

-
4. **Set out the offer price, any discount or commission given to the underwriter, and the estimated net proceeds on an aggregate basis to be derived by the issuer from the issue or sale of the shares being offered. If it is not possible to state the offer price or the discount or commission, the method by it is determined must be explained. Give the range of the closing market price of the shares during the previous 90 days.**
-

Offer Price	:	S\$0.40 for each Placement Share (the "Placement Price")
Estimated net proceeds	:	Approximately S\$6.26 million
Placement commission payable by the Company in relation to the Placement	:	1.0 per cent. of the Placement Price for each Placement Share
Discount given	:	6.43 per cent. from the weighted average price per Share of S\$0.4275 for trades done on the full market day on 29 March 2004 until the trading of the Company's shares on the SGX-ST was halted on 30 March 2004 at 12.30 p.m.
Range of closing market prices during the 90-day period immediately preceding the date of this Statement (i.e. 31 December 2003 to 29 March 2004)	:	S\$0.41 to S\$0.45 for each Share

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5. **State the principal purposes for which the estimated net proceeds to be derived by the issuer from the issue or sale of the shares being offered are intended to be used and the approximate amount intended to be used for each such purpose. If any material amounts of other funds are to be used in conjunction with the proceeds for such purposes, state the amounts and sources of such other funds.**
-

The net proceeds from the Placement will amount to approximately S\$6.26 million, after deducting estimated expenses of S\$88,484. The net proceeds will be used, where opportunities arise, for business expansion and investments by the Group and to increase working capital.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit.

6. Give the names and addresses of the directors of the issuer.

Name of Director	Address
Kuak Kok Kim	100A Taman Nakhoda Singapore 257793
Philip Eng Heng Nee	53C Jalan Lim Tai See Singapore 268383
Ong Choo Eng	25 Leedon Park Singapore 267902
Huang Yuan Chiang	40 Nassim Hill #03-46 Nassim Mansion Singapore 258474
Samuel Bernard Sassoon	70 St Thomas Walk #07-76 Singapore 238139
Ian Wayne Spence	#03-03 Loyang Valley 220 Loyang Avenue Singapore 509067

7. State the share and loan capital of the issuer, as of the date of lodgment of this Statement showing (i) in the case of the share capital, the authorised share capital and the issued and the paid-up capital; or (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon.

As at the date of lodgment of this Statement:

Share capital

Authorised share capital : S\$30,000,000 divided into 120,000,000 ordinary shares of S\$0.25 each

Issued and paid-up share capital : S\$19,887,250 divided into 79,549,000 ordinary shares of S\$0.25 each

Loan capital : Nil

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8. **Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, including the name and address of each underwriter.**
-

UOB Kay Hian of 80 Raffles Place #18-00 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.

9. **Give the profits, prospects and dividends of the issuer, together with:-**
- (a) **the following information in respect of the issuer or, if it is the holding company of a group, the group, for each of the 3 most recent completed financial years in the following format:**
-

Year Ended	----- The Group ⁽¹⁾ -----			
	Profit / (loss) before tax (S\$'000)	Profit / (loss) after tax (after minority interests) (S\$'000)	Extraordinary items (S\$'000)	Gross rate of dividend (%)
FY2003 ended 31 March 2003 (audited)	5,910	5,385	-	10%
FY2002 ended 31 March 2002 (audited)	1,693	1,481	-	10%
FY2001 ended 31 March 2001 (audited)	2,280	1,949	-	5%

- (b) **a statement as to the financial and business prospects of the issuer or, if it is the holding company of a group, the group, together with any material information which will be relevant thereto, including all special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect the profits; and**
-

The current slowdown in the oilfield equipment repair segment has shown few signs of abatement. As such, repair revenues and margins of the Oilfield Engineering division are likely to be squeezed in response to weaker demands. Moderate market recovery is, however, expected in the new financial year.

The Group's Subsea Robotics division will complete the relocation of its entire North Sea fleet by the end of the financial year. While focus will be placed on deploying the fleet to secure jobs in the Asian and Middle Eastern markets, such efforts are unlikely to result in any significant increase in the utilization levels of the fleet in the near term.

Nevertheless, these markets offer better long term growth opportunities and more stable earnings in the long run. The division will also benefit through cost savings arising from more efficient use of its administrative and marketing resources after the restructuring exercise.

The Engine Systems division is likely to perform in line with the Australian economy.

Meanwhile, the division's Indonesian unit will continue to incur further start-up costs which is likely to exceed its initial revenue contribution.

In view of the Group's operations in Australia and Aberdeen, United Kingdom, the Group is also exposed to fluctuations in foreign exchange rates of A\$ and GBP against S\$. Such fluctuations may have an impact on the Group's financial performance.

Barring unforeseen circumstances, the Group will remain profitable for the full financial year.

Save as disclosed in this Statement, the Directors are not aware of any material information including any special business factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

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- (c) **a statement by the directors of the issuer whether, in their reasonable opinion, the working capital available to the issuer or, if the issuer is the holding company of a group, the group, is sufficient for present requirements and, if insufficient, how the additional working capital thought by the directors to be necessary, is proposed to be provided.**
-

The Directors of the Company are of the reasonable opinion that working capital available to the Group is sufficient for present requirements.

10. Give the number of shares of the issuer owned by each substantial shareholder.

The substantial shareholders of the Company and the number of Shares held by them based on information recorded in the Register of Substantial Shareholders maintained by the Company pursuant to Section 81 of the Companies Act as at the date of this Statement are as follows:-

Name	-----Number of Shares-----		
	Shareholdings registered in the name of the Substantial Shareholders or their Nominees	Shareholdings in which Substantial Shareholders are deemed to have an interest	Total shareholdings as a percentage of issued share capital (%)
Kuah Kok Kim	18,868,000	-	23.72
Kurt R M Lindblad	17,887,652	-	22.49
Singapore Warehouse Company (Private) Limited	5,500,000	-	6.91
Hwa Hong Corporation ⁽¹⁾	-	5,500,000	6.91
Ong Holdings (Private) Limited ⁽²⁾	-	5,500,000	6.91

Notes:-

- (1) Singapore Warehouse Company (Private) Limited is a wholly owned subsidiary company of Hwa Hong Corporation Limited.
- (2) By virtue that Ong Holdings (Private) Limited holds not less than 15% shares in Hwa Hong Corporation Limited.

11. Give information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the date of lodgment of the offer information statement, a material effect on the issuer's financial position or profitability.

The Company had on 26 November 2002 announced the disappearance of a submersible ROV unit belonging of MTQ Subsea, a subsidiary of the Company, during an undersea operation. The insurers of the ROV unit subsequently disputed MTQ Subsea's claim of £747,000. The Company subsequently announced on 29 January 2004 that following unsuccessful attempts at settlement, MTQ Subsea would be proceeding with legal action against the insurers. On 11 February 2004, the Company announced that a settlement agreement had been entered into between MTQ Subsea Limited, a wholly owned subsidiary of MTQ Subsea, and the insurers of the ROV unit, pursuant to which the insurers agreed to pay MTQ Subsea Limited a sum of £650,000 in full and final settlement of the claim.

The Company had made provisions for professional/legal fees in connection with the claim in its financial statements of S\$300,000 each for the financial years ended 31 March 2003 and ending 31 March 2004 respectively. In view of the settlement with the insurers, the Company expects to write back an amount of approximately S\$500,000 in its financial statements for the financial year ending 31 March 2004. The settlement is not expected to have a material impact on the NTA per share of the Group.

MTQ Engine Systems (Aust) Pty Ltd ("MTQES") had previously supplied a turbocharger to CSR Limited ("CSR") in 2002 (the "2002 Turbocharger"). The turbocharger was destroyed in an incident in early February 2003 and CSR contracted with MTQES to provide a replacement turbocharger (the "2003 Turbocharger"). MTQES separately invoiced CSR for each of the turbochargers, but only received payment for the 2002 Turbocharger. MTQES commenced proceedings against CSR in the Supreme Court of Queensland in Brisbane in September 2003 to recover the 2003 Turbocharger invoice sum (being A\$516,714 plus interests and costs). In its defence, CSR has, *inter alia*, alleged that the turbochargers were

not in conformity with the relevant contracts and has counterclaimed against MTQES for loss and damage for an amount presently estimated at A\$930,000. The parties are presently completing interlocutory steps and the matter is progressing toward trial in the Supreme Court of Queensland.

Based on the present advice of its Australian legal counsel, MTQES believes that it has good prospects of success in its claim against CSR. MTQES and its Australian legal counsel are presently undertaking further investigations into the allegations in CSR's defence and counterclaim. MTQES is insured for the full sum counterclaimed by CSR.

Save as disclosed above, as at the date of this Statement, the Directors are not aware of any litigation or arbitration proceedings to which the Company or any of its subsidiaries is a party or which is contemplated, which may have or have had in the last 12 months before the date of lodgment of this Statement, a material effect on the financial position or profitability of the Company.

- 12. State the prices at which shares of the issuer have been issued for cash, or traded, within the 12 months immediately preceding the date of lodgment of the offer information statement. For shares which have been traded, give the price range and volume traded for each of those months. For shares which have been issued during those months, state the number of shares issued at each price. If any shares have been issued for services, state the nature and value of the services and give the name and address of the person who received the shares.**

The price range and volume of the Shares traded on the SGX-ST from each month from March 2003 to February 2004 are as follows:

Month	Low (S\$)	High (S\$)	Volume ('000 Shares)
March 2003	0.320	0.390	362,000
April 2003	0.370	0.390	73,000
May 2003	0.380	0.410	533,000
June 2003	0.395	0.450	410,000
July 2003	0.410	0.460	251,000
August 2003	0.405	0.440	266,000
September 2003	0.405	0.440	413,000
October 2003	0.415	0.460	406,000
November 2003	0.400	0.425	522,000
December 2003	0.390	0.450	65,000
January 2004	0.450	0.450	25,000
February 2004	0.400	0.440	531,000

Source: Bloomberg

The Company issued the following Shares within the 12 months immediately preceding the date of lodgment of this Statement pursuant to the exercise of employee share options:

Date of issue	Number of Shares issued	Issue price per Share
23 May 2003	20,000	S\$0.30
30 May 2003	95,000	S\$0.30
6 June 2003	6,000	S\$0.30
20 June 2003	34,000	S\$0.30
18 July 2003	20,000	S\$0.30
8 August 2003	40,000	S\$0.30
26 September 2003	24,000	S\$0.30
10 October 2003	50,000	S\$0.30
17 October 2003	20,000	S\$0.30
31 October 2003	40,000	S\$0.30
Total:	349,000 Shares	

Save as disclosed above, no Shares have been issued by the Company within the 12 months preceding the date of lodgment of this Statement.

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- 13. Give a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the issuer or a subsidiary of the issuer is a party, for the period of 2 years before the date of lodgment of this offer information statement, including the date of, parties to and general nature of the contract, and the amount of any consideration passing to or from the issuer or the subsidiaries.**
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Apart from the Placement Agreement described in paragraph 2 of this Statement, the Company and its subsidiaries has entered into the following contracts not being contracts entered into in the ordinary course of business, within the two preceding years before the date of lodgment of this Statement:

- (a) Sale of Business Agreement dated 19 July 2002 between Dynamic Turbocharger Services (Australia) Pty Ltd and (a) R M Diesel Pty Ltd; (b) Mervyn Neville Bryant; (c) Kenneth James Grimes; (d) Keith Irwin Jurgs; (e) Gregory John Simmons; and (e) Ronald William Strong, in relation to the purchase of the business assets of R M Diesel Pty Ltd by Dynamic Turbocharger Services (Australia) Pty Ltd, for such purchase price to be determined in accordance with the terms of the agreement, amounting to an aggregate of A\$2,816,043;
- (b) Sale of Business Agreement dated 23 October 2002 between MTQ Engine Systems (Aust) Pty Ltd and Turbo Torque Pty Ltd, in relation to the purchase of the business assets of Turbo Torque Pty Ltd by MTQ Engine Systems (Aust) Pty Ltd, for such purchase price to be determined in accordance with the terms of the agreement, amounting to an aggregate of A\$525,000;
- (c) Sale of Business Agreement dated 20 August 2003 between MTQ Engine Systems (Aust) Pty Ltd; and (a) Adelaide Fuel Injection Service Pty Ltd; (b) Adelaide Fuel Injection Parts Pty Ltd; (c) Rund Pty Ltd; (d) Donald Wilkey; and (e) Cheryl Joan Wilkey, in relation to the purchase of the business assets of Adelaide Fuel Injection Service Pty Ltd, Adelaide Fuel Injection Parts Pty Ltd and Rund Pty Ltd by MTQ Engine Systems (Aust) Pty Ltd, for such purchase price to be determined in accordance with the terms of the agreement, amounting to an aggregate of A\$5,977,633;

- (d) Engagement agreement dated 30 April 2003 between MTQ, MTQH and Paterson Ord Minnett Ltd (“POML”), whereby POML agreed to act as takeover broker for MTQ Holdings Pty Ltd, to bid for all the ordinary fully paid shares in RCR Tomlinson Ltd at A\$0.25 per share. POML charged MTQ brokerage at the rate of 0.25% on the value of all RCR shares purchased as well as a management fee of A\$10,000; and
- (e) Settlement Agreement dated 10 February 2004 between MTQ Subsea Limited, a wholly owned subsidiary of MTQ Subsea Technology Pte Ltd, and “Winterthur” Swiss Insurance Company (“Winterthur”) whereby Winterthur agreed to pay to MTQ Subsea Limited a sum of £650,000 in settlement of a dispute between MTQ Subsea Technology Pte Ltd and Winterthur in respect of an insurance claim relating to the loss of a remotely operated vehicle unit owned by MTQ Subsea Technology Pte Ltd, the “Phoenix 002”.

14. Give particulars of any other material facts relating to the shares being offered and not disclosed pursuant to items 1 to 13.

Save as disclosed in this Statement, the Directors are not aware of any other material facts relating to the Placement Shares not disclosed pursuant to items 1 to 13.

15. Give the last audited consolidated balance sheet of the issuer.

Please refer to the audited consolidated balance sheet of the Group and the Company for FY2003 which is set out in Appendix II.

16. Give a table or statement indicating:-

- (a) **the consolidated net tangible asset per share of the issuer as at the date on which the last audited balance sheet was made up; and**
- (b) **the effect of the issue on the net tangible asset per share.**

The NTA per Share of the Company is as follows:-

	As at 31 March 2003 ⁽¹⁾	As adjusted for the Placement ⁽²⁾
NTA per share	40.96 cents	40.77 cents

Notes:

- (1) Calculated based on the audited balance sheet as at 31 March 2003, based on the Company’s issued share capital of 79,200,000 as at 31 March 2003.

- (2) Calculated based on the audited balance sheet as at 31 March 2003, based on the enlarged issued share capital of the Company of 95,071,000 Shares immediately after the Placement and the Subscription (assuming all the 15,871,000 new Shares are issued) without taking into consideration the 349,000 Shares issued pursuant to the exercise of employees share options between 1 April 2003 to the date of lodgment of this Statement.

The NTA per Share of the Group is as follows:-

	As at 31 March 2003 ⁽¹⁾	As adjusted for the Placement ⁽²⁾
NTA per Share	36.78 cents	37.29 cents

Notes:

- (1) Calculated based on the audited balance sheet as at 31 March 2003, based on the Company's issued share capital of 79,200,000 Shares as at 31 March 2003.
- (2) Calculated based on the audited balance sheet as at 31 March 2003, based on the enlarged issued share capital of the Company of 95,071,000 Shares immediately after the Placement and the Subscription (assuming all the 15,871,000 new Shares are issued) without taking into consideration the 349,000 Shares issued pursuant to the exercise of employees share options between 1 April 2003 to the date of lodgment of this Statement.

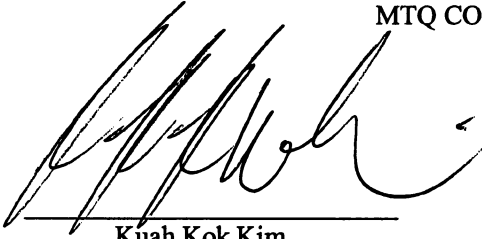
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- 17. Where a statement or report attributed to a person as an expert is included, the name, address and qualification of that expert and a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement or report in the form and context in which it is included in the offer information statement.**
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Not applicable.

Dated this 30th day of March

2004

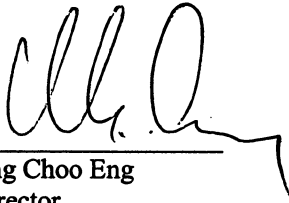
For and on behalf of
MTQ CORPORATION LIMITED



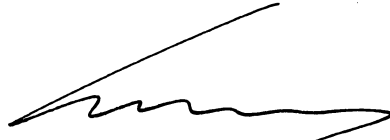
Kuah Kok Kim
Director



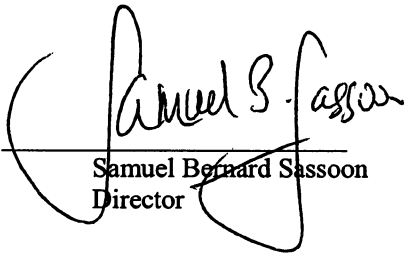
Philip Eng Heng Nee
Director



Ong Choo Eng
Director



Huang Yuan Chiang
Director



Samuel Bernard Sassoon
Director



Ian Wayne Spence
Director

APPENDIX I

Investors should, before deciding whether to subscribe for or acquire any Placement Shares, carefully read this Statement (including its appendices) in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position and performance and prospects of the Company and the Group and the Placement Shares. They should also make their own independent enquiries and investigations of any assumptions, upon which financial projections, if any, are based and carefully consider this Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their accountant, stockbroker, bank manager, lawyer or other professional adviser before deciding whether to acquire, whether by way of subscription or purchase, any of the Placement Shares.

No person has been authorised to give any information or to make any representations other than those contained in this Statement in connection with the Placement and the issue of the Placement Shares pursuant to the Placement and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or any of its subsidiaries. Neither the delivery of this Statement, any matter relating to the Placement nor the issue of the Placement Shares shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the affairs of the Company or any of its subsidiaries or any of the information contained herein since the date hereof. Where such changes occur after the date hereof, the Company may make an announcement of the same to the SGX-ST. All investors should take note of any such announcement and, upon the release of such announcement, shall be deemed to have notice of such changes.

No information in this Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other advisor for business, legal or tax advice regarding an investment in the shares in the Company.

This Statement has been prepared solely for the purpose of the issue of the Placement Shares pursuant to the Placement and may not be relied upon by any persons for any other purpose.

Nothing in this Statement is intended to confer on any third party any rights and benefits and the Contracts (Rights of Third Parties) Act (Chapter 53B) and any re-enactment thereof is not intended to apply to this Statement.

APPENDIX II

LAST AUDITED CONSOLIDATED BALANCE SHEET OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2003

	Group S\$'000	Company S\$'000
ASSETS LESS LIABILITIES		
Non-current assets		
Goodwill	2,163	-
Property, plant and equipment, net	24,238	2,307
Subsidiary companies	-	22,208
Investments	2,813	-
Other receivables	316	73
Deferred tax assets	297	-
	29,827	24,588
Current assets		
Inventories and work-in-progress	5,668	-
Receivables	14,495	673
Fixed deposits	7,705	7,702
Cash at bank and in hand	2,980	435
	30,848	8,810
Current liabilities		
Payables : amounts falling due within one year	17,925	773
Net current assets	12,923	8,037
Non-current liabilities		
Payables : amounts falling due after one year	10,121	-
Deferred tax liabilities	369	184
	(10,490)	(184)
Net assets	32,260	32,441
EQUITY		
Share capital	19,800	19,800
Reserves	11,490	12,641
	31,290	32,441
Shareholders' funds	31,290	32,441
Minority interests	970	-
	32,260	32,441