



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 2015

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

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Group 3 months ended			Group 6 months ended		
	30.9.15 S\$'000	30.9.14 S\$'000	Change %	30.9.15 S\$'000	30.9.14 S\$'000	Change %
Revenue	57,820	80,334	-28%	117,832	157,028	-25%
Cost of sales (Note A)	(42,784)	(54,019)	21%	(87,175)	(104,610)	17%
Gross profit	15,036	26,315	-43%	30,657	52,418	-42%
Other income (Note B)	2,035	12	16858%	2,463	392	528%
Staff costs	(9,256)	(11,930)	22%	(19,450)	(24,135)	19%
Other operating expenses (Note C)	(8,173)	(7,271)	-12%	(15,446)	(15,016)	-3%
Profit/(loss) from operating activities	(358)	7,126	n/m	(1,776)	13,659	n/m
Finance costs (Note D)	(509)	(624)	18%	(1,040)	(1,252)	17%
Share of results of joint venture	(29)	(173)	83%	(329)	(446)	26%
Profit/(loss) before taxation	(896)	6,329	n/m	(3,145)	11,961	n/m
Taxation expense (Note E)	662	(1,002)	n/m	567	(2,268)	n/m
Profit/(loss) for the financial period, net of tax	(234)	5,327	n/m	(2,578)	9,693	n/m
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of foreign operations	879	(4,676)	n/m	(746)	(3,748)	80%
Net gain on hedge of net investment in foreign operation	1,020	1,800	-43%	1,440	1,500	-4%
Net fair value of loss on derivatives	(16)	-	-100%	(51)	-	-100%
Other comprehensive income/(loss) for the financial period, net of tax (Note F)	1,883	(2,876)	n/m	643	(2,248)	n/m
Total comprehensive income/(loss) for the financial period	1,649	2,451	-33%	(1,935)	7,445	n/m
Attributable to:						
Owners of the Company	(501)	5,282	n/m	(2,832)	9,406	n/m
Non-controlling interests	267	45	493%	254	287	-11%
	(234)	5,327	n/m	(2,578)	9,693	n/m
Total comprehensive income attributable to:						
Owners of the Company	1,381	2,762	-50%	(2,130)	7,460	n/m
Non-controlling interests	268	(311)	n/m	195	(15)	n/m
	1,649	2,451	-33%	(1,935)	7,445	n/m

n/m : not meaningful



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Note A - Cost of sales include :-

	Group			Group		
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	Change %	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000	Change %
Operating lease expenses	4,349	3,478	25%	7,342	5,267	39%
Depreciation of property, plant and equipment	2,822	2,498	13%	5,655	4,703	20%

Note B - Other income comprises :-

	Group			Group		
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	Change %	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000	Change %
Interest income	44	38	16%	85	89	-4%
Rental income	-	-	0%	-	3	-100%
Gain/(loss) on sale of property, plant and equipment, net	-	(209)	100%	44	(138)	n/m
Government grants	49	16	206%	160	16	900%
Commission received	134	117	15%	283	289	-2%
Gain on disposal of scrap	9	47	-81%	23	77	-70%
Insurance claims	1,766	-	100%	1,766	-	100%
Others	33	3	1000%	102	56	82%
	2,035	12	16858%	2,463	392	528%

Note C - Other operating expenses include :-

	Group			Group		
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	Change %	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000	Change %
Depreciation of property, plant and equipment	589	548	7%	1,055	1,076	-2%
Amortisation of intangible assets	45	63	-29%	91	126	-28%
Fixed assets written off	1,341	380	253%	1,382	395	250%
Loss/(gain) on exchange, net	(125)	(636)	-80%	152	(487)	n/m
Allowance for/(reversal of) doubtful receivables, net	248	(235)	n/m	343	(236)	n/m
Bad debts written off, net	(46)	3	n/m	(46)	9	n/m
Allowance for inventory obsolescence and inventories written off	34	50	-32%	80	101	-21%
Audit, legal, consultancy and professional fees	934	1,016	-8%	1,822	2,086	-13%
Operating lease expenses	1,575	1,637	-4%	3,251	3,299	-1%
Utilities expenses	473	616	-23%	1,051	1,168	-10%

Note D - Finance costs comprise :-

	Group			Group		
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	Change %	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000	Change %
Interest on:						
- bank loans and overdrafts	500	615	-19%	1,020	1,233	-17%
- finance lease payables	9	9	0%	20	19	5%
	509	624	-18%	1,040	1,252	-17%

Note E - Taxation expense :-

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

	Group			Group		
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	Change %	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000	Change %
- current taxation	(202)	-	-100%	(205)	-	-100%
- deferred taxation	-	(32)	n/m	78	(201)	n/m
	(202)	(32)	531%	(127)	(201)	-37%

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 period

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Group		Company	
	30.9.15	31.3.15	30.9.15	31.3.15
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Goodwill	20,786	21,568	-	-
Intangible assets	402	472	-	-
Investment properties	-	-	967	991
Property, plant and equipment	79,709	81,616	407	505
Investment in subsidiaries	-	-	64,828	45,066
Investment in joint venture	918	1,543	-	-
Receivables	881	1,144	59,817	80,762
Prepayments	23	35	16	28
Deferred tax assets	7,888	6,947	-	-
	110,607	113,325	126,035	127,352
Current assets				
Inventories	29,252	26,952	-	-
Trade and other receivables	60,270	68,873	11,071	11,850
Prepayments	4,904	3,120	232	100
Cash and cash equivalents	38,837	44,135	412	2,413
	133,263	143,080	11,715	14,363
Current liabilities				
Trade and other payables	(39,872)	(44,460)	(2,995)	(2,457)
Derivatives	(197)	(120)	-	-
Finance lease payable	(369)	(455)	-	-
Bank borrowings	(6,206)	(6,932)	(3,086)	(3,864)
Provisions	(1,487)	(1,455)	-	-
Provision for taxation	(6,853)	(7,269)	(873)	(809)
	(54,984)	(60,691)	(6,954)	(7,130)
Net current assets	78,279	82,389	4,761	7,233
Non-current liabilities				
Other payables	(443)	-	(6,233)	(6,239)
Finance lease payable	(318)	(342)	-	-
Long term bank borrowings	(50,511)	(52,703)	(8,496)	(9,252)
Deferred tax liabilities	(2,726)	(2,466)	(93)	(93)
Provisions	(1,818)	(1,853)	(78)	(78)
	(55,816)	(57,364)	(14,900)	(15,662)
Net assets	133,070	138,350	115,896	118,923
Equity attributable to owners of the Company				
Share capital [1(d)(i)]	36,807	36,807	36,807	36,807
Treasury shares [1(d)(iv)]	(116)	-	(116)	-
Reserves [1(d)(i)]	86,794	92,153	79,205	82,116
Shareholders' funds	123,485	128,960	115,896	118,923
Non-controlling interests	9,585	9,390	-	-
Total equity	133,070	138,350	115,896	118,923

Balance Sheet Review

The change in net asset were mainly due to:

- loss of S\$2.6 million recognised for the financial period;
- net translation gain of S\$0.7 million arising from foreign currency movements; and
- dividend paid during the financial period amounting to S\$3.1 million.

Overall bank borrowings decreased from S\$59.6 million to S\$56.7 million resulting mainly from repayment as well as revaluation of the loans.



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1(b)(i) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial period

	30.9.15		31.3.15	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	6,575	-	7,387	-
Amount repayable after one year	50,829	-	53,045	-
	<u>57,404</u>	<u>-</u>	<u>60,432</u>	<u>-</u>

The Group's borrowings as at 30 September 2015 decreased to S\$57.4 million from S\$60.4 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the bank borrowings are as follows:

Facility 1: S\$11.6 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\$2.4 million

- Corporate guarantee from the Company.

Facility 3: S\$2.6 million

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

Facility 4: S\$9.4 million

- Corporate guarantee from the Company.

Facility 5: S\$29.9 million

- Corporate guarantee from the Company.

Facility 6: S\$0.7 million

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

There were no debt securities as at 30 September 2015 and 31 March 2015.



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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 SEPTEMBER 2015

	Group		Group	
	3 months ended 30.9.15 S\$'000	3 months ended 30.9.14 S\$'000	6 months ended 30.9.15 S\$'000	6 months ended 30.9.14 S\$'000
Cash flows from operating activities:				
Profit/(loss) from operations before taxation	(896)	6,329	(3,145)	11,961
Adjustments for:				
Depreciation of property, plant and equipment	3,411	3,046	6,710	5,779
Amortisation of intangible assets	45	63	91	126
(Gain)/loss on sale of property, plant and equipment, net	-	209	(44)	138
Fixed assets written off	1,341	380	1,382	395
Allowance for/(reversal of) doubtful receivables, net	248	(235)	343	(236)
Bad debts written off, net	(46)	3	(46)	9
Allowance for inventory obsolescence and inventories written off	34	50	80	101
Share of joint venture results	29	173	329	446
Employee equity benefits expense	(128)	251	43	429
Provision made during the year	72	85	148	130
Interest income	(44)	(38)	(85)	(89)
Interest expense	509	624	1,040	1,252
Operating profit before changes in working capital	4,575	10,940	6,846	20,441
(Increase)/decrease in inventories	(2,523)	431	(2,380)	1,572
Decrease in receivables and prepayments	1,939	2,494	7,429	5,928
Increase/(decrease) in payables	(434)	787	(4,129)	(5,695)
Currency realignment	(307)	(854)	(606)	(584)
Cash generated from operations	3,250	13,798	7,160	21,662
Interest income received	44	38	85	89
Interest expense paid	(510)	(628)	(1,048)	(1,259)
Income taxes paid, net	(1,037)	(938)	(1,050)	(1,948)
Net cash provided by operating activities	1,747	12,270	5,147	18,544
Cash flows from investing activities:				
Purchase of property, plant and equipment	(1,721)	(2,106)	(5,679)	(6,979)
Proceeds from sale of property, plant and equipment	2	74	58	955
Purchase of intangible assets	-	(142)	-	(167)
Loans to joint venture	-	-	(712)	-
Loans granted to staff	-	-	-	(130)
Loans repaid by staff	16	20	31	62
Net cash used in investing activities	(1,703)	(2,154)	(6,302)	(6,259)
Cash flows from financing activities:				
Dividend paid	(3,082)	(1,270)	(3,082)	(1,270)
Share issuance expense	-	(38)	-	(38)
Proceeds from bank borrowings	-	-	3	-
Share buy-back	-	-	(312)	-
Settlement of share-based payment arrangements	-	(652)	-	(652)
Repayment of bank borrowings	(991)	(877)	(1,939)	(1,759)
Repayment of finance lease	(111)	(42)	(245)	(216)
Net cash used in financing activities	(4,184)	(2,879)	(5,575)	(3,935)
Net change in cash and cash equivalents	(4,140)	7,237	(6,730)	8,350
Cash and cash equivalents at beginning of financial period	41,160	38,669	44,135	37,432
Effect of exchange rate changes on cash and cash equivalents	1,817	(1,101)	1,432	(977)
Cash and cash equivalents at end of financial period	38,837	44,805	38,837	44,805

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 30.9.15 S\$'000	As at 30.9.14 S\$'000
Fixed deposits	7,703	6,540
Cash at bank and in hand	31,134	38,265
	38,837	44,805

Cash Flows Review

Cash generated from operation before working capital was S\$4.6 million in this quarter. Taking into account the FY2015's final dividend, capital expenditure and changes in working capital in this quarter, cash and cash equivalent for the Group decreased to S\$38.8 million as at 30 September 2015 from S\$41.2 million as at 30 June 2015.



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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 2015

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 Reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 1 April 2014	34,108	-	(7)	95,105	-	1,745	130,951	9,655	140,606
Profit for the financial period, net of tax	-	-	-	9,406	-	-	9,406	287	9,693
Other comprehensive income/(loss)									
Exchange difference on translation of subsidiaries	-	-	(3,446)	-	-	-	(3,446)	(302)	(3,748)
Net loss on hedge of net investment in foreign operation	-	-	1,500	-	-	-	1,500	-	1,500
Other comprehensive income/(loss) for the financial period	-	-	(1,946)	-	-	-	(1,946)	(302)	(2,248)
Total comprehensive income/(loss) for the financial period	-	-	(1,946)	9,406	-	-	7,460	(15)	7,445
Contributions by and distributions to owners									
Dividend paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(3,048)	-	-	(3,048)	-	(3,048)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,778	-	-	-	-	-	1,778	-	1,778
Issuance of ordinary shares pursuant to scrip MTQ Share Plan	250	-	-	-	-	(250)	-	-	-
Share issuance expense	(38)	-	-	-	-	-	(38)	-	(38)
Settlement of share-based payment arrangements	-	-	-	-	-	(566)	(566)	(86)	(652)
Employee equity benefits expense	-	-	-	-	-	422	422	16	438
Total contributions by and distribution to owners	1,990	-	-	(3,048)	-	(394)	(1,452)	(70)	(1,522)
Balance as at 30 September 2014	36,098	-	(1,953)	101,463	-	1,351	136,959	9,570	146,529
Balance as at 1 April 2015	36,807	-	(3,047)	93,704	-	1,496	128,960	9,390	138,350
Profit/(loss) for the financial period, net of tax	-	-	-	(2,832)	-	-	(2,832)	254	(2,578)
Other comprehensive income/(loss)									
Exchange difference on translation of subsidiaries	-	-	(694)	-	-	-	(694)	(52)	(746)
Net gain on hedge of net investment in foreign operation	-	-	1,440	-	-	-	1,440	-	1,440
Net fair value of loss on derivatives	-	-	-	-	-	(44)	(44)	(7)	(51)
Other comprehensive income/(loss) for the financial period	-	-	746	-	-	(44)	702	(59)	643
Total comprehensive income/(loss) for the financial period	-	-	746	(2,832)	-	(44)	(2,130)	195	(1,935)
Contributions by and distributions to owners									
Dividend paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(3,082)	-	-	(3,082)	-	(3,082)
Settlement of share-based payment arrangements	-	196	-	-	-	(196)	-	-	-
Employee equity benefits expense	-	-	-	-	-	49	49	-	49
Share buy-back	-	(312)	-	-	-	-	(312)	-	(312)
Total contributions by and distribution to owners	-	(116)	-	(3,082)	-	(147)	(3,345)	-	(3,345)
Balance as at 30 September 2015	36,807	(116)	(2,301)	87,790	-	1,305	123,485	9,585	133,070



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2015

<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 2014	34,108	-	79,335	2,303	115,746
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	5,847	-	5,847
Dividend paid in respect of previous financial period, tax exempt (one-tier)	-	-	(3,048)	-	(3,048)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,778	-	-	-	1,778
Issuance of ordinary shares pursuant to scrip MTQ Share Plan	250	-	-	(250)	-
Employee equity benefits expense	-	-	-	317	317
Share issuance expense	(38)	-	-	-	(38)
Total transactions with owners in their capacity as owners	1,990	-	(3,048)	67	(991)
Balance as at 30 September 2014	36,098	-	82,134	2,370	120,602
Balance as at 1 April 2015	36,807	-	79,419	2,697	118,923
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	318	-	318
Dividend paid in respect of previous financial period, tax exempt (one-tier)	-	-	(3,082)	-	(3,082)
Share buy-back	-	(312)	-	-	(312)
Settlement of share-based payment arrangements	-	196	-	(196)	-
Employee equity benefits expense	-	-	-	49	49
Total transactions with owners in their capacity as owners	-	(116)	(3,082)	(147)	(3,345)
Balance as at 30 September 2015	36,807	(116)	76,655	2,550	115,896



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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.

	30.9.15	30.6.15
	(S\$'000)	(S\$'000)
Share Capital	36,807	36,807
	30.9.15	30.9.14
	('000)	('000)
Total number of issued shares	154,521	153,818
Total number of treasury shares	148	-
Total number of issued shares excluding treasury shares	154,373	153,818

MTQ Share Plan

As at 30 September 2015, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 406,519 shares (30 September 2014: 310,081). The movements in the number of shares comprised in Awards granted under the MTQ Share Plan for the quarter are as follows:

Shares comprised in Awards granted:

Date of Grant	Number of shares		Outstanding as at 30/9/2015
	Outstanding as at 1/7/2015	Granted Released	
29/8/2014	310,081	-	155,043
26/8/2015	-	348,087	251,476
	310,081	348,087	406,519

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.

	30.9.15	31.3.15
	('000)	('000)
Total number of issued shares	154,521	154,521
Total number of treasury shares	148	-
Total number of issued shares excluding treasury shares	154,373	154,521

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 September 2015, the Company transferred 251,649 of its treasury shares pursuant to the settlement of MTQ Share Plan, resulting in 148,351 treasury shares as at 30 September 2015 (30 June 2015: 400,000).

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 most recently audited financial statements. The Group has also applied FRS and INT FRS that became effective in the financial year beginning on or after 1 April 2015. 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.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 30 September 2015

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

	Group		Group	
	3 months ended 30.9.15 (cents)	3 months ended 30.9.14 (cents)	6 months ended 30.9.15 (cents)	6 months ended 30.9.14 (cents)
Earnings per ordinary share:-				
Basic (Note A)	(0.32)	3.46	(1.84)	6.17
Diluted (Note A)	(0.32)	3.45	(1.83)	6.15

Note A

	Group		Group	
	3 months ended 30.9.15 \$'000	3 months ended 30.9.14 \$'000	6 months ended 30.9.15 \$'000	6 months ended 30.9.14 \$'000
Profit/(loss) attributable to owners of the Company	(501)	5,282	(2,832)	9,406

	Number of shares		Number of shares	
	3 months ended 30.9.15 '000	3 months ended 30.9.14 '000	6 months ended 30.9.15 '000	6 months ended 30.9.14 '000
Weighted average number of ordinary shares for basic earnings per share computation	154,203	152,635	154,267	152,524
Effects of dilution:				
- Employee share-based payment scheme	407	310	407	310
Weighted average number of ordinary shares for diluted earnings per share computation	154,610	152,945	154,674	152,834

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	
	30.9.15 (\$)	31.3.15 (\$)	30.9.15 (\$)	31.3.15 (\$)
Net asset value per ordinary share*	0.80	0.83	0.75	0.77

* 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.



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 2015

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 2015 ("2QFY2016") vs 3 months ended 30 September 2014 ("2QFY2015")

The Group reported S\$57.8 million revenue for 2QFY2016, a decrease of 28% year-on-year ("yoy"). The lower revenue was primarily due to weak demand for oilfield engineering business, especially in Singapore. Bahrain continued to see a healthy level of activities and generated slightly higher revenue yoy. Engine Systems' operating performance was stable, however, the impact of a weaker Australian dollar weighed on revenue in the quarter compared to a year ago.

Weaker gross margins have persisted in this current quarter, reflecting market pressures. Gross profit decreased by 43% yoy to S\$15.0 million for 2QFY2016. Gross profit margin declined to 26% for the quarter, compared to 33% a year ago.

To mitigate the weaker business outlook, operating expenses and staff costs as a whole have continued to be reduced in the quarter. Notwithstanding such efforts, the Group reported a net loss attributable to shareholders of negative S\$0.5 million, which translated to a diluted loss per share of 0.32 Singapore cents for the quarter.

6 months ended 30 September 2015 ("6MFY2016") vs 6 months ended 30 September 2014 ("6MFY2015")

The Group reported S\$117.8 million revenue for 6MFY2016, a decrease of 25% year-on-year ("yoy"). The lower revenue was primarily due to weak demand for oilfield engineering business, especially in Singapore. Bahrain continued to see a healthy level of activities and generated slightly higher revenue yoy. Engine Systems' operating performance was stable, however, the impact of a weaker Australian dollar weighed on revenue in the quarter compared to a year ago.

The challenging market environment has put downward pressure on gross margin. Gross profit decreased by 42% yoy to S\$30.7 million for 6MFY2016. Gross profit margin declined to 26% for the first half of the year, compared to 33% a year ago.

To mitigate the weaker business outlook, operating expenses and staff costs as a whole have continued to be reduced. Notwithstanding such efforts, the Group reported a net loss attributable to shareholders of negative S\$2.8 million, which translated to a diluted loss per share of 1.83 Singapore cents for the period.

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.

As oil prices remain weak and MTQ continues to see tepid demand for oilfield services, especially in Singapore which has historically had a reasonable workload due to new build activity.

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? Yes

For the financial period ended 30 September 2014

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

Not applicable

d) Books closure date

Not applicable

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

No dividend has been declared/recommended for the quarter ended 30 September 2015.

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 has not obtained a 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 2015 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
29 October 2015