



MUAR BAN LEE GROUP BERHAD

(Company No.200601033829 (753588-P))

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Individual Quarter		Cumulative Quarter	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Revenue	134,599	81,453	325,021	221,394
Cost of sales	(109,249)	(66,339)	(266,389)	(188,224)
Gross profit	25,350	15,114	58,632	33,170
Other income	830	967	2,329	2,841
Depreciation and amortisation	(944)	(360)	(2,782)	(1,123)
Distribution and administrative expenses	(8,408)	(7,733)	(24,271)	(22,758)
Operating profit	16,828	7,988	33,908	12,130
Interest Income	337	62	381	183
Interest expenses	(655)	(351)	(1,966)	(633)
Share of results of an associate	(1,217)	-	(2,734)	-
Profit before taxation	15,293	7,699	29,589	11,680
Taxation	(5,323)	(2,238)	(7,951)	(3,952)
Profit for the continuing operations	9,970	5,461	21,638	7,728
Discontinued operation				
Loss from discontinued operation, net of tax	(63)	(399)	(370)	(653)
Profit for the financial period	9,907	5,062	21,268	7,075
Other comprehensive income/(loss), net of tax	652	(13,815)	946	(24,318)
Total comprehensive income/(loss) for the financial period	10,559	(8,753)	22,214	(17,243)
Profit attributable to:				
Owners of the parent - continuing operation	9,142	4,819	20,428	7,193
- discontinued operation	(63)	(399)	(370)	(653)
	9,079	4,420	20,058	6,540
Non-controlling interests	828	642	1,210	535
Profit for the financial period	9,907	5,062	21,268	7,075
Total comprehensive income/(loss) attributable to:				
Owners of the parent - continuing operation	9,475	(9,228)	20,910	(17,356)
- discontinued operation	(63)	(399)	(370)	(653)
	9,412	(9,627)	20,540	(18,009)
Non-controlling interests	1,147	874	1,674	766
Total comprehensive income/(loss) for the financial period	10,559	(8,753)	22,214	(17,243)
Earnings per share (sen)				
Basic - continuing operation	4.01	2.31	8.88	3.49
- discontinued operation	(0.03)	(0.19)	(0.16)	(0.32)
	3.98	2.12	8.72	3.17
Diluted - continuing operation	3.95	2.11	8.73	3.12
- discontinued operation	(0.03)	(0.17)	(0.16)	(0.28)
	3.92	1.94	8.57	2.84

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 SEPTEMBER 2022

		(Unaudited) As at 30/09/2022 RM'000	(Audited) As at 31/12/2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		71,525	69,726
Investment properties		621	625
Intangible assets		409	409
Right of use assets		3,333	3,333
Deferred tax assets		523	523
Investment in associates		75,241	76,066
Other investment		-	1
		<u>151,652</u>	<u>150,683</u>
Current assets			
Inventories		51,226	38,371
Trade and other receivables	1	69,057	49,602
Amount owing from contract customers		19,571	23,572
Tax recoverable		8,770	6,335
Fixed deposits with licensed banks		2,142	2,107
Cash and bank balances		30,819	33,538
		<u>181,585</u>	<u>153,525</u>
Assets included in disposal group classified as held for sale		29,439	29,448
		<u>211,024</u>	<u>182,973</u>
Total assets		<u>362,676</u>	<u>333,656</u>
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		(203)	(685)
Fair value adjustment reserve		-	-
Retained profits		90,238	70,180
Shareholder's equity		<u>164,096</u>	<u>145,458</u>
Non-controlling interests		10,738	9,064
Total equity		<u>174,834</u>	<u>154,522</u>



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

		(Unaudited) As at 30/09/2022 RM'000	(Audited) As at 31/12/2021 RM'000
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		4,422	5,043
Right-of-use lease liabilities		3,486	2,509
Bank borrowings		40,571	49,688
Deferred tax liabilities		2,186	2,186
		<u>50,665</u>	<u>59,426</u>
Current liabilities			
Trade and other payables	2	99,587	94,085
Finance lease liabilities		952	1,071
Right-of-use lease liabilities		2	980
Bank borrowings		21,619	15,261
Provision for taxation		9,214	2,319
		<u>131,374</u>	<u>113,716</u>
Liabilities included in disposal group classified as held for sale		5,803	5,992
		<u>137,177</u>	<u>119,708</u>
Total liabilities		<u>187,842</u>	<u>179,134</u>
Total equity and liabilities		<u>362,676</u>	<u>333,656</u>
Net assets per share (RM)		0.71	0.74

Notes:

- 1 The increased in trade and other receivables was mainly due to the increase in trade receivables for approximately RM25 million, which is consistent with the revenue's growth.
- 2 Trade and other payables consists of other payables and deposit received amounted to approximately RM22 million and RM44 million, respectively. The deposit received include the amount of RM23.9 million received from Doa Huat Holdings Sdn Bhd for the sales and transfer of the entire equity interest of a wholly owned subsidiary, Sokor Gemilang Ladang Sdn. Bhd. in FY2021.

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))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	20,058	20,058	1,210	21,268
Other Comprehensive Expenses											
- Forex Translation Difference	-	-	-	-	-	482	-	-	482	464	946
Total comprehensive loss for the financial period	-	-	-	-	-	482	-	20,058	20,540	1,674	22,214
<i>Contributions by and distributions to owners of the Company</i>											
<i>Proceed from conversion of warrants</i>	139	-	-	45	(60)	-	-	-	124	-	124
<i>Purchase of treasury shares</i>	-	(2,026)	-	-	-	-	-	-	(2,026)	-	(2,026)
Total transactions with owners of the Company	139	(2,026)	-	45	(60)	-	-	-	(1,902)	-	(1,902)
At 30 September 2022	75,534	(11,140)	6,199	(10,058)	13,526	(203)	-	90,238	164,096	10,738	174,834
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	-	-	-	-	-	-	-	6,540	6,540	535	7,075
Other Comprehensive Expenses											
- Fair value on quoted investment	-	-	-	-	-	-	(24,790)	-	(24,790)	-	(24,790)
- Forex Translation Difference	-	-	-	-	-	241	-	-	241	231	472
Total comprehensive income for the financial period	-	-	-	-	-	241	(24,790)	6,540	(18,009)	766	(17,243)
<i>Contributions by and distributions to owners of the Company</i>											
<i>Proceed from issuance of Private Placement</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Purchase of treasury shares</i>	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2021	67,633	(9,054)	6,271	(10,103)	13,586	(656)	(19,315)	89,416	137,778	8,615	146,394

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Current Year To-date 30/09/2022 RM'000	Preceding Year Corresponding Period 30/09/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	29,589	11,680
- Discontinued operations	(370)	(653)
	29,219	11,027
Adjustments for non-cash items:		
Depreciation of investment properties	4	4
Depreciation of property, plant and equipment	3,488	3,098
- Continuing operations	3,439	3,039
- Discontinued operations	49	59
Amortisation of land use rights	51	-
- Continuing operations	-	-
- Discontinued operations	51	-
Fixed assets written off	2	-
Gain on disposal of property, plant & equipment	(94)	(157)
Gain on disposal of other investment	-	(713)
Interest expenses	1,966	282
- Continuing operations	1,966	282
- Discontinued operations	-	-
Interest income	(381)	(121)
Share of results of an associate	2,734	-
Unrealised (gain)/loss on foreign exchange	(384)	19
Operating profit before working capital changes	36,605	13,439
Changes in working capital		
Inventories	(12,855)	(12,151)
Receivables	(19,558)	1,527
Payables	6,028	37,908
Contract customers	4,001	(8)
Cash from operations	14,221	40,715
Income tax paid	(3,491)	(3,349)
Net cash generated from operating activities	10,730	37,366
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of associate	(1,909)	-
Acquisition of other investment	-	(89,536)
Acquisition of property, plant and equipment	(4,736)	(8,622)
Proceed from disposal of other investment	1	2,788
Proceeds from disposal of property, plant and equipment	105	180
Interest received	381	121
Net cash used in investing activities	(6,158)	(95,069)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Current Year To-date 30/09/2022 RM'000	Preceding Year Corresponding Period 30/09/2021 RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Interest paid	(1,966)	(282)
(Placemnt)/Withdrawal of pledged fixed deposits	(35)	2,054
(Repayment)/Proceeds from bankers acceptance	(729)	1,814
Net change of floor stocks	-	(75)
Net change of trade financing	5,253	-
Proceeds from term loans	-	55,123
Repayment of term loans	(7,282)	(3,035)
Proceed from finance lease liabilities	-	142
Repayment of finance lease liabilities	(821)	(745)
Purchase of treasury shares	(2,027)	-
Proceed from conversion of warrant to share capital	124	-
Net cash (used in)/generated from financing activities	(7,483)	54,996
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,911)	(2,707)
Effect of exchange translation differences on cash and cash equivalents	227	83
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	30,899	18,180
Note: <u>Cash and cash equivalents at the end of the financial period comprises:</u>		
Fixed deposits with licensed banks	2,142	2,008
Cash and bank balances	30,899	18,180
- Continuing operations	30,819	18,062
- Discontinued operations	80	118
	33,041	20,188
Fixed deposits pledged	(2,142)	(2,008)
	30,899	18,180

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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 2022

9 months ended 30 September 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	-	112,465	-	130,819	-	81,737	-	325,021	-	325,021
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
	-	112,465	-	130,819	-	81,737	-	325,021	-	325,021
Segmental results	(706)	31,474	-	3,959	(425)	(402)	9	33,908	(370)	33,538
Finance costs	(1,288)	(327)	-	-	(139)	(211)	-	(1,966)	-	(1,966)
Interest income	-	347	-	-	-	34	-	381	-	381
Share of results of an associate	(2,734)	-	-	-	-	-	-	(2,734)	-	(2,734)
Profit/(Loss) before Tax	(4,728)	31,493	-	3,959	(564)	(579)	9	29,589	(370)	29,219
Taxation								(7,951)	-	(7,951)
Profit/(Loss) for the period								21,638	(370)	21,268

Segmental reporting for the 9 months ended 30 September 2021

9 months ended 30 September 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	-	63,114	-	103,616	-	53,232	-	219,962	141	220,102
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	1,432	-	-	-	-	-	-	1,432	-	1,432
	1,432	63,114	-	103,616	-	53,232	-	221,394	141	221,535
Segmental results	(14)	10,850	-	1,144	(266)	453	(37)	12,130	(653)	11,477
Finance costs	(156)	(222)	-	-	(53)	(202)	-	(633)	-	(633)
Interest income	34	75	-	-	-	74	-	183	-	183
Share of results of an associate										-
Profit/(Loss) before Tax	(136)	10,703	-	1,144	(319)	325	(37)	11,680	(653)	11,027
Taxation								(3,952)	-	(3,952)
Profit/(Loss) for the period								7,728	(653)	7,075



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	18,000
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	22,500

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)		
	30/09/2022 RM '000	30/09/2021 RM '000	Changes %	30/09/2022 RM '000	30/09/2021 RM '000	Changes %
Revenue						
- Continuing operations	134,599	81,453	65.2	325,021	221,394	46.8
- Discontinued operation	-	-	-	-	-	-
	<u>134,599</u>	<u>81,453</u>	65.2	<u>325,021</u>	<u>221,394</u>	46.8
Operating profit	16,828	7,988	110.7	33,908	12,130	179.5
Profit before interest and tax	15,611	7,988	95.4	31,174	12,130	157.0
Profit before tax (PBT)						
- Continuing operations	15,293	7,699	98.6	29,589	11,680	153.3
- Discontinued operation	(63)	(399)	(84.2)	(370)	(653)	(43.3)
	<u>15,230</u>	<u>7,300</u>	108.6	<u>29,219</u>	<u>11,027</u>	165.0
Profit after tax (PAT)						
- Continuing operations	9,970	5,461	82.6	21,638	7,728	180.0
- Discontinued operation	(63)	(399)	(84.2)	(370)	(653)	(43.3)
	<u>9,907</u>	<u>5,062</u>	95.7	<u>21,268</u>	<u>7,075</u>	200.6
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	9,142	4,819	89.7	20,428	7,193	184.0
- Discontinued operation	(63)	(399)	(84.2)	(370)	(653)	(43.3)
	<u>9,079</u>	<u>4,420</u>	105.4	<u>20,058</u>	<u>6,540</u>	206.7

For the current quarter under review, the Group posted a 65.2% and 98.6% increase in revenue and Profit Before Tax (“PBT”) to RM134.60 million and RM15.29 million respectively from RM81.45 million and RM7.70 million a year earlier. The stronger revenue was driven by higher sales across all segments except Plantation segment. Share of result in associate for loss of RM1.22 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 7.98% higher at RM16.51 million from RM15.29 million in current year quarter. The performance review by segments is as follows:

Manufacturing division’s revenue and PBT improved to RM51.54 million and RM14.51 million respectively in the current quarter as compared with RM26.64 million and RM5.23 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 impacted by the elevated raw material costs, freight charges coupled with non-optimal products mix.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

Oil milling division's revenue leapt to RM48.09 million (2021: RM41.28 million) and registering a PBT of RM2.72 million (2021: RM1.08 million).

Higher revenue recorded was due to increase production output coupled with higher average selling price of Crude Palm Kernel Oil ("CPKO") in the current quarter under review. Nevertheless, the division's margin was impacted by the higher production costs.

Plantation division registered a Loss before Tax ("LBT") of RM0.17 million (2021: RM0.14 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 RM34.97 million and RM0.07 million respectively as compared with RM12.10 million and RM1.04 million recorded in the same period last year.

Increase in revenue was mainly driven by higher sales volume of cars associate with the customers' demand. The lower PBT of RM0.07 million registered, although recording a higher revenue, is due to the varying profit margins for different models.

For the cumulative nine months period under review, the Group's revenue surged by 46.8% to RM325.02 million, while Profit Before Tax ("PBT") improved by 153.3% to RM29.59 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 RM2.73 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 9.23% higher at RM32.32 million from RM29.59 million in current year quarter. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT of RM112.47 million and RM31.49 million respectively in the current period as compared with RM63.11 million and RM10.70 million recorded in the preceding year's corresponding period.

Manufacturing division showed a good sign of economic recovery after the 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 leapt to RM130.82 million (2021: RM103.62 million) and registered a PBT of RM3.96 million (2021: RM1.14 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 RM0.57 million (2021: RM0.32 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 RM81.74 million (2021: RM53.23 million) and registered a LBT of RM0.58 million (2021: PBT of RM0.33 million).

Increase in revenue was due mainly to higher sales volume of cars associate with the customers' demand. The LBT of RM0.58 million registered, although recording a higher revenue, is due to the varying profit margins for different models.



B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/09/2022 RM '000	Immediate Preceding Quarter 30/06/2022 RM '000	Changes %
Revenue			
- Continuing operations	134,599	93,612	43.8
- Discontinued operation	-	-	-
	<u>134,599</u>	<u>93,612</u>	43.8
Operating profit			
- Continuing operations	16,828	9,743	72.7
- Discontinued operation	-	-	-
	<u>16,828</u>	<u>9,743</u>	72.7
Share of results of associate	(1,217)	(1,079)	12.8
Profit before interest and tax	15,611	8,664	80.2
Profit before tax (PBT)			
- Continuing operations	15,293	8,046	90.1
- Discontinued operation	(63)	(161)	(60.9)
	<u>15,230</u>	<u>7,885</u>	93.2
Profit after tax (PAT)			
- Continuing operations	9,970	6,978	42.9
- Discontinued operation	(63)	(161)	(60.9)
	<u>9,907</u>	<u>6,817</u>	45.3
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	9,142	7,082	29.1
- Discontinued operation	(63)	(161)	(60.9)
	<u>9,079</u>	<u>6,921</u>	31.2

For the current quarter under review, revenue and PBT of the Group were recorded at RM134.60 million and RM15.29 million as compared to immediate preceding quarter of RM93.61 million and RM8.05 million, respectively. The performance review by segments is as follows:

Manufacturing division posted a revenue and PBT at RM51.54 million and RM14.51 million respectively as compared to RM35.34 million and RM9.81 million reported in the immediate preceding quarter.

The higher revenue and PBT were mainly due to pent-up orders from customers after the reopening of the global economy.

Oil milling division's revenue improved to RM48.09 million as compared to RM32.46 million reported in the immediate preceding quarter, while PBT of RM2.72 million was recorded as compared to LBT of RM0.49 million registered in the 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 registered a LBT of RM0.17 million (2021: RM0.17 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 registered revenue of RM34.97 million and PBT of RM0.07 million respectively as compared with revenue of RM25.82 million and PBT of RM0.62 million recorded in immediate preceding quarter. Higher revenue was mainly driven by higher sales volume of cars associate with the customers' demand. The lower PBT of RM0.07 million registered, although recording a higher revenue, is due to the varying profit margins for different models.

B3. COMMENTARY ON PROSPECTS

With the sizable secured order book in hand and the encouraging 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	(5,323)	(7,951)
	<u>(5,323)</u>	<u>(7,951)</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

A. Disposal of Theron Holdings Sdn Bhd ("Theron")

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").

On 3 November 2022, the shareholders of MBL have duly approved the resolution at the EGM for the Disposal of Theron Shares, for a total cash consideration of RM19,254,590. With that, MBL has fulfilled the condition precedent of the Disposal.

The Completion Date of the SSA has been extended to 25 November 2022 upon mutual agreement via letter dated 10 November 2022. On 25 November 2022, the Completion Date of the SSA has further extended to 6 December 2022 upon mutual agreement via letter dated 25 November 2022.



B. Disposal of PT. Serdang Jaya Perdana (“SJP”)

On 10 November 2022, its wholly-owned subsidiary, Muar Ban Lee Engineering Sdn Bhd (“MBLE”), has entered into a Sale and Purchase Deed with Sian and Lucialim (“the Purchasers”) for the disposal of 51% equity interest in PT. Serdang Jaya Perdana (“SJP”) for a net cash consideration of IDR36,000,000,000.00 (which is equivalent to approximately RM11,000,000.00) (“Disposal Consideration”), subject to the terms as set out in the Sale and Purchase Deed.

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group’s borrowings as at 30 September 2022 and 30 September 2021 are as follows:

	As at Third 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	-	40,571	-	10,447	-	51,018
- Bankers acceptance	-	-	-	5,919	-	5,919
- Trade Financing	-	-	-	5,253	-	5,253
Total	-	40,571	-	21,619	-	62,190

	As at Third 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	-	52,167	-	6,234	-	58,401
- Bankers acceptance	-	-	-	5,722	-	5,722
- Trade Financing	-	-	-	-	-	-
Total	-	52,167	-	11,956	-	64,123

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	3.27 - 4.88	4.08 - 4.71
Bankers acceptance	3.34	3.02
Trade Financing	4.41 - 4.47	-

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.

On 2 September 2022, MBLPSB’s solicitors had updated the Company that the Plaintiff has filed an appeal to the Court of Appeal against the High Court Orders/Decisions given on 29 July 2022. The Plaintiff has also filed an application for stay of the High Court orders pending their appeal to the Court of Appeal. The Company is resisting and opposing both the Appeal and the Stay application.



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The first case management of the Appeal (Court of Appeal, Civil Appeal No.: P-02(IM)(NCC)-1545-08/2022) is fixed on 10 November 2022. There is no appeal hearing date fixed yet at this juncture. As for the Application for Stay at the High Court, the court has given directions for filing of affidavits and has fixed a further case management date. There is still no hearing date fixed yet for the Stay application at this juncture.

The High Court matter and the Court of Appeal matters have also now been taken over by our new solicitors (Messrs Presgrave & Matthews).

Pursuant to the Case Management on 4 October 2022, the Court has fixed the hearing date for the stay application on 15 December 2022 at 8.30 a.m. by Zoom before YA Tuan Quay Chew Soon.

On 22 November 2022, pursuant to the Case Management in respect of the Appeal (Court of Appeal, Civil Appeal No.: P-02(IM)(NCC)-1545-08/2022) conducted on 10 November 2022 and which concluded only on 21 November 2022, the Court of Appeal (Putrajaya) has fixed the hearing of the Plaintiff/Appellant's Appeal to be heard on 20 June 2023.

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.

Pursuant to the Case Management on 7 September 2022, the Court has fixed the next Case Management date on 10 November 2022 and the hearing date on 7 December 2022.



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 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	9,142	20,428
- Discontinued operation	(63)	(370)
	<u>9,079</u>	<u>20,058</u>
Weighted average number of ordinary shares (000)	227,707	230,027
Basic EPS (Sen)		
- Continuing operations	4.01	8.88
- Discontinued operation	(0.03)	(0.16)
	<u>3.98</u>	<u>8.72</u>
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	9,142	20,428
- Discontinued operation	(63)	(370)
	<u>9,079</u>	<u>20,058</u>
Weighted average number of ordinary shares (000)	231,735	234,046
Basic EPS (Sen)		
- Continuing operations	3.95	8.73
- Discontinued operation	(0.03)	(0.16)
	<u>3.92</u>	<u>8.57</u>

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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



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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	(337)	(381)
Interest expense	655	1,966
Depreciation and amortization	1,208	3,543
Foreign exchange loss	291	376

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 2022.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar