



# **MUAR BAN LEE GROUP BERHAD**

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR 4TH QUARTER ENDED 31 DECEMBER 2012**



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2012

|  | Individual Quarter<br>3 months ended |                      | Cumulative Quarter<br>12 months ended |                      |
|--|--------------------------------------|----------------------|---------------------------------------|----------------------|
|  | 31.12.2012<br>RM'000                 | 31.12.2011<br>RM'000 | 31.12.2012<br>RM'000                  | 31.12.2011<br>RM'000 |
| <b>Revenue</b>   | 18,818                               | 12,507               | 78,799                                | 55,062               |
| Cost of sales  | (9,444)                              | (5,338)              | (44,726)                              | (30,599)             |
| <b>Gross profit</b>  | 9,374                                | 7,169                | 34,073                                | 24,463               |
| Other income   | 576                                  | 909                  | 1,329                                 | 1,622                |
| Depreciation and amortisation  | (527)                                | (336)                | (1,516)                               | (1,353)              |
| Administrative expenses  | (4,773)                              | (4,496)              | (16,765)                              | (12,662)             |
| <b>Operating profit</b>  | 4,650                                | 3,246                | 17,121                                | 12,070               |
| Interest Income  | 246                                  | 122                  | 598                                   | 328                  |
| Interest expense   | (6)                                  | (4)                  | (16)                                  | (18)                 |
| <b>Profit before tax</b>   | <b>4,890</b>                         | <b>3,364</b>         | <b>17,703</b>                         | <b>12,380</b>        |
| Tax expense  | (27)                                 | 9                    | (607)                                 | (189)                |
| <b>Profit for the period</b>   | <b>4,863</b>                         | <b>3,373</b>         | <b>17,096</b>                         | <b>12,191</b>        |
| <b>Other Comprehensive Income, net of tax<br/>Items that will not be reclassified subsequently<br/>to profit or loss</b> |                                      |                      |                                       |                      |
| Disposal of revalued land  | -                                    | -                    | 281                                   | -                    |
| Revaluation of land and building   | -                                    | 3,299                | -                                     | 3,299                |
| Transferred to deferred tax  | -                                    | (365)                | -                                     | (365)                |
| Other Comprehensive Income, net of tax   | -                                    | 2,934                | 281                                   | 2,934                |
| <b>Total Comprehensive Income for the period</b>   | <b>4,863</b>                         | <b>6,307</b>         | <b>17,377</b>                         | <b>15,125</b>        |
| <b>Profit attributable to:</b>   |                                      |                      |                                       |                      |
| Owners of the Company  | 4,878                                | 3,390                | 17,126                                | 12,208               |
| Non-controlling interest   | (15)                                 | (17)                 | (30)                                  | (17)                 |
| <b>Profit for the period</b>   | <b>4,863</b>                         | <b>3,373</b>         | <b>17,096</b>                         | <b>12,191</b>        |
| <b>Total Comprehensive Income attributable to:</b>   |                                      |                      |                                       |                      |
| Owners of the Company  | 4,878                                | 6,324                | 17,407                                | 15,142               |
| Non-controlling interest   | (15)                                 | (17)                 | (30)                                  | (17)                 |
| <b>Total Comprehensive Income for the period</b>   | <b>4,863</b>                         | <b>6,307</b>         | <b>17,377</b>                         | <b>15,125</b>        |
| Earnings per share (sen)   |                                      |                      |                                       |                      |
| - Basic  | 5.30                                 | 3.68                 | 18.62                                 | 13.27                |
| - Diluted  | N/A                                  | N/A                  | N/A                                   | N/A                  |

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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.



# MUAR BAN LEE GROUP BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

|                                     | (Unaudited)<br>As at<br>31.12.2012<br>RM'000 | (Audited)<br>As at<br>31.12.2011<br>RM'000 |
|-------------------------------------|--|--|
| <b>ASSETS</b>                       |  |  |
| <b>Non-current assets</b>           |  |  |
| Property, plant and equipment       | 17,800                                       | 18,795                                     |
| Intangible assets                   | 430  | 430  |
| Other investment                    | 450  | 450  |
|                                     | 18,680                                       | 19,675                                     |
| <b>Current assets</b>               |  |  |
| Inventories                         | 18,028                                       | 26,143                                     |
| Trade & other receivables           | 25,268                                       | 19,688                                     |
| Tax recoverable                     | 98   | 820  |
| Fixed deposits with licensed banks  | 27,365                                       | 13,063                                     |
| Cash and bank balances              | 10,112                                       | 5,498                                      |
|                                     | 80,871                                       | 65,212                                     |
| <b>TOTAL ASSETS</b>                 | 99,551                                       | 84,887                                     |
| <b>EQUITY AND LIABILITIES</b>       |  |  |
| <b>Equity</b>                       |  |  |
| Share capital                       | 46,000                                       | 46,000                                     |
| Share premium                       | 1,158  | 1,158                                      |
| Revaluation reserves                | 2,653  | 2,934                                      |
| Warrant reserves                    | 4,600  | -  |
| Retained profits                    | 27,884                                       | 19,677                                     |
| Shareholder's equity                | 82,295                                       | 69,769                                     |
| Non-controlling interest            | 72   | 53   |
| <b>Total equity</b>                 | 82,367                                       | 69,822                                     |
| <b>Non-current liabilities</b>      |  |  |
| Hire purchase payables              | 465  | 175  |
| Deferred taxation                   | 802  | 1,161                                      |
|                                     | 1,267  | 1,336                                      |
| <b>Current liabilities</b>          |  |  |
| Trade & other payables              | 13,148                                       | 13,503                                     |
| Hire purchase payables              | 195  | 129  |
| Deferred revenue                    | 2,306  | -  |
| Derivative liabilities              | -  | 97   |
| Current income taxes                | 268  | -  |
|                                     | 15,917                                       | 13,729                                     |
| <b>Total liabilities</b>            | 17,184                                       | 15,065                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | 99,551                                       | 84,887                                     |
| Net assets per share (RM)           | 0.89   | 0.76                                       |

*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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.*



# MUAR BAN LEE GROUP BERHAD

(Company No. 753588-P)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FORTH QUARTER ENDED 31 DECEMBER 2012

|  | Attributable to Equity Holders of the Company |               |                     |                 |                  |               |                          |               |
|--|---|---------------|---------------------|-----------------|------------------|---------------|--------------------------|---------------|
|  | Non-Distributable                             |               |                     |                 | Distributable    |               | Non-controlling interest | Total Equity  |
|  | Share Capital                                 | Share Premium | Revaluation Reserve | Warrant Reserve | Retained Profits | Subtotal      |                          |               |
| RM'000   | RM'000  | RM'000        | RM'000              | RM'000          | RM'000           | RM'000        | RM'000                   |               |
| <b>At 1 January 2012</b>   | 46,000  | 1,158         | 2,934               | -               | 19,677           | 69,769        | 53                       | 69,822        |
| <i>Other comprehensive income</i>                                  |   |               |                     |                 |                  |               |                          |               |
| - Disposal of revalued assets                                      | -   | -             | (281)               | -               | 281              | -             | -                        | -             |
| <i>Profit for the period</i>                                       | -   | -             | -                   | -               | 17,126           | 17,126        | 19                       | 17,145        |
| <b>Total comprehensive income for the period</b>                   | -   | -             | (281)               | -               | 17,407           | 17,126        | 19                       | 17,145        |
| <i>Contributions by and distributions to owners of the Company</i> |   |               |                     |                 |                  |               |                          |               |
| Proceed from Right Warrants  | -   | -             | -                   | 4,600           | -                | 4,600         | -                        | 4,600         |
| Dividends to owners of the Company                                 | -   | -             | -                   | -               | (9,200)          | (9,200)       | -                        | (9,200)       |
| <b>Total transactions with owners of the Company</b>               | -   | -             | -                   | 4,600           | (9,200)          | (4,600)       | -                        | (4,600)       |
| <b>At 31 December 2012</b>   | <b>46,000</b>                                 | <b>1,158</b>  | <b>2,653</b>        | <b>4,600</b>    | <b>27,884</b>    | <b>82,295</b> | <b>72</b>                | <b>82,367</b> |
| <b>At 1 January 2011</b>   | 46,000  | 1,158         | -                   | -               | 11,149           | 58,307        | -                        | 58,307        |
| <i>Other comprehensive income</i>                                  |   |               |                     |                 |                  |               |                          |               |
| - Revaluation of land and building                                 | -   | -             | 3,299               | -               | -                | 3,299         | -                        | 3,299         |
| - Transferred to deferred tax                                      | -   | -             | (365)               | -               | -                | (365)         | -                        | (365)         |
| <i>Other comprehensive income</i>                                  | -   | -             | 2,934               | -               | -                | 2,934         | -                        | 2,934         |
| <i>Profit for the period</i>                                       | -   | -             | -                   | -               | 12,208           | 12,208        | 53                       | 12,261        |
| <b>Total comprehensive income for the period</b>                   | -   | -             | 2,934               | -               | 12,208           | 15,142        | 53                       | 15,195        |
| <i>Contributions by and distributions to owners of the Company</i> |   |               |                     |                 |                  |               |                          |               |
| Dividends to owners of the Company                                 | -   | -             | -                   | -               | (3,680)          | (3,680)       | -                        | (3,680)       |
| <b>Total transactions with owners of the Company</b>               | -   | -             | -                   | -               | (3,680)          | (3,680)       | -                        | (3,680)       |
| <b>At 31 December 2011</b>   | <b>46,000</b>                                 | <b>1,158</b>  | <b>2,934</b>        | <b>-</b>        | <b>19,677</b>    | <b>69,769</b> | <b>53</b>                | <b>69,822</b> |

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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.



# MUAR BAN LEE GROUP BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

|   | Current Year<br>To-date                                  | Preceding Year<br>Corresponding<br>Period |
|---|--|---|
|   | 31.12.2012   | 31.12.2011                                |
|   | RM'000   | RM'000                                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |  |   |
| <b>Profit before taxation</b>                                   | 17,703   | 12,380                                    |
| Adjustments for non-cash items:                                 |  |   |
| Depreciation of property, plant & machinery                     | 1,516  | 1,353                                     |
| Interest expense  | 16   | 18  |
| Interest income   | (598)  | (328)                                     |
| Impairment loss on property, plant & machinery                  | -  | 481                                       |
| Impairment loss on goodwill                                     | 10   | -   |
| Fair value derivatives  | -  | 97  |
| Loss on disposal of property, plant & equipment                 | 1  | 23  |
| Gain on disposal of property, plant & equipment                 | (414)  | (76)                                      |
| <b>Operating profit before working capital changes</b>          | 18,234   | 13,948                                    |
| <b>Changes in working capital</b>                               |  |   |
| Decrease / (Increase) in inventories                            | 8,115  | (2,677)                                   |
| Increase in trade & other receivables                           | (3,371)  | (3,337)                                   |
| (Decrease) / Increase in trade & other payables                 | (355)  | 2,636                                     |
| <b>Cash generated from operations</b>                           | 22,623   | 10,570                                    |
| Interest paid   | (16)   | -   |
| Income tax paid   | (598)  | (472)                                     |
| Income tax refund   | 622  | 605                                       |
| <b>Net cash generated from operating activities</b>             | 22,631   | 10,703                                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |  |   |
| Acquisition of intangible assets                                | -  | (430)                                     |
| Acquisition of subsidiaries, net of cash acquire                | -  | 70  |
| Interest received   | 598  | 328                                       |
| Purchase of property, plant and equipment                       | (2,001)  | (1,058)                                   |
| Proceed from disposal of property, plant & equipment            | 1,932  | 385                                       |
| <b>Net cash generated from / (used in) investing activities</b> | 529  | (705)                                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |  |   |
| Withdrawal of fixed deposit pledge                              | 1,212  | 664                                       |
| Repayment of hire purchase payables                             | (144)  | (122)                                     |
| Proceed from hire purchase                                      | 500  | -   |
| Proceed from issue of right warrant                             | 4,600  | -   |
| Dividend paid   | (9,200)  | (3,680)                                   |
| <b>Net cash used in financing activities</b>                    | (3,032)  | (3,138)                                   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                | 20,128   | 6,860                                     |
| Cash and cash equivalents at beginning of period                | 16,962   | 10,102                                    |
| <b>Cash and cash equivalents at end of period</b>               | 37,090   | 16,962                                    |
| Note:   | <b><u>Cash and Cash Equivalents at end of period</u></b> |   |
| Cash and bank balances  | 10,112   | 5,498                                     |
| Short term deposits with licensed banks                         | 27,365   | 13,063                                    |
| Fixed deposits pledged  | (387)  | (1,599)                                   |
|   | 37,090   | 16,962                                    |

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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.



**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 MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 2011.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

**A2. CHANGES IN ACCOUNTING POLICIES**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant 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 2011.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

|                        |   | Effective for annual periods beginning on or after |
|------------------------|---|--|
| MFRS 9                 | Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010) | 1 January 2015                                     |
| MFRS 10                | Consolidated Financial Statements   | 1 January 2013                                     |
| MFRS 11                | Joint Arrangements  | 1 January 2013                                     |
| MFRS 12                | Disclosures of Interest in Other Entities                                       | 1 January 2013                                     |
| MFRS 13                | Fair Value Measurement  | 1 January 2013                                     |
| MFRS 119               | Employee Benefits (as amended in June 2011)                                     | 1 January 2013                                     |
| MFRS 127               | Separate Financial Statements (as amended by IASB in May 2011)                  | 1 January 2013                                     |
| MFRS 128               | Investment in Associates and Joint Ventures (as amended by IASB in May 2011)    | 1 January 2013                                     |
| Amendments to MFRS 101 | Presentation of Items of Other Comprehensive Income                             | 1 January 2013                                     |
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities                           | 1 January 2013                                     |



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2012**

**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 affecting assets, liabilities, equity, net income or cashflows during the 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.

**A7. DEBT AND EQUITY SECURITIES**

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

**A8. DIVIDEND PAID**

The single-tier tax exempt interim dividend of 3.0 sen per share for the year ended 31 December 2012, amounting to RM2,760,000 was declared on 1 October 2012 and paid on 5 November 2012

Further, a single-tier tax exempt second interim dividend of 4.0 sen per share for the year ended 31 December 2012, amounting to RM3,680,000 was declared on 5 December 2012 and paid on 31 December 2012.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2012**

**A9. SEGMENTAL INFORMATION**

Segmental reporting for the 12 months ended 31 December 2012.

|                              | Investment<br>holding<br>RM '000 | Manufacturing<br>RM '000 | Elimination<br>RM '000 | Consolidated<br>RM '000 |
|------------------------------|----------------------------------|--------------------------|------------------------|-------------------------|
| <b>Revenue</b>               |                                  |                          |                        |                         |
| External sales               | -                                | 78,799                   | -                      | 78,799                  |
| Inter-company transactions   | -                                | 336                      | (336)                  | -                       |
| Dividend income              | 10,000                           | -                        | (10,000)               | -                       |
|                              | <u>10,000</u>                    | <u>79,135</u>            | <u>(10,336)</u>        | <u>78,799</u>           |
| <b>Segmental result</b>      | (1,076)                          | 18,197                   | -                      | 17,121                  |
| Finance costs                |                                  |                          |                        | (16)                    |
| Interest income              |                                  |                          |                        | <u>598</u>              |
| <b>Profit before tax</b>     |                                  |                          |                        | 17,703                  |
| Taxation                     |                                  |                          |                        | <u>(607)</u>            |
| <b>Profit for the period</b> |                                  |                          |                        | <u><u>17,096</u></u>    |

Segmental reporting for the 12 months ended 31 December 2011.

|                              | Investment<br>holding<br>RM '000 | Manufacturing<br>RM '000 | Elimination<br>RM '000 | Consolidated<br>RM '000 |
|------------------------------|----------------------------------|--------------------------|------------------------|-------------------------|
| <b>Revenue</b>               |                                  |                          |                        |                         |
| External sales               | -                                | 55,062                   | -                      | 55,062                  |
| Inter-company transactions   | -                                | 4,040                    | (4,040)                | -                       |
| Dividend income              | 5,500                            | -                        | (5,500)                | -                       |
|                              | <u>5,500</u>                     | <u>59,102</u>            | <u>(9,540)</u>         | <u>55,062</u>           |
| <b>Segmental result</b>      | 153                              | 11,917                   | -                      | 12,070                  |
| Finance costs                |                                  |                          |                        | (18)                    |
| Interest income              |                                  |                          |                        | <u>328</u>              |
| <b>Profit before tax</b>     |                                  |                          |                        | 12,380                  |
| Taxation                     |                                  |                          |                        | <u>(189)</u>            |
| <b>Profit for the period</b> |                                  |                          |                        | <u><u>12,191</u></u>    |

**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**

The following proposals which have been duly approved by the shareholders in the Extraordinary General Meeting (“EGM”) held on 27 August 2012, kindly refer to notes B8 for further details:

- 1) Proposed renounceable Right Issue of 46,000,000 Warrants (“Warrant(s)”) in Muar Ban Lee Group Berhad (“MBL” or “Company”) at an issue price of RM0.10 per Warrant on the Basis of One (1) Warrant for every Two (2) existing ordinary shares of RM0.50 each in MBL held by the shareholders of MBL; and
- 2) Proposed establishment of an Employees’ Share Option Scheme of up to 15% of the Issued and Paid-Up share capital of the Company to eligible Directors and employees of MBL and its subsidiaries
- 3) Proposed authority for the Company to Purchase its own shares of up to 10% of the Issued and Paid-Up share capital of the Company (“Proposed Share Buy-Back”)

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and contingent assets in the financial period under review.

**A14. CAPITAL COMMITMENTS**

There were no outstanding capital commitments at the end of the quarter under review.

**A15. RELATED PARTY TRANSACTIONS**

The related party transactions are secretarial fee for the subsidiary companies amounting to RM7,200.00 charged by Tan Commercial Management Services Sdn. Bhd. and of which one of the director has interest over the company and able to exercise control. Further, a rental fee of RM5,400.00 was paid to certain directors of which the directors owned the said property and have interest over the property. Both transactions have been entered into in the normal course of business.

**A16. DISCLOSURE OF DERIVATIVES**

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

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

There is no gain / loss arising from fair value changes of financial liabilities for the quarter ended 31 December 2012.



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

**B1. REVIEW OF PERFORMANCE**

|                         | Individual Quarter<br>(3 months ended) |                      | Cumulative Quarter<br>(12 months ended) |                      |
|-------------------------|--|----------------------|---|----------------------|
|                         | 31.12.2012<br>RM'000                   | 31.12.2011<br>RM'000 | 31.12.2012<br>RM'000                    | 31.12.2011<br>RM'000 |
| Revenue                 | 18,818                                 | 12,507               | 78,799                                  | 55,062               |
| Profit before tax "PBT" | 4,890                                  | 3,364                | 17,703                                  | 12,380               |
| Profit after tax "PAT"  | 4,863                                  | 3,373                | 17,096                                  | 12,191               |

For the current quarter under review, the Group's revenue stood at RM18.82 million as compare with RM12.51 million registered in the preceding year's corresponding quarter. Both PBT and PAT has improved to RM4.89 million and RM4.86 million from RM3.36 million and RM3.37 million recorded in the preceding year's corresponding quarter respectively.

For the 12 months period under review, the Group recorded a revenue of RM78.80 million and as compare with of RM55.06 million recorded in the preceding year's corresponding period. The PBT improved to RM17.70 million from RM12.38 million registered in the preceding year's corresponding period. PAT also increased to RM17.10 million from RM12.19 million registered in the preceding year's corresponding period. The substantial increase in revenue was mainly attributable to higher contribution from project sales. As a result of higher revenue, both PBT and PAT improved accordingly.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT**

The Group's revenue for the current quarter was higher at RM18.82 million as compare with RM17.65 million registered in the immediate preceding quarter. Higher PBT and PAT of RM4.89 million and RM4.86 million were recorded in the current quarter as compare to RM3.04 million and RM2.71 million recorded in the previous quarter. The better results are attributable to higher project sales in the current quarter.

**B3. CURRENT YEAR PROSPECTS**

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register satisfactory results for the financial year ending 31 December 2013 despite the challenging business environment and global economy.

**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<br>Ended<br>31.12.2012<br>RM'000 | Current Year<br>To Date<br>31.12.2012<br>RM'000 |
|---------------------------------|--|---|
| Taxation                        |  |   |
| - current year                  | 178  | 758   |
| - Under provision in prior year | 208  | 208   |
| Deferred Taxation               |  |   |
| - current year                  | 65   | 65  |
| - Over provision in prior year  | (424)  | (424)   |
|                                 | <u>27</u>  | <u>607</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.

## B6. SALE OF UNQUOTED INVESTMENT OR PROPERTIES

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

## B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

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

## B8. STATUS OF CORPORATE PROPOSALS

- 1) The proposed renounceable Right Issue of 46,000,000 Warrants ("Warrant(s)") in Muar Ban Lee Group Berhad ("MBL" or "Company") at an issue price of RM0.10 per Warrant on the Basis of One (1) Warrant for every Two (2) existing ordinary shares of RM0.50 each in MBL held by the shareholders of MBL has been completed upon successful listing of the MBL warrant at Bursa Malaysia on 3 December 2012.
- 2) Since approval of the Employee Share Option Scheme (ESOS) was obtained from Bursa Malaysia on 27 July 2012 and EGM held on 27 August 2012, the Board had considered the merits of the Proposed SGP against the existing ESOS and believes that the Proposed SGP is more flexible and effective in achieving the objectives. The Board, on 21 January 2013, had resolved to discontinue the implementation of the ESOS and proposes in its stead to establish the Proposed SGP for the eligible Directors (including Non-Executive Directors) and employees of the MBL Group ("**Eligible Person(s)**").
- 3) Approval was obtained in the EGM held on 27 August 2012 for the Company to Purchase its own shares of up to 10% of the Issued and Paid-Up share capital of the Company ("Proposed Share Buy-Back"). However, as at the date of this report the company has yet to purchase its own shares.



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**B9. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings as at 31 December 2012 are as follows:

|               | <b>Short Term<br/>(Secured)<br/>RM'000</b> | <b>Long Term<br/>(Secured)<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---------------|--|---|-------------------------|
| Hire Purchase | <u>195</u>                                 | <u>465</u>                                | <u>660</u>              |
| <b>TOTAL</b>  | <b><u>195</u></b>                          | <b><u>465</u></b>                         | <b><u>660</u></b>       |

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

As at the date of this report, the Group did not have any financial instruments with off balance sheet risks.

**B11. MATERIAL LITIGATION**

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

**B12. DIVIDEND DECLARED**

The single-tier tax exempt interim dividend of 3.0 sen per share for the year ended 31 December 2012, amounting to RM2,760,000 was declared on 1 October 2012 and paid on 5 November 2012

Further, a single-tier tax exempt second interim dividend of 4.0 sen per share for the year ended 31 December 2012, amounting to RM3,680,000 was declared on 5 December 2012 and paid on 31 December 2012.

On 25 February 2013, the Board of Directors proposed a single-tier tax exempt final dividend of 3.0 sen per share for the year ended 31 December 2012 amounting to RM2,760,000 which is subject to shareholders' approval at the forthcoming Annual General Meeting.

**B13. EARNINGS PER SHARE**

The basic earnings per share ("EPS") is calculated by dividing the profit for the financial year attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the financial year held by the Company calculated as follows:

|  | <b>Current<br/>Quarter</b> | <b>Current Year<br/>To Date</b> |
|--|----------------------------|---------------------------------|
| Profit attributable to ordinary shareholders of the Company (RM'000) | 4,878                      | 17,126                          |
| Number of ordinary shares ('000)                                     | 92,000                     | 92,000                          |
| EPS (Sen)  | 5.30                       | 18.62                           |



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**B14. RELATED PARTY TRANSACTIONS**

The related party transactions are secretarial fee for the subsidiary companies amounting to RM7,200.00 charged by Tan Commercial Management Services Sdn. Bhd. and of which one of the director has interest over the company and able to exercise control. Further, a rental fee of RM5,400.00 was paid to certain directors of which the directors owned the said property and have interest over the property. Both transactions have been entered into in the normal course of business.

**B15. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES**

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

|  | <b>Group<br/>RM'000</b> |
|--|-------------------------|
| Total retained profits of the Company and its subsidiaries |                         |
| - Realised   | 61,954                  |
| - Unrealised   | (802)                   |
| Less: Consolidation adjustments                            | (33,268)                |
| Retained profits as per financial statement                | <u>27,884</u>           |

**B16. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 25 February 2013.

**By Order of the Board**

Lee Hong Lim (MIA 12949)  
Company Secretary  
Muar  
27 February 2013