

**General Announcement**

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Initiated by **MECHMAR CORPORATION** on 07/06/2010 03:57:55 PMSubmitted by **MECHMAR CORPORATION** on 07/06/2010 04:01:43 PMReference No **MC-100607-57475****Submitted****Company Information****Main Market Company****New Announcement****Submitting Investment Bank/Advisor (if applicable)****Submitting Secretarial Firm (if applicable)**

* Company name	MECHMAR CORPORATION (MALAYSIA) BERHAD
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**Type \***

Announcement

**Subject \*:**

MECHMAR CORPORATION (MALAYSIA) BERHAD (13380-M) (Mechmar)

WINDING UP PETITION ON MECHMAR'S SUBSIDIARY, INDEPENDENT POWER TANZANIA LIMITED ("IPTL") - UPDATE ON STATUS OF LEGAL SUIT- JUNE 2010

**Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.**

**Contents \*:-***(This field is to be used for the summary of the announcement)*

We refer to our announcements dated 24 December 2008, 26 December 2008, 3 February 2009, 6 February 2009, 11 February 2009, 13 February 2009 and 10 April 2009 in relation to the status of the winding up proceeding by the minority shareholder against IPTL.

**1. BACKGROUND OF LEGAL SUIT**

The Company had on 28 February 2002 announced that the minority shareholder, VIP Engineering & Marketing Ltd ["VIP"] of its subsidiary Independent Power Tanzania Ltd ["IPTL"] had filed a petition to wind up IPTL in the High Court of Tanzania on 25 February 2002, claiming oppression by the majority shareholder, Mechmar. IPTL and Mechmar had applied for a stay of proceedings in the High Court on 1 March 2002.

The High Court had on 16 December 2008 issued a ruling to place IPTL under a Provisional Liquidator, pending hearing of the Winding up Order, at a date yet to be determined. As a result, all affairs and assets of IPTL were placed under the custody and management of a Provisional Liquidator.

Mechmar, in its capacity as a co-respondent in this civil suit, have filed an appeal with the Tanzanian Court of Appeal for this High Court ruling to be vacated.

**2. STATUS OF LEGAL SUIT**

On 14 May 2010, the Tanzania Court of Appeal has ruled that Mechmar's application for a stay of execution on the appointment of the Provisional Liquidator over IPTL be refused.

This announcement is dated 7 June 2010.

**Announcement Details \*:-***(This field is for the details of the announcement, if applicable)***Attachment(s) \*:- (please attach the attachments here)**

- No Attachment Found -

**Tables Section \*:- This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:**