



MTQ CORPORATION LIMITED
(Co. Reg. No.: 196900057Z)

PRESS RELEASE

Half Year Profits from Operations Record Strong Growth

SINGAPORE - 03 November 2008 – Mainboard-listed engineering group MTQ Corporation Limited (“MTQ Group” or “Group”) is pleased to announce a good set of financial results for the half year ended 30 September 2008 (“1HFY2009”).

	1HFY2009	1HFY2008	% Change
Turnover	45.43	40.07	13.4%
Profits from operating activities	8.56	3.81	124.7%
Profits before taxation	8.47	43.94	(80.7%)
Net profits attributable to shareholders	7.00	33.43	(79.1%)

[Figures in S\$' million]

Group turnover rose by 13.4% from S\$40.07m in 1HFY2008 to S\$45.43m in 1HFY2009, while Net Profits from Operating Activities (excluding one-off divestment gains) increased by 124.7% from S\$3.81m in 1HFY2008 to S\$8.56m in 1HFY2009. In the absence of one-off divestment gains recorded in 1HFY2008, Net Profits attributable to Shareholders for 1HFY2009 decreased by 79.1% from \$33.43m in 1H2008 to \$7.00m in 1HFY2009.

Strong performance by the Oilfield Engineering division continues to spur earnings growth from operation for the Group. Spearheading the thrust was the mainstay Oilfield equipment repair business, while the division’s equipment rental and fabrication businesses contributed significantly to growth by successfully capturing new markets, thereby enlarging the Group’s earnings base.

The Group's Engine Systems operations chalked up a muted first half performance in the face of increasingly difficult business environment. On a more positive note, the settlement of a long-standing litigation with a customer in September 2008 over the sale of a turbocharger ended in the Group's favour and a write-back of approximately A\$1.1 million was consequently recorded.

Overall, Group performance for 1HFY2009 was a credible effort as earnings for 1HFY2008 was boosted by dividend income of S\$1.71m received from the Group's investment in RCR Tomlinson prior to its divestment.

Mr. K.K. Kuah, Chairman and CEO is pleased with the results, but sounded a note of concern over deteriorating economic fundamentals brought about by the deepening global financial crisis. "It will be naïve for us to think we can be unscathed by this global economic unwinding. The general slowdown in economic activities has already affected our Australian operations. Although the Oilfield Engineering division has yet to experience any noticeable holding back of orders, we anticipate the operating environment will become more challenging and have taken precautionary measures to control our operating expenses, even though we remain cautiously optimistic that we will be able to achieve the same level of profitability for the second half of the financial year."

The Group is in good position to weather the downturn. "Our balance sheet is in healthy shape with negligible level of gearing and the operations are generating positive cashflow. In addition, most of our planned investments in major capital equipment have been completed, so funding is not a major issue to us."

On the Group's future prospects, Mr. Kuah commented. "The current economic environment has thrown up many attractive investment opportunities, but we are not in a hurry to commit unless it fits into our overall strategy."

Group's basic Earnings per ordinary share fell from 36.54 Singapore cents for 1HFY2008 to 7.60 Singapore cents for 1HFY2009, while Net Asset Value per ordinary share rose from 61.26 Singapore cents as of 31 March 2008 to 63.33 Singapore cents as of 1HFY2009.

The Board of Directors has recommended a tax-exempt (one tier) interim dividend of one Singapore cents per share to be paid in respect of the current financial year.

About MTQ

MTQ Corporation Limited Group specializes in engineering services, and is primarily involved in oilfield equipment repair and rental operations. MTQ is the authorized repair workshop for some of the world's largest OEMs in wellhead equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute standards. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide branch network.

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