



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

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2016

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 31 DECEMBER 2016

| | Group 3 months ended | | | Group 9 months ended | | |
|---|-------------------------|----------------------------|--------|-------------------------|----------------------------|--------|
| | 31.12.16 | 31.12.15 (Re-presented) | Change | 31.12.16 | 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 31,214 | 44,185 | -29% | 90,677 | 139,694 | -35% |
| Cost of sales (Note A) | (25,899) | (34,559) | 25% | (73,254) | (107,077) | 32% |
| Gross profit | 5,315 | 9,626 | -45% | 17,423 | 32,617 | -47% |
| Other income (Note B) | 477 | 1,623 | -71% | 1,021 | 4,063 | -75% |
| Staff costs | (6,027) | (6,884) | 12% | (18,155) | (22,256) | 18% |
| Other operating expenses (Note C) | (4,372) | (5,502) | 21% | (13,539) | (18,205) | 26% |
| Loss from operating activities | (4,607) | (1,137) | -305% | (13,250) | (3,781) | -250% |
| Finance costs (Note D) | (337) | (485) | 31% | (1,021) | (1,463) | 30% |
| Share of results of joint venture | 180 | 27 | 567% | 341 | (302) | n/m |
| Loss before taxation from continuing operations | (4,764) | (1,595) | -199% | (13,930) | (5,546) | -151% |
| Taxation credit (Note E) | 132 | 380 | -65% | 1,111 | 1,128 | -2% |
| Loss from continuing operations, net of tax | (4,632) | (1,215) | -281% | (12,819) | (4,418) | -190% |
| Discontinued operations: | | | | | | |
| Profit from discontinued operations, net of tax | 203 | 263 | -23% | 1,549 | 888 | 74% |
| Loss for the period | (4,429) | (952) | -365% | (11,270) | (3,530) | -219% |
| Other comprehensive income: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Exchange difference on translation of foreign operations | 2,925 | 1,701 | -72% | 2,770 | 955 | -190% |
| Net (loss)/gain on hedge of net investment in foreign operations | (90) | (1,050) | -91% | (210) | 390 | n/m |
| Net fair value loss on derivatives | 32 | 127 | 75% | (236) | 76 | n/m |
| Foreign currency reserve reclassified to profit or loss upon disposal of a subsidiary | 2,118 | - | 100% | 2,118 | - | 100% |
| Other comprehensive income for the financial period, net of tax (Note F) | 4,985 | 778 | -541% | 4,442 | 1,421 | 213% |
| Total comprehensive income/(loss) for the financial period | 556 | (174) | n/m | (6,828) | (2,109) | -224% |
| Loss for the financial period attributable to: | | | | | | |
| Owners of the Company: | | | | | | |
| From continuing operations | (4,264) | (1,113) | -283% | (12,119) | (4,570) | -165% |
| From discontinued operations | 203 | 263 | -23% | 1,549 | 888 | 74% |
| Total attributable to Owners of the Company | (4,061) | (850) | -378% | (10,570) | (3,682) | -187% |
| Non-controlling interests | (368) | (102) | 261% | (700) | 152 | n/m |
| | (4,429) | (952) | -365% | (11,270) | (3,530) | -219% |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Owners of the Company: | | | | | | |
| From continuing operations | 363 | (774) | n/m | (8,055) | (3,163) | -155% |
| From discontinued operations | 422 | 534 | -21% | 1,910 | 793 | 141% |
| Total attributable to Owners of the Company | 785 | (240) | n/m | (6,145) | (2,370) | -159% |
| Non-controlling interests | (229) | 66 | n/m | (683) | 261 | n/m |
| | 556 | (174) | n/m | (6,828) | (2,109) | -224% |

n/m : not meaningful



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2016

Note A - Cost of sales includes :-

| | Group | | | Group | | |
|---|-------------------------|---|--------|-------------------------|---|--------|
| | 3 months ended 31.12.16 | 3 months ended 31.12.15 (Re-presented) | Change | 9 months ended 31.12.16 | 9 months ended 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Operating lease expenses | 1,628 | 1,546 | 5% | 3,802 | 8,888 | -57% |
| Depreciation of property, plant and equipment | 1,890 | 2,687 | -30% | 5,606 | 8,101 | -31% |

Note B - Other income comprises :-

| | Group | | | Group | | |
|---|-------------------------|---|--------|-------------------------|---|--------|
| | 3 months ended 31.12.16 | 3 months ended 31.12.15 (Re-presented) | Change | 9 months ended 31.12.16 | 9 months ended 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Interest income | 20 | 44 | -55% | 78 | 118 | -34% |
| Gain on disposal of a subsidiary | 161 | - | -100% | 161 | - | -100% |
| Gain/(loss) on sale of property, plant and equipment, net | 61 | 716 | -91% | 90 | 748 | -88% |
| Government grants | 78 | 35 | 123% | 130 | 195 | -33% |
| Commission received | - | 138 | 100% | 23 | 421 | -95% |
| Gain on disposal of scrap | 25 | 46 | -46% | 56 | 69 | -19% |
| Insurance claims | 47 | 601 | -92% | 254 | 2,367 | -89% |
| Others | 85 | 43 | 98% | 229 | 145 | 58% |
| | 477 | 1,623 | -71% | 1,021 | 4,063 | -75% |

During the quarter, the Group disposed MTQ Engine Systems Pty Ltd ("MTQES"), a wholly owned subsidiary and received S\$12.6 million as part consideration. Payment of the remaining amount of S\$9.3 million is pending arbitration of a disputed amount of S\$1.3 million. The 3QFY2017 results included a modest gain from disposal of MTQES of S\$161,000 based on the undisputed sum.

Note C - Other operating expenses includes :-

| | Group | | | Group | | |
|--|-------------------------|---|--------|-------------------------|---|--------|
| | 3 months ended 31.12.16 | 3 months ended 31.12.15 (Re-presented) | Change | 9 months ended 31.12.16 | 9 months ended 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Depreciation of property, plant and equipment | 347 | 424 | -18% | 1,031 | 1,321 | -22% |
| Amortisation of intangible assets | 10 | 45 | -78% | 43 | 136 | -68% |
| Fixed assets written off | 63 | 121 | -48% | 250 | 1,503 | -83% |
| (Gain)/loss on exchange, net | 199 | 196 | 2% | (7) | 318 | n/m |
| Allowance for doubtful receivables, net | 2 | 143 | -99% | 42 | 477 | -91% |
| Bad debts written off/(back), net | 14 | (1) | n/m | 14 | (47) | n/m |
| Allowance for inventory obsolescence and inventories written off | - | 25 | 100% | - | 25 | 100% |
| Audit, legal, consultancy and professional fees | 536 | 913 | -41% | 2,162 | 2,626 | -18% |
| Operating lease expenses | 935 | 990 | -6% | 2,866 | 3,186 | -10% |
| Utilities expenses | 378 | 393 | -4% | 1,080 | 1,377 | -22% |

Note D - Finance costs comprise :-

| | Group | | | Group | | |
|-----------------------------|-------------------------|---|--------|-------------------------|---|--------|
| | 3 months ended 31.12.16 | 3 months ended 31.12.15 (Re-presented) | Change | 9 months ended 31.12.16 | 9 months ended 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Interest on: | | | | | | |
| - bank loans and overdrafts | 335 | 478 | -30% | 1,012 | 1,444 | -30% |
| - finance lease payables | 2 | 7 | -71% | 9 | 19 | -53% |
| | 337 | 485 | -31% | 1,021 | 1,463 | -30% |

Note E - Taxation expense/(credit) :-

Included in the tax expense/(credit) were under/(over) provision in respect of prior years:-

| | Group | | | Group | | |
|---------------------|-------------------------|---|--------|-------------------------|---|--------|
| | 3 months ended 31.12.16 | 3 months ended 31.12.15 (Re-presented) | Change | 9 months ended 31.12.16 | 9 months ended 31.12.15 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| - current taxation | (1,087) | 13 | n/m | (1,117) | (192) | 482% |
| - deferred taxation | 386 | - | -100% | 404 | 78 | 418% |
| | (701) | 13 | n/m | (713) | (114) | 525% |

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 31 DECEMBER 2016

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31.12.16 | 31.3.16 | 31.12.16 | 31.3.16 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Goodwill | 10,313 | 15,488 | - | - |
| Intangible assets | 107 | 148 | - | - |
| Investment properties | - | - | 909 | 944 |
| Property, plant and equipment | 56,664 | 63,440 | 202 | 305 |
| Investment in subsidiaries | - | - | 59,810 | 63,969 |
| Investment in joint venture | 1,303 | 962 | - | - |
| Receivables | 2,479 | 2,175 | 51,376 | 54,016 |
| Prepayments | 7 | 18 | - | 11 |
| Deferred tax assets | 7,237 | 8,976 | - | - |
| | 78,110 | 91,207 | 112,297 | 119,245 |
| Current assets | | | | |
| Inventories | 17,084 | 25,735 | - | - |
| Trade and other receivables | 40,641 | 52,883 | 13,926 | 3,701 |
| Prepayments | 3,378 | 3,300 | 93 | 37 |
| Cash and cash equivalents | 36,225 | 24,967 | 13,827 | 823 |
| | 97,328 | 106,885 | 27,846 | 4,561 |
| Total assets | 175,438 | 198,092 | 140,143 | 123,806 |
| Current liabilities | | | | |
| Trade and other payables | (23,830) | (31,883) | (1,798) | (1,745) |
| Finance lease payable | (217) | (343) | - | - |
| Bank borrowings | (8,261) | (3,079) | (6,082) | (1,008) |
| Provisions | (63) | (1,523) | - | - |
| Provision for taxation | (1,187) | (3,613) | (123) | (391) |
| | (33,558) | (40,441) | (8,003) | (3,144) |
| Non-current liabilities | | | | |
| Other payables | (298) | (392) | (7,137) | (10,354) |
| Finance lease payable | (325) | (171) | - | - |
| Long term bank borrowings | (33,012) | (40,494) | (7,842) | (13,068) |
| Deferred tax liabilities | (1,316) | (1,483) | (61) | (35) |
| Provisions | (1,099) | (1,737) | (80) | (80) |
| | (36,050) | (44,277) | (15,120) | (23,537) |
| Total liabilities | (69,608) | (84,718) | (23,123) | (26,681) |
| Net assets | 105,830 | 113,374 | 117,020 | 97,125 |
| 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)] | (4) | (116) | (4) | (116) |
| Reserves [1(d)(i)] | 62,661 | 68,973 | 80,217 | 60,434 |
| Shareholders' funds | 99,464 | 105,664 | 117,020 | 97,125 |
| Non-controlling interests | 6,366 | 7,710 | - | - |
| Total equity | 105,830 | 113,374 | 117,020 | 97,125 |

Balance Sheet Review

The change in net asset were mainly due to:

- loss of S\$11.2 million recognised for the financial period; and
- net translation gain of S\$2.6 million arising from translation of foreign operations; and
- S\$2.1 million foreign currency reserve reclassified to profit and loss on disposal of MTQES.

Apart from the disposal of MTQES, which affects all assets and liabilities, changes in working capital items were mainly due to timing differences and the lower revenue for the nine month ended 31 December 2016. Trade and other receivables as at 31 December 2016 included the undisputed amount of S\$8.0 million unpaid consideration from disposal of MTQES.

Overall bank borrowings decreased from S\$43.6 million to S\$41.2 million resulting mainly from repayment of the loans.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2016

1(b)(ii) 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.

| | 31.12.16 | | 31.3.16 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amount repayable in one year or less, or on demand | 2,031 | 6,447 | 2,073 | 1,349 |
| Amount repayable after one year | 8,167 | 25,170 | 10,968 | 29,697 |
| | <u>10,198</u> | <u>31,617</u> | <u>13,041</u> | <u>31,046</u> |

The Group's borrowings as at 31 December 2016 decreased to S\$41.8 million from S\$44.1 million mainly due to repayment and revaluation of bank loans. Details of the collateral for the secured bank borrowings are as follows:

Facility 1: S\$8.9 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

Facility 3: S\$0.7 million

- Fixed and floating charge over the assets of a subsidiary; and

There were no debt securities as at 31 December 2016 and 31 March 2016.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2016

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 31 DECEMBER 2016

| | Group | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 3 months ended | 3 months ended | 9 months ended | 9 months ended |
| | 31.12.16 | 31.12.15 | 31.12.16 | 31.12.15 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | | | |
| Loss before taxation from continuing operations | (4,764) | (1,595) | (13,930) | (5,546) |
| Profit before taxation from discontinued operations | 291 | 287 | 2,089 | 1,093 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 2,284 | 3,313 | 6,988 | 10,023 |
| Amortisation of intangible assets | 10 | 45 | 43 | 136 |
| (Gain)/loss on disposal of a subsidiary | (161) | - | (161) | - |
| (Gain)/loss on sale of property, plant and equipment, net | (73) | (723) | (110) | (767) |
| Fixed assets written off | 66 | 121 | 253 | 1,503 |
| Allowance for doubtful receivables, net | 3 | 147 | 46 | 490 |
| Bad debts written off/(back), net | 14 | (1) | 14 | (47) |
| Allowance for inventory obsolescence and inventories written off | 16 | 69 | 95 | 149 |
| Share of joint venture results | (180) | (27) | (341) | 302 |
| Employee equity benefits expense | 9 | 109 | (3) | 152 |
| Provision made during the period | 57 | (33) | 186 | 115 |
| Interest income | (22) | (51) | (91) | (136) |
| Interest expense | 344 | 517 | 1,088 | 1,557 |
| Operating profit/(loss) before changes in working capital | (2,106) | 2,178 | (3,834) | 9,024 |
| Decrease/(Increase) in inventories | (1,042) | 2,491 | (1,237) | 111 |
| Decrease/(Increase) in receivables and prepayments | (5,517) | 9,044 | 15,355 | 16,473 |
| Increase/(Decrease) in payables | 3,981 | (1,929) | (4,408) | (6,058) |
| Currency realignment | 2,113 | 1,726 | 1,607 | 1,120 |
| Cash (used in)/generated from operations | (2,571) | 13,510 | 7,483 | 20,670 |
| Interest income received | 22 | 51 | 91 | 136 |
| Interest expense paid | (375) | (457) | (1,092) | (1,505) |
| Income taxes (paid)/refunded, net | 1,411 | (1,628) | (1,570) | (2,678) |
| Net cash (used in)/generated from operating activities | (1,513) | 11,476 | 4,912 | 16,623 |
| Cash flows from investing activities: | | | | |
| Purchase of property, plant and equipment | (395) | (900) | (1,036) | (6,579) |
| Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs | 11,414 | - | 11,414 | - |
| Proceeds from sale of property, plant and equipment | 223 | 3,213 | 270 | 3,271 |
| Loans to joint venture | - | (707) | - | (1,419) |
| Loans granted to staff | - | (45) | - | (45) |
| Loans repaid by staff | 14 | 31 | 43 | 62 |
| Net cash from/(used in) investing activities | 11,256 | 1,592 | 10,691 | (4,710) |
| Cash flows from financing activities: | | | | |
| Dividend paid | - | - | - | (3,082) |
| Dividend paid by a subsidiary to non-controlling interests | - | (654) | (747) | (654) |
| Proceeds from bank borrowings | 700 | - | 700 | 3 |
| Share buy-back | - | - | (56) | (312) |
| Repayment of bank borrowings | (3,774) | (1,973) | (4,289) | (3,912) |
| Repayment of finance lease | (35) | (124) | (222) | (369) |
| Net cash used in financing activities | (3,109) | (2,751) | (4,614) | (8,326) |
| Net change in cash and cash equivalents | 6,634 | 10,317 | 10,989 | 3,587 |
| Cash and cash equivalents at beginning of financial period | 29,652 | 38,837 | 24,967 | 44,135 |
| Effect of exchange rate changes on cash and cash equivalents | (61) | (1,308) | 269 | 124 |
| Cash and cash equivalents at end of financial period | 36,225 | 47,846 | 36,225 | 47,846 |

Note

Cash and cash equivalents consist of the following:-

| | Group | |
|--------------------------|---------------|---------------|
| | As at | As at |
| | 31.12.16 | 31.12.15 |
| | S\$'000 | S\$'000 |
| Continuing operations: | | |
| Fixed deposits | 15,586 | 10,180 |
| Cash at bank and in hand | 20,639 | 37,666 |
| | 36,225 | 47,846 |

Cash Flows Review

The Group had a net cash outflow of S\$1.5 million from operations for the quarter mainly due to changes in working capital and the losses recorded for the period. Investing cash flows included the part consideration received from disposing Engine System division. Financing wise, S\$3.1 million was used to repay bank borrowings. Overall the Group had a net cash inflow of S\$6.6 million and S\$11.0 million for 3QFY2017 and 9MFY2017 respectively, bringing the Group's cash and cash equivalents to S\$36.2 million as at 31 December 2016.

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2016

I(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 PERIOD ENDED 31 DECEMBER 2016

| 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 2015 | 36,807 | - | (3,047) | 93,704 | - | 1,496 | 128,960 | 9,390 | 138,350 |
| Loss for the financial period, net of tax | - | - | - | (3,682) | - | - | (3,682) | 152 | (3,530) |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | 856 | - | - | - | 856 | 99 | 955 |
| Net gain on hedge of net investment in foreign operation | - | - | 390 | - | - | - | 390 | - | 390 |
| Net fair value of loss on derivatives | - | - | - | - | - | 66 | 66 | 10 | 76 |
| Other comprehensive income/(loss) for the financial period | - | - | 1,246 | - | - | 66 | 1,312 | 109 | 1,421 |
| Total comprehensive income/(loss) for the financial period | - | - | 1,246 | (3,682) | - | 66 | (2,370) | 261 | (2,109) |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividend paid in respect of previous financial period, tax exempt (one-tier) | - | - | - | (3,082) | - | - | (3,082) | - | (3,082) |
| Dividend paid by a subsidiary to non-controlling interests | - | - | - | - | - | - | - | (654) | (654) |
| Settlement of share-based payment arrangements | - | 196 | - | - | - | (196) | - | - | - |
| Employee equity benefits expense | - | - | - | - | - | 162 | 162 | - | 162 |
| Share buy-back | - | (312) | - | - | - | - | (312) | - | (312) |
| Total contributions by and distribution to owners | - | (116) | - | (3,082) | - | (34) | (3,232) | (654) | (3,886) |
| Balance as at 31 December 2015 | 36,807 | (116) | (1,801) | 86,940 | - | 1,528 | 123,358 | 8,997 | 132,355 |
| Balance as at 1 April 2016 | 36,807 | (116) | (4,997) | 72,155 | - | 1,815 | 105,664 | 7,710 | 113,374 |
| Loss for the financial period, net of tax | - | - | - | (10,570) | - | - | (10,570) | (700) | (11,270) |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | 2,723 | - | - | - | 2,723 | 47 | 2,770 |
| Reclassification to profit or loss on disposal of a subsidiary | - | - | 2,118 | - | - | - | 2,118 | - | 2,118 |
| Net loss on hedge of net investment in foreign operation | - | - | (210) | - | - | - | (210) | - | (210) |
| Net fair value of loss on derivatives | - | - | - | - | - | (206) | (206) | (30) | (236) |
| Other comprehensive loss for the financial period | - | - | 4,631 | - | - | (206) | 4,425 | 17 | 4,442 |
| Total comprehensive income/(loss) for the financial period | - | - | 4,631 | (10,570) | - | (206) | (6,145) | (683) | (6,828) |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividend paid by a subsidiary to non-controlling interests | - | - | - | - | - | - | - | (661) | (661) |
| Settlement of share-based payment arrangements | - | 168 | - | - | - | (168) | - | - | - |
| Employee equity benefits expense | - | - | - | - | - | 1 | 1 | - | 1 |
| Share buy-back | - | (56) | - | - | - | - | (56) | - | (56) |
| Total contributions by and distribution to owners | - | 112 | - | - | - | (167) | (55) | (661) | (716) |
| Balance as at 31 December 2016 | 36,807 | (4) | (366) | 61,585 | - | 1,442 | 99,464 | 6,366 | 105,830 |



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

| <u>Company</u> | Share Capital | Treasury Shares | Retained Earnings | Other Reserve | Shareholders' Funds |
|--|---------------|-----------------|-------------------|---------------|---------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 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 | - | - | 3,399 | - | 3,399 |
| Dividend paid in respect of previous financial period, tax exempt (one-tier) | - | - | (3,082) | - | (3,082) |
| Employee equity benefits expense | - | - | - | 162 | 162 |
| Share buy-back | - | (312) | - | - | (312) |
| Settlement of share-based payment | - | 196 | - | (196) | - |
| Share issuance expense | - | - | - | - | - |
| Transfer of treasury shares pursuant to exercise of options | - | - | - | - | - |
| Total transactions with owners in their capacity as owners | - | (116) | (3,082) | (34) | (3,232) |
| Balance as at 31 December 2015 | 36,807 | (116) | 79,736 | 2,663 | 119,090 |
| Balance as at 1 April 2016 | 36,807 | (116) | 57,685 | 2,749 | 97,125 |
| Profit for the financial period, net of tax, representing total comprehensive income for the financial period | - | - | 19,998 | - | 19,998 |
| Share buy-back | - | (56) | - | - | (56) |
| Settlement of share-based payment arrangements | - | 168 | - | (168) | - |
| Employee equity benefits expense | - | - | - | (47) | (47) |
| Share issuance expense | - | - | - | - | - |
| Total transactions with owners in their capacity as owners | - | 112 | - | (215) | (103) |
| Balance as at 31 December 2016 | 36,807 | (4) | 77,683 | 2,534 | 117,020 |



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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.

| | | |
|---|-----------------|-----------------|
| | 31.12.16 | 30.9.16 |
| | (S\$'000) | (S\$'000) |
| Share Capital | 36,807 | 36,807 |
| | 31.12.16 | 31.12.15 |
| | ('000) | ('000) |
| Total number of issued shares | 154,521 | 154,521 |
| Total number of treasury shares | 7 | 148 |
| Total number of issued shares excluding treasury shares | 154,514 | 154,373 |

MTQ Share Plan

As at 31 December 2016, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 117,139 shares (31 December 2015: 406,519). 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 | Outstanding as | | Number of shares | | Outstanding as at 31/12/2016 |
|---------------|----------------|---------|------------------|-----------|------------------------------|
| | at 1/10/2016 | Granted | Released | Forfeited | |
| 26/8/2015 | 117,139 | - | - | - | 117,139 |
| | 117,139 | - | - | - | 117,139 |

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.

| | | |
|---|-----------------|----------------|
| | 31.12.16 | 31.3.16 |
| | ('000) | ('000) |
| Total number of issued shares | 154,521 | 154,521 |
| Total number of treasury shares | 7 | 148 |
| Total number of issued shares excluding treasury shares | 154,514 | 154,373 |

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 was no movement in treasury shares in the quarter ended 31 December 2016. There were 6,511 treasury shares as at 31 December 2016.

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.

Apart from the classification and presentation in accordance to FRS 105 as described below, 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 2016. 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.

Discontinued operations:

On 4 October 2016, the Company announced that it has entered into an agreement to dispose MTQ Engine Systems (Aust) Pty Ltd ("MTQES"), a wholly-owned subsidiary subject to certain conditions precedent. On 4 November 2016, the disposal was completed. In compliance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, MTQES' results are presented separately in the statement of comprehensive income as "Discontinued Operations". The change of presentation has no effect to the profit or loss after tax and net asset value of the Group.



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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.

| | Continuing operations | | Discontinued operations | | Total | |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 3 months ended 31.12.16 (cents) | 3 months ended 31.12.15 (cents) | 3 months ended 31.12.16 (cents) | 3 months ended 31.12.15 (cents) | 3 months ended 31.12.16 (cents) | 3 months ended 31.12.15 (cents) |
| Earnings per ordinary share:- | | | | | | |
| Basic (Note A) | (2.76) | (0.72) | 0.13 | 0.17 | (2.63) | (0.55) |
| Diluted (Note A) | (2.76) | (0.72) | 0.13 | 0.17 | (2.63) | (0.55) |
| | 9 months ended 31.12.16 (cents) | 9 months ended 31.12.15 (cents) | 9 months ended 31.12.16 (cents) | 9 months ended 31.12.15 (cents) | 9 months ended 31.12.16 (cents) | 9 months ended 31.12.15 (cents) |
| Basic (Note A) | (7.85) | (2.96) | 1.00 | 0.58 | (6.85) | (2.38) |
| Diluted (Note A) | (7.85) | (2.96) | 1.00 | 0.58 | (6.85) | (2.38) |

Note A

| | Continuing operations | | Discontinued operations | | Total | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 3 months ended 31.12.16 \$'000 | 3 months ended 31.12.15 \$'000 | 3 months ended 31.12.16 \$'000 | 3 months ended 31.12.15 \$'000 | 3 months ended 31.12.16 \$'000 | 3 months ended 31.12.15 \$'000 |
| (Loss)/profit attributable to owners of the Company | (4,264) | (1,113) | 203 | 263 | (4,061) | (850) |
| | 9 months ended 31.12.16 \$'000 | 9 months ended 31.12.15 \$'000 | 9 months ended 31.12.16 \$'000 | 9 months ended 31.12.15 \$'000 | 9 months ended 31.12.16 \$'000 | 9 months ended 31.12.15 \$'000 |
| (Loss)/profit attributable to owners of the Company | (12,119) | (4,570) | 1,549 | 888 | (10,570) | (3,682) |

| | Number of shares | | Number of shares | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3 months ended 31.12.16 '000 | 3 months ended 31.12.15 '000 | 9 months ended 31.12.16 '000 | 9 months ended 31.12.15 '000 |
| Weighted average number of ordinary shares for basic earnings per share computation | 154,446 | 154,373 | 154,422 | 154,303 |
| Effects of dilution: | | | | |
| - Employee share-based payment scheme | - | - | - | - |
| Weighted average number of ordinary shares for diluted earnings per share computation | 154,446 | 154,373 | 154,422 | 154,303 |

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 | |
|-------------------------------------|---------------|--------------|---------------|--------------|
| | 31.12.16 (\$) | 31.3.16 (\$) | 31.12.16 (\$) | 31.3.16 (\$) |
| Net asset value per ordinary share* | 0.64 | 0.68 | 0.76 | 0.63 |

* 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.



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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 31 December 2016 ("3QFY2017") vs 3 months ended 31 December 2015 ("3QFY2016")

The Group reported S\$31.2 million revenue for 3QFY2017, a decrease of 29% year-on-year ("yoy") due to low activity levels in oilfield and subsea divisions. Activity levels in Bahrain remained healthy with a slight improvement in gross profit margin despite pricing pressures. Overall Group's gross profit margin for 3QFY2017 was lower as a result of an overall decrease in revenue and pricing pressures. The results from our Binder Indonesian joint venture improved on the back of higher orders for Binder pipe support compared to a year ago.

Costs continue to taper off but at a slower pace compared to the decline in revenue.

The Group's profit from discontinued operations was lower yoy due to lower contribution from MTQES as it was disposed on 4 November 2016.

Overall, the Group recorded a net loss of S\$4.4 million for the quarter, an increase of 365% from the corresponding period a year ago.

9 months ended 31 December 2016 ("9MFY2017") vs 9 months ended 31 December 2015 ("9MFY2016")

The Group reported S\$90.7 million revenue for 9MFY2017, a decrease of 35% year-on-year ("yoy") due to low activity levels in oilfield and subsea divisions. Activity levels in Bahrain remained healthy with a slight improvement in gross profit margin despite pricing pressures. Overall Group's gross profit margin for 9MFY2017 was lower as a result of an overall decrease in revenue and pricing pressures. The results from our Binder Indonesian joint venture improved on the back of higher orders for Binder pipe support compared to a year ago.

Costs continue to taper off but at a slower pace compared to the decline in revenue.

The Group's profit from discontinued operations was lower yoy due to lower contribution from MTQES as it was disposed on 4 November 2016.

Overall, the Group recorded a net loss of S\$11.2 million for the quarter, an increase of 219% from the corresponding period a year ago.

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.

Market sentiment, particularly in Singapore, remained subdued. The Group remains focused on securing revenue opportunities, both in existing markets and also in new areas of growth. In the meantime, our stronger financial position allows us to weather this prolonged downturn.

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 financial period ended 31 December 2016.

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 31 December 2016 to be false or misleading, in any material aspect.

15 Confirmation of Undertakings from Directors and Executive Officer pursuant to Rule 720(1) of the Listing Manual

Pursuant to Listing Rule 720(1), the Company has received undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
24 January 2017