

**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 under the Companies Act, 1965)

**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 Tenth Annual General Meeting (“AGM”) of the Muar Ban Lee Group Berhad (“MBL” or “our Company”). The Notice of the Tenth AGM of MBL is enclosed together with the Proxy Form are enclosed together with the Annual Report 2015 of MBL, which is despatched together with this Statement.

You are entitled to attend, vote and speak at the Tenth 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 Pulau Pinang, on or before the date and time indicated below:-

Last date and time for lodging the Proxy Form	: Saturday, 21 May 2016 at 12.00 noon
Date and time of the AGM	: Monday, 23 May 2016 at 12.00 noon
Venue of the AGM	: No. JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor Darul Takzim

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

This Statement is dated 28 April 2016

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**DEFINITIONS**

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

Act	:	The Companies Act, 1965 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	:	28 March 2016, 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) of RM0.50 each in our Company
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 MBL of RM0.50 each
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	:	Shall have the meaning given in Section 69D of the Act
Treasury Shares	:	Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 67A 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 was 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.

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## MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)  
(Incorporated in Malaysia under the Companies Act, 1965)

### Registered Office:

No. 85, Muntri Street  
10200 Pulau Pinang

28 April 2016

### 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 (*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")

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#### 1. INTRODUCTION

Our Company had on 16 June 2015, at its 9th 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 10th AGM unless a renewal of authority of share buy-back is obtained from the Shareholders of our Company at the AGM.

On 14 April 2016, the Company had announced its intention to seek the approval of its shareholders at the forthcoming 10th 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 10TH AGM. THE NOTICE OF AGM ("UNDER "SPECIAL BUSINESS") TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THE ANNUAL REPORT 2015 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 and paid-up share capital at any point in time, subject to Section 67A 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 and paid up share capital of our Company stood at RM46,000,000 comprising 92,000,000 ordinary shares of RM0.50 each. Hence, up to 9,200,000 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 15,180,000 MBL Shares or ten per centum (10%) of the enlarged issued and paid up 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 and paid-up 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 and paid-up share capital and the number of treasury shares held as at the LPD, are set out below:-

	<b>Scenario 1</b>		<b>Scenario 2</b>	
	<b>Assuming none of the Outstanding Warrants &amp; SGP Options are exercised</b>		<b>Assuming all the Outstanding Warrants &amp; SGP Options are exercised</b>	
	No. of MBL Shares	RM	No. of MBL Shares	RM
Issued and paid-up share capital as at the LPD	92,000,000	46,000,000	92,000,000	46,000,000
To be issued assuming full exercise of the Outstanding Warrants Option	-	-	46,000,000	23,000,000
Enlarged issued and paid-up share capital after the full exercise of the Warrants Option	92,000,000	46,000,000	138,000,000	69,000,000
To be issued assuming full exercise of the Outstanding SGP Option	-	-	13,800,000	6,900,000
<b>Enlarged issued and paid-up share capital</b>	<b>92,000,000</b>	<b>46,000,000</b>	<b>151,800,000</b>	<b>75,900,000</b>

	Scenario 1 Assuming none of the Outstanding Warrants & SGP Options are exercised		Scenario 2 Assuming all the Outstanding Warrants & SGP Options are exercised	
	No. of MBL Shares	RM	No. of MBL Shares	RM
Ten percent (10%) of the issued and paid-up share capital	9,200,000	4,600,000	15,180,000	7,590,000
Less: Treasury shares held by the Company as at the LPD	490,200	245,100	490,200	245,100
<b>Remaining number of MBL Shares that may be purchased by MBL</b>	<b>8,709,800</b>	<b>4,354,900</b>	<b>14,689,800</b>	<b>7,344,900</b>

The actual number of MBL Shares to be purchased will depend on, *amongst others*, market conditions, and the availability of retained profits, share premium 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 10th AGM of our Company to be convened and will continue to be in force until:-

- (a) the conclusion of the next AGM of our Company following this AGM at which the ordinary resolution for the Proposed Renewal is passed, at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of MBL in a general meeting;

whichever occurs first.

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 above 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, the Company may only purchase its 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**

Pursuant to Section 67A of the Act, our Directors may deal with the Purchased Shares in either of the following manner:

- (i) cancel the Purchased Shares if our Directors deem that there is excess share capital and wish to reduce the number of shares in circulation; or
- (ii) retain the Purchased Shares as treasury shares held by our Company; or
- (iii) retain part of the Purchased Shares as treasury shares and cancel the remainder; or
- (iv) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
- (v) distribute the Purchased Shares as share dividends if our Directors wish to reward you, which will depend on the availability of, amongst others, retained profits, share premium and tax credits of our Company.

It is the present intention of our Directors to retain the Purchased Shares as treasury shares and subsequently resell them on Bursa Securities if the opportunity arises for our Company to realise gains from the resale on Bursa Securities.

An immediate announcement will be made on Bursa Securities in respect of the intention of our Directors to either retain the Purchased Shares as treasury shares or cancel them or a combination of both following any transaction executed pursuant to the authority granted under the Proposed Renewal.

In the event that the Purchased Shares are held as treasury shares, the rights attaching to these shares in relation to voting, dividends and participation in any other distribution or otherwise would be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in our Company for any purposes without limiting to the generality of this provision, the provisions of any law or requirements of the Articles of Association of our Company or the Listing Requirements on major shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and the results of votes on resolutions 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 and/or share premium 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 and/or share premium account of our Company. Based on the latest Audited Financial Statements as at 31 December 2015 of MBL, the retained profits is RM 41,320 and share premium account is RM 1,157,846.

### **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 and paid-up 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 and paid-up 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 and paid-up 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 and paid-up 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 and paid-up share capital are purchased and cancelled, are set out below:

	<b>Scenario 1</b>		<b>Scenario 2</b>	
	<b>Assuming none of the Outstanding Warrants &amp; SGP Options are exercised</b>		<b>Assuming all the Outstanding Warrants &amp; SGP Options are exercised</b>	
	No. of MBL Shares	RM	No. of MBL Shares	RM
Issued and paid-up share capital as at the LPD	92,000,000	46,000,000	92,000,000	46,000,000
To be issued assuming full exercise of the Outstanding Warrants Option	-	-	46,000,000	23,000,000
Enlarged issued and paid-up share capital after the full exercise of the Warrants Option	92,000,000	46,000,000	138,000,000	69,000,000
To be issued assuming full exercise of the Outstanding SGP Option	-	-	13,800,000	6,900,000
<b>Enlarged issued and paid-up share capital</b>	92,000,000	46,000,000	151,800,000	75,900,000
Less: Assuming all treasury shares held by MBL as at the LPD are cancelled	490,200	245,100	490,200	245,100
Less: Assuming MBL Shares purchased under the Proposed Renewal are cancelled [Note (1)]	8,709,800	4,354,900	14,689,800	7,344,900
<b>Resultant issued and paid up share capital</b>	82,800,000	41,400,000	136,620,000	68,310,000

**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 and paid-up 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.

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**Notes:**

^ Based on the assumption that our Company purchases the maximum 9,200,000 MBL Shares, representing 10% of its issued and paid-up share capital of 92,000,000 MBL Shares.

(a) Deemed interested by virtue of their substantial shareholdings in MBL Realty pursuant to Section 6A of the Act.

(b) Deemed interested by virtue of his son pursuant to Section 134(12)(c) of the Act

(c) Deemed interested by virtue of his son pursuant to Section 134(12)(c) of the Act.

(d) Deemed interested by virtue of his spouse and daughter pursuant to Section 134(12)(c) of the Act.

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## 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	%
<b>Directors</b>						
Dato' Chua Ah Ba @			(e)(f)		(e)(f)	
Chua Eng Ka	566,000	0.62	41,755,980 (e)(g)	45.63	2,021,000	1.48
Chua Eh Hom	150,000	0.16	41,611,980 (e)	45.47	1,605,000	1.17
Chua Eng Hui	150,000	0.16	41,605,980 (e)	45.47	1,605,000	1.17
Chua Heok Wee	150,000	0.16	41,605,980 (e)	45.47	1,605,000	1.17
Tan Sri Dato' Seri Tan King Tai @ Tan			(e)(f)		(e)(f)	
Khoon Hai	5,849,800	6.39	(h) 3,051,700	3.33	9,689,300	7.09
Khairilnuar Bin Tun Abdul Rahman	150,000	0.16	-	-	150,000	0.11
Tuan Hj Ismail Bin Tunggak @ Hj Ahmad	30,000	0.03	-	-	30,000	0.02
Teh Eng Aun	-	-	-	-	-	-
<b>Substantial Shareholders</b>						
MBL Realty Sdn. Bhd.	41,605,980	45.47	-	-	63,024,610	46.13
Tan Sri Dato' Seri Tan King Tai @ Tan			(h) 3,051,700	3.33	9,689,300	7.09
Khoon Hai	5,849,800	6.39	(h) 3,051,700	3.33	9,689,300	7.09
			(h) 4,919,400	3.24	(h) 4,919,400	3.60
			(h) 4,919,400	3.24	(h) 4,919,400	3.60

**Notes:**

- ^ Based on the assumption that our Company purchases the maximum 15,180,000 MBL Shares, representing 10% of its issued and paid-up share capital of 151,800,000 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 6A of the Act.
- (f) Deemed interested by virtue of his son pursuant to Section 134(12)(c) of the Act
- (g) Deemed interested by virtue of his son pursuant to Section 134(12)(c) of the Act.
- (h) Deemed interested by virtue of his spouse and daughter pursuant to Section 134(12)(c) of the Act.

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## 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 PRICES

The monthly highest and lowest prices of MBL Shares as traded on Bursa Securities for the last twelve (12) months from April 2015 to March 2016 are as follows:-

Month	High (RM)	Low (RM)
April 2015	0.790	0.780
May 2015	0.770	0.760
June 2015	0.790	0.750
July 2015	0.760	0.750
August 2015	0.770	0.740
September 2015	-	-
October 2015	-	-
November 2015	0.780	0.770
December 2015	-	-
January 2016	-	-
February 2016	0.790	0.780
March 2016	0.820	0.780

The last transacted price of MBL Shares on 28 March 2016, being the latest practicable date prior to the printing of this Circular, was RM0.79.

*(Source: Bloomberg)*

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## 10. PURCHASE OF SHARES AND RESALE 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, 490,200 MBL Shares are held as treasury shares by our Company. Details of the purchases of MBL Shares 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)
27-05-2015	3,000	0.770	0.760	0.7600	2,280
01-06-2015	35,000	0.790	0.760	0.7579	26,527
10-06-2015	39,000	0.760	0.760	0.7550	29,445
11-06-2015	36,900	0.760	0.750	0.7491	27,638
18-06-2015	25,000	0.760	0.760	0.7550	18,875
19-06-2015	10,000	0.760	0.760	0.7550	7,550
22-06-2015	8,000	0.770	0.760	0.7700	6,160
29-06-2015	35,000	0.760	0.760	0.7550	26,425
30-06-2015	5,000	0.760	0.750	0.7500	3,775
06-07-2015	18,500	0.760	0.750	0.7500	13,875
08-07-2015	70,000	0.750	0.750	0.7500	52,500
09-07-2015	11,000	0.750	0.750	0.7450	8,195
13-07-2015	2,500	0.750	0.750	0.7450	1,863
14-07-2015	1,000	0.750	0.750	0.7450	745
23-07-2015	10,000	0.750	0.750	0.7450	7,450
12-08-2015	74,400	0.770	0.740	0.7460	55,502
18-11-2015	1,500	0.780	0.770	0.7750	1,162
03-02-2016	28,800	0.790	0.780	0.7800	22,464
12-02-2016	16,700	0.780	0.780	0.7800	13,026
07-03-2016	6,300	0.780	0.780	0.7800	4,963
08-03-2016	30,000	0.790	0.780	0.7800	23,580
09-03-2016	10,000	0.820	0.780	0.7800	7,860
16-03-2016	2,600	0.790	0.780	0.7800	2,074
18-03-2016	10,000	0.800	0.780	0.7898	7,958

The Company has not resold and/or cancelled any treasury shares held by the 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, 43,348,220 Shares representing approximately 47.12% of the issued and paid-up share capital of our Company were held by 1,958 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. The Company will only undertake the Proposed Renewal, provided that the public shareholding spread of at least 25% of the issued and paid-up capital of our Company (excluding treasury shares) are in the hands of public shareholders. The Board is 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 10th AGM in Appendix II of this Statement and as a Special Business in the Notice of the 10th AGM contained in the Annual Report 2015, which is sent to you together with this Statement.

The 10th AGM will be held at No. JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor Darul Takzim on Monday, 23 May 2016 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 2015, 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 Pulau Pinang, not less than forty-eight (48) 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.

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

**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 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 Tenth Annual General Meeting.

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**Proposed Renewal of Authority for Share Buy-Back**

“THAT subject to the Companies Act, 1965 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and the requirements of Bursa Securities and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares of RM0.50 each in the Company’s issued and paid-up 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 and paid-up 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 or share premium account of the Company, as at 31 December 2015;
- 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.”

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