

MTQ CORPORATION LIMITED

(Incorporated in Singapore)

(Company Registration No. 196900057Z)

MINUTES OF 49th ANNUAL GENERAL MEETING

PLACE	:	Carlton Hotel, Empress Ballroom 2, Level 2 76 Bras Basah Road, Singapore 189558
DATE	:	Friday, 27 July 2018
TIME	:	10.00 a.m.
DIRECTORS ATTENDANCE	:	All
CHAIRMAN	:	Mr Kuah Kok Kim

QUORUM

As a quorum was present, the Chairman declared the meeting open at 10.00 a.m. and welcomed the shareholders to the Annual General Meeting ("AGM"). The Notice dated 27 June 2018 was taken as read.

After introducing the Directors, the Chairman informed that in compliance with the requirement of the listing manual of Singapore Exchange Securities Trading Limited, all the resolutions tabled at the AGM would be carried out by way of voting by poll. He informed the Meeting that Ardent Business Advisory Pte Ltd ("Ardent") and Boardroom Corporate & Advisory Services Pte Ltd ("Boardroom") have been appointed as Scrutineer and Polling Agent respectively.

Mr Kuah Boon Wee, the Group Chief Executive Officer delivered a presentation on the Group 1Q FY2019 financial performance. Copies of the presentation slides are annexed to these minutes as "**Appendix A**". After the presentation, the Chairman and Board of Directors fielded questions from the Shareholders. The questions raised and the responses are attached to these minutes as "**Appendix B**".

There being no further questions from the shareholders, the representative from Ardent was requested to explain the polling procedures and the use of a wireless hand held device for voting to the shareholders present.

ORDINARY BUSINESS:

1. DIRECTORS' STATEMENT AND THE AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The motion to approve and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2018 together with the Independent Auditor's Report was duly proposed by the Chairman.

With 99.64% of the votes polled voting for, it was RESOLVED as an ordinary resolution:

"That the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2018 together with the Independent Auditor's Report be received and adopted."

2. RE-ELECTION OF MR KUAH BOON WEE – RESOLUTION 2

The Chairman advised that Mr Kuah Boon Wee, who was retiring under Article 91 of the Company's Constitution, had signified his consent to continue in office.

On a proposal by the Chairman, Resolution 2 was put to vote. With a majority of 99.54% of the votes polled voting for, it was RESOLVED:

“That Mr Kuah Boon Wee be re-elected as a Director of the Company.”

3. RE-ELECTION OF MR CHEW SOO LIN – RESOLUTION 3

The Chairman advised that Mr Chew Soo Lin, who was retiring under Article 91 of the Company's Constitution, had signified his consent to continue in office.

On a proposal by the Chairman, Resolution 3 was put to vote. With a majority of 99.30% of the votes polled voting for, it was RESOLVED:

“That Mr Chew Soo Lin be re-elected as a Director of the Company.”

4. RE-APPOINTMENT OF AUDITOR – RESOLUTION 4

On a proposal by the Chairman, Resolution 4 was put to vote. With a majority of 98.48% of the votes polled voting for, it was RESOLVED:

“That Ernst & Young LLP be re-appointed as Auditor of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix its remuneration.”

SPECIAL BUSINESS:

5. DIRECTORS' FEES – RESOLUTION 5

On a proposal by the Chairman, Resolution 5 was put to vote. With a majority of 96.54% of the votes polled voting for, it was RESOLVED:

“That the Directors' fees of up to S\$290,000 for the financial year ending 31 March 2019, to be paid quarterly in arrears, be approved for payment.”

6. AUTHORITY TO ISSUE SHARES – RESOLUTION 6

On a proposal by the Chairman, Resolution 6 was put to vote. With a majority of 95.45% of the votes polled voting for, it was RESOLVED:

“That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or

- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Company's Constitution; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

7. AUTHORITY TO ISSUE SHARES UNDER THE MTQ CORPORATION LIMITED SCRIP DIVIDEND SCHEME – RESOLUTION 7

On a proposal by the Chairman, Resolution 7 was put to vote. With a majority of 98.55% of the votes polled voting for, it was RESOLVED:

“That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to The MTQ Corporation Limited Scrip Dividend Scheme from time to time set out in the Circular to Shareholders dated 10 June 2004 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

8. AUTHORITY TO ISSUE SHARES UNDER THE MTQ SHARE PLAN – RESOLUTION 8

On a proposal by the Chairman, Resolution 8 was put to vote. With a majority of 96.18% of the votes polled voting for, it was RESOLVED:

“That:

- (1) pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised to grant awards (“Awards”) in accordance with the provisions of the prevailing MTQ Share Plan (“the 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 issued and delivered pursuant to the vesting of Awards under the Share Plan, provided that the aggregate number of new shares allotted and issued and/or to be allotted and issued pursuant to the 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 fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time; and
- (2) 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; and
- (3) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

9. PROPOSED RENEWAL OF SHARE BUYBACK MANDATE – RESOLUTION 9

As the Chairman was deemed to be interested in the item on the Agenda, the chair was being passed to the Lead Independent Director, Mr Nicholas Campbell Cocks.

Before the motion was put to vote, Mr Nicholas Campbell Cocks invited shareholders to raise their queries. A summary of the questions and answers in respect of the ordinary resolutions tabled to shareholders at the AGM are attached as “**Appendix B**”.

On a proposal by Mr Nicholas Campbell Cocks, Resolution 9 was put to vote. With a majority of 93.49% of the votes polled voting for, it was RESOLVED:

“That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire ordinary shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to this Notice of Annual General Meeting dated 27 June 2018 (the “Appendix”), in accordance with the terms of the Share Buyback Mandate set out in the Appendix, and the Share Buyback Mandate shall, unless varied or revoked by the Company in a general meeting, continue in force until the conclusion of (i) the next Annual General Meeting of the Company, (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which Share Buybacks are carried out to the full extent mandated, whichever is earliest.”

CONCLUSION

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed at 11.30a.m..

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

**KUAH KOK KIM
CHAIRMAN**

MTQ CORPORATION LIMITED

Minutes of 49th Annual General Meeting held on 27 July 2018

APPENDIX A

MTQ CORPORATION LIMITED – Annual General Meeting (“AGM”) held on 27 July 2018
Questions and Answers (Appendix “B”)

Question:

How can the Company capitalize on the positive upstream market to improve its result?

Answer:

The signs of benefit from the recovery in the oil & gas industry have been reflected in the Group's results. However, there is still a lot of uncertainty in the world economy and in the trade relationship between countries. Therefore, the challenge is whether the recovery is sustainable and how strong will this recovery be. If recovery continues, the Company being the key player in this industry, will definitely benefit from it.

Question:

Despite the recovery in subsea sector, the activities in Australia remains slow. Has the Company consider offering Neptune's services outside of Australia such as Mermaid Maritime Public Company Limited?

Answer:

Mermaid's activities are more established in Middle East and it is easy for Mermaid as a vessel company, to transport its vessels between different countries. It is more challenging for Neptune as a service company to transport its service capability from country to country. However, the comment on offering Neptune's services outside of Australia was duly noted.

Question:

- 1. What is the extent of the EBITDA positive numbers comparing to the EBITA negative number recorded last year? Is there a positive trend in terms of EBITDA positive numbers between 4Q FY2018 and 1Q FY2019.*
- 2. Is the market still experiencing irrational pricing strategy for the industry players to remain competitive?*

Answer:

In FY2015 and FY2016, the Group had experienced a decline which resulted in a long period of negative numbers. This trend has stabilised in FY2017 and FY2018, and the Group had a small improvement in 1Q FY2019. Therefore, the current EBITDA numbers are improving comparing to those in FY2015 and FY2016.

The Board is encouraged by the positive trend and there has been improvement in the number of enquiries and in general plant utilisation in Singapore and Bahrain. Nevertheless, the Board remains cautious on its position as there are still a lot of uncertainties and it is unsure how quickly a full market recovery would be.

The pressure to quote irrational price will subside when there are more opportunities and jobs available in the market.

Question:

1. *Despite the cost cutting measures, Neptune continues to be loss-making. Is Neptune's loss funded by (i) its equity; (ii) cash reserve; or (iii) increase borrowings at the subsidiary level?*
2. *Can the Board share on its efforts to contain Neptune's losses?*
3. *As the major shareholder of Neptune, how would the Company continue to fund Neptune if it continues to be in a loss-making position?*

Answer:

Neptune is a public listed company in Australia, which has its (i) own funding; (ii) cash surplus; and (iii) no bank debts. The real challenge for Neptune is it is a service company where its key costs are infrastructure and people. Certain level of fixed cost is inevitable as Neptune has to maintain a core level of expertise despite the downturn. Such level of expertise is nonetheless required so that Neptune can still have the capability to position itself to capture the right market share when the recovery comes. The Board is constantly and actively on cost cutting measure at both Neptune and Group levels. There is nothing concrete at this point to report to Shareholders, we are currently exploring opportunities to reposition Neptune segment.

Question:

Can the Board elaborate on the use of the proceeds from the recent Rights Issue?

Answer:

At present, there is no plan to utilise the proceeds apart from what was mentioned during the (Rights Issue) exercise. Our balance sheet remains relatively healthy and strong. Hence, the capital raised from this Rights Issue acts a buffer for the Group. In the event that the market turns worse again, the Company would have the financial ability to sustain; if the market recovers, the Company would have capital ready for expansion.

The Group CEO took the opportunity to thank the Shareholders for their support in the Rights Issue.

Comment from shareholder:

Understand that the Company has not utilised the capital raised to repay the bank borrowings. The Board has to bear in mind that there is a hefty interest every year from bank borrowings of S\$10 million at the holding level. In order to fully utilise the capital raised, the Board should plan on the capital deployment.

The Board noted the comment. The Chairman added that there was no urgency to retire the debts at this point in time and at the same time to maintain certain banking relationship.

Question:

Does the Company have any board representative in Neptune?

Answer:

The Group CEO is the Chairman and Mr Nicholas Campbell Cocks is a director of Neptune.

Question:

- 1. Can the Board share the reason for the goodwill of \$1,731,000 for the acquisition of In-Line Group.*
- 2. What is the profit and revenue trend for In-Line Group?*

Answer:

One of the challenges that the Company faced is the capabilities to develop proprietary product. Currently the Company has to rely on third party's products. The acquisition of In-Line Group would allow MTQ Group to tap on their capability to create a proprietary line of products and by so doing the Company can value-add to its existing services through the introduction of its own product when bidding for projects.

Despite the difficult market condition, In-Line Group's operation remains profitable and is encouraging. The goodwill represents the synergy that In-Line Group can bring towards MTQ.

Question:

Has the Company considered expanding into US?

Answer:

Despite the flourishing shale operation in US, the Company does not plan to enter into the US market at this juncture because the operating environment is very different from the Group's currently. Moreover, the Group has limited financial resources and management personnel to start-up in US.

Question:

PT Binder Indonesia's ("PT Binder") liabilities are more than its assets. What is the Company's turnaround plan for this joint venture?

Answer:

PT Binder's primarily activities involve in support for downstream plants which has gone through a period of reduce activities. At present, the Company's strategy is to continue to support PT Binder and focus to win jobs. There will be job opportunities for PT Binder when the energy plants continue to rebuild upon the recovery in the general industry.

Question:

1. *Did the Board discuss on buyback of shares?*
2. *At present, how much spare cash does the Company have to buy back shares?*
3. *Why is there a renewal of Share Buyback mandate if the Company has no intention of buying back shares?*

Answer:

Comments on the Share Buyback are duly noted. The Company has been very cautious on conserving cash thus has no intention of buying back shares at this present moment. Nonetheless, the Share Buyback mandate is tabled at this meeting because there may be events of unforeseen circumstances which warrant a share buyback, the Directors would have the option to do so. Nevertheless, should this mandate not carried, we will have to deal with this if need be.