



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 4TH QUARTER ENDED 31 DECEMBER 2015



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 ENDED 31 DECEMBER 2015

| | Individual Quarter 3 months ended | | Cumulative Quarter 12 months ended | |
|--|--------------------------------------|----------------------|---------------------------------------|----------------------|
| | 31.12.2015 RM'000 | 31.12.2014 RM'000 | 31.12.2015 RM'000 | 31.12.2014 RM'000 |
| Revenue | 22,266 | 12,250 | 62,622 | 47,302 |
| Less: Revenue from discontinued operation | (268) | (983) | (1,102) | (983) |
| Revenue from continuing operation | 21,998 | 11,267 | 61,520 | 46,319 |
| Cost of sales | (14,265) | (6,851) | (35,591) | (25,079) |
| Gross profit | 7,733 | 4,416 | 25,929 | 21,240 |
| Other income | 2,426 | 306 | 2,890 | 657 |
| Depreciation and amortisation | (451) | (530) | (1,610) | (1,916) |
| Distribution and administrative expenses | (6,661) | (2,968) | (18,400) | (14,999) |
| Operating profit | 3,047 | 1,224 | 8,809 | 4,982 |
| Interest Income | 34 | - | 112 | 143 |
| Interest expense | (236) | (78) | (811) | (263) |
| Profit before taxation | 2,845 | 1,146 | 8,110 | 4,862 |
| Taxation | (495) | (209) | (1,294) | (977) |
| Profit for the continuing operations | 2,350 | 937 | 6,816 | 3,885 |
| Discontinued operations | | | | |
| Profit/Loss from discontinued operations, net of tax | (641) | 139 | (730) | 139 |
| Profit for the period | 1,709 | 1,076 | 6,086 | 4,024 |
| Other Comprehensive Income, net of tax | - | - | - | - |
| Total Comprehensive Income for the period | 1,709 | 1,076 | 6,086 | 4,024 |
| Profit attributable to: | | | | |
| Owners of the Company - continuing operations | 2,673 | 904 | 6,639 | 3,929 |
| - discontinued operation | (641) | 139 | (730) | 139 |
| | 2,032 | 1,043 | 5,909 | 4,068 |
| Non-controlling interest | (323) | (33) | 177 | (44) |
| Profit for the period | 1,709 | 1,076 | 6,086 | 4,024 |
| Total Comprehensive Income attributable to: | | | | |
| Owners of the Company - continuing operations | 2,673 | 970 | 6,639 | 3,929 |
| - discontinued operation | (641) | 139 | (730) | 139 |
| | 2,032 | 1,109 | 5,909 | 4,068 |
| Non-controlling interest | (323) | (33) | 177 | (44) |
| Total Comprehensive Income for the period | 1,709 | 1,076 | 6,086 | 4,024 |
| Earnings per share (sen) | | | | |
| - Basic - continuing operations | 2.91 | 0.98 | 7.22 | 4.27 |
| - discontinued operation | (0.70) | 0.15 | (0.79) | 0.15 |
| | 2.21 | 1.13 | 6.43 | 4.42 |
| - Diluted - continuing operations | N/A | 0.62 | N/A | 3.95 |
| - discontinued operation | N/A | 0.14 | N/A | 0.14 |
| | N/A | 0.76 | N/A | 4.09 |

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 2014 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 2015

| | (Unaudited) As at 31.12.2015 RM'000 | (Audited) As at 31.12.2014 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 27,961 | 22,770 |
| Investment properties | 320 | 323 |
| Intangible assets | 3,261 | 3,602 |
| Other investment | - | 450 |
| | 31,542 | 27,145 |
| Current assets | | |
| Inventories | 32,273 | 24,745 |
| Trade and other receivables | 27,040 | 13,115 |
| Fixed deposits with licensed banks | 367 | 714 |
| Cash and bank balances | 12,775 | 4,382 |
| | 72,455 | 42,956 |
| Assets included in disposal group classified as held for sale | 26,786 | 26,400 |
| | 99,241 | 69,356 |
| TOTAL ASSETS | 130,783 | 96,501 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 46,000 | 46,000 |
| Share premium | 1,158 | 1,158 |
| Treasury shares | (290) | - |
| Revaluation reserves | 2,556 | 2,581 |
| Discount on shares | (13,340) | (13,340) |
| Warrant reserve | 17,940 | 17,940 |
| Foreign currently translation reserve | (81) | - |
| Retained profits | 30,676 | 27,499 |
| Shareholder's equity | 84,619 | 81,838 |
| Non-controlling interest | 6,682 | 6 |
| Total equity | 91,301 | 81,844 |
| Non-current liabilities | | |
| Hire purchase payables | 104 | 295 |
| Other payables | 150 | - |
| Bank borrowing | 12,442 | 3,637 |
| Deferred taxation | 1,311 | 1,240 |
| | 14,007 | 5,172 |
| Current liabilities | | |
| Trade and other payables | 18,852 | 6,566 |
| Hire purchase payables | 190 | 208 |
| Bank borrowing | 6,247 | 2,387 |
| Tax payable | 10 | 15 |
| | 25,299 | 9,176 |
| Liabilities included in disposal group classified as held for sale | 176 | 309 |
| | 25,475 | 9,485 |
| Total liabilities | 39,482 | 14,657 |
| TOTAL EQUITY AND LIABILITIES | 130,783 | 96,501 |
| Net assets per share (RM) | 0.92 | 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 2014 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 FOURTH QUARTER ENDED 31 DECEMBER 2015

| | Attributable to Equity Holders of the Company | | | | | | | | | | | |
|--|---|---------------|-----------------|---------------------|----------------------|------------------|---------------------------------------|------------------|---------------|--------------|--------------------------|--------------|
| | Non-Distributable | | | | | | Distributable | | | | Non-controlling interest | Total Equity |
| | Share Capital | Share Premium | Treasury Shares | Revaluation Reserve | Discount On Warrants | Warrant Reserves | Foreign Currency Translation Reserves | Retained Profits | Subtotal | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| At 1 January 2015 | 46,000 | 1,158 | - | 2,581 | (13,340) | 17,940 | - | 27,499 | 81,838 | 6 | 81,844 | |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | 6,499 | 6,499 | |
| Profit for the financial year | - | - | - | - | - | - | - | 5,909 | 5,909 | 177 | 6,086 | |
| Crystallisation of revaluation reserve | - | - | - | (25) | - | - | - | 25 | - | - | - | |
| Foreign exchange translation reserve | - | - | - | - | - | - | (81) | - | (81) | - | (81) | |
| Total comprehensive income for the financial year | - | - | - | (25) | - | - | (81) | 5,934 | 5,828 | 6,676 | 12,504 | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | | | |
| Dividends to owners of the Company | - | - | - | - | - | - | - | (2,757) | (2,757) | - | (2,757) | |
| Purchase of treasury shares | - | - | (290) | - | - | - | - | - | (290) | - | (290) | |
| Total transactions with owners of the Company | - | - | (290) | - | - | - | - | (2,757) | (3,047) | - | (3,047) | |
| At 31 December 2015 | 46,000 | 1,158 | (290) | 2,556 | (13,340) | 17,940 | (81) | 30,676 | 84,619 | 6,682 | 91,301 | |
| At 1 January 2014 | 46,000 | 1,158 | - | 2,653 | (13,340) | 17,940 | - | 27,038 | 81,449 | 50 | 81,499 | |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | |
| Profit for the financial year | - | - | - | - | - | - | - | 4,069 | 4,069 | (44) | 4,025 | |
| Realisation of revaluation surplus upon depreciation surplus | - | - | - | (72) | - | - | - | 72 | - | - | - | |
| Total comprehensive income for the financial year | - | - | - | (72) | - | - | - | 4,141 | 4,069 | (44) | 4,025 | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | | | |
| Dividends to owners of the Company | - | - | - | - | - | - | - | (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 | - | 2,581 | (13,340) | 17,940 | - | 27,499 | 81,838 | 6 | 81,844 | |

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 2014 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 2015

| | Current Year To-date | Preceding Year Corresponding Period |
|---|--|---|
| | 31.12.2015 RM'000 | 31.12.2014 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | | |
| - Continuing operations | 8,110 | 4,862 |
| - Discontinued operations | (730) | 139 |
| | 7,380 | 5,001 |
| Adjustments for non-cash items: | | |
| Bargain purchase of subsidiary | (2,194) | (211) |
| Amortisation of biological assets | 26 | - |
| Gain on disposal of preproperty, plant & equipment | (61) | - |
| Impairment of intangible assets | 430 | - |
| Unrealised gain/(loss) on forex | 116 | (149) |
| Depreciation of property, plant & machinery | 1,759 | 1,913 |
| Depreciation of investment property | 4 | 3 |
| Interest expense | 811 | 263 |
| Interest income | (112) | (143) |
| | 8,159 | 6,677 |
| Operating profit before working capital changes | | |
| Changes in working capital | | |
| Increase in inventories | (5,777) | (2,137) |
| Increase in trade and other receivables | (5,689) | (1,908) |
| Decrease in trade and other payables | 10,428 | (2,789) |
| | 7,121 | (157) |
| Cash used in operations | | |
| Income tax paid | (1,940) | (1,183) |
| | 5,181 | (1,340) |
| Net cash generated from/(used) in operating activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of biological assets | (435) | (761) |
| Acquisition of intangible assets | (89) | (660) |
| Acquisition of property, plant and equipment | (2,160) | (660) |
| Acquisition of subsidiaries, net of cash and cash equivalents | (3,589) | (24,750) |
| Proceed from investment | 450 | - |
| Proceed from disposal of property, plant and equipment | 61 | - |
| Interest income | 112 | 143 |
| | (5,650) | (26,688) |
| Net cash used in investing activities | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (811) | (263) |
| Dividend paid | (2,757) | (3,680) |
| Withdrawal/(placement) of pledged fixed deposits | 44 | (12) |
| Purchase of treasury shares | (290) | - |
| Net increase in banker acceptance | - | 355 |
| Proceed from borrowings | 15,094 | - |
| Repayment of hire purchase payables | (230) | (259) |
| Repayment of bank borrowing | (1,083) | (352) |
| | 9,967 | (4,211) |
| Net cash generated from/(used) in financing activities | | |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 9,498 | (32,239) |
| Effect of foreign exchange differences | 361 | - |
| Translation reserve | (81) | - |
| Cash and cash equivalents at beginning of period | 3,188 | 35,427 |
| Cash and cash equivalents at end of period | 12,966 | 3,188 |
| Note: | <u>Cash and Cash Equivalents at end of period</u> | |
| | Continuing operations | |
| Cash and bank balances | 12,775 | 4,382 |
| Short term deposits with licensed banks | 367 | 714 |
| Bank overdraft | (45) | (1,669) |
| Fixed deposits pledged | (367) | (411) |
| | 12,730 | 3,016 |
| | Discontinued operations | |
| Cash and bank balances | 236 | 172 |
| | 12,966 | 3,188 |

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 2014 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 2015**

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

The Group has re-adopted FRS in the year ended 31 December 2014 as it met the criteria as Transitioning Entities. The re-adoption of FRSs did not have any significant impacts on the financial statements of the Group and the Company. The Group will present its first Malaysia Financial Reporting Standard (“MFRS”) financial statements for the financial year ending 31 December 2017.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

A2. CHANGES IN ACCOUNTING POLICIES

The 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 2014 except for those standard, amendments and IC interpretation which are effective from the annual period beginning 1 July 2014 and onwards. The adoption of these standards, amendments and IC interpretations does not have significant impact on the financial statements of the Group and the Company.

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

Other than event mentioned in Note 12, there were no unusual items for the current 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 2015**

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter other than the following:-

During the current quarter, the Company repurchased 1,500 of its issued ordinary shares from the open market at an average price of RM0.775 per shares. The total consideration paid for the repurchase including transactions costs was RM1,207 and this was financed by internally generated funds.

Total treasury shares held as at 31 December 2015 is 385,800 shares. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A8. DIVIDEND PAID

The declared single-tier first interim dividend of 1.0 sen per share for the year ended 31 December 2015 amounting to RM916,142.00 was paid on 28 December 2015.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 12 months ended 31 December 2015

| | Investment Holding RM'000 | Manufacturing RM'000 | Trading and service RM'000 | Edible Oil Milling RM'000 | Elimination RM'000 | Consolidated (Total continue) RM'000 | Plantation (discontinued) RM'000 | Consolidated (Grand total) RM'000 |
|----------------------------------|---------------------------------|-------------------------|-------------------------------------|------------------------------------|-----------------------|--|--|---|
| Revenue | | | | | | | | |
| External sales | - | 51,305 | 3,661 | 6,554 | - | 61,520 | 1,102 | 62,622 |
| Inter-company transaction | - | 249 | 603 | - | (852) | - | - | - |
| Dividend income | 3,440 | - | - | - | (3,440) | - | - | - |
| | <u>3,440</u> | <u>51,554</u> | <u>4,264</u> | <u>6,554</u> | <u>(4,292)</u> | <u>61,520</u> | <u>1,102</u> | <u>62,622</u> |
| Segmental result | 2,747 | 5,820 | 1,225 | 220 | (1,203) | 8,809 | (722) | 8,087 |
| Finance cost | | | | | | (811) | (8) | (819) |
| Interest income | | | | | | 112 | - | 112 |
| Profit before tax | | | | | | <u>8,110</u> | <u>(730)</u> | <u>7,380</u> |
| Taxation | | | | | | (1,294) | - | (1,294) |
| Profit for the period | | | | | | <u>6,816</u> | <u>(730)</u> | <u>6,086</u> |



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015**

A9. SEGMENTAL INFORMATION (continued)

Segmental reporting for the 12 months ended 31 December 2014.

| | Investment Holding RM'000 | Manufacturing RM'000 | Trading and service RM'000 | Elimination RM'000 | Consolidated (Total continue) RM'000 | Plantation (discontinued) RM'000 | Consolidated (Grand total) RM'000 |
|------------------------------|---------------------------------|-------------------------|-------------------------------------|-----------------------|--|--|---|
| Revenue | | | | | | | |
| External sales | - | 46,121 | 199 | - | 46,320 | 982 | 47,302 |
| Inter-company transaction | - | 648 | 8 | (656) | - | - | - |
| Dividend income | 4,260 | - | - | (4,260) | - | - | - |
| | <u>4,260</u> | <u>46,769</u> | <u>207</u> | <u>(4,916)</u> | <u>47,320</u> | <u>982</u> | <u>47,302</u> |
| Segmental result | (513) | 5,417 | (61) | 139 | 4,982 | 139 | 5,121 |
| Finance cost | | | | | (263) | - | (263) |
| Interest income | | | | | 143 | - | 143 |
| Profit before tax | | | | | <u>4,862</u> | <u>139</u> | <u>5,001</u> |
| Taxation | | | | | (977) | - | (977) |
| Profit for the period | | | | | <u><u>3,885</u></u> | <u><u>139</u></u> | <u><u>4,024</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 28 April 2015, the Company announced that MBL Plantation Sdn. Bhd. ("MBLP"), a wholly owned subsidiary of the Company had entered into a Memorandum of Understanding ("MOU") with Kenali Berkhat Sdn. Bhd. ("KBSB") and proposed to dispose of its entire 2,000,000 shares of RM1.00 each in Sokor Gemilang Ladang Sdn. Bhd. ("SGLSB"), a wholly owned subsidiary of MBLP and novation of the sum owing from the creditors of SGLSB to KBSB, for a total consideration of RM35,100,000. As at the date of the report, there is no further development since the date of previous announcement to Bursa Malaysia.

On 28 October 2015, the Company announced that Muar Ban Lee Technology Sdn. Bhd., a wholly owned subsidiary of the Company has signed an agreement with PT. Sari Dumai Sejati to supply a 800 Ton per day Palm Kernel Crushing Plant and ancillary machineries at total value of USD3,930,000 (equivalent to RM16,604,643). The contract is expected to contribute positively to the earnings of the Company for the financial year in 2016.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the financial period under review except the subscription of IDR15,300,000,000.00 paid up share capital of PT. Serdang Jaya Perdana ("SJP") by Muar Ban Lee Engineering Sdn. Bhd. which was completed on 21 October 2015. Thereafter, SJP has become the subsidiary of the Company.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015**

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 capital commitments in the financial period under review.

A15. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM10,800.00 (2014: 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 RM24,000.00 (2014: 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 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 2015**

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) | |
|---------------------------------|--|----------------------|---|----------------------|
| | 31.12.2015 RM'000 | 31.12.2014 RM'000 | 31.12.2015 RM'000 | 31.12.2014 RM'000 |
| Revenue | 22,266 | 12,250 | 62,622 | 47,302 |
| Profit /(Loss) before tax (PBT) | | | | |
| - continuing operations | 2,845 | 1,146 | 8,110 | 4,862 |
| - discontinued operations | (641) | 139 | (730) | 139 |
| | <u>2,204</u> | <u>1,285</u> | <u>7,380</u> | <u>5,001</u> |

For the current quarter under review, The Group's revenue and PBT surged to RM22.27 million (81.8% higher) and RM2.20 million (71.5% higher) respectively as compare with preceding year's corresponding quarter. The substantial increase in revenue was mainly due to consolidation of PT Serdang Jaya Perdana's ("SJP") post acquisition revenue of RM6.55 million in the current quarter.

If exclude SJP's results, revenue stood at RM15.71 million (28.2% higher) as compare with preceding year's corresponding quarter. The higher sales volume was achieved by intense advertising and marketing efforts. On the other hand, the higher PBT was mainly due to higher project sales recorded in the current quarter.

Plantation segment (discontinued operation) has recorded revenue of RM0.27 million and loss before tax of RM0.64 million in the current quarter. Shortage of labour and poor weather has resulted lower Fresh Fruit Bunch (FFB) harvested and hence affecting the bottom lines.

For the 12 months period under review, the Group's revenue jumped from RM47.30 million to RM62.62 million (32.4% higher) while PBT increased to RM7.38 million (47.6% higher) as compare with RM5.00 million recorded in the preceding year's corresponding period.

If exclude SJP's result, the Group registered a revenue of RM56.07 million (18.53% higher) as compare with preceding year. The higher revenue and PBT was mainly attributable to higher project sales recorded in the current year.

Plantation segment's (discontinued operation) recorded a revenue of RM1.10 million and loss before tax of RM0.73 million in the current year. Despite the higher acreages of matured palm trees, the severe shortage of workers in the plantation has cramped the operations of oil palm plantation and affected the output of FFB.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

The Group's revenue and PBT for the current quarter has improved by 87% and 108% respectively as compared to the immediate preceding quarter. The better results were mainly attributable to consolidation of PT Serdang Jaya Perdana's result in the 4th quarter coupled with higher project sales recorded in the current quarter.



B3. COMMENTARY ON PROSPECTS

The Group's continual efforts in investing heavily in Research and Development (R&D) to develop new products and improve the quality and performance of the products will position and maintain MBL as the market leader in the oil seed crushing industry.

The Group plans to further increase on the automation of manufacturing processes in order to overcome the problem of workers shortage. Nevertheless, the Group will explore and embark on certain strategic expansion plans to chart the Group to a new era.

For the proposed disposal of SGLSB (refer to Note A11), if the MOU is materialised, the investment in SGLSB will be realised where the disposal proceeds will be utilised to reduce the Group's gearing, as the working capital and reserve for the Group's future expansion.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register satisfactory results for the coming financial period.

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 31.12.2015 RM'000 | Current Year To Date 31.12.2015 RM'000 |
|----------------|--|---|
| Taxation | | |
| - current year | 495 | 1,294 |
| | 495 | 1,294 |

The effective tax rate of the Group is higher than the statutory tax rate mainly due to higher contribution of profit from non-pioneer status subsidiary companies and under provision of tax in earlier quarter.

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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2015**

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 December 2015 are as follows:

| | Short Term (Secured) RM'000 | Long Term (Secured) RM'000 | Total RM'000 |
|------------------|--|---|-------------------------|
| Banker overdraft | 45 | - | 45 |
| Term Loan | 1,132 | 12,442 | 13,574 |
| Revolving Loan | 5,070 | - | 5,070 |
| Hire Purchase | 190 | 104 | 294 |
| TOTAL | 6,437 | 12,546 | 18,983 |

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

There was no dividend declared for the current financial period.

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 weighted average number of ordinary shares in issue 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) | | |
| - continuing operations | 2,673 | 6,639 |
| - discontinued operations | (641) | (730) |
| | <u>2,032</u> | <u>5,909</u> |
| Number of ordinary shares ('000) | 92,000 | 92,000 |
| Basic EPS (Sen) | | |
| - continuing operations | 2.91 | 7.22 |
| - discontinued operations | (0.70) | (0.79) |
| | <u>2.21</u> | <u>6.43</u> |

* The diluted EPS is not presented as the market value of the ordinary shares of the Company is lower than the exercise price for the outstanding warrants and any exercise of warrants would result in anti-dilution.



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B14. RELATED PARTY TRANSACTIONS

The related party transactions are secretarial fee for the subsidiary companies amounting to RM10,800.00 (2014: 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 RM24,000.00 (2014: 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.

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 | 64,405 |
| - Unrealised | (1,127) |
| Less: Consolidation adjustments | (32,602) |
| Retained profits as per financial statement | <u>30,676</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 29 February 2016.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
29 February 2016