



MTQ CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 196900057Z)

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 June 2013

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 JUNE 2013

GROUP

	Group		Change %
	For the quarter ended 30.6.13 S\$'000	30.6.12 S\$'000	
Revenue	94,390	38,438	146%
Cost of sales (Note A)	(66,153)	(24,738)	-167%
Gross profit	28,237	13,700	106%
Other income (Note B)	546	989	-45%
Staff costs	(12,420)	(4,991)	-149%
Other operating expenses (Note C)	(7,629)	(3,638)	-110%
Profit from operating activities	8,734	6,060	44%
Finance costs (Note D)	(801)	(365)	-119%
Profit from operations before taxation	7,933	5,695	39%
Taxation expense (Note E)	(1,190)	(988)	-20%
Profit for the financial period, net of tax	6,743	4,707	43%
Other comprehensive income:			
Exchange difference on translation of foreign operations	(7,269)	(12)	60,475%
Net gain on hedge of net investment in foreign operation	3,749	-	100%
Liquidation of a subsidiary	-	374	-100%
Net change in fair value of available-for-sale financial assets	-	(6,492)	100%
Net change in fair value of available-for-sale financial assets reclassified to profit or loss upon disposal	-	(462)	100%
Other comprehensive income/(loss) for the financial period, net of tax (Note F)	(3,520)	(6,592)	47%
Total comprehensive income for the financial period	3,223	(1,885)	n/m
Profit attributable to:			
Owners of the Company	6,483	4,707	38%
Non-controlling interests	260	-	100%
	6,743	4,707	43%
Total comprehensive income attributable to:			
Owners of the Company	3,651	(1,885)	n/m
Non-controlling interests	(428)	-	-100%
	3,223	(1,885)	n/m

n/m : not meaningful



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Note A - Cost of sales include :-

	Group		Change %
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000	
Operating lease expenses	6,239	11	56,618%
Depreciation of property, plant and equipment	2,100	1,076	95%

Note B - Other income comprise :-

	Group		Change %
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000	
Interest income	17	13	31%
Gain on sale of equity securities, net	-	536	-100%
Gain on sale of property, plant and equipment, net	168	286	-41%
Commission received	219	82	167%
Other income	142	72	97%
	546	989	-45%

Note C - Other operating expenses include :-

	Group		Change %
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000	
Depreciation of property, plant and equipment	485	456	6%
Amortisation of intangible assets	11	13	-15%
Gain on exchange, net	(231)	(181)	-28%
Allowance for /(Reversal of) doubtful receivables and bad debts written off/(back), net	(67)	50	n/m
Allowance for inventory obsolescence and inventories written off	58	68	-15%
Loss on liquidation of a subsidiary	-	256	-100%
Audit, legal and professional fees	957	439	118%
Operating lease expenses	1,918	723	165%

Note D - Finance costs comprise :-

	Group		Change %
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000	
Interest on:			
- bank loans and overdrafts	772	350	121%
- finance lease payables	29	15	93%
	801	365	119%

Note E - Taxation expense :-

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

	Group		Change %
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000	
- current taxation	(42)	(102)	-59%

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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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 JUNE 2013

	Group		Company	
	30.06.13 S\$'000	31.03.13 S\$'000	30.06.13 S\$'000	31.03.13 S\$'000
Non-current assets				
Goodwill	11,531	12,276	-	-
Intangible assets	16,652	18,172	-	-
Investment properties	-	-	1,018	1,029
Property, plant and equipment	76,386	77,224	648	422
Investment in subsidiaries	-	-	50,234	47,931
Investment securities	-	-	-	-
Receivables	1,404	1,590	58,260	60,406
Prepayments	7	7	-	-
Deferred tax assets	4,809	5,066	-	-
	110,789	114,335	110,160	109,788
Current assets				
Inventories	30,334	32,425	-	-
Trade and other receivables	77,511	76,857	11,355	9,594
Prepayments	4,338	2,749	16	24
Investment securities	746	784	-	-
Cash and cash equivalents	38,688	40,911	11,180	6,809
	151,617	153,726	22,551	16,427
Current liabilities				
Trade and other payables	(45,537)	(52,103)	(2,790)	(2,937)
Finance lease payable	(1,428)	(564)	-	-
Bank borrowings	(41,545)	(8,944)	(2,601)	(3,491)
Provisions	(1,448)	(1,247)	-	-
Provision for taxation	(5,906)	(4,980)	(232)	(232)
	(95,864)	(67,838)	(5,623)	(6,660)
Net current assets/(liabilities)	55,753	85,888	16,928	9,767
Non-current liabilities				
Other payables	-	-	(5,343)	(6,220)
Finance lease payable	(371)	(352)	-	-
Long term bank borrowings	(27,988)	(63,715)	(15,659)	(15,338)
Deferred tax liabilities	(2,701)	(2,552)	(178)	(178)
Provisions	(1,407)	(1,826)	(72)	(72)
	(32,467)	(68,445)	(21,252)	(21,808)
Net assets	134,075	131,778	105,836	97,747
Equity attributable to owners of the Company				
Share capital [1(d)(i)]	31,740	31,740	31,740	31,740
Reserves [1(d)(i)]	90,998	86,890	74,096	66,007
Shareholders' funds	122,738	118,630	105,836	97,747
Non-controlling interests	11,337	13,148	-	-
Total equity	134,075	131,778	105,836	97,747

Balance Sheet Review

The change in current and non-current liabilities is mainly due to the reclassification of a bank loan from non-current liabilities as at 31 March 2013 to current liabilities as at 31 March 2013 as it became repayable within one year as at 30 June 2013.



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

	30.06.13		31.03.13	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	42,973	-	9,508	-
Amount repayable after one year	28,359	-	64,067	-
	<u>71,332</u>	<u>-</u>	<u>73,575</u>	<u>-</u>

The Group's borrowings as at 30 June 2013 decreased to S\$71.3 million from S\$73.6 million as at 31 March 2013 mainly due to repayment of a bank loan by the Company and revaluation of the loans, offset by draw-down of a bank loan by a subsidiary. Details of the collateral for the bank borrowings are as follows:

Facility 1: S\$18.3 million

- 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;
- Registered charge over the book debts of the Company; and
- Corporate guarantee from a subsidiary of the Company.

Facility 2: S\$2.1 million

- Corporate guarantee from the Company.

Facility 3: S\$3.3 million

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

Facility 4: S\$10.7 million

- Corporate guarantee from the Company.

Facility 5: S\$35.0 million

- Corporate guarantee from the Company.
- A registered equitable charge over certain shares in subsidiary

There were no debt securities as at 31 March 2013 and 30 June 2013.



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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 JUNE 2013

	Group	
	3 months ended 30.06.13 S\$'000	3 months ended 30.06.12 S\$'000
Cash flows from operating activities:		
Profit from operations before taxation	7,933	5,695
Adjustments for:		
Depreciation of property, plant and equipment	2,585	1,532
Loss on liquidation of a subsidiary	-	256
Amortisation of intangible assets	11	13
Gain on sale of property, plant and equipment, net	(168)	(286)
Net fair value loss on held-for-trading investment securities	38	69
Employee equity benefits expense	266	-
Gain on sale of equity securities, net	-	(536)
Interest income	(17)	(13)
Interest expense	801	365
Operating profit before changes in working capital	11,449	7,095
Decrease/(increase) in inventories	2,091	(1,018)
Increase in receivables and prepayments	(2,069)	(1,321)
Increase in payables	(5,945)	812
Currency realignment	(1,837)	122
Cash generated from operations	3,689	5,690
Interest income received	17	13
Interest expense paid	(832)	(233)
Income taxes paid, net	(369)	(1,052)
Net cash provided by operating activities	2,505	4,418
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,817)	(536)
Liquidation of subsidiary	-	(15)
Proceeds from sale of property, plant and equipment	716	306
Proceeds from sale of equity securities, net of brokerage	-	838
Purchase of equity securities, net of brokerage	-	(914)
Acquisition of non-controlling interests	(1,503)	-
Loans granted to staff	-	(48)
Loans repaid by staff	12	18
Net cash used in investing activities	(3,592)	(351)
Cash flows from financing activities:		
Proceeds from bank borrowings	1,621	5,967
Repayment of bank borrowings	(1,051)	(17,258)
Repayment of finance lease	(503)	(96)
Net cash provided by/(used in) financing activities	67	(11,387)
Net change in cash and cash equivalents	(1,020)	(7,320)
Cash and cash equivalents at beginning of financial period	40,911	27,314
Effect of exchange rate changes on cash and cash equivalents	(1,203)	35
Cash and cash equivalents at end of financial period	38,688	20,029

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 30.06.13 S\$'000	As at 30.06.12 S\$'000
Fixed deposits	406	561
Cash at bank and in hand	38,282	19,468
	38,688	20,029

Cash Flows Review

The change in the Group's operating cash flows was mainly due to higher Group profit before tax, offset by higher working capital requirements and interest payments. The Group's investing and financing cash flows were mainly attributable to purchase of property, plant and equipment, acquisition of non-controlling interests which was financed by a bank loan, as well as repayment of bank borrowings.

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 June 2013

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 JUNE 2013

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			
Balance as at 1 April 2012	29,857	(3,992)	1,313	64,201	(4,669)	(18)	86,692	(560)	86,132
Profit for the financial period, net of tax	-	-	-	4,707	-	-	4,707	-	4,707
Other comprehensive income									
Exchange difference on translation of foreign operations	-	-	(12)	-	-	-	(12)	-	(12)
Liquidation of a subsidiary	-	-	374	-	-	-	374	-	374
Net change in fair value of available-for-sale financial assets	-	-	-	-	(6,492)	-	(6,492)	-	(6,492)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss upon disposal	-	-	-	-	(462)	-	(462)	-	(462)
Other comprehensive income for the financial period	-	-	362	-	(6,954)	-	(6,592)	-	(6,592)
Total comprehensive income for the financial period	-	-	362	4,707	(6,954)	-	(1,885)	-	(1,885)
Changes in ownership interests in subsidiaries									
Liquidation of a subsidiary	-	-	27	-	-	-	27	560	587
Total changes in ownership interests in subsidiaries	-	-	27	-	-	-	27	560	587
Balance as at 30 June 2012	29,857	(3,992)	1,702	68,908	(11,623)	(18)	84,834	-	84,834
Balance as at 1 April 2013	31,740	-	1,090	82,129	-	3,671	118,630	13,148	131,778
Profit for the financial period, net of tax	-	-	-	6,483	-	-	6,483	260	6,743
Other comprehensive income									
Exchange difference on translation of foreign operations	-	-	(6,581)	-	-	-	(6,581)	(688)	(7,269)
Net gain on hedge of net investment in foreign operation	-	-	3,749	-	-	-	3,749	-	3,749
Other comprehensive income for the financial period	-	-	(2,832)	-	-	-	(2,832)	(688)	(3,520)
Total comprehensive income for the financial period	-	-	(2,832)	6,483	-	-	3,651	(428)	3,223
Contributions by and distributions to owners									
Employee equity benefits expense	-	-	-	-	-	266	266	-	266
Total contributions by and distribution to owners	-	-	-	-	-	266	266	-	266
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	191	191	(1,383)	(1,192)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	191	191	(1,383)	(1,192)
Balance as at 30 June 2013	31,740	-	(1,742)	88,612	-	4,128	122,738	11,337	134,075



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 JUNE 2013

<u>Company</u>	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Other Reserve S\$'000	Shareholders' Funds S\$'000
Balance as at 1 April 2012	29,857	(3,992)	49,486	(18)	75,333
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	2,387	-	2,387
Balance as at 30 June 2012	29,857	(3,992)	51,873	(18)	77,720
Balance as at 1 April 2013	31,740	-	63,842	2,165	97,747
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	8,089	-	8,089
Balance as at 30 June 2013	31,740	-	71,931	2,165	105,836



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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.

	30.06.13	31.03.13
	(S\$'000)	(S\$'000)
Share capital	<u>31,740</u>	<u>31,740</u>

As at 1 April 2013 and 30 June 2013, there are no options outstanding.

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.

	30.06.13	31.03.13
	('000)	('000)
Total number of issued shares excluding treasury shares	<u>100,168</u>	<u>100,168</u>

There is no treasury share as at 31 March 2013 and 30 June 2013.

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.

There is no movement in treasury shares during the quarter ended 30 June 2013

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.

Other than the per share calculations (as described below), the Group has applied the same accounting policies and methods of computation as in the audited financial statements for the year ended 31 March 2013. The Group has also applied FRS and INT FRS that become effective in the financial year beginning on or after 1 April 2013. 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.

On 12 July 2013, the Company issued 25,041,089 ordinary shares pursuant to the bonus issue on the basis of one (1) bonus share for every four (4) existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares increased from 100,167,851 shares to 125,209,940 shares. As a result, the number of ordinary shares used for the per share calculations has been adjusted for retrospectively as required by FRS 33.



Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 June 2013

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	
	3 months ended 30.6.2013	3 months ended 30.6.2012 (Restated)
Earnings per ordinary share:-		
Basic (Note A)	5.18	4.17
Diluted (Note A)	5.18	4.17

Note A

	Group	
	3 months ended 30.6.2013	3 months ended 30.6.2012
	\$'000	\$'000
Profit attributable to owners of the Company	6,483	4,707

	Number of shares	
	3 months ended 30.6.2013	3 months ended 30.6.2012 (Restated)
	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	125,210	112,849
Effects of dilution:		
- Share options	-	18
Weighted average number of ordinary shares for diluted earnings per share computation	125,210	112,867

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	
	30.6.2013 (\$)	31.03.13 (\$)	30.6.2013 (\$)	31.03.13 (\$)
		(Restated)		(Restated)
Net asset value per ordinary share*	0.98	0.95	0.85	0.78

* Based on the net assets after deducting the non-controlling interests, divided by total number of issued shares excluding treasury shares as at end of financial period, adjusted for the effect of bonus issue

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 June 2013 ("1Q FY14") vs 3 months ended 30 June 2012 ("1Q FY13")

The Group recorded an increase in revenue of S\$56.0 million, from S\$38.4 million in 1Q FY13 to S\$94.4 million in 1Q FY14, mainly due to the inclusion of the financial results of a new subsidiary, Neptune Marine Services Limited. In addition, the Oilfield Engineering segment recorded better margins. These factors resulted in higher gross profits, profit before tax and profit attributable to shareholders in 1Q FY14.

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.

Overall drilling and exploration activities continue to remain encouraging. The Group remains focused on capitalising on such opportunities and growing the overall business.



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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? No.

b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the previous corresponding period? No.

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

No dividend has been declared/recommended for the quarter ended 30 June 2013.

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 June 2013 to be false or misleading, in any meterial aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
24-Jul-13