



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2021



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 SECOND QUARTER ENDED 30 JUNE 2021

	Individual Quarter		Cumulative Quarter	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	66,782	44,077	140,049	81,860
Cost of sales	(57,701)	(33,103)	(121,978)	(61,866)
Gross profit	9,081	10,974	18,071	19,994
Other income	685	232	1,881	309
Depreciation and amortisation	(384)	(402)	(803)	(786)
Distribution and administrative expenses	(7,982)	(5,765)	(15,261)	(11,975)
Operating profit	1,400	5,039	3,888	7,542
Interest Income	82	364	121	501
Interest expenses	(157)	(17)	(282)	(115)
Profit before taxation	1,325	5,386	3,727	7,928
Taxation	(1,000)	(931)	(1,714)	(1,735)
Net profit for the financial period	325	4,455	2,013	6,193
Other Comprehensive (loss)/income, net of tax	(16,597)	3,380	(10,503)	843
Total Comprehensive (Loss)/ Income for the financial period	(16,272)	7,835	(8,490)	7,036
Profit attributable to:				
Owners of the parent	628	4,103	2,121	5,579
Non-controlling interests	(303)	352	(108)	614
Net profit for the financial period	325	4,455	2,013	6,193
Total Comprehensive (Loss)/Income attributable to:				
Owners of the parent	(16,000)	6,445	(8,382)	6,261
Non-controlling interests	(272)	1,390	(108)	775
Total Comprehensive (Loss)/ Income for the financial period	(16,272)	7,835	(8,490)	7,036
Earnings per share (sen)				
- Basic	0.30	4.17	1.02	5.55
- Diluted	0.27	3.66	0.91	4.85

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 2020 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 30 JUNE 2021

	(Unaudited) As at 30/06/2021 RM'000	(Audited) As at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	61,933	58,011
Investment properties	627	630
Intangible assets	23,280	23,280
Right of use assets	9,421	9,438
Deferred tax assets	396	396
Other investment	27,454	14,706
	123,111	106,461
Current assets		
Inventories	40,231	29,176
Trade and other receivables	49,448	52,687
Biological assets	66	66
Amount owing from contract customers	23,571	23,563
Tax recoverable	6,875	4,243
Fixed deposits with licensed banks	2,008	4,062
Cash and bank balances	26,973	20,804
	149,172	134,601
Total assets	272,283	241,062
EQUITY AND LIABILITIES		
Equity		
Share capital	67,633	67,633
Treasury shares	(9,054)	(9,054)
Revaluation reserve	6,271	6,271
Discount on shares	(10,103)	(10,103)
Warrant reserves	13,586	13,586
Foreign currency translation reserve	(897)	(897)
Fair value adjustment reserve	(5,028)	5,475
Retained profits	84,997	82,876
Shareholder's equity	147,405	155,787
Non-controlling interests	7,742	7,850
Total equity	155,147	163,637



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	(Unaudited) As at 30/06/2021 RM'000	(Audited) As at 31/12/2020 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	4,465	4,719
Right-of-use lease liabilities	8,982	8,978
Bank borrowings	7,640	3,457
Deferred tax liabilities	2,661	2,661
	23,748	19,815
Current liabilities		
Trade and other payables	84,687	51,835
Finance lease liabilities	647	812
Right-of-use lease liabilities	621	624
Bank borrowings	5,733	4,339
Provision for taxation	1,700	-
	93,388	57,610
Total liabilities	117,136	77,425
Total equity and liabilities	272,283	241,062
Net assets per share (RM)	0.74	0.79

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 2020 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 CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Attributable to owners of the parent											
	Non-Distributable						Distributable			Non-controlling interests	Total Equity
	Share Capital	Treasury Shares	Revaluation Reserve	Discount On Shares	Warrant Reserves	Foreign Currency Translation Reserve	Fair Value Adjustment Reserve	Retained Profits	Subtotal		
	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 2021	67,633	(9,054)	6,271	(10,103)	13,586	(897)	5,475	82,876	155,787	7,850	163,637
Profit for the financial year	-	-	-	-	-	-	-	2,121	2,121	(108)	2,013
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	(10,503)	-	(10,503)	-	(10,503)
- Forex Translation Difference	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	(10,503)	2,121	(8,382)	(108)	(8,490)
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private	-	-	-	-	-	-	-	-	-	-	-
Proceed from conversion of warrants	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 31 June 2021	67,633	(9,054)	6,271	(10,103)	13,586	(897)	(5,028)	84,997	147,405	7,742	155,147
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	-	-	-	-	-	-	-	5,579	5,579	614	6,193
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	514	-	514	-	514
- Forex Translation Difference	-	-	-	-	-	168	-	-	168	161	329
Total comprehensive income for the financial period	-	-	-	-	-	168	514	5,579	6,261	775	7,036
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private	1,019	-	-	328	(441)	-	-	-	906	-	906
Proceed from conversion of warrants	-	(1,366)	-	-	-	-	-	-	(1,366)	-	(1,366)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Dividends payable to owners of the Company	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	225	225
Total transactions with owners of the Company	1,019	(1,366)	-	328	(441)	-	-	-	(460)	225	(235)
At 30 June 2020	64,083	(8,524)	6,343	(11,247)	15,125	(462)	1,265	78,612	145,195	7,920	153,115

The Unaudited Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Report of the Group for the year ended 31 December 2020 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 SECOND QUARTER ENDED 30 JUNE 2021

	Current Year To-date 30/06/2021 RM'000	Preceding Year Corresponding Period 30/06/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,727	7,928
Adjustments for non-cash items:		
Depreciation and amortisation	2,064	1,811
Gain on disposal of property, plant & equipment	(157)	-
Gain/(Loss) on disposal of other investment	(713)	618
Interest expenses	282	115
Interest income	(121)	(501)
Unrealised loss on foreign exchange	55	(39)
Operating profit before working capital changes	5,137	9,932
Changes in working capital		
Inventories	(11,055)	2,963
Receivables	3,239	(9,718)
Payables	32,798	7,961
Contract customers	(8)	(1,820)
Cash generated from operations	30,111	9,318
Income tax paid	(2,646)	(4,237)
Net cash generated from operating activities	27,465	5,081
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(25,326)	(13,667)
Acquisition of property, plant and equipment	(6,006)	(6,035)
Proceed from disposal of other investment	2,788	8,870
Proceeds from disposal of property, plant and equipment	180	-
Interest received	121	501
Net cash used in investing activities	(28,243)	(10,331)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	Current Year To-date 30/06/2021 RM'000	Preceding Year Corresponding Period 30/06/2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(282)	(115)
Purchase of treasury shares	-	(1,366)
Withdrawal of pledged fixed deposits	2,054	397
Proceeds from bankers acceptance	1,041	-
Net change of floor stocks	(75)	-
Proceed/(Repayment) of term loans	4,611	(220)
Proceed from finance lease liabilities	17	-
Repayment of finance lease liabilities	(419)	(311)
Proceed from conversion of warrant to share capital	-	906
Net cash generated from/(used in) financing activities	6,947	(709)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation differences	-	261
Cash and cash equivalents at the beginning of the financial year	20,804	32,500
Cash and cash equivalents at the end of the financial period	26,973	26,802
Note: <u>Cash and cash equivalents at the end of the financial period</u>		
Cash and bank balances	26,973	23,748
Short term deposits with licensed banks	2,008	5,062
Fixed deposits pledged	(2,008)	(2,008)
	26,973	26,802

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 2020 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 SECOND QUARTER ENDED 30 JUNE 2021**

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 2020. 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 2020.

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 2020 except for those standard, amendments and IC interpretation that had become effective 1 January 2021 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 SECOND QUARTER ENDED 30 JUNE 2021**

A7. DEBT AND EQUITY SECURITIES

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

Total treasury shares held as at 30 June 2021 is 16,015,600 shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 6 months ended 30 June 2021

6 months ended 30 June 2021

	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	-	36,479	-	62,333	109	41,128	-	140,049
Inter-company	-	-	-	-	-	-	-	-
Dividend income	1	-	-	-	-	-	(1)	-
	<u>1</u>	<u>36,479</u>	<u>-</u>	<u>62,333</u>	<u>109</u>	<u>41,128</u>	<u>(1)</u>	<u>140,049</u>
Segmental results	(624)	5,591	-	66	(426)	(647)	(72)	3,888
Finance costs	-	(135)	-	-	(10)	(137)	-	(282)
Interest income	34	13	-	-	-	74	-	121
Profit/(Loss) before Tax	(590)	5,469	-	66	(436)	(710)	(72)	3,727
Taxation								(1,714)
Profit for the year								<u>2,013</u>

Segmental reporting for the 6 months ended 30 June 2020

6 months ended 30 June 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	-	33,740	-	47,937	183	-	-	81,860
Inter-company	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-
	<u>-</u>	<u>33,740</u>	<u>-</u>	<u>47,937</u>	<u>183</u>	<u>-</u>	<u>-</u>	<u>81,860</u>
Segmental results	(1,122)	6,362	-	1,980	(507)	-	829	7,542
Finance costs	(74)	(41)	-	-	-	-	-	(115)
Interest income	6	495	-	-	-	-	-	501
Profit/(Loss) before Tax	(1,190)	6,816	-	1,980	(507)	-	829	7,928
Taxation								(1,735)
Profit for the year								<u>6,193</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.

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
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	15,000
Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	7,200	7,200

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 (6 months ended)		
	30/06/2021 RM '000	30/06/2020 RM '000	Changes %	30/06/2021 RM '000	30/06/2020 RM '000	Changes %
Revenue	66,782	44,077	51.5	140,049	81,860	71.1
Operating profit	1,400	5,039	(72.2)	3,888	7,542	(48.4)
Profit before interest and tax	1,400	5,039	(72.2)	3,888	7,542	(48.4)
Profit before tax (PBT)	1,325	5,386	(75.4)	3,727	7,928	(53.0)
Profit after tax (PAT)	325	4,455	(92.7)	2,013	6,193	(67.5)
Profit attributable to Ordinary Equity Holders of the Parent	628	4,103	(84.7)	2,121	5,579	(62.0)

For the current quarter under review, the Group's revenue increased by 51.5% to RM66.78 million, while Profit Before Tax ("PBT") sank by 72.2% to RM1.40 million as compared to the preceding year's corresponding quarter. In general, the higher revenue was mainly contributed by the new automotive division which commenced business in October 2020. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM20.12 million and RM3.80 million respectively in the current quarter as compared with RM17.10 million and RM4.28 million recorded in the preceding year's corresponding quarter. Despite of the 17.7% higher revenue, lower PBT was recorded mainly due to the disruption in production output as a result of Movement Control Order, higher raw material costs coupled with non-optimal products mix.

Oil milling division's revenue improved to RM29.75 million (2020: RM26.88 million) while registered a LBT of RM0.50 million (2020: PBT of RM1.08 million). Revenue was higher due to increase production output coupled with higher average selling price of Crude Palm Kernel Oil ("CPKO") in the current quarter under reviewed. Despite of the improvement in revenue, higher production costs coupled with drastic price fluctuation in input prices has dimmed the division's performance.

Plantation division's revenue reduced to RM0.07 million (2020: RM0.11 million) and registered a Loss before Tax ("LBT") of RM0.20 million (2020: LBT of RM0.25 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 posted revenue of RM16.84 million and registered a LBT of RM0.55 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 weak market sentiment and consumers spending caused by the Covid-19 pandemic.

Despite that, our Government has implemented FMCO or Full Lockdown since 1 June 2021 in which all economic sectors are not allowed to operate with the exception of essential economic and service sectors has further dampened the division's performance.



For the six months period under review, the Group's revenue surged by 71.1% to RM140.05 million, while Profit Before Tax ("PBT") sank by 53.0% to RM3.73 million as compared to the preceding year's corresponding quarter. In general, the higher revenue was mainly contributed by the new automotive division which commenced business in October 2020. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM36.48 million and RM5.47 million respectively in the current quarter as compared with RM33.74 million and RM6.82 million recorded in the preceding year's corresponding quarter. Despite of the higher revenue recorded, PBT was lower mainly due to the disruption in production output as a result of Movement Control Order, higher raw material costs coupled with non-optimal products mix.

Oil milling division's revenue improved to RM62.33 million (2020: RM47.94 million) and registered a PBT of RM0.01 million (2020: PBT of RM1.98 million). Higher revenue recorded was mainly due to the increase production output coupled with higher average selling price of Crude Palm Kernel Oil ("CPKO") in the current period under review. Despite of the improvement in revenue, the higher production costs coupled with drastic price fluctuation in input prices has impacted the division's performance.

Plantation division's revenue reduced to RM0.01 million (2020: RM0.02 million) and registered a Loss before Tax ("LBT") of RM0.44 million (2020: LBT of RM0.51 million). The unfavorable result was mainly attributable to the prolong shortage of manpower and difficult operating condition of the plantation in the current period under review.

Automotive division's revenue stood at RM41.13 million and registered a LBT of RM0.71 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 weak market sentiment and consumers spending caused by the Covid-19 pandemic. Despite that, our Government has implemented FMCO or Full Lockdown since 1 June 2021 in which all economic sectors are not allowed to operate with the exception of essential economic and service sectors has further dampened the division's performance.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter	Immediate Preceding Quarter	Changes
	30/06/2021	31/03/2021	
	RM '000	RM '000	%
Revenue	66,782	73,267	(8.9)
Operating profit	1,400	2,488	(43.7)
Profit before interest and tax	1,400	2,488	(43.7)
Profit before tax (PBT)	1,325	2,402	(44.8)
Profit after tax (PAT)	325	1,688	(80.7)
Profit attributable to Ordinary Equity Holders of the Parent	628	1,493	(57.9)



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

For the current quarter under review, both revenue and PBT of the Group were lower at RM66.78 million and RM1.33 million respectively as compared to RM73.27 million and RM2.40 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 and PBT.

Manufacturing division posted a revenue and PBT at RM20.12 million and RM3.80 million respectively as compared to RM16.36 million and RM1.67 million reported in the immediate preceding quarter. The higher revenue was mainly due to higher project and spare parts sales recorded signaling a recovery of business activities and pent-up orders after a series of MCO. PBT was higher mainly due to more project sales recorded and better product mix in the current quarter under review.

Oil milling division revenue reduced to RM29.75 million as compared to RM32.59 million reported in the immediate preceding quarter, while LBT of RM0.50 million was recorded as compared to PBT of RM0.56 million registered in immediate preceding quarter. It was mainly due to higher production costs resulted from the increased in raw materials' costs coupled with drastic price fluctuation in input prices has affected the division's performance.

Plantation division posted a minimum revenue and LBT of RM0.07 million and RM0.20 million respectively as compared to RM0.04 million and RM0.23 million reported in the immediate preceding quarter. The unfavorable result was mainly attributable to prolong unresolved shortage of manpower and difficult operating condition of the plantation in the current quarter under review.

Automotive division registered revenue of RM16.84 million and LBT of RM0.55 million respectively as compare with RM24.29 million and RM0.16 million recorded in immediate preceding quarter. The unfavorable result was mainly attributable to the weak market sentiment and consumers spending caused by the Covid-19 pandemic.

Despite that, our Government has implemented FMCO or Full Lockdown since 1 June 2021 in which all economic sectors are not allowed to operate with the exception of essential economic and service sectors has further dampened the division's performance in the current quarter under review.

B3. COMMENTARY ON PROSPECTS

The outlook for the financial year ending 2021 remains challenging and uncertain amid the lingering effect of the Covid-19 pandemic. However, the Group believes that the global economy and market sentiment will soon improve with the mass vaccination of Covid-19.

The Covid-19 pandemic 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 2021 and beyond. Increased customers' orders are observed starting from Q2 2021 and gaining momentum attributed to the resumption of business activities and pent-up orders.

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 to optimise its production operations to mitigating the increasing costs and expand its clientele.

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 2021 amid 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	(1,000)	(1,714)
	(1,000)	(1,714)

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

As approved by shareholders in the EGM on 28 July 2021 for the proposed acquisition of the 67,000,000 shares and proposed diversification of existing business into property investment and property development business, the acquisition of 67,000,000 Symphony Life Berhad ("SLB") ordinary shares, for a cash consideration of RM62,812,500 or RM0.9375 per SLB shares was completed on 4 August 2021.

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2021 and 30 June 2020 are as follows:

	As at Second Quarter ended 2021					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.15 RM '000	RM RM '000	USD Fx Rate 4.15 RM '000	RM RM '000	USD Fx Rate 4.15 RM '000	RM RM '000
Secured						
- Term loans	-	7,640	-	784	-	8,424
- Bankers acceptance	-	-	-	4,949	-	4,949
- Floor stocks	-	-	-	-	-	-
Total	-	7,640	-	5,733	-	13,373

	As at Second Quarter ended 2020					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.28 RM '000	RM RM '000	USD Fx Rate 4.28 RM '000	RM RM '000	USD Fx Rate 4.28 RM '000	RM RM '000
Secured						
- Term loans	-	1,007	-	49	-	1,056
- Bankers acceptance	-	-	-	-	-	-
- Floor stocks	-	-	-	-	-	-
Total	-	1,007	-	49	-	1,056



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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

	(Unaudited) 2021 %	(Audited) 2020 %
Term loans	3.44 - 3.52	3.44 - 3.52
Bankers acceptance	3.02	3.02
Floor stocks	<u>4.77 - 4.87</u>	<u>4.77 - 4.87</u>

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	628	2,121
Weighted average number of ordinary shares (000)	208,565	208,565
Basic EPS (Sen)	<u>0.30</u>	<u>1.02</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company	628	2,121
Weighted average number of ordinary shares (000)	232,014	231,857
Basic EPS (Sen)	<u>0.27</u>	<u>0.91</u>



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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	(82)	(121)
Interest expense	157	282
Depreciation and amortization	1,027	2,064
Gain on disposal of property, plant & equipment	(157)	(157)
(Gain)/Loss on disposal or unquoted investments or properties	-	(713)
(Gain)/loss on foreign exchange	(406)	(166)

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 28 September 2021.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar