



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2020

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|---------------|--------------------|---------------|
| | 31/12/2020 | 31/12/2019 | 31/12/2020 | 31/12/2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 83,423 | 49,112 | 216,196 | 169,925 |
| Cost of sales | (71,118) | (27,734) | (173,077) | (107,562) |
| Gross profit | 12,305 | 21,378 | 43,119 | 62,363 |
| Other income | 832 | 192 | 1,430 | 232 |
| Depreciation and amortisation | (1,004) | (709) | (2,098) | (1,690) |
| Distribution and administrative expenses | (8,985) | (10,657) | (27,123) | (30,658) |
| Operating profit | 3,148 | 10,204 | 15,328 | 30,247 |
| Interest Income | 344 | 368 | 1,127 | 915 |
| Interest expenses | (498) | (350) | (986) | (446) |
| Profit before taxation | 2,994 | 10,222 | 15,469 | 30,716 |
| Taxation | (645) | (3,554) | (4,737) | (9,366) |
| Profit for the financial year | 2,349 | 6,668 | 10,732 | 21,350 |
| Other Comprehensive income, net of tax | 1,241 | 1,182 | 4,201 | 1,539 |
| Total Comprehensive Income for the financial year | 3,590 | 7,850 | 14,933 | 22,889 |
| Profit attributable to: | | | | |
| Owners of the parent | 2,139 | 5,766 | 9,771 | 20,714 |
| Non-controlling interests | 210 | 902 | 961 | 636 |
| Profit for the financial year | 2,349 | 6,668 | 10,732 | 21,350 |
| Total Comprehensive Income attributable to: | | | | |
| Owners of the parent | 3,165 | 6,942 | 14,228 | 22,072 |
| Non-controlling interests | 425 | 908 | 705 | 817 |
| Total Comprehensive Income for the financial year | 3,590 | 7,850 | 14,933 | 22,889 |
| Earnings per share (sen) | | | | |
| - Basic | 1.03 | 5.71 | 4.73 | 20.51 |
| - Diluted | 0.92 | 6.01 | 4.23 | 17.94 |

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 DECEMBER 2020

| | (Unaudited) As at 31/12/2020 RM'000 | (Audited) As at 31/12/2019 RM'000 |
|--------------------------------------|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 58,011 | 44,400 |
| Investment properties | 630 | 635 |
| Intangible assets | 23,280 | 23,556 |
| Right of use assets | 9,438 | 5,728 |
| Deferred tax assets | 396 | - |
| Other investment | 14,706 | 5,848 |
| | 106,461 | 80,167 |
| Current assets | | |
| Inventories | 32,357 | 35,232 |
| Trade and other receivables | 57,626 | 41,587 |
| Biological assets | 66 | 51 |
| Amount owing from contract customers | 23,563 | 21,733 |
| Tax recoverable | 4,243 | 3,136 |
| Fixed deposits with licensed banks | 4,062 | 5,404 |
| Cash and bank balances | 20,804 | 29,500 |
| | 142,721 | 136,643 |
| Total assets | 249,182 | 216,810 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 67,633 | 63,064 |
| Treasury shares | (9,054) | (7,158) |
| Revaluation reserve | 6,271 | 6,343 |
| Discount on shares | (10,103) | (11,575) |
| Warrant reserves | 13,586 | 15,566 |
| Foreign currency translation reserve | (897) | (630) |
| Fair value adjustment reserve | 5,475 | 751 |
| Retained profits | 82,876 | 73,033 |
| Shareholder's equity | 155,787 | 139,394 |
| Non-controlling interests | 7,850 | 6,920 |
| Total equity | 163,637 | 146,314 |



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))

(Incorporated in Malaysia)

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

| | (Unaudited) As at 31/12/2020 RM'000 | (Audited) As at 31/12/2019 RM'000 |
|-------------------------------------|--|--|
| LIABILITIES | | |
| Non-current liabilities | | |
| Finance lease liabilities | 4,866 | 4,951 |
| Right-of-use lease liabilities | 8,982 | 5,790 |
| Bank borrowings | 3,430 | 1,039 |
| Deferred tax liabilities | 2,661 | 2,554 |
| | <u>19,939</u> | <u>14,334</u> |
| Current liabilities | | |
| Trade and other payables | 59,954 | 52,686 |
| Finance lease liabilities | 665 | 764 |
| Right-of-use lease liabilities | 621 | 3 |
| Bank borrowings | 4,366 | 237 |
| Provision for taxation | - | 2,472 |
| | <u>65,606</u> | <u>56,162</u> |
| Total liabilities | <u>85,545</u> | <u>70,496</u> |
| Total equity and liabilities | <u>249,182</u> | <u>216,810</u> |
| Net assets per share (RM) | 0.75 | 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 CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

| | Current Year To-date 31/12/2020 RM'000 | Preceding Year Corresponding Period 31/12/2019 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | | |
| - Continuing operations | 15,469 | 30,716 |
| - Discontinued operation | - | - |
| | 15,469 | 30,716 |
| Adjustments for non-cash items: | | |
| Depreciation and amortisation | 4,559 | 3,953 |
| Fair value loss on derivatives | - | (54) |
| Gain on disposal of property, plant & equipment | (82) | (94) |
| Gain on disposal of other investment | 306 | (36) |
| Impairment loss on assets | - | 3,040 |
| (Gain)/Loss in changes of Fair Value (FFB) | (15) | 3 |
| Interest expenses | 986 | 446 |
| Interest income | (1,127) | (901) |
| Reversal of impairment loss on trade receivable | (732) | (39) |
| Unrealised loss on foreign exchange | 109 | 13 |
| Operating profit before working capital changes | 19,473 | 37,047 |
| Changes in working capital | | |
| Inventories | 2,875 | (6,235) |
| Receivables | (15,289) | (3,100) |
| Payables | 7,856 | 7,435 |
| Contract customers | (1,830) | (2,881) |
| Cash generated from operations | 13,085 | 32,266 |
| Income tax paid | (8,604) | (10,776) |
| Net cash from operating activities | 4,481 | 21,490 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of biological assets | - | - |
| Acquisition of other investment | (15,574) | (3,609) |
| Acquisition of property, plant and equipment | (14,943) | (4,561) |
| Proceed from disposal of other investment | 11,135 | 540 |
| Proceeds from disposal of property, plant and equipment | 175 | 250 |
| Net cash inflows from acquisition of subsidiary | - | 692 |
| Interest received | 1,127 | 901 |
| Net cash used in investing activities | (18,080) | (5,787) |



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

| | Current Year To-date 31/12/2020 RM'000 | Preceding Year Corresponding Period 31/12/2019 RM'000 |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | - | (4,532) |
| Interest paid | (986) | (446) |
| Purchase of treasury shares | (1,896) | (6,561) |
| Placement of pledged fixed deposits | (1,657) | (2,002) |
| (Repayment of) /proceeds from bankers acceptance | 3,908 | - |
| Net change of floor stocks | 75 | - |
| Repayment of term loans | (463) | (483) |
| Proceed from finance lease liabilities | - | - |
| Repayment of finance lease liabilities | (634) | (526) |
| Repayment of lease liabilities | (162) | (3) |
| Proceed from conversion of warrant to share capital | 4,062 | 3,371 |
| Net cash used in financing activities | 2,247 | (11,182) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (11,352) | 4,521 |
| Effect of exchange translation differences | (344) | 137 |
| 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 | 20,804 | 32,500 |
| Note: <u>Cash and cash equivalents at the end of the financial year</u> | | |
| Continuing operations | | |
| Cash and bank balances | 20,804 | 29,500 |
| Short term deposits with licensed banks | 4,062 | 5,404 |
| Fixed deposits pledged | (4,062) | (2,404) |
| | 20,804 | 32,500 |
| Discontinued operation | | |
| Cash and bank balances | - | - |
| | 20,804 | 32,500 |

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))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

| | Current Year To-date 31/12/2020 RM'000 | Preceding Year Corresponding Period 31/12/2019 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | | |
| - Continuing operations | 15,469 | 30,716 |
| - Discontinued operation | - | - |
| | 15,469 | 30,716 |
| Adjustments for non-cash items: | | |
| Depreciation and amortisation | 4,559 | 3,953 |
| Fair value loss on derivatives | - | (54) |
| Gain on disposal of property, plant & equipment | (82) | (94) |
| Gain on disposal of other investment | 306 | (36) |
| Impairment loss on assets | - | 3,040 |
| (Gain)/Loss in changes of Fair Value (FFB) | (15) | 3 |
| Interest expenses | 986 | 446 |
| Interest income | (1,127) | (901) |
| Reversal of impairment loss on trade receivable | (732) | (39) |
| Unrealised loss on foreign exchange | 109 | 13 |
| | 19,473 | 37,047 |
| Operating profit before working capital changes | | |
| Changes in working capital | | |
| Inventories | 2,875 | (6,235) |
| Receivables | (15,289) | (3,100) |
| Payables | 7,856 | 7,435 |
| Contract customers | (1,830) | (2,881) |
| | 13,085 | 32,266 |
| Cash generated from operations | | |
| Income tax paid | (8,604) | (10,776) |
| | 4,481 | 21,490 |
| Net cash from operating activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of biological assets | - | - |
| Acquisition of other investment | (15,574) | (3,609) |
| Acquisition of property, plant and equipment | (14,943) | (4,561) |
| Proceed from disposal of other investment | 11,135 | 540 |
| Proceeds from disposal of property, plant and equipment | 175 | 250 |
| Net cash inflows from acquisition of subsidiary | - | 692 |
| Interest received | 1,127 | 901 |
| | (18,080) | (5,787) |
| Net cash used in investing activities | | |



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

| | Current Year To-date 31/12/2020 RM'000 | Preceding Year Corresponding Period 31/12/2019 RM'000 |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | - | (4,532) |
| Interest paid | (986) | (446) |
| Purchase of treasury shares | (1,896) | (6,561) |
| Placement of pledged fixed deposits | (1,657) | (2,002) |
| (Repayment of) /proceeds from bankers acceptance | 3,908 | - |
| Net change of floor stocks | 75 | - |
| Repayment of term loans | (463) | (483) |
| Proceed from finance lease liabilities | - | - |
| Repayment of finance lease liabilities | (634) | (526) |
| Repayment of lease liabilities | (162) | (3) |
| Proceed from conversion of warrant to share capital | 4,062 | 3,371 |
| Net cash used in financing activities | 2,247 | (11,182) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (11,352) | 4,521 |
| Effect of exchange translation differences | (344) | 137 |
| 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 | 20,804 | 32,500 |
| Note: <u>Cash and cash equivalents at the end of the financial year</u> | | |
| Continuing operations | | |
| Cash and bank balances | 20,804 | 29,500 |
| Short term deposits with licensed banks | 4,062 | 5,404 |
| Fixed deposits pledged | (4,062) | (2,404) |
| | 20,804 | 32,500 |
| Discontinued operation | | |
| Cash and bank balances | - | - |
| | 20,804 | 32,500 |

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2020**

A7. DEBT AND EQUITY SECURITIES

- i) On 8 July 2020, the Company proposed a bonus issue of up to 147,126,980 new ordinary shares on the basis of 1 bonus share for every 1 existing MBL shares held. Shareholders had approved the proposed bonus issue in Extraordinary General Meeting held on 17 August 2020. Thereafter, a total of 112,197,300 bonus shares and 34,929,680 bonus Warrants-A were listed and quoted on the Main Market of Bursa Securities on 7 September 2020 as fully paid, at nil consideration and without capitalisation of the Company's reserves.

In accordance to the adjustment provision as set out in the Deed Poll pursuant to the Proposed Bonus Issue, the total Warrants-A shares were adjusted to 69,859,360 shares and the exercise price of Warrants-A was adjusted from RM0.80 to RM0.40.

- ii) For the twelve months period under review, the Company issued 4,984,000 new ordinary shares from the conversion of Warrant-A at exercise price of RM0.80 prior to bonus issue. Post bonus issue, 185,800 Warrant-A were converted at RM0.40 into ordinary shares.
- iii) During the twelve months financial period, the Company has repurchased 1,765,000 of its issued ordinary shares from the open market at an average price of RM1.0782 per shares. The total consideration paid for the repurchase including transaction costs was RM1,903,040 and financed by internally generated funds at the financial period under review. Total treasury shares held was 8,007,800 shares prior to the Bonus Issue. Post Bonus Issue, total Share Buy Back held as at 31 December 2020 was 16,015,600 units. 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 12 months ended 31 December 2020

| | Investment Holding | Manu- facturing | Bio- Engineering | Oil Milling | Plantation | Automotive | Elimination | Consolidated (Total) |
|-------------------------------------|-----------------------|--------------------|---------------------|----------------|----------------|----------------|----------------|-------------------------|
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| Revenue | | | | | | | | |
| External sales | - | 72,695 | - | 113,418 | 297 | 29,786 | - | 216,196 |
| Inter-company | - | 1,166 | - | - | - | - | (1,166) | - |
| Dividend income | 3,500 | - | - | - | - | - | (3,500) | - |
| | <u>3,500</u> | <u>73,861</u> | <u>-</u> | <u>113,418</u> | <u>297</u> | <u>29,786</u> | <u>(4,666)</u> | <u>216,196</u> |
| Segmental results | 2,092 | 16,162 | - | 3,401 | (1,065) | (1,477) | (3,785) | 15,328 |
| Finance costs | - | (178) | - | - | (322) | (486) | - | (986) |
| Interest income | 29 | 1,098 | - | - | - | - | - | 1,127 |
| Profit/(Loss) before Tax | <u>2,121</u> | <u>17,082</u> | <u>-</u> | <u>3,401</u> | <u>(1,387)</u> | <u>(1,963)</u> | <u>(3,785)</u> | <u>15,469</u> |
| Taxation | | | | | | | | (4,737) |
| Profit for the year | | | | | | | | <u>10,732</u> |



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

A9. SEGMENTAL INFORMATION (Cont'd)

Segmental reporting for the 12 months ended 31 December 2019

| | Investment Holding | Manu- facturing | Bio- Engineering | Oil Milling | Plantation | Automotive | Elimination | Consolidated (Total) |
|-------------------------------------|-----------------------|--------------------|---------------------|----------------|----------------|------------|-----------------|-------------------------|
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| Revenue | | | | | | | | |
| External sales | - | 110,667 | 6,600 | 52,395 | 263 | - | - | 169,925 |
| Inter-company | - | 802 | - | - | - | - | (802) | - |
| Dividend income | 9,000 | - | - | - | - | - | (9,000) | - |
| | <u>9,000</u> | <u>111,469</u> | <u>6,600</u> | <u>52,395</u> | <u>263</u> | <u>-</u> | <u>(9,802)</u> | <u>169,925</u> |
| Segmental results | | | | | | | | |
| Finance costs | - | (123) | - | - | (323) | - | - | (446) |
| Interest income | 5 | 896 | - | 14 | - | - | - | 915 |
| Profit/(Loss) before Tax | <u>7,331</u> | <u>34,624</u> | <u>797</u> | <u>1,877</u> | <u>(1,186)</u> | <u>-</u> | <u>(12,727)</u> | <u>30,716</u> |
| Taxation | | | | | | | | (9,366) |
| Profit for the year | | | | | | | | <u>21,350</u> |

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, Open Road MBL Sdn. Bhd. ("ORMBL") has issued 900,000 new ordinary shares at RM1.00 each and increased its issued and paid up capital from RM100,000 to RM1,000,000 comprising of 1,000,000 ordinary shares at RM1.00 each.

MBLG's equity interest in ORMBL remains at 85% after acquiring 750,000 new ordinary shares. Thus, ORMBL's subsidiary status remain unchange.

- b) On 10 March 2020, ORMBL issued another 500,000 new ordinary shares at RM1,00 each and increased its issued and paid up capital from RM1,000,000 to RM1,500,000 comprising of 1,500,000 ordinary shares at RM1.00 each.

Similarly, MBLG acquired 425,000 of the new ordinary shares where its equity interest in ORMBL and subsidiary status of ORMBL remains status quo.

A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities and contingent assets in the financial period under review.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

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 | 24,000 |
| WP Technology Sdn Bhd | Which the directors have substantial financial interests in the Company | Rental | 7,500 | 30,000 |
| Tan Commercial Management Services Sdn. Bhd. | Which the directors have substantial financial interests in the Company | Secretarial fee | - | 20,640 |

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 (12 months ended) | | |
|--|--|-----------------------|--------------|---|-----------------------|--------------|
| | 31/12/2020 RM '000 | 31/12/2019 RM '000 | Changes % | 31/12/2020 RM '000 | 31/12/2019 RM '000 | Changes % |
| Revenue | 83,423 | 49,112 | 69.9 | 216,196 | 169,925 | 27.2 |
| Operating profit | 3,148 | 10,204 | (69.1) | 15,328 | 30,247 | (49.3) |
| Profit before interest and tax | 3,148 | 10,204 | (69.1) | 15,328 | 30,247 | (49.3) |
| Profit before tax (PBT) | 2,994 | 10,222 | (70.7) | 15,469 | 30,716 | (49.6) |
| Profit after tax (PAT) | 2,349 | 6,668 | (64.8) | 10,732 | 21,350 | (49.7) |
| Profit attributable to Ordinary Equity Holders of the Parent | 2,139 | 5,766 | (62.9) | 9,771 | 20,714 | (52.8) |

For the current quarter under review, the Group's revenue increased by 69.9% to RM83.42 million, while PBT decreased by 69.1% to RM3.15 million as compared to the preceding year's corresponding quarter. In general, the Coronavirus (COVID-19) pandemic has dragged the manufacturing's performance during Movement Control Order (MCO) imposed by government to contain the COVID-19 pandemic. Fortunately, the improved performance in oil milling division has cushioned the impact of COVID-19. The performance review by segments is as follows:

Manufacturing division registered a lower revenue and PBT of RM18.86 million and RM4.35 million respectively in the current quarter as compared with RM21.34 million and RM13.16 million recorded in the preceding year's corresponding quarter. The lower revenue and PBT was mainly attributable to lower project and spare parts sales recorded during Movement Control Order ("MCO") implemented by Government to close venues and restrict traffic flow across and within borders. With the resurgence of Covid-19 cases in Malaysia, our Government has closed the border until 31 March 2021. Inevitably, this has affected the progress of the on-going overseas projects where MBL's engineers are not allowed to travel to perform supervision on installation and commissioning works at site.

Oil milling division's revenue surged to RM34.71 million (2019: RM20.84 million) and registered a Profit before Tax of RM0.89 million (2019: RM2.35 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. However, the higher raw material and labour cost has partially offset the earnings of the division.



B1. REVIEW OF PERFORMANCE (Cont'd)

Plantation division's revenue remain flat at RM0.07 million (2019: RM0.34 million) and registered a Loss before Tax of RM0.33 million (2019: RM1.19 million). The unfavorable result was mainly attributable to the shortage of manpower in operating the plantation in the current quarter under review.

Automotive division has just started post acquisition of 3 outlets from Proton Edar Sdn Bhd ("PESB") located at Muar (4s), Kulai (1s) and Langkawi (3s) in October 2020. This division has reported a revenue at RM29.79mil and registered a Loss before Tax of RM1.96 million. The unfavorable result was mainly attributable to the transitional period of take over from PESB and shortage of ready stocks to meet customers' demand.

For the twelve months period under review, despite of the Group's year on year revenue growth of 27.2% to RM216.20 million, the earnings were dragged by the weaker performance in manufacturing and automotive segment, thus PBT declined by 49.6% to RM15.47 million.

Manufacturing division's revenue fell to RM72.70 million as compared to RM110.67 million at preceding year's corresponding period. In line with the lower revenue, PBT reduced to RM17.08 million from RM34.62 million recorded in prior year's corresponding period. The subdue performance was mainly attributable to lower project billings and spare parts sales during MCO where Covid-19 pandemic has resulted a unprecedented disruption in global supply chain and shut-down to contain the pandemic in the current period under review.

Oil milling division's revenue jumped more than two-fold to RM113.42 million from RM52.40 million recorded in prior year. As a result of improvement in revenue, PBT increased to RM3.40 million (2019: Profit before tax: RM1.88 million). The stronger performance was largely attributable to the improved productivity and efficiency of the upgraded KCP plant coupled with the improved selling price for CPKO in the current period under review.

Plantation division's revenue reported at RM0.30 million (2019: RM0.26 million) and registered a Loss before Tax of RM1.39 million (2019: RM1.19 million). The unfavorable result was mainly attributable to the shortage of manpower in operating the plantation in the current quarter under review.

Automotive division's revenue recorded at RM29.79mil and registered a Loss before Tax of RM1.96 million. There is no comparative figure in prior year as the automotive division just commenced operation in 4th quarter of 2020. The unfavorable result was mainly attributable to the transitional period of take over from PESB and shortage of ready stocks to meet customers' demand.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

| | Current Quarter | Immediate Preceding Quarter | |
|--|-----------------------|-----------------------------|-----------|
| | 31/12/2020 RM '000 | 30/09/2020 RM '000 | Changes % |
| Revenue | 83,423 | 50,913 | 63.9 |
| Operating profit | 3,148 | 4,638 | (32.1) |
| Profit before interest and tax | 3,148 | 4,638 | (32.1) |
| Profit before tax (PBT) | 2,994 | 4,547 | (34.2) |
| Profit after tax (PAT) | 2,349 | 2,190 | 7.3 |
| Profit attributable to Ordinary Equity Holders of the Parent | 2,139 | 2,053 | 4.2 |

For the current quarter under review, revenue and PBT of the Group stood at RM83.42 million and RM2.99 million respectively as compared to RM50.91 million and RM4.55 million recorded in the immediate preceding quarter.

Manufacturing division posted a revenue and PBT at RM18.86 million and RM4.35 million respectively as compared to RM20.10 million and RM5.91 million reported in the immediate preceding quarter. Despite of the disruption under MCO, the Group's revenue remain stable due to better products mix and higher spare parts sales.

Oil milling division revenue increased to RM34.71 million as compared to RM30.77 million reported in the immediate preceding quarter. The higher revenue was mainly due to higher production output of CPKO coupled with higher average selling price of CPKO in the current quarter. PBT slightly increased to RM0.89 million from RM0.53 million registered in immediate preceding quarter mainly attributable to improved costs management and procurement of raw materials in the current quarter under review.

Plantation division registered a marginal improvement in revenue and loss before tax of RM0.07 and RM0.33 million respectively as compared to RM0.04 million and RM0.55 million reported in the immediate preceding quarter respectively. The unfavorable result was mainly attributable to the shortage of manpower in operating the plantation in the current quarter under review.

Automotive division's has reported a revenue at RM29.79 million and registered a Loss before Tax of RM1.96 million. There is no comparative figure for immediate preceding quarter due to this division has just started by acquisition 3 outlet from Proton Edar Sdn Bhd ("PESB") in October 2020. The unfavorable result was mainly attributable to the transitional period of take over from PESB and shortage of ready stocks to meet customers' demand.



B3. COMMENTARY ON PROSPECTS

Moving forward, the domestic and global market sentiment remains challenging and full of uncertainties amidst the continuous and resurgence of Covid-19 pandemic. Many countries including Malaysia have re-implemented lock-down or Movement Control Order (“MCO”) to stem the resurgence of highly infectious and mutation Covid-19 variants from spreading.

In view of the uncertainties and challenges ahead, the Group remains cautious and implemented various measures to streamline and strengthen the core business by optimising costs and improve operational efficiency. Further, the management will continue to strengthen our market position and expand customer base. Nevertheless, the Group’s overall business remains intact and the Board is confident that the Group is well positioned to ride through the current volatilities and uncertainties.

With the rolled out of Covid-19 vaccines, Malaysia Health Ministry has initiated the national vaccination program with the hope to contain the Covid-19 and path the way for recovery in economy and social life. Whilst the Group will continue to adhere and comply with the Covid-19 related Standard Operating Procedures set by the Government as the safety and well-being of our employees and local community remains our top priority.

The Board of Directors are cautiously optimistic for the prospect of the Group in the financial year ending 2021 with the expectation of easing in travel restrictions, improving consumer confidence under global mass vaccination coupled with pent-up customer demands post Covid-19 pandemic.

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 | (645) | (4,737) |
| | <u>(645)</u> | <u>(4,737)</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. 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 December 2020 and 31 December 2019 are as follows:

| | As at Fourth Quarter ended 2020 | | | | | |
|----------------------|---------------------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|
| | Long Term | | Short Term | | Total Borrowings | |
| | Denominated in | | Denominated in | | Denominated in | |
| | USD Fx Rate 4.16 RM '000 | RM RM '000 | USD Fx Rate 4.16 RM '000 | RM RM '000 | USD Fx Rate 4.16 RM '000 | RM RM '000 |
| Secured | | | | | | |
| - Term loans | - | 3,430 | - | 383 | - | 3,813 |
| - Bankers acceptance | - | - | - | 3,908 | - | 3,908 |
| - Floor stocks | - | - | - | 75 | - | 75 |
| Total | - | 3,430 | - | 4,366 | - | 7,796 |

| | As at Fourth Quarter ended 2019 | | | | | |
|----------------------|---------------------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|
| | 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 | - | 1,039 | - | 238 | - | 1,277 |
| - Bankers acceptance | - | - | - | - | - | - |
| - Floor stocks | - | - | - | - | - | - |
| Total | - | 1,039 | - | 238 | - | 1,277 |

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 | 3.44 - 3.52 | 4.52 - 5.85 |
| Bankers acceptance | 3.02 | - |
| Floor stocks | 4.77 - 4.87 | - |

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 | 2,139 | 9,771 |
| Weighted average number of ordinary shares (000) | 207,001 | 206,385 |
| Basic EPS (Sen) | <u>1.03</u> | <u>4.73</u> |
| b) <u>Diluted EPS</u> | | |
| Profit attributable to ordinary shareholders of the Company | 2,139 | 9,771 |
| Weighted average number of ordinary shares (000) | 232,446 | 230,757 |
| Basic EPS (Sen) | <u>0.92</u> | <u>4.23</u> |

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 | (344) | (1,127) |
| Other income including investment income | (647) | (670) |
| Interest expense | 498 | 986 |
| Depreciation and amortization | 1,675 | 4,559 |
| (Gain)/Loss on disposal or unquoted investments or properties | (125) | 225 |
| Foreign exchange gain | (146) | (93) |



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

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 31/03/2021.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar