



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

Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

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

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

| | Group 3 months ended | | | Group 12 months ended | | |
|---|-------------------------|---------------------------|--------|--------------------------|---------------------------|--------|
| | 31.3.17 | 31.3.16 (Re-presented) | Change | 31.3.17 | 31.3.16 (Re-presented) | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 39,684 | 38,969 | 2% | 130,361 | 178,663 | -27% |
| Cost of sales (Note A) | (33,822) | (31,588) | -7% | (107,076) | (138,665) | 23% |
| Gross profit | 5,862 | 7,381 | -21% | 23,285 | 39,998 | -42% |
| Other income (Note B) | 1,422 | 580 | 145% | 2,443 | 4,643 | -47% |
| Staff costs | (5,399) | (6,949) | 22% | (23,554) | (29,205) | 19% |
| Other operating expenses (Note C) | (6,497) | (19,383) | 66% | (20,036) | (37,588) | 47% |
| Loss from operating activities | (4,612) | (18,371) | 75% | (17,862) | (22,152) | 19% |
| Finance costs (Note D) | (350) | (476) | 26% | (1,371) | (1,939) | 29% |
| Share of results of joint venture | (248) | 17 | n/m | 93 | (285) | n/m |
| Loss before taxation from continuing operations | (5,210) | (18,830) | 72% | (19,140) | (24,376) | 21% |
| Taxation credit (Note E) | 274 | 2,543 | -89% | 1,385 | 3,671 | -62% |
| Loss from continuing operations, net of tax | (4,936) | (16,287) | 70% | (17,755) | (20,705) | 14% |
| Discontinued operations: | | | | | | |
| Profit from discontinued operations, net of tax | - | 436 | 100% | 1,549 | 1,324 | 17% |
| Loss for the period/year | (4,936) | (15,851) | 69% | (16,206) | (19,381) | 16% |
| Other comprehensive income: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Exchange difference on translation of foreign operations | (630) | (3,418) | 82% | 2,140 | (2,463) | n/m |
| Net (loss)/gain on hedge of net investment in foreign operations | (375) | (30) | 1150% | (585) | 360 | n/m |
| Net fair value loss on derivatives | 38 | 231 | 84% | (198) | 307 | n/m |
| Share of joint venture's remeasurement of employee benefits liabilities | 53 | - | 100% | 53 | - | 100% |
| Foreign currency reserve reclassified to profit or loss upon disposal of a subsidiary | - | - | 0% | 2,118 | - | 100% |
| Other comprehensive (loss)/income for the financial period/year, net of tax (Note F) | (914) | (3,217) | 72% | 3,528 | (1,796) | n/m |
| Total comprehensive loss for the financial period/year | (5,850) | (19,068) | -69% | (12,678) | (21,177) | 40% |
| Loss for the financial period/year attributable to: | | | | | | |
| Owners of the Company: | | | | | | |
| From continuing operations | (4,563) | (15,221) | 70% | (16,682) | (19,791) | 16% |
| From discontinued operations | - | 436 | -100% | 1,549 | 1,324 | 17% |
| Total attributable to Owners of the Company | (4,563) | (14,785) | 69% | (15,133) | (18,467) | 18% |
| Non-controlling interests | (373) | (1,066) | 65% | (1,073) | (914) | 17% |
| | (4,936) | (15,851) | 69% | (16,206) | (19,381) | 16% |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the Company: | | | | | | |
| From continuing operations | (5,527) | (18,135) | 70% | (13,582) | (21,298) | 36% |
| From discontinued operations | - | 355 | 100% | 1,910 | 1,148 | 66% |
| Total attributable to Owners of the Company | (5,527) | (17,780) | 69% | (11,672) | (20,150) | 42% |
| Non-controlling interests | (323) | (1,288) | 75% | (1,006) | (1,027) | 2% |
| | (5,850) | (19,068) | 69% | (12,678) | (21,177) | 40% |

n/m : not meaningful

Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

Note A - Cost of sales includes :-

| | Group | | | Group | | |
|---|------------------------|--|--------|-------------------------|---|--------|
| | 3 months ended 31.3.17 | 3 months ended 31.3.16 (Re-presented) | Change | 12 months ended 31.3.17 | 12 months ended 31.3.16 (Re-presented) | Change |
| | SS'000 | SS'000 | % | SS'000 | SS'000 | % |
| Operating lease expenses | 1,597 | 2,562 | -38% | 5,399 | 11,450 | -53% |
| Depreciation of property, plant and equipment | 1,879 | 2,621 | -28% | 7,485 | 10,722 | -30% |

Note B - Other income comprises :-

| | Group | | | Group | | |
|---|------------------------|--|--------|-------------------------|---|--------|
| | 3 months ended 31.3.17 | 3 months ended 31.3.16 (Re-presented) | Change | 12 months ended 31.3.17 | 12 months ended 31.3.16 (Re-presented) | Change |
| | SS'000 | SS'000 | % | SS'000 | SS'000 | % |
| Interest income | 28 | 52 | -46% | 106 | 170 | -38% |
| Gain on disposal of a subsidiary | 1,288 | - | n/m | 1,449 | - | -100% |
| Gain/(loss) on sale of property, plant and equipment, net | (29) | 5 | n/m | 61 | 753 | -92% |
| Government grants | 68 | 174 | -61% | 198 | 369 | -46% |
| Commission received | 24 | 244 | -90% | 47 | 665 | -93% |
| Gain on disposal of scrap | 24 | 13 | 85% | 80 | 82 | -2% |
| Insurance claims | 25 | 191 | -87% | 172 | 2,555 | -93% |
| Others | (6) | (99) | -94% | 330 | 49 | 573% |
| | 1,422 | 580 | 145% | 2,443 | 4,643 | -47% |

In November 2016, 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\$9.4 million was pending arbitration of a disputed amount of S\$1.3 million as at 31 December 2016. The dispute has since been resolved in favour of MTQ. An additional gain of S\$1.3 million was recognised during the quarter, bringing the total gain on disposal of MTQES to S\$1.4 million for the year ended 31 March 2017.

Note C - Other operating expenses includes :-

| | Group | | | Group | | |
|--|------------------------|--|--------|-------------------------|---|--------|
| | 3 months ended 31.3.17 | 3 months ended 31.3.16 (Re-presented) | Change | 12 months ended 31.3.17 | 12 months ended 31.3.16 (Re-presented) | Change |
| | SS'000 | SS'000 | % | SS'000 | SS'000 | % |
| Depreciation of property, plant and equipment | 348 | 431 | -19% | 1,379 | 1,752 | -21% |
| Amortisation of intangible assets | 10 | 45 | -78% | 53 | 181 | -71% |
| Fixed assets written off | 12 | 514 | -98% | 262 | 2,017 | -87% |
| (Gain)/loss on exchange, net | 73 | 415 | -82% | 66 | 733 | -91% |
| Allowance for/(reversal of) doubtful receivables, net | 915 | (217) | n/m | 957 | 260 | 268% |
| Bad debts written off/(back), net | 23 | 1 | 2200% | 37 | (46) | n/m |
| Allowance for inventory obsolescence and inventories written off | 699 | 26 | 2588% | 699 | 51 | 1271% |
| Impairment of goodwill | - | 5,761 | -100% | - | 5,761 | -100% |
| Impairment of intangible assets | - | 172 | -100% | - | 172 | -100% |
| Impairment of fixed assets | - | 7,042 | -100% | - | 7,042 | -100% |
| Audit, legal, consultancy and professional fees | 568 | 935 | -39% | 2,730 | 3,561 | -23% |
| Operating lease expenses | 1,617 | 962 | 68% | 4,483 | 4,148 | 8% |
| Utilities expenses | 394 | 375 | 5% | 1,474 | 1,752 | -16% |

Note D - Finance costs comprise :-

| | Group | | | Group | | |
|-----------------------------|------------------------|--|--------|-------------------------|---|--------|
| | 3 months ended 31.3.17 | 3 months ended 31.3.16 (Re-presented) | Change | 12 months ended 31.3.17 | 12 months ended 31.3.16 (Re-presented) | Change |
| | SS'000 | SS'000 | % | SS'000 | SS'000 | % |
| Interest on: | | | | | | |
| - bank loans and overdrafts | 341 | 477 | -29% | 1,353 | 1,921 | -30% |
| - finance lease payables | 7 | (3) | n/m | 16 | 16 | 0% |
| - others | 2 | 2 | 100% | 2 | 2 | 100% |
| | 350 | 476 | -26% | 1,371 | 1,939 | -29% |

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 31.3.17 | 3 months ended 31.3.16 (Re-presented) | Change | 12 months ended 31.3.17 | 12 months ended 31.3.16 (Re-presented) | Change |
| | SS'000 | SS'000 | % | SS'000 | SS'000 | % |
| - current taxation | (681) | (1,194) | -43% | (1,798) | (1,386) | 30% |
| - deferred taxation | 356 | (513) | n/m | 760 | (435) | n/m |
| | (325) | (1,707) | -81% | (1,038) | (1,821) | -43% |

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 and Year Ended 31 March 2017

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 MARCH 2017

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31.3.17 S\$'000 | 31.3.16 S\$'000 | 31.3.17 S\$'000 | 31.3.16 S\$'000 |
| Non-current assets | | | | |
| Goodwill | 10,451 | 15,488 | - | - |
| Intangible assets | 102 | 148 | - | - |
| Investment properties | - | - | 897 | 944 |
| Property, plant and equipment | 54,694 | 63,440 | 176 | 305 |
| Investment in subsidiaries | - | - | 59,189 | 63,969 |
| Other investment | 114 | - | 114 | - |
| Investment in joint venture | 1,108 | 962 | - | - |
| Receivables | 2,440 | 2,175 | 53,892 | 54,016 |
| Prepayments | 7 | 18 | - | 11 |
| Deferred tax assets | 7,089 | 8,976 | - | - |
| | 76,005 | 91,207 | 114,268 | 119,245 |
| Current assets | | | | |
| Inventories | 14,966 | 25,735 | - | - |
| Trade and other receivables | 46,878 | 52,883 | 20,328 | 3,701 |
| Prepayments | 2,541 | 3,300 | 94 | 37 |
| Cash and cash equivalents | 31,408 | 24,967 | 10,987 | 823 |
| | 95,793 | 106,885 | 31,409 | 4,561 |
| Total assets | 171,798 | 198,092 | 145,677 | 123,806 |
| Current liabilities | | | | |
| Trade and other payables | (26,017) | (31,883) | (1,383) | (1,745) |
| Finance lease payable | (331) | (343) | - | - |
| Bank borrowings | (3,190) | (3,079) | (1,044) | (1,008) |
| Provisions | (444) | (1,523) | - | - |
| Provision for taxation | (518) | (3,613) | - | (391) |
| | (30,500) | (40,441) | (2,427) | (3,144) |
| Non-current liabilities | | | | |
| Other payables | (309) | (392) | (7,169) | (10,354) |
| Finance lease payable | (498) | (171) | - | - |
| Long term bank borrowings | (37,722) | (40,494) | (12,311) | (13,068) |
| Deferred tax liabilities | (1,407) | (1,483) | (55) | (35) |
| Provisions | (1,390) | (1,737) | (82) | (80) |
| | (41,326) | (44,277) | (19,617) | (23,537) |
| Total liabilities | (71,826) | (84,718) | (22,044) | (26,681) |
| Net assets | 99,972 | 113,374 | 123,633 | 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)] | 57,142 | 68,973 | 86,830 | 60,434 |
| Shareholders' funds | 93,945 | 105,664 | 123,633 | 97,125 |
| Non-controlling interests | 6,027 | 7,710 | - | - |
| Total equity | 99,972 | 113,374 | 123,633 | 97,125 |

Balance Sheet Review

The change in net asset were mainly due to:

- loss of S\$16.2 million recognised for the financial year; and
- net translation gain of S\$1.6 million arising from translation of foreign operations.

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 year ended 31 March 2017. Trade and other receivables as at 31 March 2017 included the S\$9.4 million consideration from disposal of MTQES which was settled in April 2017.

Overall bank borrowings decreased from S\$43.6 million to S\$40.9 million resulting mainly from repayment of the loans.



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Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

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 year.

| | 31.3.17 | | 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 | 2,124 | 1,397 | 2,073 | 1,349 |
| Amount repayable after one year | 7,809 | 30,411 | 10,968 | 29,697 |
| | <u>9,933</u> | <u>31,808</u> | <u>13,041</u> | <u>31,046</u> |

The Group's borrowings as at 31 March 2017 decreased to S\$41.7 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\$8.4 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 March 2017 and 31 March 2016.



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Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

| | Group | | Group | |
|--|-----------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| | 3 months ended 31.3.17 S\$'000 | 3 months ended 31.3.16 S\$'000 | 12 months ended 31.3.17 S\$'000 | 12 months ended 31.3.16 S\$'000 |
| Cash flows from operating activities: | | | | |
| Loss before taxation from continuing operations | (5,210) | (18,830) | (19,140) | (24,376) |
| Profit before taxation from discontinued operations | - | 511 | 2,089 | 1,604 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 2,227 | 3,251 | 9,215 | 13,274 |
| Impairment loss on property, plant and equipment | - | 7,042 | - | 7,042 |
| Amortisation of intangible assets | 10 | 45 | 53 | 181 |
| Gain on disposal of a subsidiary | (1,288) | - | (1,449) | - |
| Gain on sale of property, plant and equipment, net | 29 | (5) | (81) | (772) |
| Fixed assets written off | 9 | 514 | 262 | 2,017 |
| Allowance for/(reversal of) doubtful receivables, net | 915 | (155) | 961 | 335 |
| Bad debts written off/(back), net | 23 | 1 | 37 | (46) |
| Allowance for inventory obsolescence and inventories written off | 533 | 26 | 628 | 175 |
| Share of joint venture results | 248 | (17) | (93) | 285 |
| Impairment loss on intangible assets | - | 172 | - | 172 |
| Impairment loss on goodwill | - | 5,761 | - | 5,761 |
| Employee equity benefits expense | 5 | 83 | 2 | 235 |
| Provision made/(reversed) | 751 | (23) | 937 | 92 |
| Interest income | (28) | (60) | (119) | (196) |
| Interest expense | 350 | 506 | 1,438 | 2,063 |
| Operating profit/(loss) before changes in working capital | (1,426) | (1,178) | (5,260) | 7,846 |
| Decrease in inventories | 1,464 | 913 | 227 | 1,024 |
| Decrease/(Increase) in receivables and prepayments | (4,422) | (604) | 10,933 | 15,869 |
| Increase/(Decrease) in payables | 1,543 | (2,556) | (2,859) | (8,614) |
| Currency realignment | (1,416) | (2,123) | 121 | (1,004) |
| Cash (used in)/generated from operations | (4,257) | (5,548) | 3,162 | 15,121 |
| Interest income received | 28 | 60 | 119 | 196 |
| Interest expense paid | (349) | (73) | (1,441) | (1,578) |
| Income taxes paid, net | (80) | (709) | (1,650) | (3,387) |
| Net cash (used in)/generated from operating activities | (4,658) | (6,270) | 190 | 10,352 |
| Cash flows from investing activities: | | | | |
| Purchase of property, plant and equipment | (480) | (1,210) | (1,516) | (7,789) |
| Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs | - | - | 11,408 | - |
| Proceeds from sale of property, plant and equipment | 159 | 148 | 429 | 3,419 |
| Other investment | (114) | - | (114) | - |
| Acquisition of subsidiary (net cash outflow on acquisition of subsidiary) | - | (3,989) | - | (3,989) |
| Loans to joint venture | - | - | - | (1,419) |
| Loans granted to staff | (60) | (23) | (60) | (68) |
| Loans repaid by staff | 17 | 37 | 60 | 99 |
| Net cash from/(used in) investing activities | (478) | (5,037) | 10,207 | (9,747) |
| Cash flows from financing activities: | | | | |
| Dividend paid | - | - | - | (3,082) |
| Dividend paid by a subsidiary to non-controlling interests | - | - | (677) | (653) |
| Proceeds from bank borrowings | - | 5,000 | 700 | 5,003 |
| Share buy-back | - | - | (56) | (312) |
| Repayment of bank borrowings | (262) | (16,009) | (4,551) | (19,921) |
| Repayment of finance lease | (23) | (111) | (245) | (480) |
| Net cash used in financing activities | (285) | (11,120) | (4,829) | (19,445) |
| Net change in cash and cash equivalents | (5,421) | (22,427) | 5,568 | (18,840) |
| Cash and cash equivalents at beginning of financial period | 36,225 | 47,846 | 24,967 | 44,135 |
| Effect of exchange rate changes on cash and cash equivalents | 604 | (452) | 873 | (328) |
| Cash and cash equivalents at end of financial period | 31,408 | 24,967 | 31,408 | 24,967 |

Note

Cash and cash equivalents consist of the following:-

| | Group | |
|--------------------------|--------------------------|--------------------------|
| | As at 31.3.17 S\$'000 | As at 31.3.16 S\$'000 |
| Fixed deposits | 11,533 | 2,126 |
| Cash at bank and in hand | 19,875 | 22,841 |
| | 31,408 | 24,967 |

Cash Flows Review

The Group had a net cash outflow of S\$4.7 million from operations for the quarter, bringing the total net cash inflow from operating activities for the full year to S\$0.2 million. Investing cash flows for FY2017 included the first tranche of net cash received from disposal of Engine System, while financing cash flows represent repayments of borrowings and interests as well as the dividends paid to minority interests during the year. Overall, the Group's ending cash and cash equivalents was S\$31.4 million, bringing the net debt gearing to 9.4% as at 31 March 2017. Had the remaining consideration of S\$9.4 million from the disposal of MTQES been received during the year, cash and net debt gearing positions would have been S\$40.8 million and 0.9% respectively.

Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

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 year.

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 MARCH 2017

| 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 year, net of tax | - | - | - | (18,467) | - | - | (18,467) | (914) | (19,381) |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | (2,310) | - | - | - | (2,310) | (153) | (2,463) |
| Net gain on hedge of net investment in foreign operation | - | - | 360 | - | - | - | 360 | - | 360 |
| Net fair value of loss on derivatives | - | - | - | - | - | 267 | 267 | 40 | 307 |
| Other comprehensive income/(loss) for the financial period | - | - | (1,950) | - | - | 267 | (1,683) | (113) | (1,796) |
| Total comprehensive income/(loss) for the financial year | - | - | (1,950) | (18,467) | - | 267 | (20,150) | (1,027) | (21,177) |
| 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 | - | - | - | - | - | - | - | (653) | (653) |
| Settlement of share-based payment arrangements | - | 196 | - | - | - | (196) | - | - | - |
| Employee equity benefits expense | - | - | - | - | - | 248 | 248 | - | 248 |
| Share buy-back | - | (312) | - | - | - | - | (312) | - | (312) |
| Total contributions by and distribution to owners | - | (116) | - | (3,082) | - | 52 | (3,146) | (653) | (3,799) |
| Balance as at 31 March 2016 | 36,807 | (116) | (4,997) | 72,155 | - | 1,815 | 105,664 | 7,710 | 113,374 |
| 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 year, net of tax | - | - | - | (15,133) | - | - | (15,133) | (1,073) | (16,206) |
| Other comprehensive income/(loss) | | | | | | | | | |
| Exchange difference on translation of subsidiaries | - | - | 2,047 | - | - | - | 2,047 | 93 | 2,140 |
| 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 | - | - | (585) | - | - | - | (585) | - | (585) |
| Net fair value of loss on derivatives | - | - | - | - | - | (172) | (172) | (26) | (198) |
| Share of joint venture's remeasurement of employee benefits liabilities | - | - | - | - | - | 53 | 53 | - | 53 |
| Other comprehensive loss for the financial year | - | - | 3,580 | - | - | (119) | 3,461 | 67 | 3,528 |
| Total comprehensive income/(loss) for the financial year | - | - | 3,580 | (15,133) | - | (119) | (11,672) | (1,006) | (12,678) |
| Contributions by and distributions to owners | | | | | | | | | |
| Dividend paid by a subsidiary to non-controlling interests | - | - | - | - | - | - | - | (677) | (677) |
| Settlement of share-based payment arrangements | - | 168 | - | - | - | (168) | - | - | - |
| Employee equity benefits expense | - | - | - | - | - | 9 | 9 | - | 9 |
| Share buy-back | - | (56) | - | - | - | - | (56) | - | (56) |
| Total contributions by and distribution to owners | - | 112 | - | - | - | (159) | (47) | (677) | (724) |
| Balance as at 31 March 2017 | 36,807 | (4) | (1,417) | 57,022 | - | 1,537 | 93,945 | 6,027 | 99,972 |



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Unaudited Financial Statements And Dividend Announcement For The Quarter and Year Ended 31 March 2017

STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 MARCH 2017

Company

| | 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 |
| Loss for the financial year, net of tax, representing total comprehensive income for the financial year | - | - | (18,652) | - | (18,652) |
| Dividend paid in respect of previous financial year, tax exempt (one-tier) | - | - | (3,082) | - | (3,082) |
| Employee equity benefits expense | - | - | - | 248 | 248 |
| Share buy-back | - | (312) | - | - | (312) |
| Settlement of share-based payment | - | 196 | - | (196) | - |
| Total transactions with owners in their capacity as owners | - | (116) | (3,082) | 52 | (3,146) |
| Balance as at 31 March 2016 | 36,807 | (116) | 57,685 | 2,749 | 97,125 |
| Balance as at 1 April 2016 | 36,807 | (116) | 57,685 | 2,749 | 97,125 |
| Profit for the financial year, net of tax, representing total comprehensive income for the financial year | - | - | 26,603 | - | 26,603 |
| Share buy-back | - | (56) | - | - | (56) |
| Settlement of share-based payment arrangements | - | 168 | - | (168) | - |
| Employee equity benefits expense | - | - | - | (39) | (39) |
| Total transactions with owners in their capacity as owners | - | 112 | - | (207) | (95) |
| Balance as at 31 March 2017 | 36,807 | (4) | 84,288 | 2,542 | 123,633 |



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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

| | 31.3.17 (S\$'000) | 31.12.16 (S\$'000) |
|---|----------------------|-----------------------|
| Share Capital | 36,807 | 36,807 |
| | 31.3.17 ('000) | 31.3.16 ('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 |

There were no subsidiary holdings as at 31 March 2017 and 31 March 2016.

MTQ Share Plan

As at 31 March 2017, 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 March 2016: 388,979). 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 at 1/1/2017 | Granted | Number of shares | | Outstanding as at 31/3/2017 |
|---------------|-------------------------------|---------|------------------|-----------|--------------------------------|
| | | | 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.

| | 31.3.17 ('000) | 31.3.16 ('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, 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 March 2017. There were 6,511 treasury shares as at 31 March 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Nil.

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.

| | Group | | | | | |
|--------------------------------------|-----------------------|-----------------|-------------------------|-----------------|-----------------|-----------------|
| | Continuing operations | | Discontinued operations | | Total | |
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | (cents) | (cents) | (cents) | (cents) | (cents) | (cents) |
| Earnings per ordinary share:- | | | | | | |
| Basic (Note A) | (2.95) | (9.86) | - | 0.28 | (2.95) | (9.58) |
| Diluted (Note A) | (2.95) | (9.86) | - | 0.28 | (2.95) | (9.58) |
| | | | | | | |
| | 12 months ended | 12 months ended | 12 months ended | 12 months ended | 12 months ended | 12 months ended |
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | (cents) | (cents) | (cents) | (cents) | (cents) | (cents) |
| Basic (Note A) | (10.80) | (12.83) | 1.00 | 0.86 | (9.80) | (11.97) |
| Diluted (Note A) | (10.80) | (12.83) | 1.00 | 0.86 | (9.80) | (11.97) |

Note A.

| | Group | | | | | |
|---|-----------------------|-----------------|-------------------------|-----------------|-----------------|-----------------|
| | Continuing operations | | Discontinued operations | | Total | |
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (Loss)/profit attributable to owners of the Company | (4,563) | (15,221) | - | 436 | (4,563) | (14,785) |
| | | | | | | |
| | 12 months ended | 12 months ended | 12 months ended | 12 months ended | 12 months ended | 12 months ended |
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (Loss)/profit attributable to owners of the Company | (16,682) | (19,791) | 1,549 | 1,324 | (15,133) | (18,467) |

| | Number of shares | | Number of shares | |
|---|------------------|----------------|------------------|-----------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | '000 | '000 | '000 | '000 |
| Weighted average number of ordinary shares for basic earnings per share computation | 154,515 | 154,373 | 154,445 | 154,320 |
| Effects of dilution: | | | | |
| - Employee share-based payment scheme | - | - | - | - |
| Weighted average number of ordinary shares for diluted earnings per share computation | 154,515 | 154,373 | 154,445 | 154,320 |

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 | |
|-------------------------------------|---------|---------|---------|---------|
| | 31.3.17 | 31.3.16 | 31.3.17 | 31.3.16 |
| | (\$) | (\$) | (\$) | (\$) |
| Net asset value per ordinary share* | 0.61 | 0.68 | 0.80 | 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 March 2017 ("4QFY2017") vs 3 months ended 31 March 2016 ("4QFY2016")

The Group reported S\$39.7 million overall revenue for 4QFY2017, comparable to the same period a year ago. While activity levels in Singapore and Neptune saw little improvement, revenue from Bahrain and Binder was higher during the periods. The Group's gross profit margin for 4QFY2017 was 14.8% as the Group continues to experience pricing pressures.

During the quarter, the dispute involving a sum of S\$1.3 million consideration from the disposal of Engine System has been resolved in favour of MTQ. Accordingly, an additional gain on disposal of a subsidiary of the same amount has been recognised.

With the continual weak market conditions, the Group has made further provisions against receivables and inventories totaling S\$1.6 million during the quarter.

Overall, the Group recorded lower losses for 4QFY2017 due to the absence of S\$13.0 impairment charges recognised a year ago.

12 months ended 31 March 2017 ("12MFY2017") vs 12 months ended 31 March 2016 ("12MFY2016")

The Group reported S\$130.0 million overall revenue for 12MFY2017, a decrease of 27% from 12MFY2016. While activity levels in Singapore and Neptune remained subdued, revenue from Bahrain and Binder was higher during the year. The Group's gross profit margin for 12MFY2017 was 17.9% as the Group continues to experience pricing pressures.

During the year, the Group disposed MTQES resulting in a gain on disposal of a subsidiary of S\$1.4 million.

With the continual weak market conditions, the Group has made further provisions against receivables and inventories totaling S\$1.7 million during the year.

Overall, the Group recorded lower losses for 12MFY2017 due to the absence of S\$13.0 impairment charges recognised 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.

While activities in Bahrain continued to be robust, recovery elsewhere will take time. The Group has endured a year of low revenues and losses, but also have strengthened the Group's financial position when it exited Engine Systems business. This will allow the Group to weather the downturn in this challenging environment and prepare for the impending recovery.

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 March 2017.

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 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.

15 Business Segmental Information

By Operating Segments

| | For The Financial Year Ended 31 March 2017 | | | | | | | Total S\$'000 |
|--|--|------------------------------------|--------------------|-------------------|-------------------------|---------------------|---|------------------|
| | Continuing Operations | | | | | Subtotal S\$'000 | Discontinued Operations (Engine Systems) S\$'000 | |
| | Investment Holding S\$'000 | Oilfield Engineering S\$'000 | Neptune S\$'000 | Others S\$'000 | Eliminations S\$'000 | | | |
| Revenue & Expenses | | | | | | | | |
| External sales | - | 45,103 | 85,258 | - | - | 130,361 | 26,858 | 157,219 |
| Inter-segment sales | 8,680 | 621 | 7 | - | (9,308) | - | - | - |
| Total sales | 8,680 | 45,724 | 85,265 | - | (9,308) | 130,361 | 26,858 | 157,219 |
| Interest income | 26 | 1 | 79 | - | - | 106 | 13 | 119 |
| Depreciation and amortisation | (411) | (4,691) | (3,815) | - | - | (8,917) | (351) | (9,268) |
| Allowance for inventory obsolescence and inventories written-off | - | (699) | - | - | - | (699) | (95) | (794) |
| Allowance for doubtful receivables, net | - | (183) | (774) | - | - | (957) | (4) | (961) |
| Bad debts written off, net | - | (37) | - | - | - | (37) | - | (37) |
| Finance costs | (143) | (562) | (666) | - | - | (1,371) | (67) | (1,438) |
| Share of results of joint venture | - | 93 | - | - | - | 93 | - | 93 |
| Segment profit/(loss) before tax | 10,201 | (4,114) | (8,916) | (48) | (16,263) | (19,140) | 2,089 | (17,051) |
| Taxation | 152 | 1,552 | (319) | - | - | 1,385 | (540) | 845 |
| Assets & Liabilities | | | | | | | | |
| Additions to non-current assets | 19 | 522 | 1,448 | - | - | 1,989 | - | 1,989 |
| Segment assets | 27,500 | 72,988 | 64,218 | 3 | - | 164,709 | - | 164,709 |
| Deferred tax assets | - | - | - | - | - | - | - | 7,089 |
| Total assets | | | | | | | | 171,798 |
| Segment liabilities | (1,605) | (10,478) | (16,070) | (7) | - | (28,160) | - | (28,160) |
| Provision for taxation | - | - | - | - | - | - | - | (518) |
| Deferred tax liabilities | - | - | - | - | - | - | - | (1,407) |
| Bank borrowings and finance lease liabilities | - | - | - | - | - | - | - | (41,741) |
| Total liabilities | | | | | | | | (71,826) |



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| | For The Financial Year Ended 31 March 2016 | | | | | | | Total S\$'000 |
|---|--|---------------------------------|--------------------|-------------------|-------------------------|---|---------------|------------------|
| | Continuing Operations | | | | | Discontinued Operations (Engine Systems) | | |
| | Investment Holding S\$'000 | Oilfield Engineering S\$'000 | Neptune S\$'000 | Others S\$'000 | Eliminations S\$'000 | Subtotal S\$'000 | | |
| Revenue & Expenses | | | | | | | | |
| External sales | - | 58,098 | 120,565 | - | - | 178,663 | 43,125 | 221,788 |
| Inter-segment sales | 5,048 | 332 | 25 | - | (5,405) | - | - | - |
| Total sales | 5,048 | 58,430 | 120,590 | - | (5,405) | 178,663 | 43,125 | 221,788 |
| Interest income | - | 45 | 125 | - | - | 170 | 26 | 196 |
| Depreciation and amortisation | (497) | (5,174) | (6,984) | - | - | (12,655) | (800) | (13,455) |
| Allowance for inventory obsolescence | - | (51) | - | - | - | (51) | (124) | (175) |
| Impairment of fixed assets | - | - | (7,042) | - | - | (7,042) | - | (7,042) |
| Impairment of goodwill | - | (5,761) | - | - | - | (5,761) | - | (5,761) |
| Impairment of intangible assets | - | (172) | - | - | - | (172) | - | (172) |
| Allowance for impairment of trade receivables | - | (21) | (239) | - | - | (260) | (75) | (335) |
| Bad debts (written off)/ recovered, net | - | 46 | - | - | - | 46 | - | 46 |
| Finance costs | (9) | (614) | (1,316) | - | - | (1,939) | (124) | (2,063) |
| Share of results of joint venture | - | (285) | - | - | - | (285) | - | (285) |
| Segment profit/(loss) before tax | 1,393 | (9,270) | (9,466) | (41) | (6,992) | (24,376) | 1,604 | (22,772) |
| Taxation | 795 | 1,512 | 1,364 | - | - | 3,671 | (280) | 3,391 |
| Assets & Liabilities | | | | | | | | |
| Additions to non-current assets | 60 | 2,131 | 5,355 | - | - | 7,546 | 468 | 8,014 |
| Segment assets | 8,162 | 76,826 | 80,321 | - | - | 165,309 | 23,807 | 189,116 |
| Deferred tax assets | - | - | - | - | - | - | - | 8,976 |
| Total assets | | | | | | | | 198,092 |
| Segment liabilities | (1,904) | (9,709) | (16,666) | (6) | - | (28,285) | (7,250) | (35,535) |
| Provision for taxation | - | - | - | - | - | - | - | (3,613) |
| Deferred tax liabilities | - | - | - | - | - | - | - | (1,483) |
| Bank borrowings and finance lease liabilities | - | - | - | - | - | - | - | (44,087) |
| Total liabilities | | | | | | | | (84,718) |

By Geographical Segments

| | For The Financial Year Ended 31 March 2017 | | | | | | |
|---------------------|--|----------------------|--------------------|---------------------------|----------------------|-------------------|------------------|
| | Singapore S\$'000 | Australia S\$'000 | Bahrain S\$'000 | United Kingdom S\$'000 | Indonesia S\$'000 | Others S\$'000 | Total S\$'000 |
| External sales | 29,617 | 94,889 | 17,791 | 13,649 | 1,092 | 181 | 157,219 |
| Non-current assets* | 23,303 | 14,778 | 20,932 | 6,204 | 1,138 | 114 | 66,469 |

| | For The Financial Year Ended 31 March 2016 | | | | | | |
|---------------------|--|----------------------|--------------------|---------------------------|----------------------|-------------------|------------------|
| | Singapore S\$'000 | Australia S\$'000 | Bahrain S\$'000 | United Kingdom S\$'000 | Indonesia S\$'000 | Others S\$'000 | Total S\$'000 |
| External sales | 50,276 | 128,750 | 15,109 | 27,653 | - | - | 221,788 |
| Non-current assets* | 30,586 | 17,398 | 21,830 | 9,251 | 973 | - | 80,038 |

* Excludes deferred tax assets and non-current receivables and prepayments

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to item 8.

17 A breakdown of sales as follows:-

| | Group | | |
|-----------------------------|--------------------|--------------------|------------------------------|
| | 31.3.17 S\$'000 | 31.3.16 S\$'000 | Increase/ (decrease) % |
| First half year | | | |
| (a) Revenue | 59,463 | 95,509 | -38% |
| (b) Profit/(loss) after tax | (8,187) | (3,203) | -156% |
| Second half year | | | |
| (a) Revenue | 70,898 | 83,154 | -15% |
| (b) Profit/(loss) after tax | (9,568) | (17,502) | 45% |

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | Latest Full Year (FY 2017) S\$'000 | Previous Full Year (FY 2016) S\$'000 |
|---------------|--|--|
| a) Ordinary | - | - |
| - Interim | - | - |
| - Final | - | - |
| b) Preference | - | - |
| c) Total | - | - |



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20 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director, chief executive officer | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the |
|---------------|-----|--|---|--|
| Kuah Kok Kim | 72 | Father of Director and Chief Executive Officer, Kuah Boon Wee | Re-designated as Non-executive Chairman since 2012 | NIL |
| Kuah Boon Wee | 50 | Son of Director and substantial shareholder, Kuah Kok Kim | Appointed as Group Chief Executive Officer since 2010 | NIL |

BY ORDER OF THE BOARD

Dominic Siu Man Kit
Company Secretary
5 May 2017