



MUAR BAN LEE GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2023**



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 FIRST QUARTER ENDED 31 MARCH 2023

	Note	Individual Quarter		Cumulative Quarter	
		31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
Revenue		66,538	96,810	66,538	96,810
Cost of sales		(53,195)	(81,032)	(53,195)	(81,032)
Gross profit		13,343	15,778	13,343	15,778
Other income		769	614	769	614
Depreciation and amortisation		(497)	(1,017)	(497)	(1,017)
Distribution and administrative expenses		(9,191)	(8,038)	(9,191)	(8,038)
Operating profit		4,424	7,337	4,424	7,337
Interest Income		676	8	676	8
Interest expenses		(331)	(657)	(331)	(657)
Share of results of an associate	1	(3,286)	(438)	(3,286)	(438)
Profit before taxation		1,483	6,250	1,483	6,250
Taxation		(1,007)	(1,560)	(1,007)	(1,560)
Profit for the continuing operations		476	4,690	476	4,690
Discontinued operation					
Loss from discontinued operation, net of tax		(162)	(146)	(162)	(146)
Profit for the financial period		314	4,544	314	4,544
Other comprehensive income/(loss), net of tax		-	78	-	78
Total comprehensive income for the financial period		314	4,622	314	4,622
Profit attributable to:					
Owners of the parent - continuing operation		495	4,204	495	4,204
- discontinued operation		(162)	(146)	(162)	(146)
		333	4,058	333	4,058
Non-controlling interests		(19)	486	(19)	486
Profit for the financial period		314	4,544	314	4,544
Total comprehensive income attributable to:					
Owners of the parent - continuing operation		495	4,604	495	4,604
- discontinued operation		(162)	(146)	(162)	(146)
		333	4,458	333	4,458
Non-controlling interests		(19)	164	(19)	164
Total comprehensive income for the financial period		314	4,622	314	4,622
Earnings per share (sen)					
Basic - continuing operation		0.22	1.81	0.22	1.81
- discontinued operation		(0.07)	(0.06)	(0.07)	(0.06)
		0.15	1.75	0.15	1.75
Diluted - continuing operation		N/A	1.78	N/A	1.78
- discontinued operation		N/A	(0.06)	N/A	(0.06)
		N/A	1.72	N/A	1.72

Notes:

- 1 Following the disposal of Theron Holdings Sdn. Bhd. whom holding 98,090,536 ordinary shares in Symphony Life Berhad ("Symlife") during financial year ended 2022 with the resignation of our Group CEO cum the substantial shareholder of MBL in Symlife in May 2023, MBL is no longer having significant influence over the management of Symlife. However, we are still sharing the results of associate using equity-accounting method as MBL still having significant influence over the associate during the current quarter under review.

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 2022 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 MARCH 2023

		(Unaudited) As at 31/03/2023 RM'000	(Audited) As at 31/12/2022 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		62,451	62,142
Investment properties		619	620
Intangible assets		409	409
Right of use assets		2,413	2,413
Investment in associates		18,474	18,779
		84,366	84,363
Current assets			
Inventories		46,592	45,007
Trade and other receivables		53,481	47,199
Amount owing from contract customers		20,090	19,851
Tax recoverable		2,884	4,177
Fixed deposits with licensed banks	1	52,597	2,155
Cash and bank balances	1	51,227	116,606
		226,871	234,995
Assets included in disposal group classified as held for sale		29,403	29,482
		256,274	264,477
Total assets		340,640	348,840
EQUITY AND LIABILITIES			
Equity			
Share capital		75,535	75,535
Treasury shares		(11,140)	(11,140)
Revaluation reserve		12,931	12,931
Retained profits		131,143	130,774
Shareholder's equity		208,469	208,100
Non-controlling interests		(475)	(451)
Total equity		207,994	207,649



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	(Unaudited) As at 31/03/2023 RM'000	(Audited) As at 31/12/2022 RM'000
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		822	4,709
Right-of-use lease liabilities		1,895	1,895
Bank borrowings		5,964	6,226
Deferred tax liabilities		3,328	3,328
		<u>12,009</u>	<u>16,158</u>
Current liabilities			
Trade and other payables		107,158	107,856
Finance lease liabilities		523	908
Right-of-use lease liabilities		725	725
Bank borrowings		5,285	6,038
Provision for taxation		1,059	3,699
		<u>114,750</u>	<u>119,226</u>
Liabilities included in disposal group classified as held for sale		5,887	5,807
		<u>120,637</u>	<u>125,033</u>
Total liabilities		<u>132,646</u>	<u>141,191</u>
Total equity and liabilities		<u>340,640</u>	<u>348,840</u>
Net assets per share (RM)		0.92	0.91

Notes:

- 1 The fluctuation in term of cash and bank balances amounted to approximately RM50 million was mainly due to new placement of fixed deposits with licensed banks, which took place in Q1 FY2023.

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 2022 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 FOURTH QUARTER ENDED 31 MARCH 2023**

	Attributable to owners of the parent										
	Share Capital	Treasury Shares	Non-Distributable				Distributable		Subtotal	Non-controlling interests	Total Equity
			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 2023	75,535	(11,140)	12,931	-	-	-	-	130,774	208,100	(451)	207,649
Prior year adjustment	-	-	-	-	-	-	-	36	36	-	36
At 1 January 2023 (Adjusted)	75,535	(11,140)	12,931	-	-	-	-	130,810	208,136	(451)	207,685
Profit for the financial year	-	-	-	-	-	-	-	333	333	(19)	314
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	-	-	333	333	(19)	314
<i>Contributions by and distributions to owners of the Company</i>											
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	(5)	(5)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	(5)	(5)
At 31 March 2023	75,535	(11,140)	12,931	-	-	-	-	131,143	208,469	(475)	207,994
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 year	-	-	-	-	-	-	-	4,058	4,058	486	4,544
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-
- Fair value on quoted investment	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	39	-	39	39	39	78
Total comprehensive income for the financial year	-	-	-	-	-	39	-	4,058	4,097	525	4,622
<i>Contributions by and distributions to owners of the Company</i>											
Proceed from issuance of Private Placement	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(2,026)	-	-	-	-	-	-	(2,026)	-	(2,026)
Total transactions with owners of the Company	-	(2,026)	-	-	-	-	-	-	(2,026)	-	(2,026)
At 31 March 2022	75,395	(11,140)	6,199	(10,103)	13,586	(646)	-	74,238	147,529	9,589	157,118

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 2022 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 MARCH 2023

	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	1,483	6,250
- Discontinued operations	(162)	(146)
	1,321	6,104
Adjustments for non-cash items:		
Depreciation of investment properties	1	1
Depreciation of property, plant and equipment	729	1,241
- Continuing operations	728	1,221
- Discontinued operations	1	20
Amortisation of intangible assets	-	17
- Continuing operations	-	-
- Discontinued operations	-	17
Amortisation of right-of-use assets	17	-
- Continuing operations	-	-
- Discontinued operations	17	-
Finance costs	515	657
- Continuing operations	331	657
- Discontinued operations	184	-
Interest income	(676)	(8)
Share of results of an associate	3,286	438
Unrealised loss on foreign exchange	-	(88)
Operating profit before working capital changes	5,193	8,362
Changes in working capital		
Inventories	(1,585)	(10,834)
Receivables	(6,282)	(5,284)
Payables	(585)	6,763
Contract customers	(239)	1
Cash used in operations	(3,498)	(992)
Income tax paid	(2,354)	(811)
Net cash used in operating activities	(5,852)	(1,803)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(837)	(1,182)
Acquisition of investment in associate	(2,981)	(1,909)
Interest received	676	8
Proceed from disposal of other investment	-	1
Net cash used in investing activities	(3,142)	(3,082)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(515)	(657)
Purchase of treasury shares	-	(2,027)
(Repayment)/Proceeds from bankers acceptance	(2,307)	3,373
Net change of trade financing	1,543	-
Repayment of term loans	(252)	(1,181)
Repayment of finance lease liabilities	(4,473)	(277)
Net cash used in financing activities	(6,004)	(769)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(14,998)	(5,654)
Effect of exchange translation differences on cash and cash equivalents	-	(196)
Cash and cash equivalents at the beginning of the financial period	116,848	33,583
Cash and cash equivalents at the end of the financial period	101,850	27,733
Note: <u>Cash and cash equivalents at the end of the financial period comprises:</u>		
Fixed deposits with licensed banks	52,597	2,108
Cash and bank balances	51,407	27,733
- Continuing operations	51,227	27,691
- Discontinued operations	180	42
	104,004	29,841
Fixed deposits pledged	(2,154)	(2,108)
	101,850	27,733

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 2022 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 FIRST QUARTER ENDED 31 MARCH 2023**

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 2022. 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 2022.

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 2022 except for those standard, amendments and IC interpretation that had become effective 1 January 2023 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 31 March 2023 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 FIRST QUARTER ENDED 31 MARCH 2023**

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 3 months ended 31 March 2023

3 months ended 31 March 2023

	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	-	34,999	-	-	-	31,539	-	66,538	-	66,538
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
	-	34,999	-	-	-	31,539	-	66,538	-	66,538
Segmental results										
Finance costs	(342)	5,120	-	-	(127)	(227)	-	4,424	(162)	4,262
Interest income	150	512	-	-	(56)	(227)	-	(331)	-	(331)
Share of results of an associate	-	-	-	-	-	14	-	676	-	676
	(3,286)	-	-	-	-	-	-	(3,286)	-	(3,286)
Profit/(Loss) before Tax										
Taxation	(3,478)	5,584	-	-	(183)	(440)	-	1,483	(162)	1,321
								(1,007)	-	(1,007)
Profit/(Loss) for the period										
								476	(162)	314

Segmental reporting for the 3 months ended 31 March 2022

3 months ended 31 March 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	-	25,584	-	50,271	-	20,955	-	96,810	95	96,904
Inter-company	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
	-	25,584	-	50,271	-	20,955	-	96,810	95	96,904
Segmental results										
Finance costs	(169)	7,291	-	1,730	(179)	(1,210)	(125)	7,337	(146)	7,191
Interest income	(428)	(121)	-	-	(46)	(61)	-	(657)	-	(657)
Share of results of an associate	-	8	-	-	-	-	-	8	-	8
	(438)	-	-	-	-	-	-	(438)	-	(438)
Profit/(Loss) before Tax										
Taxation	(1,035)	7,178	-	1,730	(225)	(1,272)	(125)	6,251	(146)	6,104
								(1,560)	-	(1,560)
Profit/(Loss) for the period										
								4,690	(146)	4,544



A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation 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	6,000
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	7,500

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 (3 months ended)		
	31/03/2023 RM '000	31/03/2022 RM '000	Changes %	31/03/2023 RM '000	31/03/2022 RM '000	Changes %
Revenue						
- Continuing operations	66,538	96,810	(31.3)	66,538	96,810	(31.3)
- Discontinued operation	-	-	-	-	-	-
	<u>66,538</u>	<u>96,810</u>	(31.3)	<u>66,538</u>	<u>96,810</u>	(31.3)
Operating profit	4,424	7,337	(39.7)	4,424	7,337	(39.7)
Profit before interest and tax	1,138	6,899	(83.5)	1,138	6,899	(83.5)
Profit before tax (PBT)						
- Continuing operations	1,483	6,250	(76.3)	1,483	6,250	(76.3)
- Discontinued operation	(162)	(146)	11.0	(162)	(146)	11.0
	<u>1,321</u>	<u>6,104</u>	(78.4)	<u>1,321</u>	<u>6,104</u>	(78.4)
Profit after tax (PAT)						
- Continuing operations	476	4,690	(89.9)	476	4,690	(89.9)
- Discontinued operation	(162)	(146)	11.0	(162)	(146)	11.0
	<u>314</u>	<u>4,544</u>	(93.1)	<u>314</u>	<u>4,544</u>	(93.1)
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	495	4,204	(88.2)	495	4,204	(88.2)
- Discontinued operation	(162)	(146)	11.0	(162)	(146)	11.0
	<u>333</u>	<u>4,058</u>	(91.8)	<u>333</u>	<u>4,058</u>	(91.8)

For the current quarter under review, the Group posted a 31.3% decrease in revenue from RM96.81 million a year earlier to RM66.54 million. Profit Before Tax (“PBT”) decrease 76.3% from RM6.25 million to RM1.48 million a year earlier. The decrease in revenue and PBT was mainly due to the disposal of a subsidiary in Indonesia, PT. Serdang Jaya Perdana, and the share of loss in associate. The performance review by segments is as follows:

Manufacturing division’s revenue and PBT were recorded at RM35.00 million and RM5.58 million respectively in the current quarter as compared with RM25.58 million and RM7.18 million recorded in prior year’s corresponding quarter.

The higher revenue was mainly due to the increase in project completion. Lower PBT was impacted by the elevated raw material costs and labour cost.

Oil milling division has zero revenue and PBT in current quarter under review as compared to the same period last year due to the disposal of PT. Serdang Jaya Perdana.



Plantation division registered a Loss before Tax (“LBT”) of RM0.18 million (2022: RM0.23 million). The unfavorable result was mainly due to the durian plantation is still immature and therefore no revenue is generated.

Automotive division’s revenue and LBT stood at RM31.54 million and RM0.44 million respectively as compared with RM20.96 million and RM1.27 million recorded in the same period last year. The increase in revenue was mainly driven by the increase in demand, especially Persona and Saga models. A lower LBT of RM0.44 million was registered, although recording a higher revenue. This is mainly due to the varying profit margins for different models.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER’S RESULT

	Current Quarter	Immediate Preceding Quarter	Changes
	31/03/2023	31/12/2022	%
	RM '000	RM '000	
Revenue			
- Continuing operations	66,538	67,804	(1.9)
- Discontinued operation	-	-	-
	66,538	67,804	(1.9)
Operating profit			
- Continuing operations	4,424	5,265	(16.0)
- Discontinued operation	-	-	-
	4,424	5,265	(16.0)
Share of results of associate	(3,286)	(44)	7,368.2
Profit before interest and tax	1,138	5,221	(78.2)
Profit before tax (PBT)			
- Continuing operations	1,483	4,589	(67.7)
- Discontinued operation	(162)	(663)	(75.6)
	1,321	3,926	(66.4)
Profit after tax (PAT)			
- Continuing operations	476	(1,874)	(125.4)
- Discontinued operation	(162)	(663)	(75.6)
	314	(2,537)	(112.4)
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	495	5,608	(91.2)
- Discontinued operation	(162)	(663)	(75.6)
	333	4,945	(93.3)

For the current quarter under review, revenue and PBT of the Group were recorded at RM66.54 million and RM1.48 million as compared to immediate preceding quarter of RM67.80 million and RM4.59 million, respectively. Generally, the decrease in revenue and PBT as compared to immediate preceding quarter was mainly due to the disposal of a subsidiary in Indonesia, PT. Serdang Jaya Perdana, and the share of loss in associate.



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 be able to achieve satisfactory results mainly driven by the manufacturing division for the financial year ending 31 December 2023.

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 period	(1,007)	(1,007)
	<u>(1,007)</u>	<u>(1,007)</u>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year.

B6. STATUS OF CORPORATE PROPOSALS

The Company did not enter into any material contracts with any directors or substantial shareholders of the Company nor any persons connected to a directors or major shareholders of the Company during the financial year except the following:

A. Proposed Bonus Issue of Warrants-B (the "Proposal")

On 20 January 2023, the Company proposes to undertake a bonus issue of 113,767,950 warrants ("Warrant(s)-B") on the basis of 1 Warrant B for every 2 existing ordinary shares in the MBL ("MBL Share(s)" or the "Share(s)") held by the shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined later ("Entitlement Date") ("Entitled Shareholder(s)") ("Proposed Bonus Issue of Warrants-B" or the "Proposal").

B. Proposed Establishment of an Employees' Share Option Scheme ("ESOS")

The Company has a share grant plan ("SGP") which was approved by its shareholders on 14 June 2013. As of 21 February 2023, being the latest practicable date prior to the date of this announcement ("LPD"), there were no outstanding and unexercised MBL Shares granted under SGP. The board had decided not to extend the existing SGP and that it will be terminated upon obtaining the shareholders' approval for the Proposed ESOS at an extraordinary general meeting ("EGM") to be convened.

On 16 March 2023, the Company submitted an additional listing application to Bursa Securities for combination of new issue of securities in relation to both Proposed Bonus Issue of Warrants-B and Proposed ESOS.



On 27 April 2023, Bursa Securities has resolved to approve the following:

- (a) Admission to the Official List and listing and quotation for 113,767,950 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (b) Listing of and quotation for 113,767,950 new ordinary shares in MBL to be issued arising from the exercised of the Warrants; and
- (c) Listing of and quotation for such number of additional new ordinary shares in MBL representing up to 15% of the total number of issued shares of MBL to be issued pursuant to the Proposed ESOS.

On 8 May 2023 and 9 May 2023, Notice of Extraordinary General Meeting (“EGM”) and Circular to shareholders in relation to the abovementioned has been submitted and announced on the Bursa Malaysia (“BURSA”)’s website, respectively. Both the Notice of EGM and Circular to shareholders are made available on both the MBL and BURSA’s website.

The above corporate proposals are currently pending for shareholder’s approval at the EGM which has been fixed on the date of 25 May 2023.

C. Incorporation of New Subsidiary Company - PT. Muar Ban Lee Engineering (“PT. MBLE”)

On 11 May 2023, the Company announce that Muar Ban Lee Engineering Sdn. Bhd. (“MBLE”) and Muar Ban Lee Technology Sdn. Bhd. (“MBLT”), both of which are subsidiary companies of MBL had incorporated a 100%-owned subsidiary in Indonesia known as PT. Muar Ban Lee Engineering (“PT. MBLE”) (“Incorporation”).

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group’s borrowings as at 31 March 2023 and 31 March 2022 are as follows:

	As at First Quarter ended 2023					
	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	-	5,964	-	753	-	6,717
- Bankers acceptance	-	-	-	1	-	1
- Trade Financing	-	-	-	4,531	-	4,531
Total	-	5,964	-	5,285	-	11,249

	As at First 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	-	46,884	-	10,235	-	57,119
- Bankers acceptance	-	-	-	10,021	-	10,021
- Trade Financing	-	-	-	-	-	-
Total	-	46,884	-	20,256	-	67,140



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

	(Unaudited) 2023 %	(Audited) 2022 %
Term loans	3.27 - 4.88	3.27 - 4.88
Bankers acceptance	3.56	3.56
Trade Financing	4.55 - 4.58	3.95 - 4.58

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 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;
- 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;



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- (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.

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.

On 9 December 2022, MBLPSB's solicitor had updated the Company that the Court has rescheduled the hearing date for the stay application from 15 December 2022 to 6 January 2023.

On 6 January 2023, MBLPSB's solicitor had updated the Company on the outcome of hearing for the stay application on 6 January 2023. Plaintiff's application for Stay (Enclosure 50) has been dismissed by the Court with costs of RM5,000.00 to be paid by the Plaintiff to MBLPSB.

On 13 February 2023, MBLPSB's solicitor had updated the Company that the Court of Appeal has fixed the hearing date for both Motions (Enclosure 13 for Fresh Evidence and Enclosure 16 for Stay) on 9 May 2023.

On 10 May 2023, MBLPSB's solicitor had updated the Company that the hearing date of both Motions (Enclosure 13 for Fresh Evidence and Enclosure 16 for Stay) at the Court of Appeal, originally scheduled to proceed on 9 May 2023, has been postponed. A new hearing date will be fixed by the Court of Appeal.

On 23 May 2023, MBLPSB's solicitor had updated the Company that the hearing date of both Motions (Enclosure 13 for Fresh Evidence and Enclosure 16 for Stay) have now been fixed on 20 June 2023. The Hearing of the Appeal (Enclosure 1) which was originally fixed on 20 June 2023, has now been rescheduled to 14 August 2023.



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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.

On 7 December 2022, MBL’s solicitors had updated the Company that the Court has rescheduled the hearing date from 7 December 2022 to 6 January 2023.

On 6 January 2023, MBL’s solicitors had updated the Company on the outcome of Hearing held on 6 January 2023, Plaintiff’s application pursuant to the Originating Summons (Enclosure 1) has been dismissed by the Court with costs of RM10,000.00 to be paid by the Plaintiff to MBL. The last date for Jingshi Holdings (M) Sdn Bhd to file an appeal against the said decision to the Court of Appeal expires 30 days from 6 January 2023, and up until the expiry date, neither MBL nor its solicitors has been served with any Notice of Appeal.

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	495	495
- Discontinued operation	(162)	(162)
	<u>333</u>	<u>333</u>
Weighted average number of ordinary shares (000)	227,536	227,536
Basic EPS (Sen)		
- Continuing operations	0.22	0.22
- Discontinued operation	(0.07)	(0.07)
	<u>0.15</u>	<u>0.15</u>
b) <u>Diluted EPS</u>	N/A	N/A

The Group has no potential equity instruments in issue as at the reporting date and therefore, diluted earnings per share have not been presented.

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	(676)	(676)
Interest expense	331	331
Depreciation and amortization	747	747
Foreign exchange gain	(374)	(374)



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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 30 May 2023.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar