

MTQ CORPORATION LIMITED

(Incorporated in Singapore)

(Company Registration No. 196900057Z)

ACQUISITION OF THE BUSINESS ASSETS OF HIGHWAY DIESEL

The Board of Directors of MTQ Corporation Limited (“**Company**” or “**MTQ**”) wishes to announce that its Australian subsidiary, MTQ Engine Systems (Aust) Pty Ltd (“**MTQES**”) has entered into a Sale and Purchase Agreement to acquire the business assets (excluding debtor balances) of Highway Diesel.

Highway Diesel is a fuel injection service business based in Brisbane and is privately owned and operated by Premacliff Pty Limited (“**Premacliff**”). Highway Diesel is primarily engaged in the diagnostics and servicing of diesel fuel injection and holds service dealerships with major brands such as Bosch, Denso and Delphi. The acquisition of Highway Diesel would enable MTQES to further expand its range of service and repair capabilities as well as its business network within Brisbane.

MTQES will pay Premacliff an upfront consideration of A\$1,500,000 (One Million and Five Hundred Thousand Australian Dollars) for the business assets of Highway Diesel. The consideration is based upon an internal assessment of the earnings potential of the business. A further contingent consideration would be paid dependent upon Earnings Before Interest and Tax earned by the acquired business in the first 12 months subsequent to acquisition. The total consideration, including contingent consideration is estimated at A\$2,000,000 (Two Million Australian Dollars).

The upfront consideration would be settled by cash on the date of settlement and the contingent consideration would be settled by cash within 2 months after the first 12 months of trading of Highway Diesel under MTQES ownership.

The book value of business assets acquired amounts to A\$1,069,000 (One Million and Sixty Nine Thousand Australian Dollars) and approximates their fair value. No independent valuation has been carried out in respect of these business assets.

None of the Directors has any interest, direct or indirect, in the aforesaid transaction.

The acquisition is not a discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Stock Exchange Securities Trading Limited.

The aforesaid transaction is not expected to have any material impact on the Net Tangible Asset and Earnings per Share value of the MTQ Group for the financial year ended 31 March 2011.

BY ORDER OF THE BOARD
MTQ CORPORATION LIMITED

FONG CHOON SENG
COMPANY SECRETARY
Date: 26th August 2010