



MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("EGM") of Muar Ban Lee Group Berhad ("MBL" or "Company") will be held at No. JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor Darul Takzim on Monday, 27 August 2012 at 12.00 noon or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions, with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 46,000,000 WARRANTS IN MBL ("WARRANT(S)") AT AN ISSUE PRICE OF RM0.10 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.50 EACH IN MBL ("MBL SHARES") HELD BY THE SHAREHOLDERS OF MBL ("PROPOSED RIGHTS ISSUE OF WARRANTS")

"THAT subject to the approvals of all relevant authorities, the Board be and is hereby authorised to provisionally allot and issue by way of renounceable rights issue of 46,000,000 Warrants at an issue price of RM0.10 per Warrant, on the basis of one (1) Warrant for every two (2) existing MBL Shares in the Company held by the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board at a later date ("**Entitlement Date**") ("**Entitled Shareholders**"), on such terms and conditions as the Board may be determined;

THAT the Board be and is hereby authorised to determine and vary if deemed fit, the exercise price of the Warrants in connection with the Proposed Rights Issue of Warrants;

THAT any Warrants which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications in such manner as the Board shall determine at its absolute discretion;

THAT the Warrants be allotted and issued in registered form on the basis that, subject to any adjustments to the subscription rights attached to the Warrants under the provisions of the deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**"), each Warrant entitles its holder to subscribe for one (1) MBL Share at an exercise price to be determined by the Board at a later date, during its prescribed exercise period;

THAT the Warrants and the additional MBL Shares to be issued arising from the exercise of the Warrants shall be listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**");

THAT the proceeds of the Proposed Rights Issue of Warrants be utilised for the purposes as set out in **Part A, Section 2.1.7** of the Circular to Shareholders dated 7 August 2012, and the Board be hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to:

- deal with any fractional entitlements that may arise from the Proposed Rights Issue of Warrants in such manner and on such terms and conditions as the Board shall in its absolute discretion as it may deem fit or think expedient or in the best interests of the Company (including without limitation to disregard such fractional entitlements);
- allot and issue such number of additional Warrants pursuant to the adjustments under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/required/permitted by Bursa Securities and any other authorities or parties or otherwise;
- allot and issue such appropriate number of additional MBL Shares to the warrant holders arising from the exercise of the Warrants and the Additional Warrants, and all the additional MBL Shares to be issued pursuant to the exercise of the Warrants and the Additional Warrants shall, when allotted, issued and fully paid-up, rank *pari passu* in all respects with the then existing issued and fully paid-up share capital of the Company, save and except that the said MBL Shares shall not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the said MBL Shares;
- enter into a Deed Poll with full power to assent to any conditions, modification, revaluation, variation and/or amendments (if any) as the Board may deem fit, necessary and/or expedient or as may be imposed by the relevant authorities and to take all steps as it may consider necessary in order to implement, finalise and give full effect to the Deed Poll subject to all provisions and adjustments contained therein;
- do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue of Warrants with full power to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue of Warrants as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue of Warrants;

AND THAT this resolution constitutes a specific approval for the issuance of the Warrants in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Warrants, Additional Warrants and the additional MBL Shares (arising from the exercise of the Warrants or Additional Warrants) to be issued pursuant to or in connection with the Proposed Rights Issue of Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue of Warrants."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY TO ELIGIBLE DIRECTORS AND EMPLOYEES OF MBL AND ITS SUBSIDIARIES ("PROPOSED ESOS")

"THAT, subject to the approvals of all the relevant authorities, including but not limited to the approval of Bursa Securities for the listing of and quotation for the additional new ordinary shares of RM0.50 each in the Company ("**MBL Shares**") to be issued pursuant to the Proposed ESOS, the Company do hereby approve the establishment of an Employee Share Option Scheme ("**ESOS**") of up to 15% of the issued and paid-up share capital (excluding treasury shares, if any) of the Company, at any point of time, for the benefit of the eligible directors and employees of MBL and its subsidiaries (collectively referred to as "**Eligible Person**") and approval be and is hereby given to the Directors:

- to establish and administer the ESOS in accordance with the By-Laws of the Proposed ESOS as set out in **Appendix II** of the Circular to Shareholders dated 7 August 2012 ("**Circular**") for the benefit of the Eligible Person, under which options will be granted to such Eligible Person to subscribe for new MBL Shares and give full effect to and complete the ESOS with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities as the Directors may deem necessary and expedient to finalise, implement and give full effect to and complete the Proposed ESOS;
- to allot and issue from time to time such number of new MBL Shares as may be required to be issued to the Eligible Person pursuant to their exercise of ESOS Options under the Proposed ESOS, provided that the total number of new MBL Shares to be allotted and issued shall not exceed 15% of the total issued and paid-up share capital of MBL at any point of time during existence of the Proposed ESOS and that such new MBL Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing MBL Shares;
- to make necessary applications to Bursa Securities for the permission to deal in and for the listing of and quotation for the additional new MBL Shares that may hereafter from time to time be allotted and issued pursuant to the Proposed ESOS; and
- to complete and give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be imposed or required by the relevant authorities and to deal with all matters relating thereto and to take such steps and to do all acts and things in any manner as the Directors deem necessary or expedient in order to implement, finalise and give full effect to the Proposed ESOS."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' CHUA AH BA @ CHUA ENG KA

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Dato' Chua Ah Ba @ Chua Eng Ka, being the Executive Chairman of MBL and a controlling shareholder holding more than 20% of the issued and paid-up share capital (excluding treasury shares) of the Company, an option to subscribe of not more than 10% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA EN HOM

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua En Hom, being the Deputy Executive Chairman of MBL and a controlling shareholder holding more than 20% of the issued and paid-up share capital (excluding treasury shares) of the Company, an option to subscribe of not more than 10% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA ENG HUI

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Eng Hui, being the Executive Director of MBL and a controlling shareholder holding more than 20% of the issued and paid-up share capital (excluding treasury shares) of the Company, an option to subscribe for not more than 10% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA HEOK WEE

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Heok Wee, being the Managing Director of MBL and a controlling shareholder holding more than 20% of the issued and paid-up share capital (excluding treasury shares) of the Company, an option to subscribe for not more than 10% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO TAN SRI DATO' SERI TAN KING TAI @ TAN KHOON HAI

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai, being the Executive Director and Finance Director of MBL, an option to subscribe for not more than 10% of the new MBL Shares available under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO KHAIRILANUAR BIN TUN ABDUL RAHMAN

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Khairilnauar Bin Tun Abdul Rahman, being the Independent Non-Executive Director of MBL, an option to subscribe for not more than 5% of the new MBL Shares available under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO TUAN HJ ISMAIL BIN TUNGAK @ HJ AHMAD

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Tuan Hj Ismail Bin Tungak @ Hj Ahmad, being the Independent Non-Executive Director of MBL, an option to subscribe for not more than 5% of the new MBL Shares available under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF ESOS OPTIONS TO TEH ENG AUN

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Teh Eng Aun, being the Independent Non-Executive Director of MBL, an option to subscribe for not more than 5% of the new MBL Shares available under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 11

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA CHANG YEE

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Chang Yee, an employee in a subsidiary company of MBL in an executive position and who is a person connected with Chua En Hom, being the Deputy Executive Chairman and a controlling shareholder of MBL, an option to subscribe for not more than 2.5% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 12

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA CHANG HUAT

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Chang Huat, an employee in a subsidiary company of MBL in an executive position and who is a person connected with Chua En Hom, being the Deputy Executive Chairman and a controlling shareholder of MBL, an option to subscribe for not more than 2.5% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 13

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA YI TING

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Yi Ting, an employee in a subsidiary company of MBL in an executive position and who is a person connected with Chua En Hui, being the Executive Director and a controlling shareholder of MBL, an option to subscribe for not more than 2.5% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to her does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 14

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHUA KANG SING

"THAT, subject to the passing of Ordinary Resolution 2, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to offer and grant to Chua Kang Sing, an employee in a subsidiary company of MBL in an executive position and who is a person connected with Chua Eng Hui, being the Executive Director and a controlling shareholder of MBL, an option to subscribe for 2.5% of the new MBL Shares available under the ESOS PROVIDED THAT the allocation to him does not exceed 10% of the total number of MBL Shares to be issued under the ESOS, and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws of the Proposed ESOS."

ORDINARY RESOLUTION 15

PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY ("PROPOSED SHARE BUY-BACK")

"THAT, subject to the Companies Act, 1965 ("**Act**"), the provisions of the Company's Memorandum and Articles of Association, the provisions of the Main Market Listing Requirements of Bursa Securities and the approvals from the relevant authorities, the Company be and are hereby authorised to purchase its own MBL Shares from the open market on Bursa Securities through a stockbroker to be appointed at a later date, subject to the following:-

- the maximum number of MBL Shares which may be purchased by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time;
- 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 2011;
- The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-
 - the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which the ordinary resolution for the Proposed Share Buy-Back was passed, at which time it shall lapse unless the authority is renewed, either unconditionally or subject to conditions; or
 - the expiration of the period within which the next AGM is required by law to be held; or
 - the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company;whichever occurs first;
- Upon the completion of the purchase(s) of the MBL Shares by the Company ("**Purchased Shares**"), the Purchased Shares, shall be dealt with either of the following manner:-
 - cancel the Purchased 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
 - retain the Purchased Shares as treasury shares held by the Company; or
 - retain part of the Purchased Shares as treasury shares and cancel the remainder; or
 - resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - distribute the Purchased Shares as share dividends if the Directors of the Company wish to reward the shareholders of MBL, which will depend on the availability of, amongst others, retained profits, share premium and tax credits of the Company.

AND THAT the Directors be and are hereby authorised to implement the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to do all such acts as they may consider necessary or expediently to implement the Proposed Share Buy-Back."

By Order of the Board of Directors

LEE HONG LIM (MIA 12949)

Company Secretary

Muar, Johor Darul Takzim

7 August 2012

Notes:

- For the purpose of determining a member who shall be entitled to attend at the EGM, the Company shall be requesting a Record of Depositors as at 16 August 2012. Only a depositor whose name appears on the Record of Depositors as at 16 August 2012 shall be entitled to attend, vote and speak at the EGM or appoint proxies to attend and/or vote on his/her behalf.
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing a proxy in the case of any individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation under its common seal or under the hand of an officer or attorney duly authorised.
- The Proxy Form must be deposited at the Registered Office of the Company at No. 87, Muntri Street, 10200 Pulau Pinang, not less than forty eight (48) hours before the time set for holding the EGM or at any adjournment thereof.