



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2021

	Individual Quarter		Cumulative Quarter	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	119,329	83,423	340,864	216,196
Cost of sales	(104,958)	(71,118)	(293,295)	(173,077)
Gross profit	14,371	12,305	47,569	43,119
Other income	903	832	3,750	1,430
Depreciation and amortisation	(1,644)	(1,004)	(2,826)	(2,098)
Distribution and administrative expenses	(8,992)	(8,985)	(32,377)	(27,123)
Operating profit	4,638	3,148	16,116	15,328
Interest Income	747	344	930	1,127
Interest expenses	(1,712)	(498)	(2,345)	(986)
Share of results of an associate	9,999	-	9,999	-
Profit before taxation	13,672	2,994	24,700	15,469
Taxation	(2,687)	(645)	(6,639)	(4,737)
Net profit for the financial year	10,985	2,349	18,061	10,732
Other Comprehensive (loss)/income, net of tax	(10,654)	1,241	(34,972)	4,201
Total Comprehensive (Loss)/ Income for the financial year	331	3,590	(16,911)	14,933
Profit attributable to:				
Owners of the parent	10,508	2,139	17,049	9,771
Non-controlling interests	477	210	1,012	961
Net profit for the financial year	10,985	2,349	18,061	10,732
Total Comprehensive (Loss)/Income attributable to:				
Owners of the parent	(118)	3,165	(18,126)	14,228
Non-controlling interests	449	425	1,215	705
Total Comprehensive (Loss)/ Income for the financial year	331	3,590	(16,911)	14,933
Earnings per share (sen)				
- Basic	5.03	1.03	8.17	4.73
- Diluted	4.88	0.92	7.48	4.23

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 31 DECEMBER 2021

	(Unaudited) As at 31/12/2021 RM'000	(Audited) As at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,787	58,011
Investment properties	625	630
Intangible assets	23,005	23,280
Right of use assets	8,857	9,438
Deferred tax assets	523	396
Investment in associates	76,066	-
Other investment	1	14,706
	179,864	106,461
Current assets		
Inventories	38,371	29,176
Trade and other receivables	49,645	52,687
Biological assets	66	66
Amount owing from contract customers	23,572	23,563
Tax recoverable	4,016	4,243
Fixed deposits with licensed banks	2,107	4,062
Cash and bank balances	33,583	20,804
	151,360	134,601
Total assets	331,224	241,062
EQUITY AND LIABILITIES		
Equity		
Share capital	75,395	67,633
Treasury shares	(9,114)	(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	(685)	(897)
Fair value adjustment reserve	-	5,475
Retained profits	70,014	82,876
Shareholder's equity	145,364	155,787
Non-controlling interests	9,064	7,850
Total equity	154,428	163,637



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	(Unaudited) As at 31/12/2021 RM'000	(Audited) As at 31/12/2020 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	5,375	4,719
Right-of-use lease liabilities	9,274	8,978
Bank borrowings	49,669	3,457
Deferred tax liabilities	2,186	2,661
	66,504	19,815
Current liabilities		
Trade and other payables	94,292	51,835
Finance lease liabilities	739	812
Right-of-use lease liabilities	-	624
Bank borrowings	15,261	4,339
	110,292	57,610
Total liabilities	176,796	77,425
Total equity and liabilities	331,224	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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

	Attributable to owners of the parent										
	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	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 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	-	-	-	-	-	-	-	17,049	17,049	1,012	18,061
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	(35,386)	-	(35,386)	-	(35,386)
- Disposal/Transfer on quoted investment	-	-	-	-	-	-	29,911	(29,911)	-	-	-
- Forex Translation Difference	-	-	-	-	-	212	-	-	212	202	414
Total comprehensive loss for the financial year	-	-	-	-	-	212	(5,475)	(12,862)	(18,125)	1,214	(16,911)
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private placement	7,762	-	-	-	-	-	-	-	7,762	-	7,762
Proceed from conversion of warrants	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(60)	-	-	-	-	-	-	(60)	-	(60)
Total transactions with owners of the Company	7,762	(60)	-	-	-	-	-	-	7,702	-	7,702
At 31 December 2021	75,395	(9,114)	6,271	(10,103)	13,586	(685)	-	70,014	145,364	9,064	154,428
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	-	-	-	-	-	-	-	9,771	9,771	961	10,732
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation surplus	-	-	(72)	-	-	-	-	72	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	4,724	-	4,724	-	4,724
- Forex Translation Difference	-	-	-	-	-	(267)	-	-	(267)	(256)	(523)
Total comprehensive income for the financial year	-	-	(72)	-	-	(267)	4,724	9,843	14,228	705	14,933
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private placement	4,569	-	-	1,472	(1,980)	-	-	-	4,061	-	4,061
Proceed from conversion of warrants	-	(1,896)	-	-	-	-	-	-	(1,896)	-	(1,896)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	225	225
Total transactions with owners of the Company	4,569	(1,896)	-	1,472	(1,980)	-	-	-	2,165	225	2,390
At 31 December 2020	67,633	(9,054)	6,271	(10,103)	13,586	(897)	5,475	82,876	155,787	7,850	163,637

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 FOURTH QUARTER ENDED 31 DECEMBER 2021

	Current Year To-date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,700	15,469
Adjustments for non-cash items:		
Depreciation and amortisation	5,767	4,559
Gain on disposal of property, plant & equipment	(187)	(82)
(Gain)/Loss on disposal of other investment	(898)	306
Share of result in associate	(10,000)	-
(Gain)/Loss in changes of Fair Value (FFB)	-	(15)
Disposal / transfer of quoted investment	(29,911)	-
Interest expenses	2,345	986
Dividend income	(2,432)	-
Interest income	(930)	(1,127)
Reversal of impairment loss on trade receivable	-	(732)
Unrealised loss on foreign exchange	85	109
Operating profit before working capital changes	(11,461)	19,473
Changes in working capital		
Inventories	(9,195)	2,875
Receivables	3,254	(15,289)
Payables	42,441	7,856
Contract customers	(9)	(1,830)
Cash generated from operations	25,030	13,085
Tax paid	(7,013)	(8,604)
Net cash generated from operating activities	18,017	4,481
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associate	(66,067)	-
Acquisition of other investment	6,442	(15,574)
Acquisition of property, plant and equipment	(12,920)	(14,943)
Proceed from disposal of other investment	2,788	11,135
Proceeds from disposal of property, plant and equipment	211	175
Dividend received	2,432	-
Interest received	930	1,127
Net cash used in investing activities	(66,184)	(18,080)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

	Current Year To-date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,345)	(986)
Purchase of treasury shares	(60)	(1,896)
Withdrawal of pledged fixed deposits	1,954	(1,657)
Proceeds from bankers acceptance	2,740	3,908
Net change of floor stocks	(75)	75
Proceed/(Repayment) of term loans	51,969	(463)
Repayment of finance lease liabilities	(856)	(634)
Repayment of lease liabilities	(104)	-
Proceed from conversion of warrant to share capital	-	(162)
Proceed from issue of share capital	7,762	4,062
Net cash generated from/(used in) financing activities	60,985	2,247
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		
Effect of exchange translation differences	(39)	(344)
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 year	33,583	20,804
Note: <u>Cash and cash equivalents at the end of the financial year</u>		
Cash and bank balances	33,583	20,804
Short term deposits with licensed banks	2,107	4,062
Fixed deposits pledged	(2,107)	(4,062)
	33,583	20,804

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 FOURTH QUARTER ENDED 31 DECEMBER 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

On 29 Dec 2021, 23,729,000 new MBL shares were issued via private placement at RM0.3271 per shares and raised a total of RM7,761,755.90.

Total treasury shares held as at 31 December 2021 was 16,191,100 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 FOURTH QUARTER ENDED 31 DECEMBER 2021

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 2021

12 months ended 31 December 2021

	Investment Holding	Manu- facturing	Oil Milling	Automotive	Plantation	Elimination	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue							
External sales	-	96,191	154,882	88,121	238	-	339,432
Dividend income	2,432	-	-	-	-	(1,000)	1,432
	<u>2,432</u>	<u>96,191</u>	<u>154,882</u>	<u>88,121</u>	<u>238</u>	<u>(1,000)</u>	<u>340,864</u>
Segmental results	(319)	14,519	4,272	(104)	(907)	(1,345)	16,116
Finance costs	(696)	(330)	-	(882)	(437)	-	(2,345)
Interest income	85	671	-	174	-	-	930
Share of results of an associate	9,999	-	-	-	-	-	9,999
Profit/(Loss) before tax	9,069	14,860	4,272	(812)	(1,344)	(1,345)	24,700
Taxation							(6,639)
Profit for the year							<u>18,061</u>

Segmental reporting for the 12 months ended 31 December 2020

12 months ended 31 December 2020

	Investment Holding	Manu- facturing	Oil Milling	Automotive	Plantation	Elimination	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue							
External sales	-	72,695	113,418	29,786	297	-	216,196
Inter-company	-	1,166	-	-	-	(1,166)	-
Dividend income	3,500	-	-	-	-	(3,500)	-
	<u>3,500</u>	<u>73,861</u>	<u>113,418</u>	<u>29,786</u>	<u>297</u>	<u>(4,666)</u>	<u>216,196</u>
Segmental results	2,092	16,162	3,401	(1,477)	(1,065)	(3,785)	15,328
Finance costs	-	(178)	-	(486)	(322)	-	(986)
Interest income	29	1,098	-	-	-	-	1,127
Profit/(Loss) before tax	2,121	17,082	3,401	(1,963)	(1,387)	(3,785)	15,469
Taxation							(4,737)
Profit for the year							<u>10,732</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	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	-	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 (12 months ended)		
	31/12/2021 RM '000	31/12/2020 RM '000	Changes %	31/12/2021 RM '000	31/12/2020 RM '000	Changes %
Revenue	119,329	83,423	43.0	340,864	216,196	57.7
Operating profit	4,638	3,148	47.3	16,116	15,328	5.1
Share of result of associate	9,999	-	-	9,999	-	-
Profit before interest and tax	14,637	3,148	365.0	26,115	15,328	70.4
Profit before tax (PBT)	13,672	2,994	356.6	24,700	15,469	59.7
Profit after tax (PAT)	10,985	2,349	367.6	18,061	10,732	68.3
Profit attributable to						

For the current fourth quarter under review, the Group posted a 43.0% and 356.6% increase in revenue and Profit Before Tax (“PBT”) to RM119.33 million and RM13.67 million respectively from RM83.42 million and RM2.99 million a year earlier. The stronger revenue was driven by higher sales across all segments. Share of result in associate of RM10.00 million was recognised in the current quarter using equity accounting method in view of the Group has significant influence over the associate. If excluding associate’s result, PBT was 22.7% higher at RM3.67 million from RM2.99 million in prior year’s quarter. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM33.08 million and RM4.16 million respectively in the current quarter as compared with RM18.86 million and RM4.35 million recorded in prior year’s corresponding quarter.

The higher revenue was mainly due to the pent-up demand from customers boosted by the high Crude Palm Oil (CPO) prices. However, the performance was mitigated by the elevated raw material costs, freight charges coupled with non-optimal products mix.

Oil milling division’s revenue leapt 47.7% to RM51.27 million from RM34.71 million registered in prior year corresponding quarter. PBT increased more than two-fold to RM3.13 million from RM0.89 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. Nevertheless, the division’s margin was mitigated by the higher production costs.

Plantation division’s revenue improved marginally to RM0.10 million (2020: RM0.07 million) and registered a Loss before Tax (“LBT”) of RM0.37 million (2020: LBT of RM0.33 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 revenue and LBT stood at RM34.89 million and RM1.14 million respectively as compare with RM29.79 million and RM1.96 million recorded in same period last year.

Higher revenue was mainly driven by higher sales volume of cars especially the X models and extension of SST exemption. On the back of higher revenue, lower LBT was registered but its performance was mitigated by the non-optimal products mix, supply chain disruption due to shortage of automotive chips or parts, and historical worst flood in mid-December 2021.



For the cumulative twelve months period under review, the Group's revenue surged by 57.7% to RM340.86 million, while Profit Before Tax ("PBT") improved by 59.7% to RM24.54 million. Generally, the stronger revenue was driven by higher sales in all segments except Plantation segment. Share of result in associate of RM10.00 million was recognised in the current period using equity accounting method in view of the Group has significant influence over the associate. If excluding associate's result, PBT was 5.0% lower at RM14.70 million from RM15.47 million recorded in prior year. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM96.19 million and RM14.86 million respectively in the current period as compared with RM72.70 million and RM17.08 million recorded in the preceding year's corresponding period.

Despite of the higher revenue, lower PBT was recorded mainly due to elevated raw material costs resulted from the pandemic related disruption in global supply chain coupled with non-optimal products mix.

Oil milling division's revenue improved to RM154.88 million (2020: RM113.42 million) and registered a PBT of RM4.27 million (2020: RM3.40 million). The commendable results were mainly attributable to the increase production output coupled with higher average selling price of Crude Palm Kernel Oil ("CPKO") in the current period under review. Nevertheless, escalating production costs had restricted the division's performance.

Plantation division's revenue remained flat at RM0.02 million (2020: RM0.03 million) and registered a Loss before Tax ("LBT") of RM1.34 million (2020: LBT of RM1.39 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 RM88.12 million and registered a LBT of RM0.81 million. In comparison, automotive division which only commenced operation in Q4 2020 recorded a revenue of RM29.79 million and LBT of RM1.96 million in prior year.

The division's performance was affected by the disruption in supply from the principle as a result of shortage of chips and parts coupled with shut down of assembly plant during the 3-month total lock down (June to August 2021) in the current period. Furthermore, sales of non-optimal product mix with limited supply of popular X models had affected the division's margin.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter	Immediate Preceding Quarter	Changes
	31/12/2021 RM '000	30/09/2021 RM '000	%
Revenue	119,329	81,486	46.4
Operating profit	4,638	7,590	(38.9)
Share of result of associate	9,999	-	-
Profit before interest and tax	14,637	7,590	92.8
Profit before tax (PBT)	13,672	7,301	87.3
Profit after tax (PAT)	10,985	5,063	117.0
Profit attributable to Ordinary Equity Holders of the Parent	10,508	4,421	137.7



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For the current quarter under review, both revenue and PBT of the Group improved to RM119.33 million and RM13.67 million respectively as compared to RM81.49 million and RM7.30 million recorded in the immediate preceding quarter. The reopening of economy and pent-up demand from customer has contributed to the better performance in both revenue and PBT.

Manufacturing division posted a revenue and PBT at RM33.08 million and RM4.16 million respectively as compared to RM26.64 million and RM5.23 million reported in the immediate preceding quarter. The higher revenue was mainly due to pent-up orders from customers after reopening of global economy. Lower PBT was mainly due to the postponement of certain projects delivery coupled with non-optimal product mix in the current quarter under review.

Oil milling division revenue surged to RM51.27 million as compared to RM41.28 million reported in the immediate preceding quarter, while PBT improved to RM3.13 million compared to RM1.08 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 RM0.10 million and RM0.37 million respectively as compared to RM0.03 million and RM0.54 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 RM34.89 million and LBT of RM1.14 million respectively as compare with revenue of RM12.10 million and PBT of RM1.04 million recorded in immediate preceding quarter. The unfavorable result was mainly attributable to the lower operating costs during total lock down in immediate preceding quarter, the disruption of supply of cars coupled with sales of non-optimal product mix in the current quarter under reviewed.

B3. COMMENTARY ON PROSPECTS

With the sizable secured order book in hand and the challenging business environment ahead, the board is optimistic that the Group will able to achieve satisfactory results mainly driven by the manufacturing division for the financial year ending 31 December 2022.

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	(2,687)	(6,639)
	<u>(2,687)</u>	<u>(6,639)</u>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
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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 29 December 2021, the Proposed Private Placement of 23,729,000 new MBL shares was completed and raised a total of RM7,761,755.90 for repayment of bank borrowing. As at the date of report the status as follow:

	Actual Proceeds RM '000	Total Utilised RM '000	Balance Unutilise RM '000	Expected time frame for utilisation of proceed
Repayment of bank borrowing	7,687	295	7,392	within 6 months
Expenses for Private Placement	75	75	-	completed
Total Proceeds	7,762	370	7,392	

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 December 2021 and 31 December 2020 are as follows:

	As at Fourth 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
Secured						
- Term loans	-	49,669	-	8,613	-	58,282
- Bankers acceptance	-	-	-	6,648	-	6,648
- Floor stocks	-	-	-	-	-	-
Total	-	49,669	-	15,261	-	64,930

	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



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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	<u>4.77 - 4.87</u>	<u>4.77 - 4.87</u>

The substantial increase in the Group's borrowing is mainly due to term loan of RM50.22 million draw down in current year 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

On 18 February 2022, the Group wholly-owned subsidiary, MBL Plantation Sdn Bhd ("MBLPSB" or collectively referred to as "Defendant") had received a Writ of Summon and Statement of Claim both dated 15 February 2022 filed by Doa Huat Holdings Sdn Bhd (collectively referred to as "Plaintiff") under Kuala Lumpur High Court Suit No. WA-22NCC-67-02/2022 in relation to the claims filed by the Plaintiff through a firm of lawyers acting on their behalf.

The plaintiff claimed that the Share Sales Agreement dated 1 April 2021 between the Plaintiff and the Defendant for the purchase of shares of Sokor Gemilang Ladang Sdn Bhd ("SGLSB") with a total consideration of RM25,000,000.00 is void or terminated and demanded for the repayment of RM23,900,000.00.

The Plaintiff has made a total payment of RM23,900,000.00 to the Defendant to date, with the balance of the consideration RM1,100,000.00 remains outstanding.

MBLPSB has appointed a firm of lawyers to act on its behalf. Further announcement on the development of the above matter will be made to Bursa Malaysia Securities Berhad in due course.

B10. DIVIDEND DECLARED

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



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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	10,508	17,049
Weighted average number of ordinary shares (000)	208,758	208,758
Basic EPS (Sen)	<u>5.03</u>	<u>8.17</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company	10,508	17,049
Weighted average number of ordinary shares (000)	215,410	227,806
Basic EPS (Sen)	<u>4.88</u>	<u>7.48</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	(747)	(930)
Interest expense	1,712	2,345
Depreciation and amortization	3,926	5,767
Gain on disposal of property, plant & equipment	(30)	(187)
(Gain)/Loss on disposal or unquoted investments or properties	713	-
(Gain)/loss on foreign exchange	<u>(261)</u>	<u>94</u>



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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 February 2022.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar