



MUAR BAN LEE GROUP BERHAD

(Company No.: 753588-P)

(Incorporated in Malaysia under the Companies Act, 1965)

Export Countries

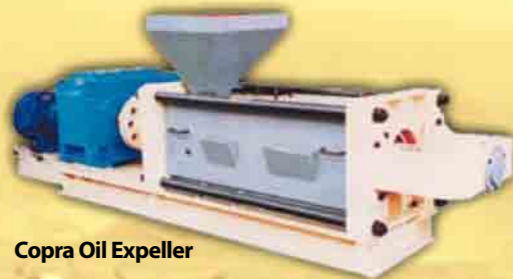
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|--------------------------|-----------------|
| Portugal | the Philippines |
| South Africa | Singapore |
| India | Sri Lanka |
| Solomon Islands | Tanzania |
| Belgium | Thailand |
| Guatemala | Hong Kong |
| Indonesia | Vanuatu |
| Nigeria | Ivory Coast |
| Papua New Guinea | Netherlands |
| Mexico | Cameroon |
| Costa Rica | Gabon |
| Columbia | Venezuela |
| United States of America | |



Our Products



Vertical Leaf Filter



Copra Oil Expeller



Palm Kernel Oil Seed Expeller



Single Barrel EFB Press



Jatropha Oil Seed Expeller



EFB Fiberiser

MUAR BAN LEE GROUP BERHAD

PROSPECTUS



INITIAL PUBLIC OFFERING OF 28,000,000 ORDINARY SHARES OF RM0.50 EACH BY MUAR BAN LEE GROUP BERHAD COMPRISING:-

- (I) PUBLIC ISSUE OF 21,000,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING: -
- 2,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 2,700,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES;
 - 7,340,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS; AND
 - 8,960,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AND

- (II) OFFER FOR SALE OF 7,000,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AT AN ISSUE / OFFER PRICE OF RM0.65 PER ORDINARY SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Adviser, Sole Underwriter and Sole Placement Agent



Maybank Investment Bank Berhad (15938-H)
(Formerly known as Aseambankers Malaysia Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Prospectus is dated 5 October 2009

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. PLEASE SEE "RISK FACTORS" AS SET OUT IN SECTION 3

RESPONSIBILITY STATEMENTS

OUR DIRECTORS, PROMOTERS AND OFFERORS HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN. THEY CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING.

MAYBANK INVESTMENT BANK BERHAD (FORMERLY KNOWN AS ASEAMBANKERS MALAYSIA BERHAD), BEING OUR ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR INITIAL PUBLIC OFFERING ("IPO").

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE IPO AND THAT APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO. A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL, AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, 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 PROSPECTUS. YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF INVESTMENT IN US. IN CONSIDERING INVESTING WITH US, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING OFFERED. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE IPO, OUR COMPANY OR OUR SECURITIES.

THE ACCEPTANCE OF APPLICATIONS FOR THE SECURITIES BEING OFFERED IS CONDITIONAL UPON PERMISSION BEING GRANTED BY BURSA SECURITIES FOR THE QUOTATION OF ALL THE SECURITIES BEING OFFERED ON THE MAIN MARKET OF BURSA SECURITIES. IF THE PERMISSION IS NOT GRANTED WITHIN 6 WEEKS FROM THE DATE OF THIS PROSPECTUS (OR SUCH LONGER PERIOD AS MAY BE SPECIFIED BY THE SC), PROVIDED THAT THE COMPANY IS NOTIFIED BY BURSA SECURITIES WITHIN THE AFORESAID TIMEFRAME, ALL MONIES PAID IN RESPECT OF ANY APPLICATION ACCEPTED WILL BE RETURNED IN FULL, WITHOUT INTEREST TO THE APPLICANTS, AT THE APPLICANTS' OWN RISK. IF ANY SUCH MONIES ARE NOT RETURNED WITHIN 14 DAYS AFTER THE SELLING SHAREHOLDER BECOMES LIABLE TO DO SO, THE PROVISION OF SUBSECTION 243(2) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA") SHALL APPLY ACCORDINGLY.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE HEREIN BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS. BURSA SECURITIES MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS PROSPECTUS 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 PROSPECTUS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOAD FROM BURSA SECURITIES' WEBSITE AT <http://www.bursamalaysia.com>. THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

YOU MAY ALSO OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF MALAYAN BANKING BERHAD AT <http://www.maybank2u.com.my>, THE WEBSITE OF RHB BANK BERHAD AT <http://www.rhbbank.com.my>, THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT <http://www.eipocimb.com>, THE WEBSITE OF CIMB BANK BERHAD AT <http://www.cimbclicks.com.my> AND THE WEBSITE OF AFFIN BANK BERHAD AT <http://www.affinOnline.com>.

THE INTERNET IS NOT A FULLY SECURED MEDIUM. YOUR INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR ADVISER OR OUR ISSUING HOUSE, MIDF CONSULTANCY AND CORPORATE SERVICES SDN. BHD., A PAPER/ PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/ PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/ PRINTED COPY OF THIS PROSPECTUS WHICH IS IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL. THE ELECTRONIC PROSPECTUS SUBMITTED TO THE SC AND BURSA SECURITIES IS THE SAME AS THE REGISTERED PAPER PRINTED COPY.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT ON, OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OR ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILES OR OTHER MATERIALS PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, FILES OR OTHER MATERIALS DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIALS.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, I.E. TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY BE VIEWED VIA WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

THE DISTRIBUTION OF THIS PROSPECTUS THE PUBLIC ISSUE AND OFFER FOR SALE ARE SUBJECT TO MALAYSIAN LAWS. WE, OUR PROMOTERS, OFFERORS AND ADVISERS TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT A PUBLIC ISSUE AND OFFER FOR SALE OF OUR SHARES BASED ON THIS PROSPECTUS OR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. THIS PROSPECTUS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SHARES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH SUCH AN OFFER OF INVITATION IS NOT AUTHORISED OR IS UNLAWFUL. THIS PROSPECTUS SHALL ALSO NOT BE USED TO MAKE AN OFFER OF OR INVITATION TO BUY OUR SHARES TO ANY PERSON TO WHOM IT IS UNLAWFUL TO DO SO. WE, OUR PROMOTERS AND ADVISERS REQUIRE YOU TO INFORM YOURSELF AND TO OBSERVE SUCH RESTRICTIONS.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR THE PUBLIC ISSUE AND OFFER FOR SALE IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR SHARES ARE OFFERED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. WE, OUR PROMOTERS, OFFERORS AND ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged share capital on the Main Market of Bursa Securities is set out below: -

| <u>Dates</u> | <u>Events</u> |
|---------------------|--|
| 5 October 2009 | : Issue of Prospectus/Opening date of application for the IPO |
| 16 October 2009 | : Closing date of the application for the IPO |
| 20 October 2009 | : Tentative date for balloting of applications for the IPO Shares |
| 23 October 2009 | : Tentative date of allotment of the IPO Shares to successful applicants |
| 28 October 2009 | : Tentative date of listing and quotation on the Main Market of Bursa Securities |

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES.

THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 16 OCTOBER 2009 OR FOR SUCH FURTHER PERIOD OR PERIODS AS OUR DIRECTORS TOGETHER WITH OUR SOLE UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IN THE EVENT THAT THE CLOSING DATE OF THE IPO IS EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT OF THE IPO SHARES AND THE LISTING OF OUR ENTIRE ISSUED AND PAID-UP CAPITAL ON THE MAIN MARKET OF BURSA SECURITIES WILL BE EXTENDED ACCORDINGLY. ANY EXTENSION OF THE ABOVEMENTIONED DATES WILL BE ANNOUNCED VIA AN ADVERTISEMENT IN A WIDELY CIRCULATED DAILY BAHASA MALAYSIA NEWSPAPER AND ENGLISH NEWSPAPER.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:-

| | |
|------------------------------------|---|
| “Acquisition of MBLE” | : Our acquisition of the entire issued and paid-up share capital of MBLE comprising 2,000,000 ordinary shares of RM1.00 each from the Vendors of MBLE for a total purchase consideration of RM30,399,998 which was wholly satisfied through the issuance of 60,799,996 new MBL Shares at par. The acquisition of MBLE was completed on 30 June 2009 |
| “Acquisition of MBLT” | : Our acquisition of the entire issued and paid-up share capital of MBLT comprising 200,000 ordinary shares of RM1.00 each from the Vendors of MBLT for a total purchase consideration of RM5,100,000 which was wholly satisfied through the issuance of 10,200,000 new MBL Shares at par. The acquisition of MBLT was completed on 30 June 2009 |
| “Acquisitions” | : Acquisition of MBLE and Acquisition of MBLT, collectively |
| “Act” | : The Companies Act, 1965, as amended from time to time and any re-enactment thereof |
| “ADA” | : Authorised Depository Agent |
| “ADA Code” | : ADA (Broker) Code |
| “ANAB” | : American National Standards Institute-American Society for Quality National Accreditation Board |
| “Application” | : The application for the IPO Shares by way of Application Forms, Electronic Share Application or by way of Internet Share Application |
| “Application Form(s)” | : The printed application form(s) for the application of the IPO Shares |
| “ATM” | : Automated Teller Machine |
| “Authorised Financial Institution” | : Authorised financial institution participating in the Internet Share Application, with respect to payments for the Public Issue Shares made available for Application under the Public Issue |
| “Board” | : Board of Directors of our Company |
| “Bursa Depository” | : Bursa Malaysia Depository Sdn Bhd (165570-W) |
| “Bursa Securities” | : Bursa Malaysia Securities Berhad (635998-W) |
| “CCS” | : Central Control System |
| “CCTV” | : Closed-Circuit Television |
| “CDS” | : Central Depository System |
| “CDS Account” | : An account established by Bursa Depository for a depositor for the recording of deposit of securities or withdrawal of securities and for dealing in such securities by the depositor |
| “CDS Depositories Act” | : The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof from time to time |
| “CMSA” | : The Capital Markets and Services Act 2007, including any statutory modification, amendment or re-enactment thereof from time to time |

DEFINITIONS (Cont'd)

| | |
|---|--|
| “CNC” | : Computer Numeric Control |
| “Consideration Shares” | : New MBL Shares issued pursuant to the Acquisitions |
| “Corporatisation” | : Direct allotment of 53,222,076 MBL Shares and transfer of 4 existing MBL Shares to MBL Realty, an investment holding company controlled by Chua Ah Ba @ Chua Eng Ka, Chua En Hom, Chua Eng Hui and Chua Heok Wee |
| “D&B Malaysia” | : Dun & Bradstreet (D&B) Malaysia Sdn Bhd (527570-M) |
| “D&D” | : Design and development |
| “EBIT” | : Earnings before interest and taxation |
| “EBITDA” | : Earnings before interest, taxation, depreciation and amortisation |
| “EFB” | : Empty fruit bunch |
| “Electronic Prospectus” | : A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks |
| “Electronic Share Application” | : An application for the Public Issue Shares through Participating Financial Institutions’ ATM |
| “Enlarged Share Capital” | : Our enlarged share capital comprising 92,000,000 MBL Shares after the IPO |
| “EPS” | : Earnings per share |
| “FIC” | : Foreign Investment Committee |
| “FPE” | : Financial period(s) ended/ ending |
| “FYE” | : Financial year(s) ended/ ending |
| “GP” | : Gross profit |
| “IJSB” | : Irama Jiwa Sdn Bhd (278631-W) |
| “Internet Participating Financial Institution(s)” | : Participating organisation in the Internet Share Application as listed in Section 16 of this Prospectus |
| “Internet Share Application” | : An application for the Public Issue Shares through an Internet Participating Financial Institution |
| “IOPRI” | : Indonesian Oil Palm Research Institute |
| “IPO” | : Initial Public Offering, namely the Public Issue and Offer for Sale |
| “IPO Price” | : RM0.65 per IPO Share, being the price payable for each Public Issue Share/Offer Share |
| “IPO Shares” | : Collectively, the Public Issue Shares and Offer Shares |
| “ISO” | : International Organization for Standardization |

DEFINITIONS (Cont'd)

| | | |
|---|---|--|
| “Listing” | : | Admission to the Official List and the listing of and quotation for our entire enlarged issued and paid-up share capital of RM46,000,000 comprising 92,000,000 MBL Shares on the Main Market of Bursa Securities |
| “Listing Scheme” | : | The Acquisitions, Corporatisation, Public Issue, Offer for Sale and Listing collectively |
| “Listing Requirements” | : | The Main Market Listing Requirements of Bursa Securities |
| “LPD” | : | 15 August 2009, being the latest practicable date prior to the registration of the Prospectus |
| “M&E” | : | Mechanical and electrical |
| “Malaysian Public” | : | Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organized under the laws of Malaysia |
| “Market Day” | : | Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities |
| “Maybank IB” or “Adviser” or “Sole Underwriter” or “Sole Placement Agent” | : | Maybank Investment Bank Berhad (<i>formerly known as Aseambankers Malaysia Berhad</i>) (15938-H) |
| “MBL” or our “Company” | : | Muar Ban Lee Group Berhad (753588-P) |
| “MBLE” | : | Muar Ban Lee Engineering Sdn Bhd (166822-V) |
| “MBL Group” or our “Group” | : | MBL and its subsidiaries |
| “MBL Realty” | : | MBL Realty Sdn Bhd (761104-U) |
| “MBL Share(s)” or our “Shares” | : | Ordinary shares of RM0.50 each of MBL |
| “MBLT” | : | Muar Ban Lee Technology Sdn Bhd (664866-T) |
| “MI” | : | Minority interest |
| “MIDFCCS” | : | MIDF Consultancy And Corporate Services Sdn. Bhd. (11324-H) |
| “MITI” | : | Ministry of International Trade and Industry |
| “MPOB” | : | Malaysia Palm Oil Board |
| “NA” | : | Net assets |
| “NL” | : | Net liabilities |
| “NTA” | : | Net tangible assets |
| “OCSB” | : | Orchid City Sdn Bhd (263218-H) |
| “Offer” or “Offer for Sale” | : | Offer for Sale by the Offerors of the 7,000,000 Offer Shares at the IPO Price payable in full upon application, subject to the terms and conditions of this Prospectus |

DEFINITIONS (Cont'd)

“Offerors” : MBL Realty and Dato’ Seri Tan King Tai @ Tan Khoon Hai, collectively whose respective Offer Shares are as follows:-

| Offerors | No of Offer Shares | % of our Enlarged Share Capital |
|---|---------------------------|--|
| MBL Realty | 6,282,000 | 6.83 |
| Dato’ Seri Tan King Tai @ Tan Khoon Hai | 718,000 | 0.78 |
| | 7,000,000 | 7.61 |

“Offer Shares” : The 7,000,000 MBL Shares, being the subject of the Offer for Sale

“Oil seed” : A seed or crop of a plant with oil content grown mainly for oil extraction

“Oil seed meal” : Residue remaining after oil has been extracted from oil seed

“Participating Financial Institution(s)” : Refers to the participating financial institutions for Electronic Share Application as listed in Section 16 of this Prospectus

“PAT” : Profit after tax

“PBT” : Profit before tax

“PE Multiple” : Price earnings multiple

“Pink Form Shares” : The 2,700,000 Public Issue Shares representing 2.93% of our Enlarged Share Capital to be made available for application by the eligible Directors, employees and business associates of our Group

“PNG” : Papua New Guinea

“Promoters” : MBL Realty and Dato’ Seri Tan King Tai @ Tan Khoon Hai, collectively

“Public Issue” : The public issue of 21,000,000 Public Issue Shares by our Company at the IPO Price payable in full upon application, subject to the terms and conditions of this Prospectus

“Public Issue Shares” : The 21,000,000 new MBL Shares which are the subject of the Public Issue

“R&D” : Research and Development

“Record of Depositors” : A record provided by Bursa Depository to the Company under Chapter 24.0 of the Rules

“RM and sen” : Ringgit Malaysia and sen respectively

“RMB” : Renminbi

“ROC” : Registrar of Companies

“RP” : Indonesian Rupiah

“Rules” : The Rules of Bursa Depository as issued pursuant to the Central Depositors Act

“SC” : Securities Commission

“SC Guidelines” : Guidelines on the Offering of Equity and Equity-linked Securities issued by the SC as amended or expanded from time to time

“SGD” : Singaporean Dollar

DEFINITIONS (Cont'd)

| | |
|--------------------------|--|
| “SMB” | : Small and Medium Business |
| “SME” | : Small and Medium-sized Enterprise |
| “SMI” | : Small and Medium-sized Industries |
| “SMIDEC” | : Small and Medium Industries Development Corporation |
| “Sq. ft.” | : Square feet |
| “Underwriting Agreement” | : The underwriting agreement dated 19 August 2009 between MBL and our Sole Underwriter for the underwriting of 4,700,000 Public Issue Shares |
| “US” | : United States of America |
| “USD” | : United States Dollars |
| “Vendors” | : The Vendors of MBLE and Vendors of MBLT collectively, pursuant to the Acquisitions |
| “Vendors of MBLE” | : Chua Ah Ba @ Chua Eng Ka, Chua En Hom, Chua Eng Hui, Chua Heok Wee, Dato’ Seri Tan King Tai @ Tan Khoon Hai, IJSB and OCSB collectively |
| “Vendors of MBLT” | : Chua Ah Ba @ Chua Eng Ka, Chua En Hom, Chua Eng Hui and Chua Heok Wee, collectively |
| “Yen” | : Japanese Yen |

Words denoting the singular shall, where applicable, include the plural and vice-versa, and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice-versa. Reference to persons shall include corporations.

Any reference to any statute and legislation in this Prospectus shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

All references to “Company” and “MBL” in this Prospectus are to Muar Ban Lee Group Berhad. References to “our Group” is to our Company and our subsidiaries, and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, references to statements as to our beliefs, expectations, estimates and opinions are from our Directors and key management.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name | Address | Nationality / Profession |
|---|---|------------------------------------|
| Chua Ah Ba @ Chua Eng Ka <i>(Executive Chairman)</i> | No. JR52, Lot 1818, Jalan Raja Kawasan Perindustrian Bukit Pasir 84300 Muar Johor Darul Takzim | Malaysian/ Company Director |
| Chua En Hom <i>(Deputy Executive Chairman)</i> | No. JR52, Lot 1818, Jalan Raja Kawasan Perindustrian Bukit Pasir 84300 Muar Johor Darul Takzim | Malaysian/ Company Director |
| Chua Heok Wee <i>(Managing Director)</i> | No. JR52, Lot 1818, Jalan Raja Kawasan Perindustrian Bukit Pasir 84300 Muar Johor Darul Takzim | Malaysian/ Company Director |
| Chua Eng Hui <i>(Executive Director)</i> | No. JR52, Lot 1818, Jalan Raja Kawasan Perindustrian Bukit Pasir 84300 Muar Johor Darul Takzim | Malaysian/ Company Director |
| Dato' Seri Tan King Tai @ Tan Khoo Hai <i>(Executive Director/ Finance Director)</i> | 14-N, Jalan Angsana 11500 Ayer Itam Pulau Pinang | Malaysian/ Company Director |
| Khairilnuar bin Tun Abdul Rahman <i>(Independent Non-Executive Director)</i> | 606, Permatang Rambai 13100 Penaga Pulau Pinang | Malaysian/ Company Director |
| Hj Ismail bin Tunggak @ Hj Ahmad <i>(Independent Non-Executive Director)</i> | 107, Taman Pertama Sungai Abong 84000 Muar Johor Darul Takzim | Malaysian/ Company Director |
| Teh Eng Aun <i>(Independent Non-Executive Director)</i> | 4-A, Lorong Selamat 10400 Georgetown Pulau Pinang | Malaysian/ Chartered Accountant |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|----------------------------------|--------------------|------------------------------------|
| Teh Eng Aun | Chairman | Independent Non-Executive Director |
| Khairilnuar bin Tun Abdul Rahman | Member | Independent Non-Executive Director |
| Hj Ismail bin Tunggak @ Hj Ahmad | Member | Independent Non-Executive Director |

REMUNERATION COMMITTEE

| Name | Designation | Directorship |
|----------------------------------|--------------------|------------------------------------|
| Chua Ah Ba @ Chua Eng Ka | Chairman | Executive Chairman |
| Khairilnuar bin Tun Abdul Rahman | Member | Independent Non-Executive Director |
| Hj Ismail Bin Tunggak @ Hj Ahmad | Member | Independent Non-Executive Director |

CORPORATE DIRECTORY (Cont'd)

NOMINATION COMMITTEE

| Name | Designation | Directorship |
|----------------------------------|--------------------|------------------------------------|
| Chua Heok Wee | Chairman | Managing Director |
| Khairilnuar bin Tun Abdul Rahman | Member | Independent Non-Executive Director |
| Hj Ismail Bin Tunggak @ Hj Ahmad | Member | Independent Non-Executive Director |

COMPANY SECRETARY : **Lee Hong Lim (MIA No. 12949)**
 11-10-07, Tingkat Paya Terubong 2
 Taman Terubong Jaya
 11060 Paya Terubong
 Pulau Pinang
 Tel. no.: 04-264 4877
 Fax. no.: 04-264 4878

REGISTERED OFFICE : No.87, Muntri Street
 10200 Pulau Pinang
 Tel. no.: 04-263 8100
 Fax. no.: 04-263 8500

PRINCIPAL PLACE OF BUSINESS : JR52, Lot 1818, Jalan Raja
 Kawasan Perindustrian Bukit Pasir
 84300 Muar
 Johor Darul Takzim
 Tel. no.: 06-985 9998
 Fax. no.: 06-985 8889
 Website: www.mbl.com
 E-mail: mbl@mbl.com

SHARE REGISTRAR : **Plantation Agencies Sdn Berhad (2603-D)**
 3rd Floor, Standard Chartered Bank Chambers
 Lebuhr Pantai
 10300 Pulau Pinang
 Tel. no.: 04-262 5333
 Fax. no.: 04-262 2018

AUDITORS AND REPORTING ACCOUNTANTS : **Parker Randall Loh (AF 1841)**
 2nd Floor, Silver Square
 309-J, Perak Road
 10150 Pulau Pinang
 Tel. no.: 04-281 4628
 Fax. no.: 04-281 4514
 Website: www.parkerrandall.com

SOLICITOR FOR THE IPO : **Messrs Zaid Ibrahim & Co.**
 51-22-B & C, Menara BHL
 Jalan Sultan Ahmad Shah
 10050 Pulau Pinang
 Tel. no.: 04-227 0888
 Fax. no.: 04-228 6755

INDEPENDENT MARKET RESEARCHER : **Dun & Bradstreet (D&B) Malaysia Sdn Bhd (527570-M)**
 Level 9-3A, Menara Milenium
 Jalan Damanlela, Pusat Bandar Damansara
 50490 Kuala Lumpur
 Tel. no.: 03-2080 6000
 Fax. no.: 03-2080 6001

CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** : **Malayan Banking Berhad (3813-K)**
No. 57-1 & 57-2
Jalan Sulaiman
84000 Muar
Johor Darul Takzim
Tel. no.: 06-952 3221
Fax. no.: 06-951 9395
- CIMB Bank Berhad (13491-P)**
No 57-3 & 57-4
Jalan Sulaiman
84000 Muar
Johor Darul Takzim
Tel. no.: 06-953 5399
Fax. no.:06-951 5805
- Public Bank Berhad (6463-H)**
31 Taman Bahagia
Jalan Panchor
84300 Bukit Pasir, Muar
Johor Darul Takzim
Tel. no.: 06-985 6878
Fax. no.: 06-985 6811
- ISSUING HOUSE** : **MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)**
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Tel. no.: 03-2173 8888
Fax. no.: 03-2173 8677
- ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT** : **Maybank Investment Bank Berhad (15938-H)**
(formerly known as Aseambankers Malaysia Berhad)
33rd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Tel. no.: 03-2059 1888
Fax no.: 03-2070 6521
- LISTING SOUGHT** : Main Market of Bursa Securities

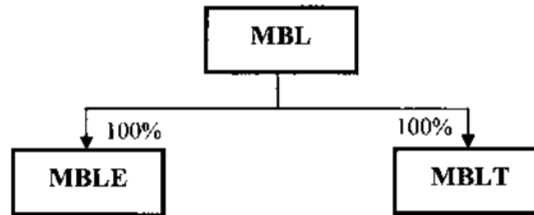
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1. INFORMATION SUMMARY

THE INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP AND YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES. THE INFORMATION SUMMARY SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 HISTORY AND BUSINESS

We were incorporated in Malaysia under the Act on 20 November 2006 as a private limited company under the name of Muar Ban Lee Group Sdn Bhd. We are an investment holding company. Subsequently, on 11 January 2007, our Company was converted into a public company and assumed its current name. As at the date of this Prospectus, our corporate structure is set out below:-



The principal activities of our subsidiary companies are as follows:-

| Name | Date / Place of incorporation | Issued and paid-up share capital (RM) | Equity interest (%) | Principal activities |
|------|-------------------------------|---------------------------------------|---------------------|---|
| MBLE | 8 December 1987/ Malaysia | 2,000,000 | 100.0 | Manufacturing of oil seed expellers and its related parts |
| MBLT | 6 September 2004/ Malaysia | 200,000 | 100.0 | Manufacturing of automated oil seed expellers and its related parts |

At present, we are mainly involved in the following:-

- design and manufacture of oil seed expellers, and ancillary machinery for oil seed crushing plants;
- design, fabrication, installation and commissioning of oil seed crushing plants; and
- manufacture and sale of spare parts.

Further information on our Group is set out in Section 4.1 of this Prospectus.

1.2 COMPETITIVE STRENGTHS

Our Group's competitive strengths are set out below:

- Experienced senior management team
- Established business relationships and proven track record
- Plant setup sales and services
- Wide range of spare parts
- Dedicated customer care services
- Recognised corporate identity
- Continuous product design and development
- ISO certified/ stringent quality control
- Recognition through awards
- Well-positioned to further promote and grow the specialised M&E industry of Malaysia

Further details on our Group's competitive strengths are set out in Section 4.2.8 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF OUR GROUP**

Our Promoters, substantial shareholders, Directors and key management are as follows: -

| Name | Designation/Place of incorporation |
|---|--|
| Promoters | |
| MBL Realty | Malaysia |
| Dato' Seri Tan King Tai @ Tan Khoon Hai | Executive Director/ Finance Director |
| Substantial Shareholders | |
| MBL Realty | Malaysia |
| Dato' Seri Tan King Tai @ Tan Khoon Hai | Executive Director/ Finance Director |
| IJSB | Malaysia |
| Directors | |
| Chua Ah Ba @ Chua Eng Ka | Executive Chairman |
| Chua En Hom | Deputy Executive Chairman |
| Chua Heok Wee | Managing Director |
| Chua Eng Hui | Executive Director |
| Dato' Seri Tan King Tai @ Tan Khoon Hai | Executive Director/ Finance Director |
| Khairilnuar bin Tun Abdul Rahman | Independent Non-Executive Director |
| Hj Ismail Bin Tunggak @ Hj Ahmad | Independent Non-Executive Director |
| Teh Eng Aun | Independent Non-Executive Director |
| Key Management | |
| Chua Heok Wee | Managing Director |
| Dato' Seri Tan King Tai @ Tan Khoon Hai | Executive Director/ Finance Director |
| Teo Chee Lian @ Teo Chee Liang | Senior Manager/ Marketing Manager |
| Ng Chong Ming | Special Assistant to Managing Director/ Human Resource Manager |
| Teo Teck Wei | Administration and Finance Manager |
| Chua Chang Yee | Factory and Quality Control Manager |
| Choo Hui Mian | Logistic Manager |
| Zairaz bin Ismail | Project and Technical Manager |
| Gan Chen Ding | Purchasing Manager |
| Toh Kwee Lam | Production Manager |

Further details of our Promoters, substantial shareholders, Directors and key management are set out in Section 7 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.4 PROFORMA CONSOLIDATED INCOME STATEMENTS**

The following table sets out a summary of the proforma consolidated income statements of our Group for the past four (4) FYEs 31 December 2005 to 31 December 2008 and six (6) month FPE 30 June 2008 and 30 June 2009, which have been prepared based on the assumption that our Group has been in existence throughout the period under review. The proforma consolidated income statements are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes included in the Reporting Accountant's letter on the Proforma Consolidated Financial Information and Accountants' Report set out in Section 11.3 and Section 12 of this Prospectus respectively and the management's discussion and analysis of our Group's financial condition and results of operations as set out in Section 11.5 of this Prospectus.

| | ← FYE 31 December → | | | | ← FPE 30 June → | |
|--|---------------------|----------------|----------------|----------------|-----------------|--------------------|
| | 2005 RM'000 | 2006 RM'000 | 2007 RM'000 | 2008 RM'000 | 2008* RM'000 | 2009 RM'000 |
| Revenue | 24,113 | 34,215 | 40,913 | 41,368 | 14,937 | 14,290 |
| GP | 9,347 | 13,617 | 15,553 | 16,411 | 5,910 | 5,996 |
| EBITDA | 6,997 | 9,639 | 10,497 | 10,840 | 2,767 | 6,035 |
| Depreciation and amortisation | (539) | (628) | (739) | (839) | (395) | (413) |
| Interest expense | (27) | (27) | (94) | (242) | (129) | (102) |
| Interest income | 30 | 55 | 46 | 93 | 34 | 44 |
| PBT | 6,461 | 9,039 | 9,710 | 9,852 | 2,277 | 5,564 |
| Tax expense | (2,312) | (2,336) | (1,735) | (1,859) | (139) | (321) |
| PAT | 4,149 | 6,703 | 7,975 | 7,993 | 2,138 | 5,243 |
| GP margin (%) | 38.76 | 39.80 | 38.01 | 39.67 | 39.57 | 41.96 |
| PBT margin (%) | 26.79 | 26.42 | 23.73 | 23.82 | 15.24 | 17.21 [#] |
| PAT margin (%) | 17.21 | 19.59 | 19.49 | 19.32 | 14.31 | 14.96 [#] |
| Issued and paid-up share capital | | | | | | |
| - Enlarged Share Capital in issue upon Listing ('000) | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Based on our Enlarged Share Capital in issue upon Listing ('000) | | | | | | |
| Gross EPS (sen) | 7.02 | 9.83 | 10.55 | 10.71 | 2.48 | 6.05 |
| Net EPS (sen) | 4.51 | 7.29 | 8.67 | 8.69 | 2.32 | 5.70 |

Notes:

* Unaudited and included for the purpose of comparison only.

[#] The PBT/ PAT margins for FPE 30 June 2009 are normalised and computed after excluding recognition of negative goodwill of RM3.105 million.

(a) Save for a realized loss on foreign exchange of RM415,000 incurred during the FPE 30 June 2009, there were no other extraordinary items, exceptional items and minority interests for the financial years/ periods under review.

(b) All inter-company transactions are eliminated.

(c) The GP margin is computed by dividing the GP by revenue in the respective FYE/ FPE.

(d) The PBT margin is computed by dividing the PBT by revenue in the respective FYE/ FPE.

(e) The PAT margin is computed by dividing the PAT by revenue in the respective FYE/ FPE.

1. INFORMATION SUMMARY (Cont'd)**1.5 PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009**

We have prepared our proforma consolidated balance sheets below for illustrative purposes only based on the audited financial statements of our Company and our subsidiaries as at 30 June 2009 to show the effects on the audited balance sheet of our Group on the assumption that the Listing Scheme and the utilisation of proceeds were effected and completed on 30 June 2009. We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the proforma consolidated financial information set out in Section 11.3 of this Prospectus.

| | Proforma I | | Proforma II | Proforma III |
|---|---|---|--|---|
| | After the Acquisitions | | After Proforma I, the Corporatisation, the Public Issue and the Offer for Sale | After Proforma II and the utilisation of proceeds |
| | Company level As at 30 June 2009 | MBL Group Audited Consolidated Balance Sheet | | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| NON CURRENT ASSETS | | | | |
| Property, plant & equipment | - | 12,564 | 12,564 | 17,064 |
| Prepaid lease payments | - | 292 | 292 | 292 |
| Investments in subsidiaries | 35,500 | - | - | - |
| CURRENT ASSETS | | | | |
| Inventories | - | 11,147 | 11,147 | 11,147 |
| Trade receivables | - | 11,521 | 11,521 | 11,521 |
| Other receivables | 1,062 | 2,531 | 2,531 | 2,531 |
| Current income taxes | - | 211 | 211 | 211 |
| Fixed/other deposits with licensed banks | - | 5,248 | 5,248 | 5,248 |
| Cash & bank balances | * | 3,247 | 16,897 | 8,097 |
| | 1,062 | 33,905 | 47,555 | 38,755 |
| CURRENT LIABILITIES | | | | |
| Trade payables | - | 2,260 | 2,260 | 2,260 |
| Hire purchase payables | - | 198 | 198 | 198 |
| Other payables | 1,619 | 3,129 | 3,129 | 3,129 |
| Term loans | - | 778 | 778 | 189 |
| | 1,619 | 6,365 | 6,365 | 5,776 |
| NET CURRENT ASSETS/(LIABILITIES) | (557) | 27,540 | 41,190 | 32,979 |
| NON CURRENT LIABILITIES | | | | |
| Hire purchase payables | - | 152 | 152 | 152 |
| Term loans | - | 1,911 | 1,911 | - |
| Deferred income taxes | - | 285 | 285 | 285 |
| | - | (2,348) | (2,348) | (437) |
| | 34,943 | 38,048 | 51,698 | 49,898 |
| CAPITAL & RESERVES | | | | |
| Share capital | 35,500 | 35,500 | 46,000 | 46,000 |
| Share premium | - | - | 3,150 | 1,350 |
| Unappropriated profit/(accumulated loss) | (557) | 2,548 | 2,548 | 2,548 |
| Shareholders' fund | 34,943 | 38,048 | 51,698 | 49,898 |
| Number of ordinary shares in issue ('000) | 71,000 | 71,000 | 92,000 | 92,000 |
| Par value | 0.50 | 0.50 | 0.50 | 0.50 |
| NA (RM'000) | 34,943 | 38,048 | 51,698 | 49,898 |
| NA per ordinary share (RM) | 0.49 | 0.54 | 0.56 | 0.54 |

1. INFORMATION SUMMARY (Cont'd)

Notes:

* Represents RM2.00.

1.6 MATERIAL RISK FACTORS

An investment in the shares listed/to be listed on Bursa Securities involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in our Group's business.

You should carefully consider along with other matters in this Prospectus, the risk factors and investment considerations below before investing in our IPO Shares, which are the subject of this Prospectus. The risk factors that should be considered include, but are not limited to, the following:-

Risks Relating to Our Business and Operations

- (a) Political, social and economic considerations
- (b) Dependence on the palm oil industry
- (c) Business risks
- (d) Price of raw materials
- (e) Foreign currency exchange
- (f) Operating risks
- (g) Competition
- (h) Dependence on the Indonesian market
- (i) Dependence on certain suppliers
- (j) Absence of long term contracts
- (k) Recoverability of trade receivables
- (l) Adequacy of insurance coverage
- (m) Disclosure regarding forward looking statements and viability of future plans
- (n) Dependency on our directors and key management
- (o) Control by our Promoters
- (p) Contribution from major customers with short business relationships
- (q) New customers for plant setup sales and services

Risks Relating to Our Shares

- (a) No prior market for our Shares
- (b) Delay in or failure in our Listing
- (c) Admission to the Official List of Bursa Securities not granted
- (d) Volatility in the market price of our Shares

Further details of the risk factors are set out in Section 3 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.7 SALIENT INFORMATION ON THE IPO**

The IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated in the manner described below:-

- Public Issue : The Public Issue will be allocated in the following manner:-
- (a) 2,000,000 Public Issue Shares, representing approximately 2.17% of our Enlarged Share Capital, to be allocated via balloting, will be available for application by the Malaysian Public, of which at least 50% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;
 - (b) 2,700,000 Public Issue Shares, representing approximately 2.93% of our Enlarged Share Capital, will be made available for application by the eligible Directors, employees and business associates of our Group;
 - (c) 7,340,000 Public Issue Shares, representing approximately 7.98% of our Enlarged Share Capital, by way of private placement to identified investors; and
 - (d) 8,960,000 Public Issue Shares, representing approximately 9.74% of our Enlarged Share Capital, by way of placement to Bumiputera investors approved by MITI.
- Offer for Sale : The Offer for Sale of 7,000,000 Offer Shares, representing approximately 7.61% of our Enlarged Share Capital, by way of placement to Bumiputera investors approved by MITI.
- IPO Price : RM0.65
- Clawback and reallocation : The allocation of the IPO Shares pursuant to the Public Issue and Offer for Sale is subject to adjustment with the following priority:-
- (i) in the event of an under subscription of the IPO Shares under the placement to Bumiputera investors approved by MITI, the unsubscribed portion will be made available for application by Bumiputera Malaysian Public as part of the IPO balloting process. Thereafter, any balance IPO Shares shall be made available for application by the Malaysian Public. Lastly, any unsubscribed IPO Shares will then be placed to identified investors by our Sole Placement Agent;
 - (ii) in the event of an over subscription of the Public Issue Shares under the application by the Malaysian Public, the Public Issue Shares allocated to identified investors by way of private placement under the Public Issue Shares shall be allocated to the Malaysian Public up to a maximum of 4,000,000 Public Issue Shares; and
 - (iii) in the event of under subscription of the Public Issue Shares under the application to our eligible Directors, employees and business associates, the unsubscribed portion will be made available for application by the Malaysian Public and thereafter placement to identified investors by our Sole Placement Agent. Thereafter, any balance of the unsubscribed portion will be underwritten by our Sole Underwriter.

Any such re-allocation is subject to agreement with our Company and Sole Underwriter.

1. INFORMATION SUMMARY (Cont'd)

Capitalisation : As at the date of this Prospectus, our share capital is as follows:-

| Authorised | RM |
|--|--------------------|
| 200,000,000 ordinary shares of RM0.50 each | <u>100,000,000</u> |
| Issued and fully paid-up upon Listing | |
| 71,000,000 ordinary shares of RM0.50 each | 35,500,000 |
| 21,000,000 Public Issue Shares to be issued pursuant to the Public Issue | 10,500,000 |
| 92,000,000 ordinary shares of RM0.50 each | <u>46,000,000</u> |
| 7,000,000 Offer Shares to be offered pursuant to the Offer for Sale | 3,500,000 |

Upon Listing and based on our IPO Price of RM0.65, our market capitalisation will be RM59.8 million.

Further details of the particulars of the IPO are set out in Section 2 of this Prospectus.

1.8 UTILISATION OF PROCEEDS

We intend to use the proceeds arising from the Public Issue of RM13.65 million in the following manner: -

| Nature of utilisation | Timeframe for utilisation from the date of the Listing | Amount (RM) |
|---|--|--------------------------|
| Purchase of machineries | Within 2 years | 3,000,000 |
| Setup service offices in Indonesia, PNG and Nigeria | Within 2 years | 1,500,000 |
| Repayment of bank borrowings | Within 6 months | 2,500,000 |
| R&D expenditure | Within 1 year | 500,000 |
| Working capital | Within 1 year | 4,350,000 |
| Listing expenses | Within 3 months | 1,800,000 |
| Total proceeds from the Listing | | <u>13,650,000</u> |

The Offer for Sale will raise total gross proceeds of RM4.55 million which will accrue entirely to the Offerors.

Further details of the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

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2. PARTICULARS OF THE IPO

This Prospectus is dated 5 October 2009.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus with the ROC together with the Application Forms. Neither the SC nor the ROC takes any responsibility for the contents of this Prospectus.

The approval of the SC for the IPO, as set out in Section 8 of this Prospectus, shall not be taken to indicate that the SC recommends the IPO. You should rely on your own evaluation to assess the merits and risks of the IPO.

Bursa Securities has approved our admission to the Official List of the Main Market of Bursa Securities and for the listing of and quotation for our Enlarged Share Capital on the Main Market of Bursa Securities vide its letter dated 3 September 2009. The listing of and quotation for our MBL Shares will commence after, among others, receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of Application for the IPO Shares will be conditional upon permission being granted by Bursa Securities for the quotation of our Enlarged Share Capital on the Main Market of Bursa Securities. Accordingly, monies paid in respect of any Application accepted from the IPO will be returned without interest if the aforesaid permission for listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid timeframe. If any such monies are not returned in full within fourteen (14) days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our MBL Shares as a prescribed security. In consequence thereof, our MBL Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these MBL Shares will be carried out in accordance with the aforesaid Act and the Rules. We will not issue any physical share certificates to successful applicants.

Pursuant to the Listing Requirements, we need to have public shareholders holding at least 25% of our Enlarged Share Capital and a minimum number of 1,000 public shareholders holding not less than 100 MBL Shares each at the point of Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, monies paid in respect of all Applications.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the Main Market of Bursa Securities is not to be taken as an indication of our merit of the Company or the merit of MBL Shares.

Applicants of the IPO Shares must have a CDS Account. If you do not presently have a CDS Account, you must open a CDS Account at an ADA before making an application for the IPO Shares. In the case of an applicant by way of Application Form, an applicant should state his/her CDS Account number in the space provided in the Application Form. In the case of an applicant by way of Electronic Share Application or Internet Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application. Please refer to Section 16 of this Prospectus for further details on the process of Application.

We and our Adviser have not authorised anyone to provide you with information that is not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof of this Prospectus. Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of the Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238 of the CMSA.

2. PARTICULARS OF THE IPO (Cont'd)

This Prospectus does not constitute and may not be used for the purpose of an offer or an invitation to subscribe for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers.

2.1 SHARE CAPITAL

| Authorised | RM |
|--|-------------|
| 200,000,000 ordinary shares of RM0.50 each | 100,000,000 |
| Issued and fully paid-upon Listing:- | |
| 71,000,000 ordinary shares of RM0.50 each | 35,500,000 |
| 21,000,000 Public Issue Shares to be issued pursuant to the Public Issue | 10,500,000 |
| 92,000,000 ordinary shares of RM0.50 each | 46,000,000 |
| 7,000,000 Offer Shares to be offered pursuant to the Offer for Sale | 3,500,000 |

Upon Listing and based on our IPO Price of RM0.65, our market capitalisation will be RM59.8 million.

The IPO Price of RM0.65 per MBL Share payable in full upon application, subject to the terms and conditions of this Prospectus.

We only have one class of shares, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares will rank pari passu in all respects with our other existing MBL Shares which are fully paid-up including as to voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching to any MBL Shares which may be issued by our Company in the future, the holders of our MBL Shares shall, in proportion to the amount paid-up on the MBL Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and the whole of any surplus in the event of our liquidation, in accordance with the Articles of Association of the Company and provisions of the Act.

Each ordinary shareholder shall be entitled to vote at any of our general meeting in person or by proxy or by attorney or by a duly authorised representative and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorized representative shall have one vote for each ordinary share held.

An ordinary shareholder may appoint more than one proxy to attend on the same occasion. A proxy may but need not be our shareholder. If the proxy is not a shareholder, the proxy need not be an advocate, an approved company auditor or a person approved by the ROC. If a shareholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.

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2. PARTICULARS OF THE IPO (Cont'd)

2.2 OPENING AND CLOSING OF APPLICATION

The Application will open at 10.00 a.m. on 5 October 2009 and will close at 5.00 p.m. on 16 October 2009 or for such further period or periods as our Directors together with our Sole Underwriter in their absolute discretion may decide. Late applications will not be accepted.

2.3 CRITICAL DATES OF THE IPO

| Events | Tentative date |
|--|-----------------|
| Issue of Prospectus / Opening date of the IPO | 5 October 2009 |
| Closing date of the Application | 16 October 2009 |
| Tentative date for balloting of applications for the IPO Shares | 20 October 2009 |
| Tentative date of allotment of the IPO Shares to successful applicants | 23 October 2009 |
| Tentative date of listing and quotation on the Main Market of Bursa Securities | 28 October 2009 |

Should the closing date of the aforesaid application be extended, the dates for balloting, allotment and listing of our entire issued and paid-up capital on the Main Market of Bursa Securities might be extended accordingly. Any changes to the application period for the IPO will be notified to the public via an advertisement in a widely circulated daily Bahasa Malaysia newspaper and English newspaper.

2.4 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price of RM0.65 per MBL Share was determined and agreed upon by our Company, the Offerors and Maybank IB as Adviser, Sole Underwriter and Sole Placement Agent based on various factors including the following:-

- (i) the Group's operating and financial history and position as outlined in Section 4 and Section 11 of this Prospectus;
- (ii) the industry overview in which the Group operates as outlined Section 5 of this Prospectus;
- (iii) the proforma consolidated NA of MBL as at 30 June 2009 of RM0.54 per MBL Share based on the issued and paid-up share capital after the Listing;
- (iv) the historical net PE multiple of 5.77 times based on the MBL Group's proforma PAT of RM7.993 million for FYE 31 December 2008 and share capital of MBL prior to the implementation of the Public Issue and 7.48 times based on the MBL Group's proforma PAT of RM7.993 million for the FYE 31 December 2008 and Enlarged Share Capital of MBL upon Listing;
- (v) the future plans and prospects of the Group as set out in Section 6 of this Prospectus; and
- (vi) the competitive strengths and advantages as set out in Section 4.2.8 of this Prospectus

Our Directors and Maybank IB are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, you should also note that the market price of our MBL Shares upon listing on Bursa Securities is subject to the vagaries of the market and other uncertainties which may affect the price of our MBL Shares being traded. You should bear in mind the risk factors as set out in Section 3 of this Prospectus and form your own views on the valuation of the IPO Shares before deciding to invest in our IPO Shares.

2. PARTICULARS OF THE IPO (Cont'd)**2.5 DETAILS OF THE IPO****(i) Public Issue**

The Public Issue of 21,000,000 Public Issue Share, representing approximately 22.83% of our Enlarged Share Capital, at an IPO Price of RM0.65 are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner: -

(a) Malaysian Public via balloting

2,000,000 Public Issue Shares, representing approximately 2.17% of our Enlarged Share Capital, to be allocated via balloting, will be available for application by the Malaysian Public, of which at least 50% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;

(b) Eligible Employees, Directors and Business Associates of our Group

2,700,000 Public Issue Shares, representing approximately 2.93% of our Enlarged Share Capital, will be made available for application by the eligible Directors, employees and business associates of our Group and allocated in the following manner:-

| Category | No. of persons | Aggregate number of Public Issue Shares allocated |
|----------------------------------|----------------|---|
| Eligible Directors of our Group | 8 | 1,200,000 |
| Eligible employees of our Group | 43 | 1,210,000 |
| Business associates of the Group | 23 | 290,000 |
| Total | 74 | 2,700,000 |

These Public Issue Shares will be allocated to 43 eligible employees and 8 Directors of our Group based on the following criteria as approved by our Board:-

- (a) at least eighteen (18) years old;
- (b) job position;
- (c) length of service;
- (d) performance; and
- (e) non-Malaysian citizens are not eligible.

Details of the Directors' pink form share allocation are as follows: -

| Name of Directors | Designation | No of MBL Shares allocated |
|---|--------------------------------------|----------------------------|
| Chua Ah Ba @ Chua Eng Ka | Executive Chairman | 150,000 |
| Chua En Hom | Deputy Executive Chairman | 150,000 |
| Chua Heok Wee | Managing Director | 150,000 |
| Chua Eng Hui | Executive Director | 150,000 |
| Dato' Seri Tan King Tai @ Tan Khoon Hai | Executive Director/ Finance Director | 150,000 |
| Khairilnuar bin Tun Abdul Rahman | Independent Non-Executive Director | 150,000 |
| Hj Ismail bin Tunggak @ Hj Ahmad | Independent Non-Executive Director | 150,000 |
| Teh Eng Aun | Independent Non-Executive Director | 150,000 |

Our MBL Shares, which will be allocated to our business associates who have contributed to the success of our Group, is based on amongst others, their length of relationship and degree of contribution to our success.

2. PARTICULARS OF THE IPO (Cont'd)**(c) Identified investors via private placement**

7,340,000 Public Issue Shares, representing approximately 7.98% of our Enlarged Share Capital, by way of private placement to identified investors; and

(d) Bumiputera Investors

8,960,000 Public Issue Shares, representing approximately 9.74% of our Enlarged Share Capital, to Bumiputera investors approved by MITI by way of private placement.

(ii) Offer for Sale

The Offer for Sale of 7,000,000 Offer Shares at an IPO price of RM0.65 are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted via private placement to identified Bumiputera investors approved by MITI. The Offer Shares represent approximately 7.61% of the Enlarged Share Capital of MBL. The proceeds from the Offer for Sale will accrue entirely to the Offerors.

The details of the Offer for Sale are as follows:

| Offerors (Address) | Before IPO | | Offer Shares | | After IPO | | |
|---|------------------|-------|------------------------|--|--|------------------|-------|
| | No. of Shares | (%) | No. of Offer Shares | % of the existing share capital | % of the Enlarged Share Capital | No. of Shares | (%) |
| MBL Realty (No. JR52, Lot 1818, Jalan Raja Kawasan Perindustrian Bukit Pasir 84300 Muar Johor Darul Takzim) | 53,222,080 | 74.96 | 6,282,000 | 8.85 | 6.83 | 46,940,080 | 51.02 |
| Dato' Seri Tan King Tai @ Tan Khoon Hai (14-N, Jalan Angsana 11500 Ayer Itam Pulau Pinang) | 6,080,000 | 8.56 | 718,000 | 1.01 | 0.78 | 5,512,000* | 5.99 |

Notes:

* Assuming that the Pink Form Shares allocated are fully subscribed by Dato' Seri Tan King Tai @ Tan Khoon Hai

Further details on MBL Realty and Dato' Seri Tan King Tai @ Tan Khoon Hai, who are also Promoters and substantial shareholders of MBL are disclosed in Section 7 of this Prospectus.

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2. PARTICULARS OF THE IPO (Cont'd)

In summary, the IPO Shares will be allocated and allotted in the following manner: -

| | Public Issue Shares | Offer Shares |
|--|--------------------------------|-------------------------|
| Malaysian Public | 2,000,000 | - |
| Eligible employees, Directors and business associates of our Group | 2,700,000 | - |
| Identified investors via private placement | 7,340,000 | - |
| Bumiputera investors approved by MITI | 8,960,000 | 7,000,000 |
| Total | 21,000,000 | 7,000,000 |

The allocation of the IPO Shares pursuant to the Public Issue and Offer for Sale is subject to adjustment with the following priority:-

- (i) in the event of an under subscription of the IPO Shares under the placement to Bumiputera investors approved by MITI, the unsubscribed portion will be made available for application by Bumiputera Malaysian Public as part of the IPO balloting process. Thereafter, any balance IPO Shares shall be made available for application by the Malaysian Public. Lastly, any unsubscribed IPO Shares will then placed to identified investors by our Sole Placement Agent;
- (ii) in the event of an over subscription of the Public Issue Shares under the application by the Malaysian Public, the Public Issue Shares allocated to identified investors by way of private placement under the Public Issue Shares shall be allocated to Malaysian Public up to a maximum of 4,000,000 Public Issue Shares; and
- (iii) in the event of under subscription of the Public Issue Shares under the application to our eligible Directors, employees and business associates, the unsubscribed portion will be made available for application by the Malaysian Public and thereafter placement to identified investors by our Sole Placement Agent. Thereafter, any balance of the unsubscribed portion will be underwritten by our Sole Underwriter.

Any such re-allocation is subject to agreement with our Company and Sole Underwriter.

All the Public Issue Shares available for application by the Malaysian Public and the eligible employees, Directors and business associates of our Group have been fully underwritten by our Sole Underwriter.

The amount of the offering will not be increased via any over-allotment or 'greenshoe' option.

2.6 PURPOSES OF THE IPO

The purposes of the IPO are as follows: -

- (a) to facilitate the listing of and quotation for our entire Enlarged Share Capital on the Main Market of Bursa Securities;
- (b) to enable our Group to gain access to the capital market for cost-effective funds to pursue expansion and growth opportunities;
- (c) to enable our Group to gain recognition and certain stature through its listing status and further enhance our corporate reputation and assist us in expanding our customer base;
- (d) to provide additional funds to meet the present and future working capital requirements of our Group; and
- (e) to provide an opportunity for our eligible employees, Directors and business associates and the investing public in Malaysia to participate in the equity and growth of our Group.

2. PARTICULARS OF THE IPO (Cont'd)**2.7 UTILISATION OF PROCEEDS**

The Public Issue is expected to raise gross proceeds of RM13.65 million which shall accrue to the Company.

We intend to utilise the proceeds raised in the following manner: -

| Nature of utilisation | Timeframe for utilisation from the date of the Listing | Note | Amount (RM) |
|---|---|-------------|--------------------|
| Purchase of machineries | Within 2 years | (a) | 3,000,000 |
| Setup service offices in Indonesia, PNG and Nigeria | Within 2 years | (b) | 1,500,000 |
| Repayment of bank borrowings | Within 6 months | (c) | 2,500,000 |
| R&D expenditure | Within 1 year | (d) | 500,000 |
| Working capital* | Within 1 year | (e) | 4,350,000 |
| Listing expenses* | Within 3 months | (f) | 1,800,000 |
| Total proceeds from the Listing | | | 13,650,000 |

Notes:

* If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

(a) We will continue to upgrade our existing machineries in line with our business expansion plans. The proposed machineries to be purchased are as follows:

| Machinery | Units | Total Cost (RM) |
|------------------------------------|--------------|------------------------|
| CNC Lathe Machine | 2 | 1,000,000 |
| CNC Milling Machine | 2 | 700,000 |
| CNC Double Column Machining Centre | 1 | 900,000 |
| Automated Welding Machine | 2 | 400,000 |
| Total | 7 | 3,000,000 |

Our Group expects to purchase the new machineries by 2011.

(b) As part of our business expansion plans, we intend to setup four (4) new service offices in Indonesia, one (1) new service office in Nigeria and one (1) new service office in PNG, where our major customers are located to build on our existing business and presence as well as develop new business opportunities through referrals.

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2. PARTICULARS OF THE IPO (Cont'd)

- (c) Upon completion of the IPO, we intend to utilise RM2.5 million to fully repay our Group's two (2) term loans in the following manner.

| Bankers: Facility | Purpose | Interest rate | Balance as at LPD | Amount to be repaid from proceeds |
|---|--|--|------------------------------|--|
| | | | RM | RM |
| HSBC Bank Malaysia Berhad: | | | | |
| Term Loan (Date of Maturity: December 2012) | Part finance the purchase of 2 parcels of industrial land i.e. HS(D)33696 PTD No 10622 and HS(D)33697 PTD No 10621. | 0.65% per annum above the base lending rate ("BLR") | 779,649 | 750,000 |
| Malaysian Industrial Development Finance Berhad: | | | | |
| Term Loan 1 (Date of Maturity: July 2012) | Financing the construction cost of one unit of single storey detached | 4.00% | 590,078 | 550,000 |
| Term Loan 2 (Date of Maturity: July 2012) | factory and two units of 2-storey and 3-storey office buildings (Factory Buildings). | 6.25% | 1,209,190 | 1,200,000 |

For the FYE 31 December 2009, the financial impact arising from the repayment of bank borrowings is expected to have minimal impact on the interest savings of our Group as the repayment will only be made during the last quarter of the financial year.

The repayment of the term loans above, on the assumption that the applicable BLR is 5.55% per annum, is expected to result in total interest savings for our Group of approximately RM228,000 (over the existing tenure of the term loans above).

The actual amount for the full repayment of the term loans from the IPO proceeds will depend on the actual date of payment of the term loans. Any differences to the repayment of bank borrowings will be adjusted out of the portion allocated for working capital or utilised for working capital purposes.

- (d) We have allocated RM500,000 of the proceeds from the Public Issue towards continuing improvement of our existing products and developing new products. For further details of our future R&D plans, please refer to Section 4.2.12.2 of this Prospectus.
- (e) RM4.350 million from the proceeds of the Public Issue will be allocated for working capital purpose. This will be used to finance our daily operations such as purchases of raw materials, administrative expenses and other operating expenses.
- (f) The estimated listing expenses incidental to our Listing are as follows:

| Estimated Listing expenses | RM |
|--|------------------|
| Professional fees | 920,000 |
| Fees to the authorities | 118,000 |
| Underwriting commission and placement fees | 322,000 |
| Printing, advertising and miscellaneous | 440,000 |
| Total | 1,800,000 |

2. PARTICULARS OF THE IPO (Cont'd)

We will bear all expenses and fees incidental to the listing of and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities, which includes underwriting commission, placement fees, brokerage, professional fees, authorities fees, advertising and other fees the aggregate of which is estimated to be RM1.8 million.

The Offer for Sale will raise gross proceeds of RM4.550 million. This amount shall accrue entirely to the Offerors and no part of the proceeds shall be receivable by the Company. The Offerors shall bear all expenses such as stamp duty fees relating to the Offer Shares which is estimated to be RM4,550.

There is no minimum subscription to be raised from the Public Issue as the Public Issue Shares are fully underwritten except for those Public Issue Shares made available to identified places.

2.8 UNDERWRITING COMMISSION, PLACEMENT FEE AND BROKERAGE

Our Sole Underwriter as mentioned in the Corporate Directory of this Prospectus has agreed to underwrite the 4,700,000 Public Issue Shares to be issued to the Malaysian public, eligible employees, Directors and business associates of our Group. We will pay underwriting commission in respect of the IPO Shares at the rate of 2.25% of the total underwritten shares of 4,700,000 at the IPO Price of RM0.65 per MBL Share to the Sole Underwriter.

We will pay the Sole Placement Agent a placement fee at the rate of 1.00% of the IPO Price per MBL Share of 7,340,000 Public Issue Shares reserved for private placement to identified investors under Section 2.5 (i)(c) of this Prospectus to be placed out successfully by our Sole Placement Agent and any other IPO Shares not subscribed by the Bumiputera investors approved by MITI, duly placed out by our Sole Placement Agent under Section 2.5(i)(d) and 2.5(ii), if any.

We will pay brokerage in respect of the IPO Shares made available for application by the Malaysian Public at the rate of 1.0% of the IPO Price of RM0.65 per MBL Share in respect of successful applications which bear the stamp of Maybank IB, member companies of Bursa Securities, members of the Association of Banks in Malaysia and the members of the Malaysian Investment Banking Association.

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following is an extract of the salient clauses contained in the Underwriting Agreement dated 19 August 2009, inclusive of certain clauses which would allow the the Sole Underwriter to withdraw from its respective obligations under the Underwriting Agreement after the opening of the IPO:-

“4 Conditions Precedent

4.1 The obligations of the Sole Underwriter under this Agreement will further be conditional upon:-

4.1.1 the listing and quotation of the IPO Shares on the Main Market of Bursa Securities will be granted within two (2) clear Market Days after the submission to Bursa Securities of the relevant documents including the receipt of confirmation from Bursa Depository confirming that all the respective CDS Accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants;

4.1.2 the issuance of the IPO Shares have been approved by Bursa Securities, the SC and any other relevant authority or authorities (and has not been withdrawn, revoked, suspended or terminated on or prior to the Closing Date) and the IPO is in compliance with the policies, guidelines and requirements of Bursa Securities and the SC and all amendments thereto;

2. PARTICULARS OF THE IPO (Cont'd)

- 4.1.3 *there not having been on or prior to the closing date in the opinion of the Sole Underwriter (which opinion is final and binding), any adverse change or any development reasonably likely to involve a prospective adverse change in the financial condition of the Company, from that set out in the Prospectus which is material in the context of the offering in the IPO Shares nor the occurrence of any event rendering untrue or incorrect to an extent which is material any representations or warranties contained in clause 1 as though they have been given or made on such date with reference to the facts and circumstances then existing;*
- 4.1.4 *the delivery to the Sole Underwriter prior to the date of the registration of the Prospectus of copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving this Agreement, the Prospectus, the IPO and all transactions and matters contemplated by it and authorising the execution of this Agreement and the issuance of the Prospectus;*
- 4.1.5 *the IPO not being prohibited or impeded by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia or complied with to the satisfaction of the Sole Underwriter;*
- 4.1.6 *this Agreement has been duly executed by all parties and stamped;*
- 4.1.7 *all necessary approvals and consents required in relation to the IPO (including but not limited to shareholders' and governmental approvals) have been obtained and being in full force and effect on the closing date;*
- 4.1.8 *the delivery to the SC of the Prospectus for registration in accordance with the requirement under section 232 of the CMSA together with copies of all documents required for submission under section 233 of the CMSA;*
- 4.1.9 *the lodgement with the ROC of the Prospectus in accordance with section 234 of the CMSA before the date of issue of the Prospectus; and*
- 4.1.10 *Bursa Securities having agreed in principle on or prior to the closing date or such other date as may be agreed between the Sole Underwriter and the Company, and in any event not later than thirty (30) days from the closing date, to the listing of and quotation for (on terms satisfactory to the Sole Underwriter) the paid-up shares on the Main Market of Bursa Securities.*
- 4.2 *If any of the conditions precedent in clause 4.1 above which is to be satisfied or complied with to the satisfaction of the Sole Underwriter prior to the closing date for application of the IPO Shares is not satisfied, the Sole Underwriter will thereupon be entitled to terminate this Agreement by notice in writing to the Company. In such event, this Agreement (except for the liability of the Company for payments of costs (inclusive of solicitors cost on solicitor and client basis) and expenses incurred prior to or in connection with such termination, and any right and/or liability of the Company and/or the Sole Underwriter under Clauses 1 or 2) will automatically be terminated and the parties to this Agreement will be released and discharged from their obligations, provided that the Sole Underwriter may at its discretion waive compliance with any provision of this clause 4 (in which case any condition so waived shall be deemed to have been satisfied in relation to it).*

5 Termination by the Sole Underwriter if Adverse Changes & Consequence Thereof

- 5.1 *Notwithstanding anything contained in this Agreement, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares and pursuant thereto terminate this Agreement if:*

2. PARTICULARS OF THE IPO (Cont'd)

- 5.1.1 *the Company has committed a breach of any of the representations, warranties, undertakings, covenants or other provisions of this Agreement, the breach of which is either incapable of remedy or if capable of remedy, the Company has failed to remedy such breach within a period of fourteen (14) days from the date of a notice in writing from the Sole Underwriter notifying the Company of such breach and requiring the Company to remedy the same;*
- 5.1.2 *the Company withhold(s) any information of a material nature from the Sole Underwriter, which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company or the Group, the success of the IPO and issuance of IPO Shares, or the distribution or sale of the IPO Shares;*
- 5.1.3 *there has occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group;*
- 5.1.4 *there has occurred, happened or come into effect any event or series of events beyond the reasonable control of the Sole Underwriter by reason of Force Majeure which would have or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the Group or the success of the IPO and/or the IPO Shares or which is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms;*
- 5.1.5 *any government, requisition or other occurrence of any nature whatsoever which would or is likely to have a material adverse effect on the financial and operational condition of the Company;*
- 5.1.6 *the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities; or*
- 5.1.7 *the approval for the Proposed Listing is withdrawn, modified and/or subject to terms and conditions not acceptable to the Sole Underwriter.*
- 5.2 *Upon such notice(s) of termination being given under clause 5.1, the Sole Underwriter will be released and discharged of its obligations without prejudice to its rights.*
- 5.3 *This Agreement will thereafter be of no further force or effect and no party will be under any liability to any others in respect of this Agreement, except that the Company will remain liable in respect of any of its obligations and liabilities under clause 1, for the payment of the costs and expenses already incurred up to the date on which such notice was given (including not limited to the payment of the Underwriting Commission), any antecedent breach and for the payment of any taxes, duties or levies and the Company will refund to the Sole Underwriter the subscription monies, if any, relating to the IPO Shares without any deduction.*
- 5.4 *In the event the Agreement is terminated due to the Company taking positive steps not to proceed with the IPO resulting in the Sole Underwriter not being able to perform its obligations under this Agreement, the Sole Underwriter shall nevertheless be entitled to the Underwriting Commission in addition to the costs and expenses incurred thereto.*
- 5.5 *The Sole Underwriter and the Company may however, confer with a view to deferring the issuance of the IPO Shares or amending its terms or the terms of this Agreement or enter into a new underwriting agreement accordingly. However, neither the Company nor the Sole Underwriter will be under any obligation to enter into a fresh underwriting agreement."*

2. PARTICULARS OF THE IPO (Cont'd)

2.10 DILUTION

Dilution is the amount of which NA per Share immediately after the IPO is less than the IPO Price to be paid for the MBL Shares. Our audited NA per Share as at 30 June 2009 based on our share capital of 71,000,000 MBL Shares was RM0.54. Pursuant to the implementation of the Public Issue and Offer for Sale, our NA per Share would be RM0.56. This represents an immediate increase in NA per Share of RM0.02 to the Promoters and an immediate dilution in NA per Share of RM0.09 to our new new investors. The following table illustrates such dilution on a per Share basis:

| | RM |
|---|-----------|
| IPO Price | 0.65 |
| NA per Share as at 30 June 2009, before adjusting for the Public Issue and Offer for Sale | 0.54 |
| Increase in NA per Share attributable to the Promoters | 0.02 |
| NA per Share after adjusting for the Public Issue and Offer for Sale | 0.56 |
| Dilution in NA per Share to new investors [^] | 0.09 |
| Dilution in NA per Share to new investors as a percentage of the IPO Price [^] | 13.8% |

Note: [^] Without taking into consideration the effect of the utilisation of the proceeds received pursuant to the Listing.

Apart from the MBL Shares received by the substantial shareholders pursuant to the Acquisitions, there is no acquisition of any existing equity securities in the MBL Group by the key management, substantial shareholders or persons connected with them during the past three years, or which they have the right to acquire.

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3. **RISK FACTORS**

In evaluating an investment in the IPO Shares, you should carefully consider all information contained in this Prospectus including but not limited to the general and specific risks of the following risk factors:-

3.1 **Risks Relating to our Business and Operations**

(a) **Political, social and economic considerations**

Our financial and business prospects and the industry in which we operate are closely linked to the developments in the political, economic and regulatory conditions in Malaysia, Indonesia, Nigeria and other countries where we sell our products and/or services or intend to set up operations or become interested in the future. Any adverse developments or uncertainties in the political, and/or uncertainties in the political, and/or international events, economic and regulatory conditions in such countries may adversely affect our performance. A discussion of the industry overview of our Group's business is set out in Section 5 of this Prospectus.

Other political, social and economic uncertainties include, inter-alia, risks of war, expropriation, nationalisation, renegotiations or nullification of existing contracts, changes in interest rates and methods of taxation. We will continue to take effective measures such as prudent financial management, market diversification and efficient operating procedure to mitigate such risks. However, no assurance can be given by our Company that such adverse political, social and economic conditions would not have a material effect on our Group.

(b) **Dependence on the Palm Oil Industry**

We sell our products and services mainly to customers from various sub-sectors of the palm oil industries. As such, our performance will, to a certain extent, depend on the outlook and cyclical nature of these industries. Our performance may be affected by worldwide demand of palm oil which in turn has an effect on palm kernel oil. The demand for palm oil is in line with the performance and fluctuations in the price of crude palm oil ("CPO"). Notwithstanding the current fluctuating CPO prices may have an impact on palm kernel oil prices, we believe that the demand for palm kernel oil and the machinery used in palm kernel plants will remain resilient as it is supported by the fact that it is primarily used in consumables such as, among others, food ingredients, soap and detergents and lubricants which continue to be in demand in line with world population growth.

Nevertheless, in line with our Group's plans to diversify our product range and reduce the impact to our performance by the outlook of a single major industry, we have ventured into the development of Jatropha oil seed expellers, a non-palm oil related product, as detailed out in Section 6.1.5 of this Prospectus.

(c) **Business Risks**

Our Company is basically an investment holding company. Through our subsidiaries, we are principally engaged in design and manufacturing of oil seed expeller and its related parts mainly for the palm kernel oil markets. We are therefore vulnerable to certain risks inherent in the palm oil industries and markets in which we operate. These risks include changes in general economic conditions such as general downturn in the global, regional and Malaysian economy, government regulations, inflation and changes in business conditions such as deterioration in prevailing market conditions, skilled labour shortages, increases in operating costs, ability to protect its intellectual property and technological obsolescence.

We have observed the challenging global economic situation and are monitoring closely its impact on our industry and business operations. We will continue to mitigate its effect through, inter alia, increasing the efficiency of our operations, increasing our product range for industries other than oil palm, expanding our market base, ensuring quality products and services, developing and maintaining a diversified pool of suppliers and customers, creating a large pool of highly skilled and qualified personnel, improving our competence through R&D in developing new and improving our existing products and services.

3. RISK FACTORS (Cont'd)**(d) Price of Raw Materials**

Since we are principally engaged in the manufacturing of oil seed expellers and its related parts where steel is a major input, the price of steel is a major cost determinant. As steel prices are determined by worldwide supply and demand on the commodity market, a shortage of steel supply will likely increase its price and result in wide fluctuations as can be seen when the average price of mild steel during the year 2008 increased to RM3,596 per tonne as compared to an average price of RM2,742 per tonne for the year 2007. As at 30 June 2009, the average price of mild steel has fallen to RM2,493 per tonne.

We seek to mitigate these risks by closely monitoring the fluctuations in the market price for steel. However, we cannot assure that any such significant increase in the price of steel will not have an adverse impact on the profitability of our Group. Hence, should there be a general increase in the cost of this raw material, some of the increment, if not all, may be reflected in a price increase of our products and indirectly passed on to our customers in line with the industry practice. Further, as the market price of steel affects all manufacturers of palm oil machineries, it is unlikely that any of our competitors will be able to utilise these fluctuations to gain a competitive advantage.

(e) Foreign Currency Exchange

Our Group's products and services are presently exported to overseas markets such as Indonesia, Nigeria, PNG and others. Certain sales to overseas markets are transacted in foreign currencies, mainly in USD and some of our purchases are also transacted in USD. A total of RM4.645 million or 32.5% of our total revenue was transacted in USD during FPE 30 June 2009. In such instances, our Group is exposed to potential foreign exchange fluctuations. Furthermore, we intend to expand our overseas market and there is a potential that our Group will be exposed to greater foreign exchange risk in the future due to our expansion plans. Any prolonged and significant unfavourable fluctuations in the exchange rates may adversely affect our Group's financial position.

In view of this, we seek to mitigate the risk of fluctuations in foreign currency by practising prudent financial management and actively monitoring the fluctuations in the USD closely, whilst reducing the gap between our income in USD and expenses in USD. We minimise such exposure by hedging the relevant foreign currencies involved in our major contracts through the use of short-term forward foreign exchange contracts. While our Group believes that we have taken the necessary steps to mitigate our exposure, there can be no assurance that any significant fluctuations in exchange rates or any financial crisis in the future will not have an adverse material effect on the financial performance of our Group.

(f) Operating Risks

Similar to other businesses, our Group's revenue and operating results could be adversely affected by many unforeseen operating risks. These factors include amongst others, changes in our Group's operating expenses, the ability of our Group to develop new products and services and to control costs, general economic conditions, market acceptance of new products or services, lengthy sales cycles, debtors' collection problems and other operating risks common to going concerns.

In order to mitigate these risks, we continuously employ prudent management and operation practices, monitor the market acceptance of our products and services and focus on R&D to develop new products and services to meet the changing market demand, developing long-term relationships with our customers and controlling costs and expand our business activities. We also place strong emphasis on continuous quality control to ensure that our products meet customers' requirements and are of high quality and providing good after-sales service support. We further seek to control our operating costs by continuously improving our productivity and operational efficiency. However, we cannot assure that our Group will be profitable in the future, or that we will achieve increasing or consistent levels of profitability.

3. RISK FACTORS (Cont'd)**(g) Competition**

Our Group faces competition from local competitors and also potential new market entrants. There is also the possibility of increasing competition from countries with lower cost of production and labour costs. However, we believe that we have several competitive advantages over our rivals due to our market reputation, track record, established customer base, quality of production, and R&D capabilities. Nevertheless, we cannot assure you that we will be able to maintain our existing domestic as well as overseas market shares in the future. Our understanding of our market position as disclosed in Section 5.8 of this Prospectus in terms of market share may be outdated as the latest financial information we obtained of our local competitors is based on FYE 2007. As such, this should not be the only factor relied upon in determining our overall strength in the industry we operate in.

We have taken proactive measures to mitigate these risks, which include, inter alia, constantly monitor the market demand and requirement and improve our development and marketing strategies in response to the ever-changing economic conditions and market demands to serve the needs of the target market. We are also involved in the development of new products to stay competitive.

Nonetheless, no assurance can be given that any competitive pressure will not have any material and adverse impact on our Group's business performance, operating results and financial condition.

(h) Dependence on the Indonesian market

As at FYE 31 December 2008, Indonesia was our Group's largest export market and accounted for approximately 41.99% of the total revenue of our Group. Notwithstanding that there appears to be a certain level of dependency on the sales to the Indonesian market, we believe the significant level of sales to customers located in Indonesia is reasonable given the fact that we have ventured into Indonesia since 1987 and it is the country with the largest palm oil production. Nonetheless, we have taken reasonable steps to diversify our reach by venturing into other countries, such as Nigeria, Cameroon, PNG and Gabon which accounted for 4.24%, 8.73%, 16.07% and 2.72% respectively of our Group's total revenue in FYE 31 December 2008. To further diversify our geographical sources of income, our Group plans to expand our market presence into Central and South America regions, namely Ecuador, Honduras and Brazil. The abovementioned countries are developing their palm oil plantations which we believe will create vast opportunities for us to expand our future export market.

Notwithstanding the above, there can be no assurance that any future changes to the economic climate of the Indonesian market as well as the Indonesian customers' preference will not materially affect our financial performance.

(i) Dependence on Certain Suppliers

We maintain a stable group of suppliers. We are not solely dependent on any major suppliers, as we have a panel of regular suppliers, due to their competitive pricing. There is a limited risk of monopolisation as we are able to source from a wide range of alternate suppliers. We seek to minimise the risk of dependency on certain suppliers by broadening our network of suppliers.

However, we cannot assure that our operations may not be materially and adversely affected if we are unable to obtain adequate supply on a timely manner or of commercial terms not viable to us.

3. RISK FACTORS (Cont'd)

(j) Absence of Long Term Contracts

There are no long term sales contracts between our Group and our customers. This is considered a norm in our industry due to the nature of our industry.

In the absence of long term sales contracts with our customers, we seek to mitigate the risk by employing various measures to broaden our customer base and our product range, which includes, inter alia, venturing into new markets through the set-up of new marketing/sales offices abroad as well as developing new products such as jatropha oil seed expellers and other oil seed expellers.

Despite the absence of long term contracts with our customers, we have successfully grown in our business volume. We have an established and proven track record in terms of providing quality products and services, which have earned us the loyalty, confidence, recognition of our customers locally and abroad and their continuous support and repetitive orders. We continually nurture our customer relationships by providing product enhancements and timely and efficient after-sales support services.

For the FYE 31 December 2008, approximately 37.83% of our total revenue was from our existing customers. This existing customer base provides the basis for continuing business relationship to help mitigate dependencies on any one or small group of customers and ensure a continuous stream of income. In addition, we believe that our continuing efforts in maintaining our competitive edge in terms of production efficiency and improving product quality will enable us to expand our domestic and export market share as well as to new customers.

(k) Recoverability of Trade Receivables

In the past few financial years, our Group's total trade receivables have increased substantially which is in line with the increase of our revenue. Generally, our Group grants credit periods ranging from 1 to 4 months to our customers, which our Directors opined are within the industry norm. However, we also extend longer credit to certain major customers who have stable long term business relationships with us and also to certain plant setup sales and services customers based on mutually agreed terms due to the nature of the varying projects size and terms.

Notwithstanding the relatively long credit period given by our Group to certain of our customers, our Group has not in the past few years written off any sum for bad debts. We believe our trade receivables are collectible and that no allowance for doubtful debts is required. In addition, our Directors and management take importance of credit controls and are continuously monitoring our Group's outstanding trade receivables. We will undertake relevant measures to ensure that the trade receivables are maintained at a manageable level at all times.

Notwithstanding the above, the non-collectibility of trade receivables still forms part of the business risks of our Group. Accordingly, should the trade receivables turn bad, the financial position of our Group may be affected.

(l) Adequacy of Insurance Coverage

We have taken up adequate insurance coverage for all fixed assets which included factory buildings, machineries and stock in trade to cover risk of fire breakouts. However, there is no assurance that insurance coverage for the factory buildings and stock in trade will continue to be available in future, or be equivalent to the amounts that are equal to the full market value or replacement cost of the insured assets. In addition, there can be no assurance that the particular risks will continue to be insurable.

In ensuring that such risks are mitigated, we will review and ensure adequate insurance coverage for our factory buildings and stock in trade.

3. RISK FACTORS (Cont'd)**(m) Disclosure Regarding Forward Looking Statements and Viability of Future Plans**

Certain statements contained in this Prospectus are based on historical data, which may not be reflective of future results. Other statements that are not statements of historical facts and are based on estimates and assumptions constitute forward looking statements. These statements are in relation to our expected future financial position, business strategy, plans, prospects and industry outlook. You can identify some of these statements by forward looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words. However, you should note that these words are not exclusive means of identifying forward looking statements. These forward looking statements are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, to be materially different from any future results, plans, performances and achievements expressed or implied by such forward looking statements.

Although we believe that the expectations reflected in these forward looking statements are reasonable at the time this Prospectus is issued, we cannot assure that such expectations can be achieved and actual results, performance and achievements may be materially different from those expected. Any differences in our expectations from our actual performance might adversely affect our result in the financial and business performance and plans. In light of these and other uncertainties, the inclusion of a forward looking statement in this Prospectus should not be regarded as a representation or warranty by us or our advisers that our plans and objectives will be achieved. Hence, you should ensure that you read and understand the assumptions and uncertainties underlying the forward looking statements that are contained herein.

(n) Dependence on our Directors and Key Management

We believe that our continued success and future performance depends to a large extent upon the skills, abilities, experience, competency and continuous efforts of our existing Directors and key management and on our Group's ability to hire and retain qualified and competent personnel. The vast experience, knowledge and expertise of our Directors and key management are pivotal to our success. While we have made efforts to nurture and maintain good relationships with our senior management team, there can be no assurance that the loss of any of the key personnel can be avoided and would not materially affect our Group's business, operating results and financial conditions.

We seek to mitigate this risk by incorporating effective human resource management and development, which include competitive compensation packages, training and personnel development programmes to attract and retain skilled personnel. We also implement an effective succession plan to groom our existing staff members to further support our senior management and/or to shoulder further responsibilities in preparation for long term expansion and to continuously formulate suitable incentives and to create a conducive working environment. We have also set in place, proper system documentation in order to ensure continuity, effective training and minimising workflow disruption in the event of resignations.

However, that can be no assurance that the above measures taken or to be taken will be successful and that any change in our Group's existing Directors and key management will not have any material effect on our Group's business and operations.

(o) Control by Promoters

Upon completion of our IPO, our Promoters who are also substantial shareholders, in aggregate, will beneficially own approximately 57.01% of our Enlarged Share Capital. They will collectively be able to effectively control the outcome of certain matters requiring the vote of our shareholders including the constitution of our Board and thus the direction and future operations of our Group, unless they are required to abstain from voting by law and/or relevant authorities.

3. RISK FACTORS *(Cont'd)*

Nevertheless, we have appointed three (3) independent Directors and formed an Audit Committee as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on normal commercial terms and on arms-length basis, thereby safeguarding the interests of the minority shareholders and the general public at large. In the event of any related party transactions involving any of our Promoters/substantial shareholders which may pose as a conflict of interest to our Company, they would also be required to abstain from voting.

(p) Contribution from Major Customers with Short Business Relationships

Among the Group's major customers for FYE 31 December 2008 were 4 major customers who have relatively short business relationships with MBL, ranging from 1 to 4 years and collectively contributed approximately 38.62% of the Group's total revenue. Notwithstanding the fact that a significant amount of our Group's turnover is derived from new customers, we believe that this current level of revenue contribution from new customers is reasonable on the basis that our Group must continually broaden its customer base and seek opportunities for growth by looking beyond its existing customers. In addition, our Group will ensure that good after-sales support services are provided to these new customers to retain the business relationship which will contribute to the long term growth of the Group via repeat orders in the future.

(q) New Customers for Plant Setup Sales and Services

Plant setup sales and services remains our Group's largest activity, contributing approximately 49.62% of total revenue as at FYE 31 December 2008. In the event the Group fails to secure sufficient new customers for its plant setup sales and services activity, it is likely that the overall results and performance of the Group will be significantly impacted. Nevertheless, the Group believes that factors such as its wide range of spare parts, dedicated customer care services, ability to provide comprehensive plant setup sales and services as well as dedication to continuous product design and development will continue to play a strong role in ensuring that the Group is able to improve on the performance as well as ensuring some certainty to the continuity of its plant setup sales and services business segment.

3.2 Risks Relating to our Shares

(a) No Prior Market for Our Shares

There has been no public market for our Shares prior to our IPO. There can be no assurance that an active market for our Shares will develop upon our Listing on the Main Market of Bursa Securities or, if developed, that such market will be sustained. The IPO Price of RM0.65 per IPO Share was determined after taking into consideration various factors including, but not limited to, our financial and operating history and conditions, our future prospects and the future prospects of the industry in which we operate, our management and the prevailing economic and market conditions prior to the issue of this Prospectus.

We cannot guarantee that the market price of our Shares will not decline below our IPO Price. We believe that a number of factors could cause the price of our Shares to fluctuate, including (without limitation) sales of substantial amounts of our Shares in the public market in the immediate future, announcements of developments relating to our business, fluctuations in our operating results and sales levels, general industry conditions or the world-wide economy, announcements of new products or product enhancements by our competitors, and developments in patent, copyright or other intellectual property rights. Such fluctuations may adversely affect the market price of our Shares.

We cannot assure that the IPO Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities either upon or subsequent to our listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

3. RISK FACTORS (Cont'd)

(b) Delay in or Failure in our Listing

The occurrence of certain events, including the following, may cause delay in or termination of our Listing:

- (i) the Sole Underwriter, exercising its rights pursuant to the Underwriting Agreement, discharge itself from its obligations thereunder;
- (ii) the places under the private placement tranche of the Public Issue and the Offer for Sale fail to acquire the Shares allocated to them; or
- (iii) we are unable to meet the minimum public spread requirement of Bursa Securities, which is at least 25% of our Enlarged Share Capital must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each, upon completion of the IPO and at the time of our Listing; or
- (iv) the approvals of Bursa Securities, SC or any other relevant authorities for our Listing are revoked, withdrawn or cancelled.

Although our Directors will endeavour to ensure our timeliness and compliance of the various Listing Requirements, including inter-alia, the public spread requirement imposed by Bursa Securities for the success of our Listing, we cannot assure that the abovementioned events will not cause a delay in or abortion of our Listing.

(c) Admission to the Official List of Bursa Securities Not Granted

Delays in the Listing and the commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the Public Issue Shares comprised in the IPO Shares, following their allotment and issue to investors, a return of monies to such investors may be effected by way of either a repurchase by the Company of those Shares at the IPO Price, or by way of a reduction of our share capital. Such capital reduction shall not be effected if on the date of reduction is to be effected, there are reasonable grounds for believing that the Company is, or after the reduction would be, unable to pay its liabilities as they become due. If Bursa Securities does not admit our Shares for Listing, the market for our Shares will be illiquid and it may not be possible to trade our Shares. This may also have a materially adverse effect on the value of our Shares.

(d) Volatility in the Market Price of our Shares

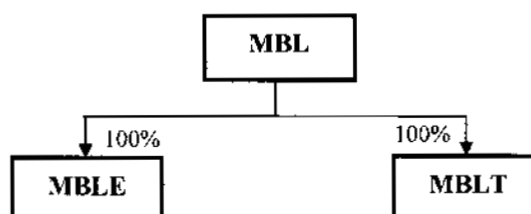
The market price of our MBL Shares may fluctuate as a result of variations in its operating results. If the trading volume of our Shares is low, the price fluctuation may be exacerbated, particularly as no stabilising transactions can or will be undertaken in respect of our Shares in connection with this listing exercise or thereafter. The market price of our Shares, as in the case of other public listed companies shares, are also prone to valuation and recommendations of securities analysts on the fair value of our Shares.

4. INFORMATION ON OUR GROUP

4.1 BACKGROUND INFORMATION ON MBL

4.1.1 Group structure

An overview of our Group corporate structure is set out below:-



4.1.2 Incorporation

We were incorporated in Malaysia under the Act on 20 November 2006 as a private limited company under the name of Muar Ban Lee Group Sdn Bhd to facilitate the Listing. Subsequently, on 11 January 2007, we were converted into a public limited company and assumed our current name. We are an investment holding company.

The principal activities of our subsidiary companies are as follows:-

| Name | Registration no. | Date / Place of Incorporation | Issued and paid-up share capital (RM) | Equity Interest (%) | Principal Activities |
|------|------------------|-------------------------------|---------------------------------------|---------------------|---|
| MBLE | 166822-V | 8 December 1987/ Malaysia | 2,000,000 | 100.0 | Manufacturing of oil seed expellers and its related parts |
| MBLT | 664866-T | 6 September 2004/ Malaysia | 200,000 | 100.0 | Manufacturing of automated oil seed expellers and its related parts |

4.1.3 Share capital and changes in share capital

Our present authorised share capital is RM100,000,000 comprising 200,000,000 MBL Shares. Our present issued and paid-up share capital is RM35,500,000 comprising 71,000,000 MBL Shares.

Details of the changes in our issued and paid-up share capital since incorporation are as follows:

| Date of allotment | No. of ordinary shares allotted | Par Value (RM) | Consideration | Accumulated total Issued and paid-up share capital (RM) |
|-------------------|---------------------------------|----------------|--|---|
| 20.11.2006 | 2 | 1.00 | Subscribers' shares | 2 |
| 22.02.2007 | 4 | 0.50 | Share split | 2 |
| 30.06.2009 | 60,799,996 | 0.50 | Issued pursuant to the Acquisition of MBLE | 30,400,000 |
| 30.06.2009 | 10,200,000 | 0.50 | Issued pursuant to the Acquisition of MBLT | 35,500,000 |

Our issued and paid-up share capital will subsequently increase to RM46,000,000 comprising 92,000,000 MBL Shares by way of Public Issue of 21,000,000 MBL Shares at the IPO Price.

4. INFORMATION ON OUR GROUP (Cont'd)**4.1.4 Listing Scheme**

In conjunction with, and as an integral part of the listing and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities, we undertook a Listing Scheme which involved the following exercises:-

(a) The Acquisitions

The Acquisitions comprise of the Acquisition of MBLE and Acquisition of MBLT, details of which are set out below:

(i) Acquisition of MBLE

We entered into a conditional sale and purchase agreement on 28 January 2009 to acquire the entire equity interest in MBLE comprising 2,000,000 ordinary shares of RM1.00 each from the Vendors of MBLE for a total purchase consideration of RM30,399,998 fully satisfied via the issuance of 60,799,996 new MBL Shares at par, as follows:

| Vendors | Equity Interest in MBLE Acquired | | Purchase consideration | |
|--|----------------------------------|--------|------------------------|------------------------------------|
| | No. of MBLE Shares | % | RM | No. of Consideration Shares Issued |
| Chua Ah Ba @ Chua Eng Ka | 566,080 | 28.31 | 8,604,414 | 17,208,828 |
| Chua En Hom | 283,040 | 14.15 | 4,302,208 | 8,604,416 |
| Chua Eng Hui | 283,040 | 14.15 | 4,302,208 | 8,604,416 |
| Chua Heok Wee | 283,040 | 14.15 | 4,302,208 | 8,604,416 |
| Dato' Seri Tan King Tai @ Tan Khoo Hai | 200,000 | 10.00 | 3,040,000 | 6,080,000 |
| OCSB | 119,000 | 5.95 | 1,808,800 | 3,617,600 |
| IJSB | 265,800 | 13.29 | 4,040,160 | 8,080,320 |
| | 2,000,000 | 100.00 | 30,399,998 | 60,799,996 |

The purchase consideration for the Acquisition of MBLE was arrived at on a willing buyer willing seller basis after taking into account the estimated NTA of MBLE as at 31 December 2008.

The Acquisition of MBLE was completed on 30 June 2009.

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4. INFORMATION ON OUR GROUP (Cont'd)

(ii) Acquisition of MBLT

We had also via a conditional sale and purchase agreement dated 28 January 2009 acquired the entire equity interest in MBLT comprising 200,000 ordinary shares of RM1.00 each from the Vendors of MBLT for a total purchase consideration of RM5,100,000 fully satisfied via the issuance of 10,200,000 new MBL Shares at par, as follows:

| Vendors | Equity Interest in MBLT Acquired | | Purchase consideration | |
|---------------------------|----------------------------------|--------|------------------------|------------------------------------|
| | No. of MBLT Shares | % | RM | No. of Consideration Shares Issued |
| Chua Ah Ba @ Chua Ling Ka | 80,000 | 40.00 | 2,040,000 | 4,080,000 |
| Chua En Hom | 40,000 | 20.00 | 1,020,000 | 2,040,000 |
| Chua Eng Hui | 40,000 | 20.00 | 1,020,000 | 2,040,000 |
| Chua Heok Wee | 40,000 | 20.00 | 1,020,000 | 2,040,000 |
| | 200,000 | 100.00 | 5,100,000 | 10,200,000 |

The purchase consideration for the Acquisition of MBLT was arrived at on a willing buyer willing seller basis after taking into account the estimated NTA of MBLT as at 31 December 2008.

The Acquisition of MBLT was completed on 30 June 2009.

(b) The Corporatisation

After the Acquisitions, there was a direct allotment of 53,222,076 MBL Shares and transfer of 4 existing MBL Shares to MBL Realty, an investment holding company controlled by Chua Ah Ba @ Chua Ling Ka, Chua En Hom, Chua Eng Hui and Chua Heok Wee.

The Corporatisation was completed on 30 June 2009.

(c) The Public Issue

We are undertaking the Public Issue of 21,000,000 Public Issue Shares at an IPO Price of RM0.65 payable in full on application upon such terms and conditions as set out in this Prospectus of which details of the allocation and allotment are set out in Section 2.5 of this Prospectus.

(d) The Offer For Sale

Our Offerors are undertaking the Offer for Sale of 7,000,000 Offer Shares at an IPO price of RM0.65 payable in full on application upon such terms and conditions as set out in this Prospectus of which the details of the allocation and allotment are set out in Section 2.5 of this Prospectus.

(e) The Listing

Upon completion of the Acquisitions, Corporatisation and IPO, we will seek a listing of and quotation for our entire issued and paid-up share capital of RM46,000,000 comprising 92,000,000 MBL Shares on the Main Market of Bursa Securities.

4. INFORMATION ON OUR GROUP (Cont'd)

4.2 HISTORY AND BUSINESS

The history of our Group can be traced back to 1987 when MBLE was incorporated in 1987 by our Executive Chairman, Mr. Chua Ah Ba @ Chua Eng Ka together with his two (2) brothers, Mr. Chua En Hom and Mr. Chua Eng Hui. MBLE began operations with limited capital and resources, operating in a small rented factory located in Muar, Johor, producing palm kernel oil seed expellers, copra oil seed expellers and filters for the local and international markets. We first ventured into the Indonesian market in 1987 through Mr. Chua Ah Ba's previous business relationship with various Indonesia companies. Shortly after, we also penetrated into Nigeria in 1988 and PNG in 1992. For each of our international markets, we approached our customers, primarily plantation owners and millers directly instead of through representatives or agents.

In 1997, we set up our first factory in No. 21 Jalan Rami 4, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor, on a land area measuring 65,340 sq. ft. and a built-up size of 19,200 sq. ft.. Due to our growth and increased demand for our products and services, we expanded our factory built-up area to 38,934 sq. ft. in 1999. Throughout the years, we have provided our products and services to our customers to construct small to large scales kernel crushing plants. From 1990 to 2007, we have supplied and commissioned oil seed expellers with a total compressing capacity of approximately 2,500 tonnes of palm kernel per 24 hours to a single customer in Indonesia. From 2001 to 2006, we also supplied oil seed expellers with a total compressing capacity of 330 tonnes of palm kernel per 24 hours to a customer in Nigeria. We believe those two (2) customers operate among the largest plants in the aforementioned countries respectively.

In 2001, MBLE was awarded a Licensed Manufacturer's Warehouse ("LMW") licence by the Royal Malaysian Customs Department. The LMW licence allows MBLE to import raw materials and components used in our manufacturing processes such as gearboxes, motors, bearings, pulleys and belts free of customs duty and sales tax. Foreseeing further demand for our products and services in 2001, we acquired another piece of freehold land measuring 148,920 sq. ft. at JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor which is within Bukit Pasir Industrial Area at Muar for the future construction of our headquarters cum second factory. In November 2007, MBLE completed the construction of our second factory with a built-up area of approximately 72,600 sq. ft.. Our corporate office is currently situated here as well as some of the operations of MBLE and MBLT. In 2007 and 2008, MBLE established a marketing and customer care office in Medan, Indonesia and Bintulu, Sarawak, respectively.

In line with our expansion plan, MBLT was incorporated in 2004 and is involved in the designing and manufacturing of automated oil seed expellers which reduce operating and manpower costs for its customers. In 2006, MBLT obtained its Pioneer Status under the Promotion of Investment Act 1986 from MITI for the manufacture of automated kernel crushing plants and parts thereof for ten (10) years. In the same year, our Group commenced R&D for our jatropha oil seed expellers.

In summary, our Group has accumulated over 20 years of experience in the design and manufacture of oil seed expellers, and ancillary machinery for oil seed crushing plants, plant setup sales and services and manufacture and sale of spare parts to plantation owners and millers globally. We believe that the quality of our products is an essential aspect in the retention of our existing customers as well as in attracting new customers.

We have a certified quality management system ("QMS") in place, namely ISO 001:200 and BS EN ISO 9001:2000 certifications for our management and production processes. Our ISO certifications are certified by ANAB, the Department of Standards, Malaysia and the United Kingdom Accreditation Service.

Through continuous product, service and brand excellence, we have been conferred many awards including the Golden Bull Award, the Best Overall Award of SMI Recognition Award Series, the Best Trade Name Award, Superbrands, the Business Superbrands, Export Excellence Award (SMB Recognition Award Series) and the Enterprise 50 Award.

4. INFORMATION ON OUR GROUP (Cont'd)

Over the years, we have managed to successfully make inroads into many countries including Indonesia, Nigeria, PNG, Mexico, Costa Rica, Columbia, Portugal, South Africa, India, Solomon Islands, Belgium, Guatemala, the Philippines, Singapore, Sri Lanka, Tanzania, Thailand, Hong Kong, Vanuatu, Ivory Coast, Netherlands, Cameroon, Gabon, Venezuela and US.

4.2.1 Types of products and/or services

Our principal products and services are broadly categorised as:-

- oil seed expellers;
- plant setup ancillary machinery;
- spare parts; and
- plant setup sales and services.

4.2.1.1 Oil seed expellers

We design and manufacture oil seed expellers primarily for palm kernel oil and copra oil.

Our oil seed expellers comprise primarily the pressing stations, coupling, gearbox, pulley and belting and motor. Currently, we have two (2) series of oil seed expeller, namely the EK series and the EKM series.



Palm Kernel Oil Seed Expellers, EK Series



Palm Kernel Oil Seed Expellers, EKM Series

The EK series is designed with the main shaft directly driven by a coupling affixed to the gearbox. Thus, it has a simple structure by eliminating the extra gear set needed. This EK series design has improved maintainability and reduces maintenance costs and time.

The EKM series uses a smaller size of gearbox and its main-shaft is driven by a set of pinion and small spur gear affixed to the gearbox. The purpose of the design is to replace the traditional oil seed expeller with a truck gearbox. Compared to the traditional oil seed expeller which uses a truck gearbox, it minimises the usage of lubricant oil, is easier to maintain and cleaner to operate.

The key differences between our EK series and our EKM series are as follows:

| EK Series | EKM Series |
|--|--|
| <ul style="list-style-type: none"> ▪ Big gearbox (size 11) ▪ Low maintenance cost – parts easier to access and replace ▪ Low spare parts consumption ▪ Higher selling price ▪ Main shaft is directly driven by a coupling affixed to the gear box i.e. no extra gear set is needed ▪ Targeted to medium to large sized crushing plants | <ul style="list-style-type: none"> ▪ Small gearbox (size 6) ▪ High maintenance cost – parts are time consuming to access and difficult to replace ▪ High spare parts consumption ▪ Lower selling price ▪ Main shaft is driven by a set of pinion and small spur gear ▪ Targeted to small to medium sized crushing plants |

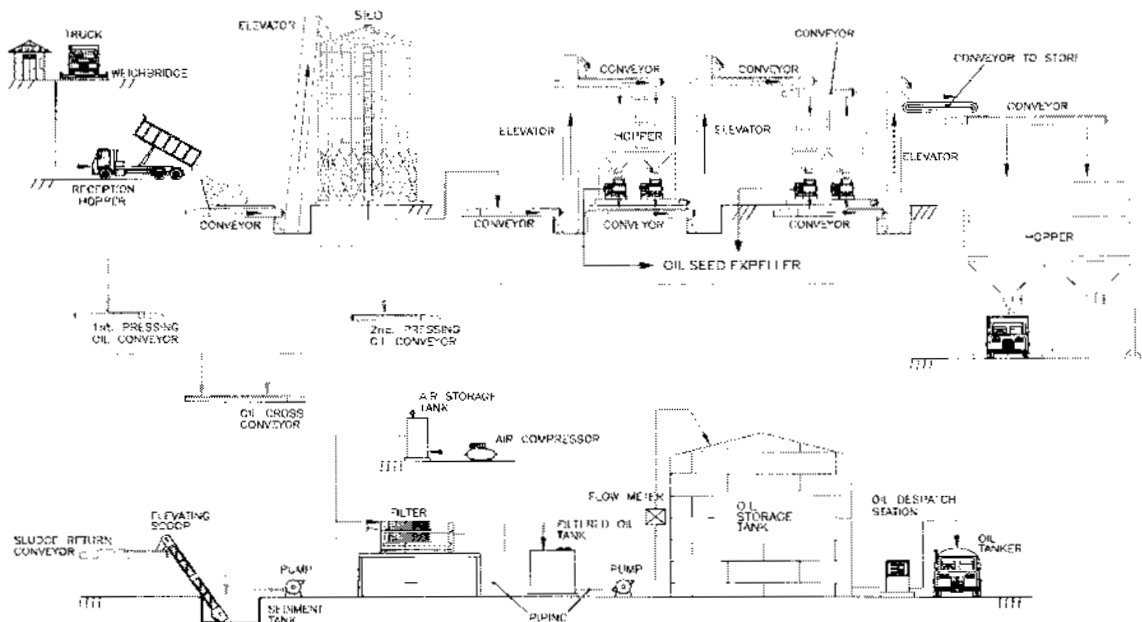
4. INFORMATION ON OUR GROUP (Cont'd)

We also manufacture automated oil seed expellers, known as the EK (Automated) series. The automated oil seed expeller is designed to protect the gearbox from a broken or malfunctioned main shaft or bearing. For example, when the supporting bearing malfunctions or breaks, a strong force pushes the main shaft out of range and towards the gearbox, damaging it. Our EK (Automated) series is designed with preventive gear couplings to prevent such damage automatically by absorbing the force of the moving main shaft.

Currently, we only manufacture the automated series of oil seed expellers for the palm kernel oil seed expeller. However, our technology is also applicable for copra oil expeller if there is a sufficient demand for it.

4.2.1.2 Plant Setup Ancillary Machinery

The plant setup ancillary machinery for our customers' oil seed crushing plants include filters, conveyors, elevators, hoppers, piping, oil storage tanks and silos. An illustration of an oil seed crushing plant that we design, fabricate, install and commissioning is as follows:-



The details of the abovesaid plant setup ancillary machineries are as follows:-

(a) Filters

We currently manufacture three (3) types of filters namely NYB Series Pressure leaf filter, manual and hydraulic MBL Series Filter Press. Our filter machines are fabricated from mild steel plates, cast steels, channels and hollow sections using various processes such as cutting, welding, lathing, grinding, assembling and coating. Our filters are widely used to filter crude kernel oil and crude copra oil extracted from the oil seed expellers to remove impurity and sludge content. They can also be used to filter other types of extracted oil. The crude oil is pumped into the Pressure Leaf Filter or Filter Press Machine which filters the impurity and sludge before being pumped into the oil storage tank. The capacity of our filters ranges from 20 tonnes to 500 tonnes per 24 hours for our NYB Series and 20 tonnes to 80 tonnes per 24 hours for our MBL Series.

4. INFORMATION ON OUR GROUP (Cont'd)

(b) Conveyors

Our conveyors are built from mild steel plates, schedule pipes as well as angle bars and chains. The function of our conveyors is to automatically transfer the input materials within the oil seed crushing plant.

The capacity of our conveyor depends on its size (diameter) and length. The conveyor is designed according to the throughput capacity of input materials (oil seed, oil seed meals or extracted oils) and layout of oil seed crushing plant. Technical calculations are performed by us based on customer's requirement in order to determine the correct size, speed and power (horsepower) of gear motors to drive the loaded conveyors.

(c) Elevators

Our elevators are fabricated from mild steel plates, angle bars, chains, sprockets, bearings and polished shafts. The function of our elevators is similar to our conveyors within the plant whereby our conveyors transfer materials horizontally while our elevators transfer materials vertically.

The capacity of our elevator depends on its size (diameter) and length. The elevator is designed according to the throughput capacity of input materials (oil seed, oil seed meals or extracted oils) and layout of oil seed crushing plant. Technical calculations are performed by us to determine the correct size, speed and power (horsepower) of gear motors to drive the loaded elevator.

(d) Hoppers

Hoppers are storage compartments to store oil seeds (1st pressing) or oil seed meals (2nd pressing) at the top of the oil seed expellers. They are made of mild steel channels, angle bars and mild steel plates.

Our hoppers are designed to ensure continuous feeding of oil seed and oil seed meals. They act as daily storage besides the oil seed silo or the oil seed reception building. Under normal operating conditions, a filled hopper is sufficient for an oil seed expeller to operate for one to one and half days.

(e) Piping

Our pipings are installed to transfer extracted oils in the filtration processes. Filtered oils are then stored in the oil storage tank. Flow meters and control valves are installed at various points of the piping structure to facilitate the monitoring and controlling of the oil flow.

(f) Oil Storage Tanks

Our oil storage tanks are made from mild steel plates, fabricated on-site and used to store large quantities of filtered oils. The capacity of our oil storage tank depends on our customer's crushing plant capacity and other factors such as remoteness of its plant and space available.

(g) Silos

Our silo is a big cone shaped cylinder storage medium for oil seeds. The capacities of the silos are 500 tonnes and 1,000 tonnes. Our silos are assembled and installed at our customer's site.




4. INFORMATION ON OUR GROUP (Cont'd)

4.2.1.3 Spare Parts


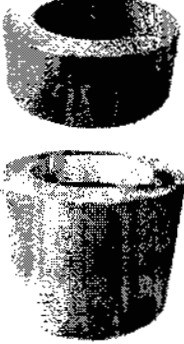
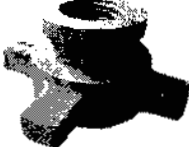


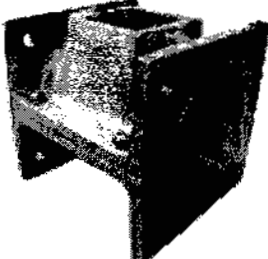
We are involved in the manufacture and sale of spare parts. The continuous running of an oil seed crushing plant results in the need to regularly replace the parts due to high wear and tear conditions. Our spare parts comprise the following:-

- parts that need regular replacements; and
- parts that need to be replaced due to malfunctions or breakdowns.

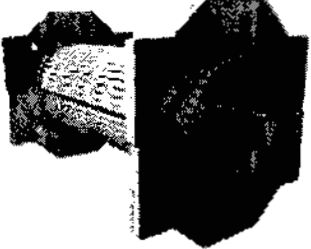

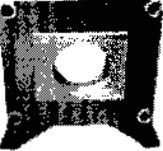
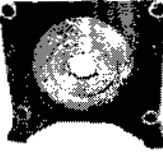
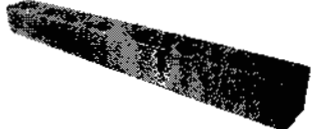

The table below summarises the types of spare parts manufactured by us:-

| Type of spare parts | Description |
|--|--|
| <p data-bbox="384 584 523 611">Feed Worm</p>  | <p data-bbox="751 584 1399 792">There are three (3) types of worms, namely the feed worm, the intermediate worm and the high pressure worm. The worms, made of cast steel, are custom-casted according to our design dimension (thickness, width, length) and flight angle. The usage of the worm is to crush the input material (oil seeds and oil seed meals) against the body cage within a compact enclosure.</p> |
| <p data-bbox="384 891 616 918">Intermediate Worm</p>  | <p data-bbox="751 826 1399 1218">The worms and collars are designed and arranged in a manner whereby the feed worm (1st stage) begins the crushing. The 1st stage operates at a faster pace due to the bigger gap distance between its flights. When the input materials reaches the intermediate worm (2nd stage), the pressure starts to build up (movement of input materials become slower due to the narrower flight distance). Subsequently, the input materials are pushed into the high pressure worm's flight (3rd stage) where the intense pressure expels oil from the seeds which flows out from the small gap between the body cages. The remaining oil seed meals are discharged from the gap between the wear plate and taper head.</p> |
| <p data-bbox="384 1149 632 1176">High Pressure Worm</p>  | <p data-bbox="751 1256 1399 1406">The dimension, angle and distance of the worm's flight, dimension of collars, the gap between the body cage's flat bars and the arrangement of the worms and collars are vital in determining the performance of the oil seed expeller, namely the oil extraction rate.</p> <p data-bbox="751 1440 1399 1559">The arrangement of the worms and collars are different in the 1st press oil seed expeller and the 2nd press oil seed expeller. They are designed professionally to obtain the highest possible oil extraction rate from the oil seeds.</p> |

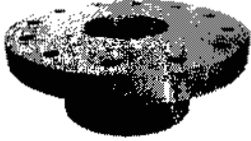

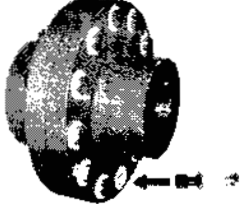
4. INFORMATION ON OUR GROUP (Cont'd)

| Type of spare parts | Description |
|---|---|
| <p data-bbox="384 248 539 277">Taper Collar</p>  <p data-bbox="384 439 571 468">Straight Collars</p>  | <p data-bbox="751 248 1406 456">There are two (2) types of collars namely taper collars and straight collars. They are made of cast steel and custom-casted according to our design dimension (thickness, width, length). The collars are arranged in between the feed, intermediate and high pressure worms to act as the stop-over stations or pressure building points when the input materials are delivered from the worms.</p> |
| <p data-bbox="384 864 555 893">Adjusting Nut</p>  <p data-bbox="384 1061 528 1090">Taper Head</p>  | <p data-bbox="751 864 1406 1106">The adjusting nut and taper head are made of cast steel. The adjusting nut is fixed at the back of taper head and serves as an adjusting tool to control the gap between the taper head and the wear plate. When the oil seed expeller starts up, the adjusting nut needs to be adjusted to widen the discharge gap. Subsequently, the gap needs to be adjusted to control the pressure and ampere of the oil seed expeller to maintain the optimum operating condition.</p> |
| <p data-bbox="384 1323 520 1352">Main Shaft</p>  | <p data-bbox="751 1323 1406 1442">The main shaft, made of high tensile steel, is the main component of the oil seed expeller. It is coupled to the female gear coupling at one end by a key to drive the worms and collars.</p> |
| <p data-bbox="384 1476 512 1505">Feed Cage</p>  | <p data-bbox="751 1476 1406 1684">The feed cage, made of cast steel, is the feeding point in the crushing process. It is fixed to Housing Block No. 2 at one end and body cage at the other end. The input material are fed into the feed cage through the hopper attach to the top feed cage inlet hole. The feed worm will stay right under the inlet hole to feed the input materials toward the body cage direction.</p> |

4. INFORMATION ON OUR GROUP (Cont'd)

| Type of spare parts | Description |
|---|---|
| <p data-bbox="384 248 512 280">Body Cage</p>  | <p data-bbox="751 248 1409 427">Body cages are fabricated from mild steel plates and mild steel flat bars. They are fixed in between the feed cages and Housing Block No. 1. One set of rib plates are placed on the top and bottom body cages and tightened with square bars with bolts and nuts, functioning as the "pressing house" for the input materials.</p> <p data-bbox="751 461 1409 577">The huge pressure forces the oil from the oil seeds or oil seed meals and is discharged from the narrow gap between the body cages' flat bars while the remaining oil seed meals is discharged from the taper head's gap.</p> |
| <p data-bbox="384 613 619 645">Housing Block No. 1</p>  <p data-bbox="384 808 619 840">Housing Block No. 2</p>  <p data-bbox="384 1003 619 1034">Housing Block No. 3</p>  | <p data-bbox="751 613 1409 792">Housing blocks are the integral part of the pressing station or the "mounting device" where all spare parts are fixed and secured to it. Besides that, it also serves as the "force distributor" where huge pressure and force (due to the pressing activities) is absorbed and distributed evenly among the housings.</p> <p data-bbox="751 826 1409 884">The housing blocks, made of cast steel, are custom-casted to our specified dimension and angle.</p> <p data-bbox="751 918 1409 1034">All the housing blocks are tightened together using stay pipes, stay bolts and nuts. The dimensional precision of each and every single part is critical to ensure rigidity, alignment and performance of the oil seed expeller.</p> <p data-bbox="751 1068 1409 1184">Housing Block No.1 will be replaced once the wear plate mounting has loosened. Housing Blocks No. 2 and 3 are able to last longer if proper maintenance is carried out periodically.</p> |
| <p data-bbox="384 1225 520 1256">Square Bar</p>  | <p data-bbox="751 1225 1409 1464">Square bars are fabricated from mild steel plate. They are used to secure rib plates to the body cages by tightening the bolts and nuts at both ends of two pieces of top square bars to two pieces of bottom square bars. They are designed to hold the pressure of the pressing by the worms and collars against the body cages. Rib plates are used to reinforce the body cages and distribute the pressure and force evenly to the square bars.</p> <p data-bbox="751 1498 1409 1588">When the pressing pressure becomes too high and no action is taken to rectify the situation quickly, the body cage, rib plates and square bars will be twisted out of shape.</p> |
| <p data-bbox="384 1621 507 1653">Rib Plates</p>  | <p data-bbox="751 1621 1409 1738">Rib plates are fabricated from mild steel plate and are secured together using spacers, bolts and nuts. They are fixed onto the body cage and secured using square bars, bolts and nuts at both sides.</p> |

4. INFORMATION ON OUR GROUP (Cont'd)

| Type of spare parts | Description | |
|---|--|--|
| <p>Male Coupling (mounted to gearbox)</p>  | <p>Both male and female gear couplings, made of cast steel, are specially cast according to our design dimensions. The female coupling is mounted to the main shaft while the male coupling is mounted to the gearbox output shaft. Both couplings are secured together using bush, bolts and nuts to facilitate the rotations of main shaft directly driven by gearbox.</p> | |
| <p>Female Coupling (mounted to main shaft)</p>  | | |
| <p>Male and Female Coupling (mounted together)</p>  | | |

We do not face any stock obsolescence as there are no expiry dates on our spare parts.

4.2.1.4 Plant Setup Sales and Services

We offer our customers oil seed crushing plant setup sales and services, which include the provisioning of our design, fabrication, installation and commissioning services as well as our MBL Intelligent Kernel Crushing Plant, an automated kernel crushing plant. We advise our customers on an optimal plant setup design based on material input capacity, land outlay, size and budget.

(i) Design

The design phase involves the sizing of our customer's material input capacity and land outlay followed by the design of a detailed dimensional drawing of the proposed factory including oil seed expellers and ancillary machinery utilising AutoCAD software. Our design will also include a complete oil seed crushing plant flowchart for our customer that matches the dimensional drawing.

(ii) Fabrication

The fabrication phase involves the manufacturing and fabrication of non-standard items of oil seed crushing ancillary machineries such as conveyors, elevators, silos, hoppers, piping, etc. Based on the approved design, the ancillary machineries are built to specifications. The fabricated parts are then inspected for any errors to ensure conformity and that quality standards are met.

(iii) Installation

All required oil seed expellers and fabricated oil seed crushing ancillary machineries are packed and prepared for transportation. At the customer's site, installation is carried out according to project schedule, the detailed dimensional drawing and the plant flowchart.

4. INFORMATION ON OUR GROUP (Cont'd)

(iv) Commissioning and Training

Commissioning of oil seed crushing plant are carried out to ensure that all newly installed machineries' efficiency levels comply with specifications and requirements. Training is provided at site to equip customers with the knowledge of operating the oil seed crushing plant and maintaining the individual machinery.

MBL Intelligent Kernel Crushing Plant

Our MBL Intelligent Kernel Crushing Plant ("MBL iKCP") is an electronically controlled kernel crushing plant. It uses a CCS to provide a single and centralised monitoring and controlling point of the kernel crushing plant. The automated system is installed with automated oil seed expellers, electronic weighbridge, ultrasonic level sensors, vibrators, congestion detectors, and CCTV, which enable the plant operators to monitor and control the entire operation from a central control room.

The main benefits of our MBL iKCP are:

- Ensure information on palm kernel intake, palm kernel meal dispatch and crude palm kernel dispensed are captured accurately and effectively;
- Increase in operator productivity;
- Reduction in the number of operators, hence reduced operation cost;
- Reduction in machine down time;
- Improvements in palm kernel crushing plant utilisation;
- Improved monitoring of palm kernel crushing processes and equipment;
- Improvements in congestion control of hoppers;
- Improvements in maintenance scheduling due to real time tracking of performance data;
- Improve security and operator safety by using CCTV; and
- Early discovery and ratification of costly breakdown through CCS alarm and CCTV system.

This MBL iKCP can be customised for other types of oil seed crushing plants.

4.2.2 Technology

Our principal activities include the design, development and manufacture of oil seed expellers, as well as the manufacture of ancillary machinery and related spare parts. Hence, our technology utilised include CNC Turning/Lathe, CNC Milling, cutting, welding, drilling, grinding, rolling and shaping machines to machine our oil seed expeller components to exact specifications. We also adopt metal surfacing processes and screw press-processing technology in our oil seed expellers and related spare parts. The table below summarises our major manufacturing processes and the respective technology utilised.

| Major Manufacturing Processes | Technology Utilised |
|-------------------------------|---|
| Turning and CNC Turning/Lathe | A lathe machine or a CNC machine for use in working metal that holds the material and rotates it about a horizontal axis against a tool that shapes it. The work piece turns about a horizontal axis against a fixed tool. CNC enables quick product change over and offers high flexibility. |
| Milling and CNC Milling | A power-driven machine or CNC machine used for the complex shaping of metal parts. Its basic form is that of a rotating cutter which rotates about the spindle axis (similar to a drill), and a movable table to which the work piece is affixed. |

4. INFORMATION ON OUR GROUP (Cont'd)

| Major Manufacturing Processes | Technology Utilised |
|-------------------------------|--|
| Drilling | A machine used for drilling holes in various materials. A radial arm drill is a geared head drill that can be moved away from its column along an arm that radiates from the column. These drills are used for larger work where a geared head drill would be limited by its reach. The drilling machine can also be used for cutting of screw threads and slots in metal. |
| Cutting | A machine used for cutting metals plates into required dimension using magnetic cutting tool guided by a mould. The cutting tools move along the mould to perform the cutting action. Hence, different moulds are required for cutting different dimensions. |
| Hardfacing | Hardfacing is a metal surfacing process wherein a layer of abrasion-resistant metal is applied to a softer metal by using an automatic welding machine. This technology is used successfully to increase the lifespan of our machine parts by 20% from our previous model. |
| Hydraulic | A machine powered by fluid pressure to produce large force from a cylinder shaft for straightening steel bar by pressing. It can also be used for removing or inserting bearing from or to bearing housing. |
| Welding | A machine used to join metals materials by causing coalescence. This is often done by melting the work pieces and adding a filler material to form a pool of molten material (the weld puddle) that cools to become a strong joint. |
| Grinding | A grinding machine is a machine tool used for producing very fine finishes or making very light cuts, using an abrasive wheel as the cutting device. |
| Shaping | Shaping machines are used to shape metal according to required dimensions. It is used primarily for creating keyways and slots. |
| Planner | A metalworking machine tool analogous to a shaper but larger and with the entire work piece moving beneath the cutter (instead of the cutter moving above a stationary work piece). It is used generally for two types of work: generating accurate flat surfaces and cutting slots. |
| Rolling | A machine that is designed to roll metals plates into columnar shape. The machine consists of 3 rotary rollers which are to perform rolling action. |
| Shearing | A machine used to cut sheet metal. The cutter is fixed and the work piece is positioned correctly to accomplish the cutting action. |

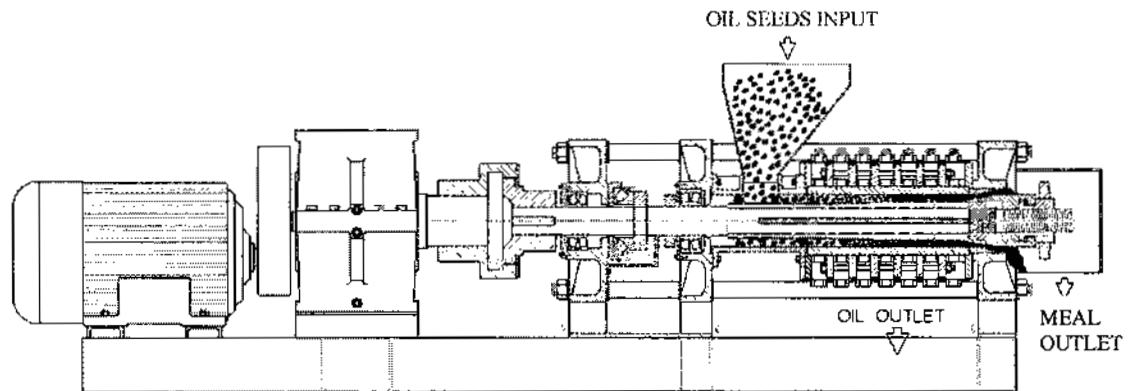
4. INFORMATION ON OUR GROUP (Cont'd)

4.2.2.1 Screw Press Processing

Our oil seed expeller uses screw press processing technology refined and enhanced by our engineering and technical team. An all-in-one machine, it crushes and presses the oil seeds, followed by oil extraction. Traditionally, the oil seeds are pressed and crushed and transferred to another machine to be extracted. A further explanation of how screw press processing technology is applied to our oil seed expellers is described below.

The oil seeds input from hopper will feed through in the following sequences: into the feed cage, by the feed worm, to intermediate worm, to taper collar, to high pressure worm, to taper collar, to high pressure worm, to straight collar, to high pressure worm to straight collar, then discharge from the gap between the wear plate and taper head.

The precise dimension and construction of each part of the screw press are vital to ensure the final performance of our oil seed expellers.



The technical know-how to adjust the oil seed expeller for optimum performance is the key factor and strength that we have gained from over two (2) decades of hands-on experiences as well as R&D efforts to improve the performance of our oil seed expellers.

This technical know-how is not easy for our competitors to replicate. Our oil seed expellers are preferred by our customers based on their feedback on account of our product reliability, high performance (lower oil loss) and lower maintenance cost (quality harden consumable and replacement parts).

4.2.3 Production / Operating Capacities and Output

Facilities

Our primary machinery and equipment comprise CNC lathe machines and milling machines, drilling machines, welding machines and grinding machines. As at LPD, we have a total of 91 primary machines.

Our production machinery and equipment are primarily purchased locally and from Japan, China, Russia, Germany and the United Kingdom. These production machines comprise the fully and semi automated as well as manual operated types. The distinct advantages of fully automated machines are the higher efficiency and productivity levels as well as lower wastage. Preventive maintenance work is performed every six (6) months to reduce machine downtime.

4. INFORMATION ON OUR GROUP (Cont'd)

The types of machines used in our production are shown below:

| Machinery and Equipment | Description/Purpose | No. of Units |
|--------------------------------|--|---------------------|
| Lathe Machine | A machine for use in working metal that holds the material and rotates it about a horizontal axis against a tool that shapes it. The work piece turns about a horizontal axis against a fixed tool | 24 |
| CNC Lathe Machine | A machine operated under computer numerical control and used in working metal that holds the material and rotates it about a horizontal axis against a tool that shapes it. The work piece turns about a horizontal axis against a fixed tool. | 2 |
| Shaping Machine | A machine for shaping metal according to required dimension. It is used for creating keyway and slots. | 6 |
| Housing Planner | It is a type of metalworking machine tool, analogous to a shaper but larger and with the entire work piece moving beneath the cutter (instead of the cutter moving above a stationary work piece). The work table is moved back and forth on the bed beneath the cutting head by either mechanical means (a rack and pinion gear) or by a hydraulic cylinder. It is also used generally for two types of work: generating accurate flat surfaces and cutting slots (such as keyways). | 1 |
| Drilling Machine | A machine used for drilling holes in various materials. A radial arm drill is a geared head drill that can be moved away from its column along an arm that radiates from the column. These drills are used for larger work where a geared head drill would be limited by its reach; the arm can swivel around the column so that any point on the surface of the table can be reached without moving the work piece. The size of work that these drills can handle is considerable as the arm can swivel out of the table area allowing an overhead chain block to place the work piece on the fixed table. The drilling machine can also be used for cutting of screw threads and slots in metal. | 6 |
| Welding machine | A machine used to join metals materials by causing coalescence. This is often done by melting the work pieces and adding a filler material to form a pool of molten material (the weld puddle) that cools to become a strong joint. | 24 |
| Milling Machine | A power-driven machine used for the complex shaping of metal (or possibly other materials) parts. Its basic form is that of a rotating cutter or endmill which rotates about the spindle axis (similar to a drill), and a movable table to which the work piece is affixed. That is to say the cutting tool generally remains stationary (except for its rotation) while the work piece moves to accomplish the cutting action. | 7 |

4. INFORMATION ON OUR GROUP (Cont'd)

| Machinery and Equipment | Description/Purpose | No. of Units |
|--------------------------------|---|---------------------|
| CNC Milling Machine | A power-driven machine operated under computer numerical control and used for the complex shaping of metal (or possibly other materials) parts. Its basic form is that of a rotating cutter or endmill which rotates about the spindle axis (similar to a drill), and a movable table to which the work piece is affixed. That is to say the cutting tool generally remains stationary (except for its rotation) while the work piece moves to accomplish the cutting action. | 1 |
| Hydraulic Press | A machine powered by fluid pressure to produce large force from a cylinder shaft for straightening steel bar by pressing. It can also be used for removing or inserting bearing from or to bearing housing. | 2 |
| Cutting Machine | A machine used for cutting metals plates into required dimension using magnetic cutting tool guided by a mould. The cutting tools move along the mould to perform the cutting action. Hence, different moulds are required for cutting different dimensions. | 4 |
| Shearing Machine | A machine used to cut sheet metal. The cutter is fixed and the work piece is positioned correctly to accomplish the cutting action. | 1 |
| Grinding Machine | A grinding machine is a machine tool used for producing very fine finishes or making very light cuts, using an abrasive wheel as the cutting device. | 11 |
| Rolling Machine | A machine that is designed to roll metals plates into columnar shape. The machine consists of 3 rotary rollers which are to perform rolling action. | 2 |
| | Total | 91 |

When we first began in 1987, we had 11 production machines and were capable of producing only two (2) units of expellers a week. As at LPD, we have 91 production machines producing an average of 34 expellers a month.

Our production capacity for FYE 31 December 2008 and FPE 30 June 2009 are as follows:-

| Year | Optimum Output | Actual Outputs | % of Utilisation* |
|----------------------|-----------------------|-----------------------|--------------------------|
| FYE 31 December 2008 | 415 | 340 | 81.9% |
| FPE 30 June 2009 | 207 | 100 | 48.3% |

*Note * : Percentage of utilisation represents fully-assembled expeller units*

Due to current production capacity limitations, our production priorities are given to large projects or orders. As such, approximately 20% of our production capacity is reserved to accommodate any unforeseen increase in demand of our products. Save as disclosed above, we do not foresee having any production or operating capacity constraints.

4. INFORMATION ON OUR GROUP (Cont'd)

4.2.4 Raw Materials

The major raw materials and intermediate parts used in the manufacture of oil seed expellers are steel related products (mild steel plate, cast steel, high tensile steel shaft and etc) gearboxes, and motors.

The main raw materials used by our Group are steel related products. Meanwhile, gearboxes and motors are the intermediate parts used in the process of the manufacturing of our oil seed expellers and they form integral components of our oil seed expellers. On average, for the FYE 31 December 2008, the costs of raw material and intermediate parts constitute about approximately 74.0% of total purchases. Since our inception, we affirm that we have not experienced any major shortage of raw materials that has adversely affected our manufacturing schedule and our customer delivery timeline.

Our Group's principal sources of raw materials and intermediate parts are as follows:-

| Country | Types of raw materials and intermediate parts | Currency Transacted | % of total purchases for the FYE 31 December 2008 |
|---------------------|--|---------------------|---|
| Local | | | |
| Malaysia | Steel related products (mild steel plate, cast steel, high tensile steel shaft, etc) | RM | 43.3 |
| Malaysia | Gearbox | RM | 21.9 |
| Malaysia | Motor | RM | 3.7 |
| Total local | | | 68.9 |
| Import | | | |
| Indonesia | Steel related products (mild steel plate, cast steel, high tensile steel shaft, etc) | RP/ RM | 8.8 |
| India | | USD | 6.0 |
| China | | USD/RMB | 11.8 |
| Singapore | | SGD/ RM | 1.8 |
| Holland | | EURO | 0.1 |
| US | | USD | 2.2 |
| Singapore | Gearbox | USD | 0.4 |
| Total import | | | 31.1 |
| Total | | | 100 |

For the FYE 31 December 2008, our local suppliers accounted for approximately 68.9% of total purchases of raw materials and intermediate parts of our Group. The remaining 31.1% of total purchases were sourced from overseas suppliers.

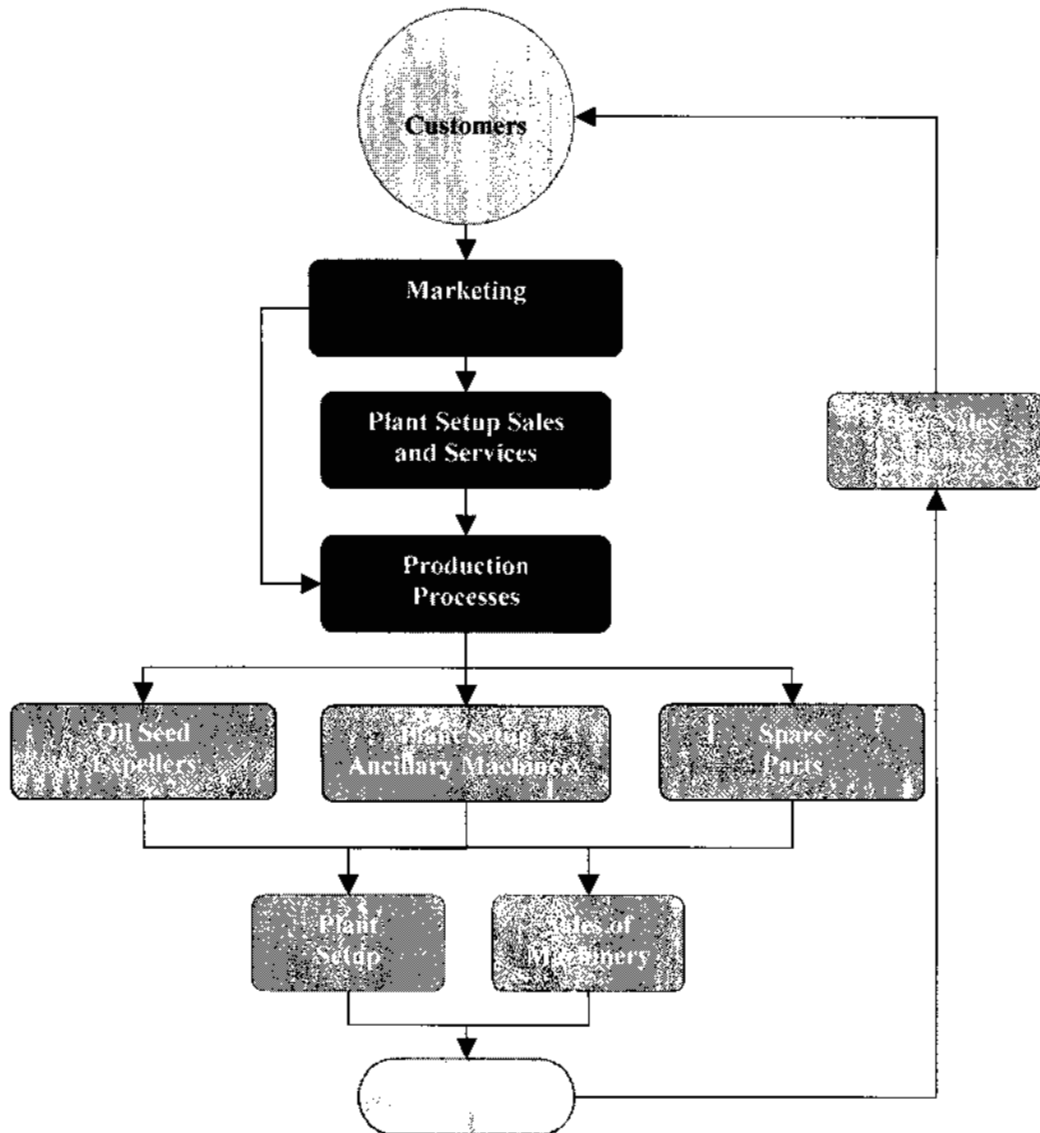
As part of our purchasing strategy, we ensure that we consistently maintain at least two (2) to four (4) months supply of our steel related raw materials and intermediate parts in our inventory to ensure continuous supply for production. In the event of a major production ramp-up, we are confident that our suppliers will be able to support any increase in raw materials requirements. Any marginal shortages, defined as less than 10% of total raw material requirement, is overcome through purchases from a list of identified alternative suppliers. The typical financial arrangement with local and international suppliers is by cash or credit terms of 1 to 4 months.

A discussion on the impact of fluctuations on the prices of our raw materials and intermediate parts and foreign exchange rates and the resulting impact on our operations has been set out in Section 3.1(d) and Section 3.1(e) respectively.

4. INFORMATION ON THE MBL GROUP (Cont'd)

4.2.5 Process flow-chart

Our Group's overall business process is shown in the flowchart below.



4.2.5.1 Customers/Marketing/Plant Setup Sales and Services

Prospective customers make enquiries through e-mail, phone-calls, facsimile or appointments. All enquiry documents received from prospective customers are reviewed by our Marketing Department to ensure that the requirements are understood and all necessary information is available prior to a discussion with the customers. The discussion is attended by the customer representative, our technical staff and marketing executive to understand and finalise customer requirements. After the discussion, if plant setup services are required by our customer, our Technical Department will prepare a plant design for the oil seed crushing plant and technical specifications while our Marketing Department prepares the proposal/quotation. If plant setup services are not required, our Technical Department will prepare the technical specifications and our Marketing Department will prepare a proposal/quotation for our customers based on their requirements.

4. INFORMATION ON THE MBL GROUP (Cont'd)

Once it is reviewed and approved by our Technical Manager, Marketing Manager and Managing Director, the plant design, technical specifications and our proposal are sent to the customer for acceptance or amendment. The plant design is only included if our customer requires plant setup up services. If the customer is satisfied with the terms and conditions of the proposal together with the plant design and technical specification, the customer will sign and return the proposal to us with either a purchase order or an agreement.

4.2.5.2 Production Process

Please refer to Section 4.2.6 for further details of our production process.

4.2.5.3 Plant Setup/Sales of Machinery/Delivery/After Sales Services

Upon final inspection approval, the products are arranged for delivery based on the delivery date in the contract schedule. Product deliveries are outsourced to external transportation providers. As a manufacturer of oil seed expeller, we also provide plant setup sales and services to our customers. We have a plant setup team that specialises in assisting our customer to set up oil seed crushing plant that maximises output and optimises factory space. For customer who does not require plant setup sales and services, the business process ends after delivery.

Our after sales service department provides technical backup for local and international customers. Presently, we have team of eight (8) technical support personnel to services our customers. Through feedback and comments from our customers, we have improved our delivery time of spare parts to three (3) days from seven (7) days, and the arrival of our technical support personnel at the premises of our international customers to between two (2) and 10 working days from between seven (7) and 20 working days previously. Our technical support personnel currently covers Indonesia, Nigeria, PNG, Mexico, Costa Rica, Columbia, Portugal, South Africa, India, Solomon Islands, Belgium, Guatemala, the Philippines, Singapore, Sri Lanka, Tanzania, Thailand, Hong Kong, Vanuatu, Ivory Coast, Netherlands, Cameroon, Gabon, Venezuela and US.

We provide training to our customers on how to operate our oil seed expeller and achieve optimum usage. After installation and commissioning, a technician is usually placed at our customer's plant for one week to provide technical support and to ensure the oil seed crushing plant perform smoothly. Our after-sales support includes maintenance services as well as part replacement services. Parts are usually replaced ranging between three (3) months and two (2) years.

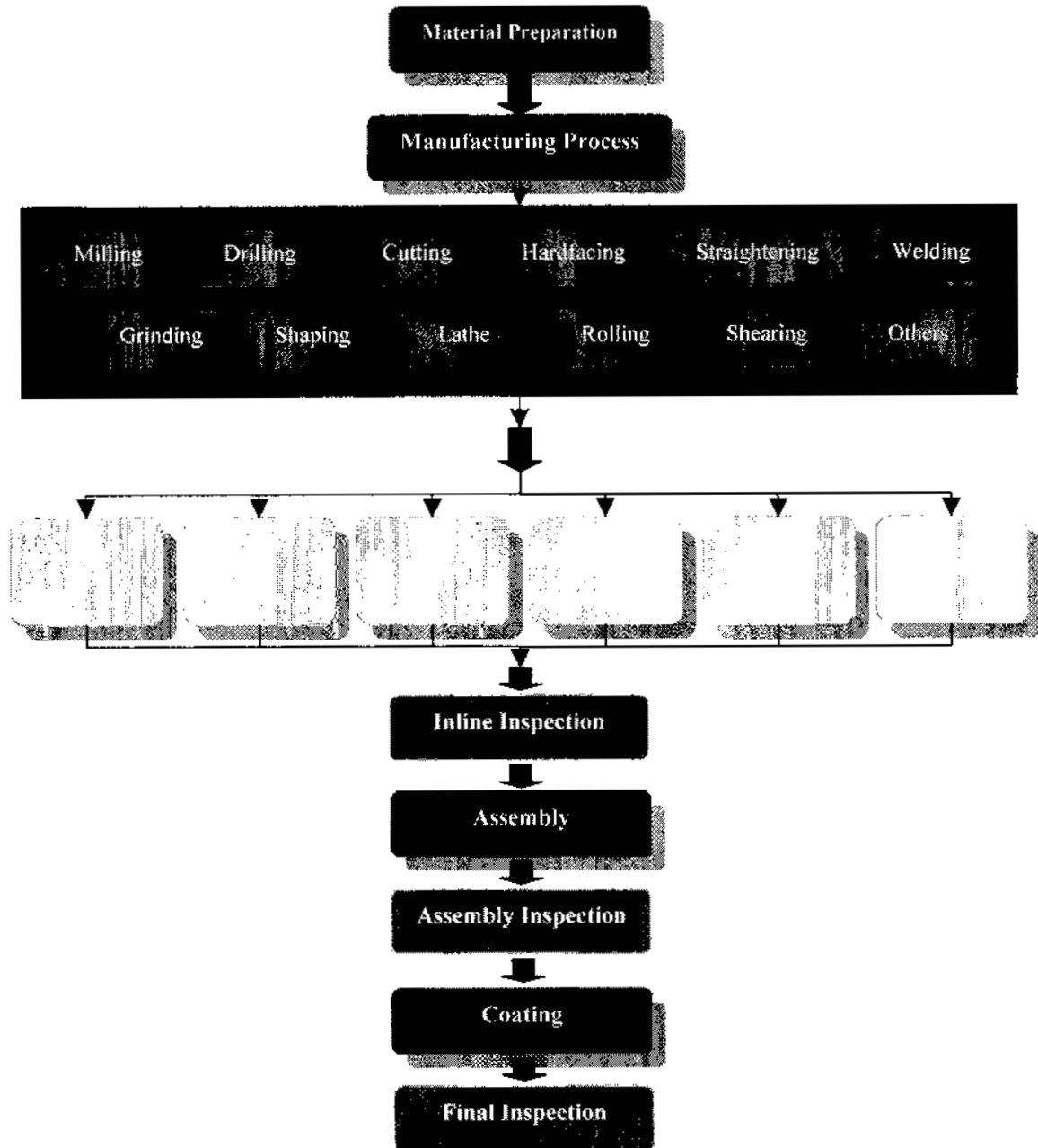
4.2.6 Production Process

After receiving the purchase order or agreement from the customers, the marketing team will arrange a meeting with the Production Manager to discuss the schedule of the delivery based on contract terms and conditions. Once it is confirmed, the production department will commence production activities. The Production Manager will continuously monitor and report the production process to the Marketing Department to ensure prompt delivery. The Logistic Department is informed of the tentative delivery date for shipping arrangement. The Production Manager will issue a production schedule to the workshop based on the minutes of the production meeting and planning.

The production stage involves the following processes - milling, drilling, cutting, hardfacing, straightening, welding, grinding, shaping, rolling, turning (lathe), shearing, assembly and coating.

4. INFORMATION ON THE MBL GROUP (Cont'd)

Our production process flow is depicted below:



The process flow for our production process is set out as follows:

(a) **Material preparation**

The raw materials use to produce parts for oil seed expeller and ancillary machinery include mild steel plate, steel bar, angle bar, cast steel, high tensite steel shaft, piping and etc. All raw materials needed to be processed before it is suitable to produce parts of an oil seed expeller and ancillary machinery. Raw materials are required to be cut, milled, lathed, shaped and grinded into the correct designed dimensions before assemble into an oil seed expeller and ancillary machinery.

4. INFORMATION ON THE MBL GROUP (Cont'd)

(b) Manufacturing Process

These are material working processes that involve a combination of processes such as lathing, cutting, welding, milling, drilling, grinding, shaping, rolling, assembly and coating. All raw materials undergo the various manufacturing process as described in the table below:-

| Production Process | Description |
|--|---|
| Milling and CNC Milling | This process involves complex shaping of metal parts. Its basic form is that of a rotating cutter which rotates about the spindle axis (similar to a drill), and a movable table to which the work piece is affixed. |
| Drilling | This process involves drilling holes in various materials or cutting of screw threads and slots in metal. |
| Cutting | This process involves cutting metals plates into required dimension using magnetic cutting tool guided by a mould. The cutting tools move along the mould to perform the cutting action. Hence, different moulds are required for cutting different dimensions. |
| Hardfacing | This process is a metal surfacing process wherein a layer of abrasion-resistant metal is applied to a softer metal by using an automatic welding machine. |
| Straightening | This process involves straightening steel bar by pressing. It can also be used for removing or inserting bearing from or to bearing housing. |
| Welding | This process involves joining metals materials by causing coalescence. |
| Grinding | This process involves producing very fine finishes or making very light cuts, using an abrasive wheel as the cutting device. |
| Shaping | This process involves shaping metal according to required dimensions. It is used primarily for creating keyways and slots. |
| Rolling | This process involves rolling metals plates into columnar shape. |
| Turning and CNC Turning (Lathe) | This process involves shaping metal by holding the material and rotates it about a horizontal axis against a tool that shapes it. |
| Shearing (cutting) | This process involves cutting sheet metal into required dimensions. |

4. INFORMATION ON THE MBL GROUP *(Cont'd)*

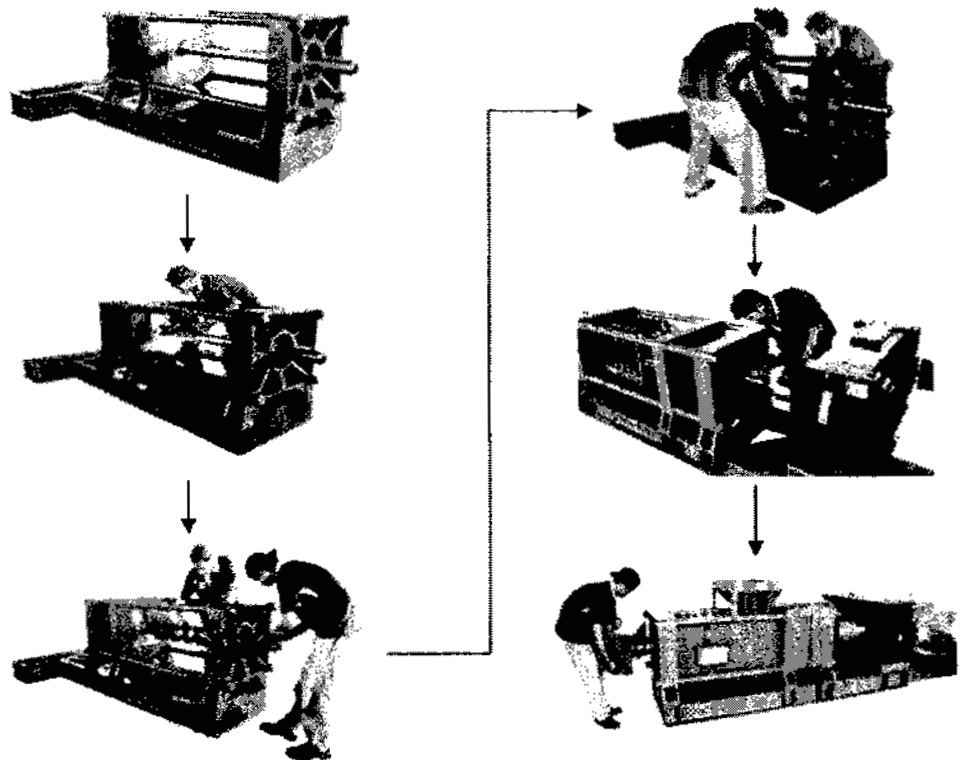
(c) **Inline Inspection**

All finished parts are checked before being sent to the storage area. The inspection includes all dimensions and other specifications according to the inline inspection report. After inspection, the parts are released for storage and delivery.

(d) **Assembly Process**

Upon completion of the machining of all parts and their respective inspection, the parts are then brought to the assembly area. The parts and hardware are assembled according to predefined steps to form the final product. Alignment is carried out for certain parts such as the main shaft. All completed products are inspected by our quality control personnel.

Brief presentation of Assembly Process



(e) **Assembly inspection**

At assembly inspection, any discrepancies at the assembly process stage are reported and rectified. The inspection is performed according to the approved drawing and work procedures recorded in the assembly inspection checklist.

(f) **Coating Process**

After assembly inspection has been completed and signed off, the finished products, such as oil seed expeller and ancillary machinery, are sent for coating to prevent rust. The process is carried out by spray equipment with compressed air from the air compressor. Prior to spraying, the surface of the finished product or spare part must be cleaned to achieve the desirable coating result.

4. INFORMATION ON THE MBL GROUP (Cont'd)

(g) Final inspection

Complete inspection is conducted to ensure that the finished product conforms to all predetermined technical and dimensional specifications. All completed products are checked before delivery. The inspection includes technical, dimensions, model, components and other specifications according to the final inspection report.

4.2.7 Modes of Marketing/ Distribution

Mr. Teo Chee Lian @ Teo Chee Liang, our Senior Manager cum Marketing Manager, is responsible for the sales and marketing activities of our Group.

As at LPD, we have a team of seven (7) sales and marketing staff primarily responsible for the promotion and marketing of our services, maintain and build relationships with our existing customers, and secure new customers.

Our principle sales and marketing objectives are the provision of:

- high quality and competitively priced products;
- timely delivery; and
- competent technical support and feedback to our customers.

Our marketing and distribution modes/activities include:

(i) Referrals / Word of Mouth

Our brand and products are established and well known in the palm kernel oil and copra oil markets in which we are active around the world. Many of our new customers are introduced to our products and services through word of mouth from our existing customers and consultants.

(ii) Media Publications and Directories

Our products and services are promoted extensively in popular trade directories, such as the annual directory of the Federation of Malaysian Manufacturers, the Small and Medium Industry Directory, the International Oils Fats Conference Handbook and bulletins of the Malaysian Palm Oil Board. Internationally, we are listed in the International Conference on Oil Palm Biomass Directory, Malaysian Industries Development Directory, Indonesia Oil Palm Plantation and Palm Oil Refineries Directory.

(iii) Internet

Information about our Group and our products can be viewed by existing and potential customers via our website at www.mbl.com.

(iv) Trade exhibitions and trade shows

The international platform is enormous and we will continue to attend and participate in local as well as international trade shows and exhibitions. Our participation has given us a good platform to build and promote the 'MBL' brand name.

| Year | Event | Organiser | Venue |
|------|---|-------------------------------------|--------------|
| 2004 | International Oil and Fats Technology Exposition 2004 | Premier Exhibition Services Sdn Bhd | Kuala Lumpur |
| 2005 | MPOB International Palm Oil Congress ("PIPOC") 2005 | MPOB | Selangor |

4. INFORMATION ON THE MBL GROUP (Cont'd)

| Year | Event | Organiser | Venue |
|------|---|--|------------------------|
| 2006 | 2006 National Seminar on palm oil milling, refining technology, quality and environment | MPOB | Kuching, Sarawak |
| 2006 | Indonesian Palm Oil Conference and Price Outlook ("IOPC") 2006 | IOPRI | Bali, Indonesia |
| 2007 | PIPOC 2007 | MPOB | Kuala Lumpur |
| 2007 | IOPC 2008 | Indonesian Palm Oil Association ("GAPKI") | Bali, Indonesia |
| 2008 | World Palm Oil Summit & Exhibition | IOPRI and GAPKI | Jakarta, Indonesia |
| 2008 | International Conference on Oil Palm Biomass 2008 | Asif International (M) Sdn Bhd | Kuala Lumpur |
| 2008 | Agronomic Principles & Practices of Oil Palm Cultivation 2008 | Agricultural Crop Trust, Tropical Peat Research Laboratory Unit of Chief Ministers Department, Param Agricultural Soil Surveys & Testing Holding Bhd | Sibu, Sarawak |
| 2008 | Oils and Fats International: Asia 2008 | Malaysian Oil and Technologists Association | Kuala Lumpur, Malaysia |
| 2008 | IOPC 2009 | GAPKI | Bali, Indonesia |
| 2008 | Jatropha International Congress 2008 | Tenasek Lifesciences Laboratory | Singapore |
| 2008 | 2008 National Seminar on palm oil milling, refining technology, quality and environment | MPOB | Kota Kinabalu, Sabah |

(v) Direct Selling to Customers

We adopt a personalised marketing approach whereby we sell direct to our customers without any marketing intermediaries to ensure that the price of our machinery remains competitive.

We also work closely with companies in related industries to promote our products and services, so as to keep abreast with market developments and to share technical information. For example, we frequently update palm oil millers and mill consultants by sending them the latest information about our Group and our products.

4.2.8 Competitive strengths

We have established ourselves as a reliable and competitive manufacturer of oil seed expellers and its related parts. We have set out below some of our areas of competency in which we have a competitive strength:-

4. INFORMATION ON THE MBL GROUP (Cont'd)**4.2.8.1 Experienced Senior Management Team**

Our Group is managed by a team of professionals with many years of experience in the oil seed expeller market, in particular, in servicing the palm kernel oil seed expeller market. The key directors, Mr. Chua Ah Ba @ Chua Eng Ka, Mr. Chua En Hom, Mr. Chua Eng Hui and Mr. Chua Heok Wee, and the key management team, have an average of 21 years experience in the design, development, manufacturing, marketing and distribution of oil seed expellers, ancillary machineries and spare parts, as well as the provisioning of oil seed crushing plant design, fabrication, installation and commissioning services for the global oil seed expeller market. The key directors and senior management team are supported by a strong operational team that is able to deliver consistently and reliably in terms of time-to-market and customer satisfaction. Our management team's expertise, commitment and up-to-date knowledge of the business have contributed to our steady growth over the years.

4.2.8.2 Established Business Relationships and Proven Track Record

With more than 20 years experience in the oil seed expeller market, we have established good business relationships and a proven track record with our customers and suppliers. Our longest business relationships with our customers average approximately 18 years. With our long standing relationship with most of our customers, we have a balance mix of repeating customers and new customers.

As one of the early players providing oil seed expellers and related services to plantation owners and millers locally and abroad, we have proven engineering capabilities, reliable product quality and the ability to meet our customers' requirements consistently. For example, all our machinery deliveries have been within the time frame mutually agreed. Our engineering capabilities and product quality are reliable as we have not experienced any machine rejections by our customers since 2000, nor have we been sued and brought to court over product failure and product liability.

Our proven track record over two (2) decades entrenches our Group firmly as one of the key players in the industry today, and will continue to yield advantages and opportunities to support future growth in the global oil seed expeller market.

4.2.8.3 Plant Setup Sales and Services

Over two (2) decades, our range of products and services has grown in accordance with our capability, capacity and responses to customer feedbacks. Today, we are able to provide a comprehensive plant setup sales and services to our customers such as design, fabrication, installation, commissioning and training services.

One of our main strengths is our ability to design and develop customised oil seed crushing plants for our customers. For example, we are able to design and develop oil seed crushing plants from an empty piece of land. After our initial survey of the proposed land, we will be able to provide a detail plant design to our customer based on the size of the land and the material input capacity.

For existing oil seed crushing plants of our customers, we are able to improve on the current plant to optimise oil output, maximise available floor space as well as improve their existing production capacity. Our engineering and technical team is continuously working in close proximity with our customers. Our customers have expressed high appreciation for our efforts in plant setup customisation to meet their demands. Our customisation activities have enabled us to service all levels of customers, from small to large alike.

4. INFORMATION ON THE MBL GROUP (Cont'd)**4.2.8.4 Wide Range of Spare Parts**

We have a wide range of spare parts to cater to our customers' scheduled maintenance periods or machinery breakdown instances incidences. Our plant setup sales and services and wide range of spare parts allows our customers to deal with a us as a single point of contact, from pre-sales to after-sales and maintenance services.

4.2.8.5 Dedicated Customer Care Services

We focus on value-added services that provide us with a competitive advantage. During the pre-sales stage, our technically competent marketing personnel manage all of our customers' requirements. They are guided by Mr. Chua Eng Hui and Mr. Chua Hook Wee, both with more than 35 years and 15 years experience respectively in the industry. We understand that customer care does not end at the point of sale and as such, technical support is readily available. We recognise that downtime in machinery in the field translates into revenue losses for our customers. Hence in 2004, we established an after-sales service department operating 24 hours a day, seven (7) days a week, to provide technical back-up on our oil seed expellers and our ancillary machinery.

4.2.8.6 Recognised Corporate Identity

After operating in the oil seed expeller market for more than 20 years, we have established a reputable corporate identity and positioned ourselves as a reliable oil seed expeller provider globally. Our brand name "MBL" is synonymous with innovation, quality and efficiency in the industry, in particular, palm kernel oil seed expeller. We were awarded the 'Superbrands' award in 2005 and 'Business Superbrands award in 2006 and 2007 in recognition of our successful local and global branding initiatives in the oil seed expeller market.

4.2.8.7 Continuous Product Design and Development

In order to remain competitive in the market, product quality and cost play very important roles in sustaining business growth with existing customers as well as in the acquisition of new customers. Our Management continuously encourages our operational and technical teams to drive continuous process improvement activities to achieve our quality and cost objectives. These activities involve productivity and quality improvements such as higher oil extraction rate, faster process cycle time, higher process capabilities and develop process automation whenever possible.

Our recent efforts have resulted in the improvement of our palm kernel oil seed expellers that are able to achieve an oil loss of 6% as compared to our previous model of palm kernel oil seed expellers of an oil loss of 7%. To a palm kernel crushing plant, a difference of 1% may translate into millions of Ringgit in loss of revenue per annum, depending on the production level and the price of palm kernel oil in the market. For example, a kernel crushing plant with a crushing capacity of 500 tonnes per day that achieves an oil loss of only 6% as compared to 7% would be able extract an additional 1,825 tonnes of kernel oil per year which translates into approximately RM3.65 million of revenue based on a market price of RM2,000 per tonne of palm kernel oil currently.

Our oil seed expellers are designed for easy maintenance and spare parts replacement. Our spare parts are also designed for reliability. The relatively longer lifespan of our spare parts helps to reduce the replacement frequency within an operational year. These factors help to reduce operational downtime, which could result in loss of revenue for our customers.

4. INFORMATION ON THE MBL GROUP (Cont'd)

We have also completed the development and testing of our EK2 model, a advanced next generation type of oil seed expellers which will lead to lower energy usage and improved performance.

In line with the increasing interest in jatropha as a source for biodiesel, we have completed the development and testing of our jatropha oil seed expeller, capable of crushing 10 tonnes of jatropha seeds.

4.2.8.8 ISO Certified / Stringent Quality Control

MBLE, one of our Group's manufacturing arm, is ISO certified. The ISO 9001:2000 and BS EN ISO 9001:2000 standards are one of the world's foremost standards for recognising quality management and are an international reference for quality requirements. As an ISO 9001:2000 and BS EN ISO 9001:2000 certified company, MBLE has established, documented and implemented a quality management system which is internationally recognised in understanding the customer and satisfying their needs.

We adopt stringent quality policies to ensure that components and parts manufactured and supplied are of the highest quality and meet the specifications and stringent requirements of our customers. The components and parts are manufactured under the supervision of the quality management team, led by Mr. Chua Chang Yee.

4.2.8.9 Recognition through Awards

We have been recognised by various agencies for outstanding performance and achievements. These awards are recognitions of our Group's continuous commitment in producing quality products and our contribution to the oil seed expeller market and the Malaysian economy. A summarised list of our Group's notable awards is as follows:-

| Type of Awards | Awarded by | Year |
|--|------------------------------|------|
| Golden Bull Award as one of Malaysian 100 Outstanding SMEs | Nanyang Siang Pau | 2004 |
| Best Overall Award of SMI Recognition Award Series | SMI Association of Malaysia | 2004 |
| Best Trade Name Award | Trader Leaders' Club Spain | 2005 |
| Golden Bull Award being placed 5 th among Malaysia's 100 Outstanding SMEs | Nanyang Siang Pau | 2005 |
| Superbrands | Superbrands Council Malaysia | 2005 |
| Export Excellence Award of SMB Recognition Award Series | SMI Association of Malaysia | 2005 |
| Business Superbrands | Superbrands Council Malaysia | 2006 |
| Enterprise 50 Award | SMIDEC Malaysia | 2006 |
| Business Superbrands | Superbrands Council Malaysia | 2007 |
| Business of the Year Award Promising Company | SMI & SME Worldwide Network | 2007 |

4. INFORMATION ON THE MBL GROUP (Cont'd)

| Type of Awards | Awarded by | Year |
|--|-------------------|------|
| Golden Bull Award being placed 5th among Malaysia's 100 Outstanding SMEs | Nanyang Siang Pau | 2008 |
| Enterprise 50 Award | SMIDEC Malaysia | 2008 |

4.2.8.10 Well Positioned to Further Promote and Grow the Specialised M&E Industry of Malaysia

The foresight and long term vision of our Directors have positioned our Group favourably to further promote and grow the specialised M&E industry, in line with the Government's vision.

The Government has identified the M&E industry as one of the key areas for growth and development and aims to nurture it to be a resilient, broad-based, cost-efficient and competitive industry while focusing on R&D, engineering design, state-of-the-art technology and market development.

Under the Third Industrial Master Plan 2006-2020 ("IMP3"), as outlined in six (6) strategic thrusts, the Government plans to strengthen the country's design, development and innovation capabilities in the production of high technology and specialised M&E. The specialised M&E industry refers to the manufacturing of M&E which are produced for a specific purpose or process in a particular industry. Major specialised M&E manufactured include palm oil and palm kernel oil M&E.

In reference to the six (6) strategic thrusts, our Group has already implemented some of the relevant strategies since inception, details of which are presented in the table below:

| IMP3 Thrust | Description |
|--|---|
| Promoting Malaysia as a regional production, trading and distribution centre | Through our operations and export markets, we are promoting Malaysia as a regional production, trading and distribution centre. As at LPD, we have exported to 25 countries and have serviced more than 150 customers globally. |
| Developing and promoting specialised and high technology M&E | We are a wholly owned Malaysian group of companies with more than 20 years experience in the development and promotion of specialised M&E. We are principally involved in the design and manufacture of oil seed expellers, ancillary machinery and spare parts for plantation owners and millers globally. |
| Strengthening engineering support industries and support services | Our design and manufacturing activities which include R&D, design and development, CNC machining, milling and drilling, cutting and hardfacing, straightening and welding, grinding and shaping, rolling and lathe, shearing, calibration and certification complement and strengthen the development of Malaysia's M&E industry. |

4. INFORMATION ON THE MBL GROUP (Cont'd)

| IMP3 Thrust | Description |
|---------------------------------------|--|
| Developing a highly skilled workforce | We provide continuous education and training for our workers, especially in the areas of engineering design, precision machining, welding, machine assembly and integration, and servicing and maintenance. |
| Developing Malaysian standards | Our ISO certifications are testament of our international standards on safety and quality adopted by our Group in our design and manufacturing activities. As such, we are contributing to the development of Malaysian standards for M&E. |

4.2.9 Quality Control Procedures

MBLE has obtained the ISO 9001:2000 and BS EN 9001:2000 Quality Management System certifications from accredited bodies such as Department of Standards Malaysia, United Kingdom Accreditation Service and ANAB in 2002 and 2005.

The certification scope involves the manufacturing of palm kernel oil extraction machines. The ISO 9001:2000 certifications are testaments to the quality and consistency of our products as well as our commitment to meeting our customers' and the regulatory requirements. Our quality control systems are checked every year by our external quality auditor, Moody International (Malaysia) Sdn Bhd.

We have implemented the necessary procedures and control points to ensure our quality requirements are met from the purchase of raw materials to the finished product. The quality control practices we have put in place include:

- (i) **Equipment Maintenance Schedule** - All primary and supporting equipment require periodical maintenance. The schedule is determined by our Production Manager together with the supervisor of the Machining Department and the Assembly Department.
- (ii) All maintenance activities conducted are properly recorded in the **Equipments Maintenance Checklist**.
- (iii) The Purchasing Department ensures that all purchased material, component, hardware and tooling conform to specified requirements or accompanied by test certificates where necessary.
- (iv) A new supplier is evaluated utilising the **New Supplier Evaluation Form**. The purchasing officer ensures that all items are to be purchased from suppliers listed in our **Approved Supplier List**.
- (v) The performance of our suppliers are evaluated each time by the respective purchasing officer and recorded in the **Approved Supplier Monitoring Form**. The results are reviewed by Management every six months. Non-performing suppliers are removed from our **Approved Supplier List**.
- (vi) Our storekeeper verifies and inspects all incoming material (item, quantity, specification, etc). On acceptance, the delivery order is signed. Only accepted consignments are put in the store or in their designated areas sorted by type, size or model. Defective or incorrect items are marked 'X' and returned to the supplier with the delivery bill (functioning as a goods return note).

4. INFORMATION ON THE MBL GROUP (Cont'd)

- (vii) A **Production Plan** and a **Project Schedule** is drawn up and detailed for every production run/installation to ensure that the machinery/plant matches the requirements of our customers.
- (viii) A **Calibration Schedule, Measuring Instrument Calibration Record and Measuring Instrument Report** are maintained to ensure all measuring and test equipment used for inspection are correctly calibrated, controlled and maintained. Equipment which are subject to periodic calibration are identified with a calibration label, where physically possible, and the calibration date. Calibration performed by external parties externally, shall be evidenced, where possible, by certification that provides traceability to national reference standards.

Our quality control procedures during the manufacturing stage are:

▪ **Material preparation**

Material preparation done by our foreman is based on the production order recorded on the whiteboard or on the approved drawing. Before cutting, our foreman checks the quantity and dimension of the steel plate, steel bar, beam and section. Our senior foreman identifies the relevant mould for plate cutting, if required and checks the cut-piece against the drawing or sample. After cutting, our foreman checks on the completed quantity against the production order to ensure that the quantity requirements are met.

▪ **Production Processes**

Our production processes include milling, drilling, cutting, hardfacing, straightening, welding, grinding, shaping, rolling, turning (lathe), shearing and others

Before each production process, our machine operator checks the quantity and dimension of, and for defects on, raw materials such as the steel plate, steel bar, beam and section. After each production process, our machine operator reports to the production supervisor on any discrepancies discovered on the machined parts. Our production supervisor verifies the work done by the machine operator before transferring the machined part to the next process.

▪ **Inline Inspection**

Our production coordinator performs inspection on completed machined work pieces by referring to the drawing or specification as recorded in the **Inline Inspection Report**. If a work piece passes the inline inspection requirement, our Production Coordinator marks "√" on the part. If the part needs to be returned for rework, the mark "X" is placed on the part. All confirmed work pieces are then released for storage or delivery. Any rejected work pieces are returned to the respective production process for rectification, repair work or replacement, where applicable.

▪ **Assembly**

Before the assembly process, our assembler checks the quantity of parts required. During the assembly works, a machine identification tag is placed on the machine. Any discrepancies found on the parts are reported to the Production Coordinator and returned to the store for necessary action. After the assembly works, our assembler ensures that the alignment of the assembled products is within limits and that the main shaft is rotatable. Our assembler shall check the assembled machine against the **Assembly Inspection Check List**.

4. **INFORMATION ON THE MBL GROUP (Cont'd)**

- **Coating**

Before the coating process, our coating operator ensures the coating material usage is correct and that the area which does not require coating is covered. After the coating process, the coating operator checks on the completed items to ensure that the production order requirements are met. The coating operator reports to the head of department on any discrepancies that were found during the coating process.

- **Final inspection**

Our quality assurance team checks all complete products before delivery. The inspection includes model, part, colour and other specifics according to the **Final Inspection Report**. After completing the check, the machine quantity is recorded in the report and forwarded to our quality control manager. All completed products are identified with tags containing the following information – model, serial number and 'PDI Passed' stickers if the products pass final inspection.

- **Packing inspection**

Our storekeeper visually checks on the physical condition of the products during the packing works and ensures that the products are packed according to the order and are properly protected against any calumination or possibility of damage. A **Packing Details** report is given to the Shipping Officer for preparation of delivery documentation.

- **Traceability**

Each product manufactured can be traced back to the assembly batch. With the product serial number, we are able to refer to the **Final Inspection Report** and the **Assembly Inspection Checklist**.

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4. INFORMATION ON THE MBL GROUP (Cont'd)

4.2.10 Major Licences and Permits

We have obtained all the necessary licences and permits, such as business licences, manufacturing licences, factory operation permits and machinery operation permits for the operation of our businesses from the respective local and federal authorities. In the course of conducting business, we have the following major licences and permits registered in our name which are relevant to the businesses of our Group: -

MBLE

| Authority | Effective date and expiry date | Nature of Licences, Permits, Concessions & Approvals | Conditions (if any) | Status of compliance |
|-------------------------|--------------------------------|--|---|----------------------|
| Royal Malaysian Customs | 1 April 2008 to 31 March 2010 | Warehouse licence for oil expeller, filter, elevator, conveyor, silo and oil expeller spare part | (a) No taxable or dutiable goods except raw materials, components and machines that are used directly in the manufacturing process of finished goods as approved by the State Director of Customs are allowed to be kept in the licensed manufacturing warehouse; | Complied |
| | | | (b) Machines which are used directly in the manufacturing process must be new and have not been used. Prior approval of the MITI must be obtained before used machineries can be imported; | Complied |
| | | | (c) Manufacturing activities and the movements of dutiable and manufactured goods are allowed at such time(s) and days in accordance with the requirements of the licence holder; | Complied |
| | | | (d) A copy of each of the plan(s) approved by the State Director of Customs must be displayed prominently at the licensed premises; | Complied |
| | | | (e) No changes to the structure of the building and fixtures/equipments at the licensed premises are allowed unless with the written permission of the State Director of Customs; | Noted |

4. INFORMATION ON THE MBL GROUP (Cont'd)

| Authority | Effective date and expiry date | Nature of Licences, Permits, Concessions & Approvals | Conditions (if any) | Status of compliance |
|----------------------------------|--------------------------------|--|---|----------------------|
| Royal Malaysian Customs (Cont'd) | | | (f) The State Director of Customs may at any time and from time to time require the licence holder to make such changes to any of the plans aforesaid deemed necessary by the State Director of Customs; | Noted |
| | | | (g) The State Director of Customs may direct the licence holder to affix any key, seal or other safety equipments deemed necessary by him to safeguard the national revenue; | Noted |
| | | | (h) MBL/E must submit to the Custom Office, Industrial Department a monthly statement in Bahasa Malaysia, duly certified by MBL/E's Accountant on or before the 28 th day of the following month incorporating the following details:- | Complied |
| | | | (i) the balance of all types of raw materials/component kept at the beginning of the month; | Complied |
| | | | (ii) the total of all types of imported raw materials/component for the month and its Cost Insurance Freight price; | Complied |
| | | | (iii) the amount of all types of raw materials/component that are used for the manufacturing purpose for the month; | Complied |
| | | | (iv) the balance of all types of raw materials/component kept at the end of the month; | Complied |
| | | | (v) the balance of all finished products kept at the beginning of the month concerned; | Complied |

4. INFORMATION ON THE MBL GROUP (Cont'd)

| Authority | Effective date and expiry date | Nature of Licences, Permits, Concessions & Approvals | Conditions (if any) | Status of compliance |
|----------------------------------|--------------------------------|--|---|----------------------|
| Royal Malaysian Customs (Cont'd) | | | (vi) the total of all types of finished products that are produced for the month concerned; | Complied |
| | | | (vii) the total of all finished products that are sold in the local market for the month concerned; | Complied |
| | | | (viii) the total of all types of all finished products that are exported for the month (State the registration number of the relevant Custom Form No.2); | Complied |
| | | | (ix) the balance of all types of all finished products kept at the end of the month concerned; | Complied |
| | | | (x) the total of residual and rubbish from the manufacturing process in that month concerned; and | Not applicable |
| | | | (xi) the total of residual and rubbish from the manufacturing process that are disposed for the month concerned. | Not applicable |
| | | | (i) MBELE must submit to the Monitoring Station, an annual statement which have been audited by an Independent Audit incorporating details on the raw materials/component used, finished goods produced, exemption and stock balance. | Complied |
| | | | (i) Up to 70% of the finished products (by value) must be for the export market while the balance 30% must be sold locally (subject to such duty/tax prevailing at that time) subject to the following conditions:- | Complied |