



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Individual Quarter		Cumulative Quarter	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	49,510	53,599	142,995	126,521
Less: Revenue from discontinued operation	(252)	(232)	(404)	(576)
Revenue from continuing operation	49,258	53,367	142,591	125,945
Cost of sales	(39,225)	(43,173)	(113,431)	(98,729)
Gross profit	10,033	10,194	29,160	27,216
Other income	592	341	1,142	1,187
Depreciation and amortisation	(328)	(512)	(876)	(1,223)
Distribution and administrative expenses	(4,988)	(5,943)	(15,529)	(15,770)
Operating profit	5,309	4,080	13,897	11,410
Interest Income	47	24	100	53
Interest expenses	(257)	(241)	(766)	(721)
Share of results of an associate	57	-	253	-
Profit before taxation	5,156	3,863	13,484	10,742
Taxation	(1,340)	(658)	(3,708)	(1,286)
Profit for the continuing operations	3,816	3,205	9,776	9,456
Discontinued operation				
Profit/(Loss) from discontinued operation, net of tax	45	60	(141)	(58)
Profit for the financial year	3,861	3,265	9,635	9,398
Other Comprehensive Income, net of tax	(460)	584	(972)	267
Total Comprehensive Income for the financial year	3,401	3,849	8,663	9,665
Profit attributable to:				
Owners of the parent - continuing operations	3,287	2,427	8,807	8,014
- discontinued operation	45	60	(141)	(58)
	3,332	2,487	8,666	7,956
Non-controlling interests	529	778	969	1,442
Profit for the financial year	3,861	3,265	9,635	9,398
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	3,053	2,725	8,311	8,150
- discontinued operation	45	60	(141)	(58)
	3,098	2,785	8,170	8,092
Non-controlling interests	303	1,064	493	1,573
Total Comprehensive Income for the financial year	3,401	3,849	8,663	9,665
Earnings per share (sen)				
- Basic - continuing operations	3.60	2.64	9.65	8.71
- discontinued operation	0.05	0.07	(0.15)	(0.06)
	3.65	2.71	9.50	8.65
- Diluted - continuing operations	3.20	2.39	8.56	8.32
- discontinued operation	0.04	0.06	(0.14)	(0.06)
	3.24	2.45	8.42	8.26

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 2016 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 FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	(Unaudited) As at 30/09/2017 RM'000	(Audited) As at 31/12/2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,807	36,148
Investment properties	646	650
Intangible assets	3,261	3,261
Investment in an associate	4,527	4,274
	50,241	44,333
Current assets		
Inventories	33,371	36,316
Trade and other receivables	31,575	33,493
Amount owing from contract customers	968	-
Fixed deposits with licensed banks	378	377
Cash and bank balances	13,090	13,315
	79,382	83,501
Assets included in disposal group classified as held for sale	27,109	27,054
	106,491	110,555
Total assets	156,732	154,888
EQUITY AND LIABILITIES		
Equity		
Share capital	46,000	46,000
Share premium	1,158	1,158
Treasury shares	(571)	(571)
Revaluation reserve	6,559	6,559
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Foreign currency translation reserve	(139)	357
Retained profits	47,900	39,234
Shareholder's equity	105,507	97,337
Non-controlling interests	6,623	6,130
Total equity	112,130	103,467



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	(Unaudited) As at 30/09/2017 RM'000	(Audited) As at 31/12/2016 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	788	234
Bank borrowings	10,596	11,526
Deferred taxation	2,215	2,215
	13,599	13,975
Current liabilities		
Trade and other payables	19,588	25,681
Amount owing to contract customers	-	2,044
Finance lease liabilities	361	227
Bank borrowings	8,895	7,708
Tax payable	2,008	1,600
	30,852	37,260
Liabilities included in disposal group classified as held for sale	151	186
	31,003	37,446
Total liabilities	44,602	51,421
Total equity and liabilities	156,732	154,888
Net assets per share (RM)	1.15	1.06

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 2016 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Attributable to owners of the parent										
	Non-Distributable						Distributable				
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Discount On Shares	Warrant Reserves	Foreign Currency Translation Reserve	Retained Profits	Subtotal	Non-controlling interests	Total Equity
	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 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	357	39,234	97,337	6,130	103,467
Profit for the financial year	-	-	-	-	-	-	-	8,666	8,666	969	9,635
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	-	(496)	-	(496)	(476)	(972)
Total comprehensive income for the financial year	-	-	-	-	-	-	(496)	8,666	8,170	493	8,663
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	(139)	47,900	105,507	6,623	112,130
At 1 January 2016	46,000	1,158	(290)	2,556	(13,340)	17,940	(81)	30,946	84,889	6,682	91,571
Profit for the financial year	-	-	-	-	-	-	-	7,956	7,956	1,442	9,398
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	-	135	-	135	131	266
- Prior year adjustments	-	-	-	-	-	-	40	(406)	(366)	-	(366)
Total comprehensive income for the financial year	-	-	-	-	-	-	175	7,550	7,725	1,573	9,298
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	(1,825)	(1,825)	-	(1,825)
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	(2,559)	(2,559)
Purchase of treasury shares	-	-	(281)	-	-	-	-	-	(281)	-	(281)
Total transactions with owners of the Company	-	-	(281)	-	-	-	-	(1,825)	(2,106)	(2,559)	(4,665)
At 30 September 2016	46,000	1,158	(571)	2,556	(13,340)	17,940	94	36,671	90,508	5,696	96,204

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 2016 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Current Year To-date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	13,484	10,742
- Discontinued operation	(141)	(58)
	13,343	10,684
Adjustments for non-cash items:		
Depreciation and amortisation	2,362	1,670
Gain on disposal of property, plant & equipment	(487)	-
Share of results of an associate	(253)	-
Interest expenses	769	721
Interest income	(100)	(53)
Unrealised (gain)/loss on foreign exchange	(46)	-
Operating profit before working capital changes	15,588	13,022
Changes in working capital		
Inventories	2,945	(2,787)
Receivables	1,829	(11,318)
Payables	(4,237)	12,593
Contract customers	(3,012)	-
Cash generated from operations	13,113	11,510
Income tax paid	(3,301)	(1,237)
Net cash from operating activities	9,812	10,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	(2)	-
Acquisition of property, plant and equipment	(7,717)	(2,961)
Proceeds from disposal of property, plant and equipment	505	-
Interest received	100	53
Net cash used in investing activities	(7,114)	(2,908)



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Current Year To-date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,825)	(1,825)
Dividend paid to non-controlling interests of subsidiary	-	(2,559)
Interest paid	(769)	(721)
Purchase of treasury shares	-	(281)
(Placement)/withdrawal of pledged fixed deposits	(1)	-
Proceeds from bankers acceptance	4,143	2,430
Net change of revolving credits	(2,972)	(713)
Proceed from/(Repayment of) term loans	(916)	(692)
Repayment of finance lease liabilities	(306)	(210)
Net cash used in financing activities	(2,646)	(4,571)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation difference	(467)	(1,397)
Cash and cash equivalents at the beginning of the financial year	13,572	12,988
Cash and cash equivalents at the end of the financial year	13,157	14,385
Note:	<u>Cash and cash equivalents at the end of the financial year</u>	
Continuing operations		
Cash and bank balances	13,091	14,073
Short term deposits with licensed banks	378	369
Bank overdraft	(1)	(12)
Fixed deposits pledged	(378)	(369)
	13,090	14,061
Discontinued operation		
Cash and bank balances	67	324
	13,157	14,385

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 2016 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS
("FRS") 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 2018.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. 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 2016.

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 2016 except for those standard, amendments and IC interpretation that had become effective 1 January 2017 and such adoptions do not have material 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

Total treasury shares held as at 30 September 2017 is 730,200 shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 9 months ended 30 September 2017

	Investment Holding	Manu- facturing	Trading & Service	Oil Milling	Elimination	Consolidated (Continuing)	Plantation (Discontinued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue								
External sales	-	74,819	3,945	63,827	-	142,591	404	142,995
Inter-company	-	760	-	-	(760)	-	-	-
Dividend income	-	-	-	-	-	-	-	-
	-	75,579	3,945	63,827	(760)	142,591	404	142,995
Segmental results	(356)	11,385	29	2,796	43	13,897	(138)	13,759
Finance costs	-	(766)	-	-	-	(766)	(3)	(769)
Interest income	-	100	-	-	-	100	-	100
Share of results of an associate	253	-	-	-	-	253	-	253
Profit before tax	(103)	10,719	29	2,796	43	13,484	(141)	13,343
Taxation	-	-	-	-	-	(3,708)	-	(3,708)
Profit for the period	-	-	-	-	-	9,776	(141)	9,635

Segmental reporting for the 9 months ended 30 September 2016

	Investment Holding	Manu- facturing	Trading & Service	Oil Milling	Elimination	Consolidated (Continuing)	Plantation (Discontinued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue								
External sales	-	84,676	76	41,193	-	125,945	576	126,521
Inter-company	-	684	-	-	(684)	-	-	-
Dividend income	1,825	-	-	-	(1,825)	-	-	-
	1,825	85,360	76	41,193	(2,509)	125,945	576	126,521
Segmental results	1,539	7,976	(214)	3,819	(1,710)	11,410	(54)	11,356
Finance costs	-	(721)	-	-	-	(721)	(4)	(725)
Interest income	-	53	-	-	-	53	-	53
Share of results of an associate	-	-	-	-	-	-	-	-
Profit before tax	1,539	7,308	(214)	3,819	(1,710)	10,742	(58)	10,684
Taxation	-	-	-	-	-	(1,286)	-	(1,286)
Profit for the period	-	-	-	-	-	9,456	(58)	9,398



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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

a) On 30 August 2017, the Board of Directors of the Company has announced that Muar Ban Lee Group Berhad ("MBLG") had acquired 380,000 new ordinary shares in Wajah Pertiwi Sdn. Bhd. ("WPSB") for a total consideration of RM570,000. After the acquisition, total shareholding held by MBLG will represented 95% equity interest in WPSB and WPSB is become a subsidiary company of MBLG. The transaction was deemed to be completed by 11 October 2017.

b) On 28 September 2017, the Board of Directors of the Company announced that there is no conclusion on the negotiations between the parties as at the expiry date of the Memorandum Of Understanding ("MOU") in relation to the proposed disposal of 100% equity interest in Sokor Gemilang Ladang Sdn. Bhd. by MBL Plantation Sdn. Bhd. to Everhome International (M) Sdn. Bhd. In view thereof, the MOU expires and lapses on 28 September 2017.

Upon the expiry of MOU, neither party shall have any claim against the other, save and except for any antecedent claim.

c) On 13 October 2017, the Board of Directors of the Company announced that the Company proposes to undertake a private placement of up to 10% of the issued shares of MBLG ("Proposed Private Placement")

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 & 76 of the Companies Act, 2016 obtained from the shareholders of the Company at its 11th Annual General Meeting ("AGM") convened on 30 May 2017, whereby the Board had been authorised to allot and issue new ordinary shares of MBL not exceeding 10% of the issued shares of the Company.

The Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 17 October 2017 and approved on 23 October 2017. It is expected to be completed by the 1st quarter of 2018.

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.

A14. CAPITAL COMMITMENTS

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



A15. RELATED PARTY TRANSACTIONS

The Group's related party transactions for current quarter and financial year-to-date are as follows:

Transacting parties	Relationship	Nature of transactions	Current quarter RM	Financial Year-to-date RM
Directors	Which the directors owned the said property and have substantial financial interests in the Company	Rental	6,000	18,000
Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	10,440	12,240
PT. Banyuasin Nusantara Sejahtera	Associate	Sales of goods	299,344	1,013,353

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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 (9 months ended)		
	30/09/2017 RM '000	30/09/2016 RM '000	Changes %	30/09/2017 RM '000	30/09/2016 RM '000	Changes %
Revenue						
- Continuing operations	49,258	53,367	(7.7)	142,591	125,945	13.2
- Discontinued operation	252	232	8.6	404	576	(29.9)
	<u>49,510</u>	<u>53,599</u>	(7.6)	<u>142,995</u>	<u>126,521</u>	13.0
Operating profit	5,309	4,080	30.1	13,897	11,410	21.8
Profit before interest and tax	5,366	4,080	31.5	14,150	11,410	24.0
Profit/(Loss) before tax (PBT)						
- Continuing operations	5,156	3,863	33.5	13,484	10,742	25.5
- Discontinued operation	45	60	(25.0)	(141)	(58)	143.1
	<u>5,201</u>	<u>3,923</u>	32.6	<u>13,343</u>	<u>10,684</u>	24.9
Profit/(Loss) after tax (PAT)						
- Continuing operations	3,816	3,205	19.1	9,776	9,456	3.4
- Discontinued operation	45	60	(25.0)	(141)	(58)	143.1
	<u>3,861</u>	<u>3,265</u>	18.3	<u>9,635</u>	<u>9,398</u>	2.5
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	3,287	2,427	35.4	8,807	8,014	9.9
- Discontinued operation	45	60	(25.0)	(141)	(58)	143.1
	<u>3,332</u>	<u>2,487</u>	34.0	<u>8,666</u>	<u>7,956</u>	8.9

For the current quarter under review, the Group's revenue was marginally lower at RM49.51 million, however PBT improved by 32.6% to RM5.20 million as compared to the preceding year's corresponding quarter.

Manufacturing division's revenue was 29.8% lower at RM23.93 million from RM34.09 million in preceding year's corresponding quarter. However, higher project sales and better products mix managed to push PBT higher to RM3.85 million from RM2.22 million recorded in preceding year's corresponding quarter.

Oil milling division's revenue jumped 11.4% to RM21.39 million from RM19.20 million recorded in preceding year's corresponding quarter. Despite the increased in the production output of crude palm kernel oil ("CPKO"), the lower average selling price of CPKO coupled with higher operating costs has affected the division's performance where PBT reduced marginally to RM1.35 million from RM1.86 million recorded in the preceding year's corresponding quarter.



B1. REVIEW OF PERFORMANCE (Cont'd)

Trading & Service division recorded a revenue and PBT of RM3.95 million and RM0.03 million respectively as compared to preceding year's corresponding quarter. The better result was mainly due to the income recognised to the extent of the completed project works.

For the nine months period under review, the revenue and PBT of the Group improved by 13.0% and 24.9% respectively to RM143.00 million and RM13.34 million.

Manufacturing division's revenue was 11.6% lower at RM74.82 million as compared to RM84.68 million recorded in preceding year's corresponding period. However, higher project sales and better products mix has enable the PBT to improve to RM10.72 million as compared with RM7.31 million in prior year's corresponding period.

Oil milling division which contributed 44.6% of the Group's turnover is the key factor for the substantial improvement in the revenue. The division's revenue surged 54.9% to RM63.83 million from RM41.19 million recorded in prior year. However, PBT retreated to RM2.80 million from RM3.82 million registered in prior year's corresponding period. It was mainly attributable to the higher sales volumes at lower average selling prices of CPKO coupled with higher operating costs for the period under review.

Trading & Service division's revenue was increased to RM3.95 million as compared to RM0.08 million preceding year's corresponding quarter. PBT was recorded at RM0.03 million due to income recognised to the extent of the completed project works.

Overall, revenue for the current quarter in 2017 was marginally lower by 7.6%. However, revenue for cumulative quarter has increased by 13.0%. It was mainly due to timing differences in revenue recognition for project and increased in sales volumes of oil milling division.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/09/2017 RM '000	Immediate Preceding Quarter 30/06/2017 RM '000	Changes %
Revenue			
- Continuing operations	49,258	45,522	8.2
- Discontinued operation	252	86	193.0
	<u>49,510</u>	<u>45,608</u>	8.6
Operating profit	5,309	4,657	14.0
Profit before interest and tax	5,366	4,776	12.4
Profit/(Loss) before tax (PBT)			
- Continuing operations	5,156	4,475	15.2
- Discontinued operation	45	(60)	(175.0)
	<u>5,201</u>	<u>4,415</u>	17.8
Profit/(Loss) after tax (PAT)			
- Continuing operations	3,816	3,009	26.8
- Discontinued operation	45	(60)	(175.0)
	<u>3,861</u>	<u>2,949</u>	30.9
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	3,287	2,888	13.8
- Discontinued operation	45	(60)	(175.0)
	<u>3,332</u>	<u>2,828</u>	17.8

For the current quarter under review, revenue and PBT of the Group stood at RM49.51 million and RM5.20 million respectively as compared to RM45.61 million and RM4.42 million recorded in the immediate preceding quarter.

Manufacturing division recorded a revenue and PBT at RM23.93 million and RM3.84 million respectively as compared to RM26.51 million and RM4.01 million reported in the immediate preceding quarter. Lower revenue and PBT was due to lower project sales for the current quarter under review.

Oil milling division marked its revenue and PBT at RM21.39 million and RM1.35 million respectively as compared to RM19.02 million and RM0.51 million reported in the immediate preceding quarter. The higher average selling price and higher production output of CPKO in the current quarter has contributed to the better performance.

Trading & Service division captured its revenue and PBT at RM3.95 million and RM0.03 million which is higher as compared to immediate preceding quarter. It was due to the income recognised to the extent of the completed project works.



B3. COMMENTARY ON PROSPECTS

The Group will remain focus on continuous reviewing and consolidating its business model and strategies to ensure sustainable growth of the Group.

The expired MOU on disposal of the plantation division will not has any material impacts to the Group's future expansion and business strategies in maintaining its leading position in the global market.

The Group's core business, manufacturing segment will be closely monitored, enhanced or expanded if suitable investment opportunities arise.

For oil milling division, more efforts will be put to improve its productivity and efficiency.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register a satisfactory result for the current financial year.

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 RM '000	Current YTD RM '000
Taxation		
- Current year	(1,340)	(3,708)
	<u>(1,340)</u>	<u>(3,708)</u>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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.



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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 30 September 2017 and 30 September 2016 are as follows:

	As at Third Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.22 RM '000	RM RM '000	USD Fx Rate 4.22 RM '000	RM RM '000	USD Fx Rate 4.22 RM '000	RM RM '000
Secured						
- Term loans	-	10,596	-	1,103	-	11,699
- Bank overdraft	-	-	-	1	-	1
- Bankers acceptance	-	-	-	6,641	-	6,641
- Revolving credits	-	-	1,150	-	1,150	-
Total	-	10,596	1,150	7,745	1,150	18,341

	As at Third Quarter ended 2016					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.14 RM '000	RM RM '000	USD Fx Rate 4.14 RM '000	RM RM '000	USD Fx Rate 4.14 RM '000	RM RM '000
Secured						
- Term loans	-	11,750	-	1,132	-	12,882
- Bank overdraft	-	-	-	12	-	12
- Bankers acceptance	-	-	-	2,430	-	2,430
- Revolving credits	-	-	5,020	-	5,020	-
Total	-	11,750	5,020	3,574	5,020	15,324

The effective interest rates per annum at the end of the reporting period for the Group's borrowings were as follows:

	(Unaudited) 2017 %	(Audited) 2016 %
Term loans	4.52 - 5.85	4.52 - 5.65
Bank overdraft	8.08	-
Bankers acceptance	4.53 - 4.82	4.48
Revolving credits	2.52 - 4.32	2.94 - 3.32

There are no significant changes in Group's borrowing for the financial period under review.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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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 RM '000	Current YTD RM '000
a) <u>Basic EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	3,287	8,807
- Discontinued operation	45	(141)
	<u>3,332</u>	<u>8,666</u>
Weighted average number of ordinary shares (000)	91,270	91,270
Basic EPS (Sen)		
- Continuing operations	3.60	9.65
- Discontinued operation	0.05	(0.15)
	<u>3.65</u>	<u>9.50</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	3,287	8,807
- Discontinued operation	45	(141)
	<u>3,332</u>	<u>8,666</u>
Weighted average number of ordinary shares (000)	102,761	102,941
Basic EPS (Sen)		
- Continuing operations	3.20	8.56
- Discontinued operation	0.04	(0.14)
	<u>3.24</u>	<u>8.42</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B14. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding audited financial statements was not subject to any qualification.

B15. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter RM'000	Current YTD RM'000
Profit before tax is arrived at after (crediting)/charging:		
Interest income	(47)	(100)
Other income including investment income	(10)	(47)
Interest expense	257	769
Depreciation and amortization	1,477	2,362
Gain on disposal of property, plant and equipment	(303)	(487)
Foreign exchange gain	(275)	(596)

B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR 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:

	RM '000
Total retained profits of the Company and its subsidiaries	
- Realised	79,292
- Unrealised	(956)
	<u>78,336</u>
Less: Consolidation adjustments	(30,436)
	<u>47,900</u>

B17. 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 27 November 2017.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
27 November 2017