

CIRCULAR DATED 27 JUNE 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your ordinary shares in the capital of MTQ Corporation Limited ("**Company**"), please forward this Circular and the attached Proxy Form immediately to the purchaser or to the agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Circular.



CIRCULAR TO SHAREHOLDERS

in relation to the proposed adoption of

- (1) THE SHARE BUYBACK MANDATE; AND**
- (2) THE MTQ SHARE PLAN**

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form	:	24 July 2013 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	26 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Carlton Hotel, Empress Ballroom 3, Level 2, 76 Bras Basah Road, Singapore 189558

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

“Articles”	:	Articles of Association of the Company
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or Group, and over which the Company has control (as defined in the Listing Manual)
“Auditors”	:	The auditors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Directors” or “Board”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company to be held on 26 July 2013, notice of which is set out on pages 47 to 49 of this Circular
“EPS”	:	Earnings per Share
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	The latest practicable date prior to printing of this Circular, being 13 June 2013
“Listing Manual”	:	The listing manual of the SGX-ST
“MTQ” or the “Company”	:	MTQ Corporation Limited
“MTQ Share Plan”	:	The proposed MTQ Share Plan, as modified or altered from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Memorandum”	:	Memorandum of Association of the Company
“NTA”	:	Net tangible assets
“New Shares”	:	The new Shares which may be allotted or issued from time to time pursuant to the Awards granted under the MTQ Share Plan
“Registrar”	:	Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
“Remuneration Committee”	:	The remuneration committee of the Company
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent

“Shareholders”	:	Persons who are registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the total number of issued Shares (excluding treasury shares)
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“per cent.” or “%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof or the Listing Manual and not otherwise defined in the Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof or the Listing Manual, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

MTQ CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196900057Z)

Directors:

Kuah Kok Kim (Non-Executive Chairman)
Kuah Boon Wee (Group Chief Executive Officer)
Nicholas Campbell Cocks (Lead Independent Director)
Chew Soo Lin (Independent Director)
Christopher Ho Han Siong (Independent Director)
Huang Yuan Chiang (Independent Director)
Ong Choo Eng (Independent Director)

Registered Office:

182 Pandan Loop
Singapore 128373

27 June 2013

To : The Shareholders of
MTQ Corporation Limited

Dear Sir / Madam

1. INTRODUCTION

1.1 The Directors are convening an EGM to be held on 26 July 2013 to seek Shareholders' approval in relation to the following proposals:

- (a) the proposed adoption of the share buyback mandate; and
- (b) the proposed adoption of the MTQ Share Plan, the Rules of which are set out in Appendix 1 of this Circular,

(together, the "**Proposals**").

1.2 The purpose of the Circular is to provide Shareholders with information relating to the Proposals.

1.3 SGX-ST had on 31 May 2013 granted in-principle approval for the listing and quotation of the New Shares on the Official List of the SGX-ST, subject to Shareholders' approval for the MTQ Share Plan, and the Company's compliance with SGX-ST's listing requirements and guidelines. The approval of the SGX-ST shall not be taken as an indication of the merits of the MTQ Share Plan.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Background

The Shareholders had granted a share buyback mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares (the "**Share Buyback Mandate**") at an extraordinary general meeting of MTQ held on 14 April 2003. The Share Buyback Mandate which was last renewed on 23 July 2009 has since expired.

Accordingly, Shareholders' approval is being sought for the adoption of the Share Buyback Mandate at the EGM immediately following the AGM.

2.2 Rationale for Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) the Directors and management constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. The proposed Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares if and when the circumstances permit;

- (b) Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost efficient manner;
- (c) Share purchases or acquisitions also allow the Directors to exercise control over the Company's share structure with a view to enhancing the EPS and/or net asset value per Share; and
- (d) the Share Buyback Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued, to help mitigate short-term market volatility and to offset the effects of short-term speculation.

The purchase or acquisition of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company.

2.3 Authority and Limits on the Share Buyback Mandate

The authority and limits on the Share Buyback Mandate, if adopted at the EGM, are as follows:

2.3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the EGM at which the adoption of the Share Buyback Mandate is approved. Any of the Company's Shares held as treasury shares shall be disregarded for the purposes of computing the 10% limit.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the adoption of the Share Buyback Mandate is approved up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting,

whichever is the earlier.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buybacks, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any share buyback made by the Company in the previous 12 months (whether through Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 **Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares must not exceed the maximum price (the “**Maximum Price**”) as set out below:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means (1) the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and (2) deemed to be adjusted for any corporate action which occurs after the relevant 5-day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares**

Shares purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition and all rights and privileges attached to the Shares will expire on cancellation, unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.5 **Treasury Shares**

The Company may hold or deal with Shares purchased or acquired by it as treasury shares. A summary of some of the provisions on treasury shares under the Companies Act is set out below:

2.5.1 **Maximum Holdings**

The number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares.

2.5.2 **Voting and Other Rights**

The Company shall not exercise any right in respect of treasury shares and any purported exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

No dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also permitted if the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares; (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares; (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used; (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use; (v) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use; and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Sources of Funds

Any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's distributable profits as well as out of capital, so long as the Company is solvent.

The Company will use internal resources and/or external borrowings to finance the Company's purchase or acquisition of its Shares. However, in exploring the option of external financing, the Directors will consider the financial position of the Company and the Group, particularly the working capital requirements and prevailing gearing levels of the Group.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as treasury shares or cancelled.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2013, are based on the assumptions set out below.

2.7.1 **Number of Shares Acquired or Purchased**

As at the Latest Practicable Date, the total number of issued and paid-up Shares of the Company is 100,167,851 and the Company does not hold any treasury share. Assuming no further Shares are issued on or prior to the EGM, not more than 10,016,785 Shares (representing 10% of the 100,167,851 Shares in issue) as at that date may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

2.7.2 **Purchase or Acquisition out of Profits and/or Capital**

Under the Companies Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

2.7.3 **Maximum Price Paid for Shares Acquired or Purchased**

Based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2013, the Company has distributable profits of approximately S\$63.8 million.

In the case of Market Purchases by the Company, assuming that the Maximum Price is S\$1.701 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 10,016,785 Shares is S\$17.0 million. If payment is made out of the Company's said distributable profits, the Company is able to purchase for the duration of the proposed Share Buyback Mandate the maximum 10,016,785 Shares, representing 10% of the total number of issued Shares as at the Latest Practicable Date.

In the case of an Off-Market Purchase by the Company, assuming that the Maximum Price is S\$1.932 for one Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 10,016,785 Shares is S\$19.4 million. If payment is made out of the Company's said distributable profits, the Company is able to purchase for the duration of the proposed Share Buyback Mandate the maximum 10,016,785 Shares representing 10% of the total number of issued Shares as at the Latest Practicable Date.

2.7.4 **Illustrative Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid at the relevant time, whether the purchase or acquisition is made out of profits and/or capital and whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only and based on the assumptions set out in Clauses 2.7.1 to 2.7.3 of this Circular and further assuming that the Share Purchase Mandate had been effective and the purchase of the Shares took place at the beginning of the financial year on 1 April 2012, the financial effects of:

- (a) the purchase or acquisition of 10,016,785 Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and cancelled; and
- (b) the purchase or acquisition of 10,016,785 Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of profits and cancelled; and
- (c) the purchase or acquisition of 10,016,785 Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of capital and held in treasury (10,016,785 Shares being the maximum number of Shares which may be held as treasury shares under the Companies Act after taking into consideration that no Shares are held by the Company as treasury shares as at the Latest Practicable Date); and
- (d) the purchase or acquisition of 10,016,785 Shares by way of Market Purchases or Off-Market Purchases pursuant to the Share Buyback Mandate made entirely out of profits and held in treasury (10,016,785 Shares being the maximum number of Shares which may be held as treasury shares under the Companies Act after taking into consideration that no Shares are held by the Company as treasury shares as at the Latest Practicable Date),

on the audited financial statements of the Company and the Group for the financial year ended 31 March 2013 are set out below.

(a) **Purchases of 10,016,785 Shares made entirely out of capital and cancelled**

(S\$'000)	GROUP			COMPANY		
	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴
As at 31 March 2013						
Share capital	31,740	14,701	12,388	31,740	14,701	12,388
Reserves	86,890	86,890	86,890	66,007	66,007	66,007
Treasury shares	–	–	–	–	–	–
Shareholders' funds	118,630	101,591	99,278	97,747	80,708	78,395
NTA ¹	88,182	71,143	68,830	97,747	80,708	78,395
Current assets	153,726	136,687	134,374	16,427	9,618	9,618
Current liabilities	67,838	67,838	67,838	6,660	16,890	19,203
Net current assets/ (liabilities)	85,888	68,849	66,536	9,767	(7,272)	(9,585)
Total borrowings	73,575	73,575	73,575	18,829	18,829	18,829
Cash and cash equivalents	40,911	23,872	21,559	6,809	–	–
Number of Shares (excluding Shares held as treasury shares)(⁰⁰⁰)	100,168	90,151	90,151	100,168	90,151	90,151
Weighted average number of Shares (⁰⁰⁰)	93,512	83,495	83,495	93,512	83,495	83,495
Financial Ratios						
NTA per Share (Cents)	88.03	78.92	76.35	97.58	89.53	86.96
EPS (Cents)	23.06	25.83	25.83	19.24	21.55	21.55
Current ratio (times) ²	2.27	2.01	1.98	2.47	0.57	0.50

Notes:

- 1 NTA equals shareholders' funds less intangible assets
- 2 Current ratio equals current assets divided by current liabilities
- 3 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.701 for one Share, which is 5% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded. Accordingly, the maximum amount of funds required for the purchase is S\$17.0 million
- 4 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.932 for one Share, which is 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date. Accordingly, the maximum amount of funds required for the purchase is S\$19.4 million

(b) Purchases of 10,016,785 Shares made entirely out of profits and cancelled

	GROUP			COMPANY		
	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴
(S\$'000)						
As at 31 March 2013						
Share capital	31,740	31,740	31,740	31,740	31,740	31,740
Reserves	86,890	69,851	67,538	66,007	48,968	46,655
Treasury shares	–	–	–	–	–	–
Shareholders' funds	118,630	101,591	99,278	97,747	80,708	78,395
NTA ¹	88,182	71,143	68,830	97,747	80,708	78,395
Current assets	153,726	136,687	134,374	16,427	9,618	9,618
Current liabilities	67,838	67,838	67,838	6,660	16,890	19,203
Net current assets/ (liabilities)	85,888	68,849	66,536	9,767	(7,272)	(9,585)
Total borrowings	73,575	73,575	73,575	18,829	18,829	18,829
Cash and cash equivalents	40,911	23,872	21,559	6,809	–	–
Number of Shares (excluding Shares held as treasury shares)(⁰⁰⁰)	100,168	90,151	90,151	100,168	90,151	90,151
Weighted average number of Shares (⁰⁰⁰)	93,512	83,495	83,495	93,512	83,495	83,495
Financial Ratios						
NTA per Share (Cents)	88.03	78.92	76.35	97.58	89.53	86.96
EPS (Cents)	23.06	25.83	25.83	19.24	21.55	21.55
Current ratio (times) ²	2.27	2.01	1.98	2.47	0.57	0.50

Notes:

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- 2 Current ratio equals current assets divided by current liabilities
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(c) **Purchases of 10,016,785 Shares made entirely out of capital and held as treasury shares**

(S\$'000)	GROUP			COMPANY		
	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴
As at 31 March 2013						
Share capital	31,740	31,740	31,740	31,740	31,740	31,740
Reserves	86,890	86,890	86,890	66,007	66,007	66,007
Treasury shares	–	(17,039)	(19,352)	–	(17,039)	(19,352)
Shareholders' funds	118,630	101,591	99,278	97,747	80,708	78,395
NTA ¹	88,182	71,143	68,830	97,747	80,708	78,395
Current assets	153,726	136,687	134,374	16,427	9,618	9,618
Current liabilities	67,838	67,838	67,838	6,660	16,890	19,203
Net current assets/(liabilities)	85,888	68,849	66,536	9,767	(7,272)	(9,585)
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Cash and cash equivalents	40,911	23,872	21,559	6,809	–	–
Number of Shares (excluding Shares held as treasury shares)('000)	100,168	90,151	90,151	100,168	90,151	90,151
Weighted average number of Shares ('000)	93,512	83,495	83,495	93,512	83,495	83,495
Financial Ratios						
NTA per Share (Cents)	88.03	78.92	76.35	97.58	89.53	86.96
EPS (Cents)	23.06	25.83	25.83	19.24	21.55	21.55
Current ratio (times) ²	2.27	2.01	1.98	2.47	0.57	0.50

Notes:

- 1 NTA equals shareholders' funds less intangible assets
- 2 Current ratio equals current assets divided by current liabilities
- 3 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.701 for one Share, which is 5% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded. Accordingly, the maximum amount of funds required for the purchase is S\$17.0 million
- 4 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.932 for one Share, which is 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date. Accordingly, the maximum amount of funds required for the purchase is S\$19.4 million

(d) **Purchases of 10,016,785 Shares made entirely out of profits and held as treasury shares**

(S\$'000)	GROUP			COMPANY		
	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴	Before Share Buyback	After Share Buyback (via Market Purchases) ³	After Share Buyback (via Off-Market Purchases) ⁴
As at 31 March 2013						
Share capital	31,740	31,740	31,740	31,740	31,740	31,740
Reserves	86,890	86,890	86,890	66,007	66,007	66,007
Treasury shares	–	(17,039)	(19,352)	–	(17,039)	(19,352)
Shareholders' funds	118,630	101,591	99,278	97,747	80,708	78,395
NTA ¹	88,182	71,143	68,830	97,747	80,708	78,395
Current assets	153,726	136,687	134,374	16,427	9,618	9,618
Current liabilities	67,838	67,838	67,838	6,660	16,890	19,203
Net current assets/ (liabilities)	85,888	68,849	66,536	9,767	(7,272)	(9,585)
Total borrowings	73,575	73,575	73,575	18,829	18,829	18,829
Cash and cash equivalents	40,911	23,872	21,559	6,809	–	–
Number of Shares (excluding Shares held as treasury shares)('000)	100,168	90,151	90,151	100,168	90,151	90,151
Weighted average number of Shares ('000)	93,512	83,495	83,495	93,512	83,495	83,495
Financial Ratios						
NTA per Share (Cents)	88.03	78.92	76.35	97.58	89.53	86.96
EPS (Cents)	23.06	25.83	25.83	19.24	21.55	21.55
Current ratio (times) ²	2.27	2.01	1.98	2.47	0.57	0.50

Notes:

- 1 NTA equals shareholders' funds less intangible assets
- 2 Current ratio equals current assets divided by current liabilities
- 3 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.701 for one Share, which is 5% above the average of the closing market prices of the Shares over the last 5 Market Days on the SGX-ST immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded. Accordingly, the maximum amount of funds required for the purchase is S\$17.0 million
- 4 Assumes that the Company purchases 10,016,785 Shares at the Maximum Price of S\$1.932 for one Share, which is 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date. Accordingly, the maximum amount of funds required for the purchase is S\$19.4 million

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE PURELY FOR ILLUSTRATIVE PURPOSES ONLY. IN PARTICULAR, IT IS IMPORTANT TO NOTE THAT THE ABOVE ILLUSTRATIONS ARE BASED ON HISTORICAL FIGURES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 AND ARE NOT NECESSARILY REPRESENTATIVE OF FUTURE FINANCIAL PERFORMANCE.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares (excluding any Shares held by the Company as treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares (excluding any Shares held by the Company as treasury shares). In particular, the Directors do not intend to exercise the Share Buyback Mandate up to the maximum limit and to such an extent if such exercise would materially and adversely affect the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group. Further, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.

2.8 Taxation

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 Take-over

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note.

2.9.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Mr. Kuah Kok Kim and Mr. Kuah Boon Wee, being father and son, are presumed to be concert parties under the Take-over Code. Based on their shareholdings in the Company as at the Latest Practicable Date as set out in Clause 4.1 of this Circular, none of them would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code if the Company undertakes, as permitted by the proposed Share Buyback Mandate, share purchases up to the maximum limit of 10% of its Shares as at the Latest Practicable Date (there being no treasury shares held by the Company as at the Latest Practicable Date).

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date as set out in Clause 4 of this Circular, the Directors are not aware of any of the other Substantial Shareholders of the Company who would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code if the Company undertakes, as permitted by the proposed Share Buyback Mandate, share purchases up to the maximum limit of 10% of its Shares as at the Latest Practicable Date (there being no treasury shares held by the Company as at the Latest Practicable Date).

Shareholders who are in doubt as to their obligations, if any, to make a take-over offer under the Take-over Code as a result of any purchase of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.10 **Details of Previous Share Buybacks**

There was no Share Buyback Mandate in force in the last 12 months prior to the Latest Practicable Date hence the Company had not undertaken any purchases or acquisition of Shares.

2.11 Listing Status

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression “public” is defined under the Listing Manual as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Listing Manual) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 41,462,209 Shares in the hands of the public, representing 41.39% of the issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 31,445,424 Shares, representing 34.88% of the issued Shares of the Company (there being no treasury shares held by the Company as at the Latest Practicable Date).

Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.12 No Purchases during Price Sensitive Developments

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period commencing one month immediately preceding the announcement of the Company’s full-year results and the period of 2 weeks before the announcement of the first quarter, the second quarter and the third quarter results.

2.13 Reporting Requirements

Under the Listing Manual, any purchases or acquisitions by the Company of its Shares pursuant to the Share Buyback Mandate must be reported by the Company to the SGX-ST not later than 9.00 am:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its Shares; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer.

Such notification shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest price per Share (as applicable), the total consideration paid for the Shares (including stamp duties and clearing charges), the number of Shares purchased as at the date of the notification (on a cumulative basis), the number of issued Shares (excluding treasury shares) after purchase and the number of treasury shares held after purchase, in the form prescribed under the Listing Manual.

Under the Companies Act:

- (a) within 30 days of the passing of a resolution to approve or renew the Share Buyback Mandate, the Directors shall lodge with the Registrar a copy of the resolution;
- (b) the Directors shall lodge with the Registrar a notice (in the prescribed form) of a purchase or acquisition of Shares within 30 days of such purchase or acquisition. Such notification shall include, the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares; the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid for the purchase or acquisition of the Shares, whether the Shares were purchased or acquired out of profits or capital of the Company and such other particulars as may be required in the prescribed form; and
- (c) within 30 days of the cancellation or disposal of treasury shares in accordance with the Companies Act, the Directors shall lodge with the Registrar a notice of the cancellation or disposal with such particulars as may be required in the prescribed form.

3. THE PROPOSED ADOPTION OF THE MTQ SHARE PLAN

3.1 2003 Share Option Scheme

The Company had in place The MTQ Corporation Executives' Share Option Scheme 2003 (the "**2003 Share Option Scheme**"). The 2003 Share Option Scheme was adopted at an extraordinary general meeting of the Company held on 14 April 2003. The 2003 Share Option Scheme replaced the Metalock Executives' Share Option Scheme (the "**Previous Scheme**"). Although the Previous Scheme was replaced by the 2003 Share Option Scheme, any subsisting and outstanding share options granted under the Previous Scheme continued to be exercisable in accordance with the terms of the Previous Scheme. The duration of the 2003 Share Option Scheme was 10 years commencing from the date of its adoption, that is, 10 years commencing from 14 April 2003. The 2003 Share Option Scheme had expired on 13 April 2013.

The Company does not intend to extend the duration of, or replace, the 2003 Share Option Scheme. Instead, it proposes to implement the new MTQ Share Plan.

3.2 Share Options

While the 2003 Share Option Scheme had expired on 13 April 2013, any subsisting and outstanding share options granted under the 2003 Share Option Scheme continues to be exercisable in accordance with the terms of the 2003 Share Option Scheme.

Under the Previous Scheme, a total of 3,770,000 share options were granted to 70 participants since the commencement of the Previous Scheme to subscribe for up to an aggregate of 3,770,000 Shares and, as at the Latest Practicable Date, an aggregate of 920,000 Shares have been delivered upon exercise of the share options. As at the Latest Practicable Date, there are no longer any share options outstanding under the Previous Scheme.

Under the 2003 Share Option Scheme, a total of 1,950,000 share options were granted to 31 participants since the commencement of the 2003 Share Option Scheme to subscribe for up to an aggregate of 1,950,000 Shares and, as at the Latest Practicable Date, an aggregate of 1,255,000 Shares have been delivered upon exercise of the share options. As at the Latest Practicable Date, there are no longer any share options outstanding under the 2003 Share Option Scheme.

Save as disclosed in this Circular and the rules of 2003 Share Option Scheme (which were set out in full in the Company's Circular to the Shareholders dated 21 March 2003), there are no material conditions to which the Share Options under the 2003 Share Option Scheme were subject. A summary of the salient terms of the 2003 Share Option Scheme, which was extracted from Appendix I of the Circular to Shareholders dated 21 March 2003 ("**2003 Circular**") is set out in Appendix 2 of this Circular. Please refer to the 2003 Circular for full details.

Under the Previous Scheme, the Directors (other than those who are Controlling Shareholders and their Associates) were granted 200,000 share options on 16 October 2000 to subscribe for up to an aggregate of 200,000 Shares. As at the Latest Practicable Date, all such share options have lapsed without exercise. Accordingly, no Shares have been allotted by the Company to the Directors pursuant to such share options.

Under the 2003 Share Option Scheme, the Directors (other than those who are Controlling Shareholders and their Associates) were granted 540,000 share options on 31 July 2003 to subscribe for up to an aggregate of 540,000 Shares out of which 340,000 share options have been exercised. Accordingly, 340,000 Shares have been allotted by the Company to the Directors pursuant to the exercise of such share options. As at the Latest Practicable Date, all the other share options granted to the Directors have lapsed.

No options were granted to any Controlling Shareholder since the commencement of the 2003 Share Option Scheme. Associates of Controlling Shareholders are not eligible to participate in the 2003 Share Option Scheme.

3.3 Definitions

For the purposes of Clauses 3.2, 3.4, 3.5 and 3.6 herein and in relation to the MTQ Share Plan, the following expressions shall have the following meanings:

“Associate” means (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

“Associated Company” means a company in which at least 20% but not more than 50% of its shares are held by the Company and/or Group, and over which the Company has control (as defined in the Listing Manual).

“Associated Company Employee” means any full-time employee of an Associated Company (including any Associated Company Executive Director).

“Associated Company Executive Director” means a director of an Associated Company who performs an executive function.

“Award” means an award of Shares granted under the MTQ Share Plan.

“Award Date” means, in relation to an Award, the date on which the Award is granted pursuant to the MTQ Share Plan.

“Award Letter” means a letter in such form as the Remuneration Committee shall approve confirming an Award granted to a Participant by the Remuneration Committee.

“Controlling Shareholder” means a person who (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control (as defined in the Listing Manual) over the Company.

“Group” means the Company and its subsidiaries.

“Group Employee” means any full-time employee of the Company and/or any of its subsidiaries including any Group Executive Director.

“Group Executive Director” means a director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.

“Market Price” means the average of the last dealt price for a Share as determined by reference to the daily official list or any other publication published by the SGX-ST for the 5 consecutive Market Days immediately preceding the date on which the Award shall be vested.

“Non-Executive Director” means a director of (a) the Company and/or its subsidiaries, other than a Group Executive Director; or (b) an Associated Company, other than an Associated Company Executive Director.

“Participant” means the holder of an Award.

“Remuneration Committee” means the remuneration committee of the Company.

“Rules” means the rules of the MTQ Share Plan set out in Appendix 1 of this Circular and any reference to a particular Rule shall be construed accordingly.

3.4 Rationale for the MTQ Share Plan

The Company has undertaken a review of employee remuneration and benefits and wishes to introduce a new compensation scheme so that the Company will have a more flexible set of remuneration tools to better motivate, retain and recruit employees.

The MTQ Share Plan will enable the Company to, *inter alia*, provide an opportunity for Group Employees and Associated Company Employees to have a personal equity interest in the Company and help achieve the following objectives:

- (a) motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) retain key executives and executive directors of the Group whose contributions are important to the long term growth and profitability of the Group;
- (c) foster a greater ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders; and
- (d) attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders.

While the MTQ Share Plan caters principally to the Group Employees, it is recognised that persons who are not employees of the Group, such as employees and executive directors of Associated Companies over which the Company has control, can make significant contributions to the Group through their close working relationship with the Group. For instance, such employees and executive directors of Associated Companies are also able to provide the Group with valuable support, input and business contracts, and provide the Group with business alliances or opportunities. The Company aims to have a share plan which caters to such persons. It is hoped that through participation in the equity of the Company, the Company will strengthen its working relationships with the directors and employees of the Associated Companies and instil a stronger identification by them with the long term prosperity of the Group.

The MTQ Share Plan contemplates the award of fully paid Shares to the Participants, when and after pre-determined performance conditions are met.

The Awards granted under the MTQ Share Plan will be determined at the sole discretion of the Remuneration Committee. In considering an Award to be granted to a Participant who is a Group Employee or an Associated Company Employee, the Remuneration Committee will take into account, *inter alia*, criteria such as the Participant’s performance during the relevant period and his capability, rank, scope of responsibilities, skill set and potential for future development.

On 4 June 2013, the Company announced that SGX-ST had granted in-principle approval for the listing and quotation of the New Shares on the Official List of the SGX-ST, subject to Shareholders' approval for the MTQ Share Plan, and the Company's compliance with SGX-ST's listing requirements and guidelines. The approval of the SGX-ST shall not be taken as an indication of the merits of the MTQ Share Plan.

3.5 Summary of the Rules

The following terms of the MTQ Share Plan are only a summary. Further details of the MTQ Share Plan, including the proposed Rules are annexed in Appendix 1 of this Circular.

(a) **Eligibility**

Subject to the absolute discretion of the Remuneration Committee and the Rules, the following persons, unless they are also Controlling Shareholders or Associates of Controlling Shareholders, shall be eligible to participate in the MTQ Share Plan:

- (i) Group Employees who have attained the age of 21 years before the date of the Award and hold such rank as may be designated by the Remuneration Committee from time to time; and
- (ii) Associated Company Employees who have attained the age of 21 years before the date of the Award and hold such rank as may be designated by the Remuneration Committee from time to time and who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group,

and who are not undischarged bankrupts.

Controlling Shareholders and their Associates shall not be eligible to participate in the MTQ Share Plan. Non-Executive Directors shall also not be eligible to participate in the MTQ Share Plan.

(b) **Awards**

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided certain prescribed performance conditions are met.

(c) **Participants**

The selection of a Participant and the number of Shares which are subject of each Award granted to a Participant in accordance with the MTQ Share Plan shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his job performance, capability, rank, scope of responsibilities, years of service, potential for future development, his contribution to the success and development of the Group and the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period.

(d) **Details of Awards**

The Remuneration Committee shall decide, in relation to each Award:

- (i) the Award Date;
- (ii) the number of Shares which are the subject of the Award;
- (iii) the performance period during which the prescribed performance condition(s) are to be satisfied;
- (iv) the prescribed performance condition(s);

- (v) the extent to which Shares are the subject of that Award shall be released on the prescribed performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- (vi) the vesting date; and
- (vii) any other condition as the Remuneration Committee may determine in relation to that Award.

An Award is personal to the Participant to whom it is granted and it may not be sold, transferred, mortgaged, charged, assigned, pledged, encumbered or otherwise disposed of, in whole or in part or in any way whatsoever, except with the prior approval of the Remuneration Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse.

(e) **Timing**

The Remuneration Committee has the discretion to grant Awards at any time in the year.

An Award Letter confirming the Award and specifying (*inter alia*) the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) are to be satisfied, the extent to which Shares will be released on satisfaction of the prescribed performance condition(s) and the vesting date, will be sent to each Participant as soon as is reasonably practicable after the making of an Award.

(f) **Events prior to Vesting**

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (i) an order is made for the winding-up of the Company on the basis of, or by reason of insolvency;
- (ii) the misconduct on the part of a Participant as determined by the Remuneration Committee in its absolute discretion;
- (iii) the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever (other than specified in sub-paragraph (v)) below;
- (iv) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (v) the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
 - (I) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee);
 - (II) redundancy;
 - (III) retirement at or after the legal retirement age;
 - (IV) retirement before the legal retirement age with the consent of the Remuneration Committee;

(V) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;

(VI) any other event approved in writing by the Remuneration Committee;

(vi) the death of the Participant;

(vii) any other event approved in writing by the Remuneration Committee;

(viii) a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company (other than as provided in sub-paragraph (i) above or for reconstruction or amalgamation).

(g) ***Size and Duration***

The total number of New Shares which may be delivered by the Company pursuant to Awards granted under the MTQ Share Plan on any date, when added to the aggregate number of Shares issued or issuable under any other share schemes which may be implemented by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the date preceding the date of the relevant Award.

In determining the number of New Shares available on any date for grant of Awards under the MTQ Share Plan, Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Remuneration Committee under the MTQ Share Plan.

The number of existing Shares (including Shares held in treasury) which may be delivered pursuant to Awards granted under the MTQ Share Plan will not be subject to any limit as such methods of delivery do not involve the issuance of any New Shares. The Company may also make a release of Awards in cash instead of Shares and Participants entitled to such Awards will receive, in lieu of Shares, the aggregate Market Price of such Shares (as referred to in Clause 3.5(h) below). Such methods will not be subject to any limit as they do not involve the issue of any New Shares.

The MTQ Share Plan shall continue in force at the discretion of the Remuneration Committee subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the proposed MTQ Share Plan may continue beyond this stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the MTQ Share Plan, any Award made prior to such expiry or termination will continue to remain valid.

(h) ***Operation of the MTQ Share Plan***

Subject to the prevailing legislation and the rules of the Listing Manual and such consents or other required action by any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the MTQ Share Plan and the Memorandum and Articles, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:

(i) an issue of New Shares; and/or

(ii) the delivery of existing Shares (including, to the extent permitted by law, treasury shares); and/or

(iii) payment of the aggregate Market Price in cash in lieu of allotment or transfer of some or all of the New Shares or existing Shares.

In determining whether to issue New Shares, to deliver existing Shares and/or pay the aggregate Market Price in cash to the Participant upon release of their Awards, the Company shall take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing Market Price and the cost to the Company of either issuing New Shares or purchasing existing Shares.

The Remuneration Committee will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Remuneration Committee will take into account relevant factors such as taxation issues arising from the issue of New Shares and/or purchase of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if any.

The financial effects of the above methods are discussed in Clause 3.6 below.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the release of any Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The “aggregate Market Price” of the Shares to be paid to a Participant in lieu of allotment or transfer shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where :

- A is the aggregate Market Price of the Shares to be paid to a Participant in lieu of all or some of the Shares to be issued or transferred upon the release of an Award
- B is the Market Price
- C is such number of Shares (as determined by the Remuneration Committee in its sole and absolute discretion) to be issued or transferred to a Participant upon the release of an Award in accordance with the rules of the MTQ Share Plan

The Remuneration Committee shall have the discretion to determine whether any performance condition has been satisfied (whether fully or partly) or exceeded and in making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of the Company, the Group or an Associated Company (as the case may be) to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any performance condition if the Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

(i) **Adjustment Events**

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Remuneration Committee may, in its sole discretion, determine whether:

- (i) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (ii) the class and/or number of Shares in respect of which future Awards may be granted under the MTQ Share Plan,

shall be adjusted and if so, the manner which such adjustments should be made.

Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options; conversion of any loan stock or other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a Market Purchase of such Shares undertaken by the Company on the SGX-ST during the period when a Share Buyback Mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. The adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

Upon any adjustment being made, the Company shall notify each Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

(j) ***Modifications***

Any or all of the provisions of the MTQ Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary save that:

- (a) no modification or alteration shall be made to the Rules of the MTQ Share Plan which relates to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of the Participants, except with the prior approval of Shareholders in general meeting; and
- (b) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if the Awards were released to them upon the performance condition(s) for their Awards being satisfied in full, would become entitled to hold not less than three-quarters in number of all the Shares which would be fall to be vested upon release of all outstanding Awards upon the performance condition(s) for all outstanding Awards being satisfied in full.

The opinion of the Remuneration Committee as to whether any modification or alteration would alter adversely the rights attached to any Award or be to the advantage of the Participants shall be final and conclusive.

(k) ***Disclosures in Annual Report***

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the MTQ Share Plan continues in operation:

- (i) the names of the members of the Remuneration Committee administering the MTQ Share Plan;
- (ii) in respect of the following Participants of the MTQ Share Plan:
 - (I) Directors of the Company; and
 - (II) Participants, other than those in sub-paragraph (I) above, who have received Shares pursuant to the release of Awards granted under the MTQ Share Plan which, in aggregate, represent 5% or more of the aggregate of:

- (1) the total number of New Shares available under the MTQ Share Plan; and
 - (2) the total number of existing Shares delivered pursuant to Awards released under MTQ Share Plan,
- the following information:
- (aa) the name of the Participant;
 - (bb) the following particulars relating to the Shares delivered pursuant to Awards released under the MTQ Share Plan:
 - (i) the number of New Shares issued to such Participant during the financial year under review; and
 - (ii) the number of existing Shares transferred to such Participant during the financial year under review; and
 - (iii) in relation to the MTQ Share Plan, the following particulars:
 - (I) the aggregate number of Shares comprised in Awards granted under the MTQ Share Plan since the commencement of the MTQ Share Plan to the end of the financial year under review;
 - (II) the aggregate number of Shares comprised in Awards which have been released under the MTQ Share Plan during the financial year under review and in respect thereof, the proportion of:
 - (1) New Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,
 upon the release of Awards granted under the MTQ Share Plan;
 - (III) the aggregate number of Shares comprised in Awards granted under the MTQ Share Plan which have not been released, as at the end of the financial year under review; and
 - (iv) such other information as may be required by the Listing Manual or the Companies Act.

If any of the information above in any of the foregoing is not applicable, to include an appropriate negative statement in the annual report.

(l) **Administration**

The MTQ Share Plan shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board provided that a member of the Remuneration Committee who is a Participant shall not be involved in the deliberations of the Remuneration Committee in respect of the Awards to be granted to him.

3.6 Financial Effects of the MTQ Share Plan

(a) *Potential Costs of issuing the Awards*

Financial Reporting Standard 102, Share-based Payment (“FRS102”), is effective for the financial statements of the Company for the financial year beginning 1 April 2005. Participants may receive Shares or their equivalent cash value, or combinations thereof. In the event that the Participants receive Shares, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the profit and loss account over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each balance sheet date, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate will be recognised in the profit and loss account with a corresponding adjustment to equity. After the vesting date, no adjustment to the charge to the profit and loss account is made.

The amount charged to the profit and loss account would be the same whether the Company settles the Award by using New Shares or existing Shares. The amount of the charge to the profit and loss account also depends on whether or not the performance target attached to an Award is a “market condition”, that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to the amounts charged to the profit and loss account are made if the market condition is not met.

On the other hand, if the performance target is not a market condition, the probability of the performance target being met is not taken into account in estimating the fair value of the Shares granted at the grant date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to profit and loss account if the Awards do not ultimately vest.

(b) The following sets out the financial effects of the MTQ Share Plan.

(i) **Share Capital**

The MTQ Share Plan will result in an increase in the Company’s issued share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the MTQ Share Plan. In any case, the MTQ Share Plan provide that the total number of New Shares to be issued under the MTQ Share Plan, added to the aggregate number of Shares issued or issuable under any other share schemes which may be implemented by the Company, will be subject to a maximum limit of 15% of the issued Shares (excluding treasury shares) preceding the date of grant of the relevant Award. If, instead of issuing New Shares to Participants, existing Shares are purchased for delivery to the Participants, the MTQ Share Plan will have no impact on the Company’s issued share capital.

(ii) **NTA**

The grant of Awards under the MTQ Share Plan is likely to result in a charge to the Company’s profit and loss account over the period from the grant date to the vesting date of the Awards. The amount of charge will be computed in accordance with the accounting method in Clause 3.6(a) above. If New Shares are issued under the MTQ Share Plan, there would be no effect on the NTA. However, if instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or the Company pays the equivalent cash value, the NTA would decrease by the cost of the existing Shares delivered or the cash payment, respectively.

Nonetheless, it should be noted that the delivery of Shares to Participants will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

(iii) **EPS**

The MTQ Share Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with the accounting method as stated in Clause 3.6(a) above.

Nonetheless, it should again be noted that the delivery of Shares to Participants will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

(iv) **Dilutive Impact**

It is expected that the dilutive impact of the MTQ Share Plan on the NTA per Share and EPS will not be significant.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 The interests of the Directors in the issued Shares of the Company as at the Latest Practicable Date are set out below:

Director	Direct Interest		Deemed Interest	
	Number of Shares	%¹	Number of Shares	%¹
Kuah Kok Kim	24,183,681	24.14	–	–
Kuah Boon Wee	2,738,403	2.73	–	–
Huang Yuan Chiang	100,000	0.10	–	–

Note:

1 Based on 100,167,851 Shares in issue as at the Latest Practicable Date (there being no treasury shares held by the Company as at the Latest Practicable Date)

4.2 The interests of the Substantial Shareholders of the Company (who are not Directors) in the issued Shares of the Company as at the Latest Practicable Date are set out below:

Substantial Shareholder (who is not a Director)	Direct Interest		Deemed Interest	
	Number of Shares	%¹	Number of Shares	%¹
Maclean Investments Limited	17,887,652 ²	17.86	–	–
Tai Tak Securities Pte Ltd	7,900,000	7.89	–	–
Singapore Warehouse Company (Private) Ltd.	5,500,000	5.49	–	–
OCBC Trustee Limited	–	–	17,887,652 ³	17.86
Kurt Robert Malkolm Lindblad	–	–	17,887,652 ³	17.86
Tai Tak Estates Sdn Bhd	–	–	7,900,000 ⁴	7.89
SG Investments Pte Ltd	–	–	7,900,000 ⁵	7.89
Ho Han Leong Calvin	–	–	7,900,000 ⁶	7.89
Hwa Hong Corporation Limited	–	–	5,500,000 ⁷	5.49

Notes:

- 1 Based on 100,167,851 Shares in issue as at the Latest Practicable Date (there being no treasury shares held by the Company as at the Latest Practicable Date)
- 2 Maclean Investments Limited ("Maclean") through its custodian, Bank of Singapore Nominees Pte Ltd, holds 17,887,652 Shares
- 3 OCBC Trustee Limited ("OTL") is the trustee of a trust known as The Limpa Trust ("the Trust") constituted by the Settlor, Mr. Kurt Robert Malkolm Lindblad. Maclean is the investment holding vehicle of the Trust and is 100% owned by OTL in its capacity as trustee of the Trust. OTL is deemed to be interested in the shares held by Maclean. Under the terms of the Trust, Mr. Kurt Robert Malkolm Lindblad is deemed to be interested in the shares that are held by Maclean
- 4 Tai Tak Estates Sdn Bhd is the sole shareholder of Tai Tak Securities Pte Ltd and is therefore deemed to be interested in the shares held by Tai Tak Securities Pte Ltd
- 5 SG Investments Pte Ltd is a shareholder of Tai Tak Estates Sdn Bhd and is therefore deemed to be interested in the shares held by Tai Tak Securities Pte Ltd which is wholly owned by Tai Tak Estates Sdn Bhd
- 6 Mr. Ho Han Leong Calvin is deemed to be interested in the shares held by Tai Tak Securities Pte Ltd, as he is a shareholder of SG Investments Pte Ltd and Tai Tak Estates Sdn Bhd
- 7 Singapore Warehouse Company (Private) Ltd. is a wholly owned subsidiary of Hwa Hong Corporation Limited

5. RECOMMENDATIONS

- 5.1 **The Proposed Adoption of the Share Buyback Mandate.** The Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Share Buyback Mandate (set out in the Notice of EGM) to be proposed at the EGM to be held on 26 July 2013.
- 5.2 **The Proposed Adoption of the MTQ Share Plan.** None of the Directors are eligible to participate in the MTQ Share Plan nor have any interest, direct or indirect, in the MTQ Share Plan. The Directors are of the opinion that the proposed adoption of the MTQ Share Plan is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the MTQ Share Plan (set out in the Notice of EGM) to be proposed at the EGM to be held on 26 July 2013.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 47 to 49 of this Circular, will be held on 26 July 2013 at Carlton Hotel, Empress Ballroom 3, Level 2, 76 Bras Basah Road, Singapore 189558 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 **Appointment of Proxies.** You will find enclosed with this Circular, the Notice of EGM and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy or proxies to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. Completion and return of a Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes.
- 7.2 **Abstention from Voting.** Any Shareholder who is eligible to participate in the MTQ Share Plan (such as employees of the Group and employees of the Associated Companies) must abstain from voting at the EGM in respect of resolution 2, being the ordinary resolution relating to the proposed adoption of the MTQ Share Plan. Such Shareholder should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of resolution 2 unless the Shareholder appointing him indicates clearly how votes are to be cast in respect of resolution 2.

7.3 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

8. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles;
- (b) the audited financial statements of the Company for the financial year ended 31 March 2013; and
- (c) the proposed Rules of the MTQ Share Plan.

9. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
For and on behalf of
the Directors

Kuah Kok Kim
Non-Executive Chairman
MTQ Corporation Limited

APPENDIX 1

RULES OF THE MTQ SHARE PLAN

1. NAME OF THE PLAN

The plan shall be called the “MTQ Share Plan”.

2. DEFINITIONS

In the MTQ Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act, Chapter 50 of Singapore
“Articles”	:	Articles of Association of the Company
“Associate”	:	(a) In relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or Group, and over which the Company has control (as defined in the Listing Manual)
“Associated Company Employee”	:	Any full-time employee of an Associated Company (including any Associated Company Executive Director)
“Associated Company Executive Director”	:	A director of an Associated Company who performs an executive function
“Adoption Date”	:	The date on which the MTQ Share Plan is adopted by the Company in general meeting
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	An award of Shares granted under the MTQ Share Plan
“Award Date”	:	In relation to an Award, the date on which the Award is granted pursuant to the MTQ Share Plan
“Award Letter”	:	A letter in such form as the Remuneration Committee shall approve confirming an Award granted to a Participant by the Remuneration Committee

“Board” or “Directors”	:	The directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	MTQ Corporation Limited and the terms “we”, “our”, “our Company” or “us” have correlative meanings
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control (as defined in the Listing Manual) over the Company
“CPF”	:	Central Provident Fund
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any full-time employee of the Company and/or any of its subsidiaries including any Group Executive Director
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Listing Manual”	:	The Listing Manual of the SGX-ST
“MTQ Share Plan”	:	The MTQ Share Plan, as modified or altered from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	The average of the last dealt price for a Share as determined by reference to the daily official list or any other publication published by the SGX-ST for the 5 consecutive Market Days immediately preceding the date on which the Award shall be vested
“Memorandum”	:	Memorandum of Association of the Company
“New Shares”	:	The new Shares which may be allotted or issued from time to time pursuant to the Awards granted under the MTQ Share Plan
“Non-Executive Director”	:	A director of the Company and/or its subsidiaries, other than a Group Executive Director; or a director of an Associated Company, other than an Associated Company Executive Director
“Participant”	:	The holder of an Award
“Performance Period”	:	The performance period prescribed by the Remuneration Committee during which the Performance Targets shall be satisfied
“Performance Target”	:	The performance target(s) prescribed by the Remuneration Committee to be fulfilled by a Participant for any particular period

“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Remuneration Committee”	:	The remuneration committee of the Company
“Rules”	:	The rules of the MTQ Share Plan, as modified or altered from time to time, and any reference to a particular Rule shall be construed accordingly
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“%” or “per cent.”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this MTQ Share Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Listing Manual and not otherwise defined in this MTQ Share Plan shall have the same meaning assigned to it under the Act or any statutory modification thereof or the Listing Manual, as the case may be.

Any reference to a time of day in this MTQ Share Plan is made by reference to Singapore time unless otherwise stated.

The headings in this MTQ Share Plan are inserted for convenience only and shall be ignored in construing the MTQ Share Plan.

3. OBJECTIVES OF THE MTQ SHARE PLAN

- 3.1 The MTQ Share Plan is a new compensation scheme which will provide the Company with a more flexible set of remuneration tools to better motivate, retain and recruit employees.
- 3.2 The MTQ Share Plan will enable the Company to, *inter alia*, provide an opportunity for Group Employees and Associated Company Employees to have a personal equity interest in the Company and help achieve the following objectives:
 - (a) motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (b) retain key executives and executive directors of the Group whose contributions are important to the long term growth and profitability of the Group;

- (c) foster a greater ownership culture within the Group which aligns the interests of Participants with the interests of Shareholders; and
- (d) attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to the absolute discretion of the Remuneration Committee and the Rules, the following persons, unless they are also Controlling Shareholders or Associates of Controlling Shareholders, shall be eligible to participate in the MTQ Share Plan:

- (a) Group Employees who have attained the age of 21 years before the date of the Award and hold such rank as may be designated by the Remuneration Committee from time to time; and
- (b) Associated Company Employees who have attained the age of 21 years before the date of the Award and hold such rank as may be designated by the Remuneration Committee from time to time and who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group,

and who are not undischarged bankrupts.

4.2 Controlling Shareholders and their Associates shall not be eligible to participate in the MTQ Share Plan. Non-Executive Directors shall also not be eligible to participate in the MTQ Share Plan.

4.3 There will be no restriction on the eligibility or participation of any Participant to participate in any other share option or share incentive scheme, whether or not implemented by the Company or any other company, whether within or outside the Group.

4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the MTQ Share Plan may be amended from time to time at the absolute discretion of the Remuneration Committee.

5. MAXIMUM ENTITLEMENT

5.1 Subject to Rule 6, the aggregate number of Shares which are the subject of each Award to be granted to a Participant in accordance with the MTQ Share Plan shall be determined at the sole and absolute discretion of the Remuneration Committee.

5.2 In reaching its decisions on the number of Shares, the selection of a Participant and the terms of an Award, the Remuneration Committee shall take into account, where applicable, criteria such as the Participant's job performance, capability, rank, scope of responsibilities, years of service, potential for future development, his contribution to the success and development of the Group and the extent of effort and difficulty with which the Performance Target(s) may be achieved within the Performance Period. The Performance Targets will be set by the Remuneration Committee depending on each individual Participant's job scope and responsibilities.

6. LIMITATIONS UNDER THE MTQ SHARE PLAN

6.1 The total number of New Shares which may be delivered by the Company pursuant to Awards granted under the MTQ Share Plan on any date, when added to the aggregate number of Shares issued or issuable under any other share schemes which may be implemented by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the date preceding the date of the relevant Award.

- 6.2 In determining the number of New Shares available on any date for grant of Awards under the MTQ Share Plan, Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Remuneration Committee under the MTQ Share Plan.
- 6.3 The number of existing Shares (including Shares held in treasury) which may be delivered pursuant to Awards granted under the MTQ Share Plan will not be subject to any limit as such methods of delivery do not involve the issuance of any New Shares. The Company may also make a release of Awards in cash instead of Shares and Participants entitled to such Awards will receive, in lieu of Shares, the aggregate Market Price of such Shares (as specified in Rule 10). Such methods will not be subject to any limit as they do not involve the issue of any New Shares.
- 6.4 Awards may only be vested and consequently any Shares comprised in such Awards shall only be released upon the Remuneration Committee being satisfied that the Participant has achieved the Performance Targets provided always that the Remuneration Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed Performance Target being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the prescribed Performance Period. No Shares under the Award shall be released for the portion of the prescribed Performance Target that is not satisfied by the Participant at the end of the prescribed Performance Period.

7. GRANT OF AWARDS

- 7.1 Subject to Rule 6, the Remuneration Committee may grant Awards at any time during the period when the MTQ Share Plan is in force.
- 7.2 Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided certain prescribed Performance Targets are met.
- 7.3 The Remuneration Committee shall, in its absolute discretion, decide, in relation to each Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the Performance Period during which the prescribed Performance Target(s) are to be satisfied;
 - (e) the prescribed Performance Target(s);
 - (f) the extent to which Shares are the subject of that Award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - (g) the vesting date; and
 - (h) any other condition as the Remuneration Committee may determine in relation to that Award.
- 7.4 An Award is personal to the Participant to whom it is granted and it may not be sold, transferred, mortgaged, charged, assigned, pledged, encumbered or otherwise disposed of, in whole or in part or in any way whatsoever, except with the prior approval of the Remuneration Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse.

- 7.5 The Remuneration Committee may amend or waive all or part of the Performance Targets and/or Performance Period and/or conditions to be satisfied in respect of any Award if any event occurs or circumstances arise which causes the Remuneration Committee to conclude that:
- (a) a changed Performance Target and/or Performance Period and/or condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (b) a Performance Target and/or the Performance Period and/or a condition should be waived,
- and the Remuneration Committee shall as soon as practicable, notify the Participants of such change or waiver.
- 7.6 The Remuneration Committee, as soon as reasonably practicable after granting an Award, issue an Award Letter to each Participant confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the Performance Period during which the prescribed Performance Target(s) are to be satisfied;
 - (c) the prescribed Performance Target(s);
 - (d) the number of Shares which are the subject of the Award;
 - (e) the extent to which Shares are the subject of that Award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
 - (f) the vesting date; and
 - (g) any other conditions which the Remuneration Committee may determine in relation to that Award.
- 7.7 Participants are not required to pay for the grant of the Awards.

8. EVENTS PRIOR TO VESTING

- 8.1 Subject to Rule 9.4, upon the occurrence of any of the following events specified in Rules 8.1 (a), (b) and (c) below, an Award then held by a Participant shall, to the extent not yet released, immediately lapse without any claim whatsoever against the Company, its Directors or employees:
- (a) an order is made for the winding-up of the Company on the basis of, or by reason of insolvency;
 - (b) the misconduct on the part of a Participant as determined by the Remuneration Committee in its absolute discretion;
 - (c) the Participant ceasing to be in the employment of the Company and/or any of its subsidiaries or the relevant Associated Company, as the case may be, for any reason whatsoever (other than specified in Clause 8.2(b) below).
- 8.2 Upon the occurrence of any of the events specified in Rules 8.2(a), (b), (c) and (d) below, the Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide, as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the relevant Performance Period and subject to the Rules. In exercising its discretion, the Remuneration Committee will have regard to all circumstances on a case-by-case basis, including

(but not limited to) the contributions made by that Participant, the proportion of the Performance Period which has elapsed and the extent to which the applicable Performance Targets have been satisfied:

- (a) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (b) the Participant ceasing to be in the employment of the Company and/or any of its subsidiaries or the relevant Associated Company, as the case may be, by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Remuneration Committee;
 - (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
 - (vi) any other event approved in writing by the Remuneration Committee;
- (c) the death of the Participant;
- (d) any other event approved in writing by the Remuneration Committee.

8.3 For the purposes of Rules 8.1(c) and 8.2(b), the Participant shall be deemed to have ceased to be so employed as of the last day of his employment.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

9.1 Notwithstanding any Rules herein save for Rule 9.4, in the event of a take-over being made for the Company, a Participant shall be entitled to the Shares under the Awards if he has met the Performance Targets within the period commencing from the date on which such offer for a take-over of the Company is made, and if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of 6 months thereafter, unless prior to the expiry of such 6-month period, at the recommendation of the offeror and with the approvals of the Remuneration Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last day on which the Performance Target(s) are to be fulfilled); or
- (b) the date of expiry of the period for which the Performance Target(s) are to be fulfilled.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participants shall be obliged to fulfil such Performance Target(s) until the expiry of such specified date or the expiry date of the Performance Period relating thereto, whichever is earlier, before an Award can be vested.

- 9.2 If under the Act or any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or if under the Act, the Registrar of Companies issues a notice of amalgamation for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled his Performance Target shall be entitled, subject to Rule 9.4, to any Shares under the Awards so determined by the Remuneration Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court or the date on which the notice of amalgamation is issued by the Registrar of Companies, as the case may be, and ending either on the expiry of 60 days thereafter or the date upon which the compromise, arrangement or amalgamation, as the case may be, becomes effective, whichever is later.
- 9.3 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Remuneration Committee, the Participant has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 9.4 If, in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 8.1(a), arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, then notwithstanding the other provisions of Rule 8 or Rule 9, no release of Shares under the Award shall be made in such circumstances.

10. RELEASE OF AWARDS

- 10.1 As soon as reasonably practicable after the end of each relevant Performance Period, the Remuneration Committee shall review the Performance Targets specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied, in connection with the release of that Award and the release of Shares to which that Award relates.

The Remuneration Committee shall have the discretion to determine whether the Performance Target(s) have been satisfied (whether fully or partly) or exceeded or not being satisfied and in making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of the Company, the Group or an Associated Company (as the case may be) to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any Performance Target if the Remuneration Committee decides that a changed Performance Target would be a fairer measure of performance.

If the Remuneration Committee determines, in its sole discretion, that the Performance Target(s) have not been satisfied or if the relevant Participant has not continued to be a Group Employee or an Associated Company Employee, as the case may be, from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

- 10.2 Subject to the prevailing legislation and the rules of the Listing Manual and such consents or other required action by any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Rule, the Memorandum and Articles, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:
- (a) an issue of New Shares; and/or
 - (b) the delivery of existing Shares (including, to the extent permitted by law, treasury shares); and/or

- (c) payment of the aggregate Market Price in cash in lieu of allotment or transfer of some or all of the New Shares or existing Shares.
- 10.3 In determining whether to issue New Shares, to deliver existing Shares and/or pay the aggregate Market Price in cash to the Participant upon release of their Awards, the Company shall take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing Market Price and the cost to the Company of either issuing New Shares or purchasing existing Shares.
- 10.4 The Remuneration Committee will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Remuneration Committee will take into account relevant factors such as taxation issues arising from the issue of New Shares and/or purchase of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if any.
- 10.5 Subject to:-
- (a) the Remuneration Committee having determined that the Performance Target(s) have been satisfied;
 - (b) the relevant Participant having continued to be a Group Employee or an Associated Company Employee, as the case may be, from the Award Date up to the end of the relevant Performance Period;
 - (c) the Remuneration Committee being of the opinion that the performance of the relevant Participant has been satisfactory;
 - (d) such consents (including any approvals required by the SGX-ST) as may be necessary being obtained;
 - (e) compliance with the terms of the Award, the MTQ Share Plan, the Memorandum and the Articles;
 - (f) where Shares are to be allotted or transferred on the release of an Award, the relevant Participant having a Securities Account with CDP and compliance with the applicable requirements of CDP; and
 - (g) where new Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of such Award will be listed for quotation on the SGX-ST,

Shares which are the subject of the release of such Award shall be vested to the relevant Participant on the vesting date, which shall be a Market Day falling as soon as practicable after the release of such Award (which Market Day shall be as determined by the Remuneration Committee and notified to the relevant Participant) and, the Company shall within 10 Market Days after the vesting date, allot the relevant Shares and dispatch to CDP the relevant share certificates by ordinary post or such other mode as the Remuneration Committee may deem fit, or in the case of a transfer of Shares, do such acts or things which are necessary for the transfer to be effective.

- 10.6 New Shares allotted and issued, and existing Shares procured by the Company for delivery on the release of an Award shall:
- (a) be subject to all the provisions of the Memorandum and Articles; and

- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 10.7 Shares that are allotted or delivered pursuant to the release of an Award, shall be issued in the name of or (as the case may be) be delivered to CDP for credit of the Participant's direct Securities Account maintained by the Participant with CDP or a securities sub-account maintained by the Participant with a Depository Agent, as notified by the Participant to the Company.
 - 10.8 Shares which are allotted or delivered pursuant to the release of an Award will not (save as otherwise provided by the Listing Manual or any applicable laws) be subjected to any restriction against disposal, or sale or otherwise by the Participant.
 - 10.9 If payment in cash for the aggregate Market Price is to be made in lieu of allotment or transfer, the payment shall be made within 10 Market Days after the vesting date (within the meaning of Rule 10.5) of the Award.
 - 10.10 The "aggregate Market Price" of the Shares to be paid to a Participant in lieu of allotment or transfer shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where :

- A is the aggregate Market Price of the Shares to be paid to a Participant in lieu of all or some of the Shares to be issued or transferred upon the release of an Award
- B is the Market Price
- C is such number of Shares (as determined by the Remuneration Committee in its sole and absolute discretion) to be issued or transferred to a Participant upon the release of an Award in accordance with the Rules of the MTQ Share Plan

11. ADJUSTMENT EVENTS

- 11.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Remuneration Committee may, in its sole discretion, determine whether:
 - (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
 - (b) the class and/or number of Shares in respect of which future Awards may be granted under the MTQ Share Plan,

shall be adjusted and if so, the manner which such adjustments should be made.

- 11.2 Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options; conversion of any loan stock or other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a Market Purchase of such Shares undertaken by the Company on the SGX-ST during the period when a Share Buyback Mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

- 11.3 Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable. The adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.
- 11.4 Upon any adjustment being made, the Company shall notify each Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

12. MODIFICATIONS TO THE MTQ SHARE PLAN

- 12.1 Any or all of the provisions of the MTQ Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary save that:
- (a) no modification or alteration shall be made to the Rules of the MTQ Share Plan which relates to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of the Participants, except with the prior approval of Shareholders in general meeting; and
 - (b) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if the Awards were released to them upon the performance condition(s) for their Awards being satisfied in full, would become entitled to hold not less than three-quarters in number of all the Shares which would be fall to be vested upon release of all outstanding Awards upon the performance condition(s) for all outstanding Awards being satisfied in full.
- 12.2 Notwithstanding anything to the contrary in Rule 12.1, the Remuneration Committee may at any time by a resolution (and without other formality or approval, save for the prior approval of the SGX-ST if required) amend or alter the MTQ Share Plan in any way to the extent necessary to cause the MTQ Share Plan to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3 Written notice of any modification or alteration made in accordance with the above Rule 12.1 or 12.2 shall be given to all Participants but accidental omission to give notice to any Participant shall not invalidate any such modifications or alterations.
- 12.4 The opinion of the Remuneration Committee as to whether any modification or alteration would alter adversely the rights attached to any Award or be to the advantage of the Participants shall be final and conclusive.

13. DURATION OF THE MTQ SHARE PLAN

- 13.1 The MTQ Share Plan shall continue in force at the discretion of the Remuneration Committee subject to a maximum of 10 years commencing from the Adoption Date, provided always that the proposed MTQ Share Plan may continue beyond this stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 13.2 The MTQ Share Plan may be terminated at any time at the discretion of the Remuneration Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the MTQ Share Plan is so terminated, no additional Awards shall be offered by the Company hereunder.
- 13.3 Notwithstanding the expiry or termination of the MTQ Share Plan, any Award made prior to such expiry or termination will continue to remain valid.

14. ADMINISTRATION OF THE MTQ SHARE PLAN

- 14.1 The MTQ Share Plan shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board provided that a member of the Remuneration Committee who is a Participant shall not be involved in the deliberations of the Remuneration Committee in respect of the Awards to be granted to him.
- 14.2 The Remuneration Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the MTQ Share Plan) for the implementation and administration of the MTQ Share Plan as it thinks fit.
- 14.3 Neither the MTQ Share Plan nor the grant of Awards under the MTQ Share Plan shall impose on the Company or the Remuneration Committee any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the MTQ Share Plan;
 - (b) the failure or refusal by the Remuneration Committee to exercise, or the exercise by the Remuneration Committee of, any discretion under the MTQ Share Plan; and/or
 - (c) any decision or determination of the Remuneration Committee made pursuant to any provision of the MTQ Share Plan.
- 14.4 Any decision of the Remuneration Committee, made pursuant to any provision of the MTQ Share Plan (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the MTQ Share Plan or any Rule, regulation or procedure thereunder or as to any rights under the MTQ Share Plan).

15. TERMS OF EMPLOYMENT UNAFFECTED

- 15.1 The MTQ Share Plan or any Award shall not form part of any contract of employment between any Participant and the Company, any of the Company's subsidiaries and/or any Associated Company (as the case may be) and the rights and obligations of any individual under the terms of the office or employment with such company within the Group or Associated Company, as the case may be, shall not be affected by his participation in the MTQ Share Plan or any right which he may have to participate in it or any Award which he may hold and the MTQ Share Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 15.2 The MTQ Share Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

16. NOTICES

- 16.1 Any notice required to be given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 16.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Remuneration Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if sent by post, shall be deemed to have been given on the day following the date of posting.

17. TAXES

All taxes (including income tax) arising from the grant, release and/or vesting of any Award granted to any Participant under the MTQ Share Plan shall be borne by that Participant unless otherwise determined by the Remuneration Committee.

18. COSTS AND EXPENSES

18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the release of any Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 17 which shall be payable by the relevant Participant.

18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the MTQ Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the MTQ Share Plan including, but not limited to, the fees, costs and expenses relating to the allotment and issue or delivery of Shares pursuant to the release of any Award shall be borne by the Company.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Remuneration Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the MTQ Share Plan including but not limited to, the Company's delay or failure in allotting and issuing or transferring the Shares or applying for or procuring the listing of the Shares on the SGX-ST or any other stock exchange on which the Shares are quoted or listed.

20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Remuneration Committee and its decision shall be final and binding in all respects.

21. DISCLOSURES IN ANNUAL REPORT

21.1 The Company will make the following disclosures (as applicable) in its annual report for so long as the MTQ Share Plan continues in operation:

- (a) the names of the members of the Remuneration Committee administering the MTQ Share Plan;
- (b) in respect of the following Participants of the MTQ Share Plan:
 - (i) Directors of the Company; and
 - (ii) Participants, other than those in sub-paragraph (i) above, who have received Shares pursuant to the release of Awards granted under the MTQ Share Plan which, in aggregate, represent 5% or more of the aggregate of:
 - (I) the total number of New Shares available under the MTQ Share Plan; and
 - (II) the total number of existing Shares delivered pursuant to Awards released under MTQ Share Plan,

the following information:

- (aa) the name of the Participant;
- (bb) the following particulars relating to the Shares delivered pursuant to Awards released under the MTQ Share Plan:
 - (1) the number of New Shares issued to such Participant during the financial year under review; and
 - (2) the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the MTQ Share Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the MTQ Share Plan since the commencement of the MTQ Share Plan to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have been released under the MTQ Share Plan during the financial year under review and in respect thereof, the proportion of:
 - (I) New Shares issued; and
 - (II) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased, upon the release of Awards granted under the MTQ Share Plan;
 - (iii) the aggregate number of Shares comprised in Awards granted under the MTQ Share Plan which have not been released, as at the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual or the Act.

21.2 If any of the information above in any of the foregoing is not applicable, the Company will include an appropriate negative statement in the annual report.

22. CONDITION OF AWARDS

Every Award shall be subject to the condition that no Shares (including treasury shares) shall be issued or transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue and/or transfer of Shares hereto.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person other than the Company or a Participant shall have any right to enforce any provision of the MTQ Share Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

24. GOVERNING LAW

The MTQ Share Plan shall be governed by, and construed in accordance with, the laws of Singapore. The Participants, by accepting Awards in accordance with the MTQ Share Plan, and the Company irrevocably submit to the nonexclusive jurisdiction of the courts of Singapore.

APPENDIX 2

Extracts from the Circular to Shareholders dated 21 March 2003

Note: The following is a summary of some of the salient terms of the MTQ Corporation Executives Share Option Scheme 2003 as extracted from Appendix I of the Circular to Shareholders dated 21 March 2003. All capitalised terms in this extract have the same meanings ascribed to them respectively in the Circular to Shareholders dated 21 March 2003.

1. Size and Duration

The aggregate number of Shares over which the Remuneration Committee may grant Options pursuant to the Scheme on any Date of Grant, when added to the number of Scheme Shares issued and issuable in respect of all Options granted, shall not exceed 15% of the issued share capital of the Company on the day preceding the Date of Grant.

The Scheme shall continue in existence at the discretion of the Remuneration Committee subject to a maximum period of ten years commencing from the date the Scheme is adopted by the Company in general meeting, provided always that the Scheme may be extended beyond the ten year period with the approval of the Members by ordinary resolution in general meeting and of any relevant authorities as may be required. The Company in general meeting, may always by ordinary resolution terminate the continuation of the Scheme at any time.

Termination of the Scheme shall not affect Options which have been granted, whether such Options have been exercised (whether fully or partially) or not.

2. Eligibility to Participate

The following categories of individuals are eligible to participate in the Scheme:

- (a) directors and employees of the Company;
- (b) directors and employees of subsidiaries of the Company; and
- (c) directors and employees of Associated Companies;
- (d) subject to the conditions in the following paragraphs below, a person who is qualified under (a) or (b) above and who is also a Controlling Shareholder of the Company,

Provided always that:-

- (i) Associates of the Controlling Shareholders shall not be eligible to participate in the Scheme;
- (ii) the total number of Scheme Shares in respect of which Options may be granted to such Controlling Shareholders shall not exceed 25% of the total number of Scheme Shares in respect of which the Company may grant Options under the Scheme;
- (iii) the total number of Scheme Shares in respect of which Options may be granted to each of such Controlling Shareholders shall not exceed 10% of the total number of Scheme Shares in respect of which the Company may grant Options under the Scheme.

Persons who are Controlling Shareholders (notwithstanding that they may meet the eligibility criteria in the paragraph above) shall not participate in the Scheme unless their participation and the actual number of Scheme Shares and terms of any Option to be granted to them have been approved by the independent Members in general meeting in separate resolutions for each such person.

3. Grant of Options

Options under the Scheme may be granted at any time provided always that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is expected to be made or has been made, Options may only be made on or after the second Market Day from the date on which the aforesaid announcement is released, and provided always that the Remuneration Committee shall not grant Options during any other period specified by the Board to be a period in which officers of the Company must not deal in securities of the Company.

4. Exercise Period

Subject to the other rules of the Scheme, the Option can be exercised at any time during a period commencing on the first anniversary from the Date of Grant and expiring on the day immediately preceding (i) the tenth anniversary of the Date of Grant in the case of executive directors and employees of the Company or its subsidiaries; or (ii) the fifth anniversary of the Date of Grant in the case of all other Participants.

An Option granted with Subscription Price fixed at a discount to Market Price can only be exercised after the second anniversary of the Date of Grant.

5. Subscription Price

The Subscription Price for each Share shall be equal to the average of the last dealt prices (rounded up to the nearest cent) for the Shares on the SGX-ST for the 3 consecutive Market Days immediately preceding the relevant Date of Grant ("Market Price"), provided always that at the absolute discretion of the Remuneration Committee, the Subscription Price may be fixed at the time of grant of Options at no less than 80% of the Market Price.

MTQ CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196900057Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of **MTQ CORPORATION LIMITED** (the “**Company**”) will be held at Carlton Hotel, Empress Ballroom 3, Level 2, 76 Bras Basah Road, Singapore 189558 on 26 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

Resolution 1 : Ordinary Resolution

The Proposed Adoption of the Share Buyback Mandate

That:

- (1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares (“**Shares**”) in the capital of the Company not exceeding in aggregate the **Prescribed Limit** (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the **Maximum Price** (as hereafter defined), whether by way of:

- (a) market purchase(s) (“**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (“**Off-Market Purchase**”) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

- (a) the date on which the next Annual General Meeting of the Company is held; and
- (b) the date by which the next Annual General Meeting of the Company is required by law to be held;

- (3) in this resolution:

“**Maximum Price**”, in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price; and

“**Prescribed Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held by the Company as treasury shares as at that date),

where

“**Average Closing Price**” means (i) the average of the closing market prices of the Shares over last 5 market days on the SGX-ST, on which transactions in the Shares were recorded, preceding the day of the Market Purchase; and (ii) deemed to be adjusted for any corporate action which occurs after the relevant 5-day period; and

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**market day**” means a day on which the SGX-ST is open for trading in securities; and

- (4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

Resolution 2 : Ordinary Resolution

The Proposed Adoption of the MTQ Share Plan

That:

- (1) a new share plan to be known as the “**MTQ Share Plan**” under which awards (“**Awards**”) of fully paid-up Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees (including executive directors) of the Company, its subsidiaries and associated companies upon such terms and conditions and in accordance with such rules as are set out in the Company’s Circular to the Shareholders dated 27 June 2013, be and is hereby approved;
- (2) the Directors of the Company be and are hereby authorised:
- (a) to establish and administer the MTQ Share Plan; and
- (b) to modify and/or alter the MTQ Share Plan at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the MTQ Share Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the MTQ Share Plan;
- (3) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the MTQ Share Plan and to allot and issue and/or transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of Awards under the MTQ Share Plan, provided that the aggregate number of new Shares

allotted and issued and/or to be allotted and issued pursuant to the MTQ Share Plan, when added to the aggregate number of Shares issued or issuable under any other share schemes which may be implemented by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time; and

- (4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Dominic Siu Man Kit
Tan San-Ju
Joint Company Secretaries

27 June 2013

NOTES:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or a proxy or proxies to vote on its behalf.
3. The instrument appointing a proxy or proxies must be left at the registered office of the Company at 182 Pandan Loop Singapore 128373, not less than 48 hours before the time set for holding the Extraordinary General Meeting.
4. The Company will use internal resources and/or external borrowings to finance purchases of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the Share Buyback Mandate will depend, *inter alia*, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

An illustration of the financial impact of a purchase or an acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 March 2013 is set out in Clause 2.7 of the Company's Circular to the Shareholders dated 27 June 2013.

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MTQ CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196900057Z)

PROXY FORM

Extraordinary General Meeting

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of MTQ Corporation Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as observers must submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar within the time frame specified (please see Note No. 7 on the reverse side).

I/We _____ (Name) of

_____ (Address)

being a member/members of MTQ Corporation Limited ("MTQ" or the "Company") hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

or failing him/her, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on 26 July 2013 at Carlton Hotel, Empress Ballroom 3, Level 2, 76 Bras Basah Road, Singapore 189558 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

		For	Against
1.	Resolution 1 : Ordinary Resolution To approve the proposed adoption of the Share Buyback Mandate		
2.	Resolution 2 : Ordinary Resolution To approve the proposed adoption of the MTQ Share Plan		

Dated this _____ day of _____ 2013

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 182 Pandan Loop, Singapore 128373 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.