>11,308</b>                   | <b>5,772</b>                    |
| Interest income received   | 11                              | 28                              | 24                              | 79                              |
| Interest expense paid  | (238)                           | (296)                           | (471)                           | (505)                           |
| Income taxes paid, net   | (1,053)                         | (1,206)                         | (2,105)                         | (2,069)                         |
| <b>Net cash provided by operating activities</b>                             | <b>4,338</b>                    | <b>2,885</b>                    | <b>8,756</b>                    | <b>3,277</b>                    |
| <b>Cash flows from investing activities:</b>                                 |                                 |                                 |                                 |                                 |
| Dividends received   | -                               | -                               | -                               | 3                               |
| Purchase of property, plant and equipment                                    | (633)                           | (2,609)                         | (1,169)                         | (4,954)                         |
| Acquisition of a subsidiary  | -                               | (20,683)                        | -                               | (20,683)                        |
| Liquidation of subsidiary  | -                               | -                               | (15)                            | -                               |
| Proceeds from sale of property, plant and equipment                          | 332                             | -                               | 638                             | 4                               |
| Proceeds from sale of equity securities, net of brokerage                    | 195                             | -                               | 1,033                           | -                               |
| Purchase of equity securities, net of brokerage                              | (1,242)                         | -                               | (2,156)                         | (3,149)                         |
| Loans granted to staff   | (44)                            | -                               | (92)                            | -                               |
| Loans repaid by staff  | 18                              | 66                              | 36                              | 81                              |
| <b>Net cash used in investing activities</b>                                 | <b>(1,374)</b>                  | <b>(23,226)</b>                 | <b>(1,725)</b>                  | <b>(28,698)</b>                 |
| <b>Cash flows from financing activities:</b>                                 |                                 |                                 |                                 |                                 |
| Dividends paid   | (852)                           | (975)                           | (852)                           | (975)                           |
| Share issuance expense   | (31)                            | (34)                            | (31)                            | (34)                            |
| Proceeds from bank borrowings  | 4,718                           | 19,389                          | 10,685                          | 19,415                          |
| Proceeds from employee's exercise of share options, net of transaction costs | 12                              | -                               | 12                              | -                               |
| Repayment of bank borrowings   | (278)                           | (237)                           | (17,536)                        | (673)                           |
| Repayment of finance lease   | (102)                           | (163)                           | (198)                           | (163)                           |
| Repayment of loans from a non-controlling shareholder of a subsidiary        | -                               | -                               | -                               | (355)                           |
| <b>Net cash provided by/(used in) financing activities</b>                   | <b>3,467</b>                    | <b>17,980</b>                   | <b>(7,920)</b>                  | <b>17,215</b>                   |
| Net change in cash and cash equivalents                                      | 6,431                           | (2,361)                         | (889)                           | (8,206)                         |
| Cash and cash equivalents at beginning of financial period                   | 20,029                          | 18,051                          | 27,314                          | 23,800                          |
| Effect of exchange rate changes on cash and cash equivalents                 | (145)                           | (33)                            | (110)                           | 63                              |
| <b>Cash and cash equivalents at end of financial period</b>                  | <b>26,315</b>                   | <b>15,657</b>                   | <b>26,315</b>                   | <b>15,657</b>                   |

**Note**

Cash and cash equivalents consist of the following:-

|                          | Group                  |                        |
|--------------------------|------------------------|------------------------|
|                          | As at 30.09.12 S\$'000 | As at 30.09.11 S\$'000 |
| Fixed deposits           | 438                    | 319                    |
| Cash at bank and in hand | 25,877                 | 15,338                 |
|                          | <b>26,315</b>          | <b>15,657</b>          |

**Cash Flows Review**

The Group's operating cash flows increased due to contributions from the Premier Group which was acquired in July 2011, as well as higher activity in the existing businesses. Cash used in investing activities decreased mainly due to lower amounts spent on merger and acquisition activities. Cashflows from financing activities decreased mainly due to repayment of a bank loan.

**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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 QUARTER ENDED 30 SEPTEMBER 2012**

| Group  | Attributable to owners of the Company |                 |                                      |                   |                               |               | Shareholders' Funds | Non-Controlling Interest | Total Equity  |
|--|---------------------------------------|-----------------|--------------------------------------|-------------------|-------------------------------|---------------|---------------------|--------------------------|---------------|
|  | Share Capital                         | Treasury Shares | Foreign Currency Translation Reserve | Retained Earnings | Fair Value Adjustment Reserve | Other Reserve |                     |                          |               |
|  | S\$'000                               | S\$'000         | S\$'000                              | S\$'000           | S\$'000                       | S\$'000       |                     |                          |               |
| <b>Balance as at 1 April 2011</b>  | 28,932                                | (3,992)         | 793                                  | 53,174            | (606)                         | (18)          | 78,283              | (560)                    | 77,723        |
| <b>Profit for the financial period, net of tax</b>   | -                                     | -               | -                                    | 4,384             | -                             | -             | 4,384               | -                        | 4,384         |
| <b>Other comprehensive income</b>  |                                       |                 |                                      |                   |                               |               |                     |                          |               |
| Exchange difference on translation of foreign operations                                       | -                                     | -               | 1,299                                | -                 | -                             | -             | 1,299               | -                        | 1,299         |
| Net change in fair value of available-for-sale financial assets                                | -                                     | -               | -                                    | -                 | (6,674)                       | -             | (6,674)             | -                        | (6,674)       |
| Other comprehensive income for the financial period  | -                                     | -               | 1,299                                | -                 | (6,674)                       | -             | (5,375)             | -                        | (5,375)       |
| <b>Total comprehensive income for the financial period</b>                                     | -                                     | -               | 1,299                                | 4,384             | (6,674)                       | -             | (991)               | -                        | (991)         |
| <b>Contributions by and distributions to owners</b>  |                                       |                 |                                      |                   |                               |               |                     |                          |               |
| Dividends paid in respect of previous financial period, tax exempt (one-tier)                  | -                                     | -               | -                                    | (1,781)           | -                             | -             | (1,781)             | -                        | (1,781)       |
| Issuance of ordinary shares pursuant to scrip dividend scheme                                  | 806                                   | -               | -                                    | -                 | -                             | -             | 806                 | -                        | 806           |
| Share issuance expense   | -                                     | -               | -                                    | -                 | -                             | -             | -                   | -                        | -             |
|  | (34)                                  | -               | -                                    | -                 | -                             | -             | (34)                | -                        | (34)          |
| <b>Total contributions by and distribution to owners</b>                                       | 772                                   | -               | -                                    | (1,781)           | -                             | -             | (1,009)             | -                        | (1,009)       |
| <b>Balance as at 30 September 2011</b>   | <u>29,704</u>                         | <u>(3,992)</u>  | <u>2,092</u>                         | <u>55,777</u>     | <u>(7,280)</u>                | <u>(18)</u>   | <u>76,283</u>       | <u>(560)</u>             | <u>75,723</u> |
| <b>Balance as at 1 April 2012</b>  | 29,857                                | (3,992)         | 1,313                                | 64,201            | (4,669)                       | (18)          | 86,692              | (560)                    | 86,132        |
| <b>Profit for the financial period, net of tax</b>   | -                                     | -               | -                                    | 9,729             | -                             | -             | 9,729               | -                        | 9,729         |
| <b>Other comprehensive income</b>  |                                       |                 |                                      |                   |                               |               |                     |                          |               |
| Exchange difference on translation of foreign operations                                       | -                                     | -               | (501)                                | -                 | -                             | -             | (501)               | -                        | (501)         |
| Liquidation of a subsidiary  | -                                     | -               | 374                                  | -                 | -                             | -             | 374                 | -                        | 374           |
| Net change in fair value of available-for-sale financial assets                                | -                                     | -               | -                                    | -                 | (3,467)                       | -             | (3,467)             | -                        | (3,467)       |
| Net charge in fair value of available-for-sale financial assets reclassified to profit or loss | -                                     | -               | -                                    | -                 | (562)                         | -             | (562)               | -                        | (562)         |
| Other comprehensive income for the financial period  | -                                     | -               | (127)                                | -                 | (4,029)                       | -             | (4,156)             | -                        | (4,156)       |
| <b>Total comprehensive income for the financial period</b>                                     | -                                     | -               | (127)                                | 9,729             | (4,029)                       | -             | 5,573               | -                        | 5,573         |
| <b>Contributions by and distributions to owners</b>  |                                       |                 |                                      |                   |                               |               |                     |                          |               |
| Dividends paid in respect of previous financial period, tax exempt (one-tier)                  | -                                     | -               | -                                    | (1,806)           | -                             | -             | (1,806)             | -                        | (1,806)       |
| Issuance of ordinary shares pursuant to scrip dividend scheme                                  | 954                                   | -               | -                                    | -                 | -                             | -             | 954                 | -                        | 954           |
| Share issuance expense   | (31)                                  | -               | -                                    | -                 | -                             | -             | (31)                | -                        | (31)          |
| Transfer of treasury shares pursuant to exercise of options                                    | -                                     | 16              | -                                    | -                 | -                             | (4)           | 12                  | -                        | 12            |
| <b>Total contributions by and distribution to owners</b>                                       | 923                                   | 16              | -                                    | (1,806)           | -                             | (4)           | (871)               | -                        | (871)         |
| <b>Changes in ownership interests in subsidiaries</b>  |                                       |                 |                                      |                   |                               |               |                     |                          |               |
| Liquidation of a subsidiary  | -                                     | -               | 27                                   | -                 | -                             | -             | 27                  | 560                      | 587           |
| <b>Total changes in ownership interests in subsidiaries</b>                                    | -                                     | -               | 27                                   | -                 | -                             | -             | 27                  | 560                      | 587           |
| <b>Balance as at 30 September 2012</b>   | <u>30,780</u>                         | <u>(3,976)</u>  | <u>1,213</u>                         | <u>72,124</u>     | <u>(8,698)</u>                | <u>(22)</u>   | <u>91,421</u>       | <u>-</u>                 | <u>91,421</u> |



**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 2012**

**STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

| <u>Company</u>   | <b>Share<br/>Capital</b> | <b>Treasury<br/>Shares</b> | <b>Retained<br/>Earnings</b> | <b>Other<br/>Reserve</b> | <b>Shareholders'<br/>Funds</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 2011</b>  | 28,932                   | (3,992)                    | 27,568                       | (18)                     | 52,490                         |
| <b>Profit for the financial period, net of tax, representing total comprehensive income for the financial period</b> | -                        | -                          | (905)                        | -                        | (905)                          |
| Dividends paid in respect of previous financial period, tax exempt (one-tier)  | -                        | -                          | (1,781)                      | -                        | (1,781)                        |
| Issuance of ordinary shares pursuant to scrip dividend scheme  | 806                      | -                          | -                            | -                        | 806                            |
| Share issuance expense   | (34)                     | -                          | -                            | -                        | (34)                           |
| <b>Total transactions with owners in their capacity as owners</b>  | 772                      | -                          | (1,781)                      | -                        | (1,009)                        |
| <b>Balance as at 30 September 2011</b>   | 29,704                   | (3,992)                    | 24,882                       | (18)                     | 50,576                         |
| <b>Balance as at 1 April 2012</b>  | 29,857                   | (3,992)                    | 49,486                       | (18)                     | 75,333                         |
| <b>Profit for the financial period, net of tax, representing total comprehensive income for the financial period</b> | -                        | -                          | 8,347                        | -                        | 8,347                          |
| Dividends paid in respect of previous financial period, tax exempt (one-tier)  | -                        | -                          | (1,806)                      | -                        | (1,806)                        |
| Issuance of ordinary shares pursuant to scrip dividend scheme  | 954                      | -                          | -                            | -                        | 954                            |
| Share issuance expense   | (31)                     | -                          | -                            | -                        | (31)                           |
| Transfer of treasury shares pursuant to exercise of options  | -                        | 16                         | -                            | (4)                      | 12                             |
| <b>Total transactions with owners in their capacity as owners</b>  | 923                      | 16                         | (1,806)                      | (4)                      | (871)                          |
| <b>Balance as at 30 September 2012</b>   | 30,780                   | (3,976)                    | 56,027                       | (22)                     | 82,809                         |

**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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.

|   | Share capital     |                   |
|---|-------------------|-------------------|
|   | 2012<br>(S\$'000) | 2011<br>(S\$'000) |
| As at 1 April   | 29,857            | 28,932            |
| Issuance of ordinary shares pursuant to scrip dividend scheme | 954               | 806               |
| Share issuance expense  | (31)              | (34)              |
| As at 30 September  | <u>30,780</u>     | <u>29,704</u>     |

The total number of options outstanding is as follows:-

| Date of grant | No. of options outstanding |                     | Expiry date  | Exercise price per share |
|---------------|----------------------------|---------------------|--------------|--------------------------|
|               | 30.09.12<br>( '000)        | 01.04.12<br>( '000) |              |                          |
| 31 July 2003  | -                          | 30                  | 30 July 2013 | S\$0.43                  |
|               | <u>-</u>                   | <u>30</u>           |              |                          |

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.

|   | 30.09.12<br>( '000) | 31.03.12<br>( '000) |
|---|---------------------|---------------------|
| Total number of issued shares                           | 99,000              | 97,761              |
| Total number of treasury shares                         | <u>7,452</u>        | <u>7,482</u>        |
| Total number of issued shares excluding treasury shares | <u>91,548</u>       | <u>90,279</u>       |

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 July 2012, 30,000 treasury shares were transferred pursuant to exercise of share options, resulting in 7,452,000 treasury shares as at 30 September 2012 (31 March 2012: 7,482,000)

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.

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the year ended 31 March 2012. The Group has also applied FRS and INT FRS that become effective in the financial year beginning on or after 1 April 2012. 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.

Not applicable.





**MTQ CORPORATION LIMITED**  
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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

|                                      | Group          |                | Group          |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
|                                      | 30.09.12       | 30.09.11       | 30.09.12       | 30.09.11       |
| <b>Earnings per ordinary share:-</b> |                |                |                |                |
| Basic (Note A)                       | 5.56           | 4.66           | 10.77          | 4.92           |
| Diluted (Note A)                     | 5.56           | 4.66           | 10.77          | 4.92           |

**Note A**

|  | Group          |                | Group          |                |
|--|----------------|----------------|----------------|----------------|
|  | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
|  | 30.09.12       | 30.09.11       | 30.09.12       | 30.09.11       |
|  | \$'000         | \$'000         | \$'000         | \$'000         |
| Profit attributable to owners of the Company | 5,022          | 4,155          | 9,729          | 4,384          |

|   | Number of shares |                | Number of shares |                |
|---|------------------|----------------|------------------|----------------|
|   | 3 months ended   | 3 months ended | 6 months ended   | 6 months ended |
|   | 30.09.12         | 30.09.11       | 30.09.12         | 30.09.11       |
|   | '000             | '000           | '000             | '000           |
| Weighted average number of ordinary shares for basic earnings per share computation   | 90,470           | 89,158         | 90,375           | 89,094         |
| Effects of dilution:  |                  |                |                  |                |
| - Share options   | -                | 15             | -                | 15             |
| Weighted average number of ordinary shares for diluted earnings per share computation | 90,470           | 89,173         | 90,375           | 89,109         |

**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  |          |
|-------------------------------------|----------|----------|----------|----------|
|                                     | 30.09.12 | 31.03.12 | 30.09.12 | 31.03.12 |
|                                     | (cents)  | (cents)  | (cents)  | (cents)  |
| Net asset value per ordinary share* | 99.86    | 95.41    | 90.45    | 83.44    |

\* Based on total number of issued shares excluding treasury shares as at end of financial period.

**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 2012 ("2Q FY13") vs. 3 months ended 30 September 2011 ("2Q FY12")**

2Q FY13 Group revenue increased by 5% to S\$40.0 million, reflecting higher activity levels and contract values enjoyed by the Oilfield and Engine Systems Divisions. 2Q FY13 Group profit before tax also increased by 25% to S\$6.3 million, on the back of higher revenue and lower operating expenses. In addition, the Group recorded one-off gains arising from sales of equity securities and property, plant and equipment amounting to S\$0.4 million in 2Q FY13.

**6 months ended 30 September 2012 ("1H FY13") vs. 6 months ended 30 September 2011 ("1H FY12")**

1H FY13 Group revenue of S\$78.5 million was higher than that achieved in 1H FY12 by S\$15.9 million or 25%. This increase reflects higher revenues from existing businesses, as well as that of Premier Group which was acquired in July 2011. In line with higher revenue, the Group recorded higher profit before tax of S\$12.0 million in 1H FY13 (1H FY12: S\$6.0 million). The overall results also reflected profit contributions from the Premier Group and start-up losses in the Oilfield Engineering Bahrain business.

**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.**

Drilling activities continue to remain robust in the offshore sector and the outlook for equipment deployment and utilisation remains healthy. Prospects are encouraging, but considering the overall market uncertainties, the Group continues to remain cautious in its expansion approach.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2012**

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**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? Yes

**For the financial period ended 30 September 2012**

|                                      |                              |
|--------------------------------------|------------------------------|
| Name of Dividend                     | Interim                      |
| Dividend Type                        | Cash/ Scrip                  |
| Dividend Amount per share (in cents) | 2.0 cents per ordinary share |
| Tax Rate                             | Tax-exempt (one-tier)        |

The Scrip Dividend Scheme (approved at the Extraordinary General Meeting held on 2 July 2004) will be applicable to the Proposed Interim Dividend. The Scrip Dividend Scheme would provide shareholders with the option to elect for their distribution to be paid:

- 1) in cash; or
- 2) in fully paid shares.

Further details on the Scrip Dividend Scheme are set out in prescribed announcement - Notice of Book Closure Dates for Interim Dividend released on 30 October 2012.

**b) Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the previous corresponding period? Yes

**For the financial period ended 30 September 2011**

|                                      |                              |
|--------------------------------------|------------------------------|
| Name of Dividend                     | Interim                      |
| Dividend Type                        | Cash/ Scrip                  |
| Dividend Amount per share (in cents) | 2.0 cents per ordinary share |
| Tax Rate                             | Tax-exempt (one-tier)        |

**c) Date payable**

The interim dividend will be paid on or about 08 January 2013.

**d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of MTQ Corporation Limited (the "Company") will be closed on 19 November 2012 for the purposes of determining the Shareholders' entitlements to the Interim Dividend. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00pm on 16 November 2012 will be registered to determine Shareholders' entitlements to the Interim Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00pm on 16 November 2012 will be entitled to the Interim Dividend.

**12 If no dividend has been declared/recommended, a statement to that effect.**

Not Applicable.

**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 did not obtain 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 2012 to be false or misleading.

**BY ORDER OF THE BOARD**

Dominic Siu Man Kit  
Company Secretary  
30-Oct-12