

**ELEVENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2002**

OFFER INFORMATION STATEMENT

A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act (Chapter 289), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the shares or debentures, or units of shares or debentures, as the case may be, being offered, or in respect of which an invitation is made, for investment.

Attention is drawn to Appendix I of this Offer Information Statement.

Date of lodgment with the Authority: 30 March 2004

MTQ CORPORATION LIMITED
(Incorporated in Singapore on 25th January 1969)

Address of Registered Office:
182 Pandan Loop
Singapore 128373

Definitions

For the purposes of this Offer Information Statement, the following terms shall, unless the context otherwise requires, have the following meanings:

“A\$”	:	Australian dollars
“Company” or “MTQ”	:	MTQ Corporation Limited (formerly known as Metalock (Singapore) Limited)
“Directors”	:	Directors of the Company as at the date of this Statement
“FY”	:	Financial year ended or ending 31 March
“GBP” or “£”	:	Great Britain Pound
“Group”	:	The Company and its subsidiaries collectively
“NTA”	:	Net tangible assets
“SGX Mainboard”	:	SGX-ST Mainboard
“SGX Sesdaq”	:	SGX-ST Dealing and Automated Quotation System
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares of S\$0.25 each in the capital of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“UOB Kay Hian”	:	UOB Kay Hian Private Limited

Reference to “Statement” shall refer to this Offer Information Statement and all documents attached hereto.

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- 1. State the business carried on and to be carried on by the issuer or, if it is the holding company of a group, the group, and the general development of the business within the last 3 years, indicating any material change in the affairs of the issuer or the group, as the case may be, since the last annual report.**
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(A) Business of the Company and the Group

The Company was incorporated under the laws of Singapore on 25th January 1969. On 16th March 1988, the Company was listed on the Official List of the SGX Sesdaq and was transferred to the Official List of the SGX Mainboard on 9 September 1999.

The principal activities of the Company are those related to an investment holding company, primarily in the provision of corporate services rendered to its subsidiary companies.

The Group's core businesses are those relating to oilfield engineering (carried out through its Oilfield Engineering Division); sales and servicing of turbochargers and fuel injection parts (carried out through its Engine Systems Division); and the designing, manufacturing and operation of remotely operated vehicles ("ROVs") (carried out through its Subsea Robotics Division).

The Group also holds a 28% interest in RCR Tomlinson Limited ("RCR"), which is listed on the Australian Stock Exchange. RCR is a major multi-disciplined engineering company in Western Australia providing integrated engineering solutions through mechanical repairs and maintenance services; equipment manufacture; fabrication, installation and servicing of boilers; as well as site maintenance and construction.

As at the date of this Offer Information Statement, the subsidiaries of the Company and their principle activities are as follows: -

Name of Subsidiary (Country of Incorporation)	Principal Activities	Effective interest held by the Group
<i>Shares held by the Company:</i>		
MTQ Engineering Pte Ltd (formerly known as Metalock Marine Pte Ltd) (Singapore)	Providing engineering services in oil and gas industry	100.00%
MTQ Engine Systems (Aust) Pty Ltd (formerly known as Dynamic Turbocharger Services (Australia) Pty Ltd) (Australia)	Sales and servicing of turbochargers and fuel injection parts	100.00%
MTQ Subsea Technology Pte Ltd (formerly known as Osea Investments Pte Ltd) (Singapore)	Designing and building of subsea robotics	75.00%
PT MTQ Engine Systems Indonesia (Indonesia)	Wholesaler (distributor), importer and provider of after sales services on components for diesel engines	100.00%
MTQ Services Pte. Ltd. (formerly known as Aqua-Terra Supply Company Private Limited) (Singapore)	Inactive	100.00%
MTQ Holdings Pty Ltd (Australia)	Investment holding	100.00%
Metalock Oilfield Services Pte Ltd (formerly known as Metalock Underwater Maintenance Pte Ltd) (Singapore)	Inactive	100.00%
Metalock Engineering Pte Ltd (formerly known as ATS Moorflex Pte Ltd) (Singapore)	Inactive	100.00%
Metalock Castings Sdn Bhd (Malaysia)	Inactive	99.875%
MTQ Engineering Sdn Bhd (Malaysia)	Inactive	100.00%

Shares held by a subsidiary company of the Company:

MTQ Subsea Limited (formerly known as Osea Aberdeen Limited) (United Kingdom)	Operation of subsea robotics	75.00%
Dynamic Turbocharger Services (Australia) Pty Ltd (Australia)	Inactive	100.00%

General development of the business in FY2001

- 2 June 2000 MTQ entered into a joint venture agreement with Keppel FELS Limited, Keppel Hitachi Zosen Ltd, Sembawang Shipyard Pte Ltd and Singapore Computer Systems Ltd to set up a buyer-driven vertical portal, OmixAsia.com (the “Joint Venture Agreement”).
- 18 August 2000 Pursuant to the Joint Venture Agreement, MTQ subscribed for 840,000 ordinary shares of S\$1.00 each in the share capital of OmixAsia.com Pte Ltd and paid up to the extent of S\$0.40 per share. The 840,000 shares represent a 21% stake in OmixAsia.com Pte Ltd.
- 6 September 2000 MTQ signed a shareholders' agreement (the “Osea Shareholders' Agreement”) with the existing beneficial shareholder, Samuel Bernard Sassoon, of Osea Investments Pte Ltd (now known as MTQ Subsea Technology Pte Ltd) (“Osea”), a start-up company incorporated in Singapore with its main business activities comprising the manufacturing, wholesale and retailing, and operation of remotely operated underwater survey equipment. Under the terms of the Osea Shareholders' Agreement, it was contemplated that the issued and paid up share capital of Osea would be increased from S\$160,002 to S\$4,000,000 over a period of 17 months, such that by February 2002, MTQ would hold 3,000,000 ordinary shares of S\$1.00 each in the capital of Osea, representing 75% of its issued and paid up share capital, and Samuel Bernard Sassoon would hold the balance 1,000,000 ordinary shares representing 25% of the issued and paid up share capital of Osea.
- 29 November 2000 Osea purchased two subscribers' shares of £1 each in Osea Aberdeen Limited (now known as MTQ Subsea Limited) (“Osea (Aberdeen)”) at a consideration of £2. Osea further injected £24,998 into Osea (Aberdeen) by subscribing for 24,998 ordinary shares of £1 each in Aberdeen at par. The principal activity of Osea (Aberdeen) is the provision of subsea ROV services.
- 18 January 2001 Aqua-Terra Supply Company Pte Ltd (now known as MTQ Services Pte. Ltd.) (“ATS”), a wholly owned subsidiary of MTQ, entered into a sale and purchase agreement with KS Tech Limited to sell its business assets (excluding its leasehold building at 42 Loyang Drive Singapore as well as its receivables and payables) to KS Tech Limited for a cash consideration of S\$5,905,743 (the “Asset Sale Agreement”).
- 5 February 2001 BOC Technologies Singapore Pte Ltd exercised an option granted to it on 22 January 2001 by ATS to purchase ATS' property at 42 Loyang Drive Singapore for a cash consideration of S\$4.4 million.

- 23 February 2001 MTQ received a S\$750,000 reimbursement from an insurance claim relating to an out-of-court settlement made earlier to the owners of the vessel "Bader III", and a separate potential claim.
- 28 March 2001 MTQ increased its shareholdings in Osea (Aberdeen), held through Osea, from 25,000 ordinary shares of £1.00 each to 150,000 ordinary shares of £1.00 each by subscribing for 125,000 ordinary shares of £1.00 each at par. Osea (Aberdeen) is a wholly owned subsidiary of Osea.
- 30 March 2001 MTQ announced that the Group would be undertaking a business restructuring exercise whereby operating divisions of MTQ would be transferred to the Company's wholly-owned subsidiaries with effect from 1 April 2001. On completion, the Company would be an investment holding company with only corporate headquarters activities.
- 31 March 2001 ATS completed the sale of its business assets to KS Tech Limited pursuant to the Asset Sale Agreement.
- MTQ signed a sale and purchase agreement with all the existing shareholders of its associated company, ATS Moorflex Pte Ltd (now known as Metalock Engineering Pte Ltd) ("Moorflex") to acquire 400,000 ordinary shares of S\$1.00 each (representing 100% of the total issued shares) in the capital of Moorflex, for a total consideration of S\$37,151.

Financial Review for FY2001

The Group reversed a net loss of S\$7.88 million in FY2000 and recorded a net profit after tax of S\$1.95 million on a turnover of S\$49.67 million in FY2001.

The growth was underpinned by the recovery of the Group's Oilfield Engineering Division which benefited from higher oil prices as well as a full year contribution from the turbocharger activities in Australia (Engine Systems Division) which were acquired in November 1999. The improved results were also partly due to lower provisions/write-off of inventories and assets.

The implementation of Goods and Services Tax in Australia from July 2000, however, impacted the profit contribution of the Group's Australian operations in FY2001. The Group's Australian operations' contribution to the Group's results was also affected by the unfavourable exchange rate of the Australian dollar as at 31 March 2001. The Group's new investment in Osea incurred initial start-up costs of S\$0.28 million.

The Group's Marine Repair Division continued to face strong competition in a saturated market. During the year, however, the division managed to reduce its losses. Due to poor market outlook, the Group's Trading Division (ATS) did not perform to expectation. The business of ATS was sold in March 2001.

General development of the business in FY2002

- 6 April 2001 As of 6 April 2001, MTQ completed the subscription for 3,000,000 ordinary shares in the capital of Osea at par for cash, earlier than originally scheduled. Following the subscription and allotment, MTQ held 72.99% equity in Osea. The joint venture party, Mr Samuel Bernard Sassoon, who is also the Managing Director of Osea, holds 24.33% and the remaining 2.68% are held by key employees of Osea through the exercise of their employee share option.
- 11 June 2001 ATS completed the sale of its property at 42 Loyang Drive, Singapore to BOC Technologies Singapore Pte Ltd.
- 27 June 2001 MTQ announced plans to sell off or wind down the foundry operations of its subsidiary, Metalock Castings Sdn Bhd, based in Ipoh, Malaysia, which lacked competitiveness due to its small scale of operations. To increase the operations to a meaningful size would require significant investments which MTQ was not prepared to commit given the low anticipated returns.
- 31 August 2001 MTQ announced that the oilfield engineering operations of its wholly owned subsidiary, Metalock Oilfield Services Pte Ltd, were to be transferred to another wholly owned subsidiary of MTQ, Metalock Marine Pte Ltd ("MMPL") with effect from 1 September 2001. MMPL's activities were marine engineering and marine parts trading. As both operations shared common work process and resources, the restructuring was expected to result in cost savings, more efficient use of operating and administrative resources through streamlining of the combined operations. MMPL was also re-named as MTQ Engineering Pte Ltd ("MTQE").
- 29 November 2001 Osea changed its name to MTQ Subsea Technology Pte Ltd ("MTQ Subsea").
- 3 January 2002 Osea (Aberdeen) changed its name to MTQ Subsea Limited.
- 15 February 2002 MTQE entered into a conditional agreement with Ciserv Singapore Pte Ltd ("Ciserv") for the sale of its assets relating to its marine repair services and the trading and selling of related marine spare parts and components business for a consideration of S\$5.6 million.
- Concurrently, MTQ also entered into a conditional agreement with Ciserv for the sale of its leasehold property at 27 Gul Drive, Singapore for a consideration of S\$3 million.

Financial Review for FY2002

The Group generated a profit before tax of S\$1.69 million on a turnover of S\$42.41 million, a 25.7% decline from that achieved in FY2001. The FY2001 profit included an exceptional gain of S\$1.48 million arising mainly from the sale of the Group's trading business in ATS in March 2001.

However, the Group achieved a profit before exceptional items, tax and minority interest of S\$4.3 million which represented a 19.3% improvement over that achieved in the previous financial year. While the Group's marine repairs services operations continued to operate under severe competition in the marine repair industry, its Oilfield Engineering Division

achieved significant growth in the financial year under review, led by an increase in exploration activities in the oil and gas industry.

Healthy contributions from the Group's Engine Systems Division and absence of further losses from the Group's foundry operations in Metalock Castings Sdn Bhd, which ceased operations from July 2001, also contributed to the improvement.

An exceptional loss of S\$0.22 million was also registered in FY2002 arising from retrenchment costs.

General development of the business in FY2003

- 20 May 2002 MTQ completed the sale of its property at 27 Gul Drive Singapore to Ciserv.
- MTQE completed the sale of its assets relating to its marine repair services and the trading and selling of related marine spare parts and components businesses to Ciserv.
- 18 June 2002 Dynamic Turbocharger Services (Australia) Pty Ltd (now known as MTQ Engine Systems (Aust) Pty Ltd ("**Dynamic**")), a wholly-owned subsidiary of MTQ, acquired 8,850,330 ordinary shares in the capital of RCR Tomlinson Limited ("**RCR**") at A\$0.30 per share for a total consideration of A\$2,655,099, pursuant to an on-market purchase on the Australian Stock Exchange.
- 19 July 2002 Dynamic entered into a conditional agreement with RM Diesel Pty Ltd ("**RMD**") for the purchase of its business of supplying quality diesel fuel injection spare parts in Australia as an on-going concern, together with its business assets, for a total consideration of A\$2,816,043. RMD carries on the business of supplying quality diesel fuel injection spare parts in Australia.
- 1 August 2002 Dynamic completed its purchase of the business assets of RMD.
- 13 September 2002 Dynamic changed its name to MTQ Engine Systems (Aust) Pty Ltd ("**MTQES**").
- 23 October 2002 MTQES entered into a conditional agreement with Turbo Torque Pty Ltd ("**Turbo Torque**") on 23 October 2002 for the purchase of its business in the sale and servicing of turbochargers as an on-going concern, together with its business assets, for a cash consideration of A\$525,000.
- 6 November 2002 The sales and purchase agreement of Turbo Torque was completed on 6 November 2002.
- 15 November 2002 MTQ increased its shareholdings in MTQ Subsea from S\$3 million to S\$4 million by subscribing for an additional 1,000,000 ordinary shares of S\$1.00 each in the capital of MTQ Subsea at par. Further to the subscription, MTQ held 4,000,000 ordinary shares of S\$1.00 each in MTQ Subsea, representing 72.73% equity in MTQ Subsea.

26 November 2002 MTQ announced the disappearance of a submersible ROV unit belonging to MTQ Subsea during an undersea operation on 17 November 2002. The ROV unit was fully insured.

26 March 2003 MTQ announced that the insurers of the ROV unit disputed MTQ Subsea's claim of £747,000.

Financial Review for FY2003

The Group generated a profit before tax of S\$5.91 million on a turnover of S\$48.03 million for the financial year ended 31 March 2003, a 249% improvement over that attained for FY2002.

Driven by high work volumes, the Group's Oilfield Engineering Division maintained satisfactory earnings despite downward pressure on its profit margins.

The Group's Engine Systems Division benefited from increased turbocharger servicing activities as well as additional contributions from the fuel injection and turbocharger businesses acquired during the year.

Supported by an enlarged fleet of ROVs, the performance of the Group's Subsea Robotics Division improved over the previous year. However, bleak market conditions prevailing in the North Sea during the second half year, coupled with the loss of a ROV unit, affected its overall performance.

The profit included an exceptional gain of S\$2.80 million arising from the sale of the Group's marine repair services operations in May 2002, offset by a provision for diminution in value of an investment.

General development of the business in FY2004

- 1 April 2003 MTQES acquired an additional 1,274,001 ordinary shares in the capital of RCR at A\$0.18 per share for a total consideration of A\$229,320.18 pursuant to an on-market purchase on the Australian Stock Exchange. MTQ's equity interest in RCR was increased from 19.9% to 22.9%.
- 14 April 2003 Shareholders of MTQ granted a share buyback mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued shares in accordance with the authority and limitations set out in MTQ's circular to shareholders dated 21 March 2003
- 28 April 2003 The Company changed its name from Metalock Singapore Limited to MTQ Corporation Limited with effect from 28 April 2003.
- 1 May 2003 MTQ announced that an on-market bid would be made, through its wholly owned subsidiary, MTQ Holdings Pty Ltd ("MTQH"), for all of the fully paid ordinary shares in RCR that MTQ or its subsidiaries do not already hold at an offer price of A\$0.25 per share.
- 16 June 2003 At the close of the on-market bid for all the shares in RCR, MTQH received acceptances for 2,481,976 shares and a total consideration of A\$620,494 was paid in cash for such shares. Further to the on-market bid, the Group held 28.30% of the total number of shares in RCR on issue.

- 20 August 2003 MTQES entered into a conditional agreement with (i) Australian companies, Adelaide Fuel Injection Service Pty, Adelaide Fuel Injection Parts Pty Ltd, and Rund Pty Ltd (collectively referred to as the "AFI Group") and (ii) Donald Wilkey and Cheryl Joan Wilkey for the acquisition of AFI Group's business as an on-going concern together with its business assets. MTQES agreed to purchase the assets of the AFI Group for a cash consideration of A\$5,977,633 subject to adjustments in accordance with the Agreement. The AFI Group was engaged in the sale and servicing of fuel injection equipment in Australia.
- 17 September 2003 MTQ incorporated a wholly owned subsidiary of the Group in Indonesia known as PT. MTQ Engine Systems Indonesia ("PTMTQ") to serve as a wholesaler, distributor, importer and provider of after sales services on components for diesel engines. PTMTQ is 99% owned by MTQ and 1% owned by MTQE.
- 24 September 2003 MTQ Subsea increased its paid-up capital from S\$5,500,000 to S\$6,146,380 by way of (i) capitalization of a sum of S\$610,000 being amount due by MTQ Subsea to MTQ (ii) an allotment of 36,380 new ordinary shares of S\$1.00 each at S\$1.20 to MTQ Subsea's employees on the exercise of share options. As a result of the capitalization, MTQ's interest in MTQ Subsea increased from 72.73% to 75%.
- 31 October 2003 MTQ announced that it proposed to implement a scrip dividend scheme which would provide shareholders with an opportunity to elect to receive dividends in the form of new ordinary shares of S\$0.25 each in the Company, credited as fully paid, instead of cash.
- 14 October 2003 MTQ Subsea decided to wind down the operations and activities of its wholly owned subsidiary, MTQ Subsea Limited, in Aberdeen and to relocate the ROV fleet in the North Sea to Singapore or other places in Asia and Middle East where MTQ Subsea has identified as markets which offered better long term growth opportunities and more stable earnings.
- 25 October 2003 MTQES completed the acquisition of the business assets of AFI Group.
- 11 February 2004 MTQ announced that MTQ Subsea Limited (which is 100% owned by MTQ Subsea) had entered into a settlement agreement with its insurers for the loss of its ROV unit, Phoenix II. Under the terms of the settlement agreement, the insurers agreed to pay MTQ Subsea Limited £650,000 in full and final settlement of the insurance claim.

Financial Review for the nine month period ended 31 December 2003

The Group achieved a profit before tax of S\$1.35 million on a turnover of S\$38.14 million for the nine months ended 31 December 2003.

Apart from the absence of exceptional gains recorded in FY2003, the Oilfield Engineering division also experienced significant market slowdown in the oilfield equipment repair segment and job margins were affected.

The Group's Subsea Robotics Division sustained further losses as a result of stagnant demand for subsea support services in the North Sea. A decision had since been taken to shift the

operations away from the North Sea and to focus on the Asian and Middle Eastern markets instead. A one-off charge of S\$0.33 million was provided for the fleet relocation and redundancy payments.

Meanwhile, the Group's Engine Systems Division continued to post positive earnings contribution to the Group. The division also enlarged its earnings base in the fuel injection business with its acquisition of the business of the AFI Group in October 2003. The Group's Indonesian turbocharger operating arm also commenced operations during the year. Start-up costs were incurred.

For the nine months ended 31 December 2003, the Group also took up its share of the after tax results of its associated company, RCR Tomlinson Ltd ("**RCR**") which amounted to S\$0.54 million and recognised negative goodwill of S\$0.64 million arising from the acquisition of shares in RCR.

Strong positive exchange gains also helped in the Group's performance.

2. Set out the description, and number of shares being offered by the issuer.

Up to 15,871,000 new Shares (the "**Placement Shares**") representing 19.95% of the existing issued share capital of the Company as at the date of this Statement, will be offered by the Company upon the terms and subject to the conditions of the placement agreement entered into between the Company and UOB Kay Hian (the "**Placement Agreement**") on 30 March 2004 (the "**Placement**").

The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares of the Company.

3. Set out, where applicable, the names and address of the manager and the underwriter of the offer.

UOB Kay Hian of 80 Raffles Place #30-01 UOB Plaza 1 Singapore 048624, has pursuant to the Placement Agreement been appointed placement agent (the "**Placement Agent**") for the Placement Shares. The Placement Agent has agreed to procure purchasers on a best endeavours basis for the Placement Shares on the terms and subject to the conditions of the Placement Agreement.

No underwriter has been appointed in respect of the Placement.