

MTQ CORPORATION LIMITED
(Incorporated in Singapore)
(Company Registration No. 196900057Z)

PROPOSED DISPOSAL OF PREMIER ESTATE PRIVATE LIMITED

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of MTQ Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, MTQ Distribution Pte. Ltd. (the “**Vendor**”), has on 5 June 2026 entered into a conditional sale and purchase agreement (the “**Agreement**”) with an independent third party purchaser, H3 Engineering Services Pte. Ltd., (the “**Purchaser**”) for the disposal of one (1) ordinary share (the “**Sale Share**”) representing the entire issued share capital of Premier Estate Private Limited (the “**Target Company**”) to the Purchaser for an aggregate consideration of Singapore Dollars Twelve Million (S\$12,000,000.00) (the “**Sale Price**”), subject to the terms and conditions of the Agreement (the “**Proposed Disposal**”).
- 1.2 The Proposed Disposal is a “major transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Mainboard Rules (the “**Rules**”). Please refer to paragraph 7.1 for further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006.
- 1.3 The Proposed Disposal is subject to the approval of the shareholders of the Company (the “**Shareholders**”) and the Company will convene an extraordinary general meeting (an “**EGM**”) to seek the necessary approval of the Shareholders.

2. INFORMATION ON THE TARGET COMPANY

- 2.1 The Target Company is a private limited company incorporated in Singapore with its registered office at 100 Tuas South Avenue 8, Singapore 637424. The Target Company is an investment holding company and an indirect wholly owned subsidiary of the Company.
- 2.2 As at the date of this announcement, the Target Company has an issued and paid-up capital of S\$1.00 comprising one (1) ordinary share, being the Sale Share. The Vendor is the legal and beneficial owner of the Sale Share.
- 2.3 The Target Company was the registered proprietor of the Group’s leasehold interest in the industrial property and building premises known at 54 Loyang Way, Singapore 508747 (the “**Property**”) for the period commencing 1 March 1995 and ending 28 February 2025 (the “**Prior Leasehold**”). As at the date of this Agreement, the lease of the Property for a further term commencing 1 March 2025 and ending 29 February 2052 (the “**Extended Leasehold**”) has been duly registered.

2.4 Based on the Group's latest unaudited consolidated interim financial statements for the financial year ended 31 March 2026 ("**FY2026**"):

- (a) the book value, which is equivalent to the net tangible asset ("**NTA**") value, of the Target Company was approximately S\$4,119,000 as at 31 March 2026; and
- (b) the net profit attributable to the Target Company was approximately S\$37,000 for FY2026.

2.5 A valuation performed by the Company solely for the preparation of the Target Company's audited financial statements suggests that the fair value of the Property is approximately S\$8.7 million as at 31 March 2026 (the "**Estimated Fair Value**").

2.6 No formal independent valuation was commissioned by the Company in respect of the Proposed Disposal taking into consideration the following:

- (a) the Target Company does not own any material assets other than the Property; and
- (b) the Sale Price is higher than the Estimated Fair Value.

3. INFORMATION ON THE PURCHASER

The Purchaser is a private limited company incorporated in Singapore on 24 March 2026. As at the date of this announcement, it has an issued share capital of S\$100 comprising 100 ordinary shares. Its primary and secondary activities are building construction and general contracting, respectively.

4. SALIENT TERMS OF THE AGREEMENT

4.1 Sale Price

The Sale Price for the Sale Share is Singapore Dollars Twelve Million (S\$12,000,000.00). The Sale Price was arrived at on a willing-buyer-willing-seller basis taking into account, among other things, other offers received by the Company to date, the net book value and NTA of the Target Company as at 31 March 2026, and the Estimated Fair Value.

In arriving at the Sale Price, the Vendor and the Purchaser have also agreed that:

- (a) the Vendor shall be entitled to the Target Company's cash (if any) and accounts receivable (the "**ARs**") and all claims whatsoever which the Target Company may have against any party whomsoever (the "**Other Receivables**") for the period up to and including the date of completion of the Proposed Disposal (the "**Completion Date**") and the parties agree to any necessary apportionment of any ARs paid or due to be paid to the Target Company in the month in which the Completion Date occurs; and
- (b) the Vendor shall be liable for the Target Company's accounts payable (the "**APs**") and the Target Company's other debts and liabilities (the "**Other Payables**") (other than certain excluded liabilities as set out in the Agreement), for the period up to and including Completion Date and the parties agree to any necessary apportionment of

any APs incurred or due to be incurred by the Target Company in the month in which the Completion Date occurs;

Based on the Group's unaudited consolidated interim financial statements for FY2026, the Proposed Disposal will result in a net gain on disposal and excess of proceeds over the book value of approximately S\$7.6 million (net of transaction costs).

4.2 Payment of the Sale Price

As at the date of this announcement:

- (a) Singapore Dollars Hundred and Twenty Thousand (S\$120,000.00), representing one percent (1.0%) of the Sale Price, has been paid to the Vendor as a deposit prior to the execution of the Agreement (the "**Initial Deposit**"); and
- (b) Singapore Dollars Four Hundred Eighty Thousand (S\$480,000.00), representing four percent (4.0%) of the Sale Price, has been deposited with the Vendor's solicitors by way of stakeholding deposit upon execution of the Agreement (the "**Further Deposit**"); such Further Deposit shall be released to the Vendor on completion of the Proposed Disposal ("**Completion**").

On Completion, the Purchaser shall pay to the Vendor an amount equal to the Sale Price less the Initial Deposit and Further Deposit (the "**Final Payment**"):

- (i) increased by the aggregate amount of cash, the ARs and Other Receivables attributable to the period up to and including the Completion Date; and
- (ii) reduced by the aggregate amount of the APs and Other Payables attributable to the period up to and including the Completion Date.

For illustration only, based on the unaudited financial statements of the Target Company as at 31 March 2026, taking into consideration the items set out in paragraphs 4.2(i) and 4.2(ii) above, the Final Payment will be increased by approximately S\$73,000. The Group currently expects the corresponding amount as at Completion to be immaterial.

4.3 Conditional Disposal

The Proposed Disposal is subject to the fulfilment, on or prior to the Completion Date, of the following conditions precedent (collectively, the "**Conditions**"):

- (a) *Conditions to be satisfied by the Vendor*
 - (i) The Extended Leasehold shall have been validly granted by or on behalf of the relevant authority substantially on the same terms as the Prior Leasehold (save and except for the right and option for the extension thereof), and be free from Encumbrances on Completion, and the instrument of lease issued by such relevant authority evidencing such grant shall have been duly executed by the Target Company and all relevant parties in registrable form, and duly registered with the Singapore Land Authority.

- (ii) Consent of the shareholder and directors of the Vendor, and, where applicable, the Shareholders as may be required under the Rules, and the directors of the Target Company, each having been obtained with respect to the Proposed Disposal, and such consents have not been terminated or withdrawn prior to the Completion Date.
- (iii) All caveats, charges and Encumbrances with respect to the Target Company and the Property shall have been discharged on or before Completion Date.
- (iv) The Vendor's warranties set out in Agreement shall be true, complete, accurate and not misleading in all respects as at the Completion Date.
- (v) There shall be no material adverse change (as determined by the Purchaser acting reasonably) in respect of the prospects and/or business operations of the Target Company provided always that the resulting consequences of any action required by the Purchaser shall not be treated as a material adverse change.
- (vi) The filing of the annual returns and tax returns of the Target Company up to the financial year ended 31 March 2025 and all necessary governmental or regulatory filings, permits or approvals, if any, that shall be required to be obtained by the Vendor in connection with the Agreement and the transactions contemplated herein have been made or obtained, including but not limited to the filing of the annual returns and tax returns up to the financial year ended 31 March 2025.

(b) *Conditions to be satisfied by the Purchaser*

- (i) The Purchaser shall ensure that the consent of the shareholders and directors of the Purchaser (where applicable) have been obtained with respect to the Proposed Disposal at the Purchaser's expense and such consents have not been terminated or withdrawn prior to the Completion Date.
- (ii) All necessary governmental or regulatory filings, permits or approvals, if any, that shall be required to be obtained by the Purchaser in connection with the Agreement and the transactions contemplated herein have been made or obtained.

(c) Long Stop Date

The parties shall use their best endeavours to ensure the satisfaction of the Conditions applicable to it. If any of the Conditions (as the case may be) are not satisfied on or before the date falling six (6) months from the date of the Agreement, the party who has fulfilled all the Conditions applicable to it shall be entitled by written notice served to the party who did not fulfil its corresponding Conditions to: -

- (i) terminate the Agreement;

- (ii) proceed to Completion insofar as practicable having regard to the defaults which have occurred; or
- (iii) defer Completion to such other date as may be mutually agreed between the Vendor and the Purchaser in writing, in which case the provisions of this 4.3(c) shall apply, mutatis mutandis, to any such new date fixed for Completion as so deferred.

Each party shall bear its own costs and expenses incurred in connection with any such deferment.

4.4 Completion

Subject to the Conditions (unless expressly waived by the parties in writing), the Completion Date shall take place on:

- (a) the date falling five (5) business days from the date of fulfillment of the last outstanding Condition; or
- (b) ten (10) weeks from the date of fulfillment of the Condition set out in paragraph 4.3(a)(i) above,

whichever is later or such other date as may be mutually agreed upon by the parties.

5. **RATIONALE FOR THE PROPOSED DISPOSAL**

In 2025, the Group disposed of its entire interest in Pemac Pte Ltd. Following the disposal, the Group no longer maintains a significant operational presence at the Property. Accordingly, and in line with its ongoing efforts to realise value from non-core and surplus assets, the Group has proposed to dispose of the Target Company.

6. **USE OF PROCEEDS**

The net sales proceeds from the Proposed Disposal, after deducting the key professional costs and expenses and excluding the adjustments set out in paragraph 4.2(i) and 4.2(ii) above, is estimated to be approximately S\$11,700,000. The Group intends to use the net proceeds from the Proposed Disposal for its general working capital purposes.

7. **RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL**

7.1 Based on the latest unaudited consolidated interim financial statements for the 12 months ended 31 March 2026, the relative figures in relation to the Proposed Disposal computed on the bases set out under Rule 1006 of the Listing Manual are as follows:

Rule	Basis	Relative Figure
1006(a)	Net asset value of the Target Company, compared with the Group's net asset value	5.8% ¹

1006(b)	Net profits attributable to the Target Company, compared with the Group's net loss	(0.5%) ²
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation, based on the total number of issued shares excluding treasury shares	23.6% ³
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) This figure is based on the net asset value of Target Company of S\$4,119,000 and the net asset value of the Group of S\$70,942,000 as at 31 March 2026.
- (2) This figure is computed on the net profit of the Target Company of S\$37,000 compared to the net loss of the Group of S\$7,558,000 for the financial year ended 31 March 2026. As the relative figure under Rule 1006(b) is a negative figure, a comparison is not meaningful.
- (3) This figure is based on the Sale Price of S\$12.0 million and the Company's market capitalisation of approximately S\$50.9 million. The Company's market capitalisation was computed based on the Company's existing number of issued shares (less treasury shares) of 222,109,000 ordinary shares (the "**Shares**") and the volume weighted average price of S\$0.2293 per Share on 4 June 2026, which is the last full market day on which the Shares were traded prior to the date of the Agreement.

7.2 As the relative figure computed for Rule 1006(c) is more than 20.0%, the Proposed Disposal is a "major transaction" as defined in Rule 1010.

8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

8.1 The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the completion. The financial effects of the Proposed Disposal were calculated based on the Group's unaudited consolidated financial statements for the financial year ended 31 March 2026 ("FY2026"), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

8.2 NTA

The effect of the Proposed Disposal on the NTA per share of the Group for FY2026, assuming that the Proposed Disposal had been effected as at 31 March 2026 is as follows:

As at 31 March 2026	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	70,710	78,275
Number of Shares (excluding treasury shares) ('000)	222,109	222,109
NTA per Share (Singapore cents)	31.8	35.2

8.3 Earnings per Share ("EPS")

The effect of the Proposed Disposal on the EPS of the Group for FY2026, assuming that the Proposed Disposal had been effected on 1 April 2025 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
(Loss)/profit attributable to owners of the Company (S\$'000)	(6,500)	1,028
Weighted average number of Shares (excluding treasury shares) ('000)	222,203	222,203
EPS (Singapore cents)	(2.92)	0.46

8.4 Net Debt Gearing

The effect of the Proposed Disposal on the net debt gearing of the Group as at 31 March 2026, assuming that the Proposed Disposal had been effected as at 31 March 2026 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Total net debt (S\$'000) ⁽¹⁾	15,202	3,638
Net capitalisation (S\$'000) ⁽²⁾	86,144	82,145
Net debt gearing (%) ⁽³⁾	17.6%	4.4%

Notes:

- (1) Total net debt refer to the aggregate of the Group's borrowings from financial institutions less cash and cash equivalents.
- (2) Net capitalisation is the aggregate of net debt and total equity.
- (3) Net debt gearing is defined as the ratio of the Group's total net debt to its net capitalisation.

9. SERVICE CONTRACT

No person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Proposed Disposal.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

11. DOCUMENT FOR INSPECTION

A copy of the Agreement is available for inspection at the registered office of the Company at 100 Tuas South Avenue 8 Singapore 637424 for a period of three (3) months from the date of this announcement.

By Order of the Board

Tan Lee Fang
Company Secretary
5 June 2026