

OTHERS Disposal of 33% equity interest in PT Banyuasin Nusantara Sejahtera ("BNS") by its wholly-owned subsidiary, Muar Ban Lee Engineering Sdn Bhd ("MBLE") of the Company for a total consideration of IDR16,000,000,000.00 (which is equivalent to RM4,768,000.00) ("the Disposal")

MUAR BAN LEE GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	Disposal of 33% equity interest in PT Banyuasin Nusantara Sejahtera ("BNS") by its wholly-owned subsidiary, Muar Ban Lee Engineering Sdn Bhd ("MBLE") of the Company for a total consideration of IDR16,000,000,000.00 (which is equivalent to RM4,768,000.00) ("the Disposal")

1. INTRODUCTION

The Board of Directors ("Board") of MBL, wishes to announce that its wholly-owned subsidiary, MBL has entered into a Sale and Purchase Agreement ("the SPA") on 31 October 2018 with Tuan Khor Soo Ping ("the Purchaser") for the disposal of 33% equity interest in BNS for a total sale consideration of IDR16,000,000,000.00 (which is equivalent to RM4,768,000.00) by way of the cash payment and on such terms and conditions as stated in the SPA.

2. DETAILS OF THE DISPOSAL

Pursuant to the disposal, MBL is disposing 33% equity interest in BNS for a total sale consideration of IDR16,000,000,000.00 (which is equivalent to RM4,768,000.00). From the Disposal, BNS will be ceased as the Associate Company of MBL.

(a) Basis and justification for the purchase consideration

The Disposal was arrived at on a willing buyer-willing seller basis.

(b) Salient terms of the Disposal

(i) The consideration stipulated shall be deemed final and inclusive of all assets and liabilities of BNS entitled by the Vendor (it would mean MBL);

(ii) Upon receiving the full payment of the consideration, the Vendor shall execute an instrument of transfer in escrow for the transfer of the shares to the Purchaser;

(iii) The consideration for the share sold shall be inclusive of reimbursements of and full discharge of all liabilities of the Vendor to BNS (if any) or to any other party as at the date of this SPA;

(iv) The Vendor do declare and confirm that as from the date of this SPA until the date of full transfer and full payment of the consideration in pursuant to the terms herein, the Vendor shall hold each and every of the shares and all interests, rights, title and benefits attached thereto in trust for the Pruchaser absolutely and agrees to deal with the shares and will exercise all rights, powers and privileges arising there from in such manner as the Purchaser shall time to time direct and not otherwise;

(v) The Vendor is and will be entitled to transfer the full legal and beneficial ownership of the Shares to the Purchaser upon full payment of the consideration; and

(vi) The Vendor undertakes that their representative(s) will resign from the post, included director, held in BNS at the completion of this SPA.

3. INFORMATION ON MBL

MBLE, (Company No. 166822-V), a company incorporated pursuant to the laws of Malaysia and having its business address at JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor. The Company is principally involved in manufacturing and trading in all kinds of machinery, tools, plants,

hardwares, building materials, accessories and engineering requisites. The issued share capital of MBL is RM2,000,000.00 comprising of 2,000,000 ordinary shares of RM1.00 each.

4. INFORMATION ON BNS

BNS (AHU-35861.A.H.01.01 Tahun 2011), a limited liability company existing under the laws of the Republic of Indonesia incorporated on date 19 July 2011 and its principal activities are dealing in manufacturing coconut oil, crude oil, crude palm oil, palm kernel oil and to market and distribute the said products manufactured. The principal address of BNS is at Jl. Tanjung Api Api Km.40 Desa Karang Anyar, Kecamatan Sumber Marga Telang, Kabupaten Banyuasin, Sumatera Selatan, Indonesia.

5. EFFECTS OF THE DISPOSAL

The Disposal is not expected to have any material effect on MBL's consolidated earnings, earnings per share, Net Asset (NA), NA per share and gearing. The Disposal will not have any effect on MBL's share capital and substantial shareholders' shareholding.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

The Related Parties are deemed interested in the Disposal and have abstained themselves from Board deliberation and voting on the resolution approving the Disposal. Save as disclosed, none of the other Directors, Major Shareholders and/or persons connected to them have any interest, direct or indirect in the Disposal.

7. APPROVALS REQUIRED

The Disposal is not subject to the approval of the shareholders of MBL and relevant government authorities. Approval from the government authorities in Indonesia, directors and shareholder of BNS and the directors of MBL are request.

8. DIRECTORS' STATEMENT

The Board of MBL, after considered all aspects related to this disposal and is in the opinion that the Disposal would be in the best interest for the MBL. The consideration also fair and reasonable and on normal commercial terms which is a best interest for the Company and their shareholders as a whole and do not detrimental to the interest of the minority shareholders as the Disposal is expected to contribute positively to the consolidated future earnings of MBL.

9. AUDIT COMMITTEE'S STATEMENT

After reviewed the financial and operational due diligence reporting and considered all aspects of the Disposal, the Audit Committee of MBL is of the opinion that the Disposal is:-

(a) in the best interest of MBL to venture into upstream industry of crude palm oil and palm kernel oil processing and manufacturing;

(b) fair and reasonable and on normal commercial terms; and

(c) not detrimental to the interest of the minority shareholders as the Subscription is expected to contribute positively to the consolidated future earnings of MBL.

10. PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The highest percentage ratio pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad applicable to the Disposal is 4.76% calculated based on the aggregate value of the consideration received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The relevant documents will be made available for inspection at the registered office of MBL at 85, Muntri Street, 10200 Georgetown, Penang from Monday to Friday (except public holiday) for a period of three (3) months from the date of this announcement.

12. ESTIMATED TIMEFRAME FOR COMPLETION

The Disposal will be completed within 30 days.

This announcement is dated 31 October 2018.

Announcement Info

Company Name	MUAR BAN LEE GROUP BERHAD
Stock Name	MBL
Date Announced	31 Oct 2018
Category	General Announcement for PLC
Reference Number	GA1-31102018-00132