

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

ANNUAL GENERAL MEETING TO BE HELD ON 30 JULY 2024
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

MTQ Corporation Limited (the “**Company**”) would like to thank shareholders for submitting their questions in advance of the upcoming Annual General Meeting to be held on 30 July 2024, 10.00 a.m. at Carlton Hotel, Empress Ballroom 4, Level 2, 76 Bras Basah Road, Singapore 189558 (the “**AGM**”).

The Appendix annexed herein sets out the Company’s responses to the substantial questions received from shareholders and other stakeholders that are relevant to the AGM resolutions and the business of the Company and its subsidiaries (the “**Group**”).

Please refer to the Appendix for the Group’s responses.

By Order of the Board

Tan Lee Fang

Company Secretary

29 July 2024

Appendix

1.	<p>Can the nominating and remuneration committee (NRC) elaborate further on the underlying reasons for the board's deviation from Provision 2.2 of the 2018 CG Code? Specifically, what factors have prevented the board from meeting the requirements of Provision 2.2?</p> <p>Given that the board and management commitment to maintaining corporate governance standards, did the board/NRC deliberate on potential adjustments to the board composition to comply with Provision 2.2?</p> <p>What specific efforts have been made towards the progressive renewal of the board and maintaining continuity? How does the board plan to address the impending vacancies left by Mr Nicholas Campbell Cocks and Mr Chew Soo Lin, and ensure a smooth transition while maintaining governance standards?</p> <p>The Board, through the NRC, assesses the independence of the Board members annually taking into consideration the relevant CG Code and SGX-ST Listing Rules in place during each year. Prior to FY2019/20, 4 out of 7 directors were deemed independent. In 2018, a new Code of CG 2018 and consequential changes to the Listing Rules were issued. Among other changes, the substantial shareholding threshold determining a director's independence has been revised from 10% to 5%, resulting in one of the directors no longer being deemed as independent. While the Group fails to meet the majority threshold required by the Code, it meets the minimum one-third threshold set by the Listing Rule. We have also explained in the Corporate Governance section of the Annual Report how the Board is satisfied that its composition has an appropriate level of independence, consistent with the intent of Principle 2 of the 2018 CG Code.</p> <p>Recognising the importance of effective decision-making and governance of the Company and its businesses, the Board, led by the NRC, has been taking active steps in its board renewal process as early as 2021/2022. During this process, the NRC and the Board deliberated on factors including but not limited to the appropriate size of the Board, continuity, diversity and appropriate level of independence and industry knowledge.</p> <p>Outcome:</p> <p><u><i>Ms. Ho Gek Sim Grace</i></u></p> <p>The Company appointed Ms. Ho Gek Sim Grace as the independent director on 26 October 2022. She was appointed as a member of the NRC on 16 May 2024. She will be appointed as Lead Independent Director and a member of the AC as well as redesignated as Chairman of the NRC on 1 August 2024, following the resignation of Mr Nicholas Campbell Cocks as Director after the conclusion of the Company's AGM on 30 July 2024.</p> <p><u><i>Mr. Adel Khalil Ebrahim Almoayyed</i></u></p> <p>The Company appointed Mr. Adel Khalil Ebrahim Almoayyed as the independent director on 16 January 2024. He will be appointed as a member of the NRC on 1 August 2024. Mr. Adel Khalil Ebrahim Almoayyed comes with expertise and experience in the oil and gas sector in the Middle East, enhancing the diversity and independent elements of the Board.</p> <p><u><i>Mr. Ng Tiak Soon</i></u></p> <p>The Company appointed Mr. Ng Tiak Soon as the independent director and AC Chairman with effect from 1 August 2024, following the resignation of Mr. Chew Soo Lin as Director after the conclusion of the Company's AGM on 30 July 2024. Mr. Ng Tiak Soon comes with extensive knowledge in accounting, audit and strong finance background qualification and</p>
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	<p>experience and the Company believes that his appointment will enhance the diversity and independent elements of the Board.</p> <p>At this juncture, the Company believes that the Board has an appropriate level of independence and diversity to enable it to make decisions in the best interests of the Company. Nevertheless, the Board and the NRC will constantly examine its composition from time to time.</p>
2.	<p>With the sale of Binder Group and the disposal of Neptune Marine Services, is the group now refocusing its efforts on oilfield engineering?</p> <p>Yes.</p>
3.	<p>Following the 3rd Saudi – Bahraini Coordination Council meeting this year, Bahraini products will be treated similarly to Saudi products in the Saudi market going forward. How will the Group benefit from recent developments?</p> <p>This will present significant opportunities to the Group as the reduced trade barriers and regulatory alignment can enable us to access a larger market, increasing sales/revenue potential and strengthening our regional footprint there.</p> <p>However, we are also mindful that there will be challenges in understanding and implementing the actual mechanisms and it will take time for the affected parties to clarify details with relevant ministries and departments before the full impact can be realised. Nonetheless, we remain cautiously optimistic about the long-term benefits.</p>
4.	<p>What specific step is the board taking to explore and identify diversification opportunities outside the fossil fuel industry? What timelines and milestones have been set for this strategic initiative?</p> <p>ADNOC has embarked on ambitious plans in Carbon Capture and Storage (CCS). Does the group have any plans to develop manufacturing capabilities needed for CCS given some similarities in conventional O&G and CCS equipment?</p> <p>At this time, we do not have specific plans to develop manufacturing capabilities for CCS. However, we will continue to monitor developments in this area and evaluate other potential opportunities that align with our strategic goals. Our focus remains on our core operations, but we remain open to exploring new avenues in the future as the market evolves.</p>
5.	<p>Aramco has further rolled out multi-billion spending on Jafurah gas fields and expects overall lifecycle investments to exceed US\$100 billion. How well is the group positioned to benefit from equipment sales for Natural Gas drilling/downstream?</p> <p>Our Bahrain facility has already experienced an uptick in orders related to the Jafurah project, coinciding with the commissioning of additional rigs specifically for this project. Major OEMs such as Baker Hughes, TechnipFMC, Cameron, and others have increased their activity, and previously quoted jobs are steadily converting into confirmed orders. This trend is a highly positive indicator of our growing involvement and success in this significant project.</p> <p>We have proven expertise, capabilities, and a long-standing history of providing high-quality, reliable equipment and services to our customers. Our expertise spans various segments, including drilling, well completion, and production, which are critical to the</p>

	<p>development and operation of gas fields. We continuously invest in research and development to innovate and enhance our product offerings. Our efficient supply chain management and strategic partnerships allow us to meet the high demands and stringent standards of large-scale projects like Jarufah. With these strengths, we are well-equipped to support Aramco's ambitious plans for the Jarufah gas fields, ensuring efficient and successful execution.</p>
6.	<p>Can management provide a detailed breakdown of the total investment required for the new facility in the United Arab Emirates, including any additional costs beyond the \$13.5 million and \$7.2 million authorised for construction and machinery/equipment purchase?</p> <p>In addition, what specific customer acquisition strategies will be implemented for the UAE market, and how do these strategies take into account the unique market dynamics compared to Bahrain?</p> <p>The CAPEX commitments disclosed in the annual report represent the key initial investments required for the new UAE facility, although there will be other smaller equipment and fit-out costs that are still being finalised and will be added after the completion of the construction of the facility.</p> <p>As the Group indicated in our last AGM and via various announcements, we have been exploring potential areas of collaboration with the national drilling company in the UAE (ADNOC). Additionally, we are working closely with the major OEMs and drilling contractors, leveraging on our existing established relationships with them in Bahrain and the Southeast Asia regions.</p> <p>In this regard, we have signed Strategic Collaboration Agreement and/or Memorandum of Understanding with ADNOC and certain OEMs, and we continue to explore opportunities to expand and develop further capabilities in manufacturing and repairing oilfield equipment with them. This strategic approach ensures that we effectively address the unique market dynamics of the UAE, building on our existing customer base while establishing strong local partnerships to drive growth.</p>
7.	<p>What opportunities does management see, and how is the group positioning itself given the increasing concern over rig scarcity?</p> <p>How well positioned is the group to capture more oilfield business within SE Asia?</p> <p>From a macro perspective, tightening rig market has led to longer contract durations, rising day rates, and upstream customers securing rigs years in advance of projected work commencement. The appetite for upstream CAPEX is also expected to grow, partially fulfilled by reactivations of stacked rigs or relocating active rigs to different regions.</p> <p>The Group's facilities in Singapore are strategically positioned to capture these opportunities in the Southeast Asia region. In line with the macro environment, we are experiencing a robust pipeline of potential work, and our workshop activities have remained consistently high this year. Furthermore, our acquisition of the larger Tuas facility from Cameron a few years ago has enhanced our capacity to seize more of these opportunities.</p>
8.	<p>What are the roles and responsibilities of the Group CEO? Will Mr Vorajee continue as the managing director of MTQ Oilfield Services W.L.L., and how will this dual role impact his capacity to lead the overall group effectively?</p>

	<p>With Mr. Vorajee based in Bahrain, who will be responsible for the day-to-day oversight and management of the Singapore and Asia operations at the group level? What measures are in place to ensure effective leadership and continuity?</p> <p>What is the level of familiarity of the new Group CEO with SGX Listing Rules?</p> <p>The Group CEO's roles and responsibilities encompass strategic leadership, operational oversight, and driving overall growth and profitability. Mr. Vorajee will not take on a dual role for MTQ Oilfield Services W.L.L., as there is a Business Unit Head leading the Bahrain's operations (this information is available in the "Management" section in our website). Similarly, there are other very experienced key management personnel, who have been with the Group for many years, leading the respective operations in Singapore. These dedicated regional management teams report directly to the Group CEO, ensuring effective leadership and operational continuity.</p> <p>Additionally, Mr. Vorajee is supported by a corporate team, whose members have been with the Group for many years. The Board and Board Committees provided oversight over corporate and governance matters. Mr. Kuah Boon Wee, the ex-Group CEO, remains as a director of the Group, providing experienced oversight and continuity. This comprehensive structure ensures adherence to regulatory requirements and maintains high standards of corporate governance.</p>
<p>9.</p>	<p>Please explain the increase in "Others" within operating cash flows before change in working capital (pg 47) of Annual report.</p> <p>The increase mainly arises from foreign exchange movements relating to certain working capital items.</p>