



**MUAR BAN LEE
GROUP BERHAD**

Company No. 200601033829 (753588-P)

**ANNUAL REPORT
2022**

Table of Contents

NOTICE OF ANNUAL GENERAL MEETING	2
STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING	7
CORPORATE INFORMATION	8
CORPORATE STRUCTURE	9
DIRECTORS' PROFILE	12
PROFILE OF KEY SENIOR MANAGEMENT.....	16
CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS	17
FINANCIAL HIGHLIGHTS	26
SUSTAINABILITY STATEMENT	27
CORPORATE GOVERNANCE OVERVIEW STATEMENT	36
AUDIT COMMITTEE REPORT	49
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	52
STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL STATEMENTS	55
OTHER DISCLOSURE REQUIREMENTS	56
FINANCIAL STATEMENTS	59
LIST OF GROUP PROPERTIES	162
ANALYSIS OF SHAREHOLDINGS	166
ADMINISTRATIVE GUIDE	169
PROXY FORM.....	ENCLOSED

Notice of *Annual General Meeting*

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting ("17th AGM") of Muar Ban Lee Group Berhad ("MBL" or the "Company") will be held on a fully virtual basis through the online meeting platform in Malaysia at <https://agm.digerati.com.my/pasb-online> (Domain registration number: D1A119533) provided by Digerati Technologies Sdn Bhd on Thursday, 25 May 2023 at 11.30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions:-

AGENDA

As Ordinary Businesses

- 1) To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
- 2) To re-elect the following Directors who retires in accordance with Clause 21.5(a) and 21.5(c) of the Company's Constitution of the Company, and being eligible, have offer themselves for re-election:-
 - a) Chua En Hom - Clause 21.5(a) (Resolution 1)
 - b) Dato' Chua Heok Wee - Clause 21.5(a) (Resolution 2)
 - c) Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai - Clause 21.5(a) (Resolution 3)
 - d) Lim Choo Hooi - Clause 21.5(c) (Resolution 4)
- 3) To approve the payment of Directors' fees and monthly allowances as per Table A as stated in Explanation Note to Agenda 3, for the period commencing from the conclusion of the 17th AGM of the Company until the conclusion of the next AGM of the Company. (Resolution 5)
- 4) To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

As Special Businesses

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-

- 5) Ordinary Resolution I

Authority to Issue Shares Pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights

"THAT subject always to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 7.1 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company." (Resolution 7)

Notice of Annual General Meeting

(cont'd)

6) Ordinary Resolution II

Proposed Renewal of Authority for Share Buy-Back

"THAT subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares of the Company's issued capital through Bursa Securities at anytime and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:-

- i. the maximum number of MBL shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued share capital of the Company at any point of time;
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the retained profits of the Company, as at 31 December 2022;
- iii. the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:-
 - a. the conclusion of the next Annual General Meeting ("AGM") of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - b. the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities or any other relevant authorities;
- iv. upon completion of the purchase(s) of the MBL Shares by the Company ("Purchase Shares"), the Purchase Shares shall be dealt with either of the following manner:-
 - a. cancel the Purchase Shares if the Directors of the Company deem that there is excess share capital and wish to reduce the number of shares in circulation; or
 - b. retain the Purchase Shares as treasury shares held by the Company; or
 - c. retain part of the Purchase Shares as treasury shares and cancel the remainder; or
 - d. resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
 - e. distribute the Purchase Shares as share dividends if the Directors of the Company wish to reward the shareholders of MBL, which will depend on the availability of, among others, retained profits, share premium and tax credits of the Company.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of MBL Shares."

(Resolution 8)

7) To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

Notice of Annual General Meeting

(cont'd)

BY ORDER OF THE BOARD

Tan Hui Lun (LS 0010066)
SSM PC No.:201908003423
Company Secretary

Muar, Johor Darul Takzim
Date: 27 April 2023

Explanatory Notes to Agenda:-

1. Item 1 of the Agenda – Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. Item 2 of the Agenda - Resolution 1 to 4

Clause 21.5(a) of the Constitution of the Company provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company and Clause 21.5(c) of the Constitution stated that a Director so appointed by the Board shall hold office only until the next following AGM, and shall then be eligible for re-election. The Directors standing for re-election at the AGM pursuant to the Constitution of the Company are:-

- (a) Chua En Hom - Clause 21.5(a)
- (b) Dato’ Chua Heok Wee - Clause 21.5(a)
- (c) Tan Sri Dato’ Seri Tan King Tai @ Tan Khooon Hai - Clause 21.5(a)
- (d) Lim Choo Hooi - Clause 21.5(c)

The Board has through the Nominating Committee, considered the assessment of the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

3. Item 3 of the Agenda - Resolution 5

The proposed Ordinary Resolution 5 is to facilitate the payment of Directors’ Fees and Monthly Allowances payable to Directors. The total estimated monthly allowances payable is calculated based on the estimated number of scheduled Board’s and Board Committees’ meetings for the period from the conclusion of the 17th AGM until the next AGM of the Company.

The Proposed Directors’ fees and monthly allowance are in the best interest of the Company and in accordance with the remuneration framework of the Group. The details of the Directors’ fees and monthly allowance proposed are as per Table A below and assuming that all Non-Executive Directors will hold office until the calculation of the next AGM:-

	Directors’ Fees per annum per pax (RM)	Meeting Allowance per pax (RM)
Executive Director	48,000.00	500
Non-Executive Director	48,000.00	2,000

This resolution is to facilitate payment of Directors’ fees and monthly allowances on current financial year basis. In the event the Directors’ fees proposed are insufficient (e.g. due to more meetings), approval will be sought at the next AGM for additional fees to meet the shortfall.

Notice of Annual General Meeting

(cont'd)

4. **Item 4 of the Agenda - Resolution 6**

The Audit Committee and the Board have considered the re-appointment of UHY as Auditors of the Company and collectively agree that UHY meets the criteria of the adequacy of experience and resources of the firm and the person assigned to the audit as prescribed by Paragraph 15.21 of MMLR.

5. **Item 5 of the Agenda - Resolution 7**

The proposed Resolution 7 is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time to such persons in their absolute discretion for such purposes as the Board considers to be in the best interests of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the last AGM held on 26 May 2022 of which will lapse at the conclusion of the 17th AGM (hereinafter referred to as the "Previous Mandate").

The Previous Mandate granted by the shareholders had not been utilised and therefore, no proceed been raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate."

6. **Item 6 of the Agenda - Resolution 8**

The Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the issued share capital of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

Please refer to the Statement to Shareholders dated 27 April 2023 for further information.

Notes :

1) IMPORTANT NOTICE

- a) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.
- b) Shareholders will not be allowed to attend this AGM in person at the Broadcast Venue on the day of the meeting.
- c) Members are to attend, speak (including posing questions to the Board in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM of the Company by using the Remote Participation and Voting Facilities ("RPV") provided by Digerati Technologies Sdn Bhd ("Digerati") at <https://agm.digerati.com.my/pasb-online>.
- d) Please refer to the Procedures to Remote Participation and Voting via RPV in the Administrative Guide for the AGM in order to participate remotely via RPV.

Notice of Annual General Meeting

(cont'd)

2) APPOINTMENT OF PROXY

- a) For the purpose of determining who shall be entitled to attend in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 May 2023. Only a member whose name appears on this Record of Depositor shall be entitled to participate in this AGM via PRV.
- b) A proxy may but need not be a member of the Company and the provisions of Section 334(1) of the Companies Act 2016 shall not apply to the Company.
- c) Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
- d) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- f) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:

In hard copy form

In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Register office at 85, Muntri Street, 10200 Georgetown, Pulau Pinang.

By electronic form

In the case of an appointment made via electronic mean, fill up the information to appoint proxy at <https://agm.digerati.com.my/pasb-online> (Kindly refer to the Administrative Guide for the AGM) or send the scanned copy of the Form of Proxy to pasb_helpdesk@digerati.com.my.

- (g) Please ensure ALL the particulars as required in Form of Proxy are completed, signed and dated accordingly.
- (h) It is important that you read the Administrative Guide for the conduct of this AGM.
- (i) Shareholders are advised to check the Company's website at www.mbl.com. and announcements from time to time for any changes to the administration of this AGM that may be necessitated by changes to the directive safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysia National Security Council, Securities Commission Malaysia and/other relevant authorities.

Statement Accompanying Notice of
Annual General Meeting
(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

1. No individual is standing for election as a Director at the forthcoming AGM of the Company.
2. Details on the authority to issue shares pursuant to the Companies Act 2016 and waiver of Pre-Emptive Rights are provided under the explanatory notes to Agenda in the Notes of the 17th AGM.

Corporate Information

Dato' Chua Ah Ba @ Chua Eng Ka
(Executive Chairman)

Chua En Hom
(Deputy Executive Chairman)

Dato' Chua Heok Wee
(Managing Director)

Board of DIRECTORS

Chua Kang Sing
(Executive Director)

**Tan Sri Dato' Seri Tan King Tai @
Tan Khoon Hai**
(Executive Director/Finance Director)

Tan Soo Mooi
(Independent Non-Executive Director)

**Datuk Rajendran A/L P
Narayanasamy**
(Independent Non-Executive Director)

Ng Mei Wan
(Independent Non-Executive Director)

Lim Choo Hooi
(Independent Non-Executive Director)
(Appointed on 31 March 2023)

**Khairilnuar Bin Tun Abdul
Rahman**
(Senior Independent Non-Executive Director)
(Resigned on 31 March 2023)

Members of Audit Committees

(Chairwoman)
Tan Soo Mooi

(Member)
Datuk Rajendran A/L P
Narayanasamy
Ng Mei Wan

(Member) (Resigned on 31 March 2023)
Khairilnuar Bin Tun Abdul Rahman
(Member) (Appointed on 31 March 2023)
Lim Choo Hooi

Members of Remuneration Committees

(Chairman)
Datuk Rajendran A/L P
Narayanasamy

(Member)
Tan Soo Mooi
Ng Mei Wan

(Member) (Resigned on 31 March 2023)
Khairilnuar Bin Tun Abdul Rahman
(Member) (Appointed on 31 March 2023)
Lim Choo Hooi

Members of Nomination Committees

(Chairman) (Resigned on 31 March 2023)
Khairilnuar Bin Tun Abdul Rahman
(Chairman) (Appointed on 31 March 2023)
Lim Choo Hooi

(Member)
Datuk Rajendran A/L P Narayanasamy
Tan Soo Mooi
Ng Mei Wan

Company Secretary

Tan Hui Lun
(LS 0010066)
SSM PC No.: 201908003423

Registered Office

No. 85, Muntri Street
10200 Georgetown,
Pulau Pinang.
Tel. no.: 04-263 8100
Fax. no.: 04-263 8500
E-mail: tcms@tcms.com.my

Principal Place of Business

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

Share Registrars

Plantation Agencies Sdn Berhad
3rd Floor, 2 Lebuhr Pantai,
10300 Georgetown,
Pulau Pinang.
Tel. no.: 04-262 5333
Fax. no.: 04-262 2018
E-mail: general@plantationagencies.
com.my

Auditors

UHY (AF 1411)
Chartered Accountants

Principal Bankers

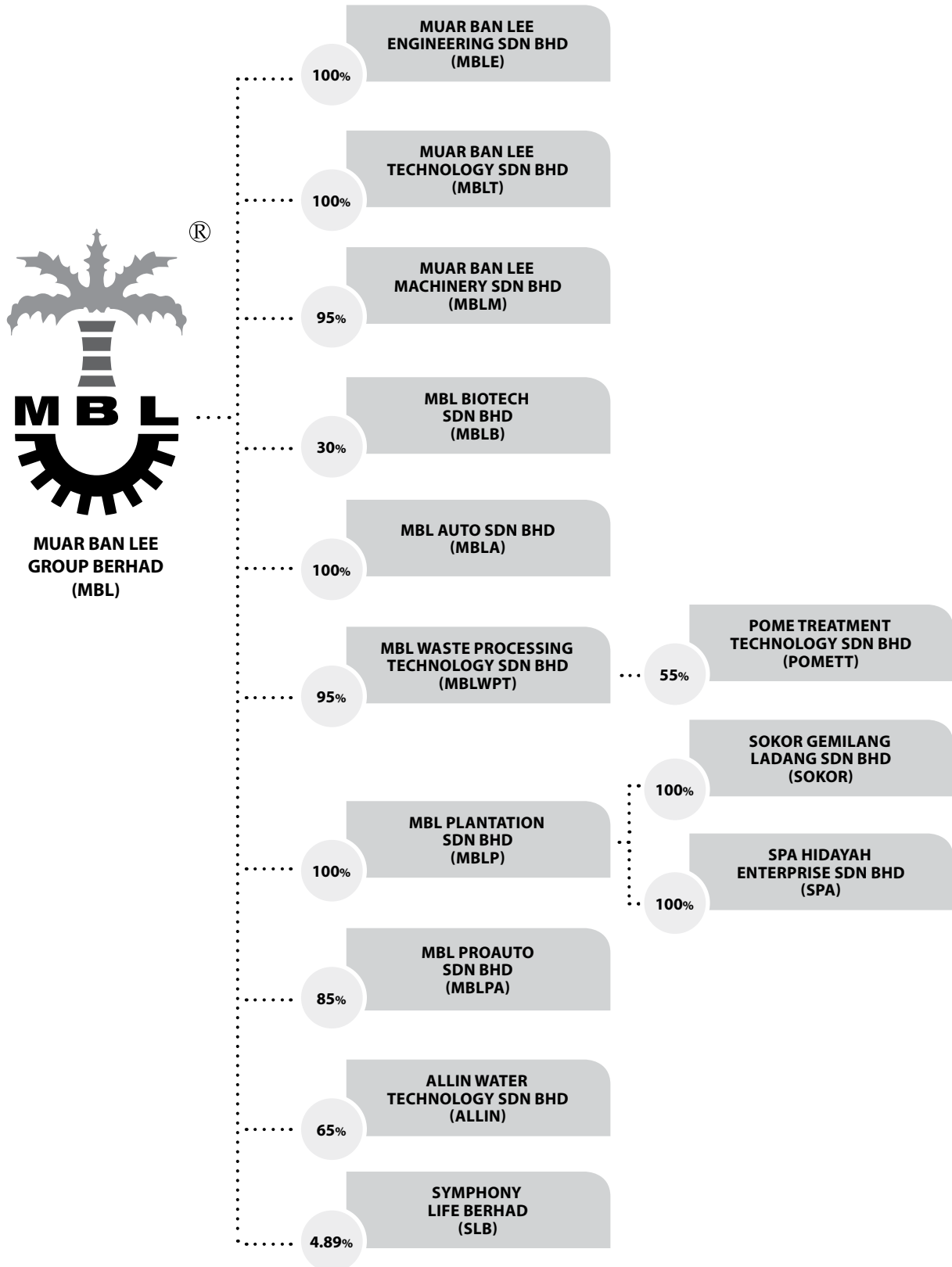
AmBank (M) Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia)
Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 28th October 2009)
Stock Name: MBL
Stock Code: 5152

Corporate Structure

As at 31 March 2023



Corporate Structure

(cont'd)

Name	Registration No	Date/Place of Incorporation	Issued Share Capital (RM)	Equity Interest (%)	Principal Activities
MBLE	166822-V	8 December 1987/Malaysia	2,000,000	100.00	Manufacturing of oil seed expellers and related parts and engage in construction of biogas plant
MBLT	664866-T	6 September 2004/Malaysia	1,000,000	100.00	Manufacturing of automated kernel crushing plants and related parts
MBLM	1173836-H	26 January 2016/Malaysia	400,000	95.00	Manufacturing of automated processing machinery and equipment and related parts and components for palm oil industry and engage in construction of biogas plant
MBLB	924087-K	2 December 2010/Malaysia	100,000	30.00	Dormant
MBLA	920960-X	4 November 2010/Malaysia	2	100.00	To carry on the business of a distributor, dealer, importer, broker, trade, investor, financier, equity partner, bidder, offeror, auctioneer of cars/automobiles and provide storage, logistic, warehousing, servicing, maintenance and support. To own, lease, operate, maintain, administer all aspects of an auto racing circuit
MBLWPT	910968-D	9 August 2010/Malaysia	100,000	95.00	Investment holding company
MBLP	980076-K	29 February 2012/Malaysia	400,000	100.00	Investing holding company involving in agricultural industry
POMETT*	938073-V	28 March 2011/Malaysia	100,000	52.5	Manufacturing of machinery and equipment for waste management and power generation from palm oil waste
SOKOR	742516-X	28 July 2006/Malaysia	2,000,000	100.00	Cultivation of oil palm plantation
SPA	1043099-H	18 April 2013/Malaysia	200,000	100.00	Dormant
MBLPA	1341136-T	5 September 2019/Malaysia	1,500,000	85.00	To carry on the business of a distributor, dealer, importer, broker, trade, investor, financier, equity partner, bidder, offeror, auctioneer of cars/automobiles and provide storage, logistic, warehousing, servicing, maintenance and support. To own, lease, operate, maintain, administer all aspects of an auto racing circuit
ALLIN	1000984-W	9 March 2012/Malaysia	500,000	65.00	Design, fabricate, supply and installation of machinery and ancillary equipment for waste water treatment and energy generation from palm oil mill and other industry
SLB	5572-H	15 July 1964/Malaysia	716,445,986	4.89	Property development, property investment, investment holding company, project management and marketing services

Corporate Structure

(cont'd)

* The total effective equity interest held by the Group is 52.5%, of which 55% is directly held by MBLWPT.

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

- design and manufacture of oil seed expellers, and ancillary machinery for oil seed crushing plants;
- design, fabrication, installation and commissioning of oil seed crushing plants;
- manufacture and sale of spare parts;
- cultivation of oil palm plantation;
- operating palm kernel oil mill;
- to carry on the business of a distributor, dealer, importer, broker, trade, investor, financier, equity partner, bidder, offeror, auctioneer of cars/automobiles and provide storage, logistic, warehousing, servicing, maintenance and support. To own, lease, operate, maintain, administer all aspects of an auto racing circuit;
- design, fabricate, supply and installation of machinery and ancillary equipment for waste water treatment and energy generation; and
- investment in quoted shares.

Directors' **Profile**

Dato' Chua Ah Ba @ Chua Eng Ka

A Malaysian, aged 77, is the Executive Chairman of our Group and was appointed to our Board on 30 June 2009. He is the founder of our Group and has accumulated more than 48 years experience and expertise in the design and manufacture of oil seed expellers, ancillary machinery and spare parts. His vision and stewardship over the past years has taken our Group from a small scale manufacturer to our current position as one of the top manufacturers of oil seed expellers in Malaysia. He currently works together with Dato' Chua Heok Wee in the overall business operation and strategic planning.

Chua En Hom *

A Malaysian, aged 69, is the Deputy Executive Chairman of our Group and was appointed to our Board on 30 June 2009. He has over 42 years experience in metal engineering industry and is involved in the daily operations of our factories. He is responsible for the overall production activities in MBLE and MBLT.

Dato' Chua Heok Wee *

A Malaysian, aged 50, is the Managing Director of our Group and was appointed to our Board on 30 June 2009. He joined as a foreman and assisted his father, Dato' Chua Ah Ba @ Chua Eng Ka in 1995 and was subsequently promoted to Project Manager in 1997. With more than 28 years experience in the design and manufacture of oil seed expellers, ancillary machinery and spare parts, he has steered MBLE from a small scale manufacturer to be one of the major manufacturers of oil seed expellers in Malaysia. He is responsible for the overall business planning, marketing, product development and brand building of our Group. He has participated in many international metal product trade fairs and exhibitions held overseas and locally. He also oversees the operation of SJP and Sokor Gemilang Ladang Sdn Bhd.

He was appointed as the Independent Non-Executive Director of SWS Capital Berhad which is listed in Main Market of Bursa Malaysia Securities Berhad on 23 December 2015 and resigned on 6 January 2021.

He was appointed as the Executive Director of Symphony Life Berhad is listed in Main Market of Bursa Malaysia Securities Berhad on 2 September 2021.

Chua Kang Sing

A Malaysian, aged 32, is the Executive Director of our Group and was appointed to our Board on 09 December 2020. He joined production department in Muar Ban Lee Group Berhad as machinist in grinding and machining department in year 2011. He also involved in inventory management and Production Coordinator. Subsequently he was promoted to Assistant Factory Manager in 2014 to assist Factory Manager on supervision and operation of production process. He has accumulated 10 years' experience in engineering and palm oil industries. He is well-trained in the Company production process and possess extension, knowledge of oil seed expeller and other manufactured product. Since 2015, he promoted as Manager in Costing and Quotation Department. He is responsible to review and approve the product costing before quoting to the customers. Besides that, he also involved in Research and Development Department to enhance the product capacity and efficiency from time to time. He also oversees the group administration.

Directors' Profile

(cont'd)

Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai *

A Malaysian, aged 68, is the Executive Director / Finance Director of our Group and was appointed to our Board on 30 June 2009. He is a member of the Institute of Certified Public Accountants, Ireland and fellow member of Malaysian Association of Company Secretaries. He is awarded with a Doctorate of Industry by public university, University Sains Malaysia. He has over 41 years of working experience in the fields of auditing, accounting and corporate finance. He is primarily responsible for the finance department of MBL. He holds directorship in other public listed company, which are listed in Main Market of Bursa Malaysia Securities Berhad: - His experience and contribution in other directorship are as follows:-

- Non Executive Director of Symphony Life Berhad (appointed on 2 September 2021 and redesignated as Executive Chairman on 15 November 2021);
- Non Executive Chairman of SWS Capital Berhad (appointed as the Executive Director of SWS Capital Berhad on 30 November 2003 and resigned on 26 October 2010. He was subsequently appointed as the Deputy Executive Chairman on 23 December 2015 and redesignated as Executive Chairman on 16 November 2016 and redesignated as Non Executive Chairman on 2 February 2021);
- Non Executive Chairman of Eka Noodles Berhad (appointed on 8 May 2017 and retired on 21 August 2020);
- Executive Director of Pensonic Holdings Berhad (appointed on 13 September 1995 and resigned on 1 October 2017);
- Senior Independent Non Executive Director of Unimech Group Berhad (appointed on 6 March 2000 and resigned on 5 July 2016); and
- Independent Non Executive Director of Denko Industrial Corporation Berhad (appointed on 27 December 2010 and resigned on 21 March 2017)

He also sits on the board of several other private limited companies. He has no family relationship with any other Director or major shareholder of our Group.

Datuk Rajendran A/L P Narayanasamy

A Malaysian, aged 65, was appointed as the Independent Non-Executive Director of our Company on 1 March 2019. He holds a degree in Economics from the University Malaya and a degree in Laws, L.L.B. (Hons) from the University of London. He was appointed as Deputy Chief Executive Officer of the Malaysian Investment Development Authority (MIDA) on 1 July 2014. His roles included helping the CEO to position MIDA for future competitiveness by developing strategy on new business models that will enhance MIDA's core business activities and visibility, strengthening strategic planning and policy advocacy with an emphasis on the ecosystem approach. In discharging his functions, he had regular engagement not only with the business community but the media as well. He has 38 years of experience in investment policy formulation and promotion. He has no family relationship with any other Director or major shareholder of our Group.

Directors' Profile

(cont'd)

Tan Soo Mooi

A Malaysian, aged 56, was appointed as the Independent Non-Executive Director of our Company on 10 April 2019. She graduated from the University of Malaya with Bachelor degree in Accounting (Honour) and obtained accounting professional qualification from Malaysian Institute of Certified Public Accountants (MICPA). She is a Chartered Accountant registered with Malaysia Institute of Accountants (MIA). She started her career in auditing from year 1992 to 1994 where she gained her audit experience in auditing of clients of difference type of industries ranging from trading, manufacturing and stockbroking. She then switched her career path to commercial industries by joining subsidiary companies of public listed company as an Accountant from year 1994 to 1998. She subsequently joined a multinational company as an Accountant from year 1998 to 2017 where she first joined as Deputy Finance Manager and promoted as Group Financial Controller thereafter. She also sat on the Board of the group of companies in Malaysia and Thailand since year 2011. Her job responsibilities in the commercial industries were mainly in the areas of accounting, finance, taxation, internal control, corporate governance, purchasing and administration. Currently she works as an independent financial consultant. She holds directorships in other public listed companies, which are listed in Main Market of Bursa Malaysia Securities Berhad:-

- Independent and Non-Executive Director of Tek Seng Holdings Berhad (since 1 July 2019); and
- Independent and Non-Executive Director of Sin-Kung Logistics Berhad (since 13 August 2022).

She has no family relationship with any other Director or major shareholder of our Group.

Ng Mei Wan

A Malaysian, aged 43, was appointed as the Independent Non-Executive Director of our Company on 4 October 2021. She graduated from the National University of Malaysia (UKM) with Bachelor in Accounting with honours and became a Chartered Accountant registered with Malaysia Institute of Accountants (MIA). She started her career with an audit firm, namely SC Lim & Co. in 2004. She gained working experience and exposure to various industries while rising through the ranks in audit profession over the years. She joined LSCA Management Consultants Sdn. Bhd. as partner and the Company Secretary since 2010. She had over eleven years of experience in advisory on the Listing Requirements of the Bursa Malaysia Securities Berhad, provisions of the Companies Act 2016, MCCG and other relevant legislations governing companies and corporate secretarial requirements.

She does not holds directorships in other public listed companies and has no family relationship with any other Director or major shareholder of our Group.

Directors' Profile

(cont'd)

Lim Choo Hooi *

A Malaysian, aged 53, was appointed as the Independent Non-Executive Director of our Company on 31 March 2023. He graduated with a Degree in Law from University Malaya. He obtained his professional qualification in Advocate and Solicitor from the High Court of Malaya.

He has been practising as an advocate and solicitor since the start of his career. In 1997, he set up a partnership legal firm under the name of Messrs. J. Tan & C. H. Lim in Penang, and specialises in areas such as corporate restructuring, real estate, infrastructure, dispute resolution, civil litigation and general corporate advisory matters.

He has also been involved in the legal affairs at all stages of Malaysia's real estate market. He has extensive experience in real estate development, mergers and acquisitions, restructuring and private placement of real estate projects, commercial real estate investment and operation, and resolution of disputes in co-operative development.

He has provided legal services to established property development companies, amongst others, BSG Property Group, Eco World Development Group and SP Setia Berhad Group.

He had in the past served on the Board of Eka Noodles Berhad as an Independent Non-Executive Director. He was also appointed as the Independent Non-Executive Director of Symphony Life Berhad on 20 October 2021.

He has no family relationship with any other Director or major shareholder of our Group.

ADDITIONAL INFORMATION ON THE DIRECTORS

- (a) Details of the directors' interest in the securities of the Company are set out in the Directors' Report on page 61 and 62 of this Annual Report.
- (b) None of the directors have any conflict of interest in the Company.
- (c) None of the directors have been convicted for offences within the past ten (10) years other than minor offences, if any.
- (d) Save as disclosed below, there are no family relationships amongst the Directors and senior management staff of the Group:
 - (i) Dato' Chua Ah Ba @ Chua Eng Ka, Chua En Hom sibling;
 - (ii) Dato' Chua Heok Wee is the son of Dato' Chua Ah Ba @ Chua Eng Ka;
 - (iii) Chua Kang Sing is nephew of Dato' Chua Ah Ba @ Chua Eng Ka and Chua En Hom;
 - (iv) Chua Kang Sing is the cousin of Dato' Chua Heok Wee and Chua Chang Yee;
 - (v) Chua Chang Yee is the son of Chua En Hom;
- (e) Save for the Executive Directors, all the Non-Executive Directors satisfy the criteria of an independent director as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

* Directors who are standing for re-election

Profile of **Key Senior Management**

Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai

Finance Director

Nationality: Malaysian

Gender: Male

Age: 68

Please refer to Directors' Profile section of this Annual Report.

Dato' Chua Heok Wee

Chief Executive Officer

Nationality: Malaysian

Gender: Male

Age: 50

Please refer to Directors' Profile section of this Annual Report.

Mr. Jayden Lee Jia Jie

Chief Financial Officer

Nationality: Malaysian

Gender: Male

Age: 32

Mr. Jayden Lee Jia Jie graduated with a Master Degree ("MSc") in Accounting and Finance from Sheffield Hallam University, the United Kingdom.

Mr. Jayden was appointed as the Chief Financial Officer ("CFO") of the Company on 29 August 2022. Mr. Jayden is responsible for overseeing the Group's financial planning and management, accounting, and administrative functions, which include but not limited to group financial reporting, cash flow management, treasury operations, budgeting and taxation.

Prior to joining the Group, Mr. Jayden was an external auditor with Crowe, followed by BDO Singapore and PricewaterhouseCoopers ("PwC") Singapore for more than 6 years. He has vast experience in financial audits and statutory reporting for both listed and non-listed companies in the fields of manufacturing, trading, shipping, telecommunication, and technology.

He is presently a member of the Association of Chartered Certified Accountants ("ACCA") and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA").

He does not hold any directorships in any public listed companies. He has no relationship with any other Directors or Major shareholder of the Group, no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

Chairman's Statement & Management Discussion and Analysis



This Statement contains the management discussion and analysis ("MD&A") of the business operations and performance (including financial performance) of Muar Ban Lee Group Berhad ("MBL" or the "Group") for the FYE2022.

This MD&A should be read in conjunction with the Audited Financial Statements of the Group for FYE2022 as set out in this Annual Report.

This MD&A contains forward-looking statements that reflect our current views in respect to future events. Our actual results may differ from those anticipated in these forward-looking statements as the results of risks and uncertainties.

BUSINESS OVERVIEW

From humble beginnings operating a small engineering workshop back in 1980s, MBL has since undergone tremendous growth and diversification. Today, MBL was listed on the main board of Bursa Malaysia with main business segments - Manufacturing Division, Oil Milling Division, Automotive Division and Plantation Division.

Manufacturing division is an international renowned integrated engineering solution provider and supplier of oil seed crushing machineries, ancillary equipment and related parts as well as turnkey construction of Palm Kernel Crushing Plant ("KCP") for global clientele. Headquartered in Muar, Johor, Malaysia.

Oil Milling division is engaged in both palm kernel recovery (extraction of palm kernel seed from nut) and direct crushing of palm kernel seed to extract crude palm kernel oil ("CPKO"). However, the operating company, PT. Serdang Jaya Perdana has already been disposed off during the financial year under review.

Automotive division is principally operating 3 Proton dealership outlets located at Muar (4S), Kulai (1S) and Langkawi (3S). The 4S outlet is offering full fledge services: Sales, Service, Spare parts and Spray paint for Proton cars. The operation of Automotive division is improving as compared to the previous financial year.

Chairman’s Statement & Management Discussion and Analysis

(cont’d)

Plantation division operates an oil palm plantation in Kelantan and durian plantations in Muar, Johor. The durian plantation was planted with various high-quality species such as Musang King and Black Thorn.

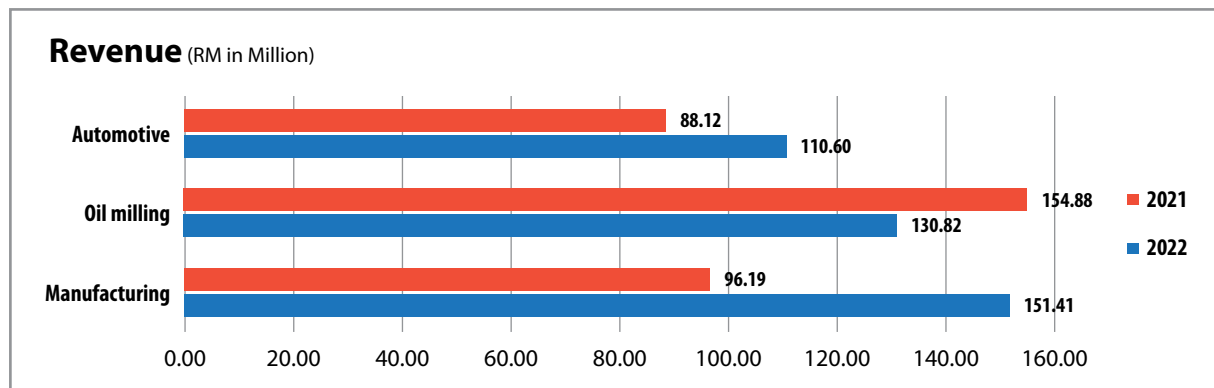
Empowering customer’s profitability is the key driver for MBL growth and expansion over the years. MBL differentiates from other peers by not solely selling its products, but providing our clients the “experience” of buying MBL’s products. Uncompromised in quality of products, professional after-sales services and technical advisory, has fulfilled or even exceeded many customers’ requirements and expectations. Geographically, MBL’s products has gained global acceptance by customers from tropical countries in Malaysia, Indonesia, Thailand, Nigeria, Papua New Guinea, Central America and others.

Continuous improvement through consistent investment in research and development (“R&D”) is adopted by MBL to enhance the reliability, efficiency and performance of its products range in term of production yield, costs saving and ultimately the efficiency of its products or plants.

FINANCIAL REVIEW

REVENUE AND PROFIT BEFORE TAX (“PBT”)

The Group posted a commendable result with revenue of RM392.83 million (2021: RM340.63 million) and registered PBT of RM75.26 million (2021: RM25.88 million). The increase in PBT was mainly due to the profit from disposal of a wholly owned subsidiary, Theron Holdings Sdn. Bhd. (“Theron”), which own 98,090,536 ordinary shares in Symphony Life Berhad.



Manufacturing Division has contributed 38.54% to the total group’s revenue for the financial year ended 2022. Manufacturing division’s revenue and PBT surged up by 57.4% and 114.4% to RM151.41 million and RM31.86 million, respectively, as compared to RM96.19 million and RM14.86 million as reported in previous financial year. The higher revenue was mainly attributable to the increase in project completion and pent-up demand from customers boosted by the high Crude Palm Oil (“CPO”) prices in FYE2022.

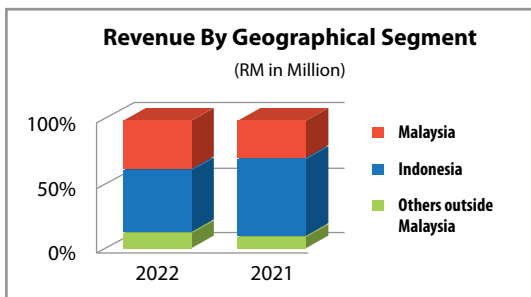
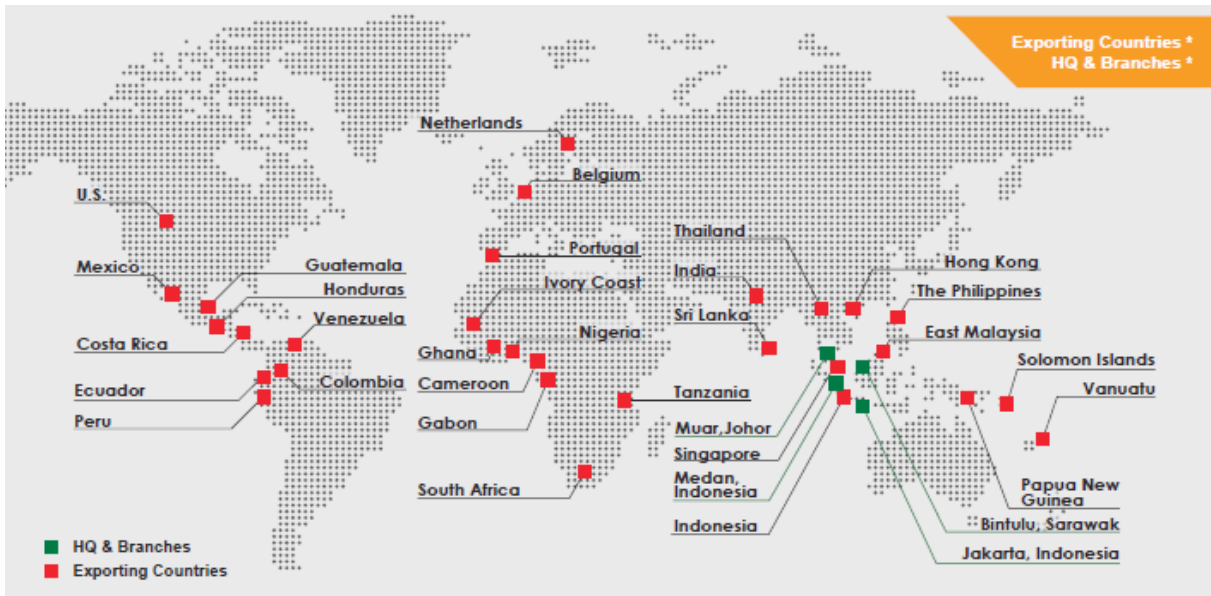
Oil Milling Division’s revenue stood at RM130.82 million (2021: RM154.88 million) and registered a PBT of RM3.96 million (2021: RM4.27 million). The dropped in revenue and PBT was mainly due to the disposal of PT. Serdang Jaya Perdana which took place in FYE2022.

Automotive Division’s revenue improved to RM110.60 million (2021: RM88.12 million) and registered a Loss Before Tax (“LBT”) of RM0.24 million (2021: RM0.81 million). The division’s performance improved as there was higher sales volume of cars associate with the customers’ demand. Lower LBT was registered mainly due to better management and cost saving as compared to previous year.

Chairman’s Statement & Management Discussion and Analysis

(cont’d)

Plantation Division posted LBT of RM0.76 million in FYE2022 as compare to RM0.49 million in prior year. No revenue was recorded as the durian plantation is still immature. During FYE2021, MBL Plantation Sdn. Bhd. (“MBLP”), a wholly-owned subsidiary had entered into a Sale and Purchase Agreement (“SPA”) to dispose the entire equity interest in Sokor Gemilang Ladang Sdn Bhd (“SGLSB”) which was principally involved in cultivation of palm oil plantation. As a result, the assets and liabilities of SGLSB have been presented on the statements of financial position as held for sale and results from this subsidiary company is presented separately on the statements of profit or loss as discontinued operation. As of 31 December 2022, the disposal of the entire equity interest in SGLSB which operating an oil palm plantation in Kelantan is still pending completion.

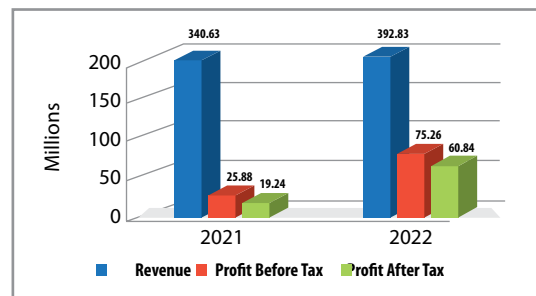


In overall, the Group’s revenue was mainly arising from sales in manufacturing, oil milling and automotive segment. As Indonesia remains as the world largest palm oil producing country, undoubtedly it dominates 50.5% (2021: 60.3%) of our Group’s revenue, while Malaysia and other countries contributed 36.3% (2021: 29.9%) and 13.2% (9.8%) respectively. The Group will leveraging on its strengths and continue to explore potential business opportunities to further expand the business and market shares into other oil palm producing countries.

Profit Before Tax (“PBT”)

PBT of the Group increased to RM75.26 million as compared to RM25.88 million recorded in FY2021. Overall, greater performance contributed by manufacturing division and profit on sale of investment has push PBT grew by 190.8%.

The PBT was boosted by the higher contribution from project sales coupled with better products mix and lower project costs towards the end of contract period for certain customers in manufacturing division for the financial year under review.



Further, the profit from disposal of a wholly owned subsidiary, Theron Holdings Sdn. Bhd., which own 98,090,536 ordinary shares in Symphony Life Berhad has also contributed to the PBT in FYE2022.

Chairman's Statement & Management Discussion and Analysis

(cont'd)

Profit After Tax ("PAT")

With the higher PBT in FYE2022, PAT grew to RM60.84 million in FYE2022 as compared to RM19.24 million which was recorded in FY2021.

The Group's effective tax rate of 19.2%, which is lower than the statutory tax rate at 24% was mainly attribute to some non-taxable income for tax computation, such as the capital gain on disposal of investment in subsidiaries which are not subject to tax in Malaysia.

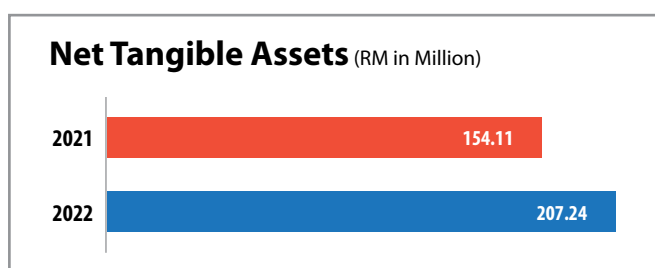
CONSOLIDATED FINANCIAL POSITION

A brief analysis incorporating key financial information of the Group for the FYE2022 and FYE2021 is as tabulated:

	FYE 2022 RM '000	FYE 2021 RM '000	RM '000	Variances %
Non Current Assets	84,363	150,682	(63,319)	(44.0)
Inventories	45,007	38,371	6,636	17.3
Trade and other receivables	67,050	73,175	(6,125)	(8.4)
Cash and cash equivalents	118,761	35,645	83,116	233.2
Tax recoverable	4,177	6,335	(2,158)	(34.1)
Assets classified as held for sales	29,482	29,448	34	0.1
Total Assets	348,840	333,656	15,184	4.6
Shareholder Equity	208,100	145,459	62,641	43.1
Non-controlling interests	(451)	9,064	(9,515)	(105.0)
Deferred taxation	3,328	2,186	1,142	52.2
Trade and other payables	107,856	94,085	13,771	14.6
Finance lease liabilities	5,617	6,114	(497)	(8.1)
Right of use lease liabilities	2,620	3,488	(868)	(24.9)
Bank borrowings	12,264	64,949	(52,685)	(81.1)
Provision for taxation	3,699	2,319	1,380	59.5
Liabilities classified as held for sales	5,807	5,992	(185)	(3.1)
Total Liabilities & Equity	348,840	333,656	15,184	4.6

As at FYE2022, the Group total assets increased by 4.55% to RM348.84 million as compared to RM333.66 million in FYE2021.

The increase in total assets was mainly due to the profit from disposal of a wholly owned subsidiary, Theron Holdings Sdn. Bhd. ("Theron"), which own 98,090,536 ordinary shares in Symphony Life Berhad and repayment of advances received from Theron. This has led to an increase to the deposits, bank and cash balances of RM116.61 million (2021: RM33.54 million).



Chairman's Statement & Management Discussion and Analysis

(cont'd)

However, the increase in total assets was then mitigated with the decrease in investment in associates from RM76.07 million in FYE2021 to RM16.81 million in FYE2022 as a result of the disposal of both subsidiaries, Theron Holdings Sdn. Bhd. and PT. Serdang Jaya Perdana.

Meanwhile, with the deconsolidation of term loan which was held under Theron Holdings Sdn. Bhd., the total liabilities has dropped by 21.2% from RM179.13 million in FYE2021 to RM141.19 million in FYE2022.

During the twelve months ended 31 December 2022, the Group repurchased 4,894,025 ordinary shares under share buy back from the open market at an average price of RM0.4141 per share. The purchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares. In addition, the Group issued 312,400 new ordinary shares for cash arising from the exercise of warrants at exercise price of RM0.40 per ordinary shares, which increased its issued and paid-up share capital from RM75.39 million to RM75.54 million with the total of number of shares increase from 248,309,400 shares to 248,621,800 shares.

ANTICIPATED OR KNOWN RISKS

The Group is exposed to a number of risks which could impact the Group's business and operating performance. Although the Group and Management have put in place various initiatives to minimise or mitigate some of these risks, it must be acknowledged there are some risks that are beyond the Group's control. Key Group and industry related risk factors that could affect the Group are as set out below. There is no assurance that changes to the following key risk factors would not have material adverse effect on the Group's business and financial conditions.

Operational, competition and business risks

The slowdown in economic growth, both in Malaysia as well as globally, presents a significant risk towards the demand for the Group's products in the market.

Some of generic business risks that are inherent within the industry and may affect the Group include, among others, increased competition over costing and pricing, increases in labour costs and raw materials costs, equipment and electricity tariffs as well as changes in general economic, business, credit and interest rate conditions, fluctuation in exchange rates and changes in the legal and environmental framework within which the industry operates.

Whilst noting that borrowing is essential to finance the Group's operations and growth, efforts are being made to minimise utilisation. In this manner, the risk of fluctuation of interest rates is also minimised.

To counter on the escalating costs, the Group is direct sourcing its inputs from manufacturers and actively procuring for alternative supplies from both local and overseas.

Political, economic and regulatory risks

The Group could be affected by impacts due to economic uncertainty and issues such as escalating trade war tensions which may affect our multi-national customers' demand for metal fabricated parts which ultimately dampens our revenue growth.

The majority of workers in the group are foreign workers, therefore any changes in government policy associated with foreign workers, e.g. restrictions on employment of foreign workers, could affect the Group's operations and production capacity.

In addition, political leadership changes may also bring in new policies and regulations which may incur higher cost of operation and compliance cost.

The management team maintains close review and continues to explore possible ways to increase productivity and efficiency in production to reduce cost of production. This will be done by engaging in greater automation, innovations to fit customers' needs and the training and development of staffs.

Chairman's Statement & Management Discussion and Analysis

(cont'd)

Foreign exchange risk

Our core manufacturing segment is exposed to risks of currency fluctuation as it has transactions in, amongst others in United States Dollars ("USD"), China Renminbi, and Indonesia Rupiah. The USD/RM rate is the primary driver of the Group's currency risk as its exposure to other currencies is minimal. Nevertheless, the Group benefits from some natural hedge in its operation as part of its purchases are denominated in USD.

As a countermeasure, the Group is monitoring collections on weekly basis to mitigate the credit risks by exchanging of creditability information with stakeholders like suppliers, bankers and business associates and performing credit evaluations on both new and existing customers requiring credit terms. The Group is also utilise natural hedging to minimise any impact from sudden fluctuations in foreign currencies.

DIVIDENDS

The Board decides or recommends any dividend payments by carefully examining the profitability, liquidity and cash-flow position of the Group. In both FYE2022 and FYE2021, the Group did not declare or propose any dividend.

CORPORATE GOVERNANCE

The Group is committed to implement the best practice of corporate governance to enhance and increase shareholders' value. The Group has its risk management and internal control procedures to ensure transparency, accountability and integrity are attained and maintained in managing the Group businesses.

The Board of Directors' responsibilities for preparing the annual audited financial statements are disclosed in the Statement of Directors' Responsibilities on Financial Statement set in this Annual Report 2022.

The audited financial statements of MBL are not subject to any qualification as disclosed in the Independent Auditors' Report to the Members.

OUTLOOK AND PROSPECTS

The Board expects the Group's operating environment for the financial year ending 2023 to remain challenging and competitive as global growth is expected to slow significantly in 2023, mainly due to the rising inflationary pressure and economic costs of war which is expected to spread farther afield through commodity markets, trade and – to a lesser extent – financial interlinkages. Fuel and food price rises are already having a global impact, with vulnerable populations, including Malaysia, significantly affected.

Nevertheless, the Group will continue to manage the challenges of uncertainties in the global economic environment, escalation of costs due to inflationary pressure, volatility of steel material prices and fluctuation of exchange rates to stay resilient in the business and minimise the adverse market conditions.

Moving forward, our focus will still be to grow our portfolio of products and services with focus on creating long-term value and maximising shareholders' return. To support this strategy, the Group will continue to ensure it has a sound understanding of the current market trends and financial factors as well as customer challenges and expectations. This will assist the Group to customize its products to cater the right target segment, with the appropriate price for desired product.

With the existing healthy order book in hand coupled with the Group's healthy financial position, the board remains cautiously optimistic that the Group is expected to register satisfactory results for FYE 2023 amidst the challenging global economic environment.

Chairman's Statement & Management Discussion and Analysis

(cont'd)

Material Litigation

A. Disposal of Sokor Gemilang Ladang Sdn Bhd ("SGLSB")

On 18 February 2022, the Group wholly-owned subsidiary, MBL Plantation Sdn Bhd ("MBLPSB" or collectively referred to as "Defendant") had received a Writ of Summon and Statement of Claim both dated 15 February 2022 filed by Doa Huat Holdings Sdn Bhd (collectively referred to as "Plaintiff") under Kuala Lumpur High Court Suit No. WA-22NCC-67-02/2022 in relation to the claims filed by the Plaintiff through a legal firm acting on their behalf.

The plaintiff claimed that the Share Sales Agreement dated 1 April 2021 between the Plaintiff and the Defendant for the purchase of shares of Sokor Gemilang Ladang Sdn Bhd ("SGLSB") with a total consideration of RM25,000,000.00 is void or terminated and demanded for the repayment of RM23,900,000.00.

The Plaintiff has made a total payment of RM23,900,000.00 to the Defendant to date, with the balance of the consideration RM1,100,000.00 remains outstanding.

MBLPSB has appointed a legal firm to act on its behalf and filed a counter claim against plaintiff on the above case. Further to the announcement made on 18 February 2022 and 2 March 2022, the case WA-22NCC-67-02/2022 has been transferred to Penang high court pursuant to a court order dated 15 April 2022.

Pursuant to the case Management on 20 May 2022, the company has filed the interlocutory applications to Penang High Court to move the Court to dispose of Doa Huat's claim and to seek the court to enter summary judgement against Doa Huat for MBLPSB's counterclaim. The Court has fixed the hearing date on 29 July 2022.

On 29 July 2022, Plaintiff's claim has been dismissed by the Court with costs of RM5,000.00, subject to allocator, to be paid by the Plaintiff to MBLPSB.

In respect of MBLPSB's counterclaim against Plaintiff, the Court allowed MBLPSB's application for summary judgment of its counterclaim with the following terms:-

- (a) a Declaration that the Plaintiff's act/attempt to terminate the share sale agreement dated 1/4/2021 ("the Agreement") via the Plaintiff's letter of termination dated 7/2/2022 is not valid;
- (b) an order for specific performance of the Agreement whereby the Plaintiff shall continue and fulfill all its obligations under the Agreement including paying the balance consideration price of RM1,100,000.00 to the Defendant within fourteen (14) days from the date of this judgment;
- (c) The Plaintiff shall provide full cooperation and do all that is necessary to complete the Agreement within fourteen (14) days from the date the Defendant receives payment of the balance consideration price of RM1,100,000.00;
- (d) If the Plaintiff fails to comply with paragraph (c) above, then the Registrar of the Court is given the power to execute all requisite documents to complete the transfer of 100% of the shares in Sokor Gemilang Ladang Sdn Bhd. (Company No: 742516-X) from the Defendant to the Plaintiff; and
- (e) Costs of RM5,000.00, subject to allocator, to be paid by the Plaintiff to MBLPSB.

In gist, the whole civil suit PA-22NCC-13-04/2022 has been disposed of in MBLPSB's favour.

On 2 September 2022, MBLPSB's solicitors had updated the Company that the Plaintiff has filed an appeal to the Court of Appeal against the High Court Orders/Decisions given on 29 July 2022. The Plaintiff has also filed an application for stay of the High Court orders pending their appeal to the Court of Appeal. The Company is resisting and opposing both the Appeal and the Stay application.

The first case management of the Appeal (Court of Appeal, Civil Appeal No.: P-02(IM)(NCC)-1545-08/2022) is fixed on 10 November 2022. There is no appeal hearing date fixed yet at this juncture. As for the Application for Stay at the High Court, the court has given directions for filing of affidavits and has fixed a further case management date. There is still no hearing date fixed yet for the Stay application at this juncture.

Chairman's Statement & Management Discussion and Analysis

(cont'd)

Material Litigation (Cont'd)

A. Disposal of Sokor Gemilang Ladang Sdn Bhd ("SGLSB") (Cont'd)

The High Court matter and the Court of Appeal matters have also now been taken over by our new solicitors (Messrs Presgrave & Matthews).

Pursuant to the Case Management on 4 October 2022, the Court has fixed the hearing date for the stay application on 15 December 2022 at 8.30 a.m. by Zoom before YA Tuan Quay Chew Soon.

On 22 November 2022, pursuant to the Case Management in respect of the Appeal (Court of Appeal, Civil Appeal No.: P-02(IM)(NCC)-1545-08/2022) conducted on 10 November 2022 and which concluded only on 21 November 2022, the Court of Appeal (Putrajaya) has fixed the hearing of the Plaintiff/Appellant's Appeal to be heard on 20 June 2023.

On 9 December 2022, MBLPSB's solicitor had updated the Company that the Court has rescheduled the hearing date for the stay application from 15 December 2022 to 6 January 2023.

On 6 January 2023, MBLPSB's solicitor had updated the Company on the outcome of hearing for the stay application on 6 January 2023. Plaintiff's application for Stay (Enclosure 50) has been dismissed by the Court with costs of RM5,000.00 to be paid by the Plaintiff to MBLPSB.

On 13 February 2023, MBLPSB's solicitor had updated the Company that the Court of Appeal has fixed the hearing date for both Motions (Enclosure 13 for Fresh Evidence and Enclosure 16 for Stay) on 9 May 2023.

B. Statutory Derivative Action

On 1 June 2022, Jingshi Holdings (M) Sdn Bhd ("Jingshi") had filed an Originating Summons in the Penang High Court (No. PA-24NCvC-459-05/2022) against Muar Ban Lee Group Berhad ("MBL"), inter alia for Leave to commence a Statutory Derivative Action pursuant to Sections 347, 348 and 350 of the Companies Act 2016.

The Company was only served with the unsealed copy of the Originating Summons together with the Plaintiff's Affidavit in Support on 31 May 2022. The sealed Copy of the Originating Summons was received by the Company on 1 June 2022.

The Company intends to defend and resist the matter and as such has duly appointed Messrs Presgrave & Matthews as solicitors to act on its behalf in respect of the said matter.

Further to the announcement made by the Company on 1 June 2022, the Company wishes to provide the following additional information:

- (a) There is no Writ and Statement of Claim as this Originating Summons is filed by the Plaintiff to obtain Leave of Court to initiate an action in the name and on behalf of the Company;
- (b) At the moment, apart from the legal costs, the Originating Summons are not expected to have any financial and operational impact on the Company as the Leave has not been granted yet and in the event that Leave is granted by the Court, the proposed Civil Suit to be filed will be by the company; and
- (c) The Company at this juncture is taking steps to defend and resist the Originating Summons and/or from Leave being granted.

Chairman's Statement & Management Discussion and Analysis

(cont'd)

Material Litigation (Cont'd)

B. Statutory Derivative Action (Cont'd)

Pursuant to the Case Management on 7 September 2022, the Court has fixed the next Case Management date on 10 November 2022 and the hearing date on 7 December 2022.

On 7 December 2022, MBL's solicitors had updated the Company that the Court has rescheduled the hearing date from 7 December 2022 to 6 January 2023.

On 6 January 2023, MBL's solicitors had updated the Company on the outcome of Hearing held on 6 January 2023, Plaintiff's application pursuant to the Originating Summons (Enclosure 1) has been dismissed by the Court with costs of RM10,000.00 to be paid by the Plaintiff to MBL. The last date for Jingshi Holdings (M) Sdn Bhd to file an appeal against the said decision to the Court of Appeal expires 30 days from 6 January 2023, and up until the expiry date, neither MBL nor its solicitors has been served with any Notice of Appeal.

APPRECIATION

I wish to record my gratitude and appreciation to our former Independent Director, Khairiluanar Bin Tun Abdul Rahman for his dedication and commitment during his tenure with our Board. I would like to wish him all the best in his future endeavours.

At the same time, I warmly welcome Mr Lim Choo Hooi, who joined the Board recently. We are confident that his experience will contribute a more robust exchange of ideas which will be of significant benefit to the Board.

On behalf of the Board, we wish to express our greatest appreciation and gratitude to all of our staff for their hard work and contributions towards the continued success and transformation of the Group's operation.

We also wish to extend our appreciation and gratitude to our customers, suppliers, business associates, and bankers for their continued support and confidence in the Group.