

**General Announcement**Reference No **MB-110708-36619**

Company Name : **MUAR BAN LEE GROUP BERHAD**  
 Stock Name : **MBL**  
 Date Announced : **08/07/2011**

Type : **Announcement**  
 Subject : **OTHERS**

Description : **Investment in MBL Biotech Sdn Bhd**

Announcement Details/Table Section :

**1. INTRODUCTION**

The Board of Directors of Muar Ban Lee Group Berhad (“MBL”) is pleased to announce that MBL had on 8 July 2011 subscribed for 30,000 new ordinary shares of RM1.00 each in MBL Biotech Sdn Bhd (“MBLbiotech”) for a total cash consideration of RM30,000.

**2. INFORMATION ON MBLBIOTECH**

MBLbiotech was incorporated on 2 December 2010 under the Companies Act 1965. The authorised share capital of MBLbiotech is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM100,000 and the shareholding of MBLbiotech is as follows:

Shareholder	Shareholding	
	No of ordinary shares	%
MBL	30,000	30
MBL Realty Sdn Bhd	20,000	20
Orchid City Sdn Bhd	50,000	50
	100,000	100

MBLbiotech had on 8 July 2011 entered into a “Licensing and Commercialisation Agreement” (the “Agreement”) with Universiti Sains Malaysia (USM) in relation to a process for the simultaneous extraction and fractionation of palm kernel oil using supercritical carbon dioxide as a solvent (Invention).

Among the salient terms of the Agreement, USM is the registered and beneficial owner of the patent in respect of the Invention (Licensor). As the Licensor, it shall grant to MBLbiotech (Licensee) the exclusive licence to manufacture, use, exercise and exploit the Licensor’s technical information and the patent in Malaysia and in any other part of the world to manufacture finished products in accordance with the Invention (the licensed products).

**3. RATIONALE**

The involvement of MBL as a shareholder in MBLbiotech will enable it to participate in a venture which uses a new technology in the extraction and fractionation of palm kernel oil using supercritical carbon dioxide as a solvent.

**4. SOURCE OF FUNDING**

Funding for the shareholding in MBLbiotech by MBL was sourced from its internal generated funds.

## **5. FINANCIAL EFFECTS**

### **i. Share Capital and substantial shareholders' shareholding**

It does not have any effect on the share capital of MBL and the shareholdings of its substantial shareholders.

### **ii. Earnings**

It is not expected to have any material impact on the earnings of MBL for the current financial year ending 31 December 2011 but is expected to enhance the future earnings of the MBL Group.

### **iii. Net Assets**

It is not expected to have any material effect on the net assets per share of MBL for the current financial year ending 31 December 2011.

### **iv. Gearing**

It is not expected to have any material effect on the gearing of the MBL Group.

## **6. APPROVALS REQUIRED**

MBL's subscription in MBLBiotech does not require the approval of the shareholders of MBL.

## **7. DIRECTORS**

The Directors of MBL, Chua Ah Ba @ Chua Eng Ka, Chua En Hom, Chua Heok Wee, and Chua Eng Hui have substantial shareholdings in MBL and substantial shareholdings in MBLBiotech through MBL Realty Sdn Bhd. Y Bhg Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai is a director of both MBL and MBLBiotech and is a substantial shareholder of MBL. Under Paragraph 10.08, Chapter 10 of the Listing Requirement of Bursa Malaysia Securities Berhad, MBL's subscription of RM30,000 in MBLBiotech is less than the RM250,000 threshold and hence does not require the approval of shareholders of MBL.

This announcement is dated 8 July 2011.