



ML GLOBAL BERHAD

(Company No. 589167-W)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
30 JUNE 2016**

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

	Current Year Quarter 30 June 2016 RM'000	Preceding Year Quarter 30 June 2015 RM'000	Current Year To Date 30 June 2016 RM'000	Preceding Year To Date 30 June 2015 RM'000
Revenue	11,599	5,488	22,326	9,929
Cost of sales	(9,702)	(4,432)	(18,669)	(7,985)
Gross profit	1,897	1,056	3,657	1,944
Other income	238	44	347	100
Operating expenses	(1,737)	(95)	(2,412)	(476)
Finance costs	(254)	(368)	(542)	(733)
Profit before taxation	144	642	1,050	835
Taxation	-	-	-	-
Net Profit for the financial period	144	642	1,050	835
Other comprehensive income	-	-	-	-
Total other comprehensive income for the financial period	144	642	1,050	835
Net Profit for the financial period attributable to :				
Owners of the parent	145	642	1,051	835
Non- controlling interests	(1)	-	(1)	-
	144	642	1,050	835

Total other comprehensive income for the financial period attributable to:

Owners of the parent	145	642	1,051	835
Non-controlling interests	(1)	-	(1)	-
	144	642	1,050	835

Earnings per share attributable to
owners of the parent :

Basic (Sen)	0.16	0.72	1.17	0.93
Diluted (Sen)	0.12	0.55	0.90	0.72

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 2015 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2016

	Note	30 June 2016 RM'000	(Audited) 31 December 2015 RM'000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	A9	18,492	18,610
Deferred Tax Asset		1,500	1,500
		19,992	20,110
Current Assets			
Inventories		1,368	1,254
Trade receivables		22,832	21,162
Other receivables		2,241	7,489
Fixed deposit		4	4
Cash and bank balances		1,069	2,984
		27,514	32,893
Non-Current assets held for sale		12,086	12,086
TOTAL ASSETS		59,592	65,089
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		44,817	44,817
Warrants Reserves		2,675	2,675
Reserves		(16,166)	(17,217)
		31,326	30,275
Non-Controlling interests		(1)	-
TOTAL EQUITY		31,325	30,275
Long term borrowings	B9	14,134	13,976
Current Liabilities			
Trade payables		11,146	13,383
Other payables		2,826	4,451
Short term borrowings	B9	49	-
Bank overdraft	B9	112	3,004
		14,133	20,838
TOTAL LIABILITIES		28,267	34,814
TOTAL EQUITY AND LIABILITIES		59,592	65,089
Net assets per share attributable to owners of the parent (RM)		0.35	0.34

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 2015 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED JUNE 2016**

<--- Attributable to Equity Holders of the Parent --->

	Share Capital RM'000	Warrant Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2016	44,817	2,675	(17,217)	30,275	-	30,275
Total comprehensive income for the financial period	-	-	1,051	1,051	(1)	1,050
Balance as at 30 June 2016	44,817	2,675	(16,166)	31,326	(1)	31,325
Balance as at 1 January 2015	44,817	2,675	(27,391)	20,101	-	20,101
Total comprehensive income for the financial period	-	-	835	835	-	835
Balance as at 30 June 2015	44,817	2,675	(26,556)	20,936	-	20,936

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 2015 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	Current Period ended 30 June 2016 RM'000	Preceding Period ended 30 June 2015 RM'000
Profit before taxation	1,050	835
Adjustments for:		
Depreciation	398	514
Bad debts written off	673	1,207
Waiver of debts	(284)	-
Reversal of impairment on trade receivable	-	(1,392)
Expenses written off	-	(582)
Bad debts recovered	(3)	-
Dividend income	(22)	(97)
Interest expenses	542	733
Operating profit before changes in working capital	2,354	1,218
Changes in working capital		
Inventories	(114)	(434)
Receivables	2,907	(2,290)
Payables	(3,578)	(187)
	(785)	(2,911)
Cash generated from / (used) in operations	1,569	(1,693)
Interest paid	(542)	(733)
Net cash generated from / (used in) operating activities	1,027	(2,426)
Cash flows from investing activities		
Purchase of property, plant and equipment	(34)	(73)
Proceeds from disposal of property, plant and equipment	-	599
Dividend Income	22	97
Net cash (used in) / generated from investing activities	(12)	623
Cash flows from financing activities		
Repayment of finance lease payable	(12)	(736)
Repayment of term loans	(26)	(463)
Net cash used in financing activities	(38)	(1,199)
Net increase / (decrease) in cash and cash equivalents	977	(3,002)
Cash and cash equivalents at the beginning of the period	(20)	4,276
Cash and cash equivalents at the end of the period	957	1,274

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (CONT'D)**

	Current Period ended 30 June 2016 RM'000	Preceding Period ended 30 June 2015 RM'000
Closing balance of cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	1,069	6,052
Fixed deposits	4	4
Bank overdrafts	(112)	(4,778)
	961	1,278
Fixed deposits pledged to bank	(4)	(4)
	957	1,274

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 2015 and the accompanying explanatory notes attached to the interim financial report.

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

A1. Basis of Preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed financial statements have been prepared on the assumption that the Group is a going concern.

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. These explanatory notes attached to the condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of ML Global Berhad ("the Company") and all its subsidiaries (collectively known as "the Group") since the financial year ended 31 December 2015.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2015 under the Malaysian Financial Reporting Standards ("MFRS") framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2015.

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A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2015 except for the adoption of the following:

Adoption of new and amended standards

During the financial period, the Group has adopted the following MFRS and Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial period:

MFRS 14	Regulatory Deferred Accounts
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendment to MFRS 10, MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception
Amendment to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendment to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 116 and MFRS 141	Agriculture – Bearer Plants
Annual Improvements to MFRSs 2012-2014	Cycle

The adoption of above MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group.

Standards issued but not yet effective

The Group has not adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB which are not yet effective for the Group: -

		Effective date for financial periods <u>beginning on or after</u>
Amendment to MFRS 107	Disclosure initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 & Clarifications to MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendment to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be announced

The Group intends to adopt the above MFRSs and Amendment to MRFSSs when they become effective.

A2. Changes in Accounting Policies (Cont'd)

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied i.e. when "control" of goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the applications of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

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 calculation 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 amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) clarify that the exemption from preparing consolidated financial statements is available to intermediate parent entity which is a subsidiary of an investment entity, even when the investment entity measures its subsidiaries at fair value. The intermediate parent entity would need to meet the other criteria for exception in MFRS 10.

The amendments to MFRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes.

The amendments to MFRS 112 clarify that decreases in value of debt instrument measured at fair value for which tax base remains at its original cost give rise to a deductible temporary difference of which the deductible temporary difference should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary difference when an entity evaluates whether it has sufficient future taxable profit.

MFRS 16 replaces the existing MFRS 117 and it eliminates the distinction between finance and operating leases for lessees. Under this MFRS 16, all leases will be brought onto its balance sheet as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

A4. Segmental Information

(a) Segment analysis for the financial period ended 30 June 2016 :

	Manufacturing & Trading	Construction Contract	Others	Elimination RM'000	Group RM'000
	RM'000	RM'000	RM'000		
Revenue					
External	3,740	18,586	-	-	22,326
Inter-segmental revenue	-	-	-	-	-
Total Revenue	3,740	18,586	-	-	22,326
Results					
(Loss)/ Profit from operations	(268)	1,860	-	-	1,592
Finance cost	(542)	-	-	-	(542)
(Loss) / Profit before taxation	(810)	1,860	-	-	1,050
Taxation	-	-	-	-	-
Net (Loss) / Profit after taxation	(810)	1,860	-	-	1,050
Other Information					
Segment assets	35,474	22,902	1,216	-	59,592
	35,474	22,902	1,216	-	59,592
Segment liabilities	19,877	7,255	1,135	-	28,267
	19,877	7,255	1,135	-	28,267

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A4. Segmental Information (Cont'd)

(b) Segment analysis for the financial period ended 30 June 2015 :

	Manufacturing & Trading	Construction Contract	Others	Elimination RM'000	Group RM'000
	RM'000	RM'000	RM'000		
Revenue					
External	5,110	4,819	-	-	9,929
Inter-segmental revenue	-	-	-	-	-
Total Revenue	5,110	4,819	-	-	9,929
Results					
Profit from operations	308	1,260	-	-	1,568
Finance cost	(733)	-	-	-	(733)
(Loss) / Profit before taxation	(425)	1,260	-	-	835
Taxation	-	-	-	-	-
Net (Loss) / Profit after taxation	(425)	1,260	-	-	835
Other Information					
Segment assets	37,295	2,024	11,688	-	51,007
	37,295	2,024	11,688	-	51,007
Segment liabilities	24,336	3,946	1,789	-	30,071
	24,336	3,946	1,789	-	30,071

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A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow that are unusual of their nature, size or incidence during the current quarter.

A6. Changes in estimates

There were no material changes in estimates used for the preparation of the interim financial report.

A7. Comments about Seasonal or Cyclical Factors

The Group's business are generally not affected by the various festive seasons.

A8. Dividends Paid

There were no dividends paid during the current quarter ended 30 June 2016.

A9. Valuation of Property, Plant and Equipment

There was no fair value adjustment of property, plant and equipment during the quarter.

A10. Debt and Equity Securities

There were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current period under review.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the quarter under review.

A12. Capital Commitments

There were no outstanding capital commitments for the quarter under review.

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A13. Significant Events

(a) Practice Note 17 – Status of Plan to Regularise Condition

The regularisation plan had been completed on 31 October 2014. ML Global Berhad (“MGB”) made an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the upliftment of the PN17 status of MGB upon the Company recording two (2) consecutive quarterly results of net profits immediately after the completion of the implementation of the Regularisation Plan.

On 9 December 2015, Hong Leong Investment Bank Berhad (“HLIBB”) on behalf of MGB has announced that Pursuant to Paragraph 5.2© of PN17 of the Listing Requirements, MLGB is required to record a net profit in two (2) consecutive quarterly results immediately after the completion of the implementation of its regularisation plan, namely the FPE 31 March 2015 and FPE 30 June 2015. Notwithstanding the above, it is to be noted that after the adjustments of one-off items from the net profits of the Group for the abovementioned financial quarters, the Group was not able to meet the requirements of the Paragraph 5.2© of PN17 of the Listing Requirements. As such, an application was submitted to Bursa Securities for the modification. Bursa Securities had on 9 December 2015, approved the modification and allowed for the Company to comply with Paragraph 5.2© of PN17 of the Listing Requirements based on the net profit for the 3-months FPE 30 September 2015 and FPE 31 December 2015, being the third and fourth financial quarter of the Company after the completion of the implementation of the Company’s regularisation plan.

On 10 March 2016, HLIBB on behalf of ML Global Berhad (“MGB”) has announced that the Company has regularised its financial condition and level of operations and no longer triggers any of the criteria under Paragraph 2.1 of Practice Note 17 (“PN17”) of the Main Market Listing Requirements. After due consideration of all facts and circumstances of the matter, Bursa Securities has decided to approve the Company’s application for an upliftment from being classified as a PN17 company. MGB will be uplifted from being classified as a PN17 company effective from 9.00 a.m., Friday 11 March 2016.

(b) Disposal of Property located at Mukim Rawang, District of Gombak, Selangor Darul Ehsan

On 17 February 2015, M&A Securities Sdn Bhd, on behalf of ML Global Berhad (“MGB”) had announced that on 17 February 2015, Vintage Tiles Industries Sdn Bhd (“VTISB”) had entered into a sale and purchase agreement (“SPA”) with Finston Sdn Bhd (Company No. 1020457-W) having its place of business at No. 32, Lorong Sungai Puloh 1A/KU6, Taman Teknologi Gemilang, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor Darul Ehsan for the proposed disposal of an industrial property known as Lot PT 6466 held under Title No. H.S (M) 17269, Mukim Rawang, District of Gombak, Selangor Darul Ehsan by VTISB of the Property for a total cash consideration of RM 17,050,000 only (“Disposal Consideration”).

An ordinary resolution on the proposed disposal of the property has been held and shareholder approval has been obtained and approved during an Extraordinary General Meeting (“EGM”) of MGB held on 27 May 2015.

On 3 November 2015, MGB had announced that the Vendor and the Purchaser had on 2 November 2015 agreed to the extension of time until 16 November 2015 for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

A13. Significant Events (Cont'd)

(b) Disposal of Property located at Mukim Rawang, District of Gombak, Selangor Darul Ehsan (Cont'd)

On 25 November 2015, ML Global Berhad ("MGB") had announced that the Vendor and the Purchaser had on 24 November 2015 mutually agreed to the further extension of time until 16 February 2016 for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

On 23 February 2016, MGB had announced that the bank's solicitor had submitted the original title to the Gombak Land Office for the endorsement of title into the category of the use as "Industries" on 22 February 2016. Due to the status of the conversion of category of land title is still pending endorsement from the relevant authority, the Vendor and the Purchaser have mutually agreed to the further extension of time for another one (1) month from 22 February 2016 or upon receive of the endorsement of title from the land office, whichever is earlier, for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

On 1 April 2016, MGB had announced that the Company's solicitor has vide its letter dated 31 March 2016 informed the Company that the conversion of category of land title has been endorsed by the Land Office as "Light Industrial". As such, the Conditions Precedent stated in the Sale and Purchase Agreement dated 17 February 2015 ("SPA") has been fulfilled ("Unconditional Date"). Further to that, the Completion Date for the SPA shall be three (3) months from the Unconditional Date, i.e. by 30 June 2016 and the Extended Completion Date shall be two (2) months from the Completion Date, i.e. by 31 August 2016.

(c) Take Overs & Mergers (Paragraph / Rule 9.19 (47A)

On 11 April 2016, ML Global Berhad ("MGB") had announced that the Company has on event date received a notice of unconditional take-over offer ("Notice") from AmInvestment Bank Berhad ("AmInvestment Bank") on behalf of the Offeror to acquire:

- (i) All the remaining ordinary shares of RM 0.50 each in MGB (" MLGB Shares") not already owned by the Offeror and such number of MGB Shares that may be issued pursuant to the exercise of any outstanding warrants 2014/2019 in MGB ("MGB Warrants")("Offer Shares") for a cash offer price of RM 0.56 per Offer Share; and
- (ii) All the remaining MGB Warrants constituted by the deed poll dated 22 July 2014 not Already owned by the Offeror ("Offer Warrants") for a cash price of RM 0.06 per Offer Warrant ("Offer").

The MGB will convene a meeting within 24 hours to deliberate on whether the Board will be seeking another person to make a take-over offer for its voting shares and voting rights.

On 11 April 2016, MGB had announced that the Company does not intend to seek an alternative person to make a take-over offer for the Offer Shares and Offer Warrants.

On 13 April 2016, MGB had announced that in accordance with the Malaysia Code on Take-Over and Mergers 2010, the Company has appointed MainStreet Advisers Sdn Bhd to advise the non-interested directors and holders of the Offer Shares and Offer Warrants in relation to the Offer.

On 3 May 2016, MGB had announced that MGB has received a press notice from AmInvestment Bank on behalf of the Offeror, informing that the offer document dated 3 May 2016 which set out details of the Offer together with the Forms of Acceptance and Transfer have been despatched to the shareholders and warrant holders of MGB on even date ("Press Notice").

A13. Significant Events (Cont'd)

(c) Take Overs & Mergers (Paragraph / Rule 9.19 (47A) (Cont'd)

On 24 May 2016, MGB had announced that MGB has received a press notice from AmlInvestment Bank on behalf of the Offeror, informing that the offer has closed at 5.00 p.m (Malaysia time) today, 24 May 2016 (“Closing Date”).

(d) Revaluation of Properties located at HSD 43658 PT 633 / Lot 12021, Kawasan Perindustrian Nilai FASA 1, 71800 Nilai, Negeri Sembilan and HSD 6762 to HSD 6771 / Lot Nos. PT 2539 – 2548, Langkap Light Industrial Park, Jalan Chui Chak, 36700 Langkap, Perak.

On 31 May 2016. ML Global Berhad (“MGB”) had announced that the revaluation surplus, net of deferred tax, of approximately RM 3.064 million derives from the revaluation of Properties located at HSD 43658 PT 633 / Lot 12021, Kawasan Perindustrian Niali FASA 1, 71800 Nilai, Negeri Sembilan and HSD 6762 to HDS 6771 / Lot Nos. PT 2539 – 2548, Langkap Light Industrial Park, Jalan Chui Chak, 36700 Langkap, Perak will incorporate in the consolidated financial statements of MLG Global for the financial year ending 31 December 2016.

(e) Cessation of Business Operations of A Subsidiary of the Company

On 8 July 2016. ML Global Berhad (“MGB”) had announced that Vintage Tiles Industries Sdn Bhd, a wholly-owned subsidiary of the MGB had on 5 July 2016 decided to cease the business operations of manufacturing and trading in roof tiles with effect from 15 July 2016.

(f) Reclassification of Sector

On 2 August 2016. ML Global Berhad (“MGB”) had announced that MGB’s securities will be reclassified from Industrial Products Sector to Construction Sector with effect from 9.00 a.m., Friday 5 August 2016.

A14. Changes in contingent liabilities and contingent assets

	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries	<u>18,440</u>	<u>21,012</u>
Corporate guarantees issued to third parties in respect of trade facilities granted to subsidiaries	<u>1,000</u>	<u>1,000</u>

There were no contingent assets as at the date of this interim financial report.

A15. Significant Related Party Transactions

The related party transactions for the current financial period were summarised as follows: -

	Current Quarter 30 June 2016 RM'000
Income	
Contract revenue	9,810
Project Management fees	60

The nature and relationship between the Group and the related parties are common directorship in both the Group and the related parties.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of Group performance

Revenue	Current Year Ended 30 June 2016	Corresponding Period Ended 30 June 2015	Increase / (Decrease)	Percentage Increase / (Decrease)
	RM' Million	RM' Million	RM' Million	%
Roof Tiles	3.74	5.11	(1.37)	(26.81)
Construction Projects	18.59	4.82	13.77	285.68
Total	22.33	9.93	12.40	124.87

For the period ended 30 June 2016, the Group's revenue had increased by 124.87% to RM 22.33 million as compared to RM 9.93 million in corresponding period 2015. This increase in revenue was due to the increase revenue generated from construction projects by RM 13.77 million or 285.68% from RM 4.82 million to RM 18.59 million. However, there was a decreased in roofing tiles sales by RM 1.37 million or 26.81% from RM 5.11 million to RM 3.74 million. The decrease was due to the decrease sales volume for the Group's Hacienda and Mineral Zen and Modern Slate roof tiles by 25.15% and 27.84% and 15.50% respectively.

	Current Year Ended 30 June 2016	Corresponding Period Ended 30 June 2015	Increase / (Decrease)	Percentage Increase / (Decrease)
	RM' Million	RM' Million	RM' Million	%
Gross Profit	3.66	1.94	1.72	88.66
Loss Before Tax - Roof Tiles	(0.81)	(0.43)	0.38	88.37
Profit Before Tax - Construction Projects	1.86	1.26	0.60	47.62
Profit Before Tax - Group	1.05	0.84	0.21	25.00

For the period ended 30 June 2016, the Group has generated a profit before tax of RM 1.05 million as compared to a profit before tax of RM 0.84 million for the same period of last year. The increase was mainly due to the gross profit for period under review increase by RM 1.72 million or 88.66% from RM 1.94 million to RM 3.66 million. The significant increase in Group's Gross Profit was due to profit generated from the construction projects by 47.62% or RM 0.60 million from RM 1.26 million to RM 1.86 million but the profit has dampen by the increase in loss before tax in roof tiles division from the loss before tax of RM 0.43 million to RM 0.81 million and also an increase in administrative expense of RM 1.92 million as a results of the decrease in reversal of impairment losses on trade receivable of RM 1.39 million and decrease in bad debts written off of RM 0.53 million. However, the increase in administrative expense was mitigated by the increase in Other Income amounted to RM 0.25 million and reduction in finance cost by RM 0.19 million.

B1. Review of Group performance (Cont'd)

Revenue	Current Year Quarter Ended 30 June 2016	Corresponding Quarter Ended 30 June 2015	Increase / (Decrease)	Percentage Increase / (Decrease)
	RM' Million	RM' Million	RM' Million	%
Roof Tiles	1.73	2.71	(0.98)	(36.16)
Construction Projects	9.87	2.78	7.09	255.04
Total	11.60	5.49	6.11	111.29

For the current year quarter ended 30 June 2016, the Group's revenue had increased by 111.29% to RM 11.60 million as compared to RM 5.49 million in corresponding quarter ended 30 June 2015. This increase in revenue was due to the increase revenue generated from construction projects by RM 7.09 million or 255.04% from RM 2.78 million to RM 9.87 million. However, there was a decreased in roofing tiles sales by RM 0.98 million or 36.16% from RM 2.71 million to RM 1.73 million. The decrease was due to the decrease sales volume for the Group's Hacienda and Mineral Zen roof tiles by 22.64% and 49.57% respectively.

	Current Year Quarter Ended 30 June 2016	Corresponding Quarter Ended 30 June 2015	Increase / (Decrease)	Percentage Increase / (Decrease)
	RM' Million	RM' Million	RM' Million	%
Gross Profit	1.90	1.06	0.84	78.24
Loss Before Tax - Roof Tiles	(0.60)	(0.14)	0.46	328.57
Profit Before Tax - Construction Projects	1.95	0.78	1.17	150.00
Profit Before Tax - Group	0.14	0.64	(0.50)	(78.12)

For the current quarter ended 30 June 2016, the Group has generated a profit before tax of RM 0.14 million as compared to a profit before tax of RM 0.64 million for the same period of last year. The decrease was mainly due to gross loss incurred from the roof tiles sales increased by RM 0.46 million or 328.57% from RM 0.14 million to RM 0.60 million and the increased in administrative expenses as a results of the decrease in reversal of impairment losses on trade receivable of RM 1.39 million and decrease in bad debts written off of RM 0.53 million. However, the increase in administrative expense was mitigated by the increase in Other Income amounted to RM 0.19 million and reduction in finance cost by RM 0.11 million. However, there was an increase in profit before tax generated from construction projects by RM 1.17 million or 150.00% from RM 0.78 million to RM 1.95 million.

B2. Variation of results against immediate preceding quarter

	Current Quarter Ended 30 June 2016 RM'000	Preceding Quarter Ended 31 March 2016 RM'000	Variance RM'000
Revenue	<u>11,599</u>	<u>10,727</u>	<u>872</u>
Profit before taxation	<u>144</u>	<u>906</u>	<u>(762)</u>

For the quarter under review, the revenue of the Group had increased by 8.13% as compared to the preceding quarter ended 31 March 2016. This was due to the increase revenue generated from the construction project by RM 1.15 million or 13.19% from RM 8.72 million to RM 9.87 million. However, there was a decrease revenue from roof tiles sales by RM 0.28 million or 13.93% from RM 2.01 million to RM 1.73 million. The Company registered a profit before tax amounted to RM 0.14 million as compared to profit before tax of RM 0.91 million in the preceding quarter ended 31 March 2016. The decrease mainly due to gross loss incurred from the roof tiles sales of RM 0.13 million as compared to a gross profit of RM 0.14 million for the quarter under review. The decrease also due to increase in administrative expenses of RM 0.98 million as a result of increase in bad debts written off amounting to RM 0.66 million and increase in professional fees amounting to RM 0.24 million and other administrative expenses amounting to RM 0.08 million. The decrease in profit before tax has mitigated by the increase in gross profit generated from construction projects by RM 0.33 million or 20.37% from RM 1.62 million to RM 1.95 million and increase in other income by RM 0.13 million or 118.18% and also reduction in finance cost by RM 0.03 million.

B3. Prospects for the current financial year

The Group's products are expected to remain competitive in the present operating environment. Moving forward, the Board expects the Group to achieve a satisfactory performance for the next quarters.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public

B5. Taxation

No provision of taxation was provided for the current quarter.

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B6. Status of Corporate Proposals and utilisation of proceeds

(a) Status of corporate proposals

Disposal of Property located at Mukim Rawang, District of Gombak, Selangor Darul Ehsan

There were no corporate proposals issued as at the date of this report except the following property held for sales: -

On 17 February 2015, M&A Securities Sdn Bhd, on behalf of ML Global Berhad had announced that on 17 February 2015, Vintage Tiles Industries Sdn Bhd ("VTISB") had entered into a sale and purchase agreement ("SPA") with Finston Sdn Bhd (Company No. 1020457-W) having its place of business at No. 32, Lorong Sungai Puloh 1A/KU6, Taman Teknologi Gemilang, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor Darul Ehsan for the proposed disposal of an industrial property known as Lot PT 6466 held under Title No. H.S (M) 17269, Mukim Rawang, District of Gombak, Selangor Darul Ehsan by VTISB of the Property for a total cash consideration of RM 17,050,000 only ("Disposal Consideration").

An ordinary resolution on the proposed disposal of the property has been held and shareholder approval has been obtained and approved during an Extraordinary General Meeting ("EGM") of ML Global Berhad held on 27 May 2015.

On 3 November 2015, ML Global Berhad had announced that the Vendor and the Purchaser had on 2 November 2015 agreed to the extension of time until 16 November 2015 for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

On 25 November 2015, ML Global Berhad had announced that the Vendor and the Purchaser had on 24 November 2015 mutually agreed to the further extension of time until 16 February 2016 for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

On 23 February 2016, ML Global Berhad had announced that the bank's solicitor had submitted the original title to the Gombak Land Office for the endorsement of title into the category of the use as "Industries" : on 22 February 2016. Due to the status of the conversion of category of land title is still pending endorsement from the relevant authority, the Vendor and the Purchaser have mutually agreed to the further extension of time for another one (1) month from 22 February 2016 or upon receive of the endorsement of title from the land office, whichever is earlier, for the fulfilment of the Conditions Precedent stated in the Sales and Purchase Agreement dated 17 February 2015.

On 1 April 2016, MLGB had announced that the Company's solicitor has vide its letter dated 31 March 2016 informed the Company that the conversion of category of land title has been endorsed by the Land Office as "Light Industrial". As such, the Conditions Precedent stated in the Sale and Purchase Agreement dated 17 February 2015 ("SPA") has been fulfilled ("Unconditional Date"). Further to that, the Completion Date for the SPA shall be three (3) months from the Unconditional Date, i.e. by 30 June 2016 and the Extended Completion Date shall be two (2) months from the Completion Date, i.e. by 31 August 2016.

B6. Status of Corporate Proposals and utilisation of proceeds (Cont'd)

(b) Status of utilisation of proceeds

The gross proceeds arising from the Private Placement, Rights Issue with Warrants and Agreements to Assign Debts amounting to RM 21.612 million are expected to be utilised in the following manner:-

	Amount RM'000	Expected timeframe for utilisation
Proceeds from Private Placement	4,000	
Proceeds from Rights Issue with Warrants	12,748	
Proceeds from Agreements to Assigned Debts	4,864	
Total	<u>21,612</u>	
Proposed Utilisation :		
1) Working capital for construction activities and / or the existing roofing tiles operations	19,662	Within 12 months
2) Estimated expenses (Note 1)	1,950	Within 1 month
Total	<u>21,612</u>	

As at 30 June 2016, all proceeds had been received from the Private Placement, Rights Issue with Warrants and Assigned Debts amounted to RM 21.612 million and was fully utilised in the following manner :-

Purpose	Intended Timeframe for Utilisation	Proposed utilisation	Actual utilisation	Transfer of unutilised amount	Balance Unutilised
		RM'000	RM'000	RM'000	RM'000
1) Working capital for construction activities and or/the existing roofing tiles operations	Within 12 months	19,662	20,320	658	0
2) Estimated Expenses	Within 1 month	1,950	1,292	(658)	0
Total		21,612	21,612	0	0

Notes:

- (1) Expenses relating to the Regularisation Plan including professional fees, brokerage and placement fees, fees payable to the relevant authorities, printing, postage and other miscellaneous cost relating to the Regularisation Plan. Any variation surplus or shortfall will be adjusted to or from the portion allocated for working capital for construction activities and/or the existing roofing tiles operations.

B7. Borrowings and debt securities

Total Group borrowings of the Group as at 30 June 2016 comprised of the followings:

	30 June 2016
	RM'000
Secured bank borrowings:	
Term loans	13,950
Bank overdrafts	112
Finance lease payables	233
Total Bank Borrowing	<u>14,295</u>
Short Term	
Term loans	-
Bank overdrafts	112
Finance lease payables	49
Total Short Term	<u>161</u>
Long Term	
Term loans	13,950
Finance lease payable	184
Total Long Term	<u>14,134</u>

B8. Changes in material litigation

There was no material litigation as at 12 August 2016, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B9. Realised and Unrealised Profits

	Current	Previous
	Period Ended	Year Ended
	30 June	31 December
	2016	2015
	RM'000	RM'000
Total accumulated losses of the Group		
- Realised	(14,666)	(15,7117)
- Unrealised	(1,500)	(1,500)
	<u>(16,166)</u>	<u>(17,217)</u>

B10. Dividends declared

No dividend has been declared for the current quarter under review.

B11. Earnings per share (“EPS”)

Basic EPS

The calculation of the basic earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares in issue:-

	Current Year To Date 30 June 2016	Preceding Year Year To Date 30 June 2015
Net profit attributable to owner of the parent (RM'000)	1,050	835
Weighted average number of ordinary shares in issue ('000)	89,634	89,634
Basic EPS (Sen)	1.17	0.93

Diluted EPS

The calculation of the diluted earnings per share is based on the profit attributable to the owners of the parent and divided by the weighted average number of ordinary shares that would have been in issued upon full exercise of the remaining option under warrants, adjusted for the number of such shares that would have been issued at fair value:-

	Current Year To Date 30 June 2016	Preceding Year Year To Date 30 June 2015
Net profit attributable to owner of the parent (RM'000)	1,050	835
Weighted average number of ordinary shares in issue ('000)	116,383	116,383
Diluted EPS (Sen)	0.90	0.72

B12. Notes to the condensed consolidated Statement of Comprehensive Income

	Current Quarter 30 June 2016 RM'000	Current Period To Date 30 June 2016 RM'000
Dividend Income	(7)	(22)
Bad debts written off	666	673
Bad Debts recovery	-	(3)
Waiver of debts	(231)	(284)
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B13. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 19 August 2016.

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