



METAX ENGINEERING CORPORATION LIMITED

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METAX ENGINEERING CORPORATION LIMITED

(Incorporated in the Republic of Singapore under Registration Number 197500111H)

INCORPORATION OF A SUBSIDIARY IN INDONESIA

The Board of Directors of Metax Engineering Corporation Limited (the “**Company**”) wishes to announce that the Company has taken steps to incorporate a subsidiary in Indonesia, PT. Bali Environmental Persada (“**PT Bali**”).

PT Bali will have a paid-up capital of Rp 1,829,421,000 (approximately S\$230,000), of which the Company will contribute Rp 1,097,652.60 (approximately S\$138,000), thereby resulting in the Company having an aggregate beneficial interest of 60% in the equity of PT Bali. The remaining equity interest of 40% will be held by PT. Pulau Mas International, an unrelated third party Indonesian company which is part of a conglomerate involved in the trading of various building products, civil construction and property development.

The principal activities of PT Bali shall comprise the import and trading of water treatment equipment, mechanical and engineering equipment, and spare parts such as water pump, water filter and compressor, and business management consultancy.

The incorporation of PT Bali is subject to the approval of the Ministry of Justice in Indonesia.

None of the Directors or controlling shareholders of the Company will have any interest, direct or indirect (save for their shareholding interest in the Company, if any), in PT Bali.

The incorporation of PT Bali is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the current financial year.

BY ORDER OF THE BOARD

Tan Tze Wen
Managing Director
29 June 2009

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Company's Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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