

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>3 months ended</u>		<u>Year ended</u>	
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>CONTINUING OPERATIONS</u>				
Revenue	36,663	90,360	96,661	195,810
Operating expenses	(31,262)	(69,805)	(77,414)	(148,886)
Other income	183	226	405	425
Finance costs	(284)	(1,048)	(1,046)	(1,951)
Profit before taxation	5,300	19,733	18,606	45,398
Taxation	(904)	(5,264)	(5,054)	(13,340)
Profit after taxation from continuing operation for the financial period	4,396	14,469	13,552	32,058
<u>DISCONTINUED OPERATIONS</u>				
Profit after taxation from discontinued operation for the financial period	-	-	580	-
Profit after taxation	4,396	14,469	14,132	32,058
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	4,396	14,469	14,132	32,058
Profit after taxation for the financial period attributable to:				
Equity holders of the parent	4,396	14,469	14,132	32,058
	<u>4,396</u>	<u>14,469</u>	<u>14,132</u>	<u>32,058</u>
Total comprehensive income for the financial year attributable to:				
Equity holders of the parent	4,396	14,469	14,132	32,058
	<u>4,396</u>	<u>14,469</u>	<u>14,132</u>	<u>32,058</u>
Earning per share				
Basic (sen):				
- Continuing operations	2.79	9.19	8.61	20.37
- Discontinued operations	-	-	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 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30.06.2020 Unaudited RM'000	Group As at 31.12.2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,759	1,965
Land held for development	404,081	395,979
Goodwill	4,161	4,161
Rights-of-use assets	1,989	2,378
Deferred tax assets	2,104	4,858
Total non-current assets	414,094	409,341
Current assets		
Property development cost	116,957	138,066
Inventories	5,362	6,131
Trade and other receivables	52,308	52,967
Current tax assets	713	266
Fixed deposits with licensed banks	1,565	3,844
Cash and bank balances	27,428	21,893
Total current assets	204,333	223,167
TOTAL ASSETS	618,427	632,508
EQUITY AND LIABILITIES		
Share capital	125,248	125,248
Retained profits	165,616	151,484
Total equity	290,864	276,732
Non-current liabilities		
Borrowings	81,476	87,214
Deferred tax liabilities	25	25
Lease liabilities	1,499	1,694
Long Term Payables	62,695	61,633
Total non-current liabilities	145,695	150,566
Current liabilities		
Trade and other payables	146,531	166,864
Borrowings	30,021	32,086
Lease liabilities	706	708
Current tax liabilities	4,610	5,552
Total current liabilities	181,868	205,210
Total liabilities	327,563	355,776
TOTAL EQUITY AND LIABILITIES	618,427	632,508
Net Assets Per Share (RM)	1.85	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 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Year Ended 30.06.2020 RM'000	Group Year Ended 30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	18,606	45,398
- Discontinued operations	580	-
	<u>19,186</u>	<u>45,398</u>
Adjustments for non-cash and non-operating items	10	203
Net change in land held for future development	(8,102)	(11,474)
Net change in property development cost	21,109	35,496
Net change in inventories and receivables	8,544	9,140
Net change in payables	(26,777)	(63,120)
Interest expense	952	43
Taxation paid	(3,689)	(9,548)
Net cash flow from operating activities	<u>11,233</u>	<u>6,138</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	2	-
Purchase of property, plant and equipment	(77)	(172)
Purchase of assets under leasing	-	(68)
Net cash in/(out)flow from/(for) disposal of subsidiaries	715	(6,979)
Increase in fixed deposits pledged to bank	(26)	-
Interest received	336	319
Net cash flow from/(for) investing activities	<u>950</u>	<u>(6,900)</u>
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Drawdown of borrowings	-	17,817
Repayment of borrowings	(7,803)	(33,660)
Repayment of lease liabilities	(198)	(191)
Interest paid	(952)	(43)
Net cash flow for financing activities	<u>(8,953)</u>	<u>(16,077)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,230</u>	<u>(16,839)</u>
Opening cash and cash equivalents	24,198	40,345
Closing cash and cash equivalents	<u><u>27,428</u></u>	<u><u>23,506</u></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 30 JUNE 2020
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
Balance as at 01.01.2019	125,248	109,913	235,161
Profit after taxation/Total comprehensive income for the financial year	-	54,319	54,319
Dividends	-	(12,748)	(12,748)
Balance as at 31.12.2019 / 01.01.2020	125,248	151,484	276,732
Profit after taxation/Total comprehensive income for the financial period	-	14,132	14,132
Balance as at 30.06.2020	125,248	165,616	290,864

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 30 JUNE 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 30 JUNE 2020
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A8. Segmental Reporting

Segmental information for the financial period ended 30 June 2020 :-

	Property Development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External Sales	96,661	-	-	-	96,661
Inter-segment Sales	-	33,082	-	(33,082)	-
Total	96,661	33,082	-	(33,082)	96,661
Results					
Finance Cost	20,016	(451)	(364)	451	19,652
Taxation					(1,046)
Profit for financial year					(5,054)
					13,552

A9. Material Subsequent Events

There were no material events subsequent to the financial period ended 30 June 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 30 June 2020.

A12. Capital Commitments

	Year to date 30.06.2020 RM '000	Year to date 30.06.2019 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 30 June 2020 are as follows:

	3 months ended 30.06.2020 RM '000	Year to date ended 30.06.2020 RM '000
Security services provider	249	477
Rental of office, hostel, car park and utilities charges	39	57
Purchase of building materials	1,815	2,395
Roof structure works	7	522
Food & refreshment and accommodation	1	8

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 (Q2, 2020 vs Q2, 2019)

	Individual Quarter		
	Current Year Current Quarter	Preceding Year Corresponding Quarter	Change (%)
	30.06.2020 RM' million	30.06.2019 RM' million	
Revenue	36.66	90.36	-59.43%
Profit before tax	5.30	19.73	-73.14%

The Group recorded revenue and profit before taxation ("PBT") of RM 36.66 million and RM 5.30 million for current quarter under review were lower as compared to revenue and PBT of RM 90.36 million and RM 19.73 million respectively in the preceding year corresponding quarter. The significant decrease of revenue and PBT for the current quarter period were due to lower sales volume on residential units and the suspension of construction works during Movement Control Order ("MCO") period.

(b) Performance of the current financial year against the preceding financial year (YTD 2020 vs YTD 2019)

	Year To Date		
	Current Year To Date	Preceding Year To Date	Change (%)
	30.06.2020 RM' million	30.06.2019 RM' million	
Revenue	96.66	195.81	-50.64%
Profit before tax	18.61	45.40	-59.01%

The Group recorded revenue of RM 96.66 million and PBT of RM 18.61 million respectively for the current year were lower as compared to revenue and PBT of RM 195.81 million and RM 45.40 million respectively in the preceding year. The significant decrease of revenue and PBT of current year period were due to lower sales volume on residential units and the suspension of construction works during MCO period.

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B2. Changes in the quarterly results compared to the results of the immediate preceding quarter (Q2, 2020 vs. Q1, 2020)

	Individual Quarter		
	Current Quarter	Preceding Quarter	Change (%)
	30.06.2020 RM' million	31.03.2020 RM' million	
Revenue	36.66	60.00	-38.90%
Profit before tax	5.30	13.31	-60.18%

The Group recorded revenue and PBT of RM 36.66 million and RM 5.30 million respectively in the current quarter were lower as compared to the revenue and PBT of RM 60.00 million and RM 13.31 million respectively in the immediate preceding quarter. The decline of revenue and PBT for the current quarter were mainly due to lower sales volume on residential units and the suspension of construction works during MCO period.

B3. Prospect

The Group remains cautious on the current weak property market sentiment and the stringent lending requirements set by the financial institutions as well as the impact of COVID-19 pandemic. The revenue and profit will be driven by the existing projects in Novo 8 Residence, Melaka and Taman Sri Penawar for the financial year 2020.

The Group will continuously monitor the prevailing market conditions before launching any new development projects.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Period ended 30.06.2020 RM '000	Period ended 30.06.2019 RM '000
Income tax expenses		
- Current financial year	2,300	7,905
- Under/(over)provision in previous financial year	-	1
	<u>2,300</u>	<u>7,906</u>
Deferred Taxation	<u>2,754</u>	<u>5,434</u>
Total tax expenses	<u><u>5,054</u></u>	<u><u>13,340</u></u>

The Group's overall effective tax rate for the current financial period was 27.16%. The effective tax rate is higher than statutory tax rate of 24% mainly due to some non-allowable expenses.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B6. Status of Corporate Proposals

On 15 June 2020, the Board of Directors received a notice of unconditional voluntary take-over offer ("UVTO") 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 ("MBWG") ("MBWG Shares") not already held by the Joint Offerors ("Offer Shares") for a cash offer price of RM 0.99 per Offer Share.

On 24 July 2020, Joint Offerors further informed that their shareholding in MBWG Shares was 92.11% and Joint Offerors did not have intention to maintain listing status of MBWG on the Main Market of Bursa Securities. As such, Bursa Securities will suspend the trading of the securities of MBWG commencing from Wednesday, 2 September 2020, being the expiry of five (5) Market Days from the final Closing Date i.e. Monday, 24 August 2020, in accordance with Paragraph 16.02(3) of the Listing Requirements. Thereafter, the Joint Offerors will procure MBWG to take the requisite steps to withdraw its listing from the Official List in accordance with Paragraph 16.07 of the Listing Requirements.

On 17 August 2020, the Joint Offerors informed MBWG that it has received valid acceptances resulting in the Joint Offerors holding 153,804,047 MBWG Shares, representing 97.73% of the total issued shares of MBWG. As the Joint Offerors have received valid acceptances of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding MBWG Shares already held by the Joint Offerors on the date of the Offer), the Joint Offerors will invoke the provisions of Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which valid acceptances have not been received under the Offer.

Accordingly, the Joint Offerors has informed that they will issue a notice in the form or manner specified by the SC under Section 222(1) of the CMSA to the Dissenting Holders within 2 months from 17 August 2020, informing them of the Joint Offerors' intention to compulsorily acquire their MB World Shares.

On 24 August 2020, the Joint Offerors had informed MBWG that the UVTO had closed.

B7. Borrowings

The Group's borrowings were as follows:

	Period ended 30.06.2020		
	Long term	Short term	Total
	RM '000	RM '000	borrowings
			RM '000
Secured			
Term loan	71,576	23,268	94,844
Revolving credit	9,900	6,753	16,653
	<u>81,476</u>	<u>30,021</u>	<u>111,497</u>
	Year ended 31.12.2019		
	Long term	Short term	Total
	RM '000	RM '000	borrowings
			RM '000
Secured			
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 4.50% to 5.51% 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 5.58% per annum.

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B8. Material Litigation

There were no material litigation as at 19 August 2020 being a date not later than 7 days prior to the date of this announcement.

B9. Dividend

	Current Year To date	Preceding Year To date
	30.06.2020	31.12.2019
	RM '000	RM '000
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>3 months ended</u>		<u>Year ended</u>	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Continuing operations				
Profit attributable to equity holders of the parent (RM'000)	4,396	14,469	13,552	32,058
Weighted average number of shares in issue ('000)	157,377	157,377	157,377	157,377
Basic earnings per ordinary share (sen)	2.79	9.19	8.61	20.37
Discontinued operations				
Profit attributable to equity holders of the parent (RM'000)	-	-	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	-

* 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.

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B 11. Profit for the year

	3 month ended	Year to date
	30.06.2020	30.06.2020
	RM ' 000	RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	183	336
Other Income	-	69
Interest Expenses	(283)	(952)
Depreciation and amortisation	(322)	(648)
Recovery losses on receivable	(37)	-
Gain on disposal of Investment in subsidiary	-	580

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 30.06.2020</u>
228 units Double Storey Terrace House	137,804	Residential	47.75%

- (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 30.06.2020</u>
412 units of apartment	192,863	Residential	52.93%