

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

- 1. NON-BINDING LETTER OF INTENT IN RELATION TO AN EXCLUSIVE ARRANGEMENT TO PROVIDE OILFIELD SERVICES**
 - 2. PROPOSED ACQUISITION OF PROPERTY AND EQUIPMENT AND STRATEGIC COLLABORATION**
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LETTER OF INTENT (“LOI”)

The Board of Directors (the “**Board**”) of MTQ Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that the Company has today entered into a non-binding LOI with a leading Original Equipment Manufacturer of oilfield equipment (“**OEM**”) to be the exclusive service provider for the OEM in the Asia Pacific region. Under the LOI, it is intended that the Group will provide support for after-sales service needs for pressure controlled equipment owned by the OEM’s customers for a period of 10 years subject to meeting certain operating and service expectations.

This LOI is non-binding and does not create any legally enforceable obligations between MTQ and the OEM at this time except for certain confidentiality obligations. It is intended to be a basis for further negotiations between the parties.

PROPOSED ACQUISITION OF PROPERTY AND EQUIPMENT AND STRATEGIC COLLABORATION

In conjunction with the LOI, the Group is also discussing a proposed acquisition of property and equipment from the OEM, comprising a JTC leasehold property (where the OEM is currently operating out of) (“**Property**”) and certain capital equipment necessary for providing the after-sales services mentioned above (“**Proposed Acquisition**”, and together with the LOI, the “**Proposed Strategic Collaboration**”). The indicative consideration for the Proposed Acquisition is approximately US\$5.3 million.

The Group believes that the consolidation of facilities and resources will strengthen the parties’ prospects as we look towards business recover in the sector in Asia. The Proposed Strategic Collaboration will provide the Group the opportunity to work with a major OEM in this area, which is core to the Group’s business activity within the oilfield equipment sector.

The Proposed Strategic Collaboration are still being negotiated between the parties and is subject to contract, relevant regulations and necessary approvals, including approval by JTC Corporations in relation to the re-assignment of the lease for the existing Tuas site that the Property is situated on. The parties will enter into a due diligence phase and any definitive agreements will only be executed upon satisfaction of the due diligence process.

CAUTIONARY STATEMENTS AND FURTHER ANNOUNCEMENTS

Shareholders and potential investors are reminded that, at this juncture, no definitive binding agreements have been entered into in connection with Proposed Strategic Collaboration and there is no assurance as to whether the Proposed Strategic Collaboration will materialize, or whether it will proceed on the terms described in this announcement. Accordingly, shareholders and potential investors should exercise caution when trading in the shares of the Company.

The Company will make the necessary announcements as and when there are further material developments on the Proposed Strategic Collaboration and other key related matters that may be contemplated in the future.

INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and the controlling shareholders, as well as their respective associates, has any interest, direct or indirect, in the Proposed Strategic Collaboration other than through their respective shareholdings (if any) in the Company.

By Order of the Board

Tan Lee Fang
Company Secretary
27 July 2021