

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

	3 months ended		Year to date ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
<u>CONTINUING OPERATIONS</u>				
Revenue	46,955	18,372	122,697	60,262
Operating expenses	(34,920)	(18,034)	(99,784)	(63,417)
Other income	935	712	2,404	1,713
Share of results of jointly controlled entities and associates	-	-	-	-
Finance costs	(163)	24	(622)	(479)
Profit /(Loss) before taxation	12,807	1,074	24,695	(1,921)
Taxation	(4,465)	(425)	(8,564)	(472)
Profit/(Loss) after taxation from continuing operation for the period	8,342	649	16,131	(2,393)
<u>DISCONTINUED OPERATIONS</u>				
Profit/(Loss) after taxation from discontinued operation for the period	-	(544)	238	7,646
Profit after taxation	8,342	105	16,369	5,253
Other Comprehensive Income :				
Translation of foreign operations	36	17	-	72
Total comprehensive Profit for the period	8,378	122	16,369	5,325
Profit for the period attributable to:				
Equity holders of the parent	8,342	149	16,411	5,292
Non controlling interests	-	(44)	(42)	(39)
	8,342	105	16,369	5,253
Total comprehensive profit attributable to:				
Equity holders of the parent	8,378	166	16,411	5,364
Non controlling interests	-	(44)	(42)	(39)
	8,378	122	16,369	5,325
Earning per share				
- basic (sen)	9.08	0.16	17.87	5.76

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 FINANCIAL YEAR ENDED 31 DECEMBER 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31.12.2016 RM'000	Group As at 31.12.2015 RM'000
ASSETS		
Property, plant and equipment	11,298	12,405
Investment in associate	-	2
Other long term investment	50	50
Goodwill	4,161	4,161
Long Term Receivables	-	2,679
	15,509	19,297
Current assets		
Property Development Cost	36,612	53,936
Inventories	1,142	1,763
Trade and other receivables	52,431	50,480
Tax recoverable	1,045	3,164
Fixed deposits with licensed banks	14,739	20,671
Cash and Bank Balances	7,341	1,200
	113,310	131,214
TOTAL ASSETS	128,819	150,511
EQUITY AND LIABILITIES		
Share capital	45,930	45,930
Reserve	3,291	4,198
Retained profits	45,536	28,145
Total capital and reserves attributable to equity holders of the parent	94,757	78,273
Non-controlling interest	-	182
Total equity	94,757	78,455
Non-current liabilities		
Borrowings	3,468	4,575
Deferred tax liabilities	2,442	5,712
Long Term Payables	3,076	3,146
Total non-current liabilities	8,986	13,433
Current liabilities		
Trade and other payables	23,044	56,270
Borrowings	2,032	2,353
Current tax payable	-	-
Total current liabilities	25,076	58,623
Total liabilities	34,062	72,056
TOTAL EQUITY AND LIABILITIES	128,819	150,511
Net Assets Per Share (RM)	1.03	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 FINANCIAL YEAR ENDED 31 DECEMBER 2016
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	
	31.12.2016	31.12.2015
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	-	
- Continuing operations	24,695	(1,920)
- Discontinued operations	238	7,645
Adjustments for non-cash and non operating items	508	(8,176)
Net change in inventories and receivables	8,335	(1,821)
Net change in payables	(24,520)	11,991
Interest paid	(280)	(348)
Taxation paid	(7,720)	(321)
Net cash in/(out)flow for operating activities	1,256	7,050
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	220	7
Purchase of property, plant and equipment	(1,170)	(435)
Acquisition Of Investment Properties / Land for Development	(2,604)	-
Net cash inflow/ (outflow) from disposal of subsidiaries	982	38,231
Acquisition of investment in subsidiary company	-	(44,264)
(Increase)/Decrease in fixed deposits pledged to bank	1,711	(1,308)
Interest received	565	615
Net cash outflow for investing activities	(296)	(7,154)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	804
Drawdown of borrowings	1,689	-
Repayment of borrowings	(681)	(1,154)
Net cash in/(The property development segment is expected to contribute significantly to the	1,008	(350)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,968	(454)
Opening cash and cash equivalents	17,371	18,178
Effect of exchange rate changes	73	(353)
Closing cash and cash equivalents	19,412	17,371

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 FINANCIAL YEAR ENDED 31 DECEMBER 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 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 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 after taxation for the financial year	-	-	109	-	16,411	16,520	(42)	16,478
Disposal of subsidiary	-	-	(1,016)	-	980	(36)	(140)	(176)
Other comprehensive income for the financial year, net of tax:								
Foreign currency translation	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	(907)	-	17,391	16,484	(182)	16,302
Balance as at 31.12.2016	45,930	3,318	(27)	-	45,536	94,757	-	94,757

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 DECEMBER 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) The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2015.
- 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
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018*
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and	Deferred until further notice
Amendments to MFRS 104 : Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 – 2016 Cycles:	
Annual Improvements to MFRSs 2014 – 2016 Cycles:	

- * Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

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.

A4. Unusual Items

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

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

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 Dec 2016 :-

	Continuing Operation						RM'000 Discontinued operations	RM'000 Total
	RM'000 Geosynthetic Engineering	RM'000 Construction	RM'000 Development	RM'000 Others	RM'000 Elimination	RM'000 Total		
Sales								
External Sales	21,843	-	96,502	4,352	-	122,697	4,317	127,014
Inter-segment Sales	-	-	-	15	(15)	-	-	-
Total	21,843	-	96,502	4,367	(15)	122,697	4,317	127,014
Results								
Finance Cost	(140)	(104)	29,322	(3,761)		25,317	302	25,619
Taxation						(622)	(64)	(686)
Profit/(Loss) for financial Period						(8,564)	-	(8,564)
						<u>16,131</u>	<u>238</u>	<u>16,369</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

On 18 January 2017, MB World Group Berhad had completed the acquisition of Cocoa Valley Development Sdn Bhd ("CV Development") following the fulfilment of all the SSA Conditions Precedent as stated in the Proposal approved by the shareholders on 7 September 2016 and the issuance of 3,750,000 Consideration Shares in respect of the First Payment to Kim Feng Capital Sdn Bhd. Following the acquisition, CV Development becomes a subsidiary of MB World Group Berhad. The second payment to be satisfied by the issue of 61,767,241 Consideration Shares is expected to be completed 6 months after the issuance of the first payment on 18 January 2017.

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

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 December 2016 other than as disclosed below:

- a) 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.
- b) 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.
- c) 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.
- d) MB World Group Berhad has incorporated two new wholly-owned subsidiaries on 3 October 2016, namely;
 - i) MB World Trading Sdn. Bhd with principal activity of trading in building materials and general merchandise. Authorised share capital of 400,000 ordinary shares of RM1.00 each and paid up capital of RM2.00.
 - ii) MB World Builders Sdn. Bhd with principal activity of building and construction business. Authorised share capital of 1,000,000 ordinary shares of RM1.00 each and paid up capital of RM2.00.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM9.34 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 RM 4.06 million as at 31 December 2016.

A13. Capital Commitments

Capital expenditure in respect of purchase of property, plant and equipment:

	RM'000
Approved and contracted for	<u>177</u>

A14. Related Party Transaction

The Group's related party transaction in the current quarter and the financial year ended 31 December 2016 are as follows:

	3 months ended	Year to date ended
	31.12.2016	31.12.2016
	RM '000	RM '000
Sales of property	<u>3,765</u>	<u>35,863</u>

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

B1. Review of Performance (Quarter 4, 2016 vs. Quarter 4, 2015)

The Group recorded revenue of RM 46.96 million for current quarter, an increase of RM28.58 million over the preceding year's corresponding quarter. The revenue generated from the property development division increased by RM 37.54 million over the preceding year's corresponding quarter which recorded RM 4.89 million. The revenue generated from the Geosynthetic division registered a decrease of RM 5.86 million over the preceding year's corresponding quarter. The Group's pre-tax profit for the current quarter reported at RM 12.81 million, has increased RM 11.73 million as compared to the corresponding quarter of the preceding year mainly contributed by the property development division.

B2. Comparison with Preceding Quarter's Results (Quarter 4, 2016 vs. Quarter 3, 2016)

During the current quarter, the Group achieved an operating revenue of RM 46.96 million, an increase of 48% over the immediate preceding quarter, mainly due to increase in revenue from the property development division amounting to RM 17 million. The group's operating pre-tax profit was RM 12.81 million, an increase of RM 6.9 million over the immediate preceding quarter. The highest contribution for the current quarter is derived from the property development division as the take up rate for the Pinnacle Tower project increased from 63% to 75% and higher progressive completion of the project in the current quarter.

B3. Prospects

The property development division, the Pinnacle Tower project, will continue to be the main contributor to the Group's results for the financial year ending 2017. The Group has completed the acquisition of Cocoa Valley Development Sdn Bhd in January 2017. The Group anticipates that the development plan for the land held by Cocoa Valley Development Sdn Bhd comprising an area of approximately 461 acres to be carried out over 7 years comprising of detached, semi-detached and terrace houses as well as commercial complex and shop lots will contribute positively to the Group's performance. The new development under Cocoa Valley Development Sdn Bhd is expected to be part of a new sustainable township in the South Eastern Region of Johor.

The Group expects to launch 4 phases of the new development under the approved name, Taman Sri Penawar, comprised of 265 units of single storey terrace house, 161 units of double storey shop office, 320 units of single storey terrace house and 272 units of double storey terrace house. The targeted gross development value for the 4 phases of the project is estimated to be RM 492 million.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended 31.12.2016	Year Ended 31.12.2015
	RM '000	RM '000
Current Year Tax - in Malaysia	8,564	472

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

B6. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the announcement date.

On 18 January 2017, the Company had completed the acquisition of Cocoa Valley Development Sdn Bhd. following the fulfilment of all the SSA Conditions Precedent as stated in the Proposal approved by shareholders on 7 September 2016 and the issuance of 3,750,000 Consideration Shares in respect of the First Payment to KF Capital.

The second payment to be satisfied by the issue of 61,767,241 Consideration Shares is expected to be completed 6 months after the issuance of the first payment on 18 January 2017.

B7. Borrowings

The Group's borrowings as at 31 December 2016 were as follows:

	As at 31.12.2016 RM'000
Secured	
Short Term - Hire purchase	132
Short Term - Term Loan	312
Bank Overdraft	1,588
	<u>2,032</u>
Long Term Loan	3,046
Long Term - Hire Purchase	422
	<u>3,468</u>
Total	<u><u>5,500</u></u>

B8. Material Litigation

Save as disclosed below, there were no other material litigation as at 23 February 2017 being a date not later than 7 days prior to the date of this announcement.

On 17 November 2016, the Company had announced that its wholly-owned subsidiary, Emas Kiara Marketing Sdn Bhd ("EKM") has served 2 Payment Claims under Section 5 of the Construction Industries Payment & Adjudication Act 2012 ("CIPAA") against MEB Construction Sdn Bhd ("MEB") for a total amount of RM4,317,563.23 ("CIPAA Payment Claim"). Both CIPAA Payment Claim have been referred to Adjudication pursuant to 2 Notices of Adjudication both dated 16 November 2016.

B9. Dividend

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

B10. Earnings Per Share

Basic profit per share of the Group is calculated by dividing the net profit 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>	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit attributable to equity holders of the parent (RM'000)	8,342	149	16,411	5,292
Weighted average number of shares in issue ('000)	91,860	91,803	91,860	91,803
Basic earnings per ordinary share (sen)	9.08	0.16	17.87	5.76

* 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 FINANCIAL YEAR ENDED 31 DECEMBER 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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits		
- Realised	27,007	1,352
- Unrealised	<u>(1,936)</u>	<u>(180)</u>
	25,071	1,172
Less : Consolidation adjustments	<u>20,465</u>	<u>26,973</u>
Total retained profits as per consolidated accounts	<u>45,536</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 31.12.2016 RM ' 000	Year to date 31.12.2016 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	121	548
Other Income	-	6
Interest Expenses	(61)	(280)
Depreciation and amortisation	(348)	(683)
Net (provision) for doubtful debts	543	407
Net (provision) /recovery for inventories	(9)	142
Gain on disposal of Investment in Subsidiaries	-	831
Foreign exchange (loss)	(127)	(68)

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