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AlloyMtd

MTD ACPI ENGINEERING BERHAD

(Company No. 258836-V)
(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE;
PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

The above proposals will be tabled as Special Business at the Twenty-Second ("22nd") Annual General Meeting ("AGM") of MTD ACPI Engineering Berhad ("MTDACPI" or "Company"). The 22nd AGM of MTDACPI will be held at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Thursday, 17 September 2015 at 9.30 a.m. or any adjournment thereof. The Notice of the 22nd AGM of MTDACPI together with the Form of Proxy are set out in the 2015 Annual Report of the Company.

The Form of Proxy must be completed and lodged at the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Tuesday, 15 September 2015 at 9.30 a.m.
Date and time of the 22nd AGM of MTDACPI : Thursday, 17 September 2015 at 9.30 a.m.

This Circular is dated 26 August 2015

DEFINITIONS

Except where the context otherwise indicates, the following definitions shall apply throughout this Statement and Circular:

“Act”	:	Companies Act, 1965, including any amendment thereto that may be made from time to time
“ACSB”	:	Alloy Capital Sdn Bhd (1000647-U)
“AGM”	:	Annual General Meeting of MTDACPI
“Alloy”	:	Alloy Consolidated Sdn Bhd (9850-H)
“Alloy Group”	:	Alloy and its subsidiaries excluding MTD Group and MTDACPI Group
“AlloyMtd Group”	:	Alloy and its subsidiaries inclusive of MTD, MTDACPI and their subsidiaries
“ANIH”	:	ANIH Berhad (939539-X)
“Board”	:	Board of Directors of MTDACPI
“Building”	:	A building leased by MTD Properties Sdn Bhd, a wholly-owned subsidiary of MTD and located at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Code”	:	Malaysian Code on Take-Overs and Mergers, 2010, including any amendment thereto that may be made from time to time
“Director(s)”	:	Shall have the meaning given in Section 4 of the Act and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
“EPS”	:	Earnings per share
“Listing Requirements”	:	Bursa Securities Main Market Listing Requirements including any amendment thereto that may be made from time to time
“Major Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or (b) five percent (5%) or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation For the purpose of this definition, “interest in shares” has the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company
“MTD”	:	MTD Capital Bhd (256187-T)
“MTD Group”	:	MTD and its subsidiaries excluding MTDACPI Group
“MTDACPI” or “Company”	:	MTD ACPI Engineering Berhad (258836-V)
“MTDACPI Group”	:	MTDACPI and its subsidiaries

DEFINITIONS (Cont'd)

“NA”	:	Net assets
“Nikvest”	:	Nikvest Sdn Bhd (159766-X)
“Proposals”	:	Proposed Renewal of RRPT Mandate, Proposed New RRPT Mandate and Proposed Amendments to Articles
“Proposed Amendments to Articles”	:	Proposed Amendments to Articles of Association of MTDACPI
“Proposed New RRPT Mandate”	:	Proposed New Shareholders’ Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature
“Proposed Renewal of RRPT Mandate”	:	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
“Proposed RRPT Mandate”	:	Proposed Renewal of RRPT Mandate and Proposed New RRPT Mandate
“Related Party(ies)”	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s) of MTDACPI Group
“Recurrent Related Party Transaction(s)” or “RRPT(s)”	:	Recurrent related party transactions of a revenue or trading nature with Related Party which are in the ordinary course of business and necessary for the day-to-day operation of MTDACPI Group
“RM”	:	Ringgit Malaysia
“SC”	:	Securities Commission
“Share(s)”	:	Ordinary share(s) of RM1.00 each in MTDACPI
“Shareholders’ Mandate”	:	Shareholders’ mandate obtained on 25 September 2014, for MTDACPI Group to enter into RRPT(s) based on the terms as set out in the Circular to Shareholders dated 3 September 2014

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PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE;
PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE; AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

LETTER TO SHAREHOLDERS OF MTDACPI CONTAINING:

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AlloyMtd

MTD ACPI ENGINEERING BERHAD

(Company No. 258836-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

1, Jalan Batu Caves
68100 Batu Caves
Selangor Darul Ehsan

26 August 2015

The Board of Directors

Dato' Ir. A. Rashid bin Omar (*Chairman, Independent Non-Executive Director*)
Dato' Dr. Azmil Khalili bin Dato' Khalid (*President & Chief Executive Officer, Non-Independent Executive Director*)
Datin Nik Fuziah binti Tan Sri Nik Hussein (*Deputy President & Chief Operating Officer, Non-Independent Executive Director*)
Dato' Ir. Kalid bin Alias (*Senior Independent Non-Executive Director*)
Nik Din bin Nik Sulaiman (*Independent Non-Executive Director*)
Lee Leong Yow (*Non-Independent Non-Executive Director*)
Keith George Cowling (*Non-Independent Executive Director*)

To: **The Shareholders of MTDACPI**

Dear Sir / Madam,

- i) **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE;**
- ii) **PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- iii) **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

1. INTRODUCTION

On 10 July 2015, MTDACPI had announced that the Company proposes to seek shareholders' approval for the following:

- (i) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- (ii) Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature.

Subsequently, on 24 August 2015, MTDACPI had announced that the Company proposes to seek shareholders' approval for the Proposed Amendments to Articles of Association of the Company.

The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the Ordinary and Special Resolutions to be tabled at the forthcoming 22nd AGM. The Notice of 22nd AGM together with the Form of Proxy are set out in the 2015 Annual Report of the Company.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING 22ND AGM.

2. PROPOSED RRPT MANDATE

The Shareholders' Mandate, shall in accordance with the Listing Requirements, lapse on conclusion of the forthcoming 22nd AGM, unless renewal is obtained from shareholders of MTDACPI at the said AGM.

Pursuant to Paragraph 10.09 (2) of the Listing Requirements, a listed issuer with an issued and paid-up capital of RM60 million and above, may seek a mandate from its shareholders for recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is RM1 million or more or the percentage ratio is 1% or more, whichever is higher; and
- (c) in a meeting to obtain shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Pursuant to Paragraph 10.09 (3) of the Listing Requirements, where a listed issuer has procured a shareholder mandate pursuant to Paragraph 10.09 (2) of the Listing Requirements, the provisions of Paragraph 10.08 will not apply.

The Board proposes to seek approval from shareholders for the RRPTs which MTDACPI Group are anticipated to enter into in the ordinary course of business with the Related Parties as set out in Section 2.1.3. It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such RRPTs will be made on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

The validity period of the Proposed RRPT Mandate will take effect from the date the Ordinary Resolutions are approved by shareholders at the forthcoming 22nd AGM and will remain in effect until:

- (i) the conclusion of the next AGM following the general meeting at which this mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier ("**Proposed Validity Period**").

2.1 Details of the Proposed RRPT Mandate

2.1.1 Details of MTDACPI Group

The principal activities of MTDACPI are investment holding company and project management. The principal activities of its subsidiaries are manufacturing and marketing of precast concrete products, heavy element precast products for viaducts, elevated highways, light rail transit guideways, bridges, engineered products, building system products, providing civil engineering and construction works and specialist contracting services.

2.1.2 Classes of Related Parties

(A) Alloy Group

The principal activities of Alloy Group are general construction, roads and highway maintenance, soil erosion control services, highway management and toll operation, outdoor advertising services and insurance broker.

Alloy is deemed interested in MTDACPI through the interests of its subsidiaries namely, MTD (50.77%) and ACSB (17.01%). Alloy's interest in MTD is by virtue of its direct shareholding of 26.01% and indirect shareholding of 51.18% through its wholly-owned subsidiaries, ACSB (47.78%) and Alloy Concrete Engineering Sdn Bhd ("ACE") (3.40%).

Datin Nik Fuziah binti Tan Sri Nik Hussein, is a director of Alloy, ACSB, ACE, MTD and MTDACPI as well as, a Major Shareholder of Alloy, the spouse of Dato' Dr. Azmil Khalili bin Dato' Khalid and the daughter of Tan Sri Dr. Nik Hussain bin Abdul Rahman.

Tan Sri Dr. Nik Hussain bin Abdul Rahman, a Director of Nikvest, ANIH and MTD, is deemed interested by virtue of his daughter, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy and his children's major shareholdings in Nikvest; both have indirect interests in MTDACPI. Alloy and Nikvest have indirect interests in MTDACPI through their interests in MTD of 26.01% and 22.81% respectively, while Alloy has additional indirect interest in MTDACPI (17.01%) through its wholly-owned subsidiary, ACSB.

Dato' Dr. Azmil Khalili bin Dato' Khalid, a Director of Alloy, ACSB, ACE, ANIH, MTD and MTDACPI, is deemed interested by virtue of his indirect interest of 67.78% in MTDACPI through his spouse, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy.

Haji Nik Fauzi bin Tan Sri Nik Hussein and Nik Faizul bin Tan Sri Nik Hussain are the children of Tan Sri Dr. Nik Hussain bin Abdul Rahman. They are deemed interested in MTDACPI (50.77%) by virtue of their major shareholdings in Nikvest, which in turn holds 22.81% shareholding in MTD. They are the siblings of Datin Nik Fuziah binti Tan Sri Nik Hussein.

Ruslan Sulaiman, a director of Alloy and ACSB, is deemed interested by virtue of his major shareholding in Alloy.

(B) Nikvest

The principal activities of Nikvest are investment holding and letting of properties.

Tan Sri Dr. Nik Hussain bin Abdul Rahman, a Director of Nikvest, ANIH and MTD, is deemed interested by virtue of his children's major shareholdings in Nikvest; and his daughter, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy, both have indirect interests in MTDACPI. Nikvest and Alloy have indirect interest in MTDACPI (50.77%) through their interests in MTD of 22.81% and 26.01% respectively, while Alloy has additional indirect interest in MTDACPI (17.01%) through its wholly-owned subsidiary, ACSB.

Haji Nik Fauzi bin Tan Sri Nik Hussein, a Director of Nikvest, ANIH and MTD is deemed interested in MTDACPI by virtue of being the son of Tan Sri Dr. Nik Hussain bin Abdul Rahman; sibling of Nik Faizul bin Tan Sri Nik Hussain, a Major Shareholder of Nikvest and Datin Nik Fuziah binti Tan Sri Nik Hussein, a director of Alloy, ACSB, ACE, MTD and MTDACPI as well as, a Major Shareholder of Alloy. He has indirect interest in MTDACPI (50.77%) by virtue of his interest in MTD (22.81%), through his major shareholding in Nikvest.

Nik Faizul bin Tan Sri Nik Hussain, a Major Shareholder of Nikvest and a Director of MTD is deemed interested in MTDACPI by virtue of being the son of Tan Sri Dr. Nik Hussain bin Abdul Rahman; sibling of Haji Nik Fauzi bin Tan Sri Nik Hussein and Datin Nik Fuziah binti Tan Sri Nik Hussein. He has indirect interest in MTDACPI (50.77%) by virtue of his interest in MTD (22.81%) through his major shareholding in Nikvest and his spouse's shareholding in MTDACPI (9,250 Shares).

(C) ANIH Berhad ["ANIH"]

The principal activity of ANIH is investment holding.

Tan Sri Dr. Nik Hussain bin Abdul Rahman, a Director of ANIH, Nikvest and MTD, is deemed interested by virtue of his major shareholding of 51.00% in ANIH; and his indirect interest of 67.78% in MTDACPI. Tan Sri's indirect interest in MTDACPI is by virtue of his interest in MTD (100%) through his children's major shareholdings in Nikvest (22.81%) and his daughter, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy (80.00%). Alloy has 67.78% interest in MTDACPI through MTD (50.77%) and its wholly-owned subsidiary, ACSB (17.01%).

Dato' Dr. Azmil Khalili bin Dato' Khalid, a Director of ANIH, Alloy, ACSB, ACE, MTD and MTDACPI, is deemed interested by virtue of his major shareholding of 49.00% in ANIH and his indirect interest of 67.78% in MTDACPI through his spouse, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy.

Haji Nik Fauzi bin Tan Sri Nik Hussein, a Director of ANIH, Nikvest and MTD, is deemed interested by virtue of being the son of Tan Sri Dr. Nik Hussain bin Abdul Rahman and sibling of Nik Faizul bin Tan Sri Nik Hussain and Datin Nik Fuziah binti Tan Sri Nik Hussein. He is also deemed interested in MTDACPI (50.77%) by virtue of his interest in MTD (22.81%), through his major shareholding in Nikvest.

(D) MTD Group

The principal activities of MTD are investment holding and provisioning of project management services while its subsidiaries and joint venture companies are engaged in the following core businesses:

- (i) infrastructure development;
- (ii) provision of consultancy;
- (iii) turnkey and project management services;
- (iv) construction, building and public engineering works;
- (v) property development and letting of property; and
- (vi) solid waste management.

Interested Directors/Major Shareholders and Persons Connected to them as at 31 July 2015, being the latest practical date:

- (1) MTD is deemed interested in MTDACPI by virtue of its shareholding of 0.87% and interest of its wholly-owned subsidiaries namely, MTD Equity Sdn Bhd and Metacorp Berhad ("Metacorp") of 38.10% and 11.80% respectively. MTD has direct interest of 8.60% and indirect interest of 91.40% in Metacorp through its wholly-owned subsidiary, Lambang Simfoni Sdn Bhd;
- (2) Alloy is deemed interested in MTDACPI through the interests of its subsidiaries namely, MTD (50.77%) and ACSB (17.01%). Alloy's interest in MTD is by virtue of its direct shareholding of 26.01% and indirect shareholding of 51.18% through its wholly-owned subsidiaries, ACSB (47.78%) and ACE (3.40%);
- (3) Tan Sri Dr. Nik Hussain bin Abdul Rahman, a Director of ANIH, Nikvest, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd and Metacorp is deemed interested by virtue of his interests in MTD (100%) through his children's major shareholdings in Nikvest (22.81%) and his daughter, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy (80.00%);
- (4) Nikvest is deemed interested in MTDACPI by virtue of its major shareholdings in MTD (22.81%);
- (5) ANIH is deemed interested in MTDACPI by virtue of Tan Sri Dr. Nik Hussain bin Abdul Rahman and Dato' Dr. Azmil Khalili bin Dato' Khalid's indirect interests in MTDACPI. They are Major Shareholders of ANIH and Dato' Dr. Azmil Khalili bin Dato' Khalid is a common director in MTDACPI and ANIH;
- (6) Dato' Dr. Azmil Khalili bin Dato' Khalid, a Director of Alloy, ACSB, ACE, ANIH, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd, Metacorp and MTDACPI is deemed interested by virtue of being the son-in-law of Tan Sri Dr. Nik Hussain bin Abdul Rahman; the spouse of Datin Nik Fuziah binti Tan Sri Nik Hussein, a Director of Alloy, ACSB, ACE, MTD and MTDACPI as well as, a Major Shareholder of Alloy; the brother-in-law of Haji Nik Fauzi bin Tan Sri Nik Hussein (a director of ANIH, Nikvest and MTD) and Nik Faizul bin Tan Sri Nik Hussain (a director of MTD), both of whom are indirect Major Shareholders of MTDACPI by virtue of their interests in MTD (22.81%) through their major shareholdings in Nikvest;
- (7) Datin Nik Fuziah binti Tan Sri Nik Hussein, a director of Alloy, ACSB, ACE, MTD and MTDACPI, is deemed interested by virtue of her major shareholding in Alloy, which in turn is a Major Shareholder of MTD (direct and indirect shareholdings of 26.01% and 51.18% respectively); and her interest in Alloy's wholly-owned subsidiary, ACSB, which holds 17.01% shareholding in MTDACPI. Datin is the daughter of Tan Sri Dr. Nik Hussain bin Abdul Rahman (a director of ANIH, Nikvest, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd and Metacorp) and spouse of Dato' Dr. Azmil Khalili bin Dato' Khalid (a director in Alloy, ACSB, ACE, ANIH, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd, Metacorp and MTDACPI). Datin is also the sibling of Haji Nik Fauzi bin Tan Sri Nik Hussein and Nik Faizul bin Tan Sri Nik Hussain, with major shareholding in Nikvest, a Major Shareholder of MTD (22.81%);
- (8) Haji Nik Fauzi bin Tan Sri Nik Hussein and Nik Faizul bin Tan Sri Nik Hussain are the children of Tan Sri Dr. Nik Hussain bin Abdul Rahman. They are deemed interested in MTDACPI (50.77%) by virtue of their interests in MTD (22.81%) through their major shareholdings in Nikvest. They are the siblings of Datin Nik Fuziah binti Tan Sri Nik Hussein; and
- (9) Ruslan Sulaiman, a director of Alloy and ACSB, is deemed interested by virtue of his major shareholding in Alloy (20.00%).

2.1.3 Nature of RRPTs

The details and nature of RRPTs under the Proposed RRPT Mandate which have been or will be entered into by MTDACPI Group in the ordinary course of business of MTDACPI Group with the Related Parties are set out below.

PROPOSED RENEWAL OF RECURRENT RELATED PARTY TRANSACTIONS

Related Party ⁽¹⁾	Nature of Transactions	Shareholders' Mandate		Estimated Value of Proposed RRPT during the Proposed Validity Period ⁽³⁾ (RM'million)	Interested Directors and/or Major Shareholders
		Mandate obtained on 25/9/2014 until the conclusion of the forthcoming 22nd AGM (RM'million)	Actual Value of RRPT from 25/9/2014 until 31/7/2015 ⁽²⁾ (RM'million)		
Alloy Group	Procurement of insurance and related services from Alloy Group	6	0.8	6	Interested Directors of MTDACPI are: Dato' Dr. Azmil Khalili bin Dato' Khalid and Datin Nik Fuziah binti Tan Sri Nik Hussein. Interested Major Shareholders of MTDACPI are: MTD, MTD Equity Sdn Bhd, Metacorp, ACSB, Lambang Simfoni Sdn Bhd, Nikvest, Alloy, Tan Sri Dr. Nik Hussain bin Abdul Rahman, Dato' Azmil Khalili bin Dato' Khalid, Datin Nik Fuziah binti Tan Sri Nik Hussein, Haji Nik Fauzi bin Tan Sri Nik Hussein, Nik Faizul bin Tan Sri Nik Hussain and Ruslan Sulaiman.
	Provision of construction and property development works by MTDACPI Group to Alloy Group	18	-	18	
	Civil engineering, construction, property development projects awarded by MTDACPI Group to Alloy Group	270	43.1	225	
	Supply of road marking, bridge expansion joint, bituminous and plastic products, road surfacing maintenance & pavement works and other road furniture items by MTDACPI Group to Alloy Group	27.5	4.7	27.5	
	Supply of infrastructure, construction & building materials and ancillary installation works by MTDACPI Group to Alloy Group	3	-	3	
	Provision of advertising services by Alloy Group to MTDACPI Group	0.5	Negligible	0.5	

Related Party ⁽¹⁾	Nature of Transactions	Shareholders' Mandate		Estimated Value of Proposed RRPT during the Proposed Validity Period ⁽³⁾ (RM'million)	Interested Directors and/or Major Shareholders
		Mandate obtained on 25/9/2014 until the conclusion of the forthcoming 22nd AGM (RM'million)	Actual Value of RRPT from 25/9/2014 until 31/7/2015 ⁽²⁾ (RM'million)		
MTD Group	Supply of road marking, bridge expansion joint, bituminous and plastic products, road surfacing, maintenance & pavement works and other road furniture items by MTDACPI Group to MTD Group	4	Negligible	4	Interested Directors of MTDACPI are: Dato' Azmil Khalili bin Dato' Khalid and Datin Nik Fuziah binti Tan Sri Nik Hussein. Interested Major Shareholders of MTDACPI are: MTD, MTD Equity Sdn Bhd, Metacorp, ACSB, Lambang Simfoni Sdn Bhd, Nikvest, Alloy, Tan Sri Dr. Nik Hussain bin Abdul Rahman, Dato' Azmil Khalili bin Dato' Khalid, Datin Nik Fuziah binti Tan Sri Nik Hussein, Haji Nik Fauzi bin Tan Sri Nik Hussein, Nik Faizul bin Tan Sri Nik Hussain and Ruslan Sulaiman.
	Renting of office space in the Building from and payable to MTD Group, on monthly basis for tenancy of not more than three (3) years (inclusive of utilities, other expenses and Goods & Services Tax) at RM295,806 per month	7.3	3.4	3.9	
	Provision of security services by MTD Group to MTDACPI Group	1.6	0.8	Not Required	
	Provision of security services by MTD Group to MTDACPI Group	3.2	0.5	2.7	
	Provision of civil engineering, construction and property development works by MTDACPI Group to MTD Group	2,600	3.7	1,700	
ANIH	Supply of road marking, bridge expansion joint, bituminous and plastic products, road surfacing, maintenance & pavement works and other road furniture items by MTDACPI Group to ANIH	16	0.2	16	

PROPOSED NEW RECURRENT RELATED PARTY TRANSACTIONS

Related Party ⁽¹⁾	Nature of Transactions	Estimated Value of Proposed RRPT during the Proposed Validity Period ⁽⁴⁾ (RM'million)	Interested Directors and/or Major Shareholders
MTD Group	Renting of office space in the Building from and payable to MTD Group, on monthly basis for tenancy of not more than three (3) years (inclusive of utilities, other expenses and Goods & Services Tax) at RM325,233 per month	7.5	Interested Directors of MTDACPI are: Dato' Azmil Khalili bin Dato' Khalid and Datin Nik Fuziah binti Tan Sri Nik Hussein. Interested Major Shareholders of MTDACPI are: MTD, MTD Equity Sdn Bhd, Metacorp, ACSB, Lambang Simfoni Sdn Bhd, Nikvest, Alloy, Tan Sri Dr. Nik Hussain bin Abdul Rahman, Dato' Azmil Khalili bin Dato' Khalid, Datin Nik Fuziah binti Tan Sri Nik Hussein, Haji Nik Fauzi bin Tan Sri Nik Hussein, Nik Faizul bin Tan Sri Nik Hussain and Ruslan Sulaiman.
	Provision of interest on advances provided by MTD Group to MTDACPI Group	6.0	

Notes:

⁽¹⁾ Anticipated or potential Related Parties of MTDACPI Group.

⁽²⁾ None of the actual value of RRPT exceeded the Shareholders' Mandate.

⁽³⁾ The estimated value of RRPTs during the Proposed Validity Period which may be revised.

⁽⁴⁾ The estimated value of new transactions for anticipated/potential contracts between MTDACPI Group and Related Parties during the Proposed Validity Period which may be revised.

The nature of relationship of MTDACPI Group with the Related Parties as at 31 July 2015 are as follows:

- (1) MTD is deemed interested in MTDACPI by virtue of its shareholding of 0.87% and interest of its wholly-owned subsidiaries namely, MTD Equity Sdn Bhd and Metacorp Berhad ("Metacorp") of 38.10% and 11.80% respectively. MTD has direct interest of 8.60% and indirect interest of 91.40% in Metacorp through its wholly-owned subsidiary, Lambang Simfoni Sdn Bhd;
- (2) Alloy is deemed interested in MTDACPI through the interests of its subsidiaries namely, MTD (50.77%) and ACSB (17.01%). Alloy's interest in MTD is by virtue of its direct shareholding of 26.01% and indirect shareholding of 51.18% through its wholly-owned subsidiaries, ACSB (47.78%) and ACE (3.40%);
- (3) Tan Sri Dr. Nik Hussain bin Abdul Rahman, a Director of ANIH, Nikvest, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd and Metacorp is deemed interested by virtue of his interests in MTD (100%) through his children's major shareholdings in Nikvest (22.81%) and his daughter, Datin Nik Fuziah binti Tan Sri Nik Hussein's major shareholding in Alloy (80.00%);
- (4) Nikvest is deemed interested in MTDACPI by virtue of its major shareholdings in MTD (22.81%);
- (5) ANIH is deemed interested in MTDACPI by virtue of Tan Sri Dr. Nik Hussain bin Abdul Rahman and Dato' Dr. Azmil Khalili bin Dato' Khalid's indirect interests in MTDACPI. They are Major Shareholders of ANIH and Dato' Dr. Azmil Khalili bin Dato' Khalid is a common director in MTDACPI and ANIH;
- (6) Dato' Dr. Azmil Khalili bin Dato' Khalid, a Director of Alloy, ACSB, ACE, ANIH, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd, Metacorp and MTDACPI is deemed interested by virtue of being the son-in-law of Tan Sri Dr. Nik Hussain bin Abdul Rahman; the spouse of Datin Nik Fuziah binti Tan Sri Nik Hussein, a Director of Alloy, ACSB, ACE, MTD and MTDACPI as well as, a Major Shareholder of Alloy; the brother-in-law of Haji Nik Fauzi bin Tan Sri Nik Hussein (a director of ANIH, Nikvest and MTD) and Nik Faizul bin Tan Sri Nik Hussain (a director of MTD), both of whom are indirect Major Shareholders of MTDACPI by virtue of their interests in MTD (22.81%) through their major shareholdings in Nikvest;
- (7) Datin Nik Fuziah binti Tan Sri Nik Hussein, a director of Alloy, ACSB, ACE, MTD and MTDACPI, is deemed interested by virtue of her major shareholding in Alloy, which in turn is a Major Shareholder of MTD (direct and indirect shareholdings of 26.01% and 51.18% respectively); and her interest in Alloy's wholly-owned subsidiary, ACSB, which holds 17.01% shareholding in MTDACPI. Datin is the daughter of Tan Sri Dr. Nik Hussain bin Abdul Rahman (a director of ANIH, Nikvest, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd and Metacorp) and spouse of Dato' Dr. Azmil Khalili bin Dato' Khalid (a director in Alloy, ACSB, ACE, ANIH, MTD, MTD Equity Sdn Bhd, Lambang Simfoni Sdn Bhd, Metacorp and MTDACPI). Datin is also the sibling of Haji Nik Fauzi bin Tan Sri Nik Hussein and Nik Faizul bin Tan Sri Nik Hussain, with major shareholding in Nikvest, a Major Shareholder of MTD (22.81%);

- (8) Haji Nik Fauzi bin Tan Sri Nik Hussein and Nik Faizul bin Tan Sri Nik Hussain are the children of Tan Sri Dr. Nik Hussain bin Abdul Rahman. They are deemed interested in MTDACPI (50.77%) by virtue of their interests in MTD (22.81%) through their major shareholdings in Nikvest. They are the siblings of Datin Nik Fuziah binti Tan Sri Nik Hussein; and
- (9) Ruslan Sulaiman, a director of Alloy and ACSB, is deemed interested by virtue of his major shareholding in Alloy (20.00%).

2.1.4 Amount Due and Owing to MTDACPI Group by Related Parties

The breakdown of the total outstanding amount due and owing by Related Parties under the RRPTs which exceeded the credit terms as at end of the financial year ended 31 March 2015 (“Outstanding RRPT Receivables”) are as follows:

Related Party	RRPT	Principal Sum (RM)	Outstanding RRPT Receivables (RM)		
			≤ 1 year	> 1 year to 3 years	> 3 years to 5 years
Alloy Group	Highway maintenance contracts	4,370,	2,083,648	459	7,369
MTD Group	Supply of highway maintenance products	83,934	1,278	-	-
	Construction works	14,592,163	10,125,932	-	-

There is no Outstanding RRPT Receivables exceeding the credit term of more than 5 years.

The management of the Company monitors and analyses the collection of Outstanding RRPT Receivables on regular basis, and engaged the Related Parties for expeditious payment.

No late payment charge is imposed by MTDACPI Group on the Outstanding RRPT Receivables, which exceeded the credit terms and *vice-versa*, no late payment charge is imposed by Related Parties.

The Board is aware of the Outstanding RRPT Receivables which exceeded the credit term and opined that these Outstanding RRPT Receivables are owing in the ordinary course of business, and there will be no recoverable issue as the Related Parties have good credit standing and long standing relationship with MTDACPI Group.

2.2 Rationale and Benefits of the Proposed RRPT Mandate

The rationale and benefits of the Proposed RRPT Mandate are as follows:

- The Related Parties have long standing relationship with MTDACPI Group where similar businesses are conducted and transactions with the Related Parties are likely to occur to take advantage of reliability in the standard of services, support provided, sharing of product information and knowledge; and further, MTDACPI Group would have the added advantage of confidence and familiarity with the background and management of the Related Parties and *vice-versa*, thus enabling more informed decision-making by MTDACPI Group;
- To facilitate transactions with Related Parties which are priced competitively and are carried out in the ordinary course of business of MTDACPI Group, entered into at arm’s length and ordinary commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders;
- To enter into recurrent transactions in the ordinary course of business which are time-sensitive, confidential and frequent without having to make immediate announcements and to convene separate general meetings of the Company, to seek shareholders’ approval on transactions pursuant to the financial limits imposed by Bursa Securities under Paragraph 10.08 of the Listing Requirements;
- The transactions with the Related Parties create mutual benefits for the parties and to reflect the objectives of AlloyMtd Group’ to achieve synergy for efficient and effective day-to-day operations. This will substantially reduce the expenses associated with the convening of general meetings on an ad-hoc basis, improve administration efficiency and allow manpower resources and time to be channelled towards attaining other corporate objectives; and
- MTDACPI Group benefits from the close working relationship with the Related Parties and the prompt and reliable services and products from them. The Related Parties also possess relevant experience and expertise in the respective fields, which are required by MTDACPI Group in its day-to-day operations.

2.3 Review Procedures for the RRPTs

There are procedures established by MTDACPI Group to ensure that RRPTs are undertaken on arm's length basis and on normal commercial terms consistent with the business practices and policies of MTDACPI Group, which are generally not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders. The procedures are as follows:

- (a) A list of Related Parties of MTDACPI Group will be circulated to the Directors and management of the Company and its subsidiaries to notify that all RRPTs are required to be undertaken on arm's length basis and on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and not detrimental to the minority shareholders;
- (b) RRPTs will be reviewed by the Audit Committee on quarterly basis. Any member of the Audit Committee may as he deems fit, requests for additional information pertaining to the transactions including from independent sources or advisers;
- (c) The management of MTDACPI will monitor and review all RRPTs which are entered into pursuant to shareholders' mandate. The RRPTs will be recorded in a register and the breakdowns of aggregate value of the transactions during the financial year are disclosed in the annual report of the Company;
- (d) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to shareholders' mandate, to ensure that the relevant approvals have been obtained and review procedures in respect of RRPTs have been complied with;
- (e) The Board and the Audit Committee of MTDACPI shall review the internal audit reports, to ascertain that the review procedures established to monitor, track and identify RRPTs in a timely and orderly manner are adequate and have been complied with;
- (f) If a member of the Board or Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee as the case may be, he will not participate in the deliberation of such transaction and will abstain from any decision-making in the Board or the Audit Committee in respect of that transaction;
- (g) The management of MTDACPI will ensure at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services, and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same/substantially similar type of products/services and/or quantities. Where there is no similar or substantially similar nature of transactions between MTDACPI Group and unrelated third parties; the price, terms and conditions of the transactions for the products or services will be in accordance with applicable industry norms, prevailing commercial rates and will not be detrimental to the minority shareholders;
- (h) The thresholds for approval of RRPTs by the Board subject to the recommendation of the Audit Committee are as follows:
 - (i) Renting of office space in the Building from MTD Group exceeding RM1 million per contract;
 - (ii) Procurement of insurance and related services from Alloy Group exceeding RM500,000 per contract;
 - (iii) Provision/award and acceptance of construction, property development or project management services contracts exceeding RM15 million per contract;
 - (iv) Supply of materials and construction of ancillary installations works exceeding RM10 million per contract; and
 - (v) Provision of interest on advances provided by MTD Group to MTDACPI Group exceeding RM1 million per transaction.
- (i) The cost plus method, if deemed necessary, will be used to determine the price of the transactions. This method determines the arm's length price by adding an appropriate mark-up to the cost of transaction at a percentage not more favourable to the Related Parties than those generally available to unrelated third parties and ensures that the RRPTs are not detrimental to MTDACPI Group; and
- (j) The Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and include the information as may be prescribed by Bursa Securities in its announcement.

2.4 Statement by the Audit Committee

The Audit Committee of the Company has considered the procedures and processes mentioned in Section 2.3 on an annual basis and is satisfied that MTDACPI Group have in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner as well as sufficient to ensure the RRPTs are entered into at arm's length, not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.

2.5 Directors' and/or Major Shareholders' Interests

The interest of the interested Directors in MTDACPI as at 31 July 2015 is as follows:

Directors	No of ordinary shares			
	Direct	% ⁽¹⁾	Indirect	% ⁽¹⁾
Dato' Dr. Azmil Khalili bin Dato' Khalid	-	-	156,565,409	67.78 ⁽²⁾
Datin Nik Fuziah binti Tan Sri Nik Hussein	-	-	156,565,409	67.78 ⁽³⁾

Notes:

(1) *Net of 637,000 treasury shares held.*

(2) *Deemed interested by virtue of his spouse's interest in Alloy.*

(3) *Deemed interested by virtue of her interest in Alloy, a Major Shareholder of MTD.*

The interested Major Shareholders of MTDACPI (holding 10% or more of the issued and paid-up capital) as at 31 July 2015 are as follows:

Major Shareholders	No of ordinary shares			
	Direct	% ⁽¹⁾	Indirect	% ⁽¹⁾
MTD Equity Sdn Bhd	88,000,000	38.10	-	-
Metacorp	27,254,610	11.80	-	-
ACSB	39,295,999	17.01	117,269,410 ⁽²⁾	50.77
Lambang Simfoni Sdn Bhd	-	-	27,254,610 ⁽³⁾	11.80
MTD	2,014,800	0.87	115,254,610 ⁽⁴⁾	49.89
Nikvest	-	-	117,269,410 ⁽⁵⁾	50.77
Alloy	-	-	156,565,409 ⁽⁶⁾	67.78
Tan Sri Dr. Nik Hussain bin Abdul Rahman	-	-	156,565,409 ⁽⁷⁾	67.78
Dato' Dr. Azmil Khalili bin Dato' Khalid	-	-	156,565,409 ⁽⁸⁾	67.78
Datin Nik Fuziah binti Tan Sri Nik Hussein	-	-	156,565,409 ⁽⁹⁾	67.78
Haji Nik Fauzi bin Tan Sri Nik Hussein	-	-	117,269,410 ⁽¹⁰⁾	50.77
Nik Faizul bin Tan Sri Nik Hussain	-	-	117,278,660 ⁽¹¹⁾	50.77
Ruslan Sulaiman	-	-	156,565,409 ⁽¹²⁾	67.78

Notes:

(1) *Net of 637,000 treasury shares held.*

(2) *Deemed interested by virtue of its major shareholding in MTD.*

(3) *Deemed interested by virtue of its major shareholding in Metacorp.*

(4) *Deemed interested by virtue of the interests of its wholly-owned subsidiaries namely, MTD Equity Sdn Bhd and Metacorp.*

(5) *Deemed interested by virtue of its major shareholding in MTD.*

(6) *Deemed interested by virtue of the interests of its subsidiaries namely, MTD and ACSB. Alloy has direct shareholding of 26.01% and indirect shareholding of 51.18% in MTD through its wholly-owned subsidiaries, ACSB (47.78%) and ACE (3.40%).*

(7) *Deemed interested by virtue of his interests in MTD through his children's major shareholdings in Nikvest and his daughter's substantial interest in Alloy.*

(8) *Deemed interested by virtue of his spouse's substantial interest in Alloy.*

(9) *Deemed interested by virtue of her major shareholding in Alloy.*

(10) *Deemed interested by virtue of his major shareholdings in Nikvest.*

(11) *Deemed interested by virtue of his spouse's shareholding in MTDACPI and his major shareholding in Nikvest.*

(12) *Deemed interested by virtue of his major shareholdings in Alloy.*

2.6 Abstention from Voting

The interested Directors namely, Dato' Dr. Azmil Khalili bin Dato' Khalid and Datin Nik Fuziah binti Tan Sri Nik Hussein have abstained from deliberations and voting on the Proposed RRPT Mandate at the Board level.

The interested Directors and interested Major Shareholders namely MTD, MTD Equity Sdn Bhd, Metacorp, ACSB, Lambang Simfoni Sdn Bhd, Nikvest, Alloy, Tan Sri Dr. Nik Hussain bin Abdul Rahman, Dato' Dr. Azmil Khalili bin Dato' Khalid, Datin Nik Fuziah binti Tan Sri Nik Hussein, Haji Nik Fauzi bin Tan Sri Nik Hussein, Nik Faizul bin Tan Sri Nik Hussain and Ruslan Sulaiman ("collectively referred to as "Interested Directors/Major Shareholders") will abstain from voting in respect of their direct and indirect shareholdings in MTDACPI on the Ordinary Resolutions pertaining to the Proposed RRPT Mandate at the forthcoming 22nd AGM.

The interested Directors/Major Shareholders have undertaken to ensure that persons connected with them will abstain from voting on the Ordinary Resolutions in respect of the Proposed RRPT Mandate to be tabled at the forthcoming 22nd AGM.

Save as disclosed above, none of the other Directors or Major Shareholders of the Company or persons connected with them have any interest, direct or indirect, in the Proposed RRPT Mandate.

2.7 Effects of the Proposed RRPT Mandate

The Proposed RRPT Mandate will have no effect on the issued and paid-up share capital of MTDACPI, Major Shareholders' shareholdings, NA and EPS of MTDACPI Group.

3. PROPOSED AMENDMENTS TO ARTICLES

3.1 Details of the Proposed Amendments to Articles

Details of the Proposed Amendments to Articles are set out in Appendix I of this Circular.

3.2 Rationale of the Proposed Amendments to Articles

The Proposed Amendments to Articles is in line with the amendments to the Listing Requirements, where applicable, in the Company's Articles of Association.

3.3 Effect of the Proposed Amendments to Articles

The Proposed Amendments to Articles will have no effect on the issued and paid-up share capital, NA and EPS of MTDACPI and Major Shareholders' shareholding in MTDACPI.

4. CONDITIONS OF THE PROPOSALS

The Proposals are subject to the approval being obtained from the shareholders of MTDACPI at the forthcoming 22nd AGM to be convened. The Proposed Renewal of RRPT Mandate, Proposed New RRPT Mandate and Proposed Amendments to Articles are not inter-conditional.

5. DIRECTORS' RECOMMENDATION

5.1 Proposed RRPT Mandate

The Board (save and except for Dato' Dr. Azmil Khalili bin Dato' Khalid and Datin Nik Fuziah binti Tan Sri Nik Hussein, who are deemed interested in the Proposed RRPT Mandate, have abstained from giving their opinion and making any recommendation in respect of the Proposed RRPT Mandate), having considered all aspects of the Proposed RRPT Mandate are of the opinion that the Proposed RRPT Mandate are in the best interests of MTDACPI Group and recommends that you vote in favour of the Ordinary Resolutions in relation to the Proposed RRPT Mandate to be tabled at the forthcoming 22nd AGM.

5.2 Proposed Amendments to Articles

The Board is of the opinion that the Proposed Amendments to Articles is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the Special Resolution in relation to the Proposed Amendments to Articles to be tabled at the forthcoming 22nd AGM.

6. AGM

The 22nd AGM, the notice of which is set out in the 2015 Annual Report of the Company, will be held at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Thursday, 17 September 2015 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification, *inter-alia*, the Ordinary and Special Resolutions set out in the Notice of 22nd AGM.

If you are unable to attend or vote in person at the 22nd AGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon to the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan not later than forty-eight (48) hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

7. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix II of this Circular for further information.

Yours faithfully
For and on behalf of the Board of
MTD ACPI ENGINEERING BERHAD

Dato' Ir. Kalid bin Alias
Senior Independent Non-Executive Director

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

The proposed alterations, modifications, variations, deletions and/or additions to the Articles of Association of the Company are as follows:

Existing Articles	Amended Articles																														
<p>Article 79 – Form of Proxy</p> <p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statutes permit or in such other form as the Directors may from time to time approve :-</p> <p style="text-align: center;">PROXY FORM</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Number of shares held</td> </tr> <tr> <td style="height: 20px;"> </td> </tr> </table> <p>I/We of being a member/members of MTD ACPI ENGINEERING BERHAD hereby appoint* the CHAIRMAN OF THE MEETING or failing him, of as *my/our proxy/proxies to attend ad vote for *me/us and on *my/our behalf at the Annual or Extraordinary (as the case may be) General Meeting of the Company to be held at on the day of and at every adjournment thereof to vote as indicated below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 33%;">Resolution</th> <th style="width: 33%;">For</th> <th style="width: 33%;">Against</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).</p> <p>The proportions of my holding to be represented by my *proxy/proxies are as follows:-</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>First-named Proxy</td> <td style="text-align: right;">%</td> </tr> <tr> <td>Second-named Proxy</td> <td style="text-align: right;">%</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;">100%</td> </tr> <tr> <td></td> <td style="text-align: right;">=====</td> </tr> </table> <p>In case of a vote taken by a show of hands, the First-named Proxy shall vote on *my/our behalf.</p>	Number of shares held		Resolution	For	Against				First-named Proxy	%	Second-named Proxy	%		-----		100%		=====	<p>Article 79 – Form of Proxy</p> <p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statutes permit or in such other form as the Directors may from time to time approve:-</p> <p style="text-align: center;">PROXY FORM OF PROXY</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 50%;">Number of shares held</td> <td style="width: 50%;">CDS Account No.</td> </tr> <tr> <td style="height: 20px;"> </td> <td> </td> </tr> </table> <p>I/We of (FULL NAME IN BLOCK LETTERS) *NRIC No. / Company No. of (FULL ADDRESS) being a *member/members of MTD ACPI ENGINEERING BERHAD, hereby appoint:* the CHAIRMAN OF THE MEETING (1) (FULL NAME OF PROXY IN BLOCK LETTER) *NRIC No. of (FULL ADDRESS) (NO. OF SHARES REPRESENTED) (2) (FULL NAME OF PROXY IN BLOCK LETTER) *NRIC No. of (FULL ADDRESS) (NO. OF SHARES REPRESENTED) or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Annual or Extraordinary (as the case may be) General Meeting of the Company to be held at on the day of at and at every any adjournment thereof to vote as indicated below:</p> <p>(Please indicate with an "X" in the space provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 5%;">NO.</th> <th style="width: 65%;">RESOLUTIONS</th> <th style="width: 15%;">FOR</th> <th style="width: 15%;">AGAINST</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>* Strike out whichever not applicable.</p>	Number of shares held	CDS Account No.			NO.	RESOLUTIONS	FOR	AGAINST				
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Resolution	For	Against																													
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Second-named Proxy	%																														

	100%																														
	=====																														
Number of shares held	CDS Account No.																														
NO.	RESOLUTIONS	FOR	AGAINST																												

<p>As witness my hand this day of ,20</p> <p>_____</p> <p>Signature</p> <p>*Strike out whichever is not desired.</p>	<p>(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).</p> <p>The proportions of my holding to be represented by my *proxy/proxies are as follows:-</p> <p>First-named Proxy _____% Second-named Proxy _____%</p> <p style="text-align: center;">_____ 100% =====</p> <p>In case of a vote taken by a show of hands, the First-named Proxy shall vote on *my/our behalf.</p> <p>As witness *my/our hand(s) this day of, 20....</p> <p>_____</p> <p>Signature of Member</p> <p>*Strike out whichever is not desired.</p>
<p><u>Article 141 – To whom copies of profit and loss account etc may be sent</u></p> <p>The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, Audited Financial Statements and report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of the audited accounts relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. A copy of each such documents shall not be less than fourteen (14) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 60 be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or Articles 162, 163, 164, 165 and 166. The requisite number of copies of each such document shall at the same time be sent to each stock exchange upon which the Company is listed PROVIDED THAT this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office.</p>	<p><u>Article 141 – To whom copies of financial statements, directors' and auditors' reports etc may be sent</u></p> <p>The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such financial statements, directors' and auditors' reports, etc including any document required by law to be annexed thereto together with a copy of every report of the Auditors relating thereto and other Directors' report. The interval between the close of a financial year of the Company and the issue of the audited accounts relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. A copy each of such documents shall be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or Articles 162, 163, 164, 165 and 166,The requisite number of copies of each such document shall at the same time be sent to each stock exchange upon which the Company is listed PROVIDED THAT this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office.</p> <p><u>In the event that these documents are sent in compact disc read-only memory (CD-ROM), digital video disc read-only memory (DVD-ROM) or in such other electronic form and a Member requires a printed form of such documents, the Company shall send such documents to the Member.</u></p>

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

Save as disclosed below, as at 31 July 2015, being the latest practicable date (“LPD”) prior to issuance of this Circular, MTDACPI Group are not engaged in any material litigation, claims or arbitration either as a plaintiff or defendant which has a material effect on the financial position of MTDACPI Group and the Board is not aware of any proceedings, pending or threatened against MTDACPI Group, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of MTDACPI Group.

- (i) **Court of Appeal, Civil Appeal No. W-02-604-11**
Affin Bank Berhad v ACP Industries Berhad
[Kuala Lumpur High Court, Suit No. D3-22-1817-1998
Perwira Affin Bank Berhad v ACP Industries Berhad]

On 9 June 1998, Perwira Affin Bank Berhad (now known as Affin Bank Berhad) (“Plaintiff”) filed a Writ of Summons and Statement of Claim (“SOC”) in the Kuala Lumpur High Court against ACP Industries Berhad (now known as MTDACPI) (“Defendant”) seeking for inter-alia, a declaration that all progress payments due and owing by the Defendant to a third party, LK Ooi Construction Sdn Bhd under a letter of award/contract with the Defendant in relation to construction and completion of a subcontract that was valued at RM8,851,935, which had been assigned to the Plaintiff by way of a deed of assignment, to be paid to the Plaintiff.

Whilst the aggregate amount of the progress payments is not specified in the SOC, the Plaintiff claims that the Defendant had, save for an amount of approximately RM2,821,190, failed to pay the Plaintiff any or all of the progress payments due under the subcontract. As such, the Plaintiff’s claim against the Defendant is estimated to be approximately RM6,030,745.

The Plaintiff’s application for summary judgment was heard and dismissed with costs on 30 March 2000. The Plaintiff’s appeal to the Court of Appeal against the summary judgment was also dismissed with costs on 23 June 2003.

Hearing of the matter began on 25 October 2005 and decision was fixed on 30 August 2007. The Plaintiff then filed an application to further amend the SOC on 17 August 2007. The hearing of the application was heard on 13 February 2009 and the Court dismissed the Plaintiff’s application. The Plaintiff then filed an appeal to the Court of Appeal. Therefore, the matter which is fixed for decision of the full trial on 29 May 2009, was postponed as the Learned Judge was of the view that the decision ought to be delivered after the disposal of the Plaintiff’s appeal.

On 6 October 2010, the Court of Appeal had dismissed the Plaintiff’s appeal with costs for RM4,000. Upon disposal of the appeal, the High Court had fixed a decision date on 24 January 2011 in regards to the full trial which was conducted on 29 May 2009. On 24 January 2011, the learned Judge had dismissed the Plaintiff’s claim with cost. Subsequently, the Plaintiff filed a Notice of Appeal against the High Court’s decision and the said notice was served on 4 March 2011 to the Defendant. The appeal has been fixed for case management on 2 October 2012 and hearing date had been fixed on 14 January 2013.

On 14 January 2013, the Court of Appeal allowed Plaintiff’s claim (“Order”). The Defendant filed a notice of motion to appeal to Federal Court on 7 February 2013 (“Motion to Appeal”). The Plaintiff on 13 February 2013 filed an application for directions and consequential orders in execution of the Order granted by the Court of Appeal on 14 January 2013 (“Application for Account and Proceedings”) and the Defendant subsequently filed notice of motion for stay of execution on 26 February 2013 (“Motion for Stay”). On 21 August 2013, the Motion to Appeal was dismissed with costs of RM10,000. Subsequently, on 10 September 2013, the Court struck out the Motion for Stay with costs of RM2,000.

The Plaintiff’s Application for Account and Proceedings was heard on 11 July 2014. The said application was fixed for decision on 15 August 2014.

On decision dated 15 August 2014, the Plaintiff's application was dismissed with costs of RM3,000. The Plaintiff had on 12 September 2014 filed notice of appeal against the decision dated 15 August 2014 ("Appeal"). Case management for the Plaintiff's Appeal was fixed on 30 October 2014.

On the case management dated 30 October 2014 the following directions were given by the Court:

- (i) Parties to file their respective submission on 24 November 2014; and
- (ii) Hearing of the Appeal is fixed on 8 December 2014.

Another case management was fixed on 21 November 2014, wherein the court gave the following directions:

- (i) Parties to file and exchange written submission on 2 January 2015; and
- (ii) Hearing of the Appeal is reschedule to 15 January 2015.

On 15 January 2015, the Plaintiff's appeal was allowed with costs of RM5,000 and the following orders given:

- (i) that the Defendant shall make out its account of all and further monies due and payable to the Plaintiff under the letter of award/contract dated 16 November 1995 and verify it by an affidavit to which the account shall be exhibited;
- (ii) that the Defendant shall lodge the account and the affidavit verifying the account pursuant to prayer (i) above with the Court within one (1) month from the date of this Order and at the same time notify and serve on the Plaintiff with copies of the account that has been lodged and the affidavit verifying the account and any other supporting affidavit;
- (iii) that the Plaintiff be at liberty to serve a notice on objection to the Defendant (amongst others, for the purpose of correct and surcharge the accounts) within one (1) month upon receiving the documents mentioned in prayer (ii) above;
- (iv) that the Plaintiff shall file a notice of appointment within seven (7) days after verification of the account pursuant to paragraph (iii) and after serving the same to the Defendant no later than seven (7) days after it has been filed; and
- (v) all other and further reliefs which the Court deems fit and proper.

Hence, pursuant to prayers (i) and (ii) above, the Defendant had on 6 March 2015 make out and lodge the affidavit verifying the account of all and further monies due and payable to the Plaintiff and notified and served the same to the Plaintiff.

Pursuant to prayers (iii) and (iv), the Plaintiff filed notice of objection on 23 April 2015 and thereafter filed their notice of appointment on 29 April 2015.

Notice of appointment for taking of account has been fixed for case management on 25 August 2015.

(ii) **Court of Appeal, Civil Appeal No. M-02-1925-2011**
ASC Engineering Sdn Bhd v Mohd Zahari Hassan Sdn Bhd
[Malacca High Court Suit No: MT2-22-186-2003
ASC Engineering Sdn Bhd v Mohd Zahari Hassan Sdn Bhd]

On 24 November 2003, ASC Engineering Sdn Bhd ("Plaintiff"), a wholly-owned subsidiary of MTDACPI, filed a Writ of Summons and Statement of Claim against Mohd Zahari Hassan Sdn Bhd ("Defendant") for the outstanding sum of RM2,251,000 for works done arising from the Contract of Water Supply Scheme, Selangor River, Phase 2 for the Development of 46 units Class G Quarters, 1 unit of surau and related works at Sungai Selangor Water Treatment Plant. The Defendant also filed a counterclaim for the sum of RM2,925,200 being alleged losses and damages suffered by the Defendant. On 5 February 2009, the Defendant filed an application for leave to issue Third Party Notice to include a third party into the proceeding.

The case went on for full trial on 20 December 2010 and 11 January 2011. On 14 June 2011, the Learned Judge held that:

- (a) the Plaintiff's claim to the extent of RM504,984 was allowed with costs;
- (b) the Defendant's counterclaim dismissed with costs;
- (c) the Defendant's claim against the Third Party dismissed with costs; and
- (d) all costs to be agreed on or taxed.

The Plaintiff filed a Notice of Appeal on 13 July 2011 for item (a) above and filed the Record of Appeal on 16 December 2011. The Defendant also filed a Notice of Appeal against the whole decision in dismissing its counterclaim and its claim against the third party.

On the hearing of the appeals on 27 June 2013, the Plaintiff's appeal was allowed to the extent of RM1,784,189 and the Defendant is to pay the said sum together with interest of 5% per annum from 26 October 2002 to the date of Judgment and thereafter to the date of full settlement plus costs of RM10,000. The Defendant's appeal was dismissed with costs of RM5,000, to be paid to the Plaintiff.

The Defendant has been wound up via Court Order dated 8 November 2013. Subsequently, the Plaintiff filed its Proof of Debt for a total amount of RM2,957,333 with the Melaka Insolvency Department on 7 February 2014.

Awaiting for Creditor's Meeting to be fixed by the Insolvency Department.

(iii) **In the matter of an arbitration between MTD Construction Sdn Bhd and Kerajaan Malaysia**

MTD Construction Sdn Bhd ("Claimant"), a wholly-owned subsidiary of MTDACPI has entered into a formal contract ("Contract") with the Kerajaan Malaysia ("GOM" or "Respondent"), wherein the Claimant has been appointed by the GOM to undertake the design and construction of "Projek Jalan Raya Simpang Pulai-Lojing-Gua Musang ke Kuala Berang, Pakej 2 (dari Pos Selim, Perak Darul Ridzuan ke Ladang Blue Valley, Kampung Raja, Cameron Highlands, Pahang Darul Makmur)" ("Project"), subject to the terms and provisions of the Contract. Pursuant to an agreement between the Superintendent Officer ("S.O") of the Project (acting as the representative of the Respondent), the Claimant had provided a retention bond of RM14.1 million pursuant to a bank guarantee ("Retention Guarantee") in lieu of the retention monies to be withheld by the Respondent in accordance to the terms and provisions of the Contract. The Respondent had issued a demand notice to HSBC Bank Malaysia Berhad ("HSBC"), demanding the pay out of the Retention Guarantee on the grounds of breach of Contract by the Claimant and the Claimant had filed an application to restrain the GOM from making a demand for the Retention Guarantee and receive payment from HSBC for the said Retention Guarantee, and to restrain HSBC from releasing the money until the final disposal of the matter in respect of the Project. HSBC had paid out the Retention Guarantee to the Respondent following the judgment from the High Court on 15 March 2011.

The Claimant had filed an application for an injunction at the High Court to restrain among others, the Respondent from making a demand for the Retention Guarantee. The application for the injunction was heard on 18 February 2011 and the Learned Judge dismissed the application for the injunction with cost. An application for an injunction pending the hearing of the appeal was also dismissed by the Learned Judge.

In addition to the above, the S.O has continuously demanded the Claimant to rectify the slope at Chainage (Ch.) 26+000 of the Project which has shown distress.

In view of the foregoing and to safeguard the interest of the Claimant, the Claimant had on 14 June 2011 issued the Notice of Dispute and Notice of Arbitration pursuant to the provision of Clause 52 of the Conditions of Contract and required the matter to be referred to Arbitration for the disputes which is not limited to the following:

- (i) that the Respondent had wrongly demanded the paid out of the Retention Guarantee and that the amount so paid out of the Respondent on the Retention Guarantee ought to be refunded to the Claimant;
- (ii) that the S.O ought to issue a Certificate of Making Good Defects to the Claimant; and
- (iii) a declaration by the arbitral tribunal that the Claimant was not liable to rectify the distress on the slope at Ch.26+000 of the Project and the Claimant would not be responsible for any failures on any part of the Project.

On 9 August 2012, an Arbitrator has been appointed by the Kuala Lumpur Regional Centre of Arbitration.

The hearing of this matter had already begun since 17 September 2013 and few hearing dates had been fixed and proceeded up to 10 February 2014.

However the continued hearing of this matter had been postponed pending the disposal of Respondent's application to amend their Points of Defence which was filed on the 28 February 2014. Hearing for this application together with the Claimant's rebuttal was held on the 7 March 2014 and the Arbitrator accepted the Respondent's contentions to support its application vide order dated 14 March 2014 except on the issue of whether the Respondent's application is time barred. The Arbitrator had given further directions on 17 April 2014 for parties to file their respective affidavits and written submissions by the 13 June 2014 and date for the oral submissions will be fixed by the Arbitrator. The Claimant vide its lawyer had thereafter requested for the filing of the documents to be deferred to 30 June 2014 due to the witness of the Claimant being on long medical leave post-surgery.

The Claimant's solicitor vide an email dated 17 November 2014 to the Arbitrator requesting the Arbitrator to reconsider his partial decision on the Respondent's application to amend its Defence and Counterclaim as the amendments concerns the addition of new dispute, i.e. the claim for the alleged failure at CH 23+650 – CH24 + 100 LHS; and the substantial increase in the quantum of the counterclaim. The Claimant's solicitor further state that the learned Senior Federal Counsel has confirmed that the counterclaim is by way of a counterclaim and not set-off. This is thus a new cause of action that has not previously been referred to and be part of the Arbitrator's jurisdiction. Further, the Claimant's notice of dispute which states "including but not limited to" should be construed as that from the Claimant's perspective.

The Arbitrator responded via his email dated 2 December 2014 that he had in his Order dated 14 March 2014, given his ruling on the issue of jurisdiction after considering all the issues raised by the parties. Hence he declined the Claimant's request to reconsider this Order.

On 9 February 2015, the parties agreed to proceed accordingly with the hearing of the matter proper. The Claimant requested for the time barred issue to be deliberated in the hearing proper and for the Arbitrator to decide this matter at the end of the arbitration proceeding. The Arbitrator handed out further directions as follows:

- (i) the Claimant to file in Reply to Amended Defence by 16 March 2015;
- (ii) the Respondent to file their reply to defence to counterclaim on 17 April 2015; and
- (iii) amended witness statement to be filed on 18 May 2015.

The Claimant's Amended Reply to Defence and Amended Defence to Counterclaim has been filed on 9 June 2015 and the matter had been fixed for continued hearing on 6, 7, 13 and 14 July 2015.

However, the Respondent only filed their Reply to Amended Reply to Defence and Amended Defence to Counter Claim on 3 July 2015. The Arbitrator upon agreement by both parties vacated the trial dates fixed on 6, 7, 13 and 14 July 2015. Parties are now awaiting for new trial dates to be fixed.

(iv) **Kuala Lumpur High Court Civil Suit No: 22C-11-06/2013
Persys Sdn. Bhd. v Seri Meraga Construction Sdn Bhd**

On or about 20 December 2000, Seri Meraga Construction Sdn Bhd ("Defendant") was awarded a contract titled "Cadangan Merekabentuk, Membina, dan menyiapkan Jejambat di Laluan Persekutuan 6, Menghubungkan Bulatan Bayan Baru hingga Persimpangan Jalan Sultan Azlan Shah/Jalan Aziz Ibrahim, Pulau Pinang" ("Main Contract") by the Government of Malaysia. The Defendant's scope of work comprised of design, construction, completion and maintenance of the Main Contract works.

The Defendant thereafter appointed Persys Sdn. Bhd. ("Plaintiff") for the following subcontract works ("Subcontracts"):

- (i) Supply Contract No. SA9014 for the design and supply of precast segments to the Defendant; and
- (ii) Supply Contract No. SA9014E for the supply and delivery of an additional 304 viaduct segments.

The Plaintiff initiated this legal suit vide Writ of Summons and Statement of Claims dated 5 June 2013 and amended Writ of Summons and Statement of Claims dated 20 June 2013 against the Defendant due to the Defendant's failure/refusal/neglect to make payment of the above Subcontracts, for the following:

- (a) Final claim of RM10,591,506 and retention sum of RM1,485,000 under Sub-Contract SA9014; and
- (b) Final claim of RM3,927,891 and retention sum of RM692,500 under Sub-Contract SA9014E.

This matter was set for trial on 30 to 31 October 2013 and the trial continued on 9 December 2013.

On 5 February 2014, a winding up order was obtained by third party against the Defendant in Penang High Court. In view of the conclusion of a separate winding up proceeding initiated by third party against the Defendant and the issuance of Winding up Order thereto on 5 February 2014, Plaintiff have withdrawn the suit against the Defendant on 6 February 2014.

Subsequently, the Plaintiff had on 30 April 2014 filed its Proof of Debt to Insolvency Department.

Awaiting for Creditor's Meeting to be fixed by the Insolvency Department.

(v) **Shah Alam High Court Suit No. 22C-7-05/2014**
Persys Engineering Sdn Bhd v Waterize Resources Sdn Bhd

On 5 May 2014, Persys Engineering Sdn Bhd ("Plaintiff"), filed a Writ of Summons and Statement of Claim against Waterize Resources Sdn Bhd ("Defendant") for the outstanding sum of RM1,901,620 for works done arising from the Contract of Site Clearance, Earthworks, Retaining Walls, and Drainage Works for "Cadangan Pembangunan di Atas Lot 48731 (PT 45264), Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan". The Defendant had also on 2 June 2014 filed a counterclaim for the sum of RM1,095,875 being alleged losses and damages suffered by them. The Reply to Defence and Counterclaim has been filed by the Plaintiff on 27 June 2014. On 27 June 2014, the Plaintiff proceeded with filing of Summary Judgment application.

The Court had on 10 October 2014 allowed the Summary Judgment for the sum of RM1,853,345.10 against the Defendant with costs of RM5,000.00 ("Order").

On 21 October 2014, the Defendant filed their notice of appeal to court of appeal, appealing for the Order ("Appeal") and the same has been fixed for hearing on 16 March 2015.

The Defendant then on 27 October 2014 proceeded to file stay of execution for the Order ("Stay of Execution") pending disposal of the counterclaim against the Plaintiff. As such, the Plaintiff filed application to strike out the Defendant's counterclaim ("Striking Out") on 12 November 2014. Both applications were fixed for hearing on 23 January 2015.

On 23 January 2015, the learned Judge allowed the Striking Out with costs of RM2,500 and dismissed the Stay of Execution with costs of RM2,500 ("Orders").

In view of the Orders, the Defendant had on 6 March 2015 filed notice of discontinuance for the Appeal.

The Plaintiff had on 21 April 2015 and 18 May 2015 served statutory demand pursuant to Section 218 of the Companies Act 1965 to the Defendant.

The Plaintiff is in the midst of proceeding with winding up petition against the Defendant.

3. MATERIAL CONTRACTS

MTDACPI Group have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within two (2) years immediately preceding the LPD.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan during normal business hours on Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the 22nd AGM:

- (i) Memorandum and Articles of Association of MTDACPI;
- (ii) Audited financial statements of MTDACPI for the past two (2) financial years ended 31 March 2014 and 31 March 2015; and
- (iii) The relevant cause papers in respect of material litigation referred to in Section 2 above.