



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 1ST QUARTER ENDED 31 MARCH 2014**



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 FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2014

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue	12,007	15,237	12,007	15,237
Cost of sales	(6,531)	(8,807)	(6,531)	(8,807)
Gross profit	5,476	6,430	5,476	6,430
Other income	112	120	112	120
Depreciation and amortisation	(442)	(399)	(442)	(399)
Administrative expenses	(3,643)	(3,575)	(3,643)	(3,575)
Operating profit	1,503	2,576	1,503	2,576
Interest Income	111	192	111	192
Interest expense	(9)	(8)	(9)	(8)
Profit before tax	1,605	2,760	1,605	2,760
Tax expense	(165)	(46)	(165)	(46)
Profit for the period	1,440	2,714	1,440	2,714
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income for the period	1,440	2,714	1,440	2,714
Profit attributable to:				
Owners of the Company	1,441	2,714	1,441	2,714
Non-controlling interest	(1)	-	(1)	-
Profit for the period	1,440	2,714	1,440	2,714
Total Comprehensive Income attributable to:				
Owners of the Company	1,441	2,714	1,441	2,714
Non-controlling interest	(1)	-	(1)	-
Total Comprehensive Income for the period	1,440	2,714	1,440	2,714
Earnings per share (sen)				
- Basic	1.57	2.95	1.57	2.95
- 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 2013 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 MARCH 2014

	(Unaudited) As at 31.03.2014 RM'000	(Audited) As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,602	23,641
Development expenditure	17,009	-
Investment properties	321	327
Goodwill	7,744	-
Intangible assets	2,942	2,942
Other investment	450	450
	53,068	27,360
Current assets		
Inventories	21,756	22,608
Trade & other receivables	17,512	11,424
Tax recoverable	114	-
Fixed deposits with licensed banks	535	23,776
Cash and bank balances	6,997	12,050
	46,914	69,858
TOTAL ASSETS	99,982	97,218
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	28,200	27,038
Shareholder's equity	82,611	81,449
Non-controlling interest	49	50
Total equity	82,660	81,499
Non-current liabilities		
Hire purchase payables	522	341
Term loan	3,864	3,997
Deferred taxation	1,303	1,239
	5,689	5,577
Current liabilities		
Trade & other payables	10,972	9,427
Hire purchase payables	175	201
Term loan	347	356
Current income taxes	139	158
	11,633	10,142
Total liabilities	17,322	15,719
TOTAL EQUITY AND LIABILITIES	99,982	97,218
Net assets per share (RM)	0.90	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 2013 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 FIRST QUARTER ENDED 31 MARCH 2014

	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-Distributable					Distributable		Non-controlling interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Discount On Warrants RM'000	Warrant Reserves RM'000	Retained Profits RM'000	Subtotal RM'000		
At 1 January 2014	46,000	1,158	2,653	(13,340)	17,940	29,886	84,297	73	84,370
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Profit for the period</i>	-	-	-	-	-	1,440	1,440	(24)	1,416
Total comprehensive income for the period	-	-	-	-	-	1,440	1,440	(24)	1,416
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	(3,126)	(3,126)	-	(3,126)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At 31 March 2014	46,000	1,158	2,653	(13,340)	17,940	28,200	82,611	49	82,660
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 / (loss) for the financial year</i>	-	-	-	-	-	2,714	2,714	-	2,714
Total comprehensive income for the period	-	-	-	-	-	2,714	2,714	-	2,714
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-
At 31 March 2013	46,000	1,158	2,653	(13,340)	17,940	29,886	84,297	73	84,370

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 2013 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 FIRST QUARTER ENDED 31 MARCH 2014

	Current Year To-date	Preceding Year Corresponding Period
	31.03.2014 RM'000	31.03.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,605	2,760
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	442	399
Interest expense	9	8
Interest income	(111)	(192)
Goodwill	(7,744)	-
Operating profit / (loss) before working capital changes	(5,799)	2,975
Changes in working capital		
(Increase) / Decrease in inventories	852	797
Decrease / (Increase) in trade & other receivables	(6,088)	3,479
(Decrease) / Increase in trade & other payables	1,545	(2,357)
Cash (used in) / generated from operations	(9,490)	4,894
Income tax paid	(263)	(325)
Net cash (used in) / generated from operating activities	(9,753)	4,569
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquire	(18,424)	-
Purchase of property, plant and equipment	(281)	(502)
Interest income	111	192
Net cash used in investing activities	(18,594)	(310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(64)	(48)
Proceed from hire purchase payables	220	100
Repayment of term loan	(82)	
Interest paid	(9)	(8)
Net cash generated from financing activities	65	44
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,282)	4,303
Cash and cash equivalents at beginning of period	35,427	37,090
Cash and cash equivalents at end of period	7,145	41,393
Note: <u>Cash and Cash Equivalents at end of period</u>		
Cash and bank balances	6,997	12,494
Short term deposits with licensed banks	535	29,286
Fixed deposits pledged	(387)	(387)
	7,145	41,393

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 2013 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 1ST QUARTER ENDED 31 MARCH 2014**

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 2013. 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 2013.

A2. CHANGES IN ACCOUNTING POLICIES

The audited financial statements of the Group for the year ended 31 December 2013 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 2013.

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 1ST QUARTER ENDED 31 MARCH 2014**

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 second interim dividend of 3.0 sen per share for the year ended 31 December 2013, amounting to RM2,760,000 was declared on 2 April 2014 and paid on 30 April 2014.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 3 months ended 31 March 2014

	Investment holding RM '000	Manufacturing RM '000	Elimination RM '000	Consolidated RM '000
Revenue				
External sales	-	12,007		12,007
Inter-company transactions	-	-		-
Dividend income	-	-		-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	12,007	-	12,007
Segmental result	(68)	1,571	-	1,503
Finance costs				(9)
Interest income				<hr/> 111
Profit before tax				1,605
Taxation				<hr/> (165)
Profit for the period				<hr/> <hr/> 1,440



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014**

Segmental reporting for the 3 months ended 31 March 2013.

	Investment holding RM '000	Manufacturing RM '000	Elimination RM '000	Consolidated RM '000
Revenue				
External sales	-	15,237	-	15,237
Inter-company transactions	-	-	-	-
Dividend income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	15,237	-	15,237
Segmental result	(84)	2,660	-	2,576
Finance costs				(8)
Interest income				<hr/> 192
Profit before tax				2,760
Taxation				<hr/> (46)
Profit for the period				<hr/> <hr/> 2,714

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

There were no material subsequent event in the financial period under review.

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

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014**

A15. RELATED PARTY TRANSACTIONS

The related party transactions is the rental fee of RM1,800.00 was paid to certain directors of which the directors owned the said property and have interest over the property and the transactions was 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 March 2014.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014**

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

B1. REVIEW OF PERFORMANCE

	Individual and Cumulative Quarter (3 months ended)	
	31.03.2014 RM'000	31.03.2013 RM'000
Revenue	12,007	15,237
Profit before tax "PBT"	1,605	2,760
Profit after tax "PAT"	1,440	2,714

The Group's revenue for the current quarter stood at RM12.01 million as compare with RM15.24 million registered in the preceding year's corresponding quarter. Both PBT and PAT were lower at RM1.61 million and RM1.44 million from RM2.76 million and RM2.71 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.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

The Group's revenue for the current quarter has improved to RM12.01 million as compare with RM8.97 million registered in the immediate preceding quarter. As a result of higher revenue in the current quarter, PBT and PAT improved to RM1.61 million and RM1.44 million as compare to RM1.56 million and RM0.78 million recorded in the previous quarter respectively. The improvement was mainly attributable to higher volume of project sales recorded.

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.

B5. TAXATION

Taxation for the quarter and year to date comprises:

	Current Quarter Ended 31.03.2014 RM'000	Current Year To Date 31.03.2014 RM'000
Taxation		
- current year	<u>165</u>	<u>165</u>
	<u>165</u>	<u>165</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014**

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

There was no pending corporate proposals for the financial period under review.

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2014 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total RM'000
Term Loan	347	3,864	4,211
Hire Purchase	175	522	697
TOTAL	522	4,386	4,908

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 second interim dividend of 3.0 sen per share for the year ended 31 December 2013, amounting to RM2,760,000 was declared on 2 April 2014 and paid on 30 April 2014.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014**

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)	1,441	1,441
Number of ordinary shares (’000)	92,000	92,000
EPS (Sen)	1.57	1,57

B14. RELATED PARTY TRANSACTIONS

The related party transactions is the rental fee of RM1,800.00 was paid to certain directors of which the directors owned the said property and have interest over the property and the transactions was 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	62,733
- Unrealised	(1,303)
Less: Consolidation adjustments	(33,230)
Retained profits as per financial statement	<u>28,200</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 26 May 2014.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
26 May 2014