



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 1ST QUARTER ENDED 31 MARCH 2015



MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Revenue	14,116	12,007	14,116	12,007
Less: Revenue from discontinued operation	(121)	-	(121)	-
Revenue from continuing operation	13,995	12,007	13,995	12,007
Cost of sales	(7,722)	(6,531)	(7,722)	(6,531)
Gross profit	6,273	5,476	6,273	5,476
Other income	91	112	91	112
Depreciation and amortisation	(409)	(442)	(409)	(442)
Distribution and administrative expenses	(4,106)	(3,643)	(4,106)	(3,643)
Operating profit	1,849	1,503	1,849	1,503
Interest Income	14	111	14	111
Interest expense	(93)	(9)	(93)	(9)
Profit before taxation	1,770	1,605	1,770	1,605
Taxation	(30)	(165)	(30)	(165)
Profit for the continuing operations	1,740	1,440	1,740	1,440
Discontinued operations				
Loss from discontinued operations, net of tax	(260)	-	(260)	-
Profit for the period	1,480	1,440	1,480	1,440
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income for the period	1,480	1,440	1,480	1,440
Profit attributable to:				
Owners of the Company - continuing operations	1,732	1,441	1,732	1,441
- discontinued operation	(260)	-	(260)	-
	1,472	1,441	1,472	1,441
Non-controlling interest	8	(1)	8	(1)
Profit for the period	1,480	1,440	1,480	1,440
Total Comprehensive Income attributable to:				
Owners of the Company - continuing operations	1,732	1,441	1,732	1,441
- discontinued operation	(260)	-	(260)	-
	1,472	1,441	1,472	1,441
Non-controlling interest	8	(1)	8	(1)
Total Comprehensive Income for the period	1,480	1,440	1,480	1,440
Earnings per share (sen)				
- Basic - continuing operations	1.88	1.57	1.88	1.57
- discontinued operation	(0.28)	-	(0.28)	-
	1.60	1.57	1.60	1.57
- Diluted	N/A	1.40	N/A	1.40

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 2014 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 STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	(Unaudited) As at 31.03.2015 RM'000	(Audited) As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,434	22,770
Investment properties	322	323
Intangible assets	3,602	3,602
Other investment	450	450
	26,808	27,145
Current assets		
Inventories	27,395	24,745
Trade and other receivables	23,540	13,115
Tax recoverable	232	-
Fixed deposits with licensed banks	411	714
Cash and bank balances	6,148	4,382
	57,726	42,956
Assets included in disposal group classified as held for sale	26,631	26,400
	84,357	69,356
TOTAL ASSETS	111,165	96,501
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Revaluation reserves	2,581	2,581
Discount on shares	(13,340)	(13,340)
Warrant reserve	17,940	17,940
Retained profits	28,971	27,499
Shareholder's equity	83,310	81,838
Non-controlling interest	14	6
Total equity	83,324	81,844
Non-current liabilities		
Hire purchase payables	239	295
Bank borrowing	10,704	3,637
Deferred taxation	1,240	1,240
	12,183	5,172
Current liabilities		
Trade and other payables	12,590	6,566
Hire purchase payables	213	208
Bank borrowing	2,545	2,387
Tax payable	49	15
	15,397	9,176
Liabilities included in disposal group classified as held for sale	261	309
	15,658	9,485
Total liabilities	27,841	14,657
TOTAL EQUITY AND LIABILITIES	111,165	96,501
Net assets per share (RM)	0.91	0.89

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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-Distributable					Distributable		Non-controlling interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Discount On Warrants RM'000	Warrant Reserves RM'000	Retained Profits RM'000	Subtotal RM'000		
At 1 January 2015	46,000	1,158	2,581	(13,340)	17,940	27,499	81,838	6	81,844
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Profit for the financial year</i>	-	-	-	-	-	1,472	1,472	8	1,480
Total comprehensive income for the period	-	-	-	-	-	1,472	1,472	8	1,480
<i>Contributions by and distributions to owners of the Company</i>									-
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At 31 March 2015	46,000	1,158	2,581	(13,340)	17,940	28,971	83,310	14	83,324
At 1 January 2014	46,000	1,158	2,653	(13,340)	17,940	27,038	81,449	50	81,499
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Profit for the financial year</i>	-	-	-	-	-	1,440	1,440	(1)	1,439
Total comprehensive income for the period	-	-	-	-	-	1,440	1,440	(1)	1,439
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	(278)	(278)	-	(278)
Total transactions with owners of the Company	-	-	-	-	-	(278)	(278)	-	(278)
At 31 March 2014	46,000	1,158	2,653	(13,340)	17,940	28,200	82,611	49	82,660

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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Current Year To-date 31.03.2015 RM'000	Preceding Year Corresponding Period 31.03.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
- Continuing operations	1,770	1,605
- Discontinued operations	(260)	-
	1,510	1,605
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	454	442
Interest expense	95	9
Interest income	(14)	(111)
	2,045	1,945
Operating profit before working capital changes		
Changes in working capital		
(Increase) / decrease in inventories	(2,650)	852
Increase in trade and other receivables	(10,473)	(6,088)
Increase in trade and other payables	5,982	1,545
	(5,096)	(1,746)
Cash used in operations		
Income tax paid	(228)	(263)
	(5,324)	(2,009)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	(360)	-
Acquisition of property, plant and equipment	(72)	(281)
Acquisition of subsidiaries, net of cash and cash equivalents	-	(26,168)
Interest income	14	111
	(418)	(26,338)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(95)	(9)
Proceed from bank borrowing	7,100	220
Repayment of hire purchase payables	(57)	(64)
Net increase in banker acceptance	306	-
Repayment of bank borrowing	(180)	(82)
	7,074	65
Net cash generated from financing activities		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,332	(28,282)
Cash and cash equivalents at beginning of period	3,188	35,427
Cash and cash equivalents at end of period	4,520	7,145
Note:	<u>Cash and Cash Equivalents at end of period</u>	
	Continuing operations	
Cash and bank balances	6,148	6,997
Short term deposits with licensed banks	411	535
Bank overdraft	(1,668)	-
Fixed deposits pledged	(411)	(387)
	4,480	7,145
	Discontinued operations	
Cash and bank balances	40	-
	4,520	7,145

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 2014 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 1ST QUARTER ENDED 31 MARCH 2015**

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 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 2017.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

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 2014 except for those standard, amendments and IC interpretation which are effective from the annual period beginning 1 July 2014 and onwards. The adoption of these standards, amendments and IC interpretations does not have significant 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 1ST QUARTER ENDED 31 MARCH 2015**

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

A8. DIVIDEND PAID

There were no dividends paid during the financial period under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 3 months ended 31 March 2015

	Investment holding RM'000	Manufacturing RM'000	Trading and service RM'000	Plantation (discontinued) RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	13,280	715	121	-	14,116
Inter-company transaction	-	603			(603)	-
	-	13,883	715	121	(603)	14,116
Segmental result	(64)	1,902	13	(260)		1,591
Finance cost						(95)
Interest income						14
Profit before tax						1,510
Taxation						(30)
Profit for the period						1,480

Segmental reporting for the 3 months ended 31 March 2014.

	Investment holding RM'000	Manufacturing RM'000	Trading and service RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	-	12,007	-	-	12,007
Inter-company transaction	-	-	-	-	-
	-	12,007	-	-	12,007
Segmental result	(68)	1,571	-	-	1,503
Finance cost					(9)
Interest income					111
Profit before tax					1,605
Taxation					(165)
Profit for the period					1,440



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015**

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

On 28 April 2015, the Company announced that MBL Plantation Sdn. Bhd. ("MBLP"), a wholly owned subsidiary of the Company had entered into a Memorandum of Understanding ("MOU") with Kenali Berkat Sdn. Bhd. ("KBSB") and proposed to dispose of its entire 2,000,000 shares of RM1.00 each in Sokor Gemilang Ladang Sdn. Bhd. ("SGLSB"), a wholly owned subsidiary of MBLP and novation of the sum owing from the creditors of SGLSB to KBSB, for a total consideration of RM35,100,000. As at the date of the report, there is no further development since the date of previous announcement to Bursa Malaysia.

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

As at the date of the reporting date, the capital expenditure approved and contracted for under the Group amounting to RM2,200,000.00.

A15. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM2,700.00 charged by Tan Commercial Management Services Sdn. Bhd. and of which one of the director has interest over the company and able to exercise control. Further, a rental fee of RM6,000.00 was paid to certain directors of which the directors owned the said property and have interest over the property and the transactions was entered into in the normal course of business.

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 quarter ended 31 March 2015.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015**

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

B1. REVIEW OF PERFORMANCE

	Individual and Cumulative Quarter (3 months ended)	
	31.03.2015 RM'000	31.03.2014 RM'000
Revenue	14,116	12,007
Profit / (Loss) before tax (PBT)		
- continuing operations	1,770	1,605
- discontinued operations	(260)	-
	<u>1,510</u>	<u>1,605</u>

For the current quarter under review, the Group's revenue advanced to RM14.12 million as compare with RM12.01 million registered in the preceding year's corresponding quarter. Increased in sales of spare parts has contributed to the higher revenue. For plantation segment (discontinued operation), revenue of RM0.12 million and loss before taxation of RM0.26 million were recorded in the current period mainly due to low crop season. Despite of the higher revenue, the Group's PBT was marginal lower at RM1.51 million as compare with RM1.61 million recorded in the preceding year's corresponding quarter mainly due to the loss in the discontinued operations.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

The Group's revenue for the current quarter has improved to RM14.12 million from RM12.25 million registered in the immediate preceding quarter. Profit before tax was marginally higher at RM1.51 million as compare to RM1.15 million recorded in the previous quarter. The improvement in result was mainly attributable to the higher sales volume recorded in the current quarter.

B3. COMMENTARY ON PROSPECTS

The Group will remain focus on its core business of plants setup, sale of spare parts and ancillary equipment. We plan to intensify the research and development and marketing activities in order to improve our products as well as providing better customer services to our clients globally. For the proposed disposal of SGLSB (refer to Note A11), if the MOU is materialised, the investment in SGLSB will be realised where the disposal proceeds will be utilised to reduce the Group's gearing, as the working capital and reserve for the Group's future expansion. Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register satisfactory results for the coming financial year.

B4. VARIANCE FROM PROFIT FORECAST

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015**

B5. TAXATION

Taxation for the quarter and year to date comprises:

	Current Quarter Ended 31.03.2015 RM'000	Current Year To Date 31.03.2015 RM'000
Taxation		
- current year	30	30
	<hr/>	<hr/>
	30	30

The effective tax rate of the Group is lower than the statutory tax rate mainly due to the availability of tax exemption granted under pioneer status to a subsidiary of the Company.

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 31 March 2015 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total RM'000
Bank Overdraft	1,668	0	1,668
Banker Acceptance	661	0	661
Term Loan	216	10,704	10,920
Hire Purchase	213	239	452
	<hr/>	<hr/>	<hr/>
TOTAL	2,758	10,943	13,701



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

The single-tier second interim dividend of 2.0 sen per share for the year ended 31 December 2014 amounting to RM1,840,000 was declared on 5 May 2015 and will be paid on 3 June 2015.

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 number of ordinary shares outstanding during the financial year held by the Company calculated as follows:

	Current Quarter	Current Year To Date
Profit attributable to ordinary shareholders of the Company (RM'000)		
- continuing operations	1,732	1,732
- discontinued operations	<u>(260)</u>	<u>(260)</u>
	<u>1,472</u>	<u>1,472</u>
Number of ordinary shares ('000)	92,000	92,000
Basic EPS (Sen)		
- continuing operations	1.88	1.88
- discontinued operations	<u>(0.28)</u>	<u>(0.28)</u>
	<u>1.60</u>	<u>1.60</u>

* The diluted EPS is not presented as the market value of the ordinary shares of the Company is lower than the exercise price for the outstanding warrants and any exercise of warrants would result in anti-dilution.

B14. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM2,700.00 charged by Tan Commercial Management Services Sdn. Bhd. and of which one of the director has interest over the company and able to exercise control. Further, a rental fee of RM6,000.00 was paid to certain directors of which the directors owned the said property and have interest over the property and the transactions was entered into in the normal course of business.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015**

B15. DISCLOSURE OF REALISED AND UNREALISED PROFITS/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:

	Group RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	61,355
- Unrealised	(1,240)
Less: Consolidation adjustments	(31,144)
Retained profits as per financial statement	<u>28,971</u>

B16. 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 29 May 2015.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
29 May 2015