



MUAR BAN LEE GROUP BERHAD

(Company No.200601033829 (753588-P))
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2020



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Individual Quarter		Cumulative Quarter	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	37,783	32,792	37,783	32,792
Less: Revenue from discontinued operation	-	(111)	-	(111)
Revenue from continuing operation	37,783	32,681	37,783	32,681
Cost of sales	(28,763)	(23,435)	(28,763)	(23,435)
Gross profit	9,020	9,246	9,020	9,246
Other income	77	158	77	158
Depreciation and amortisation	(384)	(318)	(384)	(318)
Distribution and administrative expenses	(6,210)	(6,320)	(6,210)	(6,320)
Operating profit	2,503	2,766	2,503	2,766
Interest Income	137	129	137	129
Interest expenses	(98)	(36)	(98)	(36)
Profit before taxation	2,542	2,859	2,542	2,859
Taxation	(804)	(960)	(804)	(960)
Profit for the continuing operations	1,738	1,899	1,738	1,899
Discontinued operation				
Profit from discontinued operation, net of tax	-	44	-	44
Profit for the financial year	1,738	1,943	1,738	1,943
Other Comprehensive loss, net of tax	(2,537)	(49)	(2,537)	(49)
Total Comprehensive (Loss)/Income for the financial year	(799)	1,894	(799)	1,894
Profit attributable to:				
Owners of the parent - continuing operations	1,476	2,053	1,476	2,053
- discontinued operation	-	44	-	44
	1,476	2,097	1,476	2,097
Non-controlling interests	262	(154)	262	(154)
Profit for the financial year	1,738	1,943	1,738	1,943
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operations	(185)	2,028	(185)	2,028
- discontinued operation	-	44	-	44
	(185)	2,072	(185)	2,072
Non-controlling interests	(614)	(178)	(614)	(178)
Total Comprehensive (Loss)/Income for the financial year	(799)	1,894	(799)	1,894
Earnings per share (sen)				
- Basic				
- continuing operations	1.49	2.03	1.47	2.03
- discontinued operation	-	0.04	-	0.04
	1.49	2.07	1.47	2.07
- Diluted				
- continuing operations	1.29	1.82	1.28	1.82
- discontinued operation	-	0.04	-	0.04
	1.29	1.86	1.28	1.86

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 2019 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	(Unaudited) As at 31/03/2020 RM'000	(Audited) As at 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,759	44,400
Investment properties	634	635
Intangible assets	23,556	23,556
Right of use	5,711	5,728
Other investment	6,434	5,848
	<u>81,094</u>	<u>80,167</u>
Current assets		
Inventories	32,192	35,232
Trade and other receivables	45,366	41,587
Biological assets	51	51
Amount owing from contract customers	23,553	21,733
Tax recoverable	2,259	3,136
Fixed deposits with licensed banks	5,459	5,404
Cash and bank balances	28,444	29,500
	<u>137,324</u>	<u>136,643</u>
Total assets	<u>218,418</u>	<u>216,810</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	63,244	63,064
Treasury shares	(8,524)	(7,158)
Revaluation reserve	6,343	6,343
Discount on shares	(11,517)	(11,575)
Warrant reserves	15,488	15,566
Foreign currency translation reserve	(1,540)	(630)
Fair value adjustment reserve	-	751
Retained profits	74,509	73,033
Shareholder's equity	<u>138,003</u>	<u>139,394</u>
Non-controlling interests	6,531	6,920
Total equity	<u>144,534</u>	<u>146,314</u>



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	(Unaudited) As at 31/03/2020 RM'000	(Audited) As at 31/12/2019 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	5,496	4,951
Non-current lease liabilities	5,793	5,790
Bank borrowings	1,025	1,039
Deferred tax liabilities	2,554	2,554
	<u>14,868</u>	<u>14,334</u>
Current liabilities		
Trade and other payables	57,591	52,686
Finance lease liabilities	309	764
Current lease liabilities	-	3
Bank borrowings	125	237
Provision for taxation	991	2,472
	<u>59,016</u>	<u>56,162</u>
Total liabilities	<u>73,884</u>	<u>70,496</u>
Total equity and liabilities	<u>218,418</u>	<u>216,810</u>
Net assets per share (RM)	1.38	1.39

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 2019 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Attributable to owners of the parent										Total Equity
	Non-Distributable						Distributable				
	Share Capital	Treasury Shares	Revaluation Reserve	Discount On Shares	Warrant Reserves	Foreign Currency Translation Reserve	Fair Value Adjustment Reserve	Retained Profits	Subtotal	Non- controlling interests	
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 2020	63,064	(7,158)	6,343	(11,575)	15,566	(630)	751	73,033	139,394	6,920	146,314
Profit for the financial year	-	-	-	-	-	-	-	1,476	1,476	262	1,738
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	(751)	-	(751)	-	(751)
- Forex Translation Difference	-	-	-	-	-	(910)	-	-	(910)	(876)	(1,786)
Total comprehensive loss for the financial year	-	-	-	-	-	(910)	(751)	1,476	(185)	(614)	(799)
<i>Contributions by and distributions to owners of the Company</i>											
<i>Proceed from issuance of Private</i>	180	-	-	58	(78)	-	-	-	160	-	160
<i>Proceed from conversion of warrants</i>	-	(1,366)	-	-	-	-	-	-	(1,366)	-	(1,366)
<i>Purchase of treasury shares</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Changes in ownership interest in a subsidiary</i>	-	-	-	-	-	-	-	-	-	225	225
Total transactions with owners of the Company	180	(1,366)	-	58	(78)	-	-	-	(1,206)	225	(981)
At 31 March 2020	63,244	(8,524)	6,343	(11,517)	15,488	(1,540)	-	74,509	138,003	6,531	144,534
At 1 January 2019	59,272	(597)	6,415	(12,797)	17,210	(817)	(420)	56,828	125,094	5,949	131,043
Profit for the financial year	-	-	-	-	-	-	-	2,097	2,097	(154)	1,943
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	(25)	-	-	(25)	(24)	(49)
Total comprehensive income for the financial year	-	-	-	-	-	(25)	-	2,097	2,072	(178)	1,894
<i>Contributions by and distributions to owners of the Company</i>											
<i>Purchase of treasury shares</i>	-	(1,705)	-	-	-	-	-	-	(1,705)	-	(1,705)
Total transactions with owners of the Company	-	(1,705)	-	-	-	-	-	-	(1,705)	-	(1,705)
At 31 March 2019	59,272	(2,302)	6,415	(12,797)	17,210	(842)	(420)	58,925	125,461	5,771	131,232

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 2019 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 FIRST QUARTER ENDED 31 MARCH 2020

	Current Year To-date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	2,542	2,859
- Discontinued operation	-	44
	2,542	2,903
Adjustments for non-cash items:		
Depreciation and amortisation	943	815
Loss on disposal of other investment	936	-
Interest expenses	98	37
Interest income	(137)	(129)
Unrealised loss on foreign exchange	298	37
Operating profit before working capital changes	4,680	3,663
Changes in working capital		
Inventories	3,040	2,120
Receivables	(3,780)	11,425
Payables	4,906	19,062
Contract customers	(1,820)	(21,864)
Cash generated from operations	7,026	14,406
Income tax paid	(1,407)	(2,562)
Net cash from operating activities	5,619	11,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(8,255)	-
Acquisition of property, plant and equipment	(2,599)	(179)
Proceed from disposal of other investment	5,982	-
Interest received	137	129
Net cash used in investing activities	(4,735)	(50)



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Current Year To-date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(2,025)
Interest paid	(98)	(37)
Purchase of treasury shares	(1,366)	(1,705)
(Placement)/withdrawal of pledged fixed deposits	-	(1)
Repayment of term loans	(126)	(117)
Repayment of finance lease liabilities	(210)	(136)
Proceed from conversion of warrant to share capital	160	-
Net cash used in financing activities	(1,640)	(4,021)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation differences	(246)	(19)
Cash and cash equivalents at the beginning of the financial year	32,500	27,842
Cash and cash equivalents at the end of the financial year	31,498	35,596
Note:	<u>Cash and cash equivalents at the end of the financial year</u>	
Continuing operations		
Cash and bank balances	28,444	35,528
Short term deposits with licensed banks	5,459	403
Fixed deposits pledged	(2,405)	(403)
	31,498	35,528
Discontinued operation		
Cash and bank balances	-	68
	31,498	35,596

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 2019 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD (Company No. 200601033829 (753588-P))

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. 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 2019.

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 2019 except for those standard, amendments and IC interpretation that had become effective 1 January 2020 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.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

A7. DEBT AND EQUITY SECURITIES

- i) For the three months financial period under review, the Company issued 200,000 new ordinary shares for cash arising from the exercise of warrants at exercise price of RM0.80 per ordinary shares.
- ii) During the three months financial period, the Company repurchased 1,365,000 of its issued ordinary shares from the open market at an average price of RM1.0046 per shares. The total consideration paid for the repurchase including transaction costs was RM1,371,302 and this was financed by internally generated funds at the financial period under review. Total treasury shares held as at 31 March 2020 was 7,607,800 shares. The repurchased shares were held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year ending 31 December 2020.

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 2020

	Investment Holding	Manu- facturing	Bio- Engineering	Oil Milling	Plantation	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	-	16,642	-	21,063	78	-	37,783	-	37,783
Inter-company	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	16,642	-	21,063	78	-	37,783	-	37,783
Segmental results	(1,181)	2,430	-	896	(261)	619	2,503	-	2,503
Finance costs	(74)	(24)	-	-	-	-	(98)	-	(98)
Interest income	6	131	-	-	-	-	137	-	137
Profit/(Loss) before Tax	(1,249)	2,537	-	896	(261)	619	2,542	-	2,542
Taxation							(804)	-	(804)
Profit for the period							1,738	-	1,738

Segmental reporting for the 3 months ended 31 March 2019

	Investment Holding	Manu- facturing	Bio- Engineering	Oil Milling	Plantation	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	-	25,004	-	7,677	-	-	32,681	111	32,792
Inter-company	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	25,004	-	7,677	-	-	32,681	111	32,792
Segmental results	(141)	3,238	(2)	(292)	-	(37)	2,766	44	2,810
Finance costs	-	(36)	-	-	-	-	(36)	-	(36)
Interest income	-	129	-	-	-	-	129	-	129
Profit/(Loss) before Tax	(141)	3,331	(2)	(292)	-	(37)	2,859	44	2,903
Taxation							(960)	-	(960)
Profit for the period							1,899	44	1,943



MUAR BAN LEE GROUP BERHAD (Company No. 200601033829 (753588-P))

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 except:

- a) On 2 March 2020, issued and paid up capital of Open Road MBL Sdn. Bhd. ("ORMBL") was increased from RM100,000, comprising of 100,000 ordinary shares to RM1,000,000, comprising of 1,000,000 ordinary shares by the issuance of 900,000 new ordinary shares at RM1.00 each. MBLG had acquired 750,000 of these new ordinary shares. Subsequent to the increase share capital in ORMBL, MBLG holds 85% equity interest in ORMBL and its subsidiary status remain unchange.
- b) On 10 March 2020, issued and paid up capital of Open Road MBL Sdn. Bhd. ("ORMBL") was increased from RM1,000,000, comprising of 1,000,000 ordinary shares to RM1,500,000, comprising of 1,500,000 ordinary shares by the issuance of 500,000 new ordinary shares at RM1.00 each. MBLG had acquired 425,000 of these new ordinary shares. Subsequent to the increase share capital in ORMBL, MBLG holds 85% equity interest in ORMBL and its subsidiary status remain unchange.

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. 200601033829 (753588-P))

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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	6,000
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	7,500

A16. DISCLOSURE OF DERIVATIVES

There was no outstanding forward contract at the end of the quarter under review.



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 (3 months ended)		
	31/03/2020 RM '000	31/03/2019 RM '000	Changes %	31/03/2020 RM '000	31/03/2019 RM '000	Changes %
Revenue						
- Continuing operations	37,783	32,681	15.6	37,783	32,681	15.6
- Discontinued operation	-	111	(100.0)	-	111	(100.0)
	<u>37,783</u>	<u>32,792</u>	15.2	<u>37,783</u>	<u>32,792</u>	15.2
Operating profit	2,503	2,766	(9.5)	2,503	2,766	(9.5)
Profit before interest and tax	2,503	2,766	(9.5)	2,503	2,766	(9.5)
Profit before tax (PBT)						
- Continuing operations	2,542	2,859	(11.1)	2,542	2,859	(11.1)
- Discontinued operation	-	44	(100.0)	-	44	(100.0)
	<u>2,542</u>	<u>2,903</u>	(12.4)	<u>2,542</u>	<u>2,903</u>	(12.4)
Profit after tax (PAT)						
- Continuing operations	1,738	1,899	(8.5)	1,738	1,899	(8.5)
- Discontinued operation	-	44	(100.0)	-	44	(100.0)
	<u>1,738</u>	<u>1,943</u>	(10.6)	<u>1,738</u>	<u>1,943</u>	(10.6)
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	1,476	2,053	(28.1)	1,476	2,053	(28.1)
- Discontinued operation	-	44	(100.0)	-	44	(100.0)
	<u>1,476</u>	<u>2,097</u>	(29.6)	<u>1,476</u>	<u>2,097</u>	(29.6)

For the current quarter under review, the Group's revenue increased by 15.2% to RM37.78 million, while PBT dropped by 12.4% to RM2.54 million as compared to the preceding year's corresponding quarter. In general, despite of the global markets uncertainty during Coronavirus (COVID-19) pandemic, oil milling division's revenue which improved more than two-fold has cushioned the lower revenue reported in the manufacturing division. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM16.64 million and RM2.54 million respectively in the current quarter as compared with RM25.00 million and RM3.33 million recorded in the preceding year's corresponding quarter. The lower revenue and PBT was mainly due to lower project and spare parts sales recorded as the Group's current quarter captured the first phase of Movement Control Order ("MCO") (effective from 18 March to 31 March 2020) as Government closed venues and restrict traffic flow across and within borders.



B1. REVIEW OF PERFORMANCE (Cont'd)

Oil milling division's revenue surged to RM21.06 million (2019: RM7.68 million) and registered a Profit before Tax of RM0.90 million (2019: loss before tax RM0.29 million). The commendable result was mainly attributable to the increase in production output coupled with the higher average selling price of Crude Palm Kernel Oil ("CPKO") in the current quarter under review. Despite of the substantial improvement in revenue, the increasing production costs has partially offset the earnings of the division.

Plantation division's revenue reduced to RM0.08 million (2019: RM0.11 million) and registered a Loss before Tax of RM0.26 million (2019: Profit before Tax RM0.04 million). The unfavorable result was mainly attributable to the shortage of manpower in operating the plantation in the current quarter under review.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 31/03/2020 RM '000	Immediate Preceding Quarter 31/12/2019 RM '000	Changes %
Revenue			
- Continuing operations	37,783	49,112	(23.1)
- Discontinued operation	-	(205)	(100.0)
	37,783	48,907	(22.7)
Operating profit	2,503	8,696	(71.2)
Profit before interest and tax	2,503	8,696	(71.2)
Profit before tax (PBT)			
- Continuing operations	2,542	8,714	(70.8)
- Discontinued operation	-	813	(100.0)
	2,542	9,527	(73.3)
Profit after tax (PAT)			
- Continuing operations	1,738	5,691	(69.5)
- Discontinued operation	-	813	(100.0)
	1,738	6,504	(73.3)
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	1,476	4,497	(67.2)
- Discontinued operation	-	813	(100.0)
	1,476	5,310	(72.2)

For the current quarter under review, revenue and PBT of the Group stood at RM37.78 million and RM2.54 million respectively as compared to RM48.91 million and RM9.53 million recorded in the immediate preceding quarter. The Covid-19 pandemic has resulted a disruption in global supply chain and uncertainties in the market, which further dampen the global economic outlook. The Group was not spared from the impact of the pandemic and recorded declines in the revenue particularly for the manufacturing division.



MUAR BAN LEE GROUP BERHAD (Company No. 200601033829 (753588-P))

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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

Manufacturing division posted a revenue and PBT at RM16.64 million and RM2.43 million respectively as compared to RM21.34 million and RM12.67 million reported in the immediate preceding quarter. The lower revenue was mainly due to lesser project and spare parts sales recorded coupled with the postponement of certain projects especially during the first phase of MCO as Government closed venues and restrict traffic flow across and within borders.

Bio-Engineering division's recognised its revenue and cost of sales based on the stage of completion of the projects. The said projects was deemed completed and successful hand over to customer and recorded a revenue and PBT of RM6.60 million and RM0.80 million respectively in the immediate preceding quarter. There is no new project in this division in the current quarter under review.

Oil milling division revenue remain flattish at RM21.06 million as compared to RM20.84 million reported in the immediate preceding quarter, while PBT receded to RM0.90 million from RM2.35 million registered in immediate preceding quarter. It was mainly due to higher production costs resulted from the increased in raw materials' costs.

Plantation division reflected a minimum revenue and loss before tax of RM0.08 and RM0.26 million respectively as compared to RM0.13 million and RM0.45 million reported in the immediate preceding quarter respectively. The unfavorable result mainly attributable to the shortage of manpower in operating the plantation in the current quarter under review.

B3. COMMENTARY ON PROSPECTS

The financial year 2020 is expected to be a tough and challenging year for many industries due to the global outbreak of COVID-19. The rapid spread of COVID-19 has exerted a ravaging impact on most commodities including CPO and CPKO, pushing down global demand and suppressing commodity prices precipitously.

The Covid-19 pandemic will undeniably has an adverse impact to the globally markets and businesses including us. However, the Management believes the impact by the pandemic to the Group is manageable as most of our on-going projects are expected to carry us through 2020. With the strong financial backing, the Board is confident the Group is well positioned to ride through the current volatilities and uncertainties.

The Management will continue to focus on the Group's core business, i.e. manufacturing segment and to further strengthen our market position by expanding of customer base and market shares.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the Group will remain satisfactory for the financial year ending 2020 amidst a very challenging global economic environment.

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	(804)	(804)
	(804)	(804)

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. STATUS OF CORPORATE PROPOSALS

There was no pending corporate proposals for the financial period under review.

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2020 and 31 March 2019 are as follows:

	As at First Quarter ended 2020					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.31 RM '000	RM RM '000	USD Fx Rate 4.31 RM '000	RM RM '000	USD Fx Rate 4.31 RM '000	RM RM '000
Secured						
- Term loans	-	1,025	-	125	-	1,150
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	-	-	-
- Revolving credits	-	-	-	-	-	-
Total	-	1,025	-	125	-	1,150

	As at First Quarter ended 2019					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.09 RM '000	RM RM '000	USD Fx Rate 4.09 RM '000	RM RM '000	USD Fx Rate 4.09 RM '000	RM RM '000
Secured						
- Term loans	-	1,164	-	478	-	1,642
- Bank overdraft	-	-	-	-	-	-
- Bankers acceptance	-	-	-	-	-	-
- Revolving credits	-	-	-	-	-	-
Total	-	1,164	-	478	-	1,642



B7. GROUP BORROWINGS AND DEBT SECURITIES (Cont'd)

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

	(Unaudited) 2020 %	(Audited) 2019 %
Term loans	4.52 - 5.85	4.52 - 5.85

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

B8. 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.

B9. MATERIAL LITIGATION

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

B10. DIVIDEND DECLARED

There was no dividend declared for the current quarter under review.

B11. 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	1,476	1,476
Weighted average number of ordinary shares (000)	99,385	100,087
Basic EPS (Sen)	<u>1.49</u>	<u>1.47</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company	1,476	1,476
Weighted average number of ordinary shares (000)	114,321	115,023
Basic EPS (Sen)	<u>1.29</u>	<u>1.28</u>



MUAR BAN LEE GROUP BERHAD (Company No. 200601033829 (753588-P))

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

B13. 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	(137)	(137)
Other income including investment income	(44)	(44)
Interest expense	98	98
Depreciation and amortization	943	943
Loss on disposal or unquoted investments or properties	936	936
Foreign exchange loss	251	251

B14. 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 30 June 2020.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar