



**MUAR BAN LEE GROUP BERHAD**

(Company No. 753588-P)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	(Unaudited)		(Audited)	
	Individual Quarter		Cumulative Quarter	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	51,293	41,299	157,515	184,294
Less: Revenue from discontinued operation	(8)	(283)	(359)	(687)
Revenue from continuing operation	51,285	41,016	157,156	183,607
Cost of sales	(33,015)	(31,829)	(106,237)	(145,260)
<b>Gross profit</b>	18,270	9,187	50,919	38,347
Other income	431	198	649	1,340
Depreciation and amortisation	(409)	(358)	(1,377)	(1,234)
Distribution and administrative expenses	(12,519)	(6,605)	(30,933)	(22,134)
<b>Operating profit</b>	5,773	2,422	19,258	16,319
Interest Income	71	40	322	140
Interest expenses	(57)	(247)	(648)	(1,013)
Share of results of an associate	-	129	-	382
<b>Profit before taxation</b>	<b>5,787</b>	<b>2,344</b>	<b>18,932</b>	<b>15,828</b>
Taxation	(1,878)	(1,005)	(5,722)	(4,713)
<b>Profit for the continuing operations</b>	<b>3,909</b>	<b>1,339</b>	<b>13,210</b>	<b>11,115</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	(145)	(252)	(546)	(393)
<b>Profit for the financial year</b>	<b>3,764</b>	<b>1,087</b>	<b>12,664</b>	<b>10,722</b>
Other Comprehensive income/(loss), net of tax	88	(785)	(966)	(1,757)
<b>Total Comprehensive Income for the financial year</b>	<b>3,852</b>	<b>302</b>	<b>11,698</b>	<b>8,965</b>
<b>Profit attributable to:</b>				
Owners of the parent - continuing operations	3,762	1,016	13,537	9,822
- discontinued operation	(145)	(252)	(546)	(393)
	3,617	764	12,991	9,429
Non-controlling interests	147	323	(327)	1,293
<b>Profit for the financial year</b>	<b>3,764</b>	<b>1,087</b>	<b>12,664</b>	<b>10,722</b>
<b>Total Comprehensive Income attributable to:</b>				
Owners of the parent - continuing operations	3,601	616	12,839	8,926
- discontinued operation	(145)	(252)	(546)	(393)
	3,456	364	12,293	8,533
Non-controlling interests	396	(62)	(595)	432
<b>Total Comprehensive Income for the financial year</b>	<b>3,852</b>	<b>302</b>	<b>11,698</b>	<b>8,965</b>
Earnings per share (sen)				
- Basic - continuing operations	3.77	1.11	13.58	10.76
- discontinued operation	(0.15)	(0.28)	(0.55)	(0.43)
	3.62	0.83	13.03	10.33
- Diluted - continuing operations	3.43	0.94	12.08	9.39
- discontinued operation	(0.13)	(0.15)	(0.49)	(0.30)
	3.30	0.79	11.59	9.09

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Report of the Group for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	(Unaudited) As at 31/12/2018 RM'000	(Audited) As at 31/12/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,830	41,424
Investment properties	640	645
Intangible assets	2,743	3,456
Investment in an associate	-	4,657
Other investment	1,572	-
	46,785	50,182
<b>Current assets</b>		
Inventories	23,998	30,770
Trade and other receivables	55,077	40,666
Amount owing from contract customers	6,095	-
Fixed deposits with licensed banks	402	390
Cash and bank balances	27,127	10,885
	112,699	82,711
Assets included in disposal group classified as held for sale	27,124	27,397
	139,823	110,108
<b>Total assets</b>	186,608	160,290
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	59,272	47,158
Treasury shares	(597)	(571)
Revaluation reserve	6,415	6,487
Discount on shares	(12,797)	(13,340)
Warrant reserves	17,210	17,940
Foreign currency translation reserve	(817)	(539)
Fair value reserve	(420)	-
Retained profits	56,962	46,931
Shareholder's equity	125,228	104,066
Non-controlling interests	5,896	6,581
<b>Total equity</b>	131,124	110,647



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	(Unaudited) As at 31/12/2018 RM'000	(Audited) As at 31/12/2017 RM'000
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	711	750
Bank borrowings	1,288	11,927
Deferred tax liabilities	2,487	2,398
	<u>4,486</u>	<u>15,075</u>
<b>Current liabilities</b>		
Trade and other payables	48,043	24,926
Finance lease liabilities	482	391
Bank borrowings	471	6,970
Derivatives liabilities	54	-
Provision for taxation	1,901	2,122
	<u>50,951</u>	<u>34,409</u>
Liabilities included in disposal group classified as held for sale	47	159
	<u>50,998</u>	<u>34,568</u>
<b>Total liabilities</b>	<u>55,484</u>	<u>49,643</u>
<b>Total equity and liabilities</b>	<u>186,608</u>	<u>160,290</u>
Net assets per share (RM)	1.24	1.13

*The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Report of the Group for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.*



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	Attributable to owners of the parent												
	Non-Distributable							Distributable				Non-controlling interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Discount On Shares	Warrant Reserves	Foreign Currency Translation Reserve	Fair Value Reserve	Retained Profits	Subtotal			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 January 2018</b>	47,158	-	(571)	6,487	(13,340)	17,940	(539)	-	46,931	104,066	6,581	110,647	
Profit for the financial year	-	-	-	-	-	-	-	-	12,991	12,991	(327)	12,664	
Other Comprehensive Expenses	-	-	-	(72)	-	-	-	-	72	-	-	-	
- Realisation of revaluation surplus	-	-	-	(72)	-	-	-	-	72	-	-	-	
- fair value on quoted investment	-	-	-	-	-	-	-	(420)	-	(420)	-	(420)	
- Forex Translation Difference	-	-	-	-	-	-	(278)	-	-	(278)	(268)	(546)	
<b>Total comprehensive income for the financial year</b>	-	-	-	(72)	-	-	(278)	(420)	13,063	12,293	(595)	11,698	
<i>Contributions by and distributions to owners of the Company</i>													
<i>Proceed from issuance of Private Placement</i>	10,428	-	-	-	-	-	-	-	-	10,428	-	10,428	
<i>Proceed from conversion of warrants</i>	1,686	-	-	-	543	(730)	-	-	-	1,499	-	1,499	
<i>Purchase of treasury shares</i>	-	-	(26)	-	-	-	-	-	-	(26)	-	(26)	
<i>Dividends payable to owners of the Company</i>	-	-	-	-	-	-	-	-	(3,032)	(3,032)	-	(3,032)	
<i>Changes in ownership interest in a subsidiary</i>	-	-	-	-	-	-	-	-	-	-	(90)	(90)	
<b>Total transactions with owners of the Company</b>	12,114	-	(26)	-	543	(730)	-	-	(3,032)	8,869	(90)	8,779	
<b>At 30 September 2018</b>	<b>59,272</b>	<b>-</b>	<b>(597)</b>	<b>6,415</b>	<b>(12,797)</b>	<b>17,210</b>	<b>(817)</b>	<b>(420)</b>	<b>56,962</b>	<b>125,228</b>	<b>5,896</b>	<b>131,124</b>	
<b>At 1 January 2017</b>	46,000	1,158	(571)	6,559	(13,340)	17,940	357	-	39,234	97,337	6,130	103,467	
Effect for adoption in MFRS 141	-	-	-	-	-	-	-	-	204	204	-	204	
Profit for the financial year	-	-	-	-	-	-	-	-	9,429	9,429	1,293	10,722	
Other Comprehensive Expenses	-	-	-	(72)	-	-	-	-	72	-	-	-	
- Realisation of revaluation surplus	-	-	-	(72)	-	-	-	-	72	-	-	-	
- Forex Translation Difference	-	-	-	-	-	-	(896)	-	-	(896)	(861)	(1,757)	
<b>Total comprehensive income for the financial year</b>	-	-	-	(72)	-	-	(896)	-	9,501	8,533	432	8,965	
<i>Contributions by and distributions to owners of the Company</i>													
<i>Dividends payable to owners of the Company</i>	-	-	-	-	-	-	-	-	(2,008)	(2,008)	-	(2,008)	
<i>Changes in ownership interest in a subsidiary</i>	-	-	-	-	-	-	-	-	-	-	19	19	
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	-	-	-	(2,008)	(2,008)	19	(1,989)	
Transition to no-par value regime on 31 January 2017	1,158	(1,158)	-	-	-	-	-	-	-	-	-	-	
<b>At 31 December 2017</b>	<b>47,158</b>	<b>-</b>	<b>(571)</b>	<b>6,487</b>	<b>(13,340)</b>	<b>17,940</b>	<b>(539)</b>	<b>-</b>	<b>46,931</b>	<b>104,066</b>	<b>6,581</b>	<b>110,647</b>	

The Unaudited Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Report of the Group for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	(Unaudited) Current Year To-date  31/12/2018 RM'000	(Audited) Preceding Year Corresponding Period  31/12/2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>		
- Continuing operations	18,932	15,828
- Discontinued operation	(546)	(393)
	18,386	15,435
Adjustments for non-cash items:		
Bargain purchase of subsidiary	(76)	-
Depreciation and amortisation	3,274	3,071
Fair value loss on derivatives	54	-
Gain on disposal of property, plant & equipment	(31)	(487)
Gain on disposal of investment in associate	(111)	-
Gain on disposal of other investment	(21)	-
Impairment loss on assets	1,045	-
Loss in changes of Fair Value (FFB)	66	84
Interest expenses	651	1,017
Interest income	(322)	(140)
Share of results of an associate	-	(382)
Unrealised gain on foreign exchange	(345)	(29)
<b>Operating profit before working capital changes</b>	22,570	18,569
<b>Changes in working capital</b>		
Inventories	6,773	5,545
Receivables	(14,359)	(8,304)
Payables	23,051	166
Contract customers	(6,095)	(2,044)
<b>Cash generated from operations</b>	31,940	13,932
Income tax paid	(5,854)	(4,008)
<b>Net cash from operating activities</b>	26,086	9,924
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of biological assets	-	(72)
Acquisition of other investment	(1,971)	-
Acquisition of property, plant and equipment	(3,410)	(8,749)
Proceed from disposal of investments in associate	4,768	-
Proceeds from disposal of property, plant and equipment	34	906
Net cash outflows from acquisition of subsidiary	(15)	(165)
Interest received	322	140
<b>Net cash used in investing activities</b>	(272)	(7,940)



# MUAR BAN LEE GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	(Unaudited) Current Year To-date  31/12/2018 RM'000	(Audited) Preceding Year Corresponding Period  31/12/2017 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(3,012)	(1,825)
Interest paid	(651)	(1,017)
Purchase of treasury shares	(26)	-
(Placement)/withdrawal of pledged fixed deposits	(12)	(13)
(Repayment of) /proceeds from bankers acceptance	(5,699)	3,201
Net change of revolving credits	-	(4,122)
Proceeds from term loans	-	1,700
Repayment of term loans	(11,440)	(1,116)
Repayment of finance lease liabilities	(490)	(401)
Proceed from conversion of warrant to share capital	1,498	-
Proceed from issue of share capital	10,428	-
<b>Net cash from / (used in) financing activities</b>	<b>(9,404)</b>	<b>(3,593)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16,410</b>	<b>(1,609)</b>
Effect of exchange translation differences	(299)	(867)
Cash and cash equivalents at the beginning of the financial year	11,096	13,572
<b>Cash and cash equivalents at the end of the financial year</b>	<b>27,207</b>	<b>11,096</b>
Note: <b><u>Cash and cash equivalents at the end of the financial year</u></b>		
<b>Continuing operations</b>		
Cash and bank balances	27,127	10,885
Short term deposits with licensed banks	402	390
Bank overdraft	-	-
Fixed deposits pledged	(402)	(390)
	<b>27,127</b>	<b>10,885</b>
<b>Discontinued operation</b>		
Cash and bank balances	80	211
	<b>27,207</b>	<b>11,096</b>

*The Unaudited Condensed Statements of Cash Flows should be read in conjunction with the Annual Report of the Group for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.*



**MUAR BAN LEE GROUP BERHAD** (Company No. 753588-P)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL STATEMENTS**

**A1. BASIS OF PREPARATION**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirement of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Group has re-adopted MFRS in the year ending 31 December 2018 as it met the criteria as Transitioning Entities. The re-adoption of MFRSs did not have any significant impacts on the financial statements of the Group and the Company. The Group will present its first Malaysia Financial Reporting Standard (“MFRS”) financial statements for the financial year ending 31 December 2018.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

**A2. CHANGES IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2017 except for those standard, amendments and IC interpretation that had become effective 1 January 2018 and such adoptions do not have material impact on the financial statements of the Group and the Company.

**A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors’ report on the preceding audited financial statements was not subject to any qualification.

**A4. SEASONALITY OR CYCLICALITY FACTORS**

The performance of the Group is generally not affected by any seasonal or cyclical factors.

**A5. UNUSUAL ITEMS**

There were no unusual items for the current financial period under review.





**MUAR BAN LEE GROUP BERHAD** (Company No. 753588-P)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A6. CHANGES IN ESTIMATES**

There were no changes in estimates amount that had a material effect for the current financial period under review.

**A7. DEBT AND EQUITY SECURITIES**

- i) During the twelve months ended 31 December 2018, the Company issued 1,873,020 new ordinary shares for cash arising from the exercise of warrants at exercise price of RM0.80 per ordinary shares.
- ii) For the twelve month period, the Company repurchased 24,000 of its issued ordinary shares from the open market at an average price of RM1.0904 per shares. The total consideration paid for the repurchase including transaction costs was RM26,371 and this was financed by internally generated funds. Total treasury shares held as at 31 December 2018 is 754,200 shares. The repurchased shares are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year ended 31 December 2018.

**A8. DIVIDEND PAID**

There was no dividend paid during the quarter under review.

Further, a single-tier second interim dividend of 2.0 cent per share for the year ended 31 December 2018 was declared on 25 February 2019 and to be paid on 27 March 2019.

**A9. SEGMENTAL INFORMATION**

Segmental reporting for the 12 months ended 31 December 2018

	Investment Holding	Manu- facturing	Trading & Service	Oil Milling	Elimination	Consolidated (Continuing)	Plantation (Discontinued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>								
External sales	-	99,096	26,400	31,660	-	157,156	359	157,515
Inter-company	-	413	-	-	(413)	-	-	-
Dividend income	3,150	-	-	-	(3,150)	-	-	-
	<u>3,150</u>	<u>99,509</u>	<u>26,400</u>	<u>31,660</u>	<u>(3,563)</u>	<u>157,156</u>	<u>359</u>	<u>157,515</u>
<b>Segmental results</b>	2,357	17,196	4,204	(672)	(3,827)	19,258	(544)	18,714
Finance costs	-	(648)	-	-	-	(648)	(2)	(650)
Interest income	86	236	-	-	-	322	-	322
<b>Profit/(Loss) before Tax</b>	2,443	16,784	4,204	(672)	(3,827)	18,932	(546)	18,386
Taxation	-	-	-	-	-	(5,722)	-	(5,722)
<b>Profit for the year</b>						<u>13,210</u>	<u>(546)</u>	<u>12,664</u>



**MUAR BAN LEE GROUP BERHAD** (Company No. 753588-P)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A9. SEGMENTAL INFORMATION (Cont'd)**

Segmental reporting for the 12 months ended 31 December 2017

	Investment Holding	Manu- facturing	Trading & Service	Oil Milling	Elimination	Consolidated (Continuing)	Plantation (Discontinued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>								
External sales	-	99,364	4,039	80,204	-	183,607	687	184,294
Inter-company	-	821	-	-	(821)	-	-	-
Dividend income	5,000	-	-	-	(5,000)	-	-	-
	<u>5,000</u>	<u>100,185</u>	<u>4,039</u>	<u>80,204</u>	<u>(5,821)</u>	<u>183,607</u>	<u>687</u>	<u>184,294</u>
<b>Segmental results</b>								
Finance costs	-	(1,013)	-	-	-	(1,013)	(4)	(1,017)
Interest income	-	140	-	-	-	140	-	140
Share of results of an associate	382	-	-	-	-	382	-	382
<b>Profit/(Loss) before Tax</b>	<u>4,495</u>	<u>12,722</u>	<u>(4)</u>	<u>3,583</u>	<u>(4,968)</u>	<u>15,828</u>	<u>(393)</u>	<u>15,435</u>
Taxation						(4,713)	-	(4,713)
<b>Profit for the year</b>						<u>11,115</u>	<u>(393)</u>	<u>10,722</u>

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of property, plant and equipment for the financial period under review.

**A11. MATERIAL SUBSEQUENT EVENTS**

There was no material subsequent event occurred after the financial period under review.

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group in the financial period under review except for the disposal of 33% equity interest in PT. Banyuasin Nusantara Sejahtera ("BNS") on 31 October 2018 for a consideration of IDR16,000,000,000 (which is equivalent to RM4,768,000.00). BNS has ceased to be the associate company of the Group from the date thereon.

**A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and contingent assets in the financial period under review.

**A14. CAPITAL COMMITMENTS**

There were no capital commitments in the financial period under review.



**MUAR BAN LEE GROUP BERHAD** (Company No. 753588-P)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A15. RELATED PARTY TRANSACTIONS**

The Group's related party transactions for current quarter and financial year-to-date are as follows:

Transacting parties	Relationship	Nature of transactions	Current quarter RM	Financial Year-to-date RM
Directors	Which the directors owned the said property and have substantial financial interests in the Company	Rental	6,000	24,000
Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	13,396	13,396

**A16. DISCLOSURE OF DERIVATIVES**

As at 31 December 2018 the outstanding amount of the forward foreign currency contracts which have been entered into by the Group are as follows:-

Forward Foreign Currency Contracts	Contracts Value (RM'000)	Fair Value (RM'000)	Changes in Fair Value (RM'000)
US Dollar - less than 1 year	11,319	11,265	(54)

The forward foreign currency contracts were entered to hedge the export sales revenue denominated in US dollars. These forward contracts were executed with a creditworthy licensed bank in Malaysia and the possibility of non-performance by the licensed bank is remote based on its financial strength. Forward foreign currency contracts of the Group have been measured at fair value and the changes in fair value are recognised in the profit or loss.



**MUAR BAN LEE GROUP BERHAD** (Company No. 753588-P)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. REVIEW OF PERFORMANCE**

	Individual Quarter (3 months ended)			Cumulative Quarter (12 months ended)		
	31/12/2018 RM '000	31/12/2017 RM '000	Changes %	31/12/2018 RM '000	31/12/2017 RM '000	Changes %
Revenue						
- Continuing operations	51,285	41,016	25.0	157,156	183,607	(14.4)
- Discontinued operation	8	283	(97.2)	359	687	(47.7)
	<u>51,293</u>	<u>41,299</u>	24.2	<u>157,515</u>	<u>184,294</u>	(14.5)
Operating profit	5,773	2,422	138.4	19,258	16,319	18.0
Profit before interest and tax	5,773	2,551	126.3	19,258	16,701	15.3
Profit/(Loss) before tax (PBT)						
- Continuing operations	5,787	2,344	146.9	18,932	15,828	19.6
- Discontinued operation	(145)	(252)	(42.5)	(546)	(393)	38.9
	<u>5,642</u>	<u>2,092</u>	169.7	<u>18,386</u>	<u>15,435</u>	19.1
Profit/(Loss) after tax (PAT)						
- Continuing operations	3,909	1,339	191.9	13,210	11,115	18.8
- Discontinued operation	(145)	(252)	(42.5)	(546)	(393)	38.9
	<u>3,764</u>	<u>1,087</u>	246.3	<u>12,664</u>	<u>10,722</u>	18.1
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	3,762	1,016	270.3	13,537	9,822	37.8
- Discontinued operation	(145)	(252)	(42.5)	(546)	(393)	38.9
	<u>3,617</u>	<u>764</u>	373.4	<u>12,991</u>	<u>9,429</u>	37.8

**For the current quarter under review**, the Group's revenue increased 24.2% to RM51.29 million, and PBT surged by 169.7% to RM5.64 million as compared to the preceding year's corresponding quarter. Generally, the strong contribution from manufacturing segment was partially offset by the weaker performance of oil milling segment. The performance review by segments is as follows:

**Manufacturing** division posted a revenue and PBT of RM32.83 million and RM5.04 million respectively in the current quarter as compared with RM24.55 million and RM2.00 million recorded in the preceding year's quarter. The commendable result was mainly due to the higher contribution of project sales coupled with better products mix in the current quarter.

**Trading and Service** division registered a revenue and PBT of RM11.00 million and RM1.61 million respectively as compare with RM0.09 million and loss before tax RM0.03 million registered in preceding year's quarter. The higher PBT was mainly due to higher revenue recorded in the current quarter under reviewed.



**B1. REVIEW OF PERFORMANCE (Cont'd)**

**Oil milling** division's revenue dipped sharply to RM7.45 million (2017: RM16.38 million) and registered a PBT of RM0.31 million (2017: RM0.79 million). The disappointment was mainly attributable to the scaled down production output as a result of the continued subdued selling price of Crude Palm Kernel Oil ("CPKO") in the current quarter under review.

**For the twelve months period under review**, the revenue of the Group reduced by 14.5% to RM157.52 million, nevertheless PBT grew by 19.1% to RM18.39 million as compare with RM184.29 million and RM15.44 million respectively in prior year's corresponding period. Generally, the strong contribution from manufacturing segment was dragged by the weaker oil milling segment.

**Manufacturing** division's revenue remained flat at RM99.10 million as compare with RM99.36 million recorded in the preceding year's corresponding period. Nevertheless, PBT grew to RM16.78 million from RM12.72 million registered in prior year's corresponding period. The strong growth in PBT was boosted by the higher contribution from the project sales coupled with better products mix in the current period under reviewed.

**Trading and Service** division recorded a revenue and PBT of RM26.40 million and RM4.20 million respectively as compare with RM4.04 million and loss before tax of RM4,000 registered in preceding year's corresponding period. The better result was mainly due to higher revenue recorded in the current period under reviewed.

**Oil milling** division's revenue declined sharply to RM31.66 million from RM80.20 million recorded in prior year's corresponding period. A loss before tax of RM0.67 million was registered in the current period (2017: PBT of RM3.58 million). The upgrading works of palm kernel crushing plant commenced in December 2017 and only completed in end May 2018 has significantly affected the production output, coupled with the scaled down production due to the muted selling price of CPKO has hit hard on both top and bottom lines of the division for period under review.



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**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT**

	Current Quarter	Immediate Preceding Quarter	Changes %
	31/12/2018 RM '000	30/09/2018 RM '000	
Revenue			
- Continuing operations	51,285	40,789	25.7
- Discontinued operation	8	88	(90.9)
	<u>51,293</u>	<u>40,877</u>	25.5
Operating profit	5,773	8,612	(33.0)
Profit before interest and tax	5,773	8,422	(31.5)
Profit/(Loss) before tax (PBT)			
- Continuing operations	5,787	8,355	(30.7)
- Discontinued operation	(145)	(391)	(62.9)
	<u>5,642</u>	<u>7,964</u>	(29.2)
Profit/(Loss) after tax (PAT)			
- Continuing operations	3,909	6,140	(36.3)
- Discontinued operation	(145)	(391)	(62.9)
	<u>3,764</u>	<u>5,749</u>	(34.5)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	3,762	5,946	(36.7)
- Discontinued operation	(145)	(391)	(62.9)
	<u>3,617</u>	<u>5,555</u>	(34.9)

For the current quarter under review, revenue and PBT of the Group stood at RM51.29 million and RM5.64 million respectively as compared to RM40.88 million and RM7.96 million recorded in the immediate preceding quarter.

**Manufacturing** division posted a revenue and PBT at RM32.83 million and RM5.04 million respectively as compared to RM26.00 million and RM7.15 million reported in the immediate preceding quarter. The improvement in revenue was mainly due to higher project sales recorded in the current quarter under review. On the other hand, weaker PBT was resulted by the lower margin products mix in the current quarter. Excluding the impairment of intangible assets and allowance of impairment for trade receivable of RM1.05 million in the current quarter, the PBT will stay at RM6.09 million.

**Trading and Service** division registered its revenue and PBT at RM11.00 million and RM1.61 million respectively as compare with RM7.04 million and RM1.13 million reported in the immediate preceding quarter. The higher percentage of completion for projects has pushed both revenue and PBT higher in the current quarter under reviewed.

**Oil milling** division revenue and PBT remain flattish at RM7.45 million and RM0.31 million as compared to RM7.75 million and RM0.38 million reported in the immediate preceding quarter respectively. The muted selling price of CPKO has prompted the management to scale down the production of CPKO. Further, the upgraded KCP which is more productive and efficient also help to cushion the impact of depressed CPKO pricing.



**B3. COMMENTARY ON PROSPECTS**

The Board expects the Group's operating environment for the financial year ending 2019 to remain challenging and competitive.

The Management will continue to focus on the Group's core business, i.e. manufacturing segment and to further strengthen our market position by expanding of customer base and market shares. Prevailing CPKO prices has since recovered from its lowest level recorded at the end of year 2018 and should such recovery be sustained, the Board is optimistic that the oil milling division will achieve satisfactory result in the financial year ended 2019.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the Group will remain satisfactory for the financial year ending 2019.

**B4. VARIANCE FROM PROFIT FORECAST**

There is no profit forecast issued for the current financial period under review.

**B5. TAXATION**

Taxation for the quarter and year to date comprises:

	Current Quarter RM '000	Current YTD RM '000
Taxation		
- Current year	(1,878)	(5,722)
	<u>(1,878)</u>	<u>(5,722)</u>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.



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**B6. STATUS OF CORPORATE PROPOSALS**

There was no pending corporate proposals for the financial period under review.

**B7. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings as at 31 December 2018 and 31 December 2017 are as follows:

	As at Fourth Quarter ended 2018					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.14 RM '000	RM RM '000	USD Fx Rate 4.14 RM '000	RM RM '000	USD Fx Rate 4.14 RM '000	RM RM '000
<b>Secured</b>						
- Term loans	-	1,288	-	471	-	1,759
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	-	-	-
- Revolving credits	-	-	-	-	-	-
<b>Total</b>	-	1,288	-	471	-	1,759

	As at Fourth Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.05 RM '000	RM RM '000	USD Fx Rate 4.05 RM '000	RM RM '000	USD Fx Rate 4.05 RM '000	RM RM '000
<b>Secured</b>						
- Term loans	-	11,927	-	1,271	-	13,198
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	5,699	-	5,699
- Revolving credits	-	-	-	-	-	-
<b>Total</b>	-	11,927	-	6,970	-	18,897

The effective interest rates per annum at the end of the reporting period for the Group's borrowings were as follows:

	(Unaudited) 2018 %	(Audited) 2017 %
Term loans	4.52 - 5.85	4.52 - 5.85
Bankers acceptance	4.53 - 4.82	4.53 - 4.82

There were no significant changes in Group's borrowing for the financial period under review.

**B8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

As at the date of this report, the Group did not have any financial instruments with off balance sheet risks.





**B9. MATERIAL LITIGATION**

There was no material litigation for the current financial period to date.

**B10. DIVIDEND DECLARED**

A single-tier second interim dividend of 2.0 cent per share for the year ended 31 December 2018 was declared on 25 February 2019 and to be paid on 27 March 2019.

**B11. EARNINGS PER SHARE**

The basic earnings per share ("EPS") is calculated by dividing the profit for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company calculated as follows:

	Current Quarter RM '000	Current YTD RM '000
<b>a) <u>Basic EPS</u></b>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	3,762	13,537
- Discontinued operation	(145)	(546)
	<u>3,617</u>	<u>12,991</u>
Weighted average number of ordinary shares (000)	99,675	99,675
Basic EPS (Sen)		
- Continuing operations	3.77	13.58
- Discontinued operation	(0.15)	(0.55)
	<u>3.62</u>	<u>13.03</u>
<b>b) <u>Diluted EPS</u></b>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	3,762	13,537
- Discontinued operation	(145)	(546)
	<u>3,617</u>	<u>12,991</u>
Weighted average number of ordinary shares (000)	109,725	112,089
Basic EPS (Sen)		
- Continuing operations	3.43	12.08
- Discontinued operation	(0.13)	(0.49)
	<u>3.30</u>	<u>11.59</u>



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**B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the preceding audited financial statements was not subject to any qualification.

**B13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Current Quarter RM'000	Current YTD RM'000
<b>Profit before tax is arrived at after (crediting)/charging:</b>		
Interest income	(71)	(322)
Other income including investment income	(148)	(259)
Interest expense	58	651
Depreciation and amortization	974	3,274
Provision for receivables	39	39
Gain on disposal or unquoted investments or properties	(163)	(163)
Impairment of intangible assets or other assets	1,045	1,045
Foreign exchange gain	(178)	(274)
Gain or loss on derivatives	54	54

**B14. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 27 February 2019.

**By Order of the Board**

Tan Hui Lun (LS 0010066)  
Company Secretary  
Muar  
27 February 2019