



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 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 31 DECEMBER 2013

GROUP

	Group 3 months ended			Group 9 months ended		
	31.12.13	31.12.12	Change	31.12.13	31.12.12	Change
	S\$'000	(Restated) S\$'000	%	S\$'000	(Restated) S\$'000	%
Revenue	75,143	36,554	106%	234,444	115,062	104%
Cost of sales (Note A)	(49,746)	(22,470)	-121%	(157,055)	(72,638)	-116%
Gross profit	25,397	14,084	80%	77,389	42,424	82%
Other income (Note B)	542	809	-33%	1,540	1,714	-10%
Staff costs	(11,098)	(5,009)	-122%	(33,476)	(15,008)	-123%
Other operating expenses (Note C)	(6,146)	(9,596)	36%	(20,361)	(16,360)	-24%
Profit from operating activities	8,695	288	2,919%	25,092	12,770	96%
Finance costs (Note D)	(686)	(306)	-124%	(2,204)	(810)	-172%
Profit/Loss from operations before taxation	8,009	(18)	n/m	22,888	11,960	91%
Taxation expense (Note E)	(1,329)	(980)	-36%	(3,749)	(3,227)	-16%
Profit/Loss for the financial period, net of tax	6,680	(998)	n/m	19,139	8,733	119%
Other comprehensive income:						
Exchange difference on translation of foreign operations	(1,019)	(635)	60%	(8,043)	(1,136)	608%
Net gain on hedge of net investment in foreign operation	1,259	-	100%	5,008	-	100%
Liquidation of a subsidiary	-	-	n/m	-	374	-100%
Net change in fair value of available-for-sale financial assets	-	3,080	-100%	-	(387)	100%
Net change in fair value of available-for-sale financial assets reclassified to profit or loss upon disposal	-	815	-100%	-	253	-100%
Net change in fair value of available-for-sale financial asset reclassified to profit or loss upon obtaining control	-	4,803	-100%	-	4,803	-100%
Other comprehensive income/(loss) for the financial period, net of tax (Note F)	240	8,063	-97%	(3,035)	3,907	n/m
Total comprehensive income for the financial period	6,920	7,065	-2%	16,104	12,640	27%
Profit attributable to:						
Owners of the Company	6,396	(998)	n/m	18,381	8,733	110%
Non-controlling interests	284	-	100%	758	-	100%
	6,680	(998)	n/m	19,139	8,733	119%
Total comprehensive income attributable to:						
Owners of the Company	6,659	7,065	-6%	16,008	12,640	27%
Non-controlling interests	261	-	100%	96	-	100%
	6,920	7,065	-2%	16,104	12,640	27%

n/m : not meaningful



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Note A - Cost of sales include :-

	Group			Group		
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	Change	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Operating lease expenses	1,339	56	2,291%	8,902	82	10,756%
Depreciation of property, plant and equipment	2,093	1,046	100%	6,274	3,183	97%

Note B - Other income comprise :-

	Group			Group		
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	Change	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Dividends	-	34	-100%	-	34	-100%
Interest income	78	14	457%	220	38	479%
Rental income	59	-	100%	177	-	100%
Gain on sale of property, plant and equipment, net	74	568	-87%	279	1,157	-76%
Government grant	26	-	100%	26	-	100%
Commission received	250	149	68%	661	311	113%
Gain on disposal of scrap	44	22	100%	94	79	19%
Other income	11	22	-50%	83	95	-13%
	542	809	-33%	1,540	1,714	-10%

Note C - Other operating expenses include :-

	Group			Group		
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	Change	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Depreciation of property, plant and equipment	474	448	6%	1,424	1,384	3%
Amortisation of intangible assets	-	13	-100%	15	37	-59%
Fixed assets written off	-	-	n/m	-	3	-100%
Gain on exchange, net	(49)	(46)	7%	(309)	(22)	1,305%
Allowance for / (Reversal of) doubtful receivables and bad debts written off/(back), net	(411)	(128)	221%	(333)	(76)	338%
Allowance for inventory obsolescence and inventories written off	54	69	-22%	166	203	-18%
Loss on liquidation of a subsidiary	-	-	n/m	-	256	-100%
Audit, legal and professional fees	1,007	967	4%	3,171	1,993	59%
Operating lease expenses	1,519	803	89%	4,744	2,269	109%
Utilities expenses	534	234	128%	1,521	625	143%
Net change in fair value of available-for-sale financial asset reclassified to profit or loss upon obtaining control	-	4,803	-100%	-	4,803	-100%
Loss on disposal of AFS financial assets, net	-	905	-100%	-	248	-100%

Note D - Finance costs comprise :-

	Group			Group		
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	Change	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Interest on:						
- bank loans and overdrafts	674	294	129%	2,138	768	178%
- finance lease payables	12	12	0%	66	42	57%
	686	306	124%	2,204	810	172%

Note E - Taxation expense :-

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

	Group			Group		
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	Change	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)	Change
	SS'000	SS'000	%	SS'000	SS'000	%
- current taxation	(7)	-	100%	(205)	(12)	-1,608%
- deferred taxation	199	-	100%	(372)	124	n/m
	192	-	100%	(577)	112	n/m

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 31 December 2013

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 31 DECEMBER 2013

	Group		Company	
	31.12.13	31.03.13	31.12.13	31.03.13
	S\$'000	(Restated) S\$'000	S\$'000	S\$'000
Non-current assets				
Goodwill	17,491	19,406	-	-
Intangible assets	-	23	-	-
Investment properties	-	-	1,027	1,029
Property, plant and equipment	76,623	77,224	692	422
Investment in subsidiaries	-	-	50,245	47,931
Receivables	3,268	1,590	59,853	60,406
Prepayments	7	7	-	-
Deferred tax assets	4,728	5,066	-	-
	102,117	103,316	111,817	109,788
Current assets				
Inventories	30,584	32,425	-	-
Trade and other receivables	65,064	76,857	25,250	9,594
Prepayments	5,154	2,749	1,773	24
Investment securities	-	784	-	-
Cash and cash equivalents	46,173	40,911	8,644	6,809
	146,975	153,726	35,667	16,427
Current liabilities				
Trade and other payables	(40,551)	(52,103)	(4,173)	(2,937)
Finance lease payable	(710)	(564)	-	-
Bank borrowings	(43,719)	(8,944)	(7,061)	(3,491)
Provisions	(1,395)	(1,247)	-	-
Provision for taxation	(4,244)	(4,980)	(232)	(232)
	(90,619)	(67,838)	(11,466)	(6,660)
Net current assets	56,356	85,888	24,201	9,767
Non-current liabilities				
Other payables	-	-	(5,348)	(6,220)
Finance lease payable	(417)	(352)	-	-
Long term bank borrowings	(19,258)	(63,715)	(9,450)	(15,338)
Deferred tax liabilities	(2,503)	(2,552)	(178)	(178)
Provisions	(1,387)	(1,826)	(72)	(72)
	(23,565)	(68,445)	(15,048)	(21,808)
Net assets	134,908	120,759	120,970	97,747
Equity attributable to owners of the Company				
Share capital [1(d)(i)]	33,246	31,740	33,246	31,740
Reserves [1(d)(i)]	92,242	78,616	87,724	66,007
Shareholders' funds	125,488	110,356	120,970	97,747
Non-controlling interests	9,420	10,403	-	-
Total equity	134,908	120,759	120,970	97,747

Balance Sheet Review

Overall bank borrowings has decreased from S\$72.7 million to S\$63.0 million due to repayment of the loans. 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 30 December 2013 as it became repayable within one year as at 30 December 2013.

Despite the foreign currency movements that have led to a net translation loss of S\$2.4 million, the net assets increased by about S\$14.1 million boosted by the profits recognised for the 9 months ended 31 December 2013.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2013

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

	31.12.13		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	44,429	-	9,508	-
Amount repayable after one year	19,675	-	64,067	-
	<u>64,104</u>	<u>-</u>	<u>73,575</u>	<u>-</u>

The Group's borrowings as at 31 December 2013 decreased to S\$64.1 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\$16.5 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\$2.2 million

- Corporate guarantee from the Company.

Facility 3: S\$3.0 million

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

Facility 4: S\$7.5 million

- Corporate guarantee from the Company.

Facility 5: S\$33.8 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 31 December 2013.



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Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2013

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 2013

	Group		Group	
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit/Loss from operations before taxation	8,009	(18)	22,888	11,960
Adjustments for:	-	-	-	-
Depreciation of property, plant and equipment	2,567	1,494	7,698	4,567
Loss on liquidation of a subsidiary	-	-	-	256
Amortisation of intangible assets	-	13	15	37
Gain on sale of property, plant and equipment, net	(74)	(568)	(279)	(1,157)
Fixed assets written off	-	-	-	3
Net fair value loss on held-for-trading investment securities	-	142	39	80
Employee equity benefits expense	85	-	506	-
Net change in fair value of available-for-sale financial asset reclassified to profit or loss upon obtaining control	-	4,803	-	4,803
Loss on sale of AFS financial assets, net	-	905	-	248
Gain on sale of held-for-trading investment securities	(225)	-	(225)	-
Dividend income	-	(34)	-	(34)
Interest income	(78)	(14)	(220)	(38)
Interest expense	686	305	2,204	810
Operating profit before changes in working capital	10,970	7,028	32,626	21,535
(Increase)/decrease in inventories	(709)	(890)	1,537	(2,164)
(Increase)/decrease in receivables and prepayments	(5,619)	6,719	7,717	4,226
Increase/(decrease) in payables	2,135	2,551	(11,293)	3,503
Currency realignment	216	(665)	(1,136)	(1,046)
Cash generated from operations	6,993	14,743	29,451	26,054
Interest income received	78	14	220	38
Interest expense paid	(686)	(300)	(2,146)	(771)
Income taxes paid, net	(2,340)	(830)	(5,062)	(2,935)
Net cash provided by operating activities	4,045	13,627	22,463	22,386
Cash flows from investing activities:				
Dividends received	-	34	-	34
Purchase of property, plant and equipment	(2,889)	(740)	(8,719)	(1,909)
Liquidation of subsidiary	-	-	-	(15)
Proceeds from sale of property, plant and equipment	335	799	1,199	1,437
Proceeds from sale of held-for-trading investment securities	970	-	970	-
Proceeds from sale of AFS financial assets, net of brokerage	-	3,427	-	4,460
Purchase of equity securities, net of brokerage	-	-	-	(2,156)
Acquisition of subsidiary (net cash outflow on acquisition of subsidiary)	-	(30,033)	-	(30,033)
Acquisition of non-controlling interests	-	(2,657)	(1,511)	(2,657)
Loans granted to staff	(39)	(15)	(39)	(107)
Loans repaid by staff	9	27	32	63
Net cash used in investing activities	(1,614)	(29,158)	(8,068)	(30,883)
Cash flows from financing activities:				
Dividends paid	-	-	(965)	(852)
Share issuance expense	-	(21)	(33)	(52)
Proceeds from bank borrowings	1,139	22,926	2,760	33,611
Proceeds from employee's exercise of share options, net of transaction costs	-	-	-	12
Proceeds from sale of treasury shares	-	6,163	-	6,163
Settlement of share-based payment	-	-	(272)	-
Repayment of bank borrowings	(2,022)	(880)	(7,921)	(18,416)
Repayment of finance lease	(150)	(101)	(533)	(299)
Net cash (used in)/provided by financing activities	(1,033)	28,087	(6,964)	20,167
Net change in cash and cash equivalents	1,398	12,556	7,431	11,670
Cash and cash equivalents at beginning of financial period	45,348	26,318	40,911	27,314
Effect of exchange rate changes on cash and cash equivalents	(573)	(106)	(2,169)	(216)
Cash and cash equivalents at end of financial period	46,173	38,768	46,173	38,768

Note

Cash and cash equivalents consist of the following:-

	Group	
	As at 31.12.13	As at 31.12.12 (Restated)
	S\$'000	S\$'000
Fixed deposits	389	435
Cash at bank and in hand	45,784	38,333
	46,173	38,768

Cash Flows Review

The Group generated S\$4.0 million in cash flows from operating activities in 3QFY2014, in line with the positive results of the Group. Meanwhile, the Group continues to invest in the businesses leading to a capital expenditure of S\$2.9 million during the quarter.

Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 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 31 DECEMBER 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 Reserves			
	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	-	-	-	8,733	-	-	8,733	-	8,733
Other comprehensive income									
Exchange difference on translation of foreign operations	-	-	(1,136)	-	-	-	(1,136)	-	(1,136)
Liquidation of a subsidiary	-	-	374	-	-	-	374	-	374
Net change in fair value of available-for-sale financial assets	-	-	-	-	(387)	-	(387)	-	(387)
Net charge in fair value of available-for-sale financial assets reclassified to profit or loss upon disposal	-	-	-	-	253	-	253	-	253
Net change in fair value of available-for-sale financial asset reclassified to profit or loss upon obtaining control	-	-	-	-	4,803	-	4,803	-	4,803
Other comprehensive income for the financial period	-	-	(762)	-	4,669	-	3,907	-	3,907
Total comprehensive income for the financial period	-	-	(762)	8,733	4,669	-	12,640	-	12,640
Contributions by and distributions to owners									
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(1,806)	-	-	(1,806)	-	(1,806)
Sales of treasury shares	-	3,976	-	-	-	2,187	6,163	-	6,163
Issuance of ordinary shares pursuant to scrip dividend scheme	954	-	-	-	-	-	954	-	954
Share issuance expense	(52)	-	-	-	-	-	(52)	-	(52)
Transfer of treasury shares pursuant to exercise of options	-	16	-	-	-	(4)	12	-	12
Total changes in ownership interests in subsidiaries	902	3,992	-	(1,806)	-	2,183	5,271	-	5,271
Changes in ownership interests in subsidiaries									
Liquidation of a subsidiary	-	-	27	-	-	-	27	560	587
Acquisition of a subsidiary	-	-	-	-	-	-	-	18,608	18,608
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(651)	(651)	(4,252)	(4,903)
Total changes in ownership interests in subsidiaries	-	-	27	-	-	(651)	(624)	14,916	14,292
Balance as at 31 December 2012	30,759	-	578	71,128	-	1,514	103,979	14,356	118,335
Balance as at 1 April 2013, as previously reported	31,740	-	1,090	82,129	-	3,671	118,630	13,148	131,778
Adjustments to initial accounting for business combination	-	-	175	(6,168)	-	(2,281)	(8,274)	(2,745)	(11,019)
Balance as at 1 April 2013, restated	31,740	-	1,265	75,961	-	1,390	110,356	10,403	120,759
Profit for the financial period, net of tax	-	-	-	18,381	-	-	18,381	758	19,139
Other comprehensive income									
Exchange difference on translation of foreign operations	-	-	(7,381)	-	-	-	(7,381)	(662)	(8,043)
Net gain on hedge of net investment in foreign operation	-	-	5,008	-	-	-	5,008	-	5,008
Other comprehensive income for the financial period	-	-	(2,373)	-	-	-	(2,373)	(662)	(3,035)
Total comprehensive income for the financial period	-	-	(2,373)	18,381	-	-	16,008	96	16,104
Contributions by and distributions to owners									
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	-	(2,504)	-	-	(2,504)	-	(2,504)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,539	-	-	-	-	-	1,539	-	1,539
Share issuance expense	(33)	-	-	-	-	-	(33)	-	(33)
Settlement of share-based payment	-	-	-	-	-	(236)	(236)	(36)	(272)
Employee equity benefits expense	-	-	-	-	-	428	428	78	506
Total contributions by and distribution to owners	1,506	-	-	(2,504)	-	192	(806)	42	(764)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(70)	(70)	(1,121)	(1,191)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(70)	(70)	(1,121)	(1,191)
Balance as at 31 December 2013	33,246	-	(1,108)	91,838	-	1,512	125,488	9,420	134,908



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STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 31 DECEMBER 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	-	-	21,904	-	21,904
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	(1,806)	-	(1,806)
Sales of treasury shares	-	3,976	-	2,187	6,163
Issuance of ordinary shares pursuant to scrip dividend scheme	954	-	-	-	954
Share issuance expense	(52)	-	-	-	(52)
Transfer of treasury shares pursuant to exercise of options	-	16	-	(4)	12
Total transactions with owners in their capacity as owners	902	3,992	(1,806)	2,183	5,271
Balance as at 31 December 2012	30,759	-	69,584	2,165	102,508
Balance as at 1 April 2013, as previously reported	31,740	-	63,842	2,165	97,747
Profit for the financial period, net of tax, representing total comprehensive income for the financial period	-	-	24,221	-	24,221
Dividends paid in respect of previous financial period, tax exempt (one-tier)	-	-	(2,504)	-	(2,504)
Issuance of ordinary shares pursuant to scrip dividend scheme	1,539	-	-	-	1,539
Share issuance expense	(33)	-	-	-	(33)
Total transactions with owners in their capacity as owners	1,506	-	(2,504)	-	(998)
Balance as at 31 December 2013	33,246	-	85,559	2,165	120,970



Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2013

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.

	2013 (S\$'000)	2012 (S\$'000)
As at 1 April	31,740	29,857
Issuance of ordinary shares pursuant to scrip dividend scheme	1,539	954
Share issuance expense	(33)	(52)
As at 31 December	<u>33,246</u>	<u>30,759</u>

As at 31 December 2012 and 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.

	31.12.13 ('000)	31.03.13 ('000)
Total number of issued shares	<u>126,325</u>	<u>100,168</u>

There were no treasury shares as at 31 December 2012, 31 March 2013, and 31 December 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 31 December 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.



Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2013

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 and the finalisation of purchase price allocation ("PPA") of the acquisition of Neptune Marine Services Limited and its subsidiaries ("Neptune Group") (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.

i) Per share calculations

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.

ii) PPA arising from acquisition of Neptune Group

On 1 November 2012, the Company's subsidiary, Blossomvale Investments Pte Ltd ("Blossomvale"), made an offer ("Offer") for all the issued ordinary shares in the capital of Neptune Marine Services Limited ("Neptune"), other than those already acquired by Blossomvale, at an offer price of A\$0.032 per share. As at the date of the offer, the Group held an equity interest of 19.24% in Neptune and accounted for it as an available-for-sale financial asset. On 14 December 2012, being the initial Offer close date, Blossomvale's equity interest in Neptune increased to 71.76%. Accordingly, Neptune became a subsidiary of the Group.

The initial assessment of Neptune's fair value was determined provisionally based on the best available information as at the acquisition date, i.e. the net asset value of Neptune as at 31 December 2013. In accordance with the prevailing accounting standards, a thorough purchase price allocation was carried out to determine the appropriate fair value of Neptune and this exercise was completed during the current financial period. The consequential adjustments were as follows:

- Intangible asset was reduced by S\$16.9 million to S\$1.3 million. The recognised intangible asset relates to order backlog and customer contracts which existed as at the date of acquisition and was amortised over the duration of the contracts. As at 31 March 2013, the intangible asset had been fully amortised;
- There was no longer a gain on bargain purchase of S\$5.1 million. Instead, a goodwill of S\$7.1 million was recognised;
- The fair value loss on available-for-sale financial asset reclassified to profit or loss upon obtaining control of S\$4.8 million, which was presented net of the provisional gain on bargain purchase as "other income" in the statement of comprehensive income in the prior financial period, was now reclassified to "other operating expenses"; and
- Subsequent to the initial Offer close date, Blossomvale acquired additional equity interests in Neptune from its non-controlling interests during the financial year ended 31 March 2013. Following the finalisation of the purchase price allocation, the fair value of the non-controlling interests acquired changed accordingly and the discount paid on acquisition of non-controlling interests was reduced by S\$2.3 million, resulting in a premium paid on acquisition of non-controlling interests of \$875,000 instead.

The effects of the finalisation of the purchase price allocation on prior period financial information were as follows:

Statement of comprehensive income

	As previously reported S\$'000	As restated S\$'000
3 months ended 31 December 2012		
Other income	1,092	809
Other operating expenses	(4,793)	(9,596)
9 months ended 31 December 2012		
Other income	1,997	1,714
Other operating expenses	(11,557)	(16,360)

Statements of financial position

	As previously reported S\$'000	As restated S\$'000
As at 31 March 2013		
Goodwill	12,276	19,406
Intangible assets	18,172	23
Retained earnings	82,129	75,961
Foreign currency translation reserve	1,090	1,265
Discount/ (Premium) paid on acquisition of non-controlling interests (within Other reserves)	1,406	(875)
Non-controlling interests	13,148	10,403

The finalisation of the purchase price allocation did not have any effect on the current period information.

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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 period, after deducting any provision for preference dividends.

	Group		Group	
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)
<u>Earnings per ordinary share:-</u>	(cents)	(cents)	(cents)	(cents)
Basic (Note A)	5.08	(0.86)	14.63	7.65
Diluted (Note A)	5.08	(0.86)	14.63	7.65

Note A

	Group		Group	
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)
	\$'000	\$'000	\$'000	\$'000
Profit attributable to owners of the Company	6,396	(998)	18,381	8,733

	Number of shares		Number of shares	
	3 months ended 31.12.13	3 months ended 31.12.12 (Restated)	9 months ended 31.12.13	9 months ended 31.12.12 (Restated)
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic earnings per share computation	125,841	116,663	125,632	114,205
Effects of dilution:				
- Share options	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	125,841	116,663	125,632	114,205

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	
	31.12.13 (\$)	31.03.13 (\$) (Restated)	31.12.13 (\$)	31.03.13 (\$) (Restated)
Net asset value per ordinary share*	0.99	0.88	0.96	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 31 December 2013 ("3Q FY14") vs 3 months ended 31 December 2012 ("3Q FY13")

The Group reported revenue of S\$75.1 million for 3QFY2014, a strong increase of 106% over S\$36.6 million recorded in 3QFY2013. The increase of revenue was largely due to contribution from Neptune Marine Services ("Neptune"), which only became the Group's subsidiary in late December 2012. The Oilfield Engineering business registered healthy incremental organic growth across its geographical locations, offset slightly by lower revenue from Engine Systems largely due to the depreciation of the Australian Dollar.

Gross profit grew 80% year-on-year to S\$25.4 million as a consequence of the higher revenue. The Neptune segment contributed lower margins, pushing the overall gross profit margin down to 33.8% (3QFY2013: 38.5%). Staff costs rose 122% to S\$11.1 million in 3QFY2014 primarily due to the inclusion of Neptune's results in this quarter. However, other operating expenses declined 36% to S\$6.1 million, due to the absence of a fair value reserve reclassified to profit or loss of S\$4.8 million recognised as a result of the acquisition of Neptune in 3QFY2013 ("Realised Fair Value Loss"). Excluding this Realised Fair Value Loss, other operating expenses increased by 28% in line with the expanded business operations.

The enlarged size of the Group led to a significant increase in revenues and profitability. For 3QFY2014, the Group recorded net profit attributable to equity holders amounting to S\$6.4 million. This is in comparison to a slight loss of S\$1.0 million in 3QFY2013. Excluding the Realised Fair Value Loss, net profit attributable to equity holders for 3QFY2013 was S\$3.8 million. This has resulted in a basic earnings per share of 5.08 Singapore cents for 3QFY2014, against a loss per share of 0.86 Singapore cents for 3QFY2013 or earnings per share of 3.26 Singapore cents excluding the Realised Fair Value Loss.

9 months ended 31 December 2013 ("9MFY14") vs 9 months ended 31 December 2012 ("9MFY13")

The Group reported revenue of S\$234.4 million for 9MFY2014, a strong increase of 104% over S\$115.1 million recorded in 9MFY2013. The increase of revenue was largely due to contribution from Neptune Marine Services ("Neptune"), which only became the Group's subsidiary in late December 2012. The Oilfield Engineering business registered healthy incremental organic growth across its geographical locations, offset slightly by lower revenue from Engine Systems largely due to depreciation of the Australian Dollar.

Gross profit grew 82% to S\$77.4 million as a consequence of the higher revenue. The Neptune segment contributed lower margins, pushing the overall gross profit margin down to 33.0% (3QFY2013: 36.9%). Staff costs rose 123% to S\$33.5 million in 9MFY2014 primarily due to the inclusion of Neptune's results in this quarter. Similarly, other operating expenses increase by about 24% to S\$20.4 million in line with the expanded business operations, despite the absence of the Realised Fair Value Loss of S\$4.8 million recognised as a result of the acquisition of Neptune in 9MFY2013.

The enlarged size of the Group led to a significant increase in revenues and profitability. For 9MFY2014, the Group recorded net profit attributable to equity holders amounting to S\$18.4 million. This is in comparison to a profit of S\$8.7 million in 9MFY2013. Excluding the Realised Fair Value Loss, net profit attributable to equity holders for 9MFY2013 was S\$13.5 million. This has resulted in a basic earnings per share of 14.63 Singapore cents for 9MFY2014, against 7.65 Singapore cents for 9MFY2013 or 11.85 Singapore cents excluding the Realised Fair Value Loss.

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.

The Group sees healthy level of activities overall and enquiries in Bahrain are very encouraging as the Group strives to increase productivity to maximise these opportunities.



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

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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.

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 31 December 2013 to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
10-Feb-14