



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2018**



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 SECOND QUARTER ENDED 30 JUNE 2018

	Individual Quarter		Cumulative Quarter	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	37,195	45,608	65,345	93,485
Less: Revenue from discontinued operation	(104)	(86)	(263)	(152)
Revenue from continuing operation	37,091	45,522	65,082	93,333
Cost of sales	(27,772)	(35,735)	(48,046)	(74,206)
Gross profit	9,319	9,787	17,036	19,127
Other income	24	236	390	550
Depreciation and amortisation	(318)	(278)	(625)	(548)
Distribution and administrative expenses	(6,061)	(5,088)	(11,927)	(10,541)
Operating profit	2,964	4,657	4,874	8,588
Interest Income	119	29	178	53
Interest expenses	(219)	(330)	(451)	(509)
Share of results of an associate	308	119	190	196
Profit before taxation	3,172	4,475	4,791	8,328
Taxation	(1,011)	(1,466)	(1,629)	(2,368)
Profit for the continuing operations	2,161	3,009	3,162	5,960
Discontinued operation				
Loss from discontinued operation, net of tax	(39)	(60)	(10)	(186)
Profit for the financial year	2,122	2,949	3,152	5,774
Other Comprehensive income/(loss), net of tax	57	(467)	(845)	(512)
Total Comprehensive Income for the financial year	2,179	2,482	2,307	5,262
Profit attributable to:				
Owners of the parent - continuing operations	2,534	2,888	3,831	5,519
- discontinued operation	(39)	(60)	(10)	(186)
	2,495	2,828	3,821	5,333
Non-controlling interests	(373)	121	(669)	441
Profit for the financial year	2,122	2,949	3,152	5,774
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	2,563	2,650	3,400	5,258
- discontinued operation	(39)	(60)	(10)	(186)
	2,524	2,590	3,390	5,072
Non-controlling interests	(345)	(108)	(1,083)	190
Total Comprehensive Income for the financial year	2,179	2,482	2,307	5,262
Earnings per share (sen)				
- Basic - continuing operations	2.55	3.16	3.85	6.05
- discontinued operation	(0.04)	(0.07)	(0.01)	(0.20)
	2.51	3.09	3.84	5.85
- Diluted - continuing operations	2.31	2.81	3.37	5.36
- discontinued operation	(0.04)	(0.06)	(0.01)	(0.18)
	2.27	2.75	3.36	5.18

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 2017 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 JUNE 2018

	(Unaudited) As at 30/06/2018 RM'000	(Audited) As at 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,050	41,424
Investment properties	642	645
Intangible assets	3,456	3,456
Investment in an associate	4,847	4,657
	<u>51,995</u>	<u>50,182</u>
Current assets		
Inventories	25,687	30,770
Trade and other receivables	47,315	40,666
Fixed deposits with licensed banks	391	390
Cash and bank balances	23,930	10,885
	<u>97,323</u>	<u>82,711</u>
Assets included in disposal group classified as held for sale	27,254	27,277
	<u>124,577</u>	<u>109,988</u>
Total assets	<u>176,572</u>	<u>160,170</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	57,586	47,158
Treasury shares	(597)	(571)
Revaluation reserve	6,487	6,487
Discount on shares	(13,340)	(13,340)
Warrant reserves	17,940	17,940
Foreign currency translation reserve	(970)	(539)
Retained profits	49,628	46,811
Shareholder's equity	<u>116,734</u>	<u>103,946</u>
Non-controlling interests	5,408	6,581
Total equity	<u>122,142</u>	<u>110,527</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	(Unaudited) As at 30/06/2018 RM'000	(Audited) As at 31/12/2017 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	750	750
Bank borrowings	11,297	11,927
Deferred tax liabilities	2,398	2,398
	14,445	15,075
Current liabilities		
Trade and other payables	28,109	24,926
Amount owing to contract customers	3,814	-
Finance lease liabilities	414	391
Bank borrowings	5,376	6,970
Provision for taxation	2,171	2,122
	39,884	34,409
Liabilities included in disposal group classified as held for sale	101	159
	39,985	34,568
Total liabilities	54,430	49,643
Total equity and liabilities	176,572	160,170
Net assets per share (RM)	1.15	1.13

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 2017 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 SECOND QUARTER ENDED 30 JUNE 2018

	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 2018	47,158	-	(571)	6,487	(13,340)	17,940	(539)	46,811	103,946	6,581	110,527
Profit for the financial year	-	-	-	-	-	-	-	3,821	3,821	(669)	3,152
Other Comprehensive Expenses	-	-	-	-	-	-	(431)	-	(431)	(414)	(845)
- Forex Translation Difference	-	-	-	-	-	-	(431)	-	(431)	(414)	(845)
Total comprehensive income for the financial year	-	-	-	-	-	-	(431)	3,821	3,390	(1,083)	2,307
<i>Contributions by and distributions to owners of the Company</i>											
<i>Proceed from issuance of Private Placement</i>	10,428	-	-	-	-	-	-	-	10,428	-	10,428
<i>Purchase of treasury shares</i>	-	-	(26)	-	-	-	-	-	(26)	-	(26)
<i>Dividends payable to owners of the Company</i>	-	-	-	-	-	-	-	(1,004)	(1,004)	-	(1,004)
<i>Changes in ownership interest in a subsidiary</i>	-	-	-	-	-	-	-	-	-	(90)	(90)
Total transactions with owners of the Company	10,428	-	(26)	-	-	-	-	(1,004)	9,398	(90)	9,308
At 30 June 2018	57,586	-	(597)	6,487	(13,340)	17,940	(970)	49,628	116,734	5,408	122,142
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	-	-	-	-	-	-	-	5,333	5,333	441	5,774
Other Comprehensive Expenses	-	-	-	-	-	-	(261)	-	(261)	(251)	(512)
- Forex Translation Difference	-	-	-	-	-	-	(261)	-	(261)	(251)	(512)
Total comprehensive income for the financial year	-	-	-	-	-	-	(261)	5,333	5,072	190	5,262
At 30 June 2017	46,000	1,158	(571)	6,559	(13,340)	17,940	96	44,567	102,409	6,320	108,729

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 2017 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 SECOND QUARTER ENDED 30 JUNE 2018

	Current Year To-date 30/06/2018 RM'000	Preceding Year Corresponding Period 30/06/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	4,791	8,328
- Discontinued operation	(10)	(186)
	4,781	8,142
Adjustments for non-cash items:		
Bargain purchase of subsidiary	(76)	-
Depreciation and amortisation	1,518	1,526
Gain on disposal of property, plant & equipment	-	(184)
Interest expenses	453	511
Interest income	(178)	(53)
Share of results of an associate	(190)	(196)
Unrealised gain on foreign exchange	(37)	(61)
Operating profit before working capital changes	6,271	9,685
Changes in working capital		
Inventories	5,083	4,707
Receivables	(6,496)	37
Payables	4,075	(7,141)
Contract customers	3,814	-
Cash generated from operations	12,747	7,288
Income tax paid	(1,581)	(1,716)
Net cash from operating activities	11,166	5,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of biological assets	(83)	(2)
Acquisition of property, plant and equipment	(3,077)	(2,546)
Proceeds from disposal of property, plant and equipment	-	184
Net cash outflows from acquisition of subsidiary	(15)	-
Interest received	178	53
Net cash used in investing activities	(2,997)	(2,311)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	Current Year To-date 30/06/2018 RM'000	Preceding Year Corresponding Period 30/06/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,008)	(1,825)
Interest paid	(453)	(511)
Purchase of treasury shares	(26)	-
(Placement)/withdrawal of pledged fixed deposits	(1)	(1)
(Repayment of) /proceeds from bankers acceptance	(2,206)	1,319
Net change of revolving credits	612	(1,323)
Repayment of term loans	(630)	(548)
Repayment of finance lease liabilities	(506)	(183)
Proceed from issue of share capital	10,428	-
Net cash from / (used in) financing activities	5,210	(3,072)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation differences	(393)	(256)
Cash and cash equivalents at the beginning of the financial year	11,096	13,572
Cash and cash equivalents at the end of the financial year	24,082	13,505
Note:	<u>Cash and cash equivalents at the end of the financial year</u>	
Continuing operations		
Cash and bank balances	23,930	14,029
Short term deposits with licensed banks	391	378
Bank overdraft	-	(620)
Fixed deposits pledged	(391)	(378)
	23,930	13,409
Discontinued operation		
Cash and bank balances	152	96
	24,082	13,505

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 2017 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 SECOND QUARTER ENDED 30 JUNE 2018**

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

The Group has re-adopted MFRS in the year ending 31 December 2018 as it met the criteria as Transitioning Entities. The re-adoption of MFRSs 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 2017. 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 2017.

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 2017 except for those standard, amendments and IC interpretation that had become effective 1 January 2018 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 SECOND QUARTER ENDED 30 JUNE 2018**

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.

For the six month period, the Company repurchased 24,000 of its issued ordinary shares from the open market at an average price of RM1.0904 per shares. The total consideration paid for the repurchase including transaction costs was RM26,371 and this was financed by internally generated funds.

Total treasury shares held as at 30 June 2018 is 754,200 shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

A8. DIVIDEND PAID

The declared single-tier first interim dividend of 1.0 sen per share for the year ending 31 December 2018 amounting to RM1,003,728 was paid on 4 July 2018.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 6 months ended 30 June 2018

	Investment Holding	Manu- facturing	Bio Green Technology	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	RM '000
Revenue									
External sales	-	40,263	8,360	-	16,459	-	65,082	263	65,345
Inter-company	-	413	-	-	-	(413)	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	40,676	8,360	-	16,459	(413)	65,082	263	65,345
Segmental results	(221)	4,942	1,504	(37)	(1,357)	43	4,874	(9)	4,865
Finance costs	-	(451)	-	-	-	-	(451)	(1)	(452)
Interest income	71	107	-	-	-	-	178	-	178
Share of results of an associate	190	-	-	-	-	-	190	-	190
Profit/(Loss) before Tax	40	4,598	1,504	(37)	(1,357)	43	4,791	(10)	4,781
Taxation	-	-	-	-	-	-	(1,629)	-	(1,629)
Profit for the year	-	-	-	-	-	-	3,162	(10)	3,152

Segmental reporting for the 6 months ended 30 June 2017

	Investment Holding	Manu- facturing	Bio Green Technology	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	RM '000
Revenue									
External sales	-	50,893	-	-	42,440	-	93,333	152	93,485
Inter-company	-	506	-	-	-	(506)	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	51,399	-	-	42,440	(506)	93,333	152	93,485
Segmental results	(243)	7,334	-	(4)	1,442	59	8,588	(184)	8,404
Finance costs	-	(509)	-	-	-	-	(509)	(2)	(511)
Interest income	-	53	-	-	-	-	53	-	53
Share of results of an associate	196	-	-	-	-	-	196	-	196
Profit/(Loss) before Tax	(47)	6,878	-	(4)	1,442	59	8,328	(186)	8,142
Taxation	-	-	-	-	-	-	(2,368)	-	(2,368)
Profit for the year	-	-	-	-	-	-	5,960	(186)	5,774



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment for the financial period under review.

A11. MATERIAL SUBSEQUENT EVENTS

There 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	12,000
PT. Banyuasin Nusantara Sejahtera	Associate	Sales of goods	-	17,983

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 SECOND QUARTER ENDED 30 JUNE 2018**

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 (6 months ended)		
	30/06/2018 RM '000	30/06/2017 RM '000	Changes %	30/06/2018 RM '000	30/06/2017 RM '000	Changes %
Revenue						
- Continuing operations	37,091	45,522	(18.5)	65,082	93,333	(30.3)
- Discontinued operation	104	86	20.9	263	152	73.0
	<u>37,195</u>	<u>45,608</u>	(18.4)	<u>65,345</u>	<u>93,485</u>	(30.1)
Operating profit	2,964	4,657	(36.4)	4,874	8,588	(43.2)
Profit before interest and tax	3,272	4,776	(31.5)	5,064	8,784	(42.3)
Profit/(Loss) before tax (PBT)						
- Continuing operations	3,172	4,475	(29.1)	4,791	8,328	(42.5)
- Discontinued operation	(39)	(60)	(35.0)	(10)	(186)	(94.6)
	<u>3,133</u>	<u>4,415</u>	(29.0)	<u>4,781</u>	<u>8,142</u>	(41.3)
Profit/(Loss) after tax (PAT)						
- Continuing operations	2,161	3,009	(28.2)	3,162	5,960	(46.9)
- Discontinued operation	(39)	(60)	(35.0)	(10)	(186)	(94.6)
	<u>2,122</u>	<u>2,949</u>	(28.0)	<u>3,152</u>	<u>5,774</u>	(45.4)
Profit/(loss) attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	2,534	2,888	(12.3)	3,831	5,519	(30.6)
- Discontinued operation	(39)	(60)	(35.0)	(10)	(186)	(94.6)
	<u>2,495</u>	<u>2,828</u>	(11.8)	<u>3,821</u>	<u>5,333</u>	(28.4)

For the current quarter under review, the Group's revenue was 18.4% lower at RM37.20 million, while PBT decreased by 29.0% to RM3.13 million as compared to the preceding year's corresponding quarter. It was due to following:

Manufacturing division registered a revenue and PBT of RM20.82 million and RM2.21 million respectively in the current quarter as compared with RM26.51 million and RM4.01 million recorded in the preceding year's quarter. Lower revenue was mainly due to lower project sales where certain customers have postponed the project shipments because of delay in obtaining local regulatory approval or project site progress.

Bio Green Technology division recorded a revenue and PBT at RM8.36 million and RM1.50 million respectively. The revenue and PBT was recognized to the extent of the completed biogas projects and there was no comparative figure in the prior year corresponding quarter.

Oil milling division's revenue reduced sharply to RM7.91 million (2017: RM19.02 million) and registered a loss before tax RM0.81 million (2017: PBT at RM0.51 million). It was mainly attributable to the on-going upgrading works of palm kernel crushing plant which was completed in end May 2018, coupled with the low crop which affects the production output and lower average selling price of Crude Palm Kernel Oil ("CPKO") in the current quarter under review.



B1. REVIEW OF PERFORMANCE (Cont'd)

For the six months period under review, the revenue and PBT of the Group decreased by 30.1% and 41.3% respectively to RM65.35 million and RM4.78 million.

Manufacturing division's revenue stood at RM40.26 million as compared to RM50.89 million at preceding year's corresponding period. As a result of lower project sales and sale of oil expeller machines, PBT retreated to RM4.60 million from RM6.88 million in prior year's corresponding period.

Bio Green Technology division recorded a revenue and PBT at RM8.36 million and RM1.50 million respectively. The revenue and PBT was recognized to the extent of the completed biogas projects. There was no comparative figure in the prior year corresponding period.

Oil milling division's top lines reduced sharply to RM16.46 million from RM42.44 million recorded in prior year. Inevitably, a loss before tax of RM1.38 million was recorded in the current period as compared with PBT of RM1.44 million registered in prior year's corresponding period. As explained in the individual quarter under review, the upgrading works of palm kernel crushing plant which was completed in end May 2018, coupled with the low crop has resulted lower production output of CPKO and hence impacted on both top and bottom lines of the division for period under review.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/06/2018 RM '000	Immediate Preceding Quarter 31/03/2018 RM '000	Changes %
Revenue			
- Continuing operations	37,091	27,991	32.5
- Discontinued operation	104	159	(34.6)
	37,195	28,150	32.1
Operating profit	2,964	1,910	55.2
Profit before interest and tax	3,272	1,792	82.6
Profit/(Loss) before tax (PBT)			
- Continuing operations	3,172	1,619	95.9
- Discontinued operation	(39)	29	(234.5)
	3,133	1,648	90.1
Profit/(Loss) after tax (PAT)			
- Continuing operations	2,161	1,001	115.9
- Discontinued operation	(39)	29	(234.5)
	2,122	1,030	106.0
Profit/(loss) attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	2,534	1,297	95.4
- Discontinued operation	(39)	29	(234.5)
	2,495	1,326	88.2



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

For the current quarter under review, revenue and PBT of the Group stood at RM37.20 million and RM3.13 million respectively as compared to RM28.15 million and RM1.65 million recorded in the immediate preceding quarter.

Manufacturing division recorded a revenue and PBT at RM20.82 million and RM2.21 million respectively as compared to RM19.44 million and RM2.39 million reported in the immediate preceding quarter. Despite the constant revenue, PBT was slightly decreased by the lesser project sales in the current quarter under review.

Bio Green Technology division registered its revenue and PBT at RM8.36 million and RM1.50 million respectively. The revenue and PBT was recognized to the extent of the completed biogas projects. There was no comparative figure in the immediate preceding quarter.

Oil milling division marked its revenue at RM7.91 million compared to RM8.55 million reported in the immediate preceding quarter. Meanwhile, loss before tax was recorded at RM0.81 million in the current quarter as compared to loss before tax of RM0.55 million registered in the immediate preceding quarter. The lower production output of CPKO as a result of the low crop couple with lower average CPKO price has affected the performance of the division.

B3. COMMENTARY ON PROSPECTS

The Board expects the Group's operating environment for the financial year ending 2018 to remain challenging and competitive.

The Board remains cautious on the recent developments of global uncertainty due to intensify trade war and Turkish crisis which will affect the business confidence and sentiment in the global markets.

After the completeness of the upgrading works, the management foresee oil milling division will likely to perform better in the subsequent quarters and will continue to conserve and direct its resources towards the core business to ensure sustainable growth of the Group.

Barring any unforeseen circumstances, the Board nevertheless expects the result of 2018 to be satisfactory.

B4. VARIANCE FROM PROFIT FORECAST

There is no profit forecast issued for the current financial period under review.



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B5. TAXATION

Taxation for the quarter and year to date comprises:

	Current Quarter RM '000	Current YTD RM '000
Taxation		
- Current year	(1,011)	(1,629)
	<u>(1,011)</u>	<u>(1,629)</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

As announcement made on 13 October 2017 related to the proposal to undertake a private placement of up to 9,126,980 new ordinary shares, which representing up to 10% of the issued share capital of MBL, had duly completed on 8 March 2018.

The gross proceeds from the Private Placement of RM10.43 million 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)	Actual utilisation (RM'000)	Balance (RM'000)
Repayment of bank borrowings	Within 12 months	9,890	958	8,932
Expenses for the Private Placement	Within 6 months	150	94	56
Total		10,040	1,052	8,988



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B9. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2018 and 30 June 2017 are as follows:

	As at Second Quarter ended 2018					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.04 RM '000	RM RM '000	USD Fx Rate 4.04 RM '000	RM RM '000	USD Fx Rate 4.04 RM '000	RM RM '000
Secured						
- Term loans	-	11,297	-	1,271	-	12,568
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	3,493	-	3,493
- Revolving credits	-	-	612	-	612	-
Total	-	11,297	612	4,764	612	16,061

	As at Second Quarter ended 2017					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.13 RM '000	RM RM '000	USD Fx Rate 4.13 RM '000	RM RM '000	USD Fx Rate 4.13 RM '000	RM RM '000
Secured						
- Term loans	-	10,983	-	1,083	-	12,066
- Bank overdraft	-	-	-	620	-	620
- Bankers acceptance	-	-	-	3,817	-	3,817
- Revolving credits	-	-	2,799	-	2,799	-
Total	-	10,983	2,799	5,520	2,799	16,503

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

	2018 %	2017 %
Term loans	4.52 - 5.85	4.52 - 5.70
Bank overdraft	-	8.12
Bankers acceptance	4.53 - 4.82	4.53 - 4.82
Revolving credits	3.75	-

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.



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	2,534	3,831
- Discontinued operation	(39)	(10)
	<u>2,495</u>	<u>3,821</u>
Weighted average number of ordinary shares (000)	99,485	99,485
Basic EPS (Sen)		
- Continuing operations	2.55	3.85
- Discontinued operation	(0.04)	(0.01)
	<u>2.51</u>	<u>3.84</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	2,534	3,831
- Discontinued operation	(39)	(10)
	<u>2,495</u>	<u>3,821</u>
Weighted average number of ordinary shares (000)	109,754	113,808
Basic EPS (Sen)		
- Continuing operations	2.31	3.37
- Discontinued operation	(0.04)	(0.01)
	<u>2.27</u>	<u>3.36</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	(119)	(178)
Other income including investment income	(17)	(103)
Interest expense	221	453
Depreciation and amortization	764	1,518
Foreign exchange gain	(15)	(287)

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 28 August 2018.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretary
Muar
28 August 2018