



METAX ENGINEERING CORPORATION LIMITED

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METAX ENGINEERING CORPORATION LIMITED

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

USE OF PROCEEDS

The Board of Directors of Metax Engineering Corporation Limited (the “**Company**”) refers to the subscription (the “**Subscription**”) of an aggregate of 89,900,000 new ordinary shares in the capital of the Company and 40,000,000 non-listed and non-transferable warrants issued by the Company as announced on 22 September 2009, and which was completed on 11 January 2010.

The net proceeds from the Subscription amounted to S\$9.09 million. As at 31 January 2010, the Company had utilised approximately S\$5.50 million as follows:

Use of proceeds	Estimated proportion	Amount utilised (S\$'000)	Balance amount unutilised (S\$'000)
Financing of projects	50% - 75%	1,000	3,590
Reduction of loans and bank borrowings	20% - 30%	2,700	-
General working capital	5% - 30%	1,800	-

Further updates will be provided when the net proceeds are materially disbursed.

By order of the Board

Tan Tze Wen
Managing Director
12 February 2010

*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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