

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-10 RM'000	Preceding Year Corresponding Quarter 31-Mar-09 RM'000	Current Year To Date 31-Mar-10 RM'000	Preceding Year Corresponding Period 31-Mar-09 RM'000
Revenue	7,462	N/A	7,462	N/A
Cost of sales	(4,290)	N/A	(4,290)	N/A
Gross profit	3,172	N/A	3,172	N/A
Other income	204	N/A	204	N/A
Administrative expenses	(2,230)	N/A	(2,230)	N/A
Operating profit	1,146	N/A	1,146	N/A
Finance Costs	(14)	N/A	(14)	N/A
Profit before taxation	1,132	N/A	1,132	N/A
Taxation	(23)	N/A	(23)	N/A
Profit after taxation	1,109	N/A	1,109	N/A
Attributable to:				
Equity holders of the parent	1,109	N/A	1,109	N/A
Earnings per share (sen)				
- Basic	1.21	N/A	1.21	N/A
- Diluted	N/A	N/A	N/A	N/A

The unaudited condensed consolidated income statements should be read in conjunction with the Annual Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

No comparative figures for the preceding year's individual and cumulative corresponding period are available as the Company was listed on 28 October 2009

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	(Unaudited) As at 31-Mar-10 RM'000	(Audited) As at 31-Dec-09 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	13,356	13,115
Prepaid lease payments	287	289
	<u>13,643</u>	<u>13,404</u>
Current assets		
Inventories	14,580	11,386
Trade & other receivables	18,473	19,778
Tax refundable	743	530
Short term and fixed deposits with licensed banks	12,975	16,628
Cash and bank balances	7,704	4,694
	<u>54,475</u>	<u>53,016</u>
TOTAL ASSETS	<u><u>68,118</u></u>	<u><u>66,420</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,308	1,308
Retained profits	7,803	6,694
	<u>55,111</u>	<u>54,002</u>
LIABILITIES		
Non-current liabilities		
Hire purchase payables	376	339
Term loan	-	437
Deferred taxation	364	350
	<u>740</u>	<u>1,126</u>
Current liabilities		
Trade & other payables	12,188	10,920
Hire purchase payables	70	172
Taxation	9	-
Term loan	-	200
	<u>12,267</u>	<u>11,292</u>
Total liabilities	<u>13,007</u>	<u>12,418</u>
TOTAL EQUITY AND LIABILITIES	<u><u>68,118</u></u>	<u><u>66,420</u></u>
Net assets per share (RM)	0.60	0.59

The unaudited condensed balance sheet should be read in conjunction with the Annual Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE QUARTER ENDED 31 MARCH 2010

	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000
<i>For the financial period ended 31 March 2010</i>				
Balance as at 1 January 2010	46,000	1,308	6,694	54,002
Net profit for the period	-	-	1,109	1,109
	-	-	-	-
As at 31 March 2010	46,000	1,308	7,803	55,111

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Annual Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2010**

	Current Year To-date 31-Mar-10 RM'000	Preceding Year Corresponding Period 31-Mar-09 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,132	N/A
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	220	N/A
Interest expense	14	N/A
Interest income	(74)	N/A
Amortisation of prepaid lease payment	2	N/A
Gain on disposal of property, plant & equipment	(125)	N/A
Operating profit before working capital changes	1,169	N/A
Changes in working capital		
Increase in inventories	(3,194)	N/A
Decrease in trade & other receivables	1,305	N/A
Increase in trade & other payables	1,268	N/A
Cash From Operations	548	N/A
Interest paid	(14)	N/A
Income tax paid	(213)	N/A
Interest received	74	N/A
Net Cash From Operating Activities	395	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(506)	N/A
Proceed from disposal of fixed asset	170	N/A
Net Cash From Investing Activities	(336)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(65)	N/A
Repayment of term loans	(637)	N/A
Net Cash From Financing Activities	(702)	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	(643)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	19,668	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19,025	N/A
Note: <u>Cash and Cash Equivalents at the end of the period</u>	RM '000	RM '000
Cash and bank balances	7,704	N/A
Short term deposits with licensed banks	12,975	N/A
Fixed deposits pledged	(1,638)	N/A
Unrealised exchange loss	(16)	N/A
	19,025	N/A

The unaudited condensed cash flow statements should be read in conjunction with the Annual Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

No comparative figures for the preceding year's individual and cumulative corresponding period are available as the Company was listed on 28 October 2009

A. EXPLANATORY NOTES

A1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with FRS 134 : Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statement for the year ended 31 December 2009. 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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009.

A2. Auditors' Report on Preceding Annual Financial Statements

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

A3. Seasonality or Cyclical Factors

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

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cashflows during the financial period under review.

A5. Changes in Estimates

Not applicable.

A6. Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review except items disclosed in below:

On 5 October 2009, the Group issued its Prospectus for its Initial Public Offering of 28,000,000 Ordinary Shares of RM0.50 each at an issue price of RM0.65 per share comprising:

- a) Public Issue of 21,000,000 new ordinary shares of RM0.50 each at an offer price of RM0.65 per share comprising:
- 2,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian Public;
 - 2,700,000 new ordinary shares of RM0.50 each available for application by eligible Directors, Employees and Business Associates;
 - 7,340,000 new ordinary shares of RM0.50 each by way of Private Placement to Identified Investors; and
 - 8,960,000 new ordinary shares of RM0.50 each by way of placement to bumiputera investors approved by the Ministry of International Trade and Industry.
- b) Offer for Sale of 7,000,000 ordinary shares of RM0.50 each by way of placement to bumiputera investors approved by the Ministry of International Trade and Industry.

In conjunction with the Public Issue and Offer for Sale, the Group entire issued and paid-up shares capital of the Group comprising 92,000,000 ordinary shares of RM0.50 each was listed and quoted on the Main Market of Bursa Securities on 28 October 2009.

A7. Dividend

The Board of Directors declared a 3% interim single tier tax exempt dividend for the year ended 31 December 2009, which was paid on 12 February 2010. The Board of Directors recommends and proposes the payment of final dividend of 3% single tier tax exempt dividend for the year ended 31 December 2009. The propose dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

A8. Segmental Information

Segmental reporting for the period ended 31 March 2010.

	Investment holding RM '000	Manufacturing RM '000	Elimination RM '000	Total RM '000
Revenue				
External sales	-	7,462	-	7,462
Inter-company transactions	-	247	(247)	-
Dividend income	-	-	-	-
	-	7,709	(247)	7,462
Results				
Profit from operations	-	1,146	-	1,146
Finance costs	-	(14)	-	(14)
Profit before taxation	-	1,132	-	1,132
Taxation		(23)		(23)
Profit after taxation		1,109		1,109

A9. Valuation of Property, Plant and Equipment Brought Forward

There were no valuation of the property, plant and equipment during the financial period under review.

A10. Material Subsequent Events

There are no material events subsequent to the financial period under review.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period under review.

A12. Contingent Liabilities

The contingent liabilities of the Group are as follows:

	As at 31.03.2010 RM '000	As at 31.12.2009 RM '000
Corporate Guarantee to financial institutions for facilities granted to subsidiary companies	10,000	NIL

A13. Capital Commitments

There were no material capital commitments entered into since the last annual balance sheet as at 31 December 2009 except the following:

- a) Amount approved and contracted
for plant and machinery
RM1,157,000

A14. Related Party Transactions

During the financial period under review, there were no related party transactions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2010

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

B1. Review of Performance

For the current financial quarter under review, the Group has achieved a revenue and profit before tax of RM7.5 million and RM1.1 million respectively.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter stood at RM7.5 million compared to the revenue of RM10.8 million in the preceding quarter. The profit before tax has decreased from RM2.7 million to RM1.1 million. The lower revenue and profit before tax were mainly due to the lower billing from the projects under taken and the shorter working days as a result of the Chinese New Year Holiday during the quarter under reviewed.

B3. Current Year Prospects

In tandem with the expected better economic outlook in 2010, the Board of Directors will continue to sustain the Group competitive edge while remained focused on operational efficiency. Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall record positive performance for the financial year ending 31 December 2010.

B4. 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 Year to Date RM '000
Current Taxation	(9)	(9)
Deferred Taxation	(14)	(14)
	<u>(23)</u>	<u>(23)</u>

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2010

B6. Sale of Unquoted Investment / 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

a) Initial Public Offering ("IPO")

In conjunction with the IPO, the Group undertake the Listing Scheme disclosed in Note A6 of the interim financial report.

b) Utilisation of Proceeds

The gross proceeds from the Public Issue of RM13.65 million shall 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)
Purchase of machineries	Within 2 years	3,000	*1,573
Setup service offices in Indonesia, PNG and Nigeria	Within 2 years	1,500	-
Repayment of bank borrowings	Within 6 months	2,500	2,500
R&D expenditure	Within 1 year	500	-
Working capital	Within 1 year	4,350	-
Listing expenses	Within 3 months	1,800	1,842
Total		13,650	5,915

Note:

* : Down payment made for the purchase of machineries.

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2010 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Hire Purchase Creditors	70	-	70
Term loan	-	-	-
	<u>70</u>	<u>-</u>	<u>70</u>
Long Term Borrowings			
Hire Purchase Creditors	376	-	376
Term loan	-	-	-
Total	<u>446</u>	<u>-</u>	<u>446</u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments for the current financial period to date.

B11. Material Litigation

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

B12. Dividend proposed

The Group propose a final dividend of 3% single tier tax exempt dividend for the year ended 31 December 2009. The propose dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

B13. Earnings per Share

The basic earnings per share ("EPS") for the current quarter are calculated based on the profit after tax ("PAT") and number of ordinary shares outstanding during the period as follows:

	Current Quarter	Current Year To Date
PAT (RM '000)	1,109	1,109
Number of ordinary shares ('000)	92,000	92,000
EPS (Sen)	1.21	1.21

B14. Related Party Transactions

During the financial period under review, there were no related party transactions.

B15. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 24 May 2010.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretaries
Muar
26 May 2010