



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Individual Quarter		Cumulative Quarter	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Revenue	74,582	134,599	209,216	325,021
Cost of sales	(54,301)	(109,249)	(161,190)	(266,389)
Gross profit	20,281	25,350	48,026	58,632
Other income	84	830	1,539	2,329
Depreciation and amortisation	(502)	(944)	(1,515)	(2,782)
Distribution and administrative expenses	(9,628)	(8,408)	(28,495)	(24,271)
Operating profit	10,235	16,828	19,555	33,908
Interest Income	487	337	1,716	381
Interest expenses	(106)	(655)	(550)	(1,966)
Loss on derecognition of associate	1 (2,706)	-	(2,706)	-
Share of results of an associate	2 -	(1,217)	(3,448)	(2,734)
Profit before taxation	7,910	15,293	14,567	29,589
Taxation	(2,926)	(5,323)	(6,037)	(7,951)
Profit for the continuing operations	4,984	9,970	8,530	21,638
Discontinued operation				
Loss from discontinued operation, net of tax	(158)	(63)	(485)	(370)
Profit for the financial period	4,826	9,907	8,045	21,268
Other comprehensive income/(loss), net of tax	3 147	652	227	946
Total comprehensive income for the financial period	4,973	10,559	8,272	22,214
Profit attributable to:				
Owners of the parent - continuing operation	5,016	9,142	8,641	20,428
- discontinued operation	(158)	(63)	(485)	(370)
	4,858	9,079	8,156	20,058
Non-controlling interests	(32)	828	(111)	1,210
Profit for the financial period	4,826	9,907	8,045	21,268
Total comprehensive income attributable to:				
Owners of the parent - continuing operation	5,163	9,475	8,868	20,910
- discontinued operation	(158)	(63)	(485)	(370)
	5,005	9,412	8,383	20,540
Non-controlling interests	(32)	1,147	(111)	1,674
Total comprehensive income for the financial period	4,973	10,559	8,272	22,214
Earnings per share (sen)				
Basic - continuing operation	2.20	4.01	3.80	8.88
- discontinued operation	(0.07)	(0.03)	(0.21)	(0.16)
	2.13	3.98	3.59	8.72
Diluted - continuing operation	2.20	3.95	3.80	8.73
- discontinued operation	(0.07)	(0.03)	(0.21)	(0.16)
	2.13	3.92	3.59	8.57

Notes:

- 1 Loss on derecognition of associate was mainly derived from the reclassification of investment in Symphony Life Berhad ("Symlife") from investment in associate to other investment.
- 2 MBL is no longer having significant influence over the management of Symlife. Therefore, MBL shall cease from sharing the results of Symlife using equity-accounting method during the current quarter under review.
- 3 The other comprehensive income ("OCI") was consists of the net change in fair value on quoted investment and currency translation differences arising from consolidation 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 30 SEPTEMBER 2023

		(Unaudited) As at 30/09/2023 RM'000	(Audited) As at 31/12/2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		67,733	62,142
Investment properties		616	620
Intangible assets		409	409
Right of use assets		2,413	2,413
Investment in associates	1	-	18,779
Other investment	2	36,551	-
		107,722	84,363
Current assets			
Inventories		39,068	45,007
Trade and other receivables		76,583	47,199
Amount owing from contract customers		23,799	19,851
Tax recoverable		10,728	4,177
Fixed deposits with licensed banks	3	32,852	2,155
Cash and bank balances	3	33,768	116,606
		216,798	234,995
Assets included in disposal group classified as held for sale		29,313	29,482
		246,111	264,477
Total assets		353,833	348,840
EQUITY AND LIABILITIES			
Equity			
Share capital		75,535	75,535
Treasury shares		(11,140)	(11,140)
Revaluation reserve		12,931	12,931
Foreign currency translation reserve		70	-
Fair value adjustment reserve		157	-
Retained profits		138,930	130,774
Shareholder's equity		216,483	208,100
Non-controlling interests		(567)	(451)
Total equity		215,916	207,649



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	(Unaudited) As at 30/09/2023 RM'000	(Audited) As at 31/12/2022 RM'000
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	633	4,709
Right-of-use lease liabilities	1,895	1,895
Bank borrowings	4,230	6,226
Deferred tax liabilities	3,328	3,328
	10,086	16,158
Current liabilities		
Trade and other payables	113,503	107,856
Finance lease liabilities	492	908
Right-of-use lease liabilities	725	725
Bank borrowings	1,977	6,038
Provision for taxation	5,423	3,699
	122,120	119,226
Liabilities included in disposal group classified as held for sale	5,711	5,807
	127,831	125,033
Total liabilities	137,917	141,191
Total equity and liabilities	353,833	348,840
Net assets per share (RM)	0.95	0.91

Notes:

- 1 Due to MBL no longer having significant influence over Symphony Life Berhad ("Symlife"), the investment in Symlife has now been reclassified from "Investment in Associates" to "Other Investment".
- 2 Company had on 29 September 2023 acquired 67,000,000 ordinary shares representing 24.36% equity interest in SWS Capital Berhad ("SWS").
- 3 The decrease in cash and bank balances was mainly due to cash utilisation for the acquisition of 67,000,000 ordinary shares in SWS and placement of fixed deposits with licensed banks.

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))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Attributable to owners of the parent												
	Share Capital	Treasury Shares	Revaluation Reserve	Discount On Shares	Non-Distributable			Foreign Currency Translation Reserve	Fair Value Adjustment Reserve	Distributable Retained Profits	Subtotal	Non-controlling interests	Total Equity
					Warrant Reserves	Other Reserve	RM						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	75,535	(11,140)	12,931	-	-	-	-	-	-	130,774	208,100	(451)	207,649
Profit for the financial year	-	-	-	-	-	-	-	-	-	8,156	8,156	(111)	8,045
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	-	-	157	-	157	-	157
- Forex Translation Difference	-	-	-	-	-	-	70	-	-	-	70	-	70
Total comprehensive income for the financial period	-	-	-	-	-	-	70	-	157	8,156	8,383	(111)	8,272
<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 30 September 2023	75,535	(11,140)	12,931	-	-	-	70	-	157	138,930	216,483	(567)	215,916
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	-	-	-	-	-	-	-	-	-	20,058	20,058	1,210	21,268
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	482	-	-	-	482	464	946
Total comprehensive income for the financial period	-	-	-	-	-	-	482	-	-	20,058	20,540	1,674	22,214
<i>Contributions by and distributions to owners of the Company</i>	139	-	-	45	(60)	-	-	-	-	-	124	-	124
Proceed from conversion of warrants	-	(2,026)	-	-	-	-	-	-	-	-	(2,026)	-	(2,026)
Purchase of treasury shares	139	(2,026)	-	45	(60)	-	-	-	-	-	(1,902)	-	(1,902)
Total transactions with owners of the Company	278	(2,026)	6,199	(10,058)	13,526	(203)	-	-	-	90,238	164,096	10,738	174,834
At 30 September 2022	75,534	(11,140)	6,199	(10,058)	13,526	(203)	-	-	-	90,238	164,096	10,738	174,834

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Current Year To-date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	14,567	29,589
- Discontinued operations	(485)	(370)
	14,082	29,219
Adjustments for non-cash items:		
Depreciation of investment properties	4	4
Depreciation of property, plant and equipment	2,207	3,488
- Continuing operations	2,204	3,439
- Discontinued operations	3	49
Amortisation of intangible assets	-	51
- Continuing operations	-	-
- Discontinued operations	-	51
Amortisation of right-of-use assets	51	-
- Continuing operations	-	-
- Discontinued operations	51	-
Finance costs	791	1,966
- Continuing operations	550	1,966
- Discontinued operations	241	-
Fixed assets written off	-	2
Gain on disposal of property, plant & equipment	(4)	(94)
Gain on disposal of investment in associate	(754)	-
Loss on derecognition of associate	2,706	-
Interest income	(1,716)	(381)
Share of results of an associate	3,448	2,734
Unrealised loss on foreign exchange	-	(384)
Operating profit before working capital changes	20,815	36,605
Changes in working capital		
Inventories	5,939	(12,855)
Receivables	(29,392)	(19,558)
Payables	5,545	6,028
Contract customers	(3,948)	4,001
Cash from operations	(1,041)	14,221
Income tax paid	(10,863)	(3,491)
Net cash (used in)/generated from operating activities	(11,904)	10,730



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Current Year To-date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,596)	(4,736)
Acquisition of investment in associate	(2,981)	(1,909)
Acquisition of other investment	(25,558)	-
Interest received	1,716	381
Proceed from disposal of other investment	-	1
Proceeds from disposal of property, plant and equipment	4	105
Proceed from disposal of investment in associate	5,525	-
Net cash used in investing activities	(28,890)	(6,158)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(791)	(1,966)
Purchase of treasury shares	-	(2,027)
Proceed from conversion of warrant to share capital	-	124
Withdrawal/(Placemnt) of pledged fixed deposits (Repayment)/Proceeds from bankers acceptance	2,155	(35)
Net change of trade financing	(1,407)	5,253
Repayment of term loans	(2,343)	(7,282)
Repayment of finance lease liabilities	(4,692)	(821)
Net cash used in financing activities	(9,386)	(7,483)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(50,180)	(2,911)
Effect of exchange translation differences on cash and cash equivalents	71	227
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	66,739	30,899
Note: <u>Cash and cash equivalents at the end of the financial period comprises:</u>		
Fixed deposits with licensed banks	32,852	2,142
Cash and bank balances	33,887	30,899
- Continuing operations	33,768	30,819
- Discontinued operations	119	80
	66,739	33,041
Fixed deposits pledged	-	(2,142)
	66,739	30,899

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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 2023

9 months ended 30 September 2023

	Investment Holding RM '000	Manu- facturing RM '000	Oil Milling RM '000	Plantation RM '000	Automotive RM '000	Trading RM '000	Elimination RM '000	Consolidated (Continuing) RM '000	Plantation (Discontinued) RM '000	Consolidated (Total) RM '000
Revenue										
External sales	-	120,614	-	-	88,364	238	-	209,216	-	209,216
Inter-company	-	6,037	-	-	167	-	(6,205)	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
	-	126,652	-	-	88,531	238	(6,205)	209,216	-	209,216
Segmental results	(841)	27,186	-	(425)	(503)	(87)	(5,775)	19,555	(485)	19,070
Finance costs	-	(110)	-	(171)	(269)	-	-	(550)	-	(550)
Interest income	214	1,462	-	-	40	-	-	1,716	-	1,716
Share of results of an associate	(3,448)	-	-	-	-	-	-	(3,448)	-	(3,448)
Net changes in fair value thru profit & loss	(2,357)	(349)	-	-	-	-	-	(2,706)	-	(2,706)
Profit/(Loss) before Tax	(6,432)	28,189	-	(596)	(732)	(87)	(5,775)	14,567	(485)	14,082
Taxation	-	-	-	-	-	-	-	(6,037)	-	(6,037)
Profit/(Loss) for the period								8,530	(485)	8,045

Segmental reporting for the 9 months ended 30 September 2022

9 months ended 30 September 2022

	Investment Holding RM '000	Manu- facturing RM '000	Oil Milling RM '000	Plantation RM '000	Automotive RM '000	Trading RM '000	Elimination RM '000	Consolidated (Continuing) RM '000	Plantation (Discontinued) RM '000	Consolidated (Total) 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	(4,729)	31,494	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



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, except the incorporation of a new subsidiary in Indonesia, PT. Muar Ban Lee Engineering, and reclassification of investment in Symphony Life Berhad from investment in associate to other investment as a result of no longer having significant influence over the associate.

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)		
	30/09/2023 RM '000	30/09/2022 RM '000	Changes %	30/09/2023 RM '000	30/09/2022 RM '000	Changes %
Revenue						
- Continuing operations	74,582	134,599	(44.6)	209,216	325,021	(35.6)
- Discontinued operation	-	-	-	-	-	-
	<u>74,582</u>	<u>134,599</u>	<u>(44.6)</u>	<u>209,216</u>	<u>325,021</u>	<u>(35.6)</u>
Operating profit	7,529	16,828	(55.3)	16,849	33,908	(50.3)
Profit before interest and tax	7,529	15,611	(51.8)	13,401	31,174	(57.0)
Profit before tax (PBT)						
- Continuing operations	7,910	15,293	(48.3)	14,567	29,589	(50.8)
- Discontinued operation	(158)	(63)	150.8	(485)	(370)	31.1
	<u>7,752</u>	<u>15,230</u>	<u>(49.1)</u>	<u>14,082</u>	<u>29,219</u>	<u>(51.8)</u>
Profit after tax (PAT)						
- Continuing operations	4,984	9,970	(50.0)	8,530	21,638	(60.6)
- Discontinued operation	(158)	(63)	150.8	(485)	(370)	31.1
	<u>4,826</u>	<u>9,907</u>	<u>(51.3)</u>	<u>8,045</u>	<u>21,268</u>	<u>(62.2)</u>
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	5,016	9,142	(45.1)	8,641	20,428	(57.7)
- Discontinued operation	(158)	(63)	150.8	(485)	(370)	31.1
	<u>4,858</u>	<u>9,079</u>	<u>(46.5)</u>	<u>8,156</u>	<u>20,058</u>	<u>(59.3)</u>

For the current quarter under review, the Group posted a 44.6% decrease in revenue from RM134.60 million a year earlier to RM74.58 million. Profit Before Tax (“PBT”) decreased 48.3% from RM15.29 million to RM7.91 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. The performance review by segments is as follows:

Manufacturing division’s revenue and PBT were recorded at RM51.97 million and RM16.83 million respectively in the current quarter as compared with RM51.54 million and RM14.51 million recorded in prior year’s corresponding quarter. The higher revenue and PBT were mainly due to the increase in project completion.

Oil milling division has disposed off during last financial year.

Plantation division registered a Loss before Tax (“LBT”) of RM0.20 million (2022: RM0.17 million). The unfavorable result was mainly due to the durian plantation is still immature and therefore no revenue is generated.



Automotive division's revenue stood at RM28.18 as compared with RM34.97 million recorded in the same period last year but LBT of RM0.13 million recorded in the current quarter compared with PBT of RM0.07 million last year. The decrease in revenue and profit was mainly driven by the drop in demand for x-series models.

Trading division posted a LBT of RM0.06 million during the current quarter under review. The LBT was mainly incurred from the newly incorporated subsidiary in Indonesia, PT. Muar Ban Lee Engineering.

For the cumulative nine months period under review, the Group's revenue decreased by 35.6% to RM209.22 million, while Profit Before Tax ("PBT") decreased by 50.8% to RM14.57 million as compared to the preceding year's corresponding quarter. Generally, the drop in revenue and PBT was mainly due to the disposal of a subsidiary in Indonesia, PT. Serdang Jaya Perdana.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter 30/09/2023 RM '000	Immediate Preceding Quarter 30/06/2023 RM '000	Changes %
Revenue			
- Continuing operations	74,582	68,096	9.5
- Discontinued operation	-	-	-
	<u>74,582</u>	<u>68,096</u>	9.5
Operating profit			
- Continuing operations	7,529	4,894	53.8
- Discontinued operation	-	-	-
	<u>7,529</u>	<u>4,894</u>	53.8
Share of results of associate	-	(162)	(100.0)
Profit before interest and tax	7,529	4,732	59.1
Profit before tax (PBT)			
- Continuing operations	7,910	5,172	52.9
- Discontinued operation	(158)	(165)	(4.2)
	<u>7,752</u>	<u>5,007</u>	54.8
Profit after tax (PAT)			
- Continuing operations	4,984	3,068	62.5
- Discontinued operation	(158)	(165)	(4.2)
	<u>4,826</u>	<u>2,903</u>	66.2
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	5,016	3,128	60.4
- Discontinued operation	(158)	(165)	(4.2)
	<u>4,858</u>	<u>2,963</u>	64.0



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For the current quarter under review, revenue and PBT of the Group were recorded at RM74.58 million and RM7.91 million as compared to immediate preceding quarter of RM68.10 million and RM5.17 million, respectively. Generally, the increase in revenue and PBT as compared to immediate preceding quarter was mainly due to the favorable result generated by manufacturing division.

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	(2,926)	(6,037)
	<u>(2,926)</u>	<u>(6,037)</u>

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

The effective tax rate of the Group is higher than the statutory tax rate was mainly due to the losses in the associate company and subsidiary as well as the non-deductible expenses.

B6. STATUS OF CORPORATE PROPOSALS

There is no new corporate proposal during the quarter ended 30 September 2023.



B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 September 2023 and 30 September 2022 are as follows:

	As at Third 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	-	4,230	-	397	-	4,627
- Bankers acceptance	-	-	-	-	-	-
- Trade Financing	-	-	-	1,580	-	1,580
Total	-	4,230	-	1,977	-	6,207

	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

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 - 5.38	3.27 - 4.88
Bankers acceptance	-	3.56
Trade Financing	4.30 - 4.59	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

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.

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.

On 20 June 2023, MBLPSB's solicitor had updated the Company that in respect of Enclosure 13 (Motion for Fresh Evidence), the Court allowed the Appellant to adduce and rely on the Letter dated 27 November 2022 from Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan to be used and argued in the Main Appeal, and the Court also allowed the Respondent to adduce and rely on its solicitor letters dated 14 December 2022 and 18 January 2023. The Appellant shall file a Supplemental Record of Appeal in 14 days to include the 3 letters. Costs in the cause.

In respect of Enclosure 16 (Motion for Stay), the Court of Appeal ordered that the Appellant pay the sum of RM1.1 million being the balance purchase price to the Respondents' solicitors as stakeholders within 21 days from today (20 June 2023) and to be held as stakeholders pending the disposal of the Appellant's main appeal.

On 14 August 2023, MBLPSB's solicitor had updated the Company on the outcome of Hearing of the Appeal (Enclosure 1) held on 14 August 2023. The Court of Appeal was of the opinion that the Letter from Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan dated 27 November 2022 raised a triable issue, both parties have to go back to the High Court for full trial in respect of the case. The Appeal was allowed with costs in the cause.



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On 15 September 2023, MBLPSB's solicitor had updated the Company that pursuant to the Case management held on 14 September 2023 and the Court has fixed the hearing on 21 November 2023 before YA Tuan Quay Chew Soon.

On 21 November 2023, MBLPSB's solicitor had updated the Company on the outcome of Hearing held on 21 November 2023. The Court decided to allow the amendment limited to the inclusion of 2 Paragraphs (Para 21 & 22), and all other proposed amendments were dismissed. Costs in the cause.

Further directions given are as follows: -

- (a) Plaintiff to file their Amendment Statement of Claim within 5 days. Defendants be given leave to amend their Defence and Counterclaim within 14 days thereafter.
- (b) The next e-review date is fixed on 11 December 2023.
- (c) The Full Trial of this case is fixed on 12 June 2024 to 14 June 2024.
- (d) Any interlocutory applications are to be filed within 3 weeks' time.

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) Basic EPS		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	5,016	8,641
- Discontinued operation	(158)	(485)
	<u>4,858</u>	<u>8,156</u>
Weighted average number of ordinary shares (000)	227,536	227,536
Basic EPS (Sen)		
- Continuing operations	2.20	3.80
- Discontinued operation	(0.07)	(0.21)
	<u>2.13</u>	<u>3.59</u>



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	Current Quarter RM '000	Current YTD RM '000
b) <u>Diluted EPS</u>		
Profit attributable to ordinary shareholders of the Company		
- Continuing operations	5,016	8,641
- Discontinued operation	(158)	(485)
	<u>4,858</u>	<u>8,156</u>
Weighted average number of ordinary shares (000)	227,536	227,536
Basic EPS (Sen)		
- Continuing operations	2.20	3.80
- Discontinued operation	(0.07)	(0.21)
	<u>2.13</u>	<u>3.59</u>

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

B13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter RM '000	Current YTD RM '000
Profit before tax is arrived at after (crediting)/charging:		
Interest income	(487)	(1,716)
Other income	(402)	(1,030)
Interest expense	106	550
Depreciation and amortization	751	2,262
Gain on disposal of quoted investments	-	(754)
Gain on disposal of property, plant and equipment	-	(4)
Foreign exchange loss	321	237

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 2023.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
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