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FOR IMMEDIATE RELEASE

- Modest improvement year-on-year but outlook remains challenging
- Financial position and gearing remain sound

Singapore, 30 October 2017 – SGX Mainboard-listed MTQ Corporation Limited ("MTQ" or "Group"), an established regional engineering, maintenance and subsea services group, reported today its results for the three months and six months ended 30 September 2017 ("2QFY2018" and "1HFY2018" respectively).

Financial Highlights	2QFY2018	2QFY2017	Chg	1HFY2018	1HFY2017	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	30,619	24,819	23	61,148	59,463	3
Gross Profit	3,808	4,222	(10)	9,334	12,108	(23)
Gross Profit Margin	*12.4%*	*17.0%*		*15.3%*	*20.4%*	
Other Income	415	368	13	992	544	82
Other Operating Expenses	(4,160)	(4,688)	11	(7,832)	(9,167)	15
Staff Costs	(5,133)	(5,863)	12	(10,542)	(12,128)	13
Finance Costs	(206)	(335)	39	(466)	(684)	32
Share of Results of Joint Venture	(257)	279	nm	(514)	161	nm
Loss before tax from Continuing Operations	(5,533)	(6,017)	8	(9,028)	(9,166)	2
Profit from Discontinued Operation, net of tax	-	817	(100)	-	1,346	-100
Loss attributable to Owners of the Company	(4,979)	(4,325)	(15)	(7,981)	(6,509)	(23)

Financial Review

The Group reported S$30.6 million overall revenue for 2QFY2018, bringing the year-to-date revenue slightly higher than the corresponding period a year ago. In 2QFY2018, the Group deferred S$0.7 million of revenue from a customer whose holding company went into voluntary liquidation recently. Excluding this item, the Group's gross profit margin for 2QFY2018 would have been 14.7% instead of the headline 12.4%.

The operating expenses also included a S$0.4 million loss arising from reclassification of historical foreign currency translation reserves upon winding-up of a dormant subsidiary. This has no impact to the net assets of the Group.

Other operating, staff and finance expenses continued to show positive variances as a result of the Group's continuous effort to rationalize costs. Share of joint venture results was weaker due to a lower level of sales in the period.

Overall, loss before tax from continuing operations narrowed from S$6.0 million in 2QFY2017 to S$5.5 million in 2QFY2018.

Cash flows	**2QFY2018**	**2QFY2017**	**1HFY2018**	**1HFY2017**
	SGD'000	**SGD'000**	**SGD'000**	**SGD'000**
Net cash from/(used in):				
- **Operating activities**	(1,647)	880	(4,678)	6,336
- **Investing activities**	(2,147)	(332)	6,801	(565)
- **Financing activities**	(659)	(1,017)	(17,721)	(1,416)
Net change in cash & cash equivalents (inclusive of exchange rate effects)	(4,149)	311	(15,775)	4,685
Cash and cash equivalents at end of financial period	15,633	29,652	15,633	29,652

The Group had a net cash outflow of S$1.6 million from operations in 2QFY2018. Investing cash flows for the quarter included S$1.8 million paid for the acquisition of Tranche 1 Shares of In-Line Group as announced on 25 July 2017. Within financing cash flows, repayment of bank borrowings represents the Group's quarterly instalment of one of the bank facilities.

Overall, the Group's ending cash and cash equivalents was S$15.6 million with net debt gearing a healthy 8.0% as at 30 September 2017.

Balance Sheet	30 Sept 2017	31 Mar 2017
	SGD'000	**SGD'000**
Net current assets	31,478	65,293
Net assets	90,962	99,972
Net tangible assets	80,452	89,419
Cash and cash equivalents	15,633	31,408
Bank borrowings and finance leases	23,568	41,741
Shareholder's funds	85,473	93,945
Net debt gearing[1]	8.0%	9.4%
Net assets value per share[2]	55 cents	61 cents

[1] *Net debt 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 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.*

Outlook

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

"The industry is still in the early stages of a slow recovery and this is expected to persist into 2018. Nonetheless, we see significant interest by oil companies to plan ahead for new projects as depletion of existing resources continues and costs fall.

The deferral of revenue in the Neptune segment this quarter has weakened the Group's results and operating cash flows. However, our financial position and net debt gearing remain sound as we continue to maximize opportunities and boost utilisation. "

- End -

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 authorised 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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