

Issuer: MTQ Corporation Limited

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Meeting details:

Date: 29 Jul 2016

Time: 10:00 AM

Venue: Carlton Hotel, Empress Ballroom 2, Level 2, 76 Bras Basah Road, Singapore 189558

Questions on strategy, financials and operations

1. Last year, the Chairman had said that he had “never seen such a bad market in all his years in the industry” and the year turned out to be really challenging. This year, in the Chairman’s message, the Chairman offered his view that “the prospects of a quick recovery look difficult”. Until the market recovers, management will probably find it a struggle to do all of the following: (i) maintain good relationships with key customers, (ii) obtain fair prices for our products and services, (iii) retain good staff and keep their morale up, and (iv) maintain a strong financial position. Not achieving any one of the four objectives may result in the group losing its competitive position when the market recovers.

- **What would be the group’s strategy during this subdued period? Can the board share some of the financial and operational targets that they have set for management?**
- **Can management elaborate on their plans and give examples of how they aim to meet these targets?**
- **If the situation does not improve, would the group need to shore up its balance sheet in a year’s time? In 2 years’ time? What are the contingency plans?**

2. With the benefit of hindsight, the purchase of Binder and Neptune could have been better timed. Nevertheless, the acquisitions added to the group’s suite of services and products. And in every crisis, the big winners are those (borrowing CEO’s words) “emerge stronger into better markets”. **Can the Board elaborate on “focus on the opportunities available” as stated by both the Chairman and CEO? More specifically, is the group still on the lookout for strategic acquisitions of distressed assets/companies? If so, what are the missing pieces that would transform the group?**

Questions on governance and management

3. The company does not have a Nominating Committee. The Board retains the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members (page 24). Other than the Chairman and Group CEO, it is observed that the current board is made up of directors with experience in building material, food ingredient and investments.

Board directors with deep domain expertise can add value to the board with fresh input, share his/her knowledge and tap into his/her network for opportunities and contacts. **Would the board consider adding independent directors with the relevant oil and gas experience? Are there specific reasons why the board does not have directors with O&G experience?** Former senior executives from oil majors or the big players from the supply chain (such as Haliburton, Schlumberger or Baker Hughes) can probably provide a lot of value-add when the board deliberates on O&G-specific matters.