



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2022



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 2022

	Individual Quarter		Cumulative Quarter	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Revenue	93,612	66,674	190,422	139,941
Cost of sales	(76,108)	(57,608)	(157,140)	(121,885)
Gross profit	17,504	9,066	33,282	18,056
Other income	885	678	1,499	1,874
Depreciation and amortisation	(821)	(344)	(1,838)	(763)
Distribution and administrative expenses	(7,825)	(7,746)	(15,863)	(15,025)
Operating profit	9,743	1,654	17,080	4,142
Interest Income	36	82	44	121
Interest expenses	(654)	(157)	(1,311)	(282)
Share of results of an associate	(1,079)	-	(1,517)	-
Profit before taxation	8,046	1,579	14,296	3,981
Taxation	(1,068)	(1,000)	(2,628)	(1,714)
Profit for the continuing operations	6,978	579	11,668	2,267
Discontinued operation				
Loss from discontinued operation, net of tax	(161)	(254)	(307)	(254)
Profit for the financial period	6,817	325	11,361	2,013
Other Comprehensive income, net of tax	216	(16,597)	294	(10,503)
Total Comprehensive Income for the financial period	7,033	(16,272)	11,655	(8,490)
Profit attributable to:				
Owners of the parent - continuing operation	7,082	882	11,286	2,375
- discontinued operation	(161)	(254)	(307)	(254)
	6,921	628	10,979	2,121
Non-controlling interests	(104)	(303)	382	(108)
Profit for the financial period	6,817	325	11,361	2,013
Total Comprehensive Income attributable to:				
Owners of the parent - continuing operation	7,192	(15,746)	11,436	(8,128)
- discontinued operation	(161)	(254)	(307)	(254)
	7,031	(16,000)	11,129	(8,382)
Non-controlling interests	2	(272)	526	(108)
Total Comprehensive Income for the financial period	7,033	(16,272)	11,655	(8,490)
Earnings per share (sen)				
Basic - continuing operation	3.11	0.42	4.91	1.91
- discontinued operation	(0.07)	(0.12)	(0.13)	(0.12)
	3.04	0.30	4.78	1.79
Diluted - continuing operation	3.06	0.38	4.82	1.67
- discontinued operation	(0.07)	(0.11)	(0.13)	(0.11)
	2.99	0.27	4.69	1.56

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 2021 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 2022

	(Unaudited) As at 30/06/2022 RM'000	(Audited) As at 31/12/2021 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	70,462	69,726
Investment properties	623	625
Intangible assets	409	409
Right of use assets	3,333	3,333
Deferred tax assets	523	523
Investment in associates	76,458	76,066
Other investment	-	1
	151,808	150,683
Current assets		
Inventories	52,051	38,371
Trade and other receivables	65,119	49,602
Amount owing from contract customers	23,571	23,572
Tax recoverable	5,898	6,335
Fixed deposits with licensed banks	2,133	2,107
Cash and bank balances	28,515	33,538
	177,287	153,525
Assets included in disposal group classified as held for sale	29,411	29,448
	206,698	182,973
Total assets	358,506	333,656
EQUITY AND LIABILITIES		
Equity		
Share capital	75,534	75,395
Treasury shares	(11,140)	(9,114)
Revaluation reserve	6,199	6,199
Discount on shares	(10,058)	(10,103)
Warrant reserves	13,526	13,586
Foreign currency translation reserve	(535)	(685)
Fair value adjustment reserve	-	-
Retained profits	81,159	70,180
Shareholder's equity	154,685	145,458
Non-controlling interests	9,590	9,064
Total equity	164,275	154,522



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	(Unaudited) As at 30/06/2022 RM'000	(Audited) As at 31/12/2021 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	4,659	5,043
Right-of-use lease liabilities	3,486	2,509
Bank borrowings	43,726	49,688
Deferred tax liabilities	2,186	2,186
	54,057	59,426
Current liabilities		
Trade and other payables	107,004	94,085
Finance lease liabilities	975	1,071
Right-of-use lease liabilities	1	980
Bank borrowings	23,222	15,261
Provision for taxation	2,861	2,319
	134,063	113,716
Liabilities included in disposal group classified as held for sale	6,111	5,992
	140,174	119,708
Total liabilities	194,231	179,134
Total equity and liabilities	358,506	333,656
Net assets per share (RM)	0.67	0.74

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 2021 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 SECOND QUARTER ENDED 30 JUNE 2022

	Attributable to owners of the parent										
	Non-Distributable							Distributable	Subtotal	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			
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 2022	75,395	(9,114)	6,199	(10,103)	13,586	(685)	-	70,180	145,458	9,064	154,522
Profit for the financial period	-	-	-	-	-	-	-	10,979	10,979	382	11,361
Other Comprehensive Expenses											
- fair value on quoted investment	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	150	-	-	150	144	294
Total comprehensive loss for the financial period	-	-	-	-	-	150	-	10,979	11,129	526	11,655
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from conversion of warrants	139	-	-	45	(60)	-	-	-	124	-	124
Purchase of treasury shares	-	(2,026)	-	-	-	-	-	-	(2,026)	-	(2,026)
Total transactions with owners of the Company	139	(2,026)	-	45	(60)	-	-	-	(1,902)	-	(1,902)
At 30 June 2022	75,534	(11,140)	6,199	(10,058)	13,526	(535)	-	81,159	154,685	9,590	164,275
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 period	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-
- Transfer of loss on disposal of equity - investment at FVOCI	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income 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 Placement	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	67,633	(9,054)	6,271	(10,103)	13,586	(897)	(5,028)	84,997	147,405	7,742	155,147

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 2021 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 SECOND QUARTER ENDED 30 JUNE 2022

	Current Year To-date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	14,296	3,981
- Discontinued operations	(307)	(254)
	13,989	3,727
Adjustments for non-cash items:		
Depreciation of investment properties	3	3
Depreciation of property, plant and equipment	2,298	2,061
- Continuing operations	2,261	2,022
- Discontinued operations	37	39
Amortisation of land use rights	34	-
- Continuing operations	-	-
- Discontinued operations	34	-
Fixed assets written off	2	-
Gain on disposal of property, plant & equipment	(94)	(157)
Loss/(Gain) on disposal of other investment	-	(713)
Interest expenses	1,311	282
- Continuing operations	1,311	282
- Discontinued operations	-	-
Interest income	(44)	(121)
Share of results of an associate	1,517	-
Unrealised (gain)/loss on foreign exchange	(85)	55
Operating profit before working capital changes	18,931	5,137
Changes in working capital		
Inventories	(13,680)	(11,055)
Receivables	(15,585)	3,239
Payables	13,469	32,798
Contract customers	1	(8)
Cash from operations	3,136	30,111
Income tax paid	(1,650)	(2,646)
Net cash from operating activities	1,486	27,465
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of associate	(1,909)	(25,326)
Acquisition of property, plant and equipment	(2,919)	(6,006)
Proceed from disposal of other investment	1	2,788
Proceeds from disposal of property, plant and equipment	105	180
Interest received	44	121
Net cash used in investing activities	(4,678)	(28,243)



MUAR BAN LEE GROUP BERHAD

(Company No. 200601033829 (753588-P))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	Current Year To-date 30/06/2022 RM'000	Preceding Year Corresponding Period 30/06/2021 RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Interest paid	(1,311)	(282)
(Placement)/Withdrawal of pledged fixed deposits	(25)	2,054
Proceeds from bankers acceptance	4,909	1,041
Net change of floor stocks	-	(75)
Net change of trade financing	1,324	-
(Repayment)/Proceed of term loans	(4,234)	4,611
Repayment of finance lease liabilities	(560)	(419)
Proceed from lease liabilities	-	17
Purchase of treasury shares	(2,027)	-
Proceed from conversion of warrant to share capital	124	-
Net cash (used in)/from financing activities	(1,800)	6,947
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,992)	6,169
Effect of exchange translation differences on cash and cash equivalents	5	-
Cash and cash equivalents at the beginning of the financial period	33,583	20,804
Cash and cash equivalents at the end of the financial period	28,596	26,973
Note: <u>Cash and cash equivalents at the end of the financial period comprises:</u>		
Fixed deposits with licensed banks	2,133	2,008
Cash and bank balances	28,596	26,973
- Continuing operations	28,515	26,850
- Discontinued operations	81	123
	30,729	28,981
Fixed deposits pledged	(2,133)	(2,008)
	28,596	26,973

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 2021 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 2022**

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 2021. 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 2021.

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 2021 except for those standard, amendments and IC interpretation that had become effective 1 January 2022 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 June 2022 was 21,085,900 shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

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 2022

6 months ended 30 June 2022

	Investment Holding	Manu- facturing	Bio- Engineering	Oil Milling	Plantation	Automotive	Elimination	Consolidated (Continuing)	Plantation (Discountued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue										
External sales	-	60,923	-	82,727	-	46,772	-	190,422	223	190,645
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
	-	60,923	-	82,727	-	46,772	-	190,422	223	190,645
Segmental results										
Finance costs	(406)	17,212	-	1,242	(301)	(557)	(109)	17,080	(307)	16,773
Interest income	(851)	(247)	-	-	(92)	(121)	-	(1,311)	-	(1,311)
Share of results of an associate	-	19	-	-	-	25	-	44	-	44
	(1,517)	-	-	-	-	-	-	(1,517)	-	(1,517)
Profit/(Loss) before Tax										
Taxation	(2,775)	16,984	-	1,242	(393)	(653)	(109)	14,296	(307)	13,989
								(2,628)	-	(2,628)
Profit for the period								11,668	(307)	11,361

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 (Continuing)	Plantation (Discountued)	Consolidated (Total)
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue										
External sales	-	36,479	-	62,333	-	41,128	-	139,940	109	140,049
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	1	-	-	-	-	-	-	1	-	1
	1	36,479	-	62,333	-	41,128	-	139,941	109	140,050
Segmental results										
Finance costs	(624)	5,591	-	66	(172)	(647)	(72)	4,142	(254)	3,888
Interest income	-	(135)	-	-	(10)	(137)	-	(282)	-	(282)
Share of results of an associate	34	13	-	-	-	74	-	121	-	121
										-
Profit/(Loss) before Tax										
Taxation	(590)	5,469	-	66	(182)	(710)	(72)	3,981	(254)	3,727
								(1,714)	-	(1,714)
Profit for the period								2,267	(254)	2,013



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

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

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)		
	30/06/2022 RM '000	30/06/2021 RM '000 (Restated)	Changes %	30/06/2022 RM '000	30/06/2021 RM '000 (Restated)	Changes %
Revenue						
- Continuing operations	93,612	66,674	40.4	190,422	139,941	36.1
- Discontinued operation	-	-	-	-	-	-
	<u>93,612</u>	<u>66,674</u>	40.4	<u>190,422</u>	<u>139,941</u>	36.1
Operating profit	9,743	1,654	489.1	17,080	4,142	312.4
Profit before interest and tax	8,664	1,654	423.8	15,563	4,142	275.7
Profit before tax (PBT)						
- Continuing operations	8,046	1,579	409.6	14,296	3,981	259.1
- Discontinued operation	(161)	(254)	(36.6)	(307)	(254)	20.9
	<u>7,885</u>	<u>1,325</u>	495.1	<u>13,989</u>	<u>3,727</u>	275.3
Profit after tax (PAT)						
- Continuing operations	6,978	579	1,105.2	11,668	2,267	414.7
- Discontinued operation	(161)	(254)	(36.6)	(307)	(254)	20.9
	<u>6,817</u>	<u>325</u>	1,997.5	<u>11,361</u>	<u>2,013</u>	464.4
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	7,082	882	702.9	11,286	2,375	375.2
- Discontinued operation	(161)	(254)	(36.6)	(307)	(254)	20.9
	<u>6,921</u>	<u>628</u>	1,002.1	<u>10,979</u>	<u>2,121</u>	417.6

For the current quarter under review, the Group posted a 40.4% and 409.6% increase in revenue and Profit Before Tax (“PBT”) to RM93.61 million and RM8.05 million respectively from RM66.67 million and RM1.58 million a year earlier. The stronger revenue was driven by higher sales across all segments. Share of result in associate for loss of RM1.08 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 13.4% higher at RM9.13 million from RM8.05 million in current year quarter. The performance review by segments is as follows:

Manufacturing division’s revenue and PBT leapt to RM35.34 million and RM9.81 million respectively in the current quarter as compared with RM20.12 million and RM3.80 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.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

Oil milling division's revenue improved 9.1% to RM32.46 million (2021: RM29.75 million) while registered a Loss before Tax ("LBT") of RM0.49 million (2021: RM0.50 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. Nevertheless, the division's margin was mitigated by the higher production costs coupled with drastic price fluctuation In the input prices has dimmed the division's performance.

Plantation division registered a LBT of RM0.17 million (2021: PBT of RM0.52 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 PBT stood at RM25.82 million and RM0.62 million respectively as compared with RM16.84 million and LBT of RM0.55 million recorded in same period last year. Increase in revenue and PBT were mainly driven by higher sales volume of cars associate with the SST exemption granted by the Government. The unfavorable result in preceding year's corresponding quarter was mainly attributable to the weak market sentiment and consumers spending caused by the Covid-19 pandemic.

For the cumulative six months period under review, the Group's revenue surged by 36.1% to RM190.42 million, while Profit Before Tax ("PBT") improved by 259.1% to RM14.30 million as compared to the preceding year's corresponding quarter. In general, the higher revenue was mainly contributed by the higher sales in all segments except Plantation segment. Share of result in associate for loss of RM1.08 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 7.6% higher at RM15.38 million from RM14.30 million in current year quarter. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM60.92 million and RM16.98 million respectively in the current period as compared with RM36.48 million an RM5.47 million recorded in the preceding year's corresponding period.

Manufacturing line showing a good sign of economic recovery after pandemic driven Movement Control Order ("MCO"). The line of business has rejuvenated upon the removal of Covid-19 driven movement restrictions under the various forms of MCO to curb the spread of pandemic.

Oil milling division's revenue improved to RM82.73 million (2021: RM62.33 million) and registered a PBT of RM1.24 million (2021: PBT of RM0.01 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. Nevertheless, escalating production costs had restricted the division's performance.

Plantation division registered a Loss before Tax ("LBT") of RM0.39 million (2021: RM0.18 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 stood at RM46.77 million (2021: RM41.13 million) and registered a LBT of RM0.65 million (2021: RM0.71 million).

Performance of the division was improved in current period as compared to the preceding year's corresponding period was mainly driven by higher sales volume of cars associate with the SST exemption granted by the Government. The unfavorable result in the preceding year's corresponding period was mainly attributable to the weak market sentiment and consumers spending caused by the Covid-19 pandemic.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/06/2022 RM '000	Immediate Preceding Quarter 31/03/2022 RM '000	Changes %
Revenue			
- Continuing operations	93,612	96,810	(3.3)
- Discontinued operation	-	-	-
	<u>93,612</u>	<u>96,810</u>	(3.3)
Operating profit			
- Continuing operations	9,743	7,337	32.8
- Discontinued operation	-	-	-
	<u>9,743</u>	<u>7,337</u>	32.8
Share of results of associate	(1,079)	(438)	146.3
Profit before interest and tax	8,664	6,899	25.6
Profit before tax (PBT)			
- Continuing operations	8,046	6,250	28.7
- Discontinued operation	(161)	(146)	10.3
	<u>7,885</u>	<u>6,104</u>	29.2
Profit after tax (PAT)			
- Continuing operations	6,978	4,690	48.8
- Discontinued operation	(161)	(146)	10.3
	<u>6,817</u>	<u>4,544</u>	50.0
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	7,082	4,204	68.5
- Discontinued operation	(161)	(146)	10.3
	<u>6,921</u>	<u>4,058</u>	70.6

For the current quarter under review, revenue and PBT of the Group were recorded at RM93.61 million and RM8.05 million as compared to immediate preceding quarter of RM96.81 million and RM6.25 million, respectively. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT at RM35.34 million and RM9.81 million respectively as compared to RM25.58 million and RM7.18 million reported in the immediate preceding quarter. The higher revenue and PBT were mainly due to pent-up orders from customers after reopening of global economy.

Oil milling division's revenue sank to RM32.46 million as compared to RM50.27 million reported in the immediate preceding quarter, while LBT of RM0.49 million was recorded as compared to PBT of RM1.73 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 LBT at RM0.17 million as compared to RM0.23 million in immediate preceding quarter. The unfavorable result was mainly attributable to the unresolved shortage of manpower in operating the plantation in the current quarter under review.

Automotive division registered revenue of RM25.82 million and PBT of RM0.62 million respectively as compared with revenue of RM20.96 million and LBT of RM1.27 million recorded in immediate preceding quarter. Higher revenue was mainly driven by higher sales volume of cars associate with the SST exemption granted by the Government. Whereas, the shorter month in February coupled with the Chinese New Year holiday and shortage of ready stocks to meet customers' demand in February 2022 has affected the division's performance in immediate preceding quarter.

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	(1,068)	(2,628)
	<u>(1,068)</u>	<u>(2,628)</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

On 12 July 2022, MBL has entered into a conditional share sale agreement ("SSA") with XOX (Hong Kong) Limited ("XOX") for the disposal of the entire equity interest held by MBL in Theron Holdings Sdn Bhd ("Theron"), a wholly-owned subsidiary of MBL, to XOX for a total cash consideration of RM19,254,590 ("Disposal Consideration"), subject to the terms as set out in the SSA ("Proposed Disposal").

The Proposed Disposal remains status quo and future update would be published via BURSA announcement.



B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2022 and 30 June 2021 are as follows:

	As at Second Quarter ended 2022					
	Long Term		Short Term		Total Borrowings	
	Denominated in		Denominated in		Denominated in	
	USD RM '000	RM RM '000	USD RM '000	RM RM '000	USD RM '000	RM RM '000
Secured						
- Term loans	-	43,726	-	10,341	-	54,067
- Bankers acceptance	-	-	-	11,557	-	11,557
- Floor stocks	-	-	-	-	-	-
- Trade Finance	-	-	-	1,324	-	1,324
Total	-	43,726	-	23,222	-	66,948

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

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

	(Unaudited) 2022 %	(Audited) 2021 %
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

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

A. Disposal of Sokor Gemilang Ladang Sdn Bhd (“SGLSB”)

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 legal firm 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 legal firm to act on its behalf and filed a counter claim against plaintiff on the above case. Further to the announcement made on 18 February 2022 and 2 March 2022, the case WA-22NCC-67-02/2022 has been transferred to Penang high court pursuant to a court order dated 15 April 2022.

Pursuant to the case Management on 20 May 2022, the company has filed the interlocutory applications to Penang High Court to move the Court to dispose of Doa Huat’s claim and to seek the court to enter summary judgement against Doa Huat for MBLPSB’s counterclaim. The Court has fixed the hearing date on 29 July 2022.

On 29 July 2022, Plaintiff’s claim has been dismissed by the Court with costs of RM5,000.00, subject to allocator, to be paid by the Plaintiff to MBLPSB.

In respect of MBLPSB’s counterclaim against Plaintiff, the Court allowed MBLPSB’s application for summary judgment of its counterclaim with the following terms:-

- (a) a Declaration that the Plaintiff’s act/attempt to terminate the share sale agreement dated 1/4/2021 (“the Agreement”) via the Plaintiff’s letter of termination dated 7/2/2022 is not valid;
- (b) an order for specific performance of the Agreement whereby the Plaintiff shall continue and fulfill all its obligations under the Agreement including paying the balance consideration price of RM1,100,000.00 to the Defendant within fourteen (14) days from the date of this judgment;
- (c) The Plaintiff shall provide full cooperation and do all that is necessary to complete the Agreement within fourteen (14) days from the date the Defendant receives payment of the balance consideration price of RM1,100,000.00;
- (d) If the Plaintiff fails to comply with paragraph (c) above, then the Registrar of the Court is given the power to execute all requisite documents to complete the transfer of 100% of the shares in Sokor Gemilang Ladang Sdn. Bhd. (Company No: 742516-X) from the Defendant to the Plaintiff; and
- (e) Costs of RM5,000.00, subject to allocator, to be paid by the Plaintiff to MBLPSB.

In gist, the whole civil suit PA-22NCC-13-04/2022 has been disposed of in MBLPSB’s favour.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

B. Statutory Derivative Action

On 1 June 2022, Jingshi Holdings (M) Sdn Bhd (“Jingshi”) had filed an Originating Summons in the Penang High Court (No. PA-24NCvC-459-05/2022) against Muar Ban Lee Group Berhad (“MBL”), inter alia for Leave to commence a Statutory Derivative Action pursuant to Sections 347, 348 and 350 of the Companies Act 2016.

The Company was only served with the unsealed copy of the Originating Summons together with the Plaintiff’s Affidavit in Support on 31 May 2022. The sealed Copy of the Originating Summons was received by the Company on 1 June 2022.

The Company intends to defend and resist the matter and as such has duly appointed Messrs Presgrave & Matthews as solicitors to act on its behalf in respect of the said matter.

Further to the announcement made by the Company on 1 June 2022, the Company wishes to provide the following additional information:

- (a) There is no Writ and Statement of Claim as this Originating Summons is filed by the Plaintiff to obtain Leave of Court to initiate an action in the name and on behalf of the Company;
- (b) At the moment, apart from the legal costs, the Originating Summons are not expected to have any financial and operational impact on the Company as the Leave has not been granted yet and in the event that Leave is granted by the Court, the proposed Civil Suit to be filed will be by the company; and
- (c) The Company at this juncture is taking steps to defend and resist the Originating Summons and/or from Leave being granted.

Further announcements on the development of this matter will be made to Bursa Malaysia Securities Berhad from time to time.

B10. DIVIDEND DECLARED

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



NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B11. EARNINGS PER SHARE

The basic earnings per share ("EPS") is calculated by dividing the profit for the financial period 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		
- Continuing operations	7,082	11,286
- Discontinued operation	(161)	(307)
	<u>6,921</u>	<u>10,979</u>
Weighted average number of ordinary shares (000)	227,707	230,027
Basic EPS (Sen)		
- Continuing operations	3.11	4.91
- Discontinued operation	(0.07)	(0.13)
	<u>3.04</u>	<u>4.78</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	7,082	11,286
- Discontinued operation	(161)	(307)
	<u>6,921</u>	<u>10,979</u>
Weighted average number of ordinary shares (000)	231,735	234,046
Basic EPS (Sen)		
- Continuing operations	3.06	4.82
- Discontinued operation	(0.07)	(0.13)
	<u>2.99</u>	<u>4.69</u>

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

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	(36)	(44)
Interest expense	654	1,311
Depreciation and amortization	1,096	2,335
Foreign exchange (gain)/loss	(2)	85

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 August 2022.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar