

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31.03.2016 RM'000	Group As at 31.12.2015 Audited RM'000
ASSETS		
Property, plant and equipment	12,468	12,405
Interest in jointly controlled entities and associates	9	2
Other long term investment	50	50
Goodwill	4,161	4,161
Long Term Receivables	2,771	2,679
	19,459	19,297
Current assets		
Property Development Cost	54,940	53,937
Inventories	1,808	1,763
Trade and other receivables	49,263	50,480
Tax recoverable	3,774	3,164
Fixed deposits with licensed banks	17,544	20,671
Cash and Bank Balances	2,407	1,200
	129,736	131,215
TOTAL ASSETS	149,195	150,512
EQUITY AND LIABILITIES		
Share capital	45,930	45,930
Reserve	4,191	4,199
Retained profits	29,206	28,145
Total capital and reserves attributable to equity holders of the parent	79,327	78,274
Non-controlling interest	164	182
Total equity	79,491	78,456
Non-current liabilities		
Borrowings	4,340	4,575
Deferred tax liabilities	5,712	5,712
Long Term Payables	3,253	3,146
Total non-current liabilities	13,305	13,433
Current liabilities		
Trade and other payables	54,143	56,270
Borrowings	2,256	2,353
Current tax payable	-	-
Total current liabilities	56,399	58,623
Total liabilities	69,704	72,056
TOTAL EQUITY AND LIABILITIES	149,195	150,512
Net Assets Per Share (RM)	0.86	0.85

The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	18,912	16,815	18,912	16,815
Operating expenses	(17,968)	(17,782)	(17,968)	(17,782)
Other income	392	489	392	489
Share of results of jointly controlled entities and associates	7	-	7	-
Finance costs	(203)	(193)	(203)	(193)
Profit /(Loss) before taxation	1,140	(671)	1,140	(671)
Taxation	(97)	-	(97)	-
Profit /(Loss) for the period	1,043	(671)	1,043	(671)
Comprehensive Income/(loss) :				
Translation of foreign operations	(7)	(3)	(7)	(3)
Total comprehensive Profit /(loss) for the period	1,036	(674)	1,036	(674)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	1,061	(656)	1,061	(656)
Non controlling interests	(18)	(15)	(18)	(15)
	1,043	(671)	1,043	(671)
Total comprehensive profit /(loss) attributable to:				
Equity holders of the parent	1,054	(659)	1,054	(659)
Non controlling interests	(18)	(15)	(18)	(15)
	1,036	(674)	1,036	(674)
Earning per share				
- basic (sen)	1.16	(0.72)	1.16	(0.72)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
 CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	3 months ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	1,140	(671)
Adjustments for non-cash and non operating items	269	83
Net change in inventories and receivables	(102)	(4,517)
Net change in payables	(2,022)	2,052
Interest paid	(91)	(77)
Taxation paid	(708)	(9)
Net cash in/(out)flow for operating activities	(1,514)	(3,138)
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	123	23
Purchase of property, plant and equipment	(115)	(741)
Acquisition Of Investment Properties / Land for Development	(243)	-
(Increase)/Decrease in fixed deposits pledged to bank	(35)	(25)
Interest received	170	129
Net cash outflow for investing activities	(100)	(614)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	804
Drawdown of borrowings	81	81
Repayment of borrowings	(339)	(822)
Net cash in/(out)flow for financing activities	(258)	63
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,872)	(3,689)
Opening cash and cash equivalents	17,371	18,178
Effect of exchange rate changes	(7)	(3)
Closing cash and cash equivalents	15,492	14,486

The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other Reserve / Deficit	Share Option Reserve	Retained profits	Sub-total	Non-controlling interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31.12.2014 / 01.01.2015	45,126	3,230	808	189	22,759	72,112	232	72,344
Profit/(Loss) after taxation for the financial year	-	-	-	-	5,292	5,292	(39)	5,253
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	72	-	-	72	-	72
Total comprehensive income for the financial year	-	-	72	-	5,292	5,364	(39)	5,325
Contribution by and distribution to owners of the Company:								
Exercise of Employee's Share Options ("ESOS")	804	88	-	(88)	-	804	-	804
Disposal of shares in subsidiary	-	-	-	-	(7)	(7)	(11)	(18)
Share option lapsed	-	-	-	(101)	101	-	-	-
Total transactions with owners of the Company	804	88	-	(189)	94	797	(11)	786
Balance as at 31.12.2015	45,930	3,318	880	-	28,145	78,273	182	78,455
Profit/(Loss) after taxation for the financial year	-	-	-	-	1,061	1,061	(18)	1,043
Other comprehensive income for the financial year, net of tax:								
Foreign currency translation	-	-	(7)	-	-	(7)	-	(7)
Total comprehensive income for the financial year	-	-	(7)	-	1,061	1,054	(18)	1,035
Balance as at 31.03.2016	45,930	3,318	873	-	29,206	79,327	164	79,490

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015.

- a) During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions

Annual improvements to MFRSs 2010-2012 cycle

Annual improvements to MFRSs 2011-2013 cycle

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- b) During the current financial year, the Group has also early adopted MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15, which is effective for annual periods beginning on or after 1 January 2018. This early adoption did not have any material impact on the Group's financial statements.
- c) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Effective Date

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A2. Auditors' Report

The auditors' report of the preceding annual financial statements for the financial year ended 31 December 2015 was not subject to any audit qualification.

A3. Seasonal/Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual and extraordinary items for the financial year under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial years which have a material effect in the financial year under review.

A6. Debt or Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial year under review.

A7. Dividend Paid

There was no dividend paid during the current quarter.

A8. Segmental Reporting

Segmental information for the financial period ended 31 March 2016 :-

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Geosynthetic Engineering	Construction and M&E	Lighting	Development	Others	Elimination	Consolidation
Sales							
External Sales	7,933	1,945	1,112	7,922	-	-	18,912
Inter-segment Sales	-	-	-	-	31	(31)	-
Total	7,933	1,945	1,112	7,922	31	(31)	18,912
Results							
Finance Cost	(116)	70	(147)	2,778	(1,242)		1,343
Taxation							(203)
Profit/(Loss) for financial Period							(97)
							<u>1,043</u>

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward from the preceding annual financial statements less accumulated depreciation and impairment losses.

A10. Material Subsequent Events

There were no material events subsequent to the current quarter ended 31 March 2016 up to the date of this announcement which is likely to substantially affect the results of the operations of the Group.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period ended 31 March 2016.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM13.92 million to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilized by these subsidiary companies totalling RM8.73 million as at 31 March 2016.

A13. Capital Commitments

Approved and contracted for

RM'000

2,750

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance (Quarter 1, 2016 vs. Quarter 1, 2015)

For the current quarter under review, the Group posted an operating revenue of RM 18.91 million, an increase of 12.47% over the preceding year's corresponding quarter, mainly due to higher revenue registered from the Development and Construction Divisions. The revenue generated from the Lighting Division remain stable while the Geosynthetic Division registered a decrease in revenue of 34.35% or RM 4.17 million as compared to the preceding year's corresponding quarter due to delay in handing over of site possession and slower certification of claim from the clients.

The Group's pre-tax profit for the current quarter stood at RM 1.14 million, an increase of 270% as compared to the corresponding quarter of the preceding year. Contribution for the current quarter were higher with additional contribution from the Development Division as the Group planned diversification materialize.

B2. Comparison with Preceding Quarter's Results (Quarter 1, 2016 vs. Quarter 4, 2015)

During the current quarter, the Group achieved an operating revenue of RM 18.91 million, a marginal decrease of 1% over the immediate preceding quarter, mainly due to decrease in revenue of the group's Geosynthetic, Constructions and Lighting division amounting to RM 1.1 million, RM 0.8 million and RM 1.14 million respectively. The Development division posted an increase in revenue of RM 2.91mil. The group's operating pre-tax profit was RM 1.14 million, an increase of 115% over the immediate preceding quarter. Contribution for the current quarter were solely contributed from the Development Division as the take up rate for its Pinnacles project increased to 45% from 40% with a higher stage of completion as compared to the immediate preceding quarter.

B3. Prospects

The property development segment contributed significantly to the Group's performance from financial year 2015 onwards, led by our subsidiary MB Max Sdn Bhd which is developing the Pinnacle Tower development in Johor Bahru. With our positive financial position, the Group intend to seek opportunities that would enable us to accelerate the establishment of our reputation within the property development industry.

In line with this, the Company had entered into a conditional Share Sale Agreement for proposed acquisition of the entire equity interest in Cocoa Valley Development Sdn Bhd announced on 15 April, 2016.

Cocoa Valley Development Sdn Bhd owns the development rights to approximately 461 acres of landbank located at Desaru, Kota Tinggi, Johor which will enable the Group to significantly scale up its property development business.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended	Year Ended
	31.03.2016	31.03.2015
	RM '000	RM '000
Current Year Tax		
- in Malaysia	97	-
In respect of prior year		
- (Over) / Under Provision of Income Tax	-	-
	<u>97</u>	<u>-</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B6. Status of Corporate Proposals

Save for below there were no corporate proposals announced by the Group but not completed as at the announcement date.

1. On 15 April 2016 Emas Kiara Industries Berhad (EKIB) had entered into a conditional share sale agreement (SSA) with Kim Feng Capital Sdn Bhd for the proposed acquisition of the entire equity interest in Cocoa Valley Development Sdn Bhd. In conjunction with the Proposed Acquisition, EKIB intends to undertake the following:
 - (i) increase its authorised share capital from RM50 million comprising 100 million ordinary shares of RM0.50 each in EKIB to RM500 million comprising one (1) billion EKIB Shares; and
 - (ii) amend its Memorandum of Association to facilitate the Proposed Increase in Authorised Share Capital
 The application to Bursa Securities for the listing of and quotation for the Consideration Shares is expected to be made within three (3) months from the date of the announcement. Barring unforeseen circumstances and subject to the fulfilment and/or waiver of all Conditions Precedent, the SSA is expected to be unconditional in the third (3rd) quarter of 2016.

2. The Board of Directors of EKIB announced that the Company is proposing to change its name from "EMAS KIARA INDUSTRIES BERHAD" to "MB WORLD GROUP BERHAD" ("Proposed Change of Name"). The Proposed Change of Name was approved by the shareholders of the Company at the Annual General Meeting convened on 25 May 2016 under Special Business.

B7. Borrowings

The Group's borrowings as at 31 March 2015 were as follows:

	As at 31.03.2016 RM'000
Secured	
Short Term - Hire purchase	226
Short Term - Term Loan	396
Bank Overdraft	1,635
	<u>2,256</u>
Long Term Loan	4,052
Long Term - Hire Purchase	288
	<u>4,340</u>
Total	<u>6,597</u>

B8. Material Litigation

The Group does not have any material litigation which may materially or adversely affect the financial position or business of the EKIB Group. (being the latest practicable date not earlier than seven (7) days from the date of issue of this report.

B9. Dividend

The Board does not recommend any dividend for the financial quarter under review.

B10. Earnings Per Share

Basic profit/(loss) per share of the Group is calculated by dividing the net profit/(loss) for the financial period by the weighted average number of shares in issue during the period.

	<u>3 months ended</u>		<u>Year to date ended</u>	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Profit/(loss) attributable to equity holders of the parent (RM'000)	1,061	(656)	1,061	(656)
Weighted average number of shares in issue ('000)	91,590	91,590	91,590	91,590
Basic earnings/(loss) per ordinary share (sen)	1.16	(0.72)	1.16	(0.72)

* The Company does not have convertible securities at the end of the reporting periods and therefore, there is no diluted earning per ordinary share in the Company.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B 11. Retained Profit

The breakdown of retained profit of the Group as at reporting date, into realised and unrealised is as follows:

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits/(accumulated losses)		
- Realised	2,213	1,352
- Unrealised	(3)	(180)
	<u>2,210</u>	<u>1,172</u>
Less : Consolidation adjustments	<u>26,996</u>	<u>26,973</u>
Total retained profits as per consolidated accounts	<u>29,206</u>	<u>28,145</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B 12. Profit for the year

	3 month ended 31.03.2016 RM ' 000	Year to date 31.03.2016 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	170	170
Other Income	6	6
Interest Expenses	(91)	(91)
Depreciation and amortisation	(129)	(129)
Net (provision) for doubtful debts	(278)	(278)
Net (provision) /recovery for inventories	186	186
Gain on disposal of Property, Plant and Equipments	-	-
Gain on disposal of Investment in Subsidiaries	-	-
Foreign exchange (loss)	-	-

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.