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FOR IMMEDIATE RELEASE

- Steady improvements in oilfield activities from Singapore and Bahrain, recorded positive EBITDA in 1QFY2019 from the Oilfield Engineering segment
- Exploring opportunities to reposition the Neptune segment following continuing losses

Singapore, 26 July 2018 – SGX Mainboard-listed MTQ Corporation Limited ("MTQ" or "Group"), an established regional engineering, maintenance and subsea services group, today reported its results for the three months ended 30 June 2018 ("1QFY2019").

Financial Highlights	1QFY2019	1QFY2018	Chg	1QFY2019	4QFY2018[1]	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	24,283	30,529	(20)	24,283	22,561	8
Gross Profit	4,562	5,526	(17)	4,562	3,300	38
Gross Profit Margin	*18.8%*	*18.1%*		*18.8%*	14.6%	
Other Income	254	577	(56)	254	271	(6)
Other Operating Expenses	(3,855)	(3,672)	5	(3,855)	(4,571)	(16)
Staff Costs	(4,298)	(5,409)	(21)	(4,298)	(4,351)	(1)
Finance Costs	(244)	(260)	(6)	(244)	(176)	39
Loss before tax	(3,581)	(3,495)	2	(3,581)	(5,768)	(38)

[1] Excluding impairments of goodwill and write-off of deferred tax assets.

Financial Review

The Group reported S$24.3 million revenue for 1QFY2019, a decrease of 20% year-on-year ("yoy"), mainly due to lower revenues from the Australian subsidiaries. Revenues elsewhere in the Group continued to show steady improvement, particularly in Singapore. The Group's gross profit margin for 1QFY2019 improved slightly to 18.8% despite continued pricing pressures as the Group continues to focus on improving utilisation and operational efficiencies.

Overall operational and staff costs were lower than the corresponding period a year ago, although they have come to a relatively steady level after years of rationalising.

Overall, the Group reported a net loss before tax of S$3.6 million for 1QFY2019, contributed mainly by the continuing losses from the Neptune segment. The remaining segments' losses narrowed slightly and recorded an overall positive EBITDA in 1QFY2019.

Balance Sheet	**30 June 2018**	**31 Mar 2018**
	SGD'000	**SGD'000**
Net current assets	40,742	32,950
Net assets	76,313	66,690
Cash and cash equivalents	17,585	10,759
Bank borrowings and finance leases	22,745	22,634
Shareholder's funds	73,073	63,186
Net gearing[1]	6.3%	15.1%
Net assets value per share[2]	34 cents	41 cents

[1] *Net gearing ratio is calculated based on net debt divided by net capitalization. The Group includes within its net debt, bank borrowings and finance lease payable, less cash and cash equivalents. Net capitalization refers to net debt plus total equity.*

[2] *Net assets value per share is calculated based on the Group's net assets after deducting the non-controlling interest, divided by the total number of issued shares excluding treasury shares as at the end of the financial period.*

The Group's cash increased from S$10.8 million as at 31 March 2018 to S$17.6 million as at 30 June 2018. Excluding working capital changes, which are largely due to timing differences, operating cash outflows were S$1.5 million as a result of the losses recorded during the period. Main investing cash flows comprise a payment of S$1.8 million for the acquisition of Tranche 2 Shares of In-Line Group during the quarter. Within financing activities, there was a receipt of S$12.1 million of proceeds from the Rights cum Warrants Issue which concluded in April 2018 as well as the quarterly repayment of a loan facility. Overall, the Group's net gearing improved to 6.3% as at 30 June 2018.

Outlook

Commenting on the financial results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said,

"We continued to experience steady improvements in our oilfield activities in Singapore and Bahrain and a more positive business outlook. The level of customer enquiries for our Oilfield Engineering business is generally improving and our order books are healthier this quarter. Overall cash for the quarter remains healthy despite higher working capital requirements in Singapore and Bahrain.

The Neptune segment, on the other hand, recorded another disappointing quarter and continues to suffer from weak revenues in its core Australian market. Its losses outweighed the positive variances from the rest of the Group. Accordingly, the Board is exploring opportunities to reposition the Neptune segment."

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About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)

Established in 1969, **MTQ Corporation Limited ("MTQ")** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorized working partner for some of the world's largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in additional to repair and manufacture of oilfield equipment, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. Neptune Marine Services Limited is located in Perth, Western Australia, and has operational presence in the UK and Asia. Neptune provides engineering services to offshore oil and gas, marine and renewable energy industries with a focus on subsea and topside services. The Binder group, based in Perth with a production facility in Indonesia, designs and manufactures proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas sector.

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