



MUAR BAN LEE GROUP BERHAD

(Company No.200601033829 (753588-P))

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR SECOND QUARTER ENDED 30 JUNE 2024



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Note	Individual Quarter		Cumulative Quarter	
		30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Revenue		46,365	68,096	107,233	134,634
Cost of sales		(32,550)	(53,694)	(74,619)	(106,889)
Gross profit		13,815	14,402	32,614	27,745
Other income	1	10,422	686	10,404	1,455
Depreciation and amortisation		(944)	(516)	(1,815)	(1,013)
Distribution and administrative expenses		(7,766)	(9,678)	(19,187)	(18,869)
Operating profit		15,527	4,894	22,016	9,318
Interest Income		49	553	213	1,229
Interest expenses		(138)	(113)	(278)	(444)
Share of results of an associate		(488)	(162)	(427)	(3,448)
Profit before taxation		14,950	5,172	21,524	6,655
Taxation		(1,922)	(2,104)	(4,247)	(3,111)
Profit for the continuing operations		13,028	3,068	17,277	3,544
Discontinued operation					
Loss from discontinued operation, net of tax		(140)	(165)	(299)	(327)
Profit for the financial period		12,888	2,903	16,978	3,217
Other comprehensive income/(loss), net of tax	2	(2,284)	80	(2,293)	80
Total comprehensive income for the financial period		10,604	2,983	14,685	3,297
Profit attributable to:					
Owners of the parent - continuing operation		13,117	3,128	17,438	3,623
- discontinued operation		(140)	(165)	(299)	(327)
		12,977	2,963	17,139	3,296
Non-controlling interests		(89)	(60)	(161)	(79)
Profit for the financial period		12,888	2,903	16,978	3,217
Total comprehensive income attributable to:					
Owners of the parent - continuing operation		10,833	3,208	15,145	3,703
- discontinued operation		(140)	(165)	(299)	(327)
		10,693	3,043	14,846	3,376
Non-controlling interests		(89)	(60)	(161)	(79)
Total comprehensive income for the financial period		10,604	2,983	14,685	3,297
Earnings per share (sen)					
Basic - continuing operation		5.76	1.37	7.66	1.59
- discontinued operation		(0.06)	(0.07)	(0.13)	(0.14)
		5.70	1.30	7.53	1.45
Diluted - continuing operation		5.76	1.37	7.66	1.59
- discontinued operation		(0.06)	(0.07)	(0.13)	(0.14)
		5.70	1.30	7.53	1.45

Notes:

- Following the settlement of Civil Suit No.: PA-22NCC-13-04/2022, a sum of RM10,000,000.00 was retained by MBL Plantation Sdn Bhd ("MBLP"), a wholly-owned subsidiary to the Company, as liquidated assessed damages. The balances after deducting the earlier cost and damages suffered is therefore treated as other income to MBLP during the current quarter under review.
- The fluctuation in other comprehensive income ("OCI") was mainly due to 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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	(Unaudited) As at 30/06/2024	(Audited) As at 31/12/2023
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,324	71,143
Investment properties	613	615
Intangible assets	409	409
Right of use assets	2,572	3,521
Investment in associates	42,430	40,306
Other investment	11,963	12,716
	131,311	128,710
Current assets		
Inventories	55,108	47,780
Trade and other receivables	59,585	63,564
Amount owing from contract customers	28,615	24,707
Tax recoverable	9,106	6,048
Fixed deposits with licensed banks	10,097	33,127
Cash and bank balances	30,926	31,142
	193,437	206,368
Assets included in disposal group classified as held for sale	24,198	24,219
	217,635	230,587
Total assets	348,946	359,297
EQUITY AND LIABILITIES		
Equity		
Share capital	75,536	75,536
Treasury shares	(11,140)	(11,140)
Revaluation reserve	14,574	14,574
Discount on shares	(25,677)	(25,677)
Warrant reserves	25,677	25,677
Foreign currency translation reserve	(221)	(101)
Fair value adjustment reserve	(5,288)	(3,115)
Share-based payment reserve	2,633	635
Retained profits	167,426	150,287
Shareholder's equity	243,520	226,676
Non-controlling interests	(693)	(532)
Total equity	242,827	226,144



MUAR BAN LEE GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		(Unaudited) As at 30/06/2024 RM'000	(Audited) As at 31/12/2023 RM'000
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		1,368	1,162
Right-of-use lease liabilities		171	1,281
Bank borrowings		4,819	5,117
Deferred tax liabilities		2,763	2,763
		9,121	10,323
Current liabilities			
Trade and other payables	1	82,145	110,810
Finance lease liabilities		499	471
Right-of-use lease liabilities		1,456	1,438
Bank borrowings		3,029	2,142
Provision for taxation		3,942	2,175
		91,071	117,036
Liabilities included in disposal group classified as held for sale		5,927	5,794
		96,998	122,830
Total liabilities		106,119	133,153
Total equity and liabilities		348,946	359,297
Net assets per share (RM)		1.07	0.98

Notes:

- 1 *The decreased in fixed deposits with licensed banks was mainly due to cash utilisation for repayment of debt owing to trade and other payables.*

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



MUAR BAN LEE GROUP BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	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	Share-based Payment Reserve	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	RM'000	
At 1 January 2024	75,536	(11,140)	14,574	(25,677)	25,677	635	(101)	(3,115)	150,287	226,676	(532)	226,144
Profit for the financial year	-	-	-	-	-	-	-	-	17,139	17,139	(161)	16,978
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-	-
- fair value on quoted investment	-	-	-	-	-	-	-	(2,173)	-	(2,173)	-	(2,173)
- Forex Translation Difference	-	-	-	-	-	-	(120)	-	-	(120)	-	(120)
Total comprehensive income for the financial year	-	-	-	-	-	-	(120)	(2,173)	17,139	14,846	(161)	14,685
<i>Contributions by and distributions to owners of the Company</i>												
Share options granted under ESOS	-	-	-	-	-	1,998	-	-	-	1,998	-	1,998
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-	1,998
At 30 June 2024	75,536	(11,140)	14,574	(25,677)	25,677	2,633	(221)	(5,288)	167,426	243,520	(693)	242,827
At 1 January 2023	75,535	(11,140)	12,931	-	-	-	-	-	130,774	208,100	(451)	207,649
Profit for the financial year	-	-	-	-	-	-	-	-	3,296	3,296	(79)	3,217
Other Comprehensive Expenses	-	-	-	-	-	-	-	-	-	-	-	-
- Fair value on quoted investment	-	-	-	-	-	-	-	-	-	-	-	-
- Forex Translation Difference	-	-	-	-	-	-	80	-	-	80	-	80
Total comprehensive income for the	-	-	-	-	-	-	80	-	3,296	3,376	(79)	3,297
<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 June 2023	75,535	(11,140)	12,931	-	-	-	80	-	134,070	211,476	(535)	210,941

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 2023 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 SECOND QUARTER ENDED 30 JUNE 2024

	Current Year To-date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	21,524	6,655
- Discontinued operations	(299)	(327)
	21,225	6,328
Adjustments for non-cash items:		
Depreciation of investment properties	3	3
Depreciation of property, plant and equipment	1,905	1,474
- Continuing operations	1,903	1,473
- Discontinued operations	2	1
Amortisation of right-of-use assets	770	34
- Continuing operations	736	-
- Discontinued operations	34	34
Finance costs	438	604
- Continuing operations	278	444
- Discontinued operations	160	160
Net change in fair value of other investment	(2,173)	-
Gain on disposal of investment in associate	-	(754)
Interest income	(213)	(1,229)
Share of results of an associate	427	3,448
Employee Share Option Expenses	1,997	-
	24,379	9,908
Operating profit before working capital changes		
Changes in working capital		
Inventories	(7,328)	(4,866)
Receivables	4,151	(7,046)
Payables	(28,730)	(565)
Contract customers	(3,908)	(2,019)
	(11,436)	(4,588)
Cash used in operations		
Income tax paid	(5,538)	(4,063)
Net cash used in operating activities	(16,974)	(8,651)

**MUAR BAN LEE GROUP BERHAD**(Company No. 200601033829 (753588-P))
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	Current Year To-date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,085)	(6,210)
Acquisition of right-of-use assets	(66)	-
Acquisition of investment in associate	(2,551)	(2,981)
Acquisition of other investment	753	(1,995)
Interest received	213	1,229
Proceed from disposal of investment in associate	-	5,525
Net cash used in investing activities	(5,736)	(4,432)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(438)	(604)
Withdrawal of pledged fixed deposits	-	2,154
Repayment of bankers acceptance	-	(2,308)
Net change of trade financing	888	797
Repayment of term loans	(324)	(2,203)
Repayment of right-of-use lease liabilities	(814)	-
Proceed from finance lease liabilities	500	-
Repayment of finance lease liabilities	(241)	(4,587)
Net cash used in financing activities	(429)	(6,751)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,139)	(19,834)
Effect of exchange translation differences on cash and cash equivalents	(119)	80
Cash and cash equivalents at the beginning of the financial period	64,381	116,848
Cash and cash equivalents at the end of the financial period	41,123	97,094
Note: <u>Cash and cash equivalents at the end of the financial period comprises:</u>		
Fixed deposits with licensed banks	10,097	56,741
Cash and bank balances	31,026	40,353
- Continuing operations	30,926	40,237
- Discontinued operations	100	116
	41,123	97,094
Fixed deposits pledged	-	-
	41,123	97,094

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

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 2023. 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 2023.

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 2023 except for those standard, amendments and IC interpretation that had become effective 1 January 2024 and such adoptions do not have material impact on the financial statements of the Group and the Company.

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A4. SEASONALITY OR CYCLICALITY FACTORS

The performance of the Group is generally not affected by any seasonal or cyclical factors.

A5. UNUSUAL ITEMS

There were no unusual items for the current financial period under review.

A6. CHANGES IN ESTIMATES

There were no changes in estimates amount that had a material effect for the current financial period under review.

A7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

Total treasury shares held as at 30 June 2024 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 SECOND QUARTER ENDED 30 JUNE 2024**

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATION

Segmental reporting for the 6 months ended 30 June 2024

6 months ended 30 June 2024

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Plantation	Automotive	Trading	Elimination	Consolidated <u>(Continuing)</u>	Plantation <u>(Discounted)</u>	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue									
External sales	-	55,463	-	46,408	5,362	-	107,233	-	107,233
Inter-company	-	4,737	-	-	-	(4,737)	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	60,200	-	46,408	5,362	(4,737)	107,233	-	107,233
Segmental results	(962)	11,617	10,998	(774)	1,121	17	22,017	(299)	21,718
Finance costs	-	(57)	(106)	(115)	-	-	(278)	-	(278)
Interest income	5	187	-	21	-	-	213	-	213
Share of results of an associate	(428)	-	-	-	-	-	(428)	-	(428)
Profit/(Loss) before Tax	(1,385)	11,747	10,892	(868)	1,121	17	21,524	(299)	21,225
Taxation							(4,247)	-	(4,247)
Profit/(Loss) for the period							17,277	(299)	16,978

Segmental reporting for the 6 months ended 30 June 2023

6 months ended 30 June 2023

	Investment <u>Holding</u>	Manu- <u>facturing</u>	Plantation	Automotive	Trading	Elimination	Consolidated <u>(Continuing)</u>	Plantation <u>(Discounted)</u>	Consolidated <u>(Total)</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue									
External sales	-	74,452	-	60,182	-	-	134,634	-	134,634
Inter-company	-	230	-	167	-	(397)	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-
	-	74,682	-	60,349	-	(397)	134,634	-	134,634
Segmental results	(626)	10,794	(282)	(383)	(31)	(154)	9,318	(327)	8,991
Finance costs	-	(88)	(115)	(241)	-	-	(444)	-	(444)
Interest income	201	1,001	-	27	-	-	1,229	-	1,229
Share of results of an associate	(3,448)	-	-	-	-	-	(3,448)	-	(3,448)
Profit/(Loss) before Tax	(3,873)	11,707	(397)	(597)	(31)	(154)	6,655	(327)	6,328
Taxation							(3,111)	-	(3,111)
Profit/(Loss) for the period							3,544	(327)	3,217



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	12,000
WP Technology Sdn Bhd	Which the directors have substantial financial interests in the Company	Rental	7,500	15,000

A16. DISCLOSURE OF DERIVATIVES

There was no outstanding forward contract at the end of the quarter under review.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1. REVIEW OF PERFORMANCE

	Individual Quarter (3 months ended)			Cumulative Quarter (6 months ended)		
	30/06/2024 RM '000	30/06/2023 RM '000	Changes %	30/06/2024 RM '000	30/06/2023 RM '000	Changes %
Revenue						
- Continuing operations	46,365	68,096	(31.9)	107,233	134,634	(20.4)
- Discontinued operation	-	-	-	-	-	-
	<u>46,365</u>	<u>68,096</u>	<u>(31.9)</u>	<u>107,233</u>	<u>134,634</u>	<u>(20.4)</u>
Operating profit	15,527	4,894	217.3	22,016	9,318	136.3
Profit before interest and tax	15,039	4,732	217.8	21,589	5,870	267.8
Profit before tax (PBT)						
- Continuing operations	14,950	5,172	189.1	21,524	6,655	223.4
- Discontinued operation	(140)	(165)	(15.2)	(299)	(327)	(8.6)
	<u>14,810</u>	<u>5,007</u>	<u>195.8</u>	<u>21,225</u>	<u>6,328</u>	<u>235.4</u>
Profit after tax (PAT)						
- Continuing operations	13,028	3,068	324.6	17,277	3,544	387.5
- Discontinued operation	(140)	(165)	(15.2)	(299)	(327)	(8.6)
	<u>12,888</u>	<u>2,903</u>	<u>344.0</u>	<u>16,978</u>	<u>3,217</u>	<u>427.8</u>
Profit attributable to Ordinary Equity Holders of the Parent						
- Continuing operations	13,117	3,128	319.3	17,438	3,623	381.3
- Discontinued operation	(140)	(165)	(15.2)	(299)	(327)	(8.6)
	<u>12,977</u>	<u>2,963</u>	<u>338.0</u>	<u>17,139</u>	<u>3,296</u>	<u>420.0</u>

For the current quarter under review, the Group posted a 31.9% decrease in revenue from RM68.10 million a year earlier to RM46.37 million. Profit Before Tax ("PBT") increased 189.1% from RM5.17 million to RM14.95 million a year earlier. Higher PBT was posted in the current quarter under review mainly due to other income of RM10 million being retained by MBL Plantation Sdn Bhd ("MBLP"), a wholly owned subsidiary to the Company, as liquidated assessed damages following the settlement of Civil Suit. The performance review by segments is as follows:

Manufacturing division's revenue and PBT were recorded at RM24.81 million and RM4.20 million respectively in the current quarter as compared with RM39.68 million and RM6.12 million recorded in prior year's corresponding quarter. Lower revenue was mainly due to the decrease in project completion.

Plantation division registered a PBT of RM11.18 million as compared to Loss Before Tax ("LBT") of RM0.21 million in prior year's corresponding quarter. The favourable result in the current quarter under review was mainly derived from the liquidated assessed damages as retained by MBLP upon the settlement of Civil Suit No.: PA-22NCC-13-04/2022.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

Automotive division's revenue and LBT stood at RM22.49 million and RM0.49 million respectively as compared with RM28.81 million and RM0.16 million recorded in the same period last year. The decrease in revenue was mainly driven by the drop in demand, especially Saga, Persona, X50 and Iriz models.

Trading division posted a revenue and PBT of RM3.43 million and RM0.82 million (2023: RM0.03 million). The revenue and PBT was mainly generated from the subsidiary in Indonesia, PT. Muar Ban Lee Engineering, which was newly incorporate in prior year. There is no revenue generated in prior year's corresponding quarter due to which the subsidiary was newly formed in the same period last year.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULT

	Current Quarter	Immediate Preceding Quarter	
	30/06/2024	31/03/2024	Changes
	RM '000	RM '000	%
Revenue			
- Continuing operations	46,365	60,868	(23.8)
- Discontinued operation	-	-	-
	46,365	60,868	(23.8)
Operating profit			
- Continuing operations	15,527	6,489	139.3
- Discontinued operation	-	-	-
	15,527	6,489	139.3
Share of results of associate	(488)	61	(900.0)
Profit before interest and tax	15,039	6,550	129.6
Profit before tax (PBT)			
- Continuing operations	14,950	6,574	127.4
- Discontinued operation	(140)	(159)	(11.9)
	14,810	6,415	130.9
Profit after tax (PAT)			
- Continuing operations	13,028	4,249	206.6
- Discontinued operation	(140)	(159)	(11.9)
	12,888	4,090	215.1
Profit attributable to Ordinary Equity Holders of the Parent			
- Continuing operations	13,117	4,320	203.6
- Discontinued operation	(140)	(159)	(11.9)
	12,977	4,161	211.9



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

For the current quarter under review, revenue and PBT of the Group were recorded at RM46.37 million and RM14.95 million as compared to immediate preceding quarter of RM60.87 million and RM6.57 million, respectively. Generally, the decrease in revenue as compared to immediate preceding quarter was mainly due to the project completion under Manufacturing's division in the current quarter under review was lower as compared to immediate preceding quarter. Whereas higher PBT was posted in the current quarter under review mainly due to the other income of RM10 million being retained by MBL Plantation Sdn Bhd ("MBLP"), a wholly owned subsidiary to the Company, as liquidated assessed damages following the settlement of Civil Suit.

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 2024.

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	(1,922)	(4,247)
	<u>(1,922)</u>	<u>(4,247)</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

There is no new corporate proposal during the current financial period under review.



B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 30 June 2024 and 30 June 2023 are as follows:

	As at Second Quarter ended 2024					
	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	-	4,819	-	523	-	5,342
- Bankers acceptance	-	-	-	-	-	-
- Trade Financing	-	-	-	2,506	-	2,506
Total	-	4,819	-	3,029	-	7,848

	As at Second 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	-	4,375	-	392	-	4,767
- Bankers acceptance	-	-	-	-	-	-
- Trade Financing	-	-	-	3,784	-	3,784
Total	-	4,375	-	4,176	-	8,551

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

	(Unaudited) 2024 %	(Audited) 2023 %
Term loans	4.20 - 4.88	3.24 - 5.38
Trade Financing	4.61 - 4.72	4.30 - 4.70

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.

On 12 December 2023, MBLPSB's solicitor had updated the Company that pursuant to the Case Management by e-review held on 11 December 2023 before the Judge, the following directions were given: -

- (a) In respect of Enclosure 111 (Defendant's application for interrogatories) filed on 8 December 2023, the Plaintiff is to file their Affidavit Jawapan on 22 December 2023 (2 weeks), the Defendant is to file their Affidavit Balasan on 29 December 2023 (1 week), Written Submissions by both parties to be filed on 12 January 2024, Reply Submissions to be filed on 19 January 2024. The hearing of Enclosure 111 is fixed on 29 January 2024 at 8.30am by Zoom.
- (b) Pre-Trial Documents (for the full trial already fixed in June) to be filed by Plaintiff by 5 February 2024, draft of Pre Trial Case Management to be exchanged within 4 weeks by 8 January 2024. Next Case Management is fixed on 7 February 2024 by e-review.

On 29 January 2024, MBLPSB's solicitor had updated the Company on the outcome of Hearing of Defendant's application for Interrogatories (Enclosure 111) held on 29 January 2024. The Penang High Court had allowed the Defendant's Notice of Application for Interrogatories (Enclosure 111) against the Plaintiff with costs in the cause. MBLPSB's solicitor has served the Interrogatories onto the Plaintiff's solicitors on 29 January 2024 and the Plaintiff has 14 days to reply to the questions therein by way of sworn affidavit.

On 11 March 2024, MBLPSB's solicitor had updated the Company on the outcome of Hearing of the Stay held on 11 March 2024. The Court dismissed the Plaintiff's Application for Stay of Interrogatories with costs of RM5,000.00 to be paid to Defendant. The Court directed that the Plaintiff must file the Interrogatories in 14 days from today. Witness statements for the trial to be filed on 22 April 2024, and next e-review is fixed on 23 April 2024.

On 25 March 2024, MBLPSB's solicitor had updated the Company that the Hearing of Stay Motion has been postponed until further notice. The next Case Management is fixed on 16 April 2024 by e-review.

On 8 April 2024, both Plaintiff and Defendant have entered into a Settlement Agreement on 8 April 2024 to reach a full and final settlement of the Civil Suit between parties and the Share Sale Agreement dated 1 April 2021 between parties subject to the recording of a Consent Order/Judgment before the High Court, whereby RM13,900,000.00 is to be refunded to the Plaintiff and the balance of RM10,000,000.00 is to be retained by the Defendant as liquidated assessed damages, wherein the full terms and conditions are contained in the Settlement Agreement.



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Out of RM23,900,000.00 deposit and part payment received by the Defendant from Plaintiff, Defendant agrees to refund RM13,900,000.00 to Plaintiff without any admission of any liabilities whatsoever on the part of Defendant in the following manner:

- (a) A sum of RM3,900,000.00 immediately upon the execution of Settlement Agreement.
- (b) A sum of RM350,000.00 for twenty eight (28) months the first installment of which will be one (1) month from the Agreement Date. The said (28) installments shall be paid on the seventh (7th) day of each and every month.
- (c) A sum of RM200,000.00 on the 29th month. The said sum of RM200,000.00 shall be paid on the seventh (7th) day of the 29th month.

The payment/refund of RM13,900,000.00 will not have any material effect on MBL's consolidated earnings, earnings per share, share capital and substantial shareholders' shareholding, given that it is merely a refund of deposit and part payment received from Plaintiff while entered into the Sale and Purchase agreement.

The remaining RM10,000,000.00 will be retained by the Defendant as liquidated assessed damages. The balances after deducting the earlier cost and damages suffered will be treated as other income to the Defendant.

On 16 April 2024, MBLPSB's solicitor had updated the Company that the Consent Judgement has been successfully filed and recorded by the High Court today and the material litigation between the Plaintiff and the Defendant is hereby concluded.

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	13,117	17,438
- Discontinued operation	(140)	(299)
	<u>12,977</u>	<u>17,139</u>
Weighted average number of ordinary shares (000)	227,536	227,536
Basic EPS (Sen)		
- Continuing operations	5.76	7.66
- Discontinued operation	(0.06)	(0.13)
	<u>5.70</u>	<u>7.53</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	13,117	17,438
- Discontinued operation	(140)	(299)
	<u>12,977</u>	<u>17,139</u>
Weighted average number of ordinary shares (000)	227,536	227,536
Basic EPS (Sen)		
- Continuing operations	5.76	7.66
- Discontinued operation	(0.06)	(0.13)
	<u>5.70</u>	<u>7.53</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	(49)	(213)
Other income	(192)	(481)
Compensation for liquidated damage	(10,000)	(10,000)
Interest expense	138	278
Depreciation and amortization	1,368	2,678
Foreign exchange loss/(gain)	286	613
Gain or loss on derivatives	-	(20)

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 27 August 2024.

By Order of the Board

Tan Hui Lun (LS 0010066)
Company Secretary
Muar