

**PROPOSED BONUS ISSUE ON THE BASIS OF ONE BONUS SHARE FOR  
EVERY FIVE EXISTING ORDINARY SHARES**

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The Board of Directors of MTQ Corporation Limited (the “**Company**”) is pleased to announce that the Company is proposing a bonus issue of new ordinary shares in the capital of the Company on the basis of one (1) new ordinary share (“**Bonus Share**”) for every five (5) existing ordinary shares held by shareholders of the Company (the “**Proposed Bonus Issue**”) as at a book closure date (the “**Book Closure Date**”) to be determined by the Directors for the purpose of determining the entitlements of shareholders. Fractional entitlements of Bonus Shares shall be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interest of the Company and as may be acceptable to the Singapore Exchange Securities Trading Limited.

As at the date of this announcement, the total number of issued and paid-up ordinary shares of the Company is 127,009,416 and the Company does not hold any treasury share. On the assumption that there is no change to the number of issued ordinary shares from the date of this announcement until the Book Closure Date, up to 25,401,883 Bonus Shares will be issued pursuant to the Proposed Bonus Issue. The actual number of Bonus Shares to be issued will depend on the total number of issued shares (excluding treasury shares) in the capital of the Company as at the Book Closure Date.

The Bonus Shares will be issued to the shareholders of the Company whose names appear in the Register of Members or to those who have shares entered against their names in the Depository Register as at the Book Closure Date. Notice of the Book Closure Date of the Register of Members and the Share Transfer Books of the Company will be given at a later date, after necessary approval has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Bonus Shares will be issued as fully paid at nil consideration to entitled shareholders, without capitalisation of the Company’s reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date on which the Bonus Shares are allotted and issued.

The Bonus Shares will be issued pursuant to a general mandate (the “**Resolution**”) obtained at the Annual General Meeting of the Company held on 26 July 2013. Under the general mandate, the Directors of the Company have been authorised and empowered to issue shares in the Company aggregating up to 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the time of passing of the Resolution.

The rationale for the Proposed Bonus Issue is to increase the accessibility of investing in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

The Proposed Bonus Issue is subject to the approval of the SGX-ST for the listing and quotation of the Bonus Shares on the official list of the SGX-ST. Barring any unforeseen circumstances, the Company expects that the Bonus Shares will be entitled to the proposed final cash/scrip dividend of 2.0 Singapore cents in respect of the financial year ended 31 March 2014.

The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares on the official list of the SGX-ST and an announcement of the outcome of the application will be made in due course.

None of the Directors and substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

**BY ORDER OF THE BOARD  
MTQ CORPORATION LIMITED**

DOMINIC SIU MAN KIT  
COMPANY SECRETARY  
14 May 2014