



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2017

	(Unaudited)		(Audited)	
	Individual Quarter		Cumulative Quarter	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	41,299	54,040	184,294	180,561
Less: Revenue from discontinued operation	(283)	(152)	(687)	(728)
Revenue from continuing operation	41,016	53,888	183,607	179,833
Cost of sales	(31,829)	(43,512)	(145,260)	(142,241)
Gross profit	9,187	10,376	38,347	37,592
Other income	198	1,075	1,340	2,262
Depreciation and amortisation	(358)	(249)	(1,234)	(904)
Distribution and administrative expenses	(6,605)	(5,648)	(22,134)	(21,986)
Operating profit	2,422	5,554	16,319	16,964
Interest Income	40	49	140	102
Interest expenses	(247)	(217)	(1,013)	(938)
Share of results of an associate	129	343	382	343
Profit before taxation	2,344	5,729	15,828	16,471
Taxation	(1,005)	(1,368)	(4,713)	(2,654)
Profit for the continuing operations	1,339	4,361	11,115	13,817
Discontinued operation				
Loss from discontinued operation, net of tax	(168)	(179)	(309)	(237)
Profit for the financial year	1,171	4,182	10,806	13,580
Other Comprehensive Income, net of tax	(785)	4,538	(1,757)	4,805
Total Comprehensive Income for the financial year	386	8,720	9,049	18,385
Profit attributable to:				
Owners of the parent - continuing operations	1,016	4,140	9,822	12,154
- discontinued operation	(168)	(179)	(309)	(237)
	848	3,961	9,513	11,917
Non-controlling interests	323	221	1,293	1,663
Profit for the financial year	1,171	4,182	10,806	13,580
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	616	8,335	8,926	16,616
- discontinued operation	(168)	(179)	(309)	(237)
	448	8,156	8,617	16,379
Non-controlling interests	(62)	564	432	2,006
Total Comprehensive Income for the financial year	386	8,720	9,049	18,385
Earnings per share (sen)				
- Basic - continuing operations	1.11	4.50	10.76	13.21
- discontinued operation	(0.18)	(0.19)	(0.34)	(0.26)
	0.93	4.31	10.42	12.95
- Diluted - continuing operations	0.94	3.93	9.39	12.28
- discontinued operation	(0.15)	(0.18)	(0.30)	(0.24)
	0.79	3.75	9.09	12.04

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 31 DECEMBER 2017

	(Unaudited) As at 31/12/2017 RM'000	(Audited) As at 31/12/2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,424	36,148
Investment properties	645	650
Intangible assets	3,456	3,261
Investment in an associate	4,657	4,274
	50,182	44,333
Current assets		
Inventories	30,770	36,316
Trade and other receivables	41,646	33,493
Fixed deposits with licensed banks	390	377
Cash and bank balances	10,885	13,315
	83,691	83,501
Assets included in disposal group classified as held for sale	27,277	27,054
	110,968	110,555
Total assets	161,150	154,888
EQUITY AND LIABILITIES		
Equity		
Share capital	47,158	46,000
Share premium	-	1,158
Treasury shares	(571)	(571)
Revaluation reserve	6,487	6,559
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Foreign currency translation reserve	(539)	357
Retained profits	46,811	39,234
Shareholder's equity	103,946	97,337
Non-controlling interests	6,581	6,130
Total equity	110,527	103,467



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	(Unaudited) As at 31/12/2017 RM'000	(Audited) As at 31/12/2016 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	750	234
Bank borrowings	11,961	11,526
Deferred taxation	2,398	2,215
	15,109	13,975
Current liabilities		
Trade and other payables	25,906	25,681
Amount owing to contract customers	-	2,044
Finance lease liabilities	391	227
Bank borrowings	6,936	7,708
Tax payable	2,122	1,600
	35,355	37,260
Liabilities included in disposal group classified as held for sale	159	186
	35,514	37,446
Total liabilities	50,623	51,421
Total equity and liabilities	161,150	154,888
Net assets per share (RM)	1.13	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 FOURTH QUARTER ENDED 31 DECEMBER 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	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	-	-	-	-	-	-	-	9,513	9,513	1,293	10,806
Other Comprehensive Expenses											
- Realisation of revaluation surplus	-	-	-	(72)	-	-	-	72	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	(896)	-	(896)	(861)	(1,757)
Total comprehensive income for the financial year	-	-	-	(72)	-	-	(896)	9,585	8,617	432	9,049
<i>Contributions by and distributions to owners of the Company</i>											
Dividends payable to owners of the Company	-	-	-	-	-	-	-	(2,008)	(2,008)	-	(2,008)
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	19	19
Total transactions with owners of the Company	-	-	-	-	-	-	-	(2,008)	(2,008)	19	(1,989)
Transition to no-par value regime on 31 January 2017	1,158	(1,158)	-	-	-	-	-	-	-	-	-
At 31 December 2017	47,158	-	(571)	6,487	(13,340)	17,940	(539)	46,811	103,946	6,581	110,527
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	-	-	-	-	-	-	-	11,917	11,917	1,663	13,580
Other Comprehensive Expenses											
- Revaluation of land and buildings	-	-	-	4,087	-	-	-	-	4,087	-	4,087
- Effect of changes of tax rate	-	-	-	(63)	-	-	-	-	(63)	-	(63)
- Realisation of revaluation surplus	-	-	-	(21)	-	-	-	21	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	438	-	438	343	781
Total comprehensive income for the financial year	-	-	-	4,003	-	-	438	11,938	16,379	2,006	18,385
<i>Contributions by and distributions to owners of the Company</i>											
Dividends to owners of the Company	-	-	-	-	-	-	-	(3,650)	(3,650)	-	(3,650)
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	(2,558)	(2,558)
Purchase of treasury shares	-	-	(281)	-	-	-	-	-	(281)	-	(281)
Total transactions with owners of the Company	-	-	(281)	-	-	-	-	(3,650)	(3,931)	(2,558)	(6,489)
At 31 December 2016	46,000	1,158	(571)	6,559	(13,340)	17,940	357	39,234	97,337	6,130	103,467

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

(Company No. 753588-P)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	(Unaudited) Current Year To-date 31/12/2017 RM'000	(Audited) Preceding Year Corresponding Period 31/12/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	15,828	16,471
- Discontinued operation	(309)	(237)
	15,519	16,234
Adjustments for non-cash items:		
Depreciation and amortisation	3,071	2,262
Gain on disposal of property, plant & equipment	(487)	(205)
Impairment loss on property, plant & equipment	-	33
Interest expenses	1,017	944
Interest income	(140)	(102)
Reversal of impairment losses of property, plant & equipment	-	(481)
Share of results of an associate	(382)	(343)
Unrealised gain on foreign exchange	(29)	(223)
Operating profit before working capital changes	18,569	18,119
Changes in working capital		
Inventories	5,545	(4,043)
Receivables	(8,304)	(4,335)
Payables	166	4,770
Contract customers	(2,044)	2,044
Cash generated from operations	13,932	16,555
Income tax paid	(4,008)	(1,045)
Net cash from operating activities	9,924	15,510
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associate	-	(3,931)
Acquisition of biological assets	(72)	(114)
Acquisition of property, plant and equipment	(8,749)	(5,109)
Proceeds from disposal of property, plant and equipment	906	709
Net cash outflows from acquisition of subsidiary	(165)	-
Interest received	140	102
Net cash used in investing activities	(7,940)	(8,343)



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	(Unaudited) Current Year To-date 31/12/2017 RM'000	(Audited) Preceding Year Corresponding Period 31/12/2016 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	(1,017)	(944)
Purchase of treasury shares	-	(281)
(Placement)/withdrawal of pledged fixed deposits	(13)	(10)
Proceeds from bankers acceptance	3,201	2,498
Net change of revolving credits	(4,122)	(1,241)
Proceeds from term loans	1,700	75
Repayment of term loans	(1,116)	(1,034)
Repayment of finance lease liabilities	(401)	(274)
Advances to an associate	-	(1,522)
Net cash used in financing activities	(3,593)	(7,117)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,609)	50
Effect of exchange translation difference	(867)	534
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	11,096	13,572
Note: <u>Cash and cash equivalents at the end of the financial year</u>		
Continuing operations		
Cash and bank balances	10,885	13,315
Short term deposits with licensed banks	390	377
Bank overdraft	-	-
Fixed deposits pledged	(390)	(377)
	10,885	13,315
Discontinued operation		
Cash and bank balances	211	257
	11,096	13,572

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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.

Further, a single-tier first interim dividend of 2.0 sen per share for the year ended 31 December 2017 was declared on 27 February 2018 and to be paid on 29 March 2018.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 12 months ended 31 December 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	-	99,364	4,039	80,204	-	183,607	687	184,294
Inter-company	-	821	-	-	(821)	-	-	-
Dividend income	5,000	-	-	-	(5,000)	-	-	-
	5,000	100,185	4,039	80,204	(5,821)	183,607	687	184,294
Segmental results								
Finance costs	-	(1,013)	-	-	-	(1,013)	(4)	(1,017)
Interest income	-	140	-	-	-	140	-	140
Share of results of an associate	382	-	-	-	-	382	-	382
Profit/(Loss) before Tax	4,495	12,722	(4)	3,583	(4,968)	15,828	(309)	15,519
Taxation						(4,713)	-	(4,713)
Profit for the year						11,115	(309)	10,806

Segmental reporting for the 12 months ended 31 December 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	-	95,402	12,646	71,785	-	179,833	728	180,561
Inter-company	-	1,248	-	-	(1,248)	-	-	-
Dividend income	4,800	-	-	-	(4,800)	-	-	-
	4,800	96,650	12,646	71,785	(6,048)	179,833	728	180,561
Segmental results								
Finance costs	(1,076)	10,182	971	4,234	2,653	16,964	(231)	16,733
Interest income	-	(938)	-	-	-	(938)	(6)	(944)
Share of results of an associate	-	102	-	-	-	102	-	102
Share of results of an associate	343	-	-	-	-	343	-	343
Profit/(Loss) before Tax	(733)	9,346	971	4,234	2,653	16,471	(237)	16,234
Taxation						(2,654)	-	(2,654)
Profit for the year						13,817	(237)	13,580



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 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.

The 1st tranche of the Private Placement comprising 4,626,980 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 17 January 2018.

The 2nd tranche of Private Placement comprising 2,250,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 12 February 2018.

On 23 February 2018, the 3rd tranche of the Private Placement is fixed at RM1.131 per Placement Share. The exercise is expected to be completed by 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 except for the acquisition of 380,000 new ordinary shares in Wajah Pertiwi Sdn. Bhd. ("WPSB") on 30 August 2017 for a total consideration of RM570,000. Post acquisition, total shareholding held by MBLG will represented 95% equity interest in WPSB and WPSB is become a subsidiary company of MBLG. Subsequently, on 8 September 2017 WPSB has changed its name to Muar Ban Lee Machinery Sdn. Bhd.. The transaction was deem completed on 11 October 2017.

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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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	24,000
Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	1,466	13,706
PT. Banyuasin Nusantara Sejahtera	Associate	Sales of goods	201,042	1,214,395

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 FOURTH QUARTER ENDED 31 DECEMBER 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 (12 months ended)		
	31/12/2017 RM '000	31/12/2016 RM '000	Changes %	31/12/2017 RM '000	31/12/2016 RM '000	Changes %
Revenue						
- Continuing operations	41,016	53,888	(23.9)	183,607	179,833	2.1
- Discontinued operation	283	152	86.2	687	728	(5.6)
	<u>41,299</u>	<u>54,040</u>	(23.6)	<u>184,294</u>	<u>180,561</u>	2.1
Operating profit	2,422	5,554	(56.4)	16,319	16,964	(3.8)
Profit before interest and tax	2,551	5,897	(56.7)	16,701	17,307	(3.5)
Profit/(Loss) before tax (PBT)						
- Continuing operations	2,344	5,729	(59.1)	15,828	16,471	(3.9)
- Discontinued operation	(168)	(179)	(6.1)	(309)	(237)	30.4
	<u>2,176</u>	<u>5,550</u>	(60.8)	<u>15,519</u>	<u>16,234</u>	(4.4)
Profit/(Loss) after tax (PAT)						
- Continuing operations	1,339	4,361	(69.3)	11,115	13,817	(19.6)
- Discontinued operation	(168)	(179)	(6.1)	(309)	(237)	30.4
	<u>1,171</u>	<u>4,182</u>	(72.0)	<u>10,806</u>	<u>13,580</u>	(20.4)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	1,016	4,140	(75.5)	9,822	12,154	(19.2)
- Discontinued operation	(168)	(179)	(6.1)	(309)	(237)	30.4
	<u>848</u>	<u>3,961</u>	(78.6)	<u>9,513</u>	<u>11,917</u>	(20.2)

For the current quarter under review, the Group's revenue was lower at RM41.3 million, and PBT decreased to RM3.37 million as compared to the preceding year's corresponding quarter.

Revenue generated from the Manufacturing division remains flat. The lower revenue of the Group was mainly due to the lower output and sales of crude palm kernel oil ("CPKO") from the Oil Milling division. Further, the higher distribution and administrative costs coupled with lower other income in the current quarter has affected the PBT of the Group as compare to the preceding year's corresponding quarter.

For the twelve months period under review, the revenue of the Group slightly improved to RM184.29 million, however, PBT was marginally lower at RM15.52 million.

Manufacturing division's revenue was 4.2% higher at RM99.36 million as compared to RM95.40 million recorded in the preceding year's corresponding period. Higher project sales and better products mix has enable the PBT to improve to RM12.72 million as compared with RM9.35 million in prior year's corresponding period.



B1. REVIEW OF PERFORMANCE (Cont'd)

Oil milling division's revenue increased by 11.7% to RM80.20 million from RM71.79 million recorded in the prior year. However, PBT retreated to RM3.58 million from RM4.23 million registered in prior year's corresponding period. It was mainly attributable to the lower output and average selling prices of CPKO coupled with higher operating costs in the current period under review.

Trading & Service division's revenue decreased to RM4.04 million as compared to RM12.65 million registered in the preceding year's corresponding quarter. Loss before tax was recorded at RM4,000 due to lower progress billing for the completed project works.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 31/12/2017 RM '000	Immediate Preceding Quarter 30/09/2017 RM '000	Changes %
Revenue			
- Continuing operations	41,016	49,258	(16.7)
- Discontinued operation	283	252	12.3
	41,299	49,510	(16.6)
Operating profit	2,422	5,309	(54.4)
Profit before interest and tax	2,551	5,366	(52.5)
Profit/(Loss) before tax (PBT)			
- Continuing operations	2,344	5,156	(54.5)
- Discontinued operation	(168)	45	(473.3)
	2,176	5,201	(58.2)
Profit/(Loss) after tax (PAT)			
- Continuing operations	1,339	3,816	(64.9)
- Discontinued operation	(168)	45	(473.3)
	1,171	3,861	(69.7)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	1,016	3,287	(69.1)
- Discontinued operation	(168)	45	(473.3)
	848	3,332	(74.5)

For the current quarter under review, revenue and PBT of the Group stood at RM41.30 million and RM2.18 million respectively as compared to RM49.51 million and RM5.20 million recorded in the immediate preceding quarter.

Manufacturing division recorded a revenue and PBT at RM24.55 million and RM2.00 million respectively as compared to RM23.93 million and RM3.84 million reported in the immediate preceding quarter. Lower PBT was due to lower project sales recorded in the current quarter under review.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT (Cont'd)

Oil milling division marked its revenue and PBT at RM16.38 million and RM0.79 million respectively as compared to RM21.39 million and RM1.35 million reported in the immediate preceding quarter. The higher average selling price but lower production output of CPKO in the current quarter has become the main factor of the fluctuation.

Trading & Service division registered a revenue and loss before tax at RM0.09 million and RM0.03 million respectively in the current quarter. The performance was affected as a result of lower progress billing in the current quarter under review.

B3. COMMENTARY ON PROSPECTS

The Group will continue to focus on its core manufacturing business and strive to improve the oil milling's oil extraction rates, operational efficiency and effective cost management.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group will register a satisfactory result for the coming 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	(1,005)	(4,713)
	<u>(1,005)</u>	<u>(4,713)</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.

B8. STATUS OF CORPORATE PROPOSALS

On 13 October 2017, the Board of Director of the Company announced and propose to undertake a private placement of up to 9,126,980 new ordinary shares of RM1.00 each in MBL, representing up to 10% of the issued and paid up share capital of MBL.

The proposed private placement proceeds raised are expected to be utilised in the following manner:

Nature of utilisation	Time frame for utilisation from the date of the Listing	Proposed utilisation (RM'000)
Repayment of bank borrowings	Within 12 months	9,890
Expenses for the Private Placement	Within 6 months	150
Total		10,040

The application of the proposed private placement was approved by Bursa Malaysia Securities Berhad on 23 October 2017.

The 1st tranche of the private placement shares was issued at issue price of RM1.13 per shares and has been completed following the listing and quotation of 4,626,980 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 17 January 2018.

The 2nd tranche of private placement comprising 2,250,000 placement shares was issued at issue price of RM1.18 per shares and has been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 12 February 2018.

On 23 February 2018, the 3rd tranche of the Private Placement is fixed at RM1.131 per Placement Share. The exercise is expected to be completed by 1st quarter of 2018.

The total proceeds and utilisation of proposed private placement as at the date of this report are as follows:

Stage	Private Placement Units	Proceed Drawdown (RM'000)	Actual Utilisation (RM'000)
1st Tranche	4,626,980	5,228	-
2nd Tranche	2,250,000	2,655	-
Listing Expenses	-	-	94
Total	7,281,980	7,883	94



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B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 December 2017 and 31 December 2016 are as follows:

	As at Fourth Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.05 RM '000	RM RM '000	USD Fx Rate 4.05 RM '000	RM RM '000	USD Fx Rate 4.05 RM '000	RM RM '000
Secured						
- Term loans	-	11,961	-	1,237	-	13,198
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	5,699	-	5,699
- Revolving credits	-	-	-	-	-	-
Total	-	11,961	-	6,936	-	18,897

	As at Fourth 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	-	11,526	-	1,088	-	12,614
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	2,498	-	2,498
- Revolving credits	-	-	4,122	-	4,122	-
Total	-	11,526	4,122	3,586	4,122	15,112

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
Bankers acceptance	4.53 - 4.82	4.48
Revolving credits	-	2.94 - 3.32

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

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.



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B11. MATERIAL LITIGATION

There was no material litigation for the current financial period to date.

B12. DIVIDEND DECLARED

A single-tier first interim dividend of 2.0 sen per share for the year ended 31 December 2017 was declared on 27 February 2018 and to be paid on 29 March 2018.

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	1,016	9,822
- Discontinued operation	(168)	(309)
	<u>848</u>	<u>9,513</u>
Weighted average number of ordinary shares (000)	91,270	91,270
Basic EPS (Sen)		
- Continuing operations	1.11	10.76
- Discontinued operation	(0.18)	(0.34)
	<u>0.93</u>	<u>10.42</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	1,016	9,822
- Discontinued operation	(168)	(309)
	<u>848</u>	<u>9,513</u>
Weighted average number of ordinary shares (000)	108,646	104,640
Basic EPS (Sen)		
- Continuing operations	0.94	9.39
- Discontinued operation	(0.15)	(0.30)
	<u>0.79</u>	<u>9.09</u>



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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	(40)	(140)
Other income including investment income	(9)	(56)
Interest expense	248	1,017
Depreciation and amortization	709	3,071
Gain on disposal of property, plant and equipment	-	(487)
Foreign exchange gain	(138)	(734)

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	80,524
- Unrealised	(1,155)
	<u>79,369</u>
Less: Consolidation adjustments	(30,550)
Retained profits as per financial statement	<u>48,819</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 February 2018.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
27 February 2018