



## **MTQ CORPORATION LIMITED**

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### **FOR IMMEDIATE RELEASE**

# **MTQ achieves sustainable growth with a net profit of S\$12.1 million for FY2009**

- Revenue rose by 6.1% to S\$89.9 million spurred by steady growth in the Oilfield Engineering division with a record revenue contribution of S\$55.4 million
- Profit from operating activities up by 36.2% to S\$15.3 million
- Healthy balance sheet with positive cash generated from operations of S\$11.2 million for FY2009
- Consistent dividend payout of 3.0 Singapore cents for FY2009

**Singapore, 29 April 2009** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), one of the leading regional engineering specialists in the fabrication, repair and maintenance of oilfield equipment, is pleased to report a net profit attributable to shareholders of S\$12.1 million for the financial year ended 31 March 2009 (“FY2009”).

### **Financial Highlights**

Overall Highlights	FY2009 S\$ '000	FY2008 S\$ '000	% Change
Revenue	89,867	84,704	6.1%
Profit from operating activities	15,287	11,220	36.2%
Profit before taxation	15,113	51,230	(70.5%)
Net profit attributable to shareholders	12,117	37,809	(68.0%)
Basic earnings per ordinary share (cents)	13.35	40.96	(67.4%)

The overall revenue increased by 6.1% to S\$89.9 million, primarily due to the sterling performance of the mainstay Oilfield Engineering division, which contributed 61.7% of total revenue. This marked a record year for the Singapore operations, which saw an encouraging 26.7% growth in the oilfield equipment repair business as well as the complementary fabrication and equipment rental businesses, due to continual robust demand for its products and services. As for the Engine Systems operations, revenue registered a decline of S\$4.6 million in FY2009, down 11.6% to S\$35.1 million from the previous year on the back of weaker Australian dollars and cessation of its Indonesian Engine Systems business in the second half of FY2008.

In terms of profitability, the Group recorded a significant 36.2% improvement in profit from operating activities to S\$15.3 million, mainly boosted by the steady performances of the core businesses and the streamlining of operations resulted from the various cost control measures in place. By excluding the net S\$28.2 million one-off divestment gain of RCR Tomlinson in FY2008, net profit attributable to shareholders grew by 26.1% from S\$9.6 million in FY2008 to S\$12.1 million in FY2009.

With positive operating cash flows of S\$11.2 million, the balance sheet of MTQ remained healthy and achieved a net asset value per ordinary share of 66.58 Singapore cents as at 31 March 2009, as compared to 61.26 Singapore cents in FY2008.

Basic earnings per ordinary share declined from 40.96 Singapore cents in FY2008 to 13.35 Singapore cents in FY2009 in the absence of one-off divestment gain.

### **Rewarding the shareholders**

The Board of Directors has recommended a tax-exempt (one tier) final dividend of 2.0 Singapore cents per share for FY2009, subject to approval of shareholders at the forthcoming Annual General Meeting in July 2009. Together with interim dividend of 1.0 Singapore cent paid per share, the proposed total dividend in respect of FY2009 will be 3.0 Singapore cents per share, reflecting a yield of approximately 5.8% based on latest share price as at 28 April 2009.

### **Going Forward**

In light of economic uncertainty and declining oil prices, the Group is determined to ride through the current global economic crisis with its defensive and prudent management style. Backed by a healthy balance sheet, the Group currently focuses on the development of its

recent Middle East initiative, namely MTQ Bahrain, to set up a state-of-art facility strategically located among oil producing countries in the Gulf. MTQ Bahrain is a Greenfield project of US\$20 million and is expected to take two to three years to be fully operational. By the time it is up and running, the facility is expected to be of larger scale than Singapore operations and likely to contribute positively to the earnings of the Group. This sets the pace for the Group to grow organically and steadily in the long run.

As for the existing operations, the Group continues to expect the coming months to be challenging, as seen in weakening demand for its Oilfield Engineering Division in final quarter of FY2009. As for the Engine Systems division in Australia, MTQ is committed to initiate various measures to expand the earnings base via wider product offerings and viable business opportunities despite weak sentiments in the market.

**Commenting on the outlook, Mr Kuah Kok Kim, Chairman and CEO said,**

**“We are in extraordinary times now. The deepening global economic crisis in the past months has plagued many nations, and we have experienced decline in enquiries as well. Although we have not seen significant impact of the crisis on our Oilfield Engineering division, we do anticipate challenges ahead and will be more prudent and cautious in day-to-day operations. By capitalizing on over 30 years of experiences in the industry, we strive to upkeep our brand by constantly developing the right team with the right technical know-how to serve our customers, while at the same time adopting various defensive measures such as cost cutting to weather through the storm. ”**

The Group maintains a cautious outlook for its businesses for the next 12 months, and expects to remain profitable for FY2010.

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

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specializes in engineering solutions for oilfield equipments, 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 wellhead equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network.

For more information, please log on [www.mtq.com.sg](http://www.mtq.com.sg)

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