

**MTD ACPI ENGINEERING BERHAD (“MTDACPI” or the “Company”)
General Announcement**

SUBJECT : MATERIAL LITIGATION

DESCRIPTION: IN THE MATTER OF ARBITRATION BETWEEN ACP INDUSTRIES BERHAD (NOW KNOWN AS ‘MTDACPI’) AND MENDZA BUILDERS SDN BHD V. AIR KELANTAN SDN BHD (“ARBITRATION”)

We refer to our announcements dated 9 June 2011, 14 June 2011 and 15 June 2011 in relation to the Arbitration.

For consistency, the abbreviations used hereinafter throughout this announcement shall have the same meaning as defined in the preceding announcements unless stated otherwise.

MTDACPI wishes to announce that the Arbitrator had vide a final award dated 22 December 2014 which was received by the Company on 24 December 2014, granted in favour of the Claimants, the following:

- 1) Entitlement of **RM4,468,833.57** (“**Outstanding Sum**”) comprising:
 - (a) SCADA system: RM48,000.00
 - (b) Profit Portion [including RM1,593,000.00 for Liquidated and Ascertained Damages (“**LAD**”): RM4,420,833.57.
- 2) Pre Award Interest of **RM896,841.95**, comprising:
 - (a) simple interest at 5% per annum on the wrongly deducted sum of RM48,000.00 for the SCADA system from 1 June 2006 up to 22 December 2014, amounting to RM20,547.95.
 - (b) simple interest at 5% per annum on the profit portion of RM4,420,833.57 (including RM1,593,000.00 which was wrongfully deducted as LAD), from 4 January 2011 up to 22 December 2014, amounting to RM876,294.00.
- 3) Post Award Interest
 - (a) simple interest at 5% per annum for the Outstanding Sum of RM4,468,833.57 from the date of the final award i.e 22 December 2014 until the actual realisation of the said payment by the Respondent.
- 4) Costs of the Final Award
Costs of the final award in the sum of RM72,000.00 (“**Costs**”) and if the Claimants have already paid the whole or any part of the Costs, the Respondent shall reimburse the Claimants accordingly.

(Collectively, referred as “**Final Award**”).

The Respondent shall pay to the Claimants the Final Award within 28 days after the date on which the Final Award is taken up by either party.

This announcement is dated 24 December 2014.