



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR 1ST QUARTER ENDED 31 MARCH 2016



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 ENDED 31 MARCH 2016

	Individual Quarter		Cumulative Quarter	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue	23,658	14,116	23,658	14,116
Less: Revenue from discontinued operation	(139)	(121)	(139)	(121)
Revenue from continuing operation	23,519	13,995	23,519	13,995
Cost of sales	(15,488)	(7,722)	(15,488)	(7,722)
Gross profit	8,031	6,273	8,031	6,273
Other income	85	91	85	91
Depreciation and amortisation	(1,053)	(409)	(1,053)	(409)
Distribution and administrative expenses	(3,978)	(4,106)	(3,978)	(4,106)
Operating profit	3,085	1,849	3,085	1,849
Interest Income	47	14	47	14
Interest expense	(213)	(93)	(213)	(93)
Profit before taxation	2,919	1,770	2,919	1,770
Taxation	(74)	(30)	(74)	(30)
Profit for the continuing operations	2,845	1,740	2,845	1,740
Discontinued operations				
Profit/Loss from discontinued operations, net of tax	(50)	(260)	(50)	(260)
Profit for the period	2,795	1,480	2,795	1,480
Other Comprehensive Income, net of tax	(743)	-	(743)	-
Total Comprehensive Income for the period	2,052	1,480	2,052	1,480
Profit attributable to:				
Owners of the Company - continuing operations	2,683	1,732	2,683	1,732
- discontinued operation	(50)	(260)	(50)	(260)
	2,633	1,472	2,633	1,472
Non-controlling interest	162	8	162	8
Profit for the period	2,795	1,480	2,795	1,480
Total Comprehensive Income attributable to:				
Owners of the Company - continuing operations	2,304	1,732	2,304	1,732
- discontinued operation	(50)	(260)	(50)	(260)
	2,254	1,472	2,254	1,472
Non-controlling interest	(202)	8	(202)	8
Total Comprehensive Income for the period	2,052	1,480	2,052	1,480
Earnings per share (sen)				
- Basic - continuing operations	2.92	1.88	2.92	1.88
- discontinued operation	(0.05)	(0.28)	(0.05)	(0.28)
	2.87	1.60	2.87	1.60
- Diluted - continuing operations	N/A	N/A	N/A	N/A
- discontinued operation	N/A	N/A	N/A	N/A
	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 2015 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 2016

	(Unaudited) As at 31.03.2016 RM'000	(Audited) As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,545	27,961
Investment properties	316	320
Intangible assets	3,261	3,261
	32,122	31,542
Current assets		
Inventories	38,868	32,273
Trade and other receivables	29,822	26,771
Fixed deposits with licensed banks	2,579	367
Cash and bank balances	4,953	12,797
	76,222	72,208
Assets included in disposal group classified as held for sale	26,717	26,964
	102,939	99,172
TOTAL ASSETS	135,061	130,714
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Treasury shares	(381)	(290)
Revaluation reserves	2,556	2,556
Discount on shares	(13,340)	(13,340)
Warrant reserve	17,940	17,940
Foreign currently translation reserve	(420)	(81)
Retained profits	33,316	30,946
Shareholder's equity	86,829	84,889
Non-controlling interest	6,480	6,682
Total equity	93,309	91,571
Non-current liabilities		
Hire purchase payables	130	104
Other payables	141	-
Bank borrowing	12,188	12,442
Deferred taxation	1,311	1,311
	13,770	13,857
Current liabilities		
Trade and other payables	20,759	18,664
Hire purchase payables	209	190
Bank borrowing	6,840	6,246
Tax payable	17	10
	27,825	25,110
Liabilities included in disposal group classified as held for sale	157	176
	27,982	25,286
Total liabilities	41,752	39,143
TOTAL EQUITY AND LIABILITIES	135,061	130,714
Net assets per share (RM)	0.94	0.92

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 2015 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 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
At 1 January 2016	46,000	1,158	(290)	2,556	(13,340)	17,940	(81)	30,946	84,889	6,682	91,571
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Prior year adjustments	-	-	-	-	-	-	40	(263)	(223)	-	(223)
Profit for the financial year	-	-	-	-	-	-	-	2,633	2,633	162	2,795
Foreign exchange translation reserve	-	-	-	-	-	-	(379)	-	(379)	(364)	(743)
Total comprehensive income for the financial year	-	-	-	-	-	-	(339)	2,370	2,031	(202)	1,829
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(91)	-	-	-	-	-	(91)	-	(91)
Total transactions with owners of the Company	-	-	(91)	-	-	-	-	-	(91)	-	(91)
At 31 March 2016	46,000	1,158	(381)	2,556	(13,340)	17,940	(420)	33,316	86,829	6,480	93,309
At 1 January 2015	46,000	1,158	-	2,581	(13,340)	17,940	-	27,499	81,838	6	81,844
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	-	-	-	1,472	1,472	8	1,480
Total comprehensive income for the financial year	-	-	-	-	-	-	-	1,472	1,472	8	1,480
<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 2015	46,000	1,158	-	2,581	(13,340)	17,940	-	28,971	83,310	14	83,324

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 2015 and the accompanying explanatory notes attached to the Interim Financial Statements.



MTAR RANTEE GROUP BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Current Year To-date	Preceding Year Corresponding Period
	31.03.2016 RM'000	31.03.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
- Continuing operations	2,919	1,770
- Discontinued operations	(50)	(260)
	2,869	1,510
Adjustments for non-cash items:		
Depreciation of property, plant & machinery	1,049	451
Depreciation of investment property	4	3
Interest expense	213	95
Interest income	(47)	(14)
	4,088	2,045
Operating profit before working capital changes		
Changes in working capital		
Increase in inventories	(6,595)	(2,650)
Increase in trade and other receivables	(2,608)	(10,473)
Decrease in trade and other payables	2,223	5,982
	(2,892)	(5,096)
Cash used in operations		
Income tax paid	(377)	(228)
	(3,269)	(5,324)
Net cash generated from/(used) in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	-	(360)
Acquisition of property, plant and equipment	(1,603)	(72)
Interest income	47	14
	(1,556)	(418)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(213)	(95)
Purchase of treasury shares	(91)	-
Net increase in banker acceptance	-	306
Proceed from borrowings	-	7,100
Proceed from hire purchase payables	100	-
Repayment of hire purchase payables	(61)	(57)
Repayment of bank borrowing	(494)	(180)
	(759)	7,074
Net cash generated from/(used) in financing activities		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,584)	1,332
Effect of foreign exchange differences	-	-
Translation reserve	(922)	-
Cash and cash equivalents at beginning of period	12,988	3,188
	6,483	4,520
Cash and cash equivalents at end of period		
Note:	<u>Cash and Cash Equivalents at end of period</u>	
Continuing operations		
Cash and bank balances	4,953	6,148
Short term deposits with licensed banks	2,579	411
Bank overdraft	(879)	(1,668)
Fixed deposits pledged	(367)	(411)
	6,286	4,480
Discontinued operations		
Cash and bank balances	197	40
	6,483	4,520

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 2015 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 2016**

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 2015. 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 2015 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

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 1ST QUARTER ENDED 31 MARCH 2016**

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 116,400 of its issued ordinary shares from the open market at an average price of RM0.7811 per shares. The total consideration paid for the repurchase including transactions costs was RM91,657.29 and this was financed by internally generated funds.

Total treasury shares held as at 31 March 2016 is 502,200 shares. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 3 months ended 31 March 2016

	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	-	15,144	-	8,375	-	23,519	139	23,658
Inter-company transaction	-	26	-	-	(26)	-	-	-
	-	15,170	-	8,375	(26)	23,519	139	23,658
Segmental result	(89)	2,543	(1)	632		3,085	(48)	3,037
Finance cost						(213)	(2)	(215)
Interest income						47	-	47
Profit before tax						2,919	(50)	2,869
Taxation						(74)	-	(74)
Profit for the period						2,845	(50)	2,795



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2016**

A9. SEGMENTAL INFORMATION (continued)

Segmental reporting for the 3 months ended 31 March 2015

	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	-	13,280	715	-	13,995	121	14,116
Inter-company transaction	-	603	-	(603)	-	-	-
	-	13,883	715	(603)	13,995	121	14,116
Segmental result	(64)	1,900	13	-	1,849	(260)	1,589
Finance cost					(93)	-	(93)
Interest income					14	-	14
Profit before tax					1,770	(260)	1,510
Taxation					(30)	-	(30)
Profit for the period					1,740	(260)	1,480

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 Berkat 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.

Other than the above, there was no material subsequent event occurred after 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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2016**

A14. CAPITAL COMMITMENTS

There were no capital commitments in the financial period under review.

A15. RELATED PARTY TRANSACTIONS

The related party transaction was a rental fee of RM6,000 (2014: RM1,800) 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 1ST QUARTER ENDED 31 MARCH 2016**

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)	
	31.03.2016 RM'000	31.03.2015 RM'000
Revenue	23,658	14,116
Profit /(Loss) before tax (PBT)		
- continuing operations	2,919	1,770
- discontinued operations	(50)	(260)
	2,869	1,510

For the current quarter under review, The Group's revenue grew 67.6% to RM23.66 million and PBT increased 90.0% to RM2.87 million as compared with preceding year's corresponding quarter.

The substantial increase in revenue was mainly due to higher project sales recorded in the current quarter and consolidation of PT Serdang Jaya Perdana's ("SJP") revenue of RM8.38 million in the current quarter.

Knowing about SJP's potential, the Group has fully deployed its technical know-how in the oil seed crushing industry to revamp and improve SJP's operations. With such an efforts, SJP's productivity and efficiency rates has been significantly improved and translated into greater revenue and profits for the Group.

The higher PBT was mainly due to higher revenue sales volume coupled with profits contributed by the manufacturing segment and SJP in the current quarter.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

For the current quarter under reviewed, the Group's revenue increased 6.3% to RM23.66 million as compared to RM22.27 million recorded in the immediate preceding quarter.

The higher revenue was mainly attributable to higher project sales and SJP's contribution recorded in the current quarter. However, PBT for the current quarter remains flat because offsetting by the higher operating costs.

B3. COMMENTARY ON PROSPECTS

The Group is committed to provide unparalleled services and quality products to our clients in order to maintain MBL's position as the market leader in the oil seed crushing industry.

Looking forward, the Group plans to establish workshop and warehouse at strategic locations to reduce delivery time and provide maintenance services in order to enhance our customer satisfactions.



B3. COMMENTARY ON PROSPECTS (continued)

The Group will actively seeks accretive for investment opportunities in the related downstream industry especially oil milling industry. Our first acquisition in Indonesia last year made the greatest contribution for our Group's revenue and profits. It will continue to contribute positively to the Group's results and compliment our Group's vision to be the leader in oil seed crushing industry.

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 31.03.2016 RM'000	Current Year To Date 31.03.2016 RM'000
Taxation		
- current year	74	74
	<u>74</u>	<u>74</u>

The effective tax rate of the Group is lower than the statutory tax rate mainly due to pioneer status granted to certain 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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2016**

B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2016 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total RM'000
Banker overdraft	879	-	879
Term Loan	1,132	12,188	13,320
Revolving Loan	4,829	-	4,829
Hire Purchase	209	130	339
TOTAL	7,049	12,318	19,367

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	2,683	2,683
- discontinued operations	(50)	(50)
	<u>2,633</u>	<u>2,633</u>
Number of ordinary shares ('000)	92,000	92,000
Basic EPS (Sen)		
- continuing operations	2.92	2.92
- discontinued operations	(0.05)	(0.05)
	<u>2.87</u>	<u>2.87</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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2016**

B14. RELATED PARTY TRANSACTIONS

The related party transaction was a rental fee of RM6,000 (2014: RM1,800) 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 is as follows:

	Group RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	67,182
- Unrealised	(1,310)
Less: Consolidation adjustments	(32,556)
Retained profits as per financial statement	<u>33,316</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 May 2016.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
25 May 2016