



METAX ENGINEERING CORPORATION LIMITED

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METAX ENGINEERING CORPORATION LIMITED

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

TERMINATION OF CONTRACT

The Board of Directors of Metax Engineering Corporation Limited (the "Company") refers to the announcement dated 13 April 2006, in which it was announced that the Company had been awarded a contract to build, operate and maintain reverse-osmosis ("RO") plants at the Mangalam and Eastern common effluent treatment plants in India. The award also included a five-year operation and maintenance contract.

In order to limit cost overruns and based on the mutual agreement of Tamil Nadu Water Investment Company Limited and the Company, the Company will not continue with the five-year operation and maintenance contract. None of the parties shall have any claim against the other in relation to the termination of the contract. The termination of the contract is not expected to have any material negative impact on the Group's financial performance.

By order of the Board

Tan Tze Wen
Managing Director
4 May 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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