

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	3 months ended		Year to date ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	29,453	12,776	48,365	29,591
Operating expenses	(25,723)	(14,226)	(43,689)	(32,008)
Other income	1,545	966	1,937	1,455
Share of results of jointly controlled entities and associates	-	-	5	-
Finance costs	(181)	(210)	(384)	(403)
<b>Profit /(Loss) before taxation</b>	<b>5,094</b>	<b>(694)</b>	<b>6,234</b>	<b>(1,365)</b>
Taxation	(2,740)	(8)	(2,837)	(8)
<b>Profit /(Loss) for the period</b>	<b>2,354</b>	<b>(702)</b>	<b>3,397</b>	<b>(1,373)</b>
<b>Comprehensive Income/(loss) :</b>				
Translation of foreign operations	(29)	9	(36)	6
<b>Total comprehensive Profit /(loss) for the period</b>	<b>2,325</b>	<b>(693)</b>	<b>3,361</b>	<b>(1,367)</b>
<b>Profit/(Loss) for the period attributable to:</b>				
Equity holders of the parent	2,378	(723)	3,439	(1,379)
Non controlling interests	(24)	21	(42)	6
	<b>2,354</b>	<b>(702)</b>	<b>3,397</b>	<b>(1,373)</b>
<b>Total comprehensive profit /(loss) attributable to:</b>				
Equity holders of the parent	2,349	(714)	3,403	(1,373)
Non controlling interests	(24)	21	(42)	6
	<b>2,325</b>	<b>(693)</b>	<b>3,361</b>	<b>(1,367)</b>
Earning per share				
- basic (sen)	2.60	(0.79)	3.75	(1.51)

*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 30 JUNE 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 30.06.2016  RM'000	Group As at 31.12.2015  Audited RM'000
<b>ASSETS</b>		
Property, plant and equipment	9,694	12,405
Interest in jointly controlled entities and associates	-	2
Other long term investment	50	50
Goodwill	4,161	4,161
Long Term Receivables	2,564	2,679
	16,469	19,297
<b>Current assets</b>		
Property Development Cost	51,203	53,937
Inventories	1,161	1,763
Trade and other receivables	45,847	50,480
Tax recoverable	1,946	3,164
Fixed deposits with licensed banks	15,636	20,671
Cash and Bank Balances	7,268	1,200
	123,061	131,215
<b>TOTAL ASSETS</b>	139,530	150,512
<b>EQUITY AND LIABILITIES</b>		
Share capital	45,930	45,930
Reserve	4,106	4,199
Retained profits	31,640	28,145
<b>Total capital and reserves attributable to equity holders of the parent</b>	81,676	78,274
Non-controlling interest	-	182
<b>Total equity</b>	81,676	78,456
<b>Non-current liabilities</b>		
Borrowings	2,615	4,575
Deferred tax liabilities	5,078	5,712
Long Term Payables	2,892	3,146
<b>Total non-current liabilities</b>	10,585	13,433
<b>Current liabilities</b>		
Trade and other payables	46,818	56,270
Borrowings	451	2,353
Current tax payable	-	-
<b>Total current liabilities</b>	47,269	58,623
<b>Total liabilities</b>	57,854	72,056
<b>TOTAL EQUITY AND LIABILITIES</b>	139,530	150,512
Net Assets Per Share (RM)	0.89	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 30 JUNE 2016**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	3 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	6,234	(1,367)
Adjustments for non-cash and non operating items	(200)	(407)
Net change in inventories and receivables	(1,750)	25,927
Net change in payables	(81)	3,822
Interest paid	(131)	(160)
Taxation paid	(1,619)	27
<b>Net cash in/(out)flow for operating activities</b>	<b>2,453</b>	<b>27,842</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	-	25
Purchase of property, plant and equipment	(35)	(350)
Acquisition Of Investment Properties / Land for Development	(1,072)	(31,007)
Net cash inflow/ (outflow) from disposal of subsidiaries	982	-
(Increase)/Decrease in fixed deposits pledged to bank	982	(347)
Interest received	289	264
<b>Net cash outflow for investing activities</b>	<b>1,146</b>	<b>(31,415)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	804
Drawdown of borrowings	163	81
Repayment of borrowings	-	(143)
<b>Net cash in/(out)flow for financing activities</b>	<b>163</b>	<b>742</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,762</b>	<b>(2,831)</b>
<b>Opening cash and cash equivalents</b>	<b>17,371</b>	<b>18,178</b>
<b>Effect of exchange rate changes</b>	<b>(36)</b>	<b>6</b>
<b>Closing cash and cash equivalents</b>	<b>21,097</b>	<b>15,353</b>

*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 30 JUNE 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
<b>Balance as at 31.12.2014 / 01.01.2015</b>	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
<b>Balance as at 31.12.2015</b>	<b>45,930</b>	<b>3,318</b>	<b>880</b>	<b>-</b>	<b>28,145</b>	<b>78,273</b>	<b>182</b>	<b>78,455</b>
Profit/(Loss) after taxation for the financial year	-	-	-	-	3,495	3,495	(42)	3,453
Disposal of shares in subsidiary	-	-	(56)	-	-	(56)	(140)	(196)
Other comprehensive income for the financial year, net of tax:								
Foreign currency translation	-	-	(36)	-	-	(36)	-	(36)
Total comprehensive income for the financial year	-	-	(92)	-	3,495	3,403	(182)	3,221
<b>Balance as at 31.06.2016</b>	<b>45,930</b>	<b>3,318</b>	<b>788</b>	<b>-</b>	<b>31,640</b>	<b>81,676</b>	<b>-</b>	<b>81,676</b>

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 30 JUNE 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 & Admndments 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.

**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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

**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 30 Jun 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
<b>Sales</b>							
External Sales	15,631	1,945	2,097	28,676	16	-	48,365
Inter-segment Sales	-	-	-	-	15	(15)	-
<b>Total</b>	<b>15,631</b>	<b>1,945</b>	<b>2,097</b>	<b>28,676</b>	<b>31</b>	<b>(15)</b>	<b>48,365</b>
<b>Results</b>							
Finance Cost	213	17	192	8,793	(2,597)		6,618
Taxation							(384)
Profit/(Loss) for financial Period							(2,837)
							<u>3,397</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 30 June 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 30 Jun 2016 other than as disclosed below:

- MB World Group Berhad has on 8th April 2016 executed a Share Sale Agreement to dispose off its entire equity interest comprised of 2,500,000 shares of RM1.00 each in Noblecorp Builders Sdn Bhd ("NCB") for a total cash consideration of RM1,200,000. Following the disposal, NCB ceased to be a subsidiary of MB World Group Berhad.
- MB World Group Berhad has on 30 Jun 2016 executed a Share Sale Agreement to dispose off its 90% equity interest comprised of 1,800,000 shares of RM1.00 each in Emas Kiara Electrical Sdn Bhd ("EKEL") for a total cash consideration of RM1,470,228 and settlement of shareholders' loan amounted to RM1,593,659. Following the disposal, EKEL ceased to be a subsidiary of MB World Group Berhad.
- MB World Group Berhad has on 30 Jun 2016 executed a Share Sale Agreement to dispose off its entire equity interest comprised of 50,000 shares in Kiaratex Exports Pte Ltd ("KEX") for a total cash consideration of RM75,000. Following the disposal, KEX ceased to be a subsidiary of MB World Group Berhad.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

**A12. Contingent Liabilities**

The Company has given corporate guarantees amounting to RM11.34 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 RM4.32 million as at 30 Jun 2016

**A13. Capital Commitments**

Approved and contracted for

RM'000

2,342

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016  
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S  
 LISTING REQUIREMENTS**

**B1. Review of Performance (Quarter 2, 2016 vs. Quarter 2, 2015)**

For the current quarter under review, the Group posted an operating revenue of RM29.45 million, an increase of RM16.7 million over the preceding year's corresponding quarter, mainly due to higher revenue reported from the Property Development segment. The revenue generated from the Geosynthetic Division remain stable while the Lighting Division registered a decrease in revenue of RM 2.3 million as compared to the preceding year's corresponding quarter due to lower activity and fewer projects secured.

The Group's pre-tax profit for the current quarter stood at RM 5 million, as compared to loss of RM0.69 million recorded in the corresponding quarter of the preceding year. The better performance for the current quarter was substantially derived from the Property Development Segment.

**B2. Comparison with Preceding Quarter's Results (Quarter 2, 2016 vs. Quarter 1, 2016)**

During the current quarter, the Group achieved an operating revenue of RM29.45 million, an increase of 56% over the immediate preceding quarter, mainly due to increase in revenue from the Property Development segment amounting RM12.8 million. The group's operating pre-tax profit was RM5 million, an increase of RM4 million over the immediate preceding quarter. Contribution for the current quarter were derived from the Property Development segment as the take up rate for its Pinnacles project increased from 45% to 56% with a higher stage of completion as compared to the immediate preceding quarter.

**B3. Prospects**

The property development segment is expected to contribute significantly to the Group's performance, led by our subsidiary MB Max Sdn Bhd which is developing the Pinnacle Tower development in Johor Bahru. The Group continues to seek opportunities that would enable it to grow its reputation within the property development industry and as announced on 15 April 2016 the Group's intended acquisition of the Cocoa Valley Project development rights to develop approximately 461 acres over 7 years would sustain the Group's long term prospects as a property developer.

**B4. Profit Forecast**

Not applicable for the Group.

**B5. Taxation**

	Year Ended 30.06.2016 RM '000	Year Ended 30.06.2015 RM '000
Current Year Tax		
- in Malaysia	2,836	-
In respect of prior year		
- (Over) / Under Provision of Income Tax	-	-
	<u>2,836</u>	<u>-</u>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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 the Company 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 (CV Development) for a purchase consideration of RM 76 million to be satisfy via the issuance of 65,517,241 new shares of the Company at an issue price of RM1.16 per Share. In conjunction with the Proposed Acquisition, the Company intends to undertake the following:

(i) increase its authorised share capital from RM50 million comprising 100 million ordinary shares of RM0.50 each in the Company to RM500 million comprising one (1) billion of the Company Shares; and

(ii) amend its Memorandum of Association to facilitate the Proposed Increase in Authorised Share Capital

On 29 June 2016, the Company announced that contingent that upon the conclusion and completion of the Proposed Acquisition, the Company proposes to seek shareholders' approval for the Proposed New Shareholders' Mandate for CV Development to enter into Recurrent Related Party Transactions with Related Parties in the ordinary course of business which are necessary for the day-to-day operations of CV Development

On 27 July 2016, Bursa Securities had approved the listing of and quotation for the Consideration Shares on the Main market of Bursa Securities.

2. On 16 Jun 2016, the Group has announced that MB Max Sdn Bhd ("MB Max"), a wholly-owned subsidiary of Emas Kiara Properties Sdn Bhd, which is in turn a whollyowned subsidiary of MB World, intends to enter into 19 sale and purchase agreements in respect of each of the 19 units of serviced apartments in Pinnacle Tower ("Disposal Properties") with certain related parties of MB World Bhd ("Purchasers") for the sale of the Disposal Properties to the Purchasers for a total net cash consideration of RM18,683,000 ("Disposal Consideration") ("SPAs") ("Proposed Disposal"). As part of the Proposed Disposal, MB Max will also concurrently enter into 19 tenancy agreements in respect of each of the Disposal Properties with the respective Purchasers ("Tenancy Agreements").

On 14 July 2016, Bursa Securities had approved the Company's application for waiver from complying with Paragraph 10.04 (1) of the Listing Requirement, which stipulates, amongst others, the requirement for a valuation to be conducted where a related party transaction involves a disposal of any real estate and where any one of the percentage ratio of the related party transaction is 5% or more, which is applicable to the Proposed Disposal.

On 16 August 2016, the Company has distributed the Circulars in relation to the above proposals to its shareholder for approval at EGM on 7 September 2016.

**B7. Borrowings**

The Group's borrowings as at 30 Jun 2016 were as follows:

	As at 30.06.2016 RM'000
Secured	
Short Term - Hire purchase	147
Short Term - Term Loan	304
	<u>451</u>
Long Term Loan	2,511
Long Term - Hire Purchase	105
	<u>2,615</u>
Total	<u>3,067</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 MB World 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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

**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>	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Profit/(loss) attributable to equity holders of the parent (RM'000)	2,378	(723)	3,439	(1,379)
Weighted average number of shares in issue ('000)	91,590	91,590	91,590	91,590
Basic earnings/(loss) per ordinary share (sen)	2.60	(0.79)	3.75	(1.51)

\* 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.

**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 30.06.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits/(accumulated losses)		
- Realised	8,260	1,352
- Unrealised	-	(180)
	<u>8,260</u>	<u>1,172</u>
Less : Consolidation adjustments	<u>23,380</u>	<u>26,973</u>
Total retained profits as per consolidated accounts	<u>31,640</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 30.06.2016 RM ' 000	Year to date 30.06.2016 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	119	289
Other Income	67	73
Interest Expenses	(40)	(131)
Depreciation and amortisation	(26)	(155)
Net (provision) for doubtful debts	(338)	(616)
Net (provision) /recovery for inventories	(62)	124
Gain on disposal of Investment in Subsidiaries	831	831
Foreign exchange (loss)	59	59

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