



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2017



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 SECOND QUARTER ENDED 30 JUNE 2017

	Individual Quarter		Cumulative Quarter	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	45,608	49,264	93,485	72,922
Less: Revenue from discontinued operation	(86)	(205)	(152)	(344)
Revenue from continuing operation	45,522	49,059	93,333	72,578
Cost of sales	(35,735)	(40,068)	(74,206)	(55,556)
Gross profit	9,787	8,991	19,127	17,022
Other income	236	761	550	846
Depreciation and amortisation	(278)	(360)	(548)	(711)
Distribution and administrative expenses	(5,088)	(5,147)	(10,541)	(9,827)
Operating profit	4,657	4,245	8,588	7,330
Interest Income	29	(18)	53	29
Interest expenses	(330)	(267)	(509)	(480)
Share of results of an associate	119	-	196	-
Profit before taxation	4,475	3,960	8,328	6,879
Taxation	(1,466)	(554)	(2,368)	(628)
Profit for the continuing operations	3,009	3,406	5,960	6,251
Discontinued operation				
Loss from discontinued operation, net of tax	(60)	(68)	(186)	(118)
Profit for the financial year	2,949	3,338	5,774	6,133
Other Comprehensive Income, net of tax	(467)	70	(512)	(673)
Total Comprehensive Income for the financial year	2,482	3,408	5,262	5,460
Profit attributable to:				
Owners of the parent - continuing operations	2,888	2,904	5,519	5,587
- discontinued operation	(60)	(68)	(186)	(118)
	2,828	2,836	5,333	5,469
Non-controlling interests	121	502	441	664
Profit for the financial year	2,949	3,338	5,774	6,133
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	2,650	2,765	5,258	5,069
- discontinued operation	(60)	(68)	(186)	(118)
	2,590	2,697	5,072	4,951
Non-controlling interests	(108)	711	190	509
Total Comprehensive Income for the financial year	2,482	3,408	5,262	5,460
Earnings per share (sen)				
- Basic - continuing operations	3.16	3.16	6.05	6.07
- discontinued operation	(0.07)	(0.07)	(0.20)	(0.13)
	3.09	3.09	5.85	5.94
- Diluted - continuing operations	2.81	3.07	5.36	6.01
- discontinued operation	(0.06)	(0.07)	(0.18)	(0.13)
	2.75	3.00	5.18	5.88

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 2016 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 30 JUNE 2017

	(Unaudited) As at 30/06/2017 RM'000	(Audited) As at 31/12/2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,152	36,148
Investment properties	643	650
Intangible assets	3,261	3,261
Investment in an associate	4,470	4,274
	45,526	44,333
Current assets		
Inventories	31,609	36,316
Trade and other receivables	33,451	33,493
Fixed deposits with licensed banks	378	377
Cash and bank balances	14,029	13,315
	79,467	83,501
Assets included in disposal group classified as held for sale	27,054	27,054
	106,521	110,555
Total assets	152,047	154,888
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Treasury shares	(571)	(571)
Revaluation reserve	6,559	6,559
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Foreign currency translation reserve	96	357
Retained profits	44,567	39,234
Shareholder's equity	102,409	97,337
Non-controlling interests	6,320	6,130
Total equity	108,729	103,467



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	(Unaudited) As at 30/06/2017 RM'000	(Audited) As at 31/12/2016 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	418	234
Bank borrowings	10,983	11,526
Deferred taxation	2,215	2,215
	13,616	13,975
Current liabilities		
Trade and other payables	16,687	25,681
Amount owing to contract customers	2,044	2,044
Finance lease liabilities	258	227
Bank borrowings	8,319	7,708
Tax payable	2,253	1,600
	29,561	37,260
Liabilities included in disposal group classified as held for sale	141	186
	29,702	37,446
Total liabilities	43,318	51,421
Total equity and liabilities	152,047	154,888
Net assets per share (RM)	1.11	1.06

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 2016 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 SECOND QUARTER ENDED 30 JUNE 2017

	Attributable to owners of the parent										
	Non-Distributable							Distributable			
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Discount On Shares	Warrant Reserves	Foreign Currency Translation Reserve	Retained Profits	Subtotal	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	357	39,234	97,337	6,130	103,467
Profit for the financial year	-	-	-	-	-	-	-	5,333	5,333	441	5,774
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	-	(261)	-	(261)	(251)	(512)
Total comprehensive income for the financial year	-	-	-	-	-	-	(261)	5,333	5,072	190	5,262
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	96	44,567	102,409	6,320	108,729
At 1 January 2016	46,000	1,158	(290)	2,556	(13,340)	17,940	(81)	30,946	84,889	6,682	91,571
Profit for the financial year	-	-	-	-	-	-	-	5,469	5,469	664	6,133
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	-	(162)	-	(162)	(155)	(317)
- Prior year adjustments	-	-	-	-	-	-	40	(396)	(356)	-	(356)
Total comprehensive income for the financial year	-	-	-	-	-	-	(122)	5,073	4,951	509	5,460
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(246)	-	-	-	-	-	(246)	-	(246)
Total transactions with owners of the Company	-	-	(246)	-	-	-	-	-	(246)	-	(246)
At 30 June 2016	46,000	1,158	(536)	2,556	(13,340)	17,940	(203)	36,019	89,594	7,191	96,785

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 2016 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	Current Year To-date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	8,328	6,879
- Discontinued operation	(186)	(118)
	8,142	6,761
Adjustments for non-cash items:		
Depreciation and amortisation	1,526	1,413
Gain on disposal of property, plant & equipment	(184)	-
Share of results of an associate	(196)	-
Interest expenses	511	480
Interest income	(53)	(29)
Unrealised (gain)/loss on foreign exchange	(61)	-
Operating profit before working capital changes	9,685	8,625
Changes in working capital		
Inventories	4,707	739
Receivables	37	(14,392)
Payables	(7,141)	10,390
Cash generated from operations	7,288	5,362
Income tax paid	(1,716)	(612)
Net cash from operating activities	5,572	4,750
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	(2)	-
Acquisition of property, plant and equipment	(2,546)	(2,245)
Proceeds from disposal of property, plant and equipment	184	-
Interest received	53	29
Net cash used in investing activities	(2,311)	(2,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,825)	-
Interest paid	(511)	(480)
Purchase of treasury shares	-	(246)
(Placement)/withdrawal of pledged fixed deposits	(1)	-
Proceeds from/(Repayment of) bankers acceptance	1,319	3,013
Net change of revolving credits	(1,323)	(50)
Repayment of term loans	(548)	(431)
Repayment of finance lease liabilities	(183)	(112)
Net cash (used in) / generated from financing activities	(3,072)	1,694



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	Current Year To-date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	189	4,228
Effect of exchange translation difference	(256)	(750)
Cash and cash equivalents at the beginning of the financial year	13,572	12,988
Cash and cash equivalents at the end of the financial year	13,505	16,466
Note: <u>Cash and cash equivalents at the end of the financial year</u>		
Continuing operations		
Cash and bank balances	14,029	17,074
Short term deposits with licensed banks	378	368
Bank overdraft	(620)	(895)
Fixed deposits pledged	(378)	(367)
	13,409	16,180
Discontinued operation		
Cash and bank balances	96	286
	13,505	16,466

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 2016 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 SECOND QUARTER ENDED 30 JUNE 2017**

**A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS
("FRS") 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 Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Group has re-adopted FRS in the year ended 31 December 2014 as it met the criteria as Transitioning Entities. The re-adoption of FRSS 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 2016. 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 2016.

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 2016 except for those standard, amendments and IC interpretation that had become effective 1 January 2017 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.

A6. CHANGES IN ESTIMATES

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

Total treasury shares held as at 30 June 2017 is 730,200 shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 6 months ended 30 June 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
Revenue								
External sales	-	50,893	-	42,440	-	93,333	152	93,485
Inter-company	-	506	-	-	(506)	-	-	-
Dividend income	-	-	-	-	-	-	-	-
	-	51,399	-	42,440	(506)	93,333	152	93,485
Segmental results								
Finance costs	(243)	7,334	(4)	1,442	59	8,588	(184)	8,404
Interest income	-	(509)	-	-	-	(509)	(2)	(511)
Share of results of an associate	-	53	-	-	-	53	-	53
	196	-	-	-	-	196	-	196
Profit before tax	(47)	6,878	(4)	1,442	59	8,328	(186)	8,142
Taxation	-	-	-	-	-	(2,368)	-	(2,368)
Profit for the period	-	-	-	-	-	5,960	(186)	5,774

Segmental reporting for the 6 months ended 30 June 2016

	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
Revenue								
External sales	-	50,584	-	21,994	-	72,578	344	72,922
Inter-company	-	407	-	-	-	407	-	407
Dividend income	-	-	-	-	-	-	-	-
	-	50,991	-	21,994	-	72,985	344	73,329
Segmental results								
Finance costs	(195)	5,541	(2)	1,955	31	7,330	(115)	7,215
Interest income	-	(480)	-	-	-	(480)	(3)	(483)
Share of results of an associate	-	29	-	-	-	29	-	29
	-	-	-	-	-	-	-	-
Profit before tax	(195)	5,090	(2)	1,955	31	6,879	(118)	6,761
Taxation	-	-	-	-	-	(628)	-	(628)
Profit for the period	-	-	-	-	-	6,251	(118)	6,133



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

- a) On 28 March 2017, the Board of Directors of the Company announced that MBL Plantation Sdn Bhd (“MBLPSB”), a wholly-owned subsidiary of Muar Ban Lee Group Berhad (“MBL”) has entered into a new MOU with Everhome International (M) Sdn. Bhd. (“EISB”) to outline the basic principles for the disposal of entire issued and paid-up ordinary share capital of Sokor Gemilang Ladang Sdn Bhd (“SGLSB”), a wholly owned subsidiary company of MBLPSB to EISB (“Proposed Disposal”).

Pursuant to the MOU, MBLPSB will dispose 2,000,000 ordinary shares in SGLSB, representing 100% equity interest in SGLSB and novation of the sum owing from the creditors of SGLSB to EISB for a total consideration of RM35,100,000 to be satisfied by cash.

The Proposed Disposal shall have no binding effect until the entering into a definite agreement (“DA”). The MOU sets out the understanding and intention of the parties during this interim exploratory period. The DA is expected to be executed within (6) months from the date of the MOU. Full announcement of the Proposed Disposal will be made in the event the parties execute a DA.

Subsequently, on 28 June 2017, the Group has announced that there is no new development to the MOU. The Group will make the appropriate announcement on any new development to the MOU, if any.

- b) On 5 July 2017, the Group has announced that MBLPSB had acquired additional 199,998 new ordinary shares of its wholly-owned subsidiary, SPA Hidayah Enterprise Sdn. Bhd. for a total consideration of RM199,998 at an issue price of RM1.00 each.

Other than the above, 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.

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 SECOND QUARTER ENDED 30 JUNE 2017**

A15. RELATED PARTY TRANSACTIONS

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

Subsidiaries	Transacting parties	Relationship	Nature of transactions	Current quarter RM	Financial Year-to-date RM
MBLE	Directors	Which the directors owned the said property and have substantial financial interests in the Company	Rental	3,000	6,000
MBLT	PT. Banyuasin Nusantara Sejahtera	Associate	Sales of goods	507,640	714,009
MBLT	Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	1,800	1,800

A16. DISCLOSURE OF DERIVATIVES

There was no outstanding forward contract at the end of the quarter under review.

A17 GAIN/LOSS ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There is no gain / loss arising from fair value changes of financial liabilities for the period under review.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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 (6 months ended)		
	30/06/2017 RM '000	30/06/2016 RM '000	Changes %	30/06/2017 RM '000	30/06/2016 RM '000	Changes %
Revenue						
- Continuing operations	45,522	49,059	(7.2)	93,333	72,578	28.6
- Discontinued operation	86	205	(58.0)	152	344	(55.8)
	<u>45,608</u>	<u>49,264</u>	(7.4)	<u>93,485</u>	<u>72,922</u>	28.2
Operating profit	4,657	4,245	9.7	8,588	7,330	17.2
Profit before interest and tax	4,776	4,245	12.5	8,784	7,330	19.8
Profit/(Loss) before tax (PBT)						
- Continuing operations	4,475	3,960	13.0	8,328	6,879	21.1
- Discontinued operation	(60)	(68)	(11.8)	(186)	(118)	57.6
	<u>4,415</u>	<u>3,892</u>	13.4	<u>8,142</u>	<u>6,761</u>	20.4
Profit/(Loss) after tax (PAT)						
- Continuing operations	3,009	3,406	(11.7)	5,960	6,251	(4.7)
- Discontinued operation	(60)	(68)	(11.8)	(186)	(118)	57.6
	<u>2,949</u>	<u>3,338</u>	(11.7)	<u>5,774</u>	<u>6,133</u>	(5.9)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	2,888	2,904	(0.6)	5,519	5,587	(1.2)
- Discontinued operation	(60)	(68)	(11.8)	(186)	(118)	57.6
	<u>2,828</u>	<u>2,836</u>	(0.3)	<u>5,333</u>	<u>5,469</u>	(2.5)

For the current quarter under review, the Group's revenue was marginally lower at RM45.61 million, however PBT improved by 13.4% to RM4.42 million as compared to the preceding year's corresponding quarter.

Manufacturing division's revenue was 25.2% lower at RM26.51 million from RM35.44 million in preceding year's corresponding quarter. However, higher project sales managed to push PBT higher to RM4.01 million from RM2.71 million recorded in preceding year's corresponding quarter.

Oil milling division's revenue jumped 39.6% to RM19.02 million from RM13.62 million recorded in preceding year's corresponding quarter. Despite the increased in the production output of crude palm kernel oil ("CPKO"), the lower average selling price of CPKO coupled with higher operating costs has impacted the division's performance with a PBT of RM0.51 million as compared with RM1.32 million recorded in the preceding year's corresponding quarter.



B1. REVIEW OF PERFORMANCE (Cont'd)

For the six months period under review, the revenue and PBT of the Group improved by 28.2% and 20.4% respectively to RM93.49 million and RM8.14 million.

Manufacturing division's revenue remained flat at RM50.89 million as compared to preceding year's corresponding period. As a result of higher project sales, its' PBT moved higher to RM6.88 million as compared with RM5.09 million in prior year's corresponding period.

Oil milling division which contributed 45.4% of the Group's turnover is the key factor for the improved in the revenue. Its' revenue surged 93.0% to RM42.44 million from RM21.99 million recorded in prior year. However, PBT retreated to RM1.44 million from RM1.96 million registered in prior year's corresponding period. It was due to higher sales volumes at lower average selling prices of CPKO coupled with higher operating costs for the period under review.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/06/2017 RM '000	Immediate Preceding Quarter 30/03/2017 RM '000	Changes %
Revenue			
- Continuing operations	45,522	47,811	(4.8)
- Discontinued operation	86	66	30.3
	45,608	47,877	(4.7)
Operating profit	4,657	3,931	18.5
Profit before interest and tax	4,776	4,008	19.2
Profit/(Loss) before tax (PBT)			
- Continuing operations	4,475	3,853	16.1
- Discontinued operation	(60)	(126)	(52.4)
	4,415	3,727	18.5
Profit/(Loss) after tax (PAT)			
- Continuing operations	3,009	2,951	2.0
- Discontinued operation	(60)	(126)	(52.4)
	2,949	2,825	4.4
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	2,888	2,631	9.8
- Discontinued operation	(60)	(126)	(52.4)
	2,828	2,505	12.9

For the current quarter under review, revenue and PBT of the Group stood at RM45.61 million and RM4.42 million respectively as compared to RM47.88 million and RM3.73 million recorded in the immediate preceding quarter.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT (Cont'd)

Manufacturing division recorded a revenue and PBT at RM26.51 million and RM4.01 million respectively as compared to RM24.39 million and RM2.87 million reported in the immediate preceding quarter. Higher PBT was due to higher project sales for the current quarter under review.

Oil milling division marked its revenue and PBT at RM19.02 million and RM0.51 million respectively as compared to RM23.42 million and RM0.93 million reported in the immediate preceding quarter. The lower average selling price of CPKO in the current quarter has affected both revenue and PBT of the division despite higher production output of CPKO.

B3. COMMENTARY ON PROSPECTS

The Group will remain focus on continuous reviewing and consolidating its business model and strategies to ensure sustainable growth of the Group.

The Group's core business, manufacturing segment will be closely monitored, enhanced or expanded if suitable investment opportunities arise.

For oil milling division, more efforts will be put to improve its productivity and efficiency.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register a satisfactory result for the current financial year.

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	(1,466)	(2,368)
	<u>(1,466)</u>	<u>(2,368)</u>

B6. SALE OF UNQUOTED INVESTMENT OR PROPERTIES

There was no sale of unquoted investments and properties for the financial period under review.

B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the financial period under review.



B8. STATUS OF CORPORATE PROPOSALS

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

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2017 and 30 June 2016 are as follows:

	As at Second Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.13 RM '000	RM RM '000	USD Fx Rate 4.13 RM '000	RM RM '000	USD Fx Rate 4.13 RM '000	RM RM '000
Secured						
- Term loans	-	10,983	-	1,083	-	12,066
- Bank overdraft	-	-	-	620	-	620
- Bankers acceptance	-	-	-	3,817	-	3,817
- Revolving credits	-	-	2,799	-	2,799	-
Total	-	10,983	2,799	5,520	2,799	16,503

	As at Second Quarter ended 2016					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.29 RM '000	RM RM '000	USD Fx Rate 4.29 RM '000	RM RM '000	USD Fx Rate 4.29 RM '000	RM RM '000
Secured						
- Term loans	-	12,010	-	1,132	-	13,142
- Bank overdraft	-	-	-	895	-	895
- Bankers acceptance	-	-	-	3,013	-	3,013
- Revolving credits	-	-	5,020	-	5,020	-
Total	-	12,010	5,020	5,040	5,020	17,050

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

	(Unaudited) 2017 %	(Audited) 2016 %
Term loans	4.52 - 5.85	4.52 - 5.65
Bank overdraft	8.08	-
Bankers acceptance	4.53 - 4.82	4.48
Revolving credits	2.52 - 4.32	2.94 - 3.32

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

B10. 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.

B11. MATERIAL LITIGATION

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

B12. DIVIDEND DECLARED

There was no dividend declared for the current financial period.

B13. 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
a) <u>Basic EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	2,888	5,519
- Discontinued operation	(60)	(186)
	<u>2,828</u>	<u>5,333</u>
Weighted average number of ordinary shares (000)	91,270	91,270
Basic EPS (Sen)		
- Continuing operations	3.16	6.05
- Discontinued operation	(0.07)	(0.20)
	<u>3.09</u>	<u>5.85</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	2,888	5,519
- Discontinued operation	(60)	(186)
	<u>2,828</u>	<u>5,333</u>
Weighted average number of ordinary shares (000)	102,888	103,032
Basic EPS (Sen)		
- Continuing operations	2.81	5.36
- Discontinued operation	(0.06)	(0.18)
	<u>2.75</u>	<u>5.18</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

B14. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

B15. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter RM'000	Current YTD RM'000
Profit before tax is arrived at after (crediting)/charging:		
Interest income	(29)	(53)
Other income including investment income	(13)	(37)
Interest expense	331	511
Depreciation and amortization	769	1,526
Gain on disposal of unquoted investments or properties	-	(184)
Foreign exchange gain	(218)	(321)

B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of retained profit of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive given by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), is as follows:

	RM '000
Total retained profits of the Company and its subsidiaries	
- Realised	75,484
- Unrealised	(941)
	<u>74,543</u>
Less: Consolidation adjustments	(29,976)
	<u>44,567</u>

B17. 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 28 August 2017.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
28 August 2017