



METAX ENGINEERING CORPORATION LIMITED

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**MEDIA RELEASE
(FOR IMMEDIATE RELEASE)**

**Metax proposes fund raising worth S\$13.39 million,
signalling a return of investor confidence**

- *The proposed placement of 89,900,000 new ordinary shares to be issued at a price of S\$0.10 per share shall raise gross proceeds of S\$ 8.99 million*
- *The proposed issue of 40,000,000 warrants priced at S\$0.005 for each warrant, raising an initial S\$200,000 in gross proceeds. Each warrant shall carry the rights to subscribe for one (1) new share at the exercise price of S\$0.105 for each warrant, raising gross proceeds of S\$4.2 million assuming all warrants are fully exercised over a three year period.*
- *Key subscribers include strategic investor, Ma Ong Kee who has undertaken not to dispose of or transfer new shares for a post-completion moratorium of six months*
- *New share placements and warrant issues subject to (amongst other conditions) new share issue mandate to be voted upon in upcoming annual general meeting*
- *Proceeds shall be mainly utilised to finance strategic projects and to reduce bank borrowings*

SINGAPORE – 22 SEPTEMBER 2009 – Metax Engineering Corporation Limited (“Metax Engineering”, or together with its subsidiaries, “the Company”), a home-grown environmental engineering company listed on the Official List of the SGX Catalist, is pleased to announce its latest round of proposed fund-raising through the proposed placement of new ordinary shares and issue of warrants which aims to raise gross proceeds of up to S\$13.39 million.

In signalling a return of confidence to the Company, a number of investors have signed share lending agreements, share subscription agreements and warrant subscription agreements with the Company, subject to conditions such as regulatory

approvals for the listing of and quotation for additional shares and the adoption of new share issue mandate at the upcoming annual general meeting.

The proposed placement of 89,900,000 new ordinary shares shall be priced at S\$0.10 per share raising gross proceeds of S\$8.99 million. The proposed placement exercise comprises an S\$1.57 million portion which shall be fulfilled via a share lending and subscription agreement, while the remaining sum of S\$7.42 million is secured via a share subscription agreement.

The proposed warrant issue of 40,000,000 shall be priced at S\$0.005 for each warrant, raising S\$200,000 in gross proceeds. Each warrant carries the right to subscribe to one new ordinary share in the Company for an exercise price of S\$0.105 for each warrant. When fully exercised and if no adjustments were made, these warrants shall raise gross proceeds of up to S\$4.2 million over a three-year exercise period commencing on the date of issue.

Amongst the subscribers to both the new share placement and warrant exercises, Mr Ma Ong Kee, a strategic investor has undertaken not to dispose of or transfer the shares acquired in these exercises during a post-completion period of six months.

“We are indeed pleased to gain the interest and confidence of these investors, some of whom are strategic in nature. This certainly signals a return of confidence in Metax as well as our key businesses. Our key priorities in this round of fund raising are to finance projects relating to the Punggol Reservoir, the Marina Reservoir and the Punggol Waterway and to reduce loans and bank borrowings.” Mr Tan Tze Wen, Managing Director of Metax Engineering remarked.

In addition to its existing competencies in hydro-engineering and water treatment, Metax have been attempting to balance and stabilise its revenue by adding a new majority stake in WS Bio (a palm oil treatment and engineering specialist) to its portfolio of businesses in late 2008. Contributions from this new sector gave the Company strong top line growth in the second half of FY2009 (six months ended 30 June 2009) while it seeks to mitigate slowing revenues in the water sector.

Note to readers: For full and complete details, please read this media release in conjunction with the concurrent announcements posted on the SGXNet today

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Issued on behalf of Metax Engineering Corporation Limited by Cogent Communications Pte Ltd

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About Metax Engineering Corporation Limited

Listed on the Singapore Exchange (SGX) in 2006, Metax Engineering Corporation Limited (“Metax Engineering”) is an environmental engineering company that provides engineering, procurement and construction (“EPC”) services for water and wastewater treatment and hydro-engineering projects. With the acquisition of WS Bioengineering Pte. Ltd. (“WS Bio”), Metax Engineering intends to extend its EPC arm into the palm oil refining industry.

Metax Engineering was incorporated in Singapore in 1975 and has accumulated over 30 years of experience providing EPC services for water and wastewater treatment projects as well as hydro-engineering projects thus far. They started expansion into the Asia Pacific region in 1985. Today, their principal market is in South Asia and their projects come from both the public and private sectors.

Metax Engineering was awarded the ISO 9001:2000 certification in 2001 as a testimony of their ability to deliver quality services and products. They also attained the ME11 L6 and SY08 gradings by the Singapore Building and Construction Authority which enables them to tender for mechanical engineering projects and to supply mechanical equipment, plant and machinery of unlimited value.

WS Bio is a Singapore-incorporated company whose principal business is in the engineering and construction of palm refining facilities, nutrient extraction facilities and biofuel refining facilities. WS Bio also owns a majority controlling stake in Oiltek Sdn Bhd.

For more information, please visit Metax Engineering’s website <http://www.metax.com>