

**UNAUDITED INTERIM FINANCIAL REPORT FOR FINANCIAL PERIOD ENDED 31 MARCH 2017**

**Company name** MB WORLD GROUP BERHAD  
**Stock Name** MBWORLD  
**Stock Code** 7189  
**Contact Person** Lee Wee Hee / Pow Juliet  
**Designation** Company Secretary

**A1 : QUARTERLY REPORT**

Financial Year End 31/12

Quarter

Quarterly rep for fin pr ended

**A2 : SUMMARY RESULT**

- 1 Revenue
- 2 Profit/(loss) before tax
- 3 Profit/(loss) for the period
- 4 Profit/(loss) attributable to ordinary equity holders of the parent
- 5 Basic earning/(loss) per share (sen)
- 6 Proposed/Declared dividend per share (sen)
- 7 Net assets per share attributable to ordinary equity holders of the parent (RM) - as at the end of financial period

INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
31.03.2017	31.03.2016	31.03.2017	31.03.2016
29,365	18,912	29,365	18,912
6,629	1,140	6,629	1,140
6,807	1,043	6,807	1,043
6,807	1,061	6,807	1,061
7.18	1.16	7.18	1.16
-	-	-	-
<b>AS AT END OF CURRENT QUARTER</b>		<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
	1.04		1.03

**A3 : ADDITIONAL INFORMATION**

- 1 Gross Interest Income
- 2 Gross Interest Expense

101	170	101	170
54	91	54	91

**Remarks:**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>3 months ended</b>		<b>Year to date ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>CONTINUING OPERATIONS</u></b>				
Revenue	29,365	18,912	29,365	18,912
Operating expenses	(22,852)	(17,968)	(22,852)	(17,968)
Other income	142	392	142	392
Share of results of jointly controlled entities and associates	-	7	-	7
Finance costs	(26)	(203)	(26)	(203)
<b>Profit /(Loss) before taxation</b>	<b>6,629</b>	<b>1,140</b>	<b>6,629</b>	<b>1,140</b>
Taxation	(2,815)	(97)	(2,815)	(97)
<b>Profit/(Loss) after taxation from continuing operation for the period</b>	<b>3,814</b>	<b>1,043</b>	<b>3,814</b>	<b>1,043</b>
<b><u>DISCONTINUED OPERATIONS</u></b>				
Profit/(Loss) after taxation from discontinued operation for the period	2,993	-	2,993	-
<b>Profit after taxation</b>	<b>6,807</b>	<b>1,043</b>	<b>6,807</b>	<b>1,043</b>
<b>Other Comprehensive Income :</b>				
Translation of foreign operations	-	(7)	-	(7)
<b>Total comprehensive Profit for the period</b>	<b>6,807</b>	<b>1,036</b>	<b>6,807</b>	<b>1,036</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	6,807	1,061	6,807	1,061
Non controlling interests	-	(18)	-	(18)
	<b>6,807</b>	<b>1,043</b>	<b>6,807</b>	<b>1,043</b>
<b>Total comprehensive profit attributable to:</b>				
Equity holders of the parent	6,807	1,054	6,807	1,054
Non controlling interests	-	(18)	-	(18)
	<b>6,807</b>	<b>1,036</b>	<b>6,807</b>	<b>1,036</b>
<b>Earning per share</b>				
- basic (sen)	7.18	1.16	7.18	1.16

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group As at 31.03.2017 Unaudited RM'000</b>	<b>Group As at 31.12.2016 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,513	11,298
Other long term investment	50	50
Goodwill	4,161	4,161
Long Term Receivables	-	-
<b>Total non current assets</b>	<b>12,724</b>	<b>15,509</b>
<b>Current assets</b>		
Property Development Cost	138,975	36,612
Inventories	556	1,142
Trade and other receivables	73,554	53,205
Tax recoverable	11	305
Fixed deposits with licensed banks	4,459	14,804
Cash and Bank Balances	13,053	8,316
<b>Total current assets</b>	<b>230,608</b>	<b>114,384</b>
<b>TOTAL ASSETS</b>	<b>243,332</b>	<b>129,893</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	47,805	45,930
Reserve	5,793	3,291
Retained profits	45,586	44,957
<b>Total capital and reserves attributable to equity holders of the parent</b>	<b>99,184</b>	<b>94,178</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>99,184</b>	<b>94,178</b>
<b>Non-current liabilities</b>		
Borrowings	1,336	3,405
Deferred tax liabilities	1,888	2,442
Long Term Payables	-	-
<b>Total non-current liabilities</b>	<b>3,224</b>	<b>5,847</b>
<b>Current liabilities</b>		
Trade and other payables	139,249	26,919
Borrowings	437	1,210
Current tax payable	1,238	1,739
<b>Total current liabilities</b>	<b>140,924</b>	<b>29,868</b>
<b>Total liabilities</b>	<b>144,148</b>	<b>35,715</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>243,332</b>	<b>129,893</b>
Net Assets Per Share (RM)	1.04	1.03

*The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	6,628	1,140
Adjustments for non-cash and non operating items	(3,023)	269
Net change in inventories and receivables	(129,518)	(102)
Net change in payables	116,372	(2,022)
Interest paid	(54)	(91)
Taxation paid	(2,525)	(708)
<b>Net cash in/(out)flow for operating activities</b>	<b>(12,120)</b>	<b>(1,514)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	256	123
Proceed from disposal of an associate	-	-
Purchase of property, plant and equipment	(355)	(115)
Acquisition Of Investment Properties / Land for Development	(314)	(243)
Proceed from shares issued	-	-
Net cash inflow/ (outflow) from disposal of subsidiaries	127	-
Acquisition of investment in subsidiary company	(15)	-
(Increase)/Decrease in fixed deposits pledged to bank	3,099	(35)
Interest received	101	170
<b>Net cash outflow for investing activities</b>	<b>2,899</b>	<b>(100)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	4,350	-
Drawdown of borrowings	524	81
Repayment of borrowings	(452)	(339)
<b>Net cash in/(out)flow for financing activities</b>	<b>4,422</b>	<b>(258)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4,799)</b>	<b>(1,872)</b>
<b>Opening cash and cash equivalents</b>	<b>19,319</b>	<b>17,371</b>
<b>Effect of exchange rate changes</b>	<b>0</b>	<b>(7)</b>
<b>Closing cash and cash equivalents</b>	<b>14,520</b>	<b>15,492</b>

*The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Other Reserve / Deficit RM'000	Share Option Reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interest RM'000	Total RM'000
<b>Balance as at 31.12.2015 / 01.01.2016</b>	45,930	3,318	880	-	28,145	78,273	182	78,455
Profit after taxation for the financial year	-	-	-	-	15,831	15,831	(42)	15,789
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	109	-	-	109	-	109
Total comprehensive income for the financial year	-	-	109	-	15,831	15,940	(42)	15,898
Contribution by and distribution to owners of the Company:								
- Realisation upon disposal of subsidiaries	-	-	(1,016)	-	981	(35)	-	(35)
- Disposal of Subsidiaries	-	-	-	-	-	-	(140)	(140)
Total transactions with owners of the Company	-	-	(1,016)	-	981	(35)	(140)	(175)
<b>Balance as at 31.12.2016</b>	<b>45,930</b>	<b>3,318</b>	<b>(27)</b>	<b>-</b>	<b>44,957</b>	<b>94,178</b>	<b>-</b>	<b>94,178</b>
Profit after taxation for the financial year	-	-	-	-	6,806	6,806	-	6,806
Other comprehensive income for the financial period, net of tax:								
- Foreign currency translation	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	6,806	6,806	-	6,806
Contribution by and distribution to owners of the Company:								
- Ordinary shares issued during the year	1,875	2,475	-	-	-	4,350	-	4,350
- Disposal of Subsidiaries	-	-	27	-	(6,177)	(6,150)	-	(6,150)
Total transactions with owners of the Company	1,875	2,475	27	-	(6,177)	(1,800)	-	(1,800)
<b>Balance as at 31.03.2017</b>	<b>47,805</b>	<b>5,793</b>	<b>-</b>	<b>-</b>	<b>45,586</b>	<b>99,184</b>	<b>-</b>	<b>99,184</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 2016

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017**  
**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 2016

- 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 2016
- b) 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 2: Classification and Measurement of Share based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 – 2016 Cycles:	
- Amendments to MFRS 12: Clarification of the Scope of the Standard	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycles:	1 January 2018
- Amendments to MFRS 128: Measuring an Associate or Joint Venutre at Fair Value	

\* 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 2016 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 period under review.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

**A5. Changes in Estimates**

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

**A6. Debt or Equity Securities**

During the current financial period, the issued and paid up share capital was increased from RM45,929,950 to RM47,804,950 by the issuance of 3,750,000 consideration shares to KF Capital in respect of the First Payment to KF Capital on acquisition of Cocoa Valley Developemnt Sdn Bhd.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period 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 Mar 2017 :-

	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		
<b>Sales</b>								
External Sales	791	-	28,574	-	-	29,365	964	30,329
Inter-segment Sales	-	10,273	-	-	(10,273)	-	-	-
<b>Total</b>	<b>791</b>	<b>10,273</b>	<b>28,574</b>	<b>-</b>	<b>(10,273)</b>	<b>29,365</b>	<b>964</b>	<b>30,329</b>
<b>Results</b>								
Finance Cost	(435)	(286)	7,567	(191)		6,655	3,026	9,681
Taxation						(26)	(32)	(58)
						(2,815)	-	(2,815)
Profit/(Loss) for financial Period						<u>3,814</u>	<u>2,993</u>	<u>6,807</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 2017 up to date of this announcement which is likely to substantially affect the results of the operations of the Group.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

**A11. Changes in Composition of the Group**

MB World Group Berhad has on 10 April 2017 executed a Share Sale Agreement to dispose of its entire equity interest comprised of 9,000,000 ordinary shares in EMAS KIARA MARKETING SDN. BHD. ("EKM") for a total cash consideration of RM1,000,000. Following the disposal, EKM ceased to be a subsidiary of MB World Group Berhad. The financial effect of the disposal has been taken in account for period ended 31 March 2017.

There were no changes in the composition of the Group for the current quarter and financial period ended 31 March 2017 other than the above.

**A12. Contingent Liabilities**

The Company has given corporate guarantees amounting to RM9.337 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 3.403 million as at 31 March 2017.

**A13. Related Party Transaction**

The Group's related party transaction in the current quarter and the financial year ended 31 March 2017 are as follows:

	<b>3 months ended</b>	<b>Year to date ended</b>
	<b>31.03.2017</b>	<b>31.03.2017</b>
	<b>RM '000</b>	<b>RM '000</b>
1. Family Members of certain directors :-		
a. Sales of property	272	272
2. Companies of which certain directors or their family members have substantial financial interests		-
a. Sales of property	1,122	1,122
b. Contractor - Building works paid / payable	28,043	28,043
c. Contractor - Built in furniture, loose furniture and electrical supplies	7,228	7,228
d. Contractor - landscape service	880	880
e. Security services provider	55	55
d. Rental of office	50	50
e. Rental of shopping mall's kiosk	9	9



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017  
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S  
LISTING REQUIREMENTS**

**B1. Review of Performance (Quarter 1, 2017 vs. Quarter 1, 2016)**

The Group recorded revenue of RM 29.37 million for current quarter, an increase of RM 10.45 million over the preceding year's corresponding quarter. The revenue generated from the property development division increased by RM 20.65 million over the preceding year's corresponding quarter which recorded RM 7.922 million. The total revenue of RM 21.34 million were generated by the property development division. The revenue generated from the Geosynthetic division registered a decrease of RM7.14 million over the preceding year's corresponding quarter following the Group's divestment in Geosynthetic division in current quarter.

The Group's pre-tax profit for the current quarter reported at RM6.63 million, has increased RM5.49 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 1, 2017 vs. Quarter 4, 2016)**

During the current quarter, the Group achieved an operating revenue of RM 29.37 million, an increase of 37.00% over the immediate preceding quarter, mainly due to increase in revenue from the property development division amounting to RM 13.85 million. The group's operating pre-tax profit was RM 6.63 million, an increase of RM 5.60 million over the immediate preceding quarter. The highest contribution for the current quarter is derived from the property development division.

**B3. Prospects**

MB World Group Berhad had on 28th April, 2017 been reclassified by Bursa Malaysia Securities Berhad from the Trading / Services sector to the Properties sector.

The Group has diverted its main subsidiaries involved in the Geosynthetic business.

Going forward the Group expected its outlook to be positive with its revenue and profit to be driven by property development, with contributions from its existing Pinnacle Tower project and the new launches under Taman Sri Penawar undertaken by its wholly owned subsidiary Cocoa Valley Development Sdn Bhd.

**B4. Profit Forecast**

Not applicable for the Group.

**B5. Taxation**

	Year Ended 31.03.2017 RM '000	Year Ended 31.03.2016 RM '000
Current Year Tax - in Malaysia	2,815	97

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**  
**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 in 6 months after the issuance of the first payment on 20 January 2017.

B7. Borrowings

The Group's borrowings as at 31 March 2017 were as follows:

	As at 31.03.2017 RM'000
Secured	
Short Term - Hire purchase	121
Short Term - Term Loan	316
Bank Overdraft	-
	<u>437</u>
Long Term Loan	953
Long Term - Hire Purchase	383
	<u>1,336</u>
Total	<u><u>1,773</u></u>

B8. Material Litigation

There were no material litigation as at 22 May 2017 being a date not later than 7 days prior to the date of this announcement.

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>	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Profit attributable to equity holders of the parent (RM'000)	6,807	1,061	6,807	1,061
Weighted average number of shares in issue ('000)	94,777	91,860	94,777	91,860
Basic earnings per ordinary share (sen)	7.18	1.16	7.18	1.16

\* 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 PERIOD ENDED 31 MARCH 2017**  
**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 31.03.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits		
- Realised	45,294	26,428
- Unrealised	-	(1,936)
	<u>45,294</u>	<u>24,492</u>
Less : Consolidation adjustments	<u>292</u>	<u>20,465</u>
Total retained profits as per consolidated accounts	<u>45,586</u>	<u>44,957</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 31.03.2017 RM ' 000	Year to date 31.03.2017 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	89	89
Interest Expenses	(54)	(54)
Depreciation and amortisation	(98)	(98)
Net (provision) /recovery for inventories	(559)	(559)
Loss on disposal of Property, Plant and Equipments	(17)	(17)
Gain on disposal of Investment in Subsidiaries	3,122	3,122

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