



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 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 FIRST QUARTER ENDED 31 MARCH 2018

	Individual Quarter		Cumulative Quarter	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	28,150	47,877	28,150	47,877
Less: Revenue from discontinued operation	(159)	(66)	(159)	(66)
Revenue from continuing operation	27,991	47,811	27,991	47,811
Cost of sales	(20,274)	(38,471)	(20,274)	(38,471)
Gross profit	7,717	9,340	7,717	9,340
Other income	366	314	366	314
Depreciation and amortisation	(307)	(270)	(307)	(270)
Distribution and administrative expenses	(5,866)	(5,453)	(5,866)	(5,453)
Operating profit	1,910	3,931	1,910	3,931
Interest Income	59	24	59	24
Interest expenses	(232)	(179)	(232)	(179)
Share of results of an associate	(118)	77	(118)	77
Profit before taxation	1,619	3,853	1,619	3,853
Taxation	(618)	(902)	(618)	(902)
Profit for the continuing operations	1,001	2,951	1,001	2,951
Discontinued operation				
Profit/(Loss) from discontinued operation, net of tax	29	(126)	29	(126)
Profit for the financial year	1,030	2,825	1,030	2,825
Other Comprehensive loss, net of tax	(901)	(45)	(901)	(45)
Total Comprehensive Income for the financial year	129	2,780	129	2,780
Profit attributable to:				
Owners of the parent - continuing operations	1,297	2,631	1,297	2,631
- discontinued operation	29	(126)	29	(126)
	1,326	2,505	1,326	2,505
Non-controlling interests	(296)	320	(296)	320
Profit for the financial year	1,030	2,825	1,030	2,825
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	838	2,608	838	2,608
- discontinued operation	29	(126)	29	(126)
	867	2,482	867	2,482
Non-controlling interests	(738)	298	(738)	298
Total Comprehensive Income for the financial year	129	2,780	129	2,780
Earnings per share (sen)				
- Basic - continuing operations	1.30	2.88	1.30	2.88
- discontinued operation	0.03	(0.14)	0.03	(0.14)
	1.33	2.74	1.33	2.74
- Diluted - continuing operations	1.11	2.55	1.11	2.55
- discontinued operation	0.02	(0.12)	0.02	(0.12)
	1.13	2.43	1.13	2.43

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 MARCH 2018

	(Unaudited) As at 31/03/2018 RM'000	(Audited) As at 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,500	41,424
Investment properties	644	645
Intangible assets	3,456	3,456
Investment in an associate	4,539	4,657
	49,139	50,182
Current assets		
Inventories	30,000	30,770
Trade and other receivables	35,750	40,666
Amount owing from contract customers	1,756	-
Fixed deposits with licensed banks	391	390
Cash and bank balances	19,952	10,885
	87,849	82,711
Assets included in disposal group classified as held for sale	27,312	27,277
	115,161	109,988
Total assets	164,300	160,170
EQUITY AND LIABILITIES		
Equity		
Share capital	57,586	47,158
Treasury shares	(571)	(571)
Revaluation reserve	6,487	6,487
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Foreign currency translation reserve	(998)	(539)
Retained profits	48,137	46,811
Shareholder's equity	115,241	103,946
Non-controlling interests	5,753	6,581
Total equity	120,994	110,527



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	(Unaudited) As at 31/03/2018 RM'000	(Audited) As at 31/12/2017 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	651	750
Bank borrowings	11,662	11,927
Deferred tax liabilities	2,398	2,398
	14,711	15,075
Current liabilities		
Trade and other payables	21,093	24,926
Finance lease liabilities	393	391
Bank borrowings	5,271	6,970
Provision for taxation	1,709	2,122
	28,466	34,409
Liabilities included in disposal group classified as held for sale	129	159
	28,595	34,568
Total liabilities	43,306	49,643
Total equity and liabilities	164,300	160,170
Net assets per share (RM)	1.14	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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	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	RM'000
At 1 January 2018	47,158	-	(571)	6,487	(13,340)	17,940	(539)	46,811	103,946	6,581	110,527
Profit for the financial year	-	-	-	-	-	-	-	1,326	1,326	(296)	1,030
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	-	(459)	-	(459)	(442)	(901)
Total comprehensive income for the financial year	-	-	-	-	-	-	(459)	1,326	867	(738)	129
<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
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	(90)	(90)
Total transactions with owners of the Company	10,428	-	-	-	-	-	-	-	10,428	(90)	10,338
At 31 March 2018	57,586	-	(571)	6,487	(13,340)	17,940	(998)	48,137	115,241	5,753	120,994
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	-	-	-	-	-	-	-	2,505	2,505	320	2,825
Other Comprehensive Expenses											
- Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	(23)	-	(23)	(22)	(45)
Total comprehensive income for the financial year	-	-	-	-	-	-	(23)	2,505	2,482	298	2,780
At 31 March 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	334	41,739	99,819	6,428	106,247

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)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	Current Year To-date 31/03/2018 RM'000	Preceding Year Corresponding Period 31/03/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	1,619	3,853
- Discontinued operation	29	(126)
	1,648	3,727
Adjustments for non-cash items:		
Bargain purchase of subsidiary	(76)	-
Depreciation and amortisation	753	757
Gain on disposal of property, plant & equipment	-	(184)
Interest expenses	232	180
Interest income	(59)	(24)
Share of results of an associate	118	(77)
Unrealised gain on foreign exchange	(37)	(78)
Operating profit before working capital changes	2,579	4,301
Changes in working capital		
Inventories	770	5,306
Receivables	5,046	131
Payables	(1,919)	(11,468)
Contract customers	(1,756)	-
Cash generated from operations	4,720	(1,730)
Income tax paid	(1,032)	(626)
Net cash from / (used in) operating activities	3,688	(2,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	(83)	(3)
Acquisition of property, plant and equipment	(284)	(1,959)
Proceeds from disposal of property, plant and equipment	-	184
Net cash outflows from acquisition of subsidiary	(15)	-
Interest received	59	24
Net cash used in investing activities	(323)	(1,754)



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	Current Year To-date 31/03/2018 RM'000	Preceding Year Corresponding Period 31/03/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,008)	(1,825)
Interest paid	(232)	(180)
(Repayment of) /proceeds from bankers acceptance	(2,173)	1,460
Net change of revolving credits	612	(293)
Repayment of term loans	(404)	(361)
Repayment of finance lease liabilities	(102)	(89)
Proceed from issue of share capital	10,428	-
Net cash from / (used in) financing activities	6,121	(1,288)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation differences	(444)	(23)
Cash and cash equivalents at the beginning of the financial year	11,096	13,572
Cash and cash equivalents at the end of the financial year	20,138	8,151
Note:	<u>Cash and cash equivalents at the end of the financial year</u>	
Continuing operations		
Cash and bank balances	19,952	8,681
Short term deposits with licensed banks	391	378
Bank overdraft	-	(607)
Fixed deposits pledged	(391)	(378)
	19,952	8,074
Discontinued operation		
Cash and bank balances	186	77
	20,138	8,151

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 FIRST QUARTER ENDED 31 MARCH 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.

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 FIRST QUARTER ENDED 31 MARCH 2018**

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 31 March 2018 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

The declared single-tier first interim dividend of 2.0 sen per share for the year ended 31 December 2017 amounting to RM2,007,936 was paid on 29 March 2018.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 3 months ended 31 March 2018

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Trading <u>& Service</u>	Oil <u>Milling</u>	<u>Elimination</u>	Consolidated <u>(Continuing)</u>	Plantation <u>(Discontinued)</u>	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue								
External sales	-	19,439	-	8,552	-	27,991	159	28,150
Inter-company	-	212	-	-	(212)	-	-	-
Dividend income	-	-	-	-	-	-	-	-
	-	19,651	-	8,552	(212)	27,991	159	28,150
Segmental results	(135)	2,583	(31)	(550)	43	1,910	30	1,940
Finance costs	-	(232)	-	-	-	(232)	(1)	(233)
Interest income	20	39	-	-	-	59	-	59
Share of results of an associate	(118)	-	-	-	-	(118)	-	(118)
Profit/(Loss) before Tax	(233)	2,390	(31)	(550)	43	1,619	29	1,648
Taxation	-	-	-	-	-	(618)	-	(618)
Profit for the year						1,001	29	1,030

Segmental reporting for the 3 months ended 31 March 2017

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Trading <u>& Service</u>	Oil <u>Milling</u>	<u>Elimination</u>	Consolidated <u>(Continuing)</u>	Plantation <u>(Discontinued)</u>	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue								
External sales	-	24,387	-	23,424	-	47,811	66	47,877
Inter-company	-	192	-	-	(192)	-	-	-
Dividend income	-	-	-	-	-	-	-	-
	-	24,579	-	23,424	(192)	47,811	66	47,877
Segmental results	(97)	3,025	(2)	928	77	3,931	(125)	3,806
Finance costs	-	(179)	-	-	-	(179)	(1)	(180)
Interest income	-	24	-	-	-	24	-	24
Share of results of an associate	77	-	-	-	-	77	-	77
Profit/(Loss) before Tax	(20)	2,870	(2)	928	77	3,853	(126)	3,727
Taxation	-	-	-	-	-	(902)	-	(902)
Profit for the year						2,951	(126)	2,825



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

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 3 April 2018, the Company repurchased 24,000 ordinary shares of its issued share capital from the open market at an average price of RM1.10 per share. The purchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

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

On 1st March 2018, the Company acquired 1 new ordinary share of Palm Ocean Engineering Sdn Bhd ("POE") for a total consideration of RM15,000. As a result, POE becomes wholly-owned subsidiary company of the Company.

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.

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	6,000
PT. Banyuasin Nusantara Sejahtera	Associate	Sales of goods	17,983	17,983

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 FIRST QUARTER ENDED 31 MARCH 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 (3 months ended)		
	31/03/2018 RM '000	31/03/2017 RM '000	Changes %	31/03/2018 RM '000	31/03/2017 RM '000	Changes %
Revenue						
- Continuing operations	27,991	47,811	(41.5)	27,991	47,811	(41.5)
- Discontinued operation	159	66	140.9	159	66	140.9
	<u>28,150</u>	<u>47,877</u>	(41.2)	<u>28,150</u>	<u>47,877</u>	(41.2)
Operating profit	1,910	3,931	(51.4)	1,910	3,931	(51.4)
Profit before interest and tax	1,792	4,008	(55.3)	1,792	4,008	(55.3)
Profit/(Loss) before tax (PBT)						
- Continuing operations	1,619	3,853	(58.0)	1,619	3,853	(58.0)
- Discontinued operation	29	(126)	(123.0)	29	(126)	(123.0)
	<u>1,648</u>	<u>3,727</u>	(55.8)	<u>1,648</u>	<u>3,727</u>	(55.8)
Profit/(Loss) after tax (PAT)						
- Continuing operations	1,001	2,951	(66.1)	1,001	2,951	(66.1)
- Discontinued operation	29	(126)	(123.0)	29	(126)	(123.0)
	<u>1,030</u>	<u>2,825</u>	(63.5)	<u>1,030</u>	<u>2,825</u>	(63.5)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	1,297	2,631	(50.7)	1,297	2,631	(50.7)
- Discontinued operation	29	(126)	(123.0)	29	(126)	(123.0)
	<u>1,326</u>	<u>2,505</u>	(47.1)	<u>1,326</u>	<u>2,505</u>	(47.1)

For the current quarter under review, the Group's revenue was 41.2% lower at RM28.15 million, while PBT decreased by 55.3% to RM1.65 million as compared to the preceding year's corresponding quarter.

Manufacturing division registered a revenue and PBT of RM19.44 million and RM2.39 million respectively in the current quarter as compared with RM24.39 million and RM2.87 million recorded in the preceding year's quarter. Lower revenue was mainly due to the unforeseeable deferment of shipments by certain customers.

Oil milling division's revenue reduced substantially to RM8.55 million and registered a loss before tax RM0.55 million. It was mainly attributable to the on-going upgrading works of palm kernel crushing plant which in turn impacted the production flow of the mill and resulted lower production output, coupled with lower average selling prices of Crude Palm Kernel Oil ("CPKO") in the current period under review.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter	Immediate Preceding Quarter	Changes %
	31/03/2018 RM '000	31/12/2017 RM '000	
Revenue			
- Continuing operations	27,991	41,016	(31.8)
- Discontinued operation	159	283	(43.8)
	<u>28,150</u>	<u>41,299</u>	(31.8)
Operating profit	1,910	2,422	(21.1)
Profit before interest and tax	1,792	2,551	(29.8)
Profit/(Loss) before tax (PBT)			
- Continuing operations	1,619	2,344	(30.9)
- Discontinued operation	29	(168)	(117.3)
	<u>1,648</u>	<u>2,176</u>	(24.3)
Profit/(Loss) after tax (PAT)			
- Continuing operations	1,001	1,339	(25.2)
- Discontinued operation	29	(168)	(117.3)
	<u>1,030</u>	<u>1,171</u>	(12.0)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	1,297	1,016	27.7
- Discontinued operation	29	(168)	(117.3)
	<u>1,326</u>	<u>848</u>	56.4

For the current quarter under review, revenue and PBT of the Group stood at RM28.15 million and RM1.65 million respectively as compared to RM41.30 million and RM2.18 million recorded in the immediate preceding quarter.

Manufacturing division recorded a revenue and PBT at RM19.44 million and RM2.39 million respectively as compared to RM24.55 million and RM2.00 million reported in the immediate preceding quarter. Despite the lower revenue, PBT still sustainable by the higher project sales and better products mix in the current quarter under review.

Oil milling division marked its revenue at RM8.55 million compared to RM16.38 million reported in the immediate preceding quarter. Meanwhile, loss before tax was recorded at RM0.55 million in the current quarter as compared to profit before tax of RM0.79 million registered in the immediate preceding quarter. The lower production output of CPKO as a result of the on-going upgrading works of palm kernel crushing plant which in turn impacted the production flow of the mill, coupled with lower selling price of CPKO has affected the performance of the division.



B3. COMMENTARY ON PROSPECTS

The Board expects the Group's operating environment for the financial year ending 2018 to remain challenging and competitive.

Going forward, the Board intends to conserve and direct its resources towards the core business to ensure long term sustainable growth and profitability for the Group. Further, marketing and promotion activities will be intensified to increase market shares, replenish order book and tapping into new markets.

Escalating costs due to inflationary pressure, volatility of global steel prices and fluctuation of foreign exchange rates may affect the Group's performance. To counter that, prudent cost management and operational efficiency will be implemented to stay competitive while actively scouting for viable new strategic and business opportunities.

The Board believes that our core business is not expected to be significantly affected by a drastic change in global economic conditions. Barring any unforeseen circumstances, the Board of Directors is of the view that the performance of the Group will remain satisfactory for the financial year ending 2018.

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	(618)	(618)
	<u>(618)</u>	<u>(618)</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.

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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

B8. STATUS OF CORPORATE PROPOSALS

As announcement made on 13 October 2017 related to the proposal to undertake a private placement of up to 9,126,980 new ordinary shares, which representing up to 10% of the issued share capital of MBL, had duly completed on 8 March 2018.

The gross proceeds from the Private Placement of RM10.43 million are expected to be utilised in the following manner:-

Nature of utilisation	Time frame for utilisation from the date of the Listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance (RM'000)
Repayment of bank borrowings	Within 12 months	9,890	478	9,412
Expenses for the Private Placement	Within 6 months	150	94	56
Total		10,040	572	9,468

B9. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at First Quarter ended 2018					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD	RM	USD	RM	USD	RM
	Fx Rate 3.86 RM '000	RM '000	Fx Rate 3.86 RM '000	RM '000	Fx Rate 3.86 RM '000	RM '000
Secured						
- Term loans	-	11,662	-	1,133	-	12,795
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	3,526	-	3,526
- Revolving credits	-	-	612	-	612	-
Total	-	11,662	612	4,659	612	16,321

	As at First Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD	RM	USD	RM	USD	RM
	Fx Rate 4.43 RM '000	RM '000	Fx Rate 4.43 RM '000	RM '000	Fx Rate 4.43 RM '000	RM '000
Secured						
- Term loans	-	11,180	-	1,073	-	12,253
- Bank overdraft	-	-	-	607	-	607
- Bankers acceptance	-	-	-	3,958	-	3,958
- Revolving credits	-	-	3,828	-	3,828	-
Total	-	11,180	3,828	5,638	3,828	16,818



B9. GROUP BORROWINGS AND DEBT SECURITIES (Cont'd)

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

	2018	2017
	%	%
Term loans	4.52 - 5.85	4.52 - 5.70
Bank overdraft	-	8.12
Bankers acceptance	4.53 - 4.82	4.53 - 4.82
Revolving credits	3.75	-

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

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

A single-tier first interim dividend of 1.0 sen per share for the year ending 31 December 2018 was declared on 30 May 2018 and to be paid on 4 July 2018.

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) Basic EPS		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	1,297	1,297
- Discontinued operation	29	29
	<u>1,326</u>	<u>1,326</u>
Weighted average number of ordinary shares (000)	99,503	99,503
Basic EPS (Sen)		
- Continuing operations	1.30	1.30
- Discontinued operation	0.03	0.03
	<u>1.33</u>	<u>1.33</u>



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B13. EARNINGS PER SHARE (Cont'd)

	Current Quarter RM '000	Current YTD RM '000
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	1,297	1,297
- Discontinued operation	29	29
	<u>1,326</u>	<u>1,326</u>
Weighted average number of ordinary shares (000)	116,422	116,422
Basic EPS (Sen)		
- Continuing operations	1.11	1.11
- Discontinued operation	0.02	0.02
	<u>1.13</u>	<u>1.13</u>

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	(59)	(59)
Other income including investment income	(86)	(86)
Interest expense	232	232
Depreciation and amortization	754	754
Foreign exchange gain	<u>(272)</u>	<u>(272)</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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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 30 May 2018.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
30 May 2018