



**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 2018**

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

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2018

	Group 3 months ended			Group 9 months ended		
	31.12.18 S\$'000	31.12.17 S\$'000	Change %	31.12.18 S\$'000	31.12.17 S\$'000 (Restated)	Change %
<b>Revenue</b>	38,535	28,157	37%	89,670	89,305	0%
Cost of sales (Note A)	(30,135)	(23,556)	28%	(70,452)	(75,370)	-7%
<b>Gross profit</b>	8,400	4,601	83%	19,218	13,935	38%
Other income (Note B)	197	92	114%	643	1,069	-40%
Staff costs	(4,228)	(5,083)	-17%	(13,077)	(15,625)	-16%
Other operating expenses (Note C)	(4,240)	(3,808)	11%	(11,742)	(11,224)	5%
<b>Profit/(loss) from operating activities</b>	129	(4,198)	n/m	(4,958)	(11,845)	-58%
Finance costs (Note D)	(262)	(198)	32%	(777)	(664)	17%
Share of results of associate and joint ventures	(31)	(212)	-85%	(23)	(726)	-97%
<b>Loss before taxation</b>	(164)	(4,608)	-96%	(5,758)	(13,235)	-56%
Income tax (expenses)/credit (Note E)	(83)	468	n/m	(409)	999	n/m
<b>Loss for the period</b>	(247)	(4,140)	-94%	(6,167)	(12,236)	-50%
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of subsidiaries, associate and joint ventures	(410)	(1,278)	-68%	718	(2,157)	n/m
Net fair value gain/(loss) on derivatives	92	(91)	n/m	130	(63)	n/m
Share of joint venture's remeasurement of employee benefits liabilities	-	(34)	-100%	-	(34)	-100%
Reclassification of foreign currency translation reserve to profit or loss on winding-up of a subsidiary	-	-	0%	-	(38)	-100%
<b>Other comprehensive income for the period (Note F)</b>	(318)	(1,403)	-77%	848	(2,292)	n/m
<b>Total comprehensive income for the period</b>	(565)	(5,543)	-90%	(5,319)	(14,528)	-63%
<b>(Loss)/profit for the period attributable to:</b>						
Owners of the Company	(316)	(3,856)	-92%	(5,727)	(11,436)	-50%
Non-controlling interests	69	(284)	n/m	(440)	(800)	-45%
	(247)	(4,140)	-94%	(6,167)	(12,236)	-50%
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(591)	(5,117)	-88%	(4,846)	(13,564)	-64%
Non-controlling interests	26	(426)	n/m	(473)	(964)	-51%
	(565)	(5,543)	-90%	(5,319)	(14,528)	-63%

n/m : not meaningful



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**Note A - Cost of sales includes :-**

	Group		Change %	Group		Change %
	3 months ended	3 months ended		9 months ended	9 months ended	
	31.12.18 S\$'000	31.12.17 S\$'000		31.12.18 S\$'000	31.12.17 S\$'000	
Operating lease expenses	2,017	407	396%	4,022	5,355	-25%
Depreciation of property, plant and equipment	1,438	1,646	-13%	4,395	5,060	-13%

**Note B - Other income comprises :-**

	Group		Change %	Group		Change %
	3 months ended	3 months ended		9 months ended	9 months ended	
	31.12.18 S\$'000	31.12.17 S\$'000		31.12.18 S\$'000	31.12.17 S\$'000	
Interest income	16	6	167%	67	41	63%
Gain on disposal of property, plant and equipment, net	16	99	-84%	40	244	-84%
Government grants	74	61	21%	103	363	-72%
Commission received	-	-	0%	16	14	14%
Gain on disposal of scrap material	40	23	74%	97	60	62%
Insurance claims	36	(100)	n/m	226	272	-17%
Others	15	3	400%	94	75	25%
	197	92	114%	643	1,069	-40%

**Note C - Other operating expenses includes :-**

	Group		Change %	Group		Change %
	3 months ended	3 months ended		9 months ended	9 months ended	
	31.12.18 S\$'000	31.12.17 S\$'000		31.12.18 S\$'000	31.12.17 S\$'000	
Depreciation of property, plant and equipment	263	310	-15%	846	932	-9%
Amortisation of intangible assets	48	9	433%	141	29	386%
Loss/(gain) on foreign exchange, net	200	103	94%	180	(3)	n/m
Allowance for doubtful receivables, net	-	-	0%	27	-	100%
Reversal of allowance for inventory obsolescence	(12)	(4)	200%	(23)	(250)	-91%
Gain on winding-up of a subsidiary	-	-	0%	-	(39)	-100%
Audit, legal, consultancy and professional fees	782	683	14%	2,012	2,031	-1%
Operating lease expenses	708	829	-15%	2,341	2,429	-4%
Utilities expenses	326	341	-4%	1,075	1,064	1%

**Note D - Finance costs comprises :-**

	Group		Change %	Group		Change %
	3 months ended	3 months ended		9 months ended	9 months ended	
	31.12.18 S\$'000	31.12.17 S\$'000		31.12.18 S\$'000	31.12.17 S\$'000	
Interest on:						
- bank loans	252	196	29%	748	656	14%
- finance lease payables	10	2	400%	29	8	263%
	262	198	32%	777	664	17%

**Note E - Income tax (expenses)/credit :-**

Included in the income tax expenses/(credit) were (over)/under provision in respect of previous years:-

	Group		Change %	Group		Change %
	3 months ended	3 months ended		9 months ended	9 months ended	
	31.12.18 S\$'000	31.12.17 S\$'000		31.12.18 S\$'000	31.12.17 S\$'000	
- current taxation	(104)	(294)	-65%	(37)	(293)	-87%
- deferred taxation	17	342	-95%	17	289	-94%

**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 2018**

**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 2018**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.18</b>	<b>31.3.18</b>	<b>31.12.18</b>	<b>31.3.18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
		(Restated)		
<b>Non-current assets</b>				
Goodwill	5,378	4,560	-	-
Intangible assets	354	380	-	-
Investment property	-	-	820	850
Property, plant and equipment	43,522	46,924	87	76
Investment in subsidiaries	-	-	49,834	49,242
Investment in associate and joint ventures	3,695	1,922	3,718	1,922
Receivables	3,180	2,388	63,363	65,182
Prepayments	10	25	10	25
Deferred tax assets	956	958	-	-
	<b>57,095</b>	<b>57,157</b>	<b>117,832</b>	<b>117,297</b>
<b>Current assets</b>				
Inventories	15,861	14,733	-	-
Trade and other receivables	35,645	26,880	19,060	14,091
Prepayments	2,165	1,607	108	89
Cash and cash equivalents	15,125	10,759	4,267	331
	<b>68,796</b>	<b>53,979</b>	<b>23,435</b>	<b>14,511</b>
<b>Total assets</b>	<b>125,891</b>	<b>111,136</b>	<b>141,267</b>	<b>131,808</b>
<b>Current liabilities</b>				
Trade and other payables	(27,529)	(19,060)	(2,449)	(3,026)
Finance lease payable	(146)	(204)	-	-
Bank borrowings	(1,020)	(981)	(1,020)	(981)
Provisions	(282)	(355)	-	-
Provision for taxation	(673)	(429)	-	-
	<b>(29,650)</b>	<b>(21,029)</b>	<b>(3,469)</b>	<b>(4,007)</b>
<b>Non-current liabilities</b>				
Trade and other payables	(209)	(250)	(2,640)	(2,629)
Finance lease payable	-	(32)	-	-
Bank borrowings	(21,025)	(21,417)	(11,753)	(12,285)
Deferred tax liabilities	(598)	(604)	(23)	(53)
Provisions	(931)	(1,114)	(84)	(84)
	<b>(22,763)</b>	<b>(23,417)</b>	<b>(14,500)</b>	<b>(15,051)</b>
<b>Total liabilities</b>	<b>(52,413)</b>	<b>(44,446)</b>	<b>(17,969)</b>	<b>(19,058)</b>
<b>Net assets</b>	<b>73,478</b>	<b>66,690</b>	<b>123,298</b>	<b>112,750</b>
<b>Equity attributable to owners of the Company</b>				
Share capital [1(d)(i)]	48,914	36,807	48,914	36,807
Treasury shares [1(d)(iv)]	(3)	(3)	(3)	(3)
Reserves [1(d)(i)]	21,536	26,382	74,387	75,946
Shareholders' funds	70,447	63,186	123,298	112,750
Non-controlling interests	3,031	3,504	-	-
<b>Total equity</b>	<b>73,478</b>	<b>66,690</b>	<b>123,298</b>	<b>112,750</b>

**Balance Sheet Review**

During the year, the Group acquired Mid-Continent Equipment Group Pte Ltd's business of supplying and distributing oilfield equipment and spares and the assets in relation thereto. As part of the acquisition, the Group has identified a provisional goodwill of US\$600,000 as at the date of acquisition. The carrying amount of the provisional goodwill will be adjusted on a retrospective basis when the final allocation of purchase price has been completed.

Investment in associate and joint ventures increased by S\$1.8 million following the acquisition of Tranche 2 Shares of In-Line Group.

The remaining change in net assets was mainly due to the S\$12.1 million proceeds from Rights cum Warrants Issue exercise received, offset by the total comprehensive loss of S\$5.3 million recorded for the financial period.

Apart from the above, changes in working capital items were mainly due to timing differences.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2018**

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**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.**

	31.12.18		31.3.18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,166	-	1,185	-
Amount repayable after one year	5,353	15,672	5,917	15,532
	<u>6,519</u>	<u>15,672</u>	<u>7,102</u>	<u>15,532</u>

The Group's borrowings and finance leases as at 31 December 2018 decreased from S\$22.6 million to S\$22.2 million mainly due to fixed repayment of a bank loan, partially offset by the appreciation of USD exchange rate against SGD. Details of the collateral for the secured bank borrowings are as follows:

S\$6.4 million secured facility

- First all-monies registered legal mortgage over a leasehold land and property at Bahrain International Investment Park, Hidd, Kingdom of Bahrain;
- First registered fixed and floating charge over the assets of a subsidiary;
- Registered charge over the interest-bearing loan from the Company to a subsidiary.

There were no debt securities as at 31 December 2018 and 31 March 2018.



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2018**

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 ENDED 31 DECEMBER 2018**

	Group		Group	
	3 months ended	3 months ended	9 months ended	9 months ended
	31.12.18	31.12.17	31.12.18	31.12.17
	S\$'000	S\$'000	S\$'000	S\$'000
				(Restated)
<b>Cash flows from operating activities:</b>				
Loss before taxation	(164)	(4,608)	(5,758)	(13,235)
Adjustments for:				
Depreciation of property, plant and equipment	1,701	1,956	5,241	5,992
Amortisation of intangible assets	48	9	141	29
Gain on winding-up of a subsidiary	-	-	-	(39)
Gain on sale of property, plant and equipment, net	(16)	(99)	(40)	(244)
Allowance for doubtful receivables, net	-	-	27	-
Reversal of allowance for inventory obsolescence	(12)	(4)	(23)	(250)
Share of results of associate and joint ventures	31	212	23	726
Employee equity benefits expense	-	-	-	11
Provisions made during the period	51	20	93	166
Interest income	(16)	(6)	(67)	(41)
Interest expense	262	198	777	664
<b>Operating cash flows before changes in working capital</b>	<b>1,885</b>	<b>(2,322)</b>	<b>414</b>	<b>(6,221)</b>
(Increase)/decrease in inventories and work-in-progress	(453)	(477)	(466)	388
(Increase)/decrease in receivables and prepayments	(7,096)	759	(9,992)	4,425
Increase/(decrease) in payables	6,429	1,375	8,542	(2,680)
Currency realignment	264	(327)	611	(740)
<b>Cash generated from/(used in) operations</b>	<b>1,029</b>	<b>(992)</b>	<b>(891)</b>	<b>(4,828)</b>
Interest income received	16	6	67	41
Interest expense paid	(262)	(198)	(777)	(684)
Income taxes (paid)/received, net	(25)	(12)	347	(329)
<b>Net cash generated from/(used in) operating activities</b>	<b>758</b>	<b>(1,196)</b>	<b>(1,254)</b>	<b>(5,800)</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(583)	(795)	(1,631)	(1,827)
Addition of intangible assets	(39)	-	(104)	-
Acquisition of a business	-	-	(1,192)	-
Proceeds from disposal of a subsidiary, net of cash disposed and transaction costs	-	-	-	9,513
Proceeds from disposal of property, plant and equipment	12	101	512	380
Investment in a joint venture	-	-	(1,796)	(1,808)
Loans to joint ventures	(381)	-	(1,042)	(178)
Loans granted to staff	(21)	(8)	(69)	(32)
Loans repaid by staff	10	62	27	113
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,002)</b>	<b>(640)</b>	<b>(5,295)</b>	<b>6,161</b>
<b>Cash flows from financing activities:</b>				
Proceeds from bank borrowings	-	1,400	-	1,400
Share buy-back	-	-	-	(37)
Proceeds from Rights cum Warrants Issue	-	-	12,107	-
Repayment of bank borrowings	(256)	(1,612)	(762)	(18,920)
Repayment of finance lease payable	(60)	(68)	(171)	(518)
<b>Net cash (used in)/generated from financing activities</b>	<b>(316)</b>	<b>(280)</b>	<b>11,174</b>	<b>(18,075)</b>
Net change in cash and cash equivalents	(560)	(2,116)	4,625	(17,714)
Cash and cash equivalents at beginning of financial period	15,914	15,633	10,759	31,408
Effect of exchange rate changes on cash and cash equivalents	(229)	(243)	(259)	(420)
<b>Cash and cash equivalents at end of financial period</b>	<b>15,125</b>	<b>13,274</b>	<b>15,125</b>	<b>13,274</b>

**Note**

Cash and cash equivalents consist of the following:-

	Group	
	As at	As at
	31.12.18	31.12.17
	S\$'000	S\$'000
Fixed deposits	4,090	1,325
Cash at bank and on hand	11,035	11,949
	<b>15,125</b>	<b>13,274</b>

**Cash Flows Review**

The Group recorded net cash inflows of S\$0.8 million from operations for the quarter even though working capital requirements were higher quarter-on-quarter. Taking into account cash used in investing and financing activities, the Group's ending cash and cash equivalents was S\$15.1 million as at 31 December 2018



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2018**

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 QUARTER ENDED 31 DECEMBER 2018**

Group	Attributable to owners of the Company					Shareholders' Funds	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Other Reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
<b>Balance as at 1 April 2017 (As previously reported)</b>	36,807	(4)	(1,417)	57,022	1,537	93,945	6,027	99,972
<b>Adoption of SFRS(I) 1</b>	-	-	1,417	(1,417)	-	-	-	-
<b>Balance as at 1 April 2017 (Restated)</b>	36,807	(4)	-	55,605	1,537	93,945	6,027	99,972
<b>Loss for the period</b>	-	-	-	(11,436)	-	(11,436)	(800)	(12,236)
<b>Other comprehensive income</b>								
Exchange difference on translation of subsidiaries	-	-	(2,001)	-	-	(2,001)	(156)	(2,157)
Reclassification of FCTR to profit or loss on wind-up of a subsidiary	-	-	(38)	-	-	(38)	-	(38)
Net fair value loss on derivatives	-	-	-	-	(55)	(55)	(8)	(63)
Share of joint venture's remeasurement of employee benefits liabilities	-	-	-	-	(34)	(34)	-	(34)
Other comprehensive income for the period	-	-	(2,039)	-	(89)	(2,128)	(164)	(2,292)
<b>Total comprehensive income for the period</b>	-	-	(2,039)	(11,436)	(89)	(13,564)	(964)	(14,528)
<b>Contributions by and distributions to owners</b>								
Settlement of share-based payment arrangements	-	38	-	-	(38)	-	-	-
Employee equity benefits expense	-	-	-	-	12	12	-	12
Share buy-back	-	(37)	-	-	-	(37)	-	(37)
<b>Total contributions by and distribution to owners</b>	-	1	-	-	(26)	(25)	-	(25)
<b>Balance as at 31 December 2017 (Restated)</b>	36,807	(3)	(2,039)	44,169	1,422	80,356	5,063	85,419
<b>Balance as at 31 March 2018 (As previously reported)</b>	36,807	(3)	(4,168)	29,240	1,310	63,186	3,504	66,690
<b>Adoption of SFRS(I) 1</b>	-	-	1,016	(1,016)	-	-	-	-
<b>Balance as at 31 March 2018 (Restated) and 1 April 2018</b>	36,807	(3)	(3,152)	28,224	1,310	63,186	3,504	66,690
<b>Loss for the period</b>	-	-	-	(5,727)	-	(5,727)	(440)	(6,167)
<b>Other comprehensive income</b>								
Exchange difference on translation of subsidiaries	-	-	768	-	-	768	(50)	718
Net fair value gain on derivatives	-	-	-	-	113	113	17	130
Other comprehensive income for the period	-	-	768	-	113	881	(33)	848
<b>Total comprehensive income for the period</b>	-	-	768	(5,727)	113	(4,846)	(473)	(5,319)
<b>Contributions by and distributions to owners</b>								
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants	12,107	-	-	-	-	12,107	-	12,107
Issue, net of transaction costs	12,107	-	-	-	-	12,107	-	12,107
<b>Total contributions by and distribution to owners</b>	12,107	-	-	-	-	12,107	-	12,107
<b>Balance as at 31 December 2018</b>	48,914	(3)	(2,384)	22,497	1,423	70,447	3,031	73,478



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**STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2018**

<u>Company</u>	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Retained Earnings</b>	<b>Other Reserve</b>	<b>Shareholders' Funds</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 April 2017</b>	36,807	(4)	84,288	2,542	123,633
<b>Loss for the period, representing total comprehensive income for the period</b>	-	-	(2,098)	-	(2,098)
Employee equity benefits expense	-	-	-	12	12
Share buy-back	-	(37)	-	-	(37)
Settlement of share-based payment arrangements	-	38	-	(38)	-
<b>Total contributions by and distribution to owners</b>	-	1	-	(26)	(25)
<b>Balance as at 31 December 2017</b>	<b>36,807</b>	<b>(3)</b>	<b>82,190</b>	<b>2,516</b>	<b>121,510</b>
<b>Balance as at 1 April 2018</b>	36,807	(3)	73,430	2,516	112,750
<b>Loss for the period, representing total comprehensive income for the period</b>	-	-	(1,559)	-	(1,559)
Issuance of ordinary shares pursuant to MTQ Rights cum Warrants Issue, net of transaction costs	12,107	-	-	-	12,107
<b>Total contributions by and distribution to owners</b>	12,107	-	-	-	12,107
<b>Balance as at 31 December 2018</b>	<b>48,914</b>	<b>(3)</b>	<b>71,871</b>	<b>2,516</b>	<b>123,298</b>



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**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2018**

**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.**

	<b>31.12.18</b>	<b>30.9.18</b>
	(S\$'000)	(S\$'000)
Share Capital	48,914	48,914
	<b>31.12.18</b>	<b>31.12.17</b>
	('000)	('000)
Total number of issued shares	216,327	154,521
Total number of treasury shares	8	8
Total number of issued shares excluding treasury shares	216,319	154,513

There were no subsidiary holdings as at 31 December 2018 and 31 December 2017.

**MTQ Share Plan**

As at 31 December 2018, the aggregate number of shares comprised in Awards granted pursuant to the MTQ Share Plan which are not released amounted to 11,392 shares (31 December 2017: 11,392). 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	Granted	Number of shares		Outstanding
	as at 1/10/2018		Released	Forfeited	as at 31/12/2018
26/8/2015	11,392	-	-		11,392
	11,392	-	-	-	11,392

**Warrants**

During the period ended 30 June 2018, the Company issued 15,451,245 warrants and these warrants remain outstanding as at 31 December 2018 (31 December 2017: Nil).

**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.**

	<b>31.12.18</b>	<b>31.3.18</b>
	('000)	('000)
Total number of issued shares	216,327	154,521
Total number of treasury shares	8	8
Total number of issued shares excluding treasury shares	216,319	154,513

**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 was no movement in treasury shares in the quarter ended 31 December 2018. There were 8,303 treasury shares as at 31 December 2018 and 30 September 2018.

**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.**

The Group has adopted SFRS(I) on 1 April 2018. These financial statements for the 3 months and 9 months ended 31 December 2018 are the first sets of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS"). Please refer to paragraph 5 for more details.





**Unaudited Financial Statements And Dividend Announcement For The Quarter Ended 31 December 2018**

**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.**

In adopting SFRS(I)s on 1 April 2018, the Group is required to apply all of the mandatory transition requirements in SFRS(I). The Group's opening balance sheet has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

The adoption of new/revised SFRS(D)s and INT SFRS(D)s did not have any significant impact on the financial performance or position of the Group except for the following:

a) Application of SFRS(I) 1 First Time Adoption of SFRS(I)

The Group has elected for the optional exemption to reset the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, an accumulated amount of S\$1,417,000 of foreign currency translation loss was reclassified to the opening retained earnings as at 1 April 2017.

b) Comparatives

The comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) described above are summarised below:

**Consolidated statement of comprehensive income**

	3 months ended 31 December 2017			9 months ended 31 December 2017		
	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Other operating expenses	-	-	-	(11,625)	401	(11,224)
Reclassification of foreign currency translation reserve to profit or loss on winding-up of a subsidiary	-	-	-	363	(401)	(38)

**Group Balance Sheet**

	As at 31 March 2018			As at 1 April 2017		
	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Retained earnings	29,240	(1,016)	28,224	57,022	(1,417)	55,605
Foreign currency translation reserve	(4,168)	1,016	(3,152)	(1,417)	1,417	-

There is no impact to net assets and total equity.

**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			
	3 months ended 31.12.18	3 months ended 31.12.17	9 months ended 31.12.18	9 months ended 31.12.17 (Restated)
<b>Earnings per ordinary share:-</b>				
Basic and diluted (cents)	(0.15)	(2.50)	(2.70)	(7.40)
Loss attributable to owners of the Company (S\$'000)	(316)	(3,856)	(5,727)	(11,436)
Weighted average number of ordinary shares for basic earnings per share computation ('000)	216,318	154,513	212,498	154,509

Effects of dilution:

Potential ordinary shares that would be issued under the MTQ Share Plan and outstanding warrants are excluded from the calculation of diluted loss per share due to its anti-dilution effect.

**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	
	31.12.18 (S\$)	31.3.18 (S\$)	31.12.18 (S\$)	31.3.18 (S\$)
Net asset value per ordinary share*	0.33	0.41	0.57	0.73

\* Based on the net assets after deducting the non-controlling interests, divided by total number of issued shares excluding treasury shares as at the reporting dates.



**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 2018**

**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 2018 ("3QFY2019") vs 3 months ended 31 December 2017 ("3QFY2018")

The Group reported S\$38.5 million revenue for 3QFY2019, an increase of 37% from 3QFY2018 as activities picked up from all segments within the Group. Correspondingly, gross profit margin improved to 21.8% from 16.3% as a result of higher utilisation and better job mix.

The Group's other operating expenses rose by 11% to S\$4.2 million in 3QFY2019 mainly due to higher professional fees and exchange losses incurred during the quarter. Staff costs, however, decreased by 17% year-on-year due to absence of redundancy costs recorded in the corresponding period a year ago.

Overall, the Group's recorded a slight loss before tax of S\$0.2 million, 96% lower than 3QFY2018 on the back of better performances across the Group.

9 months ended 31 December 2018 ("9MFY2019") vs 9 months ended 31 December 2017 ("9MFY2018")

The Group reported S\$89.7 million revenue for 9MFY2019, comparable to 9MFY2018. Gross profit margin, however, improved to 21.4% from 15.6% as a result of higher utilisation and better job mix.

The Group's staff costs, decreased by 16% year-on-year due to absence of redundancy costs recorded in the corresponding period a year ago.

Overall, the Group's loss before tax reduced by 56% on the back of better performances across the Group.

**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.**

It is encouraging to see higher revenue recorded from all segments in 3QFY2019. Improved sentiment in upstream development has led to higher levels of customer orders in all segments. In particular, the Neptune segment, which suffered from lower revenue in the first half of the financial year, registered good growth in this quarter. Barring any unforeseen circumstances, the Group remains cautiously optimistic that the current order levels will be sustainable. This will allow the Group to continue to make steady progress.

**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 and the reason(s) for the decision.**

No dividend has been declared/recommended for the current financial period reported on to maintain a prudent balance sheet and conserve cash.

**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 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 2018 to be false or misleading, in any material aspect.

**15 Confirmation of Undertakings from all its directors and executive officers 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.

**16 Use of Net Proceeds from Rights cum Warrants Issue**

The board of directors (the "Board") of MTQ Corporation Limited (the "Company") refers to the Company's announcements made on 30 January 2018, 5 March 2018, 14 March 2018, 26 March 2018, 17 April 2018, 18 April 2018, 14 May 2018, 29 June 2018, 26 July 2018 and 31 October 2018 as well as the Offer Information Statement dated 23 March 2018 and the status report on the use of Net Proceeds in the Company FY2017/2018 Annual Report.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Offer Information Statement. Any reference to a time of day and date herein shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The Board wishes to update Shareholders that a further S\$1.2 million of the Net Proceeds has been utilised for debt repayment and working capital purposes including, *inter alia*, payments of trade and other payables and staff costs.

Together with the S\$9.0 million utilised as announced on SGXNET on 31 October 2018, the Company has utilised S\$10.2 million of the Net Proceeds as set out below:

S/N	Use of Net Proceeds	Additional Amount Utilised S\$'million	Cumulative Amount Utilised S\$'million
1	Payment for In-Line Shares	-	1.8
2	Debt Repayment	0.3	0.9
3	Working Capital	0.9	7.5
	Total	1.2	10.2

The above utilisation of the Net Proceeds is consistent with the intended use of Net Proceeds disclosed in the Offer Information Statement.

The Board will make periodic announcements on the utilisation of the remaining S\$1.8 million of the Net Proceeds as and when such proceeds are materially disbursed.

**BY ORDER OF THE BOARD**

Tan Lee Fang  
Company Secretary  
29 January 2019