



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 4TH QUARTER ENDED 31 DECEMBER 2013**



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 FORTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2013

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	8,972	18,818	50,335	78,799
Cost of sales	(3,207)	(10,322)	(26,404)	(45,604)
Gross profit	5,765	8,496	23,931	33,195
Other income	492	1,162	676	1,915
Depreciation and amortisation	(336)	(527)	(1,554)	(1,516)
Administrative expenses	(4,560)	(4,862)	(16,383)	(16,842)
Operating profit	1,361	4,269	6,670	16,752
Interest Income	302	246	993	598
Interest expense	(52)	(6)	(75)	(16)
Profit before tax	1,611	4,509	7,588	17,334
Tax expense	(786)	(369)	(1,257)	(949)
Profit for the period	825	4,140	6,331	16,385
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income for the period	825	4,140	6,331	16,385
Profit attributable to:				
Owners of the Company	842	4,170	6,354	16,435
Non-controlling interest	(17)	(30)	(23)	(50)
Profit for the period	825	4,140	6,331	16,385
Total Comprehensive Income attributable to:				
Owners of the Company	842	4,170	6,354	16,435
Non-controlling interest	(17)	(30)	(23)	(50)
Total Comprehensive Income for the period	825	4,140	6,331	16,385
Earnings per share (sen)				
- Basic	0.92	4.53	6.91	17.86
- 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 2012 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 2013

	(Unaudited) As at 31.12.2013 RM'000	(Audited) As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,968	17,800
Intangible assets	2,942	430
Other investment	450	450
	27,360	18,680
Current assets		
Inventories	22,608	17,151
Trade & other receivables	11,424	25,071
Tax recoverable	79	-
Fixed deposits with licensed banks	21,751	27,365
Cash and bank balances	14,075	10,112
	69,937	79,699
TOTAL ASSETS	97,297	98,379
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Revaluation reserves	2,653	2,653
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Retained profits	27,086	27,172
Shareholder's equity	81,497	81,583
Non-controlling interest	50	73
Total equity	81,547	81,656
Non-current liabilities		
Hire purchase payables	341	465
Term loan	3,997	-
Deferred taxation	1,239	1,139
	5,577	1,604
Current liabilities		
Trade & other payables	9,378	14,749
Term loan	356	-
Hire purchase payables	201	195
Current income taxes	238	175
	10,173	15,119
Total liabilities	15,750	16,723
TOTAL EQUITY AND LIABILITIES	97,297	98,379
Net assets per share (RM)	0.89	0.89

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Report of the Group for the year ended 31 December 2012 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 2013

	Attributable to Equity Holders of the Company								
	Non-Distributable					Distributable		Non-controlling interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Discount On Warrants	Warrant Reserves	Retained Profits	Subtotal		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2013	46,000	1,158	2,653	(13,340)	17,940	27,172	81,583	73	81,656
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Profit for the period</i>	-	-	-	-	-	6,354	6,354	(23)	6,331
Total comprehensive income for the period	-	-	-	-	-	6,354	6,354	(23)	6,331
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	-	-	-	-	-	(6,440)	(6,440)	-	(6,440)
Total transactions with owners of the Company	-	-	-	-	-	(6,440)	(6,440)	-	(6,440)
At 31 December 2013	46,000	1,158	2,653	(13,340)	17,940	27,086	81,497	50	81,547
At 1 January 2012	46,000	1,158	2,933	-	-	19,677	69,768	53	69,821
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Disposal of property, plant & equipment</i>	-	-	(280)	-	-	280	-	-	-
<i>Profit / (loss) for the financial year</i>	-	-	-	-	-	16,415	16,415	(30)	16,385
Total comprehensive income for the period	-	-	(280)	-	-	16,695	16,415	(30)	16,385
<i>Contributions by and distributions to owners of the Company</i>									
Fair value on right issue of warrants	-	-	-	(13,340)	17,940	-	4,600	-	4,600
Dividends to owners of the Company	-	-	-	-	-	(9,200)	(9,200)	-	(9,200)
Acquisition of subsidiaries	-	-	-	(13,340)	17,940	(9,200)	(4,600)	-	(4,600)
Total transactions with owners of the Company	-	-	-	(13,340)	17,940	(9,200)	(4,600)	50	(4,550)
At 31 December 2012	46,000	1,158	2,653	(13,340)	17,940	27,172	81,583	73	81,656

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 2012 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 FORTH QUARTER ENDED 31 DECEMBER 2013

	Current Year To-date	Preceding Year Corresponding Period
	31.12.2013 RM'000	31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,588	17,334
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	1,554	1,516
Interest expense	75	16
Interest income	(993)	(598)
Fair value derivatives	-	(98)
Impairment of goodwill	6	13
impairment of trade receivable	-	200
Unrealised gain of foreign exchange	(481)	-
Gain on disposal of property, plant & equipment	1	(413)
Operating profit before working capital changes	7,750	17,970
Changes in working capital		
(Increase) / Decrease in inventories	(5,457)	8,992
Decrease / (Increase) in trade & other receivables	13,829	(5,584)
(Decrease) / Increase in trade & other payables	(5,446)	1,233
Cash generated from operations	10,676	22,611
Income tax paid	(1,173)	-
Income tax refunded	-	25
Net cash generated from operating activities	9,503	22,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquire	-	50
Acquisition of intangible assets	(2,512)	-
Purchase of property, plant and equipment	(7,574)	(1,538)
Interest income	993	598
Proceed from disposal of property, plant & equipment	-	1,931
Net cash generated from / (used in) investing activities	(9,093)	1,041
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(219)	(144)
Repayment of term loan	(97)	-
Interest paid	(75)	(16)
Proceed from right issue of warrants	-	4,600
Placement of FD pledged	(12)	-
Proceed from term loan	4,450	-
Withdrawal of fixed deposit pledged	-	1,211
Dividend paid	(6,440)	(9,200)
Net cash used in financing activities	(2,393)	(3,549)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,983)	20,128
Cash and cash equivalents at beginning of period	37,090	16,962
Cash and cash equivalents at end of period	35,107	37,090
Note:	<u>Cash and Cash Equivalents at end of period</u>	
Cash and bank balances	14,075	10,112
Short term deposits with licensed banks	21,751	27,365
Fixed deposits pledged	(399)	(387)
Gain on unrealised forex	(320)	-
	35,107	37,090

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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

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 2012. 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 2012.

A2. CHANGES IN ACCOUNTING POLICIES

The audited financial statements of the Group for the year ended 31 December 2012 were prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards. 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 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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

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 interim dividend of 4.0 sen per share for the year ended 31 December 2013, amounting to RM3,680,000 was declared on 28 October 2013 and paid on 21 November 2013.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 12 months ended 31 December 2013.

	Investment holding RM '000	Manufacturing RM '000	Elimination RM '000	Consolidated RM '000
Revenue				
External sales	-	50,335	-	50,335
Inter-company transactions	-	1,175	(1,175)	-
Dividend income	6,000	-	(6,000)	-
	<u>6,000</u>	<u>51,510</u>	<u>(7,175)</u>	<u>50,335</u>
Segmental result	(463)	7,133	-	6,670
Finance costs				(75)
Interest income				<u>993</u>
Profit before tax				7,588
Taxation				<u>(1,257)</u>
Profit for the period				<u><u>6,331</u></u>



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

Segmental reporting for the 12 months ended 31 December 2012.

	Investment holding RM '000	Manufacturing RM '000	Elimination RM '000	Consolidated RM '000
Revenue				
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>
Segmental result	(1,076)	17,828	-	16,752
Finance costs				(16)
Interest income				<u>598</u>
Profit before tax				17,334
Taxation				<u>(949)</u>
Profit for the period				<u><u>16,385</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

On 13 February 2014, MBL Plantation Sdn Bhd ("MBLP"), a wholly-owned subsidiary of MBL had paid the remaining balance of purchase consideration amounting to RM11,011,500 to the vendor's solicitors. Concurrently, MBLP had also paid the Sum Owing of RM12,515,000 to the creditors. Accordingly, the acquisition of the entire issued and paid up share capital of Sokor Gemilang Lalang Sdn. Bhd. ("SGLSB") comprising 2,000,000 ordinary shares of RM1.00 each, is deemed completed on 13 February 2014.

As at the date of this report, the transfer of shares from SGLSB is still in progress.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

On 19 January 2014, MBL Plantation Sdn Bhd ("MBLP") had acquired the entire issued and paid-up share capital in SPA Hidayah Enterprise Sdn Bhd ("SHESB") for a purchase consideration of RM1,800,000.00. Thereafter, SHESB becomes a wholly-owned subsidiary of MBLP.

A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

A14. CAPITAL COMMITMENTS

As at the date of the reporting date, the capital expenditure approved and contracted for under the Group amounting to RM2,000,000.00.

A15. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM8,400.00 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 RM7,200.00 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 2013.



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

B1. REVIEW OF PERFORMANCE

	Individual Quarter (3 months ended)		Cumulative Quarter (12 months ended)	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	8,972	18,818	50,335	78,799
Profit before tax "PBT"	1,611	4,509	7,588	17,334
Profit after tax "PAT"	825	4,140	6,331	16,385

For the current quarter under review, the Group's recorded a revenue of RM8.97 million as compare with RM18.82 million registered in the preceding year's corresponding quarter. Both PBT and PAT were lower at RM1.61 million and RM0.83 million from RM4.51 million and RM4.14 million recorded in the preceding year's corresponding quarter respectively.

The lower revenue was mainly attributable to the lower sales recorded particularly from project sales in the current quarter under reviewed.

For the 12 months period under review, the Group recorded a revenue of RM50.34 million and as compare with of RM78.80 million recorded in the preceding year's corresponding period. The PBT was lower at RM7.59 million from RM17.33 million registered in the preceding year's corresponding period. PAT reduced to RM6.33 million from RM16.39 million registered in the preceding year's corresponding period. Similarly, the lower PBT and PAT were mainly attributable to the lower sales recorded especially in project sales in the current year under review due to the postponement of delivery of certain projects due for shipment as compare with the preceding years corresponding period.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

The Group's revenue for the current quarter was lower at RM8.97 million as compare with RM13.49 million registered in the immediate preceding quarter. Lower PBT and PAT of RM1.61 million and RM0.83 million were recorded in the current quarter as compare to RM1.89 million and RM1.73 million recorded in the previous quarter respectively. The lower results are mainly attributable to lower sales recorded in the current quarter due to the delay in delivery for certain projects because the project's site are unfit for installation works.

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 2014.

B4. VARIANCE FROM PROFIT FORECAST

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

B5. TAXATION

Taxation for the quarter and year to date comprises:

	Current Quarter Ended 31.12.2013 RM'000	Current Year To Date 31.12.2013 RM'000
Taxation		
- current year	621	1,092
- Under provision in prior year	65	65
Deferred Taxation		
- current year	120	120
- Over provision in prior year	(20)	(20)
	<u>786</u>	<u>1,257</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) On 15 March 2013, MBL Plantation Sdn Bhd ("MBLP"), a wholly-owned subsidiary of MBL, has entered into a conditional Share Sale Agreement ("SSA") with the existing shareholders of SGLSB for the acquisition of the entire issued and paid up share capital of Sokor Gemilang Lalang Sdn. Bhd. ("SGLSB") comprising 2,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM12,235,000 to be satisfied in cash. As part of the terms and conditions of the SSA, SGLSB will novate the Sum Owing of RM12,515,000 from the Creditors to MBLP. Hence, the total consideration in relation to the Proposed Acquisition amounts to RM24,750,000. The principal Activities of SGLSB consist of management and operation of palm oil plantation.

On 13 February 2014, MBLP had paid the remaining balance of purchase consideration amounting to RM11,011,500 to the vendor's solicitors. Concurrently, MBLP had also paid the Sum Owing of RM12,515,000 to the creditors. Accordingly, the acquisition is deemed completed on 13 February 2014.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

- 2) On 14 August 2013, MBLP has entered into a conditional Share Sale Agreement (“SSA”) with the existing shareholders of SPA Hidayah Enterprise Sdn. Bhd. (Company No. 1043099-H) (“SHESB”) for the acquisition of the entire issued and paid up share capital of SHESB comprising 2 ordinary shares of RM1.00 each, for a total consideration of RM1,800,000.00 to be satisfied in cash.

MBLP had fully paid the purchase consideration of RM1,800,000 and completed the acquisition of SHESB which becomes a wholly-owned subsidiary of MBLP. The principal activity of SHESB is to involve in the logging activities, reforestation and planting of clone rubber timber.

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group’s borrowings as at 31 December 2013 are as follows:

	Short Term (Secured) RM’000	Long Term (Secured) RM’000	Total RM’000
Term Loan	356	3,997	4,353
Hire Purchase	201	341	542
TOTAL	557	4,338	4,895

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 interim dividend of 4.0 sen per share for the year ended 31 December 2013, amounting to RM3,680,000 was declared on 28 October 2013 and paid on 21 November 2013

B13. EARNINGS PER SHARE

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

	Current Quarter	Current Year To Date
Profit attributable to ordinary shareholders of the Company (RM’000)	842	6,354
Number of ordinary shares (‘000)	92,000	92,000
EPS (Sen)	0.92	6.91



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013**

B14. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM8,400.00 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 RM7,200.00 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:

	Group RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	61,190
- Unrealised	(874)
Less: Consolidation adjustments	(33,230)
Retained profits as per financial statement	<u>27,086</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 28 February 2014.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
28 February 2014