

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>3 months ended</b>		<b>Year ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>CONTINUING OPERATIONS</u></b>				
Revenue	59,998	105,450	59,998	105,450
Operating expenses	(46,152)	(79,081)	(46,152)	(79,081)
Other income	222	199	222	199
Finance costs	(762)	(903)	(762)	(903)
<b>Profit before taxation</b>	<b>13,306</b>	<b>25,665</b>	<b>13,306</b>	<b>25,665</b>
Taxation	(4,150)	(8,076)	(4,150)	(8,076)
<b>Profit after taxation from continuing operation for the financial period</b>	<b>9,156</b>	<b>17,589</b>	<b>9,156</b>	<b>17,589</b>
<b><u>DISCONTINUED OPERATIONS</u></b>				
Profit after taxation from discontinued operation for the financial period	580	-	580	-
<b>Profit after taxation</b>	<b>9,736</b>	<b>17,589</b>	<b>9,736</b>	<b>17,589</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>	<b>9,736</b>	<b>17,589</b>	<b>9,736</b>	<b>17,589</b>
<b>Profit after taxation for the financial period attributable to:</b>				
Equity holders of the parent	9,736	17,589	9,736	17,589
Non-controlling interests	-	-	-	-
	<b>9,736</b>	<b>17,589</b>	<b>9,736</b>	<b>17,589</b>
<b>Total comprehensive income for the financial year attributable to:</b>				
Equity holders of the parent	9,736	17,589	9,736	17,589
Non-controlling interests	-	-	-	-
	<b>9,736</b>	<b>17,589</b>	<b>9,736</b>	<b>17,589</b>
<b>Earning per share</b>				
<b>Basic (sen):</b>				
- Continuing operations	5.82	11.18	5.82	11.18
- Discontinued operations	0.37	-	0.37	-

*The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group As at 31.03.2020 Unaudited RM'000</b>	<b>Group As at 31.12.2019 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,897	1,965
Land held for development	401,000	395,979
Goodwill	4,161	4,161
Rights-of-use assets	2,253	2,378
Deferred tax assets	5,597	4,858
<b>Total non-current assets</b>	<b>414,908</b>	<b>409,341</b>
<b>Current assets</b>		
Property development cost	125,247	138,066
Inventories	12,364	6,131
Trade and other receivables	46,850	52,967
Current tax assets	766	266
Fixed deposits with licensed banks	1,555	3,844
Cash and bank balances	29,269	21,893
<b>Total current assets</b>	<b>216,051</b>	<b>223,167</b>
<b>TOTAL ASSETS</b>	<b>630,959</b>	<b>632,508</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	125,248	125,248
Retained profits	161,220	151,484
<b>Total equity</b>	<b>286,468</b>	<b>276,732</b>
<b>Non-current liabilities</b>		
Borrowings	87,628	87,214
Deferred tax liabilities	25	25
Lease liabilities	1,559	1,694
Long Term Payables	62,047	61,633
<b>Total non-current liabilities</b>	<b>151,259</b>	<b>150,566</b>
<b>Current liabilities</b>		
Trade and other payables	157,357	166,864
Borrowings	27,836	32,086
Lease liabilities	768	708
Current tax liabilities	7,271	5,552
<b>Total current liabilities</b>	<b>193,232</b>	<b>205,210</b>
<b>Total liabilities</b>	<b>344,491</b>	<b>355,776</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>630,959</b>	<b>632,508</b>
Net Assets Per Share (RM)	1.82	1.76

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020  
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group Year Ended 31.03.2020 RM'000</b>	<b>Group Year Ended 31.03.2019 RM'000</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation		
- Continuing operations	13,306	25,665
- Discontinued operations	580	-
	<u>13,886</u>	<u>25,665</u>
Adjustments for non-cash and non-operating items	(412)	17
Net change in land held for future development	(5,021)	30,367
Net change in property development cost	12,818	(18,925)
Net change in inventories and receivables	14,399	(2,403)
Net change in payables	(23,799)	(36,156)
Interest expense	669	21
Taxation paid	(3,669)	(5,115)
<b>Net cash flow from/(for) operating activities</b>	<u>8,871</u>	<u>(6,529)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(72)	(58)
Net cash inflow from disposal of subsidiaries	715	-
Decrease/(Increase) in fixed deposits pledged to bank	(11)	(1,468)
Interest received	153	148
<b>Net cash flow for investing activities</b>	<u>785</u>	<u>(1,378)</u>
<b>CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	-	6,450
Repayment of borrowings	(3,835)	(9,897)
Repayment of lease liabilities	(74)	(66)
Interest paid	(669)	(21)
<b>Net cash flow (for)/ from financing activities</b>	<u>(4,578)</u>	<u>(3,534)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>5,078</u>	<u>(11,441)</u>
<b>Opening cash and cash equivalents</b>	24,198	37,626
<b>Closing cash and cash equivalents</b>	<u>29,276</u>	<u>26,185</u>

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Balance as at 01.01.2019</b>	<b>125,248</b>	<b>109,913</b>	<b>235,161</b>
Profit after taxation/Total comprehensive income for the financial year	-	54,319	54,319
Dividends	-	(12,748)	(12,748)
<b>Balance as at 31.12.2019 / 01.01.2020</b>	<b>125,248</b>	<b>151,484</b>	<b>276,732</b>
Profit after taxation/Total comprehensive income for the financial period	-	9,736	9,736
<b>Balance as at 31.03.2020</b>	<b>125,248</b>	<b>161,220</b>	<b>286,468</b>

*The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**  
**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 2019.

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 17 : Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further

**A2. Auditors’ Report**

The auditors’ report of the preceding annual financial statements for the financial year ended 31 December 2019 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.

**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**

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

**A7. Dividend Paid**

There was no dividend paid during the current quarter.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

**A8. Segmental Reporting**

Segmental information for the financial year ended 31 March 2020 :-

	Property Development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External Sales	59,998	-	-	-	59,998
Inter-segment Sales	-	20,018	-	(20,018)	-
Total	59,998	20,018	-	(20,018)	59,998
<b>Results</b>					
Finance Cost	14,211	(1,796)	(143)	1,796	14,068
Taxation					(762)
Profit for financial year					(4,150)
					9,156

**A9. Material Subsequent Events**

There were no material events subsequent to the current quarter ended 31 March 2020 up to date of this announcement which is likely to substantially affect the results of the Group.

**A10. Changes in Composition of the Group**

On 22 November 2019, the Company entered into a Share Sale Agreement to dispose off the entire equity interest of Noblecorp Sdn Bhd ("NSB") for a consideration of RM 717,960. NSB ceased to be a subsidiary of the Company upon the equity shares of NSB were duly transferred on 12 February 2020.

**A11. Contingent Liabilities**

The Group does not have any material contingent liabilities to be disclosed as at 31 March 2020.

**A12. Capital Commitments**

	Year to date 31.03.2020 RM '000	Year to date 31.03.2019 RM '000
<u>Approved and contracted for:</u>		
Construction equipments	4,811	-

**A13. Related Party Transactions**

The Group's related party transactions in the current quarter and the financial period ended 31 March 2020 are as follows:

	3 months ended 31.03.2020 RM '000	Year to date ended 31.03.2020 RM '000
Security services provider	256	256
Rental of office, hostel, car park and utilities charges	34	34
Purchase of building materials	1,815	1,815
Roof structure works	7	7
Food & refreshment and accomodation	7	7

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020  
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S  
 LISTING REQUIREMENTS**

B1. Review of Performance

Performance of the current quarter against the same quarter in the preceding year (Q1, 2020 vs Q1, 2019)

	Individual Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change (%)
	31.03.2020 RM' million	31.03.2019 RM' million	
Revenue	60.00	105.45	-43.10%
Profit before tax	13.31	25.67	-48.15%

The Group recorded revenue and profit before taxation ("PBT") of RM 60.00 million and RM 13.31 million for current quarter under review as compared to revenue and PBT of RM 105.45 million and RM 25.67 million respectively in the preceding year corresponding quarter. Higher revenue and PBT that recorded in preceding year corresponding quarter were mainly contributed by the completion of 272 units double storey terrace houses and various on-going projects in Taman Sri Penawar. A project of 332 units of double storey terrace houses in Taman Sri Penawar has been successfully handed over in this current quarter.

B2. Changes in the quarterly results compared to the results of the immediate preceding quarter (Q1, 2020 vs. Q4, 2019)

	Individual Quarter		
	Current Year Quarter	Preceding Quarter	Change (%)
	31.03.2020 RM' million	31.12.2019 RM' million	
Revenue	60.00	62.43	-3.89%
Profit before tax	13.31	8.76	51.94%

The Group recorded revenue and PBT of RM 60.00 million and RM 13.31 million respectively in the current quarter were lower as compared to the revenue and PBT of RM 62.43 million and RM 8.76 million respectively in the immediate preceding quarter. Despite the lower revenue in current quarter, the Group recorded a higher profit was mainly due to lower operating cost for the quarter.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020  
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S  
 LISTING REQUIREMENTS**

B3. Prospect

Given the fluidity of the current situation largely to the COVID-19 pandemic coupled with the result of adverse impact on the global and domestic economy arising from the preventive measures undertaken by governments worldwide, the Group expects that its business and operations will be adversely affected as the Movement Control Orders ("MCO") (including MCO, Conditional MCO and Recovery MCO) had exacerbated and weaken the domestic property market. In addition, prior to the introduction of the MCO, the Group was already facing various challenges such as high property overhang tight borrowing conditions and weak consumer sentiments.

Notwithstanding that the Government had on 5th June 2020, reintroduced the Home Owner Campaign ("HOC") in a bid to revitalize the country's property market and provide financial relief to home buyers, the Group believes that the current adverse market conditions may continue to affect the Group's future property launches, the take-up rates for ongoing projects and increase the gestation periods for its projects.

The Group has already taken and implemented measures to insulate the Group against the anticipated tough challenges such as cost cutting measures, migration of our sales processes online to digitalized method including virtual viewing and online booking, innovative marketing campaigns including a collaboration with local banks, re-assessment of the Group's products and suitability of its existing projects, etc.

The Group is cautious on its outlook for the remainder of the financial year 2020. The Group anticipates that the financial year 2020 will be an extremely challenging year as the residential and commercial property market in which the Group is focused on will not be spared from the headwinds in the global markets and the impact of the COVID-19 outbreak on the domestic economy.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	<b>Period ended 31.03.2020 RM '000</b>	<b>Period ended 31.03.2019 RM '000</b>
Income tax expenses		
- Current financial year	4,888	6,794
	<u>4,888</u>	<u>6,794</u>
Deferred Taxation	(738)	1,282
Total tax expenses	<u>4,150</u>	<u>8,076</u>

The Group's overall effective tax rate for the current financial period was 31.19%. The effective tax rate is higher than statutory tax rate of 24% mainly due to some non-allowable expenses.

B6. Status of Corporate Proposals

On 15 June 2020, the Board of Directors received a notice of unconditional voluntary take-over offer from RHB Investment Bank Berhad on behalf of Kim Feng Capital Sdn Bhd, NgSinar Sdn Bhd and Ng Kok Boon ("Joint Offerors") to acquire all the remaining 44,410,900 ordinary shares in MB World Group Berhad not already held by the Joint Offerors ("Offer Shares") for a cash offer price of RM 0.99 per Offer Share.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B7. Borrowings

The Group's borrowings were as follows:

	<b>Period ended 31.03.2020</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total borrowings</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Secured</b>			
Term loan	77,531	17,936	95,467
Revolving credit	10,097	9,900	19,997
	<u>87,628</u>	<u>27,836</u>	<u>115,464</u>
	<b>Year ended 31.12.2019</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total borrowings</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Secured</b>			
Term loan	77,314	18,886	96,200
Revolving credit	9,900	13,200	23,100
	<u>87,214</u>	<u>32,086</u>	<u>119,300</u>

(i) Term loan

The term loans had been used for the financing of Taman Sri Penawar projects and acquisition of property development land located at Johor Bahru. Interest rates for term loan range from 4.75% to 5.76% per annum.

(ii) Revolving credit

The revolving credit was for financing of acquisition of Crystal Faber Sdn Bhd, a wholly-owned subsidiary and settlement of the Development Right Entitlement of the project at Taman Sierra Perdana, Masai, Johor. Interest rate for the revolving credit is at 5.83% per annum.

B8. Material Litigation

There were no material litigation as at 18 June 2020 being a date not later than 7 days prior to the date of this announcement.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020  
 ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S  
 LISTING REQUIREMENTS**

B9. Dividend

	<b>Current Year To date</b>	<b>Preceding Year To date</b>
	<b>31.03.2020</b>	<b>31.12.2019</b>
	<b>RM '000</b>	<b>RM '000</b>
Interim single-tier dividend of 5.0 sen per share for the financial year ended 31 December 2019, declared on 28 August 2019 and paid on 27 November 2019 in respect of deposited securities based on the record of depositors as at 29 October 2019.	-	7,869

B10. Earnings Per Share

Basic earnings 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><b>3 months ended</b></u>		<u><b>Year ended</b></u>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Continuing operations</b>				
Profit attributable to equity holders of the parent (RM'000)	9,156	17,589	9,156	17,589
Weighted average number of shares in issue ('000)	157,377	157,377	157,377	157,377
Basic earnings per ordinary share (sen)	5.82	11.18	5.82	11.18
<b>Discontinued operations</b>				
Profit attributable to equity holders of the parent (RM'000)	580	-	580	-
Weighted average number of shares in issue ('000)	157,377	157,377	157,377	157,377
Basic earnings per ordinary share (sen)	0.37	-	0.37	-

\* 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 2020**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B 11. Profit for the year

	<b>3 month ended</b>	<b>Year to date</b>
	<b>31.03.2020</b>	<b>31.03.2020</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
This is arrived at after (charging)/crediting:		
Interest Income	153	153
Other Income	68	68
Interest Expenses	(669)	(669)
Depreciation and amortisation	(326)	(326)
Recovery losses on receivable	37	37
Gain on disposal of Investment in subsidiary	579	579

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

B 12. Industry Specific Information

- (a) Cocoa Valley Development Sdn Bhd, a wholly-owned subsidiary, is currently having a project at Taman Sri Penawar, which contribute total Gross Development Value ("GDV") as below:

<u>Projects</u>	<u>GDV</u> <u>(RM'000)</u>	<u>Type of</u> <u>Development</u>	<u>% of</u> <u>Completion up</u> <u>to 31.03.2020</u>
228 units Double Storey Terrace House	137,804	Residential	61.95%

- (b) Crystal Faber Sdn Bhd, a wholly-owned subsidiary, is currently having a project at Melaka, called NOVO 8, which contribute total GDV as below:

<u>Projects</u>	<u>GDV</u> <u>(RM'000)</u>	<u>Type of</u> <u>Development</u>	<u>% of</u> <u>Completion up</u> <u>to 31.03.2020</u>
412 units of apartment	192,863	Residential	53.06%