

MTQ CORPORATION LIMITED

(Incorporated in Singapore)

(Co. Reg. No. 196900057Z)

ACQUISITION OF BUSINESS ASSETS OF PREMIER FUEL INJECTION SERVICE PTY LTD

Acquisition of Business Assets

The Directors of MTQ Corporation Limited (“**Company**” or “**MTQ**”) hereby announce that its wholly-owned Australian subsidiary, MTQ Engine Systems (Aust) Pty Ltd (“**MTQES**”) has today entered into a Sale of Assets Agreement to acquire the business assets and certain inventories of Premier Fuel Injection Service Pty Ltd (“**Premier**”).

Premier is a privately owned company incorporated in the State of Northern Territory (“NT”) in Australia. It is a service organisation primarily engaged in the diagnostic and repair of diesel fuel injection parts and engine management systems. The company is also the only Bosch Diesel Centre, Denso Service dealer and operator of a 4WD dynamometer for diesel engine testing in NT.

Rationale of Acquisition

Currently, MTQES operates a nationwide network of 9 branches in Australia spanning most of the major States. NT is one of the few capital cities that MTQES does not operate in.

The Directors view the acquisition of the business assets of Premier as an efficient and cost-effective opportunity for MTQES to expand its branch network. MTQES’ presence in NT will enhance the ability of MTQES to offer its existing and new customers a comprehensive suite of products and services across Australia and the nearby resource rich regions.

The MTQES’ operations in NT are expected to contribute to the full year financial performance of MTQES for FY2010/ 2011.

Consideration

MTQES will pay Premier A\$500,000 (Five Hundred Thousand Australian Dollars) for business assets and inventories. The business assets comprise mainly of plant, equipment and tooling.

The consideration is based on an internal assessment of the fair market price of the assets and inventories conducted in February 2010, which valued these at approximately A\$512,000 (Five Hundred and Twelve Thousand Australian Dollars). No independent valuation has been carried out in respect of these assets and inventories.

The acquisition will be financed through internal funds and fully settled in cash.

Separately, MTQES has also entered into 2 agreements -

- a) A property lease agreement with Premier for MTQES to operate from Premier's existing workshop facility for 3 years, with the right of renewal for another 3 years, based on commercial terms;
- b) An employment contract with the founding shareholders of Premier, Brian Agostini to secure his technical services and marketing expertise in the NT region.

Relative figures under Listing Rule 1006

The acquisition is not a discloseable transaction under Chapter 10 of the Listing Manual.

The transaction is not expected to have any material impact on the Net Tangible Asset and Earnings per Share value of the Company for the financial year ending 31 March 2010.

Interests of Directors and controlling shareholders

Mr. Kuah Kok Kim is a controlling shareholder of MTQ and a director of MTQES. Save aforesaid or through their respective shareholdings in MTQ, none of the Directors of the Company has any direct or indirect interest in the aforesaid investment. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the investment and have not received any notification of interest in the investment from any substantial shareholders.

By Order of the Board
MTQ CORPORATION LIMITED

Submitted by Fong Choon Seng, Company Secretary on 15 March 2010 to the SGX