



METAX ENGINEERING CORPORATION LIMITED

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METAX ENGINEERING CORPORATION LIMITED

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

TERMINATION / RESCISSION OF THE SUB-CONTRACT BETWEEN A SUBSIDIARY AND SEMBAWANG ENGINEERS & CONSTRUCTORS PTE LTD

The Board of Directors of Metax Engineering Corporation Limited (the "**Company**") wish to inform its shareholders that on 25 July 2011, its subsidiary company, Metax Eco Solutions Pte. Ltd. (the "**Subsidiary**") has terminated/rescinded the sub-contract with Sembawang Engineers & Constructors Pte Ltd ("**SEC**"), executed on 20 February 2011, for the Complete Design, Supply, Delivery, Installation, Testing & Commissioning of Raw Water Pumping System, Inlet Chamber and Lamella Clarifier System, Sludge Treatment System and Static Mixers (the "**Sub-Contract**").

The Subsidiary, has since received a letter from SEC dated 27 July 2011, stating SEC's acceptance of Subsidiary's alleged repudiation of the Sub-contract and SEC's intentions to pursue its rights and remedies against the Subsidiary.

The Subsidiary intends to enforce its full legal rights and pursue all remedies available against SEC vigorously. Further announcements will be made as and when there are material developments.

By order of the Board

Tan Tze Wen
Managing Director
8 August 2011

*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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