

MTQ CORPORATION LIMITED

(Incorporated in Singapore)

[Co. Registration No. 196900057Z]

MTQ ENGINES SYSTEMS (AUST) PTY LTD - SETTLEMENT OF LEGAL PROCEEDINGS

The Board of Directors of MTQ Corporation Limited (“MTQ”) is pleased to announce the settlement of two long standing legal proceedings involving its wholly owned Australia subsidiary, MTQ Engine Systems (Aust) Pty Ltd (“**MTQES**”).

The cases were first disclosed in MTQ’s Annual Report for its financial year ended 31 March 2004 and relate to legal proceedings taken by MTQES against CSR Limited (“**CSR**”) for an unpaid invoice of A\$516,714 (approximately S\$599,388), plus interests and costs, pertaining to the supply of a turbocharger (“**the Claim**”). In its defence, CSR & Cement Australia (Goliath) Pty Ltd filed a counterclaim against MTQES of A\$871,544 (approximately S\$1,010,991) (“**the Counterclaim**”) for loss and damage arising from alleged non-conformance with the relevant contracts.

Under the terms of settlement concluded between MTQES and CSR, CSR agrees: 1) to pay MTQES a sum of A\$820,000 (approximately S\$951,200) in full settlement of the Claim and MTQ’s costs of the Claim and the Counterclaim, 2) to dismiss the Counterclaim with no order as to costs, and 3) that MTQ should retain ownership of the subject turbocharger.

In connection with the claims, provisions for professional/legal fees have been made in the current financial year. With the settlement, the MTQ Group can expect to write back an amount of approximately S\$1,100,000 in its financial statements for the current financial year ending 31 March 2009. The settlement is not expected to have a material impact on the net tangible assets per share of the MTQ Group.

By Order of the Board

Kuah Kok Kim
Chairman/ Chief Executive Officer
MTQ Corporation Limited

10 September 2008