

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Share Buy Back Statement (“Statement”) prior to its issuance as it is an exempt Statement. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.



MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF AUTHORITY FOR

THE SHARE BUY-BACK

The above proposal will be tabled as Special Business at the Twelfth Annual General Meeting (“12th AGM”) of the Muar Ban Lee Group Berhad (“MBL” or “our Company”). The Notice of the 12th AGM of MBL is enclosed together with the Proxy Form are enclosed together with the Annual Report 2017 of MBL, which is despatched together with this Statement.

You are entitled to attend, vote and speak at the 12th AGM of MBL or to appoint a proxy or proxies to attend, vote and speak on your behalf. The Proxy Form should be completed and returned in accordance with the instructions therein and should reach the Registered Office of our Company at No. 85, Muntri Street, 10200 Georgetown, Pulau Pinang, on or before the date and time indicated below:-

Last date and time for lodging the Proxy Form	: Tuesday, 29 May 2018 at 12.00 noon
Date and time of the AGM	: Wednesday, 30 May 2018 at 12.00 noon
Venue of the AGM	: Muar Traders Hotel, 3rd Floor, No. 16, Jalan Peteri, 84000 Muar, Johor.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 12th AGM should you subsequently wish to do so.

This Statement is dated 27 April 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:-

Act	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Code	:	The Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
Director(s)	:	Director(s) of MBL
EPS	:	Earnings per share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	11 April 2018, being the latest practicable date prior to the printing of this Statement
Market Day(s)	:	Any day(s) between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
MBL or our Company	:	Muar Ban Lee Group Berhad (753588-P)
MBL Group or our Group	:	MBL and its subsidiary companies, collectively
MBL Realty	:	MBL Realty Sdn Bhd (761104-U)
MBL Share(s) or Share(s)	:	Ordinary share(s) in MBL
NA	:	Net assets
Proposed Renewal	:	Proposed renewal of shareholders' mandate to authority for our Company to purchase our own Shares of up to 10% of our issued and paid-up share capital at any point of time
Purchased Shares	:	MBL Shares purchased pursuant to the Proposed Share Buy-Back
Record of Depositors	:	A record of securities holders established by Bursa Malaysia Depository Sdn Bhd under the Rules of Bursa Depository

RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission Malaysia
Shares		Ordinary Shares of MBL
Share Grant Plan (“SGP”)		The SGP was granted approval from Bursa Malaysia and approved by Shareholders of MBL at the Extraordinary General Meeting (“EGM”) held on 14 June 2013 to approve the SGP to award to eligible employees and executive directors of MBL and its subsidiaries which entail the issuance of SGP MBL Shares up to 10% of the issued and paid up share capital of MBL (excluding treasury shares) at any relevant point in time. There was no share issued under SGP at the LPD.
Substantial Shareholder(s)	:	Meaning given in Section 136 of the Act.
Treasury Shares	:	Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given in Section 127 of the Act.
VWAP	:	Volume Weighted Average Market Price.
Warrants	:	Renounceable Right Issue of 46,000,000 warrants which entitle each warrant to subscribe for one new ordinary share of our Company at any time on or after 3 December 2012 up to the date of expiry on 28 November 2022, at an exercise price of RM0.80 per share. There were no warrants exercised as at LPD.

All references to “our Company” or “MBL” in this Statement are to Muar Ban Lee Group Berhad and references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Statement are references to the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

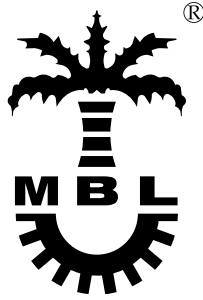
[The rest of this page has been intentionally left blank]

TABLE OF CONTENTS

LETTER TO OUR SHAREHOLDERS OF MBL IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (“PROPOSED RENEWAL”) CONTAINING:

SECTION	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED RENEWAL	2
3. SOURCES OF FUNDS	4
4. RATIONALE FOR THE PROPOSED RENEWAL	4
5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL	5
6. EFFECTS OF THE PROPOSED RENEWAL	5
7. SHAREHOLDING STRUCTURE OF DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ SHAREHOLDINGS AND PERSONS CONNECTED TO DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	8
8. IMPLICATION OF THE CODE	12
9. HISTORICAL SHARE PRICES	12
10. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF TREASURY SHARES IN THE PREVIOUS TWELVE (12) MONTHS	12
11. PUBLIC SHARHOLDING SPREAD	13
12. APPROVAL REQUIRED	13
13. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTEREST	13
14. DIRECTORS’ RECOMMENDATION	13
15. AGM	13
APPENDIX	
I ADDITIONAL INFORMATION	15
II EXTRACT OF THE NOTICE OF THE 12TH AGM	16

[The rest of this page has been intentionally left blank]



MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)
(Incorporated in Malaysia)

Registered Office:

No. 85, Muntri Street
10200 Georgetown,
Pulau Pinang

27 April 2018

Board of Directors:

Dato' Chua Ah Ba @ Chua Eng Ka (*Executive Chairman*)
Chua En Hom (*Deputy Executive Chairman*)
Chua Eng Hui (*Executive Director*)
Chua Heok Wee (*Managing Director*)
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai (*Executive Director / Finance Director*)
Khairilnuar Bin Tun Abdul Rahman (*Senior Independent Non-Executive Director*)
Tuan Hj. Ismail Bin Tunggak @ Hj. Ahmad (*Independent Non-Executive Director*)
Teh Eng Aun (*Independent Non-Executive Director*)

To: **The Shareholders of MBL**

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY ("PROPOSAL RENEWAL")

1. INTRODUCTION

Our Company had on 30 May 2017, at its 11th AGM, obtained the shareholders' approval for the renewal of authorisation for share buy-back of up to ten percent (10%) of its issued and paid-up share capital of the Company, through Bursa Securities. This authority will, in accordance with Chapter 12 of Listing Requirements, lapse at the conclusion of the forthcoming 12th AGM unless a renewal of authority of share buy-back is obtained from the Shareholders of our Company at the AGM.

On 13 April 2018, the Company had announced its intention to seek the approval of its shareholders at the forthcoming 12th AGM on the Proposed Renewal.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION AND DETAILS ON THE PROPOSED RENEWAL AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL TO BE TABLED AT OUR FORTHCOMING 12TH AGM. THE NOTICE OF AGM ("UNDER "SPECIAL BUSINESS") TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THE ANNUAL REPORT 2017 WHICH IS BEING SEND TO YOU TOGETHER WITH THIS STATEMENT.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT OUR FORTHCOMING AGM TO GIVE EFFECT TO THE PROPOSED RENEWAL.

2. DETAILS OF THE PROPOSED RENEWAL

The Board propose to seek shareholders' approval for the renewal of authority for our Company to purchase up to ten percent (10%) of our Company's issued share capital at any point in time, subject to Section 127 of the Act, Chapter 12 of the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines, and requirements issued by the relevant authorities ("Prevailing Laws") at the time of purchase.

2.1 Quantum

As at LPD, the issued share capital of our Company stood at RM57,586,083 comprising 101,126,980 ordinary shares. Hence, up to 10,112,698 MBL Shares may be purchase by our Company pursuant to the Proposed Renewal. Nonetheless, assuming full exercise of Warrants and SGP Options, a total up to 16,183,967 MBL Shares or ten per centum (10%) of the enlarged issued share capital may be purchased by our Company.

The maximum aggregate number of MBL Shares, which may be purchased by our Company, shall not exceed ten percent (10%) of the total issued share capital of our Company at any point in time. For illustrative purposes, the maximum aggregate number of MBL Shares that may be purchased under the Proposed Renewal based on the existing issued share capital and the number of treasury shares held as at the LPD, are set out below:-

	Scenario 1	Scenario 2
	Assuming none of the Outstanding Warrants & SGP Options are exercised	Assuming all the Outstanding Warrants & SGP Options are exercised
	No. of MBL shares	No. of MBL shares
Issued share capital as at the LPD	101,126,980	101,126,980
To be issued assuming full exercise of the Outstanding Warrants Option	-	46,000,000
Enlarged issued share capital after the full exercise of the Warrants Option	101,126,980	147,126,980
To be issued assuming full exercise of the Outstanding SGP Option	-	14,712,698
Enlarged issued share capital	101,126,980	161,839,678
Ten percent (10%) of the issued share capital	10,112,698	16,183,967
Less: Treasury shares held by the Company as at the LPD	754,200	754,200
Remaining number of MBL Shares that may be purchased by MBL	9,358,498	15,429,767

The actual number of MBL Shares to be purchased will depend on, amongst others, market conditions, and the availability of retained profits and financial resources of the Company at the time of the purchase(s).

2.2 Duration

The mandate from the shareholders for the Proposed Renewal will be effective immediately after the passing of the ordinary resolution to be tabled at the 12th AGM of our Company to be convened and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of our Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of our Company in general meeting) but not so as to prejudice the completion of purchase(s) by our Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities or any other relevant authorities;

The approval from the shareholders for the Proposed Renewal does not impose an obligation on our Company to purchase its own shares but rather it will allow the Board to exercise the power of our Company to purchase its own shares at any time within the abovementioned time period.

The purchase of such MBL shares will be carried out through Bursa Securities via stockbrokers appointed by our Company.

2.3 The Purchase Price

Pursuant to the Listing Requirements, our Company may only purchase our own Shares on the Bursa Securities at a price not more than fifteen per centum (15%) above the VWAP of the Shares for the five (5) market days immediately preceding the date(s) of purchase(s).

2.4 The Resale Price

The Company may only resell the Treasury Shares on the Bursa Securities at:

- (a) a price which is not less than the VWAP of the Shares for the five (5) market days immediately before the resale; or
- (b) a discounted price of not more than five per centum (5%) to the VWAP of the Shares for the five (5) market days immediately before the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

2.5 Treatment of Purchased Shares

The Shares purchased by our Company will be dealt with by our Directors in accordance with Section 127 of the Act, in the following manner:-

- (a) cancel the Purchase Shares if the Directors of our Company deem that there is excess share capital and wish to reduce the number of shares in circulation; or
- (b) retain the Purchase Shares as treasury shares held by our Company; or
- (c) retain part of the Purchase Shares as treasury shares and cancel the remainder; or
- (d) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or

- (e) distribute the Purchase Shares as share dividends if our Directors of our Company wish to reward the shareholders of MBL, which will depend on the availability of, among others, retained profits, share premium and tax credits of our Company.

In any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

In the event our Company wishes to purchase our own Shares, our Company are required to lodge a declaration of solvency to Bursa Securities and release an immediate announcement on the day the purchase is made.

An appropriate announcement will also be made to Bursa Securities in respect of the intention of the Board whether to retain the Shares so purchased as Treasury Shares or cancel them or both.

While the purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares, in our Company for any purposes including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

3. SOURCES OF FUNDS

Your approval for the Proposed Renewal does not impose an obligation to our Company to purchase our own Shares. However, the Proposed Renewal will allow our Board to exercise the power of our Company to purchase our own Shares at any time within the abovementioned time period using internal funds of our Company and/or borrowings as long as the purchase is backed by an equivalent amount of retained profits of our Company.

Depending on the number of Shares purchased and the purchase price(s) of the Shares, the Proposed Renewal, if funded through internally generated fund, is not expected to have a material impact on the cash flow position of our Company.

In the event that bank borrowings are used to fund the purchase of Shares pursuant to the Proposed Renewal, our Company will ensure that it will have sufficient funds to repay the said borrowings as and when they fall due and this is not expected to have a material impact on the cash flow position of our Company.

The amount of funds to be utilised for the Proposed Renewal will only be determined later depending on the actual number of MBL Shares to be purchased, the purchase price(s) of the Purchased Shares, the availability of funds at the time of purchase(s) and other relevant cost factors.

The maximum amount of funds to be utilised by our Company for the Proposed Renewal shall not exceed the retained profit of our Company. Based on the latest Audited Financial Statements as at 31 December 2017 of MBL, the retained profits is RM46,811,007.

4. RATIONALE FOR THE PROPOSED RENEWAL

The Proposed Renewal, if implemented, will enable our Group to utilise any of our surplus financial resources which is not immediately required for other uses, to purchase our own shares from the market. The Proposed Renewal is expected to stabilise the supply and demand, as well as the price of our Shares.

All things being equal, the Proposed Renewal, whether the Purchased Shares are retained as

treasury shares or cancelled, will result in a lower number of MBL Shares being used for the purpose of computing the EPS. Therefore, the Proposed Renewal will improve the EPS of our Company which in turn, may have a positive impact on the market price of our Shares.

The Purchased Shares may be held as treasury shares and resold through Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued share capital of our Company. Should any treasury shares be distributed as share dividend, this would serve to reward our shareholders.

The Proposed Renewal is not expected to have any potential material disadvantage to our Company and our shareholders, and it will only be exercised after due consideration of the financial resources of our Group and the impact on the shareholders of our Company. Our Board, in exercising any decision to buy-back any MBL Shares, will be mindful of the interests of our Company and our shareholders.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL

The potential advantages of the Proposed Renewal to our Company and our shareholders are as follows:

- (a) allows our Company to take preventive measures against speculation particularly when our Shares are undervalued which would in turn, stabilise the market price of our Shares and hence enhance investors' confidence;
- (b) allows flexibility for our Company to achieve the desired capital structure, in terms of debt and equity composition and size of equity;
- (c) the Proposed Renewal will also provide our Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at a higher price; and
- (d) if the treasury shares are distributed as share dividends by our Company, it may then serve to reward you.

The potential disadvantages of the Proposed Renewal to our Company and our shareholders, are as follows:

- (a) the Proposed Renewal will reduce the financial resources of our Group and may result in our Group foregoing better investment opportunities that may emerge in the future; and
- (b) as the Proposed Renewal can only be made out of the retained profits and/or share premium of our Company, it may result in the reduction of financial resources available for distribution to our shareholders in the future.

6. EFFECTS OF THE PROPOSED RENEWAL

The effects of the Proposed Renewal of Share Buy-Back Authority are presented based on the following assumptions:

- (a) the purchase of own Shares of up to 10% of the issued share capital of our Company is carried out in full; and
- (b) MBL Shares so purchased are retained as treasury shares.

Assuming that the Proposed Renewal will be carried out in full at any time during the proposed authorised period, the effects on the share capital, NA, earnings, working capital, and substantial shareholders' and directors' shareholdings in our Company are as follow:

6.1 Share capital

For illustrative purposes, the effects of the Proposed Renewal on the issued share capital of our Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The Proposed Renewal will result in a reduction of the issued share capital of our Company, if the Purchased Shares are cancelled.

As at the LPD upon the implementation of the Proposed Renewal and assuming that 10% of our Company's issued share capital are purchased and cancelled, are set out below:

	Scenario 1	Scenario 2
	Assuming none of the Outstanding Warrants & SGP Options are exercised	Assuming all the Outstanding Warrants & SGP Options are exercised
	No. of MBL Shares	No. of MBL Shares
Issued share capital as at the LPD	101,126,980	101,126,980
To be issued assuming full exercise of the Outstanding Warrants Option	-	46,000,000
Enlarged issued share capital after the full exercise of the Warrants Option	101,126,980	147,126,980
To be issued assuming full exercise of the Outstanding SGP Option	-	14,712,698
Enlarged issued share capital	101,126,980	161,839,678
Less: Assuming all treasury shares held by MBL as at the LPD are cancelled	754,200	754,200
Less: Assuming MBL Shares purchased under the Proposed Renewal are cancelled [Note (1)]	9,358,498	15,429,767
Resultant issued share capital	91,014,282	145,655,711

Note (1) :- Assuming the MBL Shares purchased pursuant to the Proposed Renewal is based on the maximum number of MBL Shares that may be purchased under the respective scenarios.

On the other hand, if the MBL Shares purchased are retained as treasury shares, resold or distributed to our shareholders, the Proposed Renewal will have no effect on the issued share capital of our Company.

6.2 NA

The effects of the Proposed Renewal on the NA of our Group will depend on the purchase price(s) of Shares, the number of Shares purchased, the effective funding cost to our Group to finance the share buy-back, if any, or loss in interest income to our Company,

and whether the Purchased Shares are cancelled, retained as treasury shares resold on Bursa Securities or distributed as share dividends to our shareholders.

If all Purchased Shares are cancelled, the Proposed Renewal will reduce the NA per Share if the purchase price per Purchased Share exceeds the NA per Share at the relevant point in time, and vice versa.

The NA of our Group would decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of our Group by the cost of the treasury shares.

If the treasury shares are resold through Bursa Securities, the NA per Share upon the resale would increase if our Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per Share will decrease by the cost of the treasury shares.

6.3 EPS

The effects of the Proposed Renewal on the EPS of our Group will depend on the purchase price(s) of the Shares, the number of Shares purchased and the effective funding cost, if any, or any loss in interest income to our Group or opportunity cost in relation to other investment opportunities.

Assuming that the Purchased Shares are retained as treasury shares and subsequently resold, the effects on the EPS of our Group will depend on the actual selling price, the number of the treasury shares resold, and the effective gain or interest savings arising from the share buy-back exercise.

If the Purchased Shares are cancelled, the Proposed Renewal will increase the EPS of our Group provided that the income foregone and interest expenses incurred, if any, on the Purchased Shares are less than the EPS before the share buy-back.

6.4 Working capital

The Proposed Renewal, as and when implemented, will reduce the working capital and cash flow of our Group, the quantum of which depends on, amongst others, the number of Shares purchased and the purchase price(s) of the Shares.

The Purchased Shares which are kept as treasury shares, upon resale, will increase the working capital and the cash flow of our Group upon receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

6.5 Dividend

Barring unforeseen circumstances, the Proposed Renewal is not expected to have any effect on our Group's dividend policy. The decision to declare and pay dividends in the future would depend on the performance, cash flow position and financing requirements of our Group. As stated in Section 6.1 above, our Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal.

7. SHAREHOLDING STRUCTURE OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AND PERSONS CONNECTED TO DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

For illustration purposes only, based on the Records of Depositors as at the LPD and assuming that the maximum number of MBL Shares (of up to ten percent (10%) of the issued share capital) authorised under the Proposed Renewal are purchased from shareholders other than the existing Substantial Shareholders and Directors of MBL, and all such shares purchased are cancelled, the effect of the Proposed Renewal on the shareholdings of the existing Substantial Shareholders and Directors of MBL by virtue of Section 127(9) of the Act are set out below:-

The effects of the Proposed Renewal of Share Buy-Back Authority are presented based on the following:-

Scenario 1 – Assuming none of the Outstanding Warrants and SGP Options are exercised

	No. of Shares held as at LPD		After all treasury shares so purchased are cancelled	
	Direct	%	Indirect	%
Directors				
Dato' Chua Ah Ba @ Chua Eng Ka	666,000	0.66	^{(a)(b)} 41,755,980	41.60
Chua En Hom	150,000	0.15	^{(a)(c)} 41,611,980	41.46
Chua Eng Hui	150,000	0.15	^(a) 41,605,980	41.45
Chua Heok Wee	150,000	0.15	^(a) 41,605,980	41.45
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	6,347,100	6.32	^(d) 3,351,200	3.34
Khairilnuar Bin Tun Abdul Rahman	150,000	0.15	-	-
Tuan Hj Ismail Bin Tunggak @ Hj Ahmad	30,000	0.03	-	-
Teh Eng Aun	-	-	-	-
Substantial Shareholders				
MBL Realty Sdn. Bhd.	41,605,980	41.45	-	-
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	6,347,100	6.32	^(d) 3,351,200	3.34
			41,605,980	45.71
			6,347,100	6.97
			^{(e)(b)} 41,755,980	45.88
			^{(a)(c)} 41,611,980	45.72
			^(a) 41,605,980	45.71
			^(a) 41,605,980	45.71
			^(d) 3,351,200	3.68
			150,000	0.16
			30,000	0.03
			-	-
			-	-
			41,605,980	45.71
			6,347,100	6.97
			^(d) 3,351,200	3.68

Notes:

^

Based on the assumption that our Company purchases the maximum 10,112,698 MBL Shares, representing 10% of its issued share capital of 101,126,980 MBL Shares. Deemed interested by virtue of their substantial shareholdings in MBL Realty pursuant to Section 8 of the Act.

- (a)
- (b)
- (c)
- (d)

Deemed interested by virtue of his son pursuant to Section 59(11) of the Act

Deemed interested by virtue of his son pursuant to Section 59(11) of the Act

Deemed interested by virtue of his spouse and daughter pursuant to Section 59(11) of the Act.

[The rest of this page has been intentionally left blank]

Scenario 2 – Assuming all the Outstanding Warrants and SGP Options are exercised

	No. of Shares held as at LPD		Assuming full exercise of the outstanding Warrants and SGP Options		After all treasury shares so purchased are cancelled	
	Direct	%	Direct	%	Direct	%
Directors						
Dato' Chua Ah Ba @ Chua Eng Ka	666,000	0.66	(e)(f) 2,121,000	1.31	(e)(f) 2,121,000	1.46
			(f) 41,755,980	41.60	53,629,610	(e)(f) 36.82
Chua En Hom	150,000	0.15	(e)(g) 1,605,000	0.99	(e)(g) 1,605,000	1.10
			41,611,980	41.46	52,033,710	(e)(g) 35.72
Chua Eng Hui	150,000	0.15	(e) 41,605,980	41.45	(e) 41,605,000	1.10
Chua Heok Wee	150,000	0.15	(e) 41,605,980	41.45	(e) 41,605,000	1.10
			(e) 41,605,980	41.45	(e) 41,605,000	1.10
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	6,347,100	6.32	(h) 3,351,200	3.34	(h) 3,351,200	3.24
			10,186,600	6.29	(h) 10,186,600	6.99
Khairilnuar Bin Tun Abdul Rahman	150,000	0.15	-	0.09	150,000	0.10
Tuan Hj Ismail Bin Tunggak @ Hj Ahmad	30,000	0.03	-	0.02	30,000	0.02
Teh Eng Aun	-	-	-	-	-	-
Substantial Shareholders						
MBL Realty Sdn. Bhd.	41,605,980	41.45	-	32.15	52,024,610	35.72
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	6,347,100	6.32	(h) 3,351,200	3.34	(h) 3,351,200	3.24
			10,186,600	6.29	(h) 10,186,600	6.99
			52,024,610	32.15	52,024,610	35.72
			5,243,800	6.29	(h) 5,243,800	6.99
			10,186,600	6.29	(h) 10,186,600	6.99
			52,024,610	32.15	52,024,610	35.72
			5,243,800	6.29	(h) 5,243,800	6.99
			10,186,600	6.29	(h) 10,186,600	6.99
			52,024,610	32.15	52,024,610	35.72

Notes:

- ^ Based on the assumption that our Company purchases the maximum 16,183,967 MBL Shares, representing 10% of its issued share capital of 161,839,678 MBL Share after all the outstanding Warrants and SGP Options are exercised.
- (e) Deemed interested by virtue of their substantial shareholdings in MBL Realty pursuant to Section 8 of the Act.
- (f) Deemed interested by virtue of his son pursuant to Section 59(11) of the Act
- (g) Deemed interested by virtue of his son pursuant to Section 59(11) of the Act.
- (h) Deemed interested by virtue of his spouse and daughter pursuant to Section 59(11) of the Act.

[The rest of this page has been intentionally left blank]

8. IMPLICATION OF THE CODE

It is not the intention of our Company to cause our substantial shareholders to trigger an obligation to undertake a mandatory offer under the Code and our Company will be mindful of the above implications of the Code in making any purchase of our own Shares under the Proposed Renewal.

Nonetheless, if the obligation to undertake a mandatory take-over offer under the Code is expected to be triggered, our substantial shareholder and its respective persons acting in concert will make an application to the SC for an exemption from a mandatory offer under Practice Note 9.24.1 of the Code.

9. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of MBL Shares as traded on Bursa Securities for the last twelve (12) months from April 2017 to March 2018 are as follows:-

Month	High (RM)	Low (RM)
April 2017	1.08	1.01
May 2017	1.17	1.04
June 2017	1.10	1.02
July 2017	1.08	1.01
August 2017	1.08	1.02
September 2017	1.20	1.04
October 2017	1.41	1.12
November 2017	1.43	1.26
December 2017	1.33	1.25
January 2018	1.41	1.20
February 2018	1.34	1.20
March 2018	1.25	1.07

The last transacted price of MBL Shares on 11 April 2018, being the latest practicable date prior to the printing of this Circular, was RM1.10.

(Source: Investing.com)

10. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF TREASURY SHARES IN THE PREVIOUS TWELVE (12) MONTHS

Previous purchases, resale and cancellation of treasury shares

Based on the Record of Depositors as at the LPD, 754,200 MBL Shares are held as treasury shares by our Company. Details of the purchases of MBL Shares purchased over the previous twelve (12) months preceding the LPD are as follows:-

Date	No. of MBL Shares	Highest price paid per MBL Share (RM)	Lowest price paid per MBL Share (RM)	Average price paid per MBL Share (RM)	Total consideration (RM)
03-04-2018	24,000	1.10	1.04	1.10	26,371

Our Company has not resold and/or cancelled any treasury shares held by our Company in the past twelve (12) months preceding the LPD.

11. PUBLIC SHAREHOLDING SPREAD

Based on our Company's Record of Depositors as at the LPD, 51,123,576 Shares representing approximately 50.94% of the issued share capital of our Company were held by 1,711 public shareholders holding not less than 100 MBL Shares each.

The Proposed Renewal will be carried out in accordance with prevailing laws at the time of the purchase including compliance with the public shareholding spread. Our Company will only undertake the Proposed Renewal, provided that the public shareholding spread of at least 25% of the issued capital of our Company (excluding treasury shares) are in the hands of public shareholders. Our Board are mindful of the compliance with the public shareholding spread as required by the Listing Requirements and will take into consideration the requirement when making any purchase of MBL Shares pursuant to the Proposed Renewal.

12. APPROVAL REQUIRED

The Proposed Renewal requires your approval at the forthcoming AGM. The Proposal Renewal is not conditional upon any other proposal.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the Directors and Substantial Shareholders of our Company as a consequence of the Proposed Renewal as set out in Section 7 above, none of our Directors, Substantial Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal or resale of the treasury shares (if any in the future).

14. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposed Renewal is of the opinion that the Proposed Renewal is in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal to be tabled at the forthcoming AGM.

15. AGM

The Ordinary Resolution pertaining to the Proposed Renewal is set out in the Extract of the Notice of 12th AGM in Appendix II of this Statement and as a Special Business in the Notice of the 12th AGM contained in the Annual Report 2017, which is sent to you together with this Statement.

The 12th AGM will be held at Muar Traders Hotel, 3rd Floor, No. 16, Jalan Peteri, 84000 Muar, Johor on Wednesday, 30 May 2018 at 12.00 noon, or any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed Renewal.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Proxy Form in the Annual Report 2017, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at our Company's registered office at No. 85, Muntri Street, 10200 Georgetown, Pulau Pinang, not less than twenty-four (24) hours before the date and time set for the AGM or any adjournment thereof. The lodging of the Proxy Form will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so. Pursuant to Paragraph 8.29A(1) of the Bursa Securities MMLR, all the Resolutions set out in this Notice will be put to vote by poll.

Yours faithfully,
For and on behalf of
MUAR BAN LEE GROUP BERHAD

TAN SRI DATO' SERI TAN KING TAI @ TAN KHOON HAI
Executive Director / Finance Director

[The rest of this page has been intentionally left blank]

ADDITIONAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been reviewed and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries 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, CLAIMS OR ARBITRATION

As LDP, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and have no knowledge or proceedings pending or threatened against our Group, or of any fact likely to give rise to any proceedings, which might materially or adversely affect the business or financial position of our Group.

3. MATERIAL CONTRACTS

As LDP, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Statement.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company at No. 85, Muntri Street, 10200 Georgetown, Pulau Pinang during the normal office hours on any business day falling from the date of this Statement up to and including the date of Twelfth Annual General Meeting:-

- Memorandum and Articles of Association of the Company; and
- Audited consolidated financial statements of the Company for the past two (2) financial years ended 31 December 2016 and 31 December 2017.

[The rest of this page has been intentionally left blank]

ORDINARY RESOLUTION II (RESOLUTION NO. 8)**Proposed Renewal of Authority for Share Buy-Back**

“THAT subject to the Companies Act, 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares of the Company’s issued capital through Bursa Securities at anytime and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:-

- i. the maximum number of MBL shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued share capital of the Company at any point of time;
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the retained profits of the Company, as at 31 December 2017;
- iii. the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:-
 - a. the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - b. the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities or any other relevant authorities;
- iv. upon completion of the purchase(s) of the MBL Shares by the Company (“Purchase Shares”), the Purchase Shares shall be dealt with either of the following manner:-
 - a. cancel the Purchase Shares if the Directors of the Company deem that there is excess share capital and wish to reduce the number of shares in circulation; or
 - b. retain the Purchase Shares as treasury shares held by the Company; or
 - c. retain part of the Purchase Shares as treasury shares and cancel the remainder; or
 - d. resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - e. distribute the Purchase Shares as share dividends if the Directors of the Company wish to reward the shareholders of MBL, which will depend on the availability of, among others, retained profits, share premium and tax credits of the Company.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of MBL Shares.”