



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 4TH QUARTER ENDED 31 DECEMBER 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 FORTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2014

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	12,268	8,972	47,320	50,335
Cost of sales	(7,601)	(3,207)	(25,829)	(26,404)
Gross profit	4,667	5,765	21,491	23,931
Other income	277	492	628	676
Depreciation and amortisation	(530)	(337)	(1,916)	(1,555)
Administrative expenses	(3,040)	(4,607)	(15,071)	(16,430)
Operating profit	1,374	1,313	5,132	6,622
Interest Income	-	302	143	993
Interest expense	(65)	(52)	(250)	(75)
Profit before tax	1,309	1,563	5,025	7,540
Tax expense	(206)	(786)	(974)	(1,257)
Profit for the period	1,103	777	4,051	6,283
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income for the period	1,103	777	4,051	6,283
Profit attributable to:				
Owners of the Company	1,137	794	4,095	6,306
Non-controlling interest	(34)	(17)	(44)	(23)
Profit for the period	1,103	777	4,051	6,283
Total Comprehensive Income attributable to:				
Owners of the Company	1,137	794	4,095	6,306
Non-controlling interest	(34)	(17)	(44)	(23)
Total Comprehensive Income for the period	1,103	777	4,051	6,283
Earnings per share (sen)				
- Basic	1.24	0.86	4.45	6.85
- Diluted	1.19	0.77	4.12	6.19

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 DECEMBER 2014

	(Unaudited) As at 31.12.2014 RM'000	(Audited) As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,424	23,641
Investment properties	323	327
Development expenditure	761	-
Intangible assets	28,402	2,942
Other investment	450	450
	53,360	27,360
Current assets		
Inventories	24,745	22,608
Trade & other receivables	13,104	11,424
Tax recoverable	218	-
Fixed deposits with licensed banks	714	23,776
Cash and bank balances	4,554	12,050
	43,335	69,858
TOTAL ASSETS	96,695	97,218
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Revaluation reserves	2,581	2,653
Discount on shares	(13,340)	(13,340)
Warrant reserve	17,940	17,940
Retained profits	27,525	27,038
Shareholder's equity	81,864	81,449
Non-controlling interest	6	50
Total equity	81,870	81,499
Non-current liabilities		
Hire purchase payables	471	341
Bank borrowing	3,638	3,997
Deferred taxation	1,226	1,239
	5,335	5,577
Current liabilities		
Trade & other payables	6,963	9,427
Hire purchase payables	157	201
Bank borrowing	2,126	356
Current income taxes	244	158
	9,490	10,142
Total liabilities	14,825	15,719
TOTAL EQUITY AND LIABILITIES	96,695	97,218
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 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 FORTH QUARTER ENDED 31 DECEMBER 2014

	Attributable to Equity Holders of the Company								Total Equity
	Non-Distributable					Distributable		Non-controlling interest	
	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 2014	46,000	1,158	2,653	(13,340)	17,940	27,038	81,449	50	81,499
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-
<i>Profit for the financial year</i>	-	-	-	-	-	4,095	4,095	(44)	4,051
<i>Revaluation surplus</i>	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	4,095	4,095	(44)	4,051
<i>Contributions by and distributions to owners of the Company</i>									
<i>Dividends to owners of the Company</i>	-	-	-	-	-	(3,680)	(3,680)	-	(3,680)
Total transactions with owners of the Company	-	-	-	-	-	(3,680)	(3,680)	-	(3,680)
At 31 December 2014	46,000	1,158	2,653	(13,340)	17,940	27,453	81,864	6	81,870
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 financial year</i>	-	-	-	-	-	6,306	6,306	(23)	6,283
Total comprehensive income for the period	-	-	-	-	-	6,306	6,306	(23)	6,283
<i>Contributions by and distributions to owners of the Company</i>									
<i>Dividends to owners of the Company</i>	-	-	-	-	-	(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	27,038	81,449	50	81,499

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2014

	Current Year To-date	Preceding Year Corresponding Period
	31.12.2014 RM'000	31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,025	7,540
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	1,916	1,555
Bargain purchase	(211)	-
Impairment of goodwill	-	6
Interest expense	250	75
Interest income	(143)	(993)
Unrealised gain on foreign exchange	(267)	(481)
Operating profit before working capital changes	6,570	7,702
Changes in working capital		
(Increase) in inventories	(2,137)	(5,457)
(Increase) / decrease in trade & other receivables	(1,860)	13,829
(Decrease) in trade & other payables	(2,464)	(5,348)
Cash (used in) / generated from operations	109	10,726
Income tax paid	(1,183)	(1,173)
Net cash (used in) / generated from operating activities	(1,074)	9,553
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(1,421)	(512)
Acquisition of property, plant and equipment	(691)	(7,624)
Acquisition of subsidiaries, net of cash and cash equivalents	(24,750)	(2,000)
Interest income	143	993
Net cash used in investing activities	(26,719)	(9,143)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,680)	(6,440)
Interest paid	(250)	(75)
Placement of pledged fixed deposits	(12)	(12)
Proceed from bank borrowing	355	4,450
Repayment of hire purchase payables	(259)	(219)
Repayment of bank borrowing	(352)	(97)
Net cash (used in) / generated from financing activities	(4,198)	(2,393)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,991)	(1,983)
Unrealised gain/loss on foreign exchange	(247)	320
Cash and cash equivalents at beginning of period	35,427	37,090
Cash and cash equivalents at end of period	3,189	35,427
Note:	<u>Cash and Cash Equivalents at end of period</u>	
Cash and bank balances	4,554	12,050
Short term deposits with licensed banks	714	23,776
Bank overdraft	(1,668)	-
Fixed deposits pledged	(411)	(399)
	3,189	35,427

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 4TH QUARTER ENDED 31 DECEMBER 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

During the financial period, MBL Plantation Sdn. Bhd. (“MBLP”), a subsidiary of the Company, had completed the acquisition of 100% equity interest in Sokor Gemilang Lalang Sdn. Bhd. (“SOKOR”). Upon completed acquisition, SOKOR become the subsidiary of the Group. SOKOR is an unlisted company incorporated in Malaysia and involved in oil palm plantation.

Detail of cash flow arising from acquisition is as follow:-

Fair value of assets acquired and liabilities assumed:

Total purchase consideration discharged by cash	(24,750,000)
Cash and cash equivalents of subsidiaries acquired	<u>-</u>
Net cashoutflow on acquisition of subsidiaries	<u>(24,750,000)</u>



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

A5. UNUSUAL ITEMS (continued)

Property, plant and equipment	689,925
Fair value of Right (Intangible assets)	24,800,000
Amount due to holding company	(407,577)
Accrual	(57,536)
Deferred taxation	(63,987)
	-
Share of net asset acquired	<u>24,960,826</u>
Bargain purchase on acquisition	<u>(210,826)</u>
Total purchase consideration discharged by cash	24,750,000
Less: Cash and cash equivalents of subsidiaries acquired	-
	<u><u>24,750,000</u></u>

Save as disclosed above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows 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 interim dividend of 1.0 sen per share for the year ended 31 December 2014 amounting to RM920,000 was declared on 1 December 2014 and paid on 30 December 2014.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

A9. SEGMENTAL INFORMATION

Segmental reporting for the 12 months ended 31 December 2014

	Investment holding RM '000	Manufacturing RM '000	Plantation RM '000	Elimination RM '000	Consolidated RM '000
Revenue					
External sales	-	46,337	983	-	47,320
Inter-company transaction	-	644	-	(644)	-
Dividend income	4,260	-	-	(4,260)	-
	<u>4,260</u>	<u>46,981</u>	<u>983</u>	<u>(4,904)</u>	<u>47,320</u>
Segmental result	(583)	5,904	(189)	-	5,132
Finance costs					(250)
Interest income					<u>143</u>
Profit before tax					5,025
Taxation					<u>(974)</u>
Profit for the period					<u><u>4,051</u></u>

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)	7,085	-	6,622
Finance costs				(75)
Interest income				<u>993</u>
Profit before tax				7,540
Taxation				<u>(1,257)</u>
Profit for the period				<u><u>6,283</u></u>



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

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

As per announcement made on 13 February 2014, MBL Plantation Sdn. Bhd. ("MBLP"), a subsidiary of the Company, had completed the acquisition of 100% equity interest in Sokor Gemilang Lalang Sdn. Bhd. ("SOKOR") on the same date. Upon completed acquisition, SOKOR become the subsidiary of the Group. SOKOR is an unlisted company incorporated in Malaysia and involved in oil palm plantation.

Otherthan the above, 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 RM3,000,000.00.

A15. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM7,980.00 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 and the transactions was entered into in the normal course of business.

A16. DISCLOSURE OF DERIVATIVES

There was 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 2014.



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)	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	12,268	8,972	47,320	50,335
Profit before tax (PBT)	1,309	1,563	5,025	7,540

For the current quarter under review, the Group registered a revenue of RM12.27 million as compare with RM8.97 million registered in the preceding year's corresponding quarter. For plantation segment, revenue of RM0.16 million and loss before taxation of RM0.48 million were recorded in the current period. Despite the higher revenue, the profit before tax was marginal lower at RM1.31 million as compare with RM1.56 million recorded in the preceding year's corresponding quarter which was mainly due to lower project sales generated and loss in the plantation segment during the quarter under review.

For the twelve months period under review, the Group recorded a revenue and profit before tax of RM47.32 million and RM5.03 million as compare with RM50.34 million and RM7.54 million recorded in the preceding year's corresponding period. For plantation segment, revenue of RM0.98 million and loss before taxation of RM0.19 million were recorded in the current year. Similarly, the lower revenue and profit before tax was mainly attributable to lower project sales recorded in the current period.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

The Group's revenue for the current quarter was marginally lower at RM12.27 million as compare with RM12.31 million registered in the immediate preceding quarter. Profit before tax was marginally higher at RM1.31 million as compare to RM1.29 million recorded in the previous quarter because of lower administrative costs in the current quarter.

B3. COMMENTARY ON PROSPECTS

The Group will remain focus on its core business of plants setup, sale of spare parts and ancillary equipment. More efforts and resources will be channeled to revitalize and increase Fresh Fruit Bunch (FFB) yield in the oil palm plantation. Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register satisfactory results for the coming financial year.

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 2014**

B5. TAXATION

Taxation for the quarter and year to date comprises:

	Current Quarter Ended 31.12.2014 RM'000	Current Year To Date 31.12.2014 RM'000
Taxation		
- current year	285	1,053
Deferred taxation		
- current year	9	9
- Over provision in prior year	(88)	(88)
	206	974

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 December 2014 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total RM'000
Bank Overdraft	1,668	0	1,668
Banker Acceptance	94	0	94
Term Loan	364	3,638	4,002
Hire Purchase	157	471	628
TOTAL	2,283	4,109	6,392



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 1.0 sen per share for the year ended 31 December 2014 amounting to RM920,000 was declared on 1 December 2014 and paid on 30 December 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)	1,137	4,095
Number of ordinary shares ('000)	92,000	92,000
Basic EPS (Sen)	1.24	4.45
Weighted average number of ordinary shares ('000)	95,209	99,500
Diluted EPS (Sen)	1.19	4.12

B14. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM7,980.00 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 and the transactions was entered into in the normal course of business.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

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	114,232
- Unrealised	(1,226)
Less: Consolidation adjustments	(31,136)
Retained profits as per financial statement	<u>81,870</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 2014.

By Order of the Board

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