



**MUAR BAN LEE GROUP BERHAD**

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

UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Individual Quarter		Cumulative Quarter	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	81,486	50,913	221,535	132,773
Cost of sales	(66,359)	(40,093)	(188,337)	(101,959)
<b>Gross profit</b>	<b>15,127</b>	<b>10,820</b>	<b>33,198</b>	<b>30,814</b>
Other income	966	289	2,847	598
Depreciation and amortisation	(379)	(308)	(1,182)	(1,094)
Distribution and administrative expenses	(8,124)	(6,163)	(23,385)	(18,138)
<b>Operating profit</b>	<b>7,590</b>	<b>4,638</b>	<b>11,478</b>	<b>12,180</b>
Interest Income	62	282	183	783
Interest expenses	(351)	(373)	(633)	(488)
<b>Profit before taxation</b>	<b>7,301</b>	<b>4,547</b>	<b>11,028</b>	<b>12,475</b>
Taxation	(2,238)	(2,357)	(3,952)	(4,092)
<b>Net profit for the financial period</b>	<b>5,063</b>	<b>2,190</b>	<b>7,076</b>	<b>8,383</b>
Other Comprehensive (loss)/income, net of tax	(13,815)	2,117	(24,318)	2,960
<b>Total Comprehensive (Loss)/ Income for the financial period</b>	<b>(8,752)</b>	<b>4,307</b>	<b>(17,242)</b>	<b>11,343</b>
<b>Profit attributable to:</b>				
Owners of the parent	4,421	2,053	6,541	7,632
Non-controlling interests	642	137	535	751
<b>Net profit for the financial period</b>	<b>5,063</b>	<b>2,190</b>	<b>7,076</b>	<b>8,383</b>
<b>Total Comprehensive (Loss)/Income attributable to:</b>				
Owners of the parent	(9,626)	4,802	(18,008)	11,063
Non-controlling interests	874	(495)	766	280
<b>Total Comprehensive (Loss)/ Income for the financial period</b>	<b>(8,752)</b>	<b>4,307</b>	<b>(17,242)</b>	<b>11,343</b>
Earnings per share (sen)				
- Basic	2.12	1.00	3.14	3.70
- Diluted	1.94	0.88	2.83	3.24

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 SEPTEMBER 2021

	(Unaudited) As at 30/09/2021 RM'000	(Audited) As at 31/12/2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	66,481	58,011
Investment properties	626	630
Intangible assets	23,280	23,280
Right of use assets	9,421	9,438
Deferred tax assets	396	396
Other investment	77,377	14,706
	177,581	106,461
<b>Current assets</b>		
Inventories	41,327	29,176
Trade and other receivables	51,160	52,687
Biological assets	66	66
Amount owing from contract customers	23,571	23,563
Tax recoverable	7,340	4,243
Fixed deposits with licensed banks	2,008	4,062
Cash and bank balances	18,180	20,804
	143,652	134,601
<b>Total assets</b>	321,233	241,062
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
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	(656)	(897)
Fair value adjustment reserve	(19,315)	5,475
Retained profits	89,417	82,876
Shareholder's equity	137,779	155,787
Non-controlling interests	8,616	7,850
<b>Total equity</b>	146,395	163,637



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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	(Unaudited) As at 30/09/2021 RM'000	(Audited) As at 31/12/2020 RM'000
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	4,233	4,719
Right-of-use lease liabilities	8,978	8,978
Bank borrowings	52,167	3,457
Deferred tax liabilities	2,661	2,661
	<u>68,039</u>	<u>19,815</u>
<b>Current liabilities</b>		
Trade and other payables	89,761	51,835
Finance lease liabilities	633	812
Right-of-use lease liabilities	749	624
Bank borrowings	11,956	4,339
Provision for taxation	3,700	-
	<u>106,799</u>	<u>57,610</u>
<b>Total liabilities</b>	<u>174,838</u>	<u>77,425</u>
<b>Total equity and liabilities</b>	<u>321,233</u>	<u>241,062</u>
Net assets per share (RM)	0.70	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))  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	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	
<b>At 1 January 2021</b>	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	-	-	-	-	-	-	-	6,541	6,541	535	7,076
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	(24,790)	-	(24,790)	-	(24,790)
- Forex Translation Difference	-	-	-	-	-	241	-	-	241	231	472
<b>Total comprehensive loss for the financial period</b>	-	-	-	-	-	241	(24,790)	6,541	(18,008)	766	(17,242)
<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	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 September 2021</b>	<b>67,633</b>	<b>(9,054)</b>	<b>6,271</b>	<b>(10,103)</b>	<b>13,586</b>	<b>(656)</b>	<b>(19,315)</b>	<b>89,417</b>	<b>137,779</b>	<b>8,616</b>	<b>146,395</b>
<b>At 1 January 2020</b>	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	-	-	-	-	-	-	-	7,632	7,632	751	8,383
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	3,921	-	3,921	-	3,921
- Forex Translation Difference	-	-	-	-	-	(490)	-	-	(490)	(471)	(961)
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	(490)	3,921	7,632	11,063	280	11,343
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private											
Proceed from conversion of warrants	4,551	-	-	1,467	(1,972)	-	-	-	4,046	-	4,046
Purchase of treasury shares	-	(1,896)	-	-	-	-	-	-	(1,896)	-	(1,896)
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	225	225
<b>Total transactions with owners of the Company</b>	4,551	(1,896)	-	1,467	(1,972)	-	-	-	2,150	225	2,375
<b>At 30 September 2020</b>	<b>67,615</b>	<b>(9,054)</b>	<b>6,343</b>	<b>(10,108)</b>	<b>13,594</b>	<b>(1,120)</b>	<b>4,672</b>	<b>80,665</b>	<b>152,607</b>	<b>7,425</b>	<b>160,032</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Current Year To-date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	11,028	12,475
Adjustments for non-cash items:		
Depreciation and amortisation	3,102	2,884
Gain on disposal of property, plant & equipment	(157)	(47)
(Gain)/Loss on disposal of other investment	(713)	397
Interest expenses	633	488
Interest income	(183)	(783)
Unrealised loss on foreign exchange	19	94
<b>Operating profit before working capital changes</b>	<b>13,729</b>	<b>15,508</b>
<b>Changes in working capital</b>		
Inventories	(12,151)	2,361
Receivables	1,527	(22,657)
Payables	37,907	14,535
Contract customers	(8)	(1,820)
<b>Cash generated from operations</b>	<b>41,004</b>	<b>7,927</b>
Income tax paid	(3,348)	(5,694)
<b>Net cash generated from operating activities</b>	<b>37,656</b>	<b>2,233</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of biological assets	-	(2)
Acquisition of other investment	(89,536)	(15,574)
Acquisition of property, plant and equipment	(8,622)	(11,296)
Proceed from disposal of other investment	2,787	10,322
Proceeds from disposal of property, plant and equipment	180	140
Interest received	183	783
<b>Net cash used in investing activities</b>	<b>(95,008)</b>	<b>(15,627)</b>



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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Current Year To-date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(633)	(488)
Purchase of treasury shares	-	(1,896)
Withdrawal of pledged fixed deposits	2,054	(1,657)
Proceeds from bankers acceptance	1,814	-
Net change of floor stocks	(75)	-
Proceed/(Repayment) of term loans	52,088	(339)
Proceed from finance lease liabilities	142	-
Repayment of finance lease liabilities	(745)	(414)
Proceed from conversion of warrant to share capital	-	(3)
Proceed from issue of share capital	-	4,046
<b>Net cash generated from/(used in) financing activities</b>	<b>54,645</b>	<b>(751)</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(2,707)</b>	<b>(14,145)</b>
Effect of exchange translation differences	83	(3)
Cash and cash equivalents at the beginning of the financial year	20,804	32,500
<b>Cash and cash equivalents at the end of the financial period</b>	<b>18,180</b>	<b>18,352</b>
Note: <b><u>Cash and cash equivalents at the end of the financial period</u></b>		
Cash and bank balances	18,180	18,352
Short term deposits with licensed banks	2,008	4,062
Fixed deposits pledged	(2,008)	(4,062)
	<b>18,180</b>	<b>18,352</b>

*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 THIRD QUARTER ENDED 30 SEPTEMBER 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.

**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 September 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.





**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**A8. DIVIDEND PAID**

There was no dividend paid during the quarter under review.

**A9. SEGMENTAL INFORMATION**

Segmental reporting for the 9 months ended 30 September 2021

9 months ended 30 September 2021

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Oil <u>Milling</u>	Automotive	Plantation	Bio- <u>Engineering</u>	Elimination	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>								
External sales	-	63,114	103,616	53,232	141	-	-	220,103
Inter-company	-	-	-	-	-	-	-	-
Dividend income	1,432	-	-	-	-	-	-	1,432
	<u>1,432</u>	<u>63,114</u>	<u>103,616</u>	<u>53,232</u>	<u>141</u>	<u>-</u>	<u>-</u>	<u>221,535</u>
<b>Segmental results</b>								
Finance costs	(14)	10,850	1,144	453	(919)	-	(36)	11,478
Interest income	(156)	(222)	-	(202)	(53)	-	-	(633)
	<u>34</u>	<u>75</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183</u>
<b>Profit/(Loss)</b>								
<b>before tax</b>	(136)	10,703	1,144	325	(972)	-	(36)	11,028
Taxation								(3,952)
<b>Profit for the year</b>								<u>7,076</u>

Segmental reporting for the 9 months ended 30 September 2020

9 months ended 30 September 2020

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Oil <u>Milling</u>	Automotive	Plantation	Bio- <u>Engineering</u>	Elimination	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>								
External sales	-	53,835	78,711	-	227	-	-	132,773
Inter-company	-	300	-	-	-	-	(300)	-
Dividend income	-	-	-	-	-	-	-	-
	<u>-</u>	<u>54,135</u>	<u>78,711</u>	<u>-</u>	<u>227</u>	<u>-</u>	<u>(300)</u>	<u>132,773</u>
<b>Segmental results</b>								
Finance costs	(1,498)	12,044	2,511	(145)	(732)	-	-	12,180
Interest income	(74)	(92)	-	-	(322)	-	-	(488)
	<u>6</u>	<u>777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>783</u>
<b>Profit/(Loss)</b>								
<b>before tax</b>	(1,566)	12,729	2,511	(145)	(1,054)	-	-	12,475
Taxation								(4,092)
<b>Profit for the year</b>								<u>8,383</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	18,000
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	22,500
Tan Commercial Management Services Sdn. Bhd.	Which the directors have substantial financial interests in the Company	Secretarial fee	19,920	27,120

**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 (9 months ended)		
	30/09/2021 RM '000	30/09/2020 RM '000	Changes %	30/09/2021 RM '000	30/09/2020 RM '000	Changes %
Revenue	81,486	50,913	60.0	221,535	132,773	66.9
Operating profit	7,590	4,638	63.6	11,478	12,180	(5.8)
Profit before interest and tax	7,590	4,638	63.6	11,478	12,180	(5.8)
Profit before tax (PBT)	7,301	4,547	60.6	11,028	12,475	(11.6)
Profit after tax (PAT)	5,063	2,190	131.2	7,076	8,383	(15.6)
Profit attributable to Ordinary Equity Holders of the Parent	4,421	2,053	115.3	6,541	7,632	(14.3)

**For the current third quarter under review**, the Group posted a 60.0% and 60.6% rise in revenue and Profit Before Tax (“PBT”) to RM81.49 million and RM7.30 million respectively from RM50.91 million and RM4.55 million a year earlier, mainly due to contribution from both automotive and oil milling division. The performance review by segments is as follows:

**Manufacturing** division posted a revenue and PBT of RM26.64 million and RM5.23 million respectively in the current quarter as compared with RM20.10 million and RM5.91 million recorded in prior year’s corresponding quarter.

The higher revenue was mainly due to the pent-up demand from customers. No thanks to the pandemic where factories were forced to operate with reduced workforce which caused lower economies of scale. Nevertheless, the financial performance was further capped by the higher raw material costs coupled with non-optimal products mix.

**Oil milling** division’s revenue increased to RM41.28 million from RM30.77 registered in prior year corresponding quarter. PBT doubled to RM1.08 million from RM0.53 million a year earlier. The better performance was mainly due to the increase production output coupled with higher average selling price of Crude Palm Kernel Oil (“CPKO”) in the current quarter under reviewed. However, the higher production costs has partially offset the division’s margin.

**Plantation** division’s revenue reduced to RM0.03 million (2020: RM0.04 million) and registered a Loss before Tax (“LBT”) of RM0.54 million (2020: LBT of RM0.55 million). The unfavorable result was mainly attributable to the unresolved shortage of manpower in operating the plantation in the current quarter under review.

**Automotive** division’s posted revenue of RM12.10 million and registered a PBT of RM1.04 million. There is no comparative figure in prior year as the division’s operation only commenced in 4<sup>th</sup> quarter of 2020.

The division’s sales activity was affected for 3 months since June to August 2021 by movement control restrictions to curb the spread of Covid-19 where sales were only generated from the stocks in hands. No new allocation of stocks from the principle where its assembly plant was totally shut down and only partially resumed operation in early September 2021.



**For the cumulative nine months period under review**, the Group's revenue surged by 66.9% to RM221.54 million, while Profit Before Tax ("PBT") reduced marginally to RM11.03 million as compared to the preceding year's corresponding quarter. Similarly, the higher revenue was mainly contributed by automotive and oil milling division. The performance review by segments is as follows:

**Manufacturing** division posted a revenue and PBT of RM63.11 million and RM10.70 million respectively in the current period as compared with RM53.84 million and RM12.73 million recorded in the preceding year's corresponding period.

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 surged to RM103.62 million (2020: RM78.71 million) and registered a PBT of RM1.14 million (2020: RM2.51 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 RM0.97 million (2020: LBT of RM1.05 million). The unfavorable result was mainly attributable to the prolong and unresolved shortage of manpower and difficult operating condition of the plantation in the current period under review.

**Automotive** division's revenue stood at RM53.23 million and registered a PBT of RM0.33 million. There is no comparative figure in prior year as the automotive division just commenced operation in 4<sup>th</sup> quarter of 2020.

The division's performance was affected by the series of MCOs as well as the disruption in supply from the principle. Further, sales of non-optimal product mix has capped the division's performance in which demand for popular X models are high but limited stocks are available coupled with a long waiting period.

## B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter	Immediate Preceding Quarter	
	30/09/2021	30/06/2021	Changes
	RM '000	RM '000	%
Revenue	81,486	66,782	22.0
Operating profit	7,590	1,400	442.1
Profit before interest and tax	7,590	1,400	442.1
Profit before tax (PBT)	7,301	1,325	451.0
Profit after tax (PAT)	5,063	325	1,457.8
Profit attributable to Ordinary Equity Holders of the Parent	4,421	628	604.0



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

For the current quarter under review, both revenue and PBT of the Group improved to RM81.49 million and RM7.30 million respectively as compared to RM66.78 million and RM1.33 million recorded in the immediate preceding quarter. The reopening of economy and pent-up demand from customer has contributed to the commendable performance in both revenue and PBT.

**Manufacturing** division posted a revenue and PBT at RM26.64 million and RM5.23 million respectively as compared to RM20.12 million and RM3.80 million reported in the immediate preceding quarter. The higher revenue was mainly due to pent-up orders from customers after reopening of economy post MCO. PBT was higher mainly due to more delivery and billing was recorded coupled with better product mix in the current quarter under review.

**Oil milling** division revenue surged to RM41.28 million as compared to RM29.79 million reported in the immediate preceding quarter, while PBT of RM1.08 million was recorded as compared to LBT of RM0.50 million registered in immediate preceding quarter. The better performance was mainly due to increase production output coupled with higher average selling price of CPKO in the current quarter.

**Plantation** division posted a minimum revenue and LBT of RM0.03 million and RM0.54 million respectively as compared to RM0.07 million and RM0.20 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 RM12.10 million and PBT of RM1.04 million respectively as compare with RM16.84 million and LBT of RM0.55 million recorded in immediate preceding quarter. The unfavorable result was mainly attributable to the weak market sentiment and consumers spending coupled with the disruption of supply from the principle during the current quarter.

### **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 gaining momentum which is attributed to the resumption of business activities and pent-up orders.

On the bright side, the government's decision to extend the exemption of sales tax until 30 June 2022 is expected to spur some demand for cars.

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.



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**B5. TAXATION**

Taxation for the quarter and year to date comprises:

	Current Quarter RM '000	Current YTD RM '000
Taxation		
- Current year	(2,238)	(3,952)
	(2,238)	(3,952)

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**

On 27 October 2021, Bursa Malaysia Securities had, vide its letter dated 26 October 2021, resolved to approve the listing of and quotation for up to 58,850,792 Placement Shares to be issued pursuant to the Proposed Private Placement (up to 20% of the ordinary shares of MBL) on the Main Market of Bursa Securities subject to complying with Main Market Listing Requirements pertaining to the proposed private placement.

The Proposed Private Placement remains status quo and might be deferred if market sentiment does not improve.

**B7. GROUP BORROWINGS AND DEBT SECURITIES**

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

	As at Third Quarter ended 2021					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD Fx Rate 4.19 RM '000	RM RM '000	USD Fx Rate 4.19 RM '000	RM RM '000	USD Fx Rate 4.19 RM '000	RM RM '000
<b>Secured</b>						
- Term loans	-	52,167	-	6,234	-	58,401
- Bankers acceptance	-	-	-	5,722	-	5,722
- Floor stocks	-	-	-	-	-	-
<b>Total</b>	-	52,167	-	11,956	-	64,123

	As at Third 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
<b>Secured</b>						
- Term loans	-	3,558	-	379	-	3,937
- Bankers acceptance	-	-	-	-	-	-
- Floor stocks	-	-	-	-	-	-
<b>Total</b>	-	3,558	-	379	-	3,937



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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	4.77 - 4.87	4.77 - 4.87

The substantial increase in the Group's borrowing is mainly due to term loan of RM50.22 million draw down in current quarter to part finance the acquisition of Symphony Life Berhad shares.

**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) <b><u>Basic EPS</u></b>		
Profit attributable to ordinary shareholders of the Company	4,421	6,541
Weighted average number of ordinary shares (000)	208,565	208,565
Basic EPS (Sen)	<u>2.12</u>	<u>3.14</u>
b) <b><u>Diluted EPS</u></b>		
Profit attributable to ordinary shareholders of the Company	4,421	6,541
Weighted average number of ordinary shares (000)	228,298	230,728
Basic EPS (Sen)	<u>1.94</u>	<u>2.83</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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**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
<b>Profit before tax is arrived at after (crediting)/charging:</b>		
Interest income	(82)	(183)
Interest expense	157	633
Depreciation and amortization	1,027	3,102
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)	355

**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 29 November 2021.

**By Order of the Board**

Tan Hui Lun (LS 0010066)  
Company Secretary  
Muar