

**Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

**PART A – Compliance with Malaysia Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and Bursa Listing Requirements**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of new International Financial Reporting Standards Compliant framework, Malaysia Financial Reporting Standards (MFRS), MFRS 134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

**A2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statement are consistent with those of the audited financial statements for the year ended 31 December 2017. The Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRSs 2014-2016 Cycle

Amendments to MFRS 12	Disclosure of Interests in Other Entities
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Adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

**A3. Auditor’s Report on Preceding Annual Financial Statements**

The Financial Statements of the Group for the preceding financial year ended 31 December 2017 were not subject to any qualification.

**A4. Comments about the Seasonality or Cyclicity of Interim Operation.**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**

**Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows & Sensitivity Analysis of Market Risk**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows and sensitivity analysis of market risk that were unusual because of their nature, size or incidence for the current quarter.

**A6. Changes in Estimates**

There were no changes in estimates that had any material effect to the financial statements in the period under review.

**A7. Issuance, Cancellation, Repurchase, Resale and Repayment of Debts and Equity Securities**

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities in the current quarter and financial year to date under review.

**A8. Dividends Paid**

No dividends have been paid by the Company in the current quarter and financial year to date.

**A9. Operating Segment Information**

The Group has two business segments of which the revenue and result of business segments for the current quarter and financial year to date were as follows. Previously there were three business segments, as overseas machinery segment no longer meet the quantitative thresholds in accordance to FRS 8, Operating Segments, we have now combined the local machinery and overseas machinery under Machinery Segment.

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)****Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

-----3 months ended 30-09-2018-----

<b>Business segments</b>	<b>Property Development</b>	<b>Machinery</b>	<b>Adjustments &amp; Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>				
External customers	103,252	-	-	103,252
Inter-segment	-	-	-	-
	<u>103,252</u>	<u>-</u>	<u>-</u>	<u>103,252</u>
<b>Results:</b>				
Segment results (external)	<b>24,848</b>	<b>(2)</b>	-	<b>24,846</b>
Unallocated expenses				-
Profit before tax				<u><b>24,846</b></u>

-----Cumulative 9 months ended 30-09-2018-----

<b>Business segments</b>	<b>Property Development</b>	<b>Machinery</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>				
External customers	503,542	-	-	503,542
Inter-segment	-	-	-	-
	<u>503,542</u>	<u>-</u>	<u>-</u>	<u>503,542</u>
<b>Results:</b>				
Segment results (external)	<b>108,839</b>	<b>(6)</b>	-	<b>108,833</b>
Unallocated expenses				-
Profit before tax				<u><b>108,833</b></u>

## **IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**

### **Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

#### **A10. Valuation of Property, Plant and Equipment**

There were no changes to the valuation of property, plant, and equipment since the previous audited financial statements.

#### **A11. Material Subsequent Events**

There were no material events subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.

#### **A12. Effects of Changes in Composition of Group**

On 23 January 2018, IDEAL had subscribed for 5,100,000 new ordinary shares in I-Global Property Network Sdn Bhd (“I-Global”), representing approximately 50.5% of the enlarged share capital of I-Global. I-Global shall henceforth be a subsidiary of IDEAL.

#### **A13. Contingent Liabilities and Contingent Assets**

There have been no changes in contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2017.

#### **A14. Capital Commitments**

There were no material capital commitments since the last audited financial statements for the financial year ended 31 December 2017.

#### **A15. Related Party Transactions**

There were no significant related party transactions in the interim financial statements.

#### **A16. Trade Receivables**

Trade receivables are non-interest bearing and are generally on 30 to 180 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. Trade receivables that are past due but not impaired relate to a number of independent customers from whom there are no recent history of default.

## **PART B – Explanatory Notes Pursuant to Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

### **B1 Review of Performance**

With the continuous steady take up rate from I-Santorini and additionally One Foresta and Forrestville, the Group recorded total revenue of RM103.252 million for the current quarter under review compared to RM60.170 million in the corresponding preceding

## **IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**

### **Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

quarter. This represents an increase of 72%. There were no sales from the machinery segment for the current quarter.

The group achieved a profit before tax of RM25.817 million as compared to profit before tax of RM11.723 million (increase of >100%) in the corresponding preceding quarter due to the good take up rate and the progress of I-Santorini, One Foresta and Forrestville contributing to the profit of the Group.

#### **B2 Material changes in Profit before Tax for Current Quarter as Compared to the Preceding Quarter.**

	<b>Current Quarter Ended 30.09.18 RM '000</b>	<b>Preceding Quarter Ended 31.06.18 RM '000</b>
Revenue	103,252	194,693
Profit/ (Loss) before Tax	25,817	46,361

For the current quarter under review, the revenue retreat by approximately 46.96% from RM194.693 million in the immediate preceding quarter to RM103.252 million. Profit before tax retreat by approximately 44.31% from RM46.361 million to RM25.817 million. This is mainly due to adverse weather condition that slows down the construction progress. However, overall construction schedule is still on time for vacant possession. For I-Santorini, gross property sold amounted to RM851.088 million with unbilled sales of RM367.849 million. Percentage of completion for I-Santorini commercial and residential is 73%. For One Foresta, gross property sold amounted to RM468.070 million with unbilled sales of RM125.650 million. For Forestville, gross property sold is RM455.944 million with unbilled sales of RM271.431 million. Percentage of completion is 91% and 56% respectively.

#### **B3. Prospects**

Barring unforeseen circumstances, the Board is expecting the property development sector to contribute further to the revenue and profit of the Group for the financial year ending 31 December 2018.

#### **B4. Variance of Profit Forecast and Profit Guarantee**

Not applicable as the Group had not disclosed any profit forecasts or made any profit guarantees.

#### **B5. Statement of the Board of Directors' Opinion as to whether Revenue or Profit Estimate, Forecast, Projection or Internal Targets are likely to be achieved.**

Not applicable as the Group has not announced or disclosed in a public document any revenue or profit estimate, forecast, projection or internal targets.

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**

**Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

**B6. Income tax expense**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current year	6,562	3,130	27,393	7,066

For the quarter under review, the tax is approximate the statutory tax rate for the profitable subsidiary as the business losses carrying in the parent company cannot be utilised to set off the tax arisen from the profit in property sector.

**B7. Status of Corporate Proposals**

On 23 January 2018, the Board announced the following:

1. A total of 136,350,000 RCPS has been issued and allotted to ICT Innotech Sdn Bhd pursuant to its Undertaking. As such, the Proposed Issuance of RCPS is deemed complete.
2. IDEAL had subscribed for 5,100,000 new I-Global Shares in accordance with the terms and conditions of the Subscription Agreement. As such, the Proposed Subscription is deemed complete, I-Global shall henceforth be a subsidiary of the Company.

On 15 October 2018, the Board announced the following:

1. Proposed acquisition of the entire equity interest in Modular Platinum Sdn Bhd, Ideal Homes Properties Sdn Bhd and Premium Flame Development Sdn Bhd from Tan Sri Datuk Ooi Kee Liang and Puan Sri Datuk Phor Li Wei for a total consideration of RM353,088,000
2. Proposed private placement of up to 393,084,300 new ordinary shares in IUBI ("IUBI Shares") ("Placement Share(s)"), representing up to 30% of the issued shares in IUBI ("Proposed Private Placement"), and
3. Proposed subdivision of every 1 existing IUBI Share into 2 ordinary shares in IUBI ("Subdivided Shares") ("Proposed Share Split")

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)****Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

**B8. Group Borrowings and Debt Securities**

	As at 3rd quarter ended 30.09.2018		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Bank Borrowings *	178	-	178
Long Term Bank Borrowings *	508	-	508
Redeemable Convertible Preference Shares	-	77,719	77,719
	686	77,719	78,405

	As at 3rd quarter ended 30.09.2017		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Bank Borrowings	54	-	54
Long Term Bank Borrowings	201	-	201
Redeemable Convertible Preference Shares	-	-	-
	255	-	255

\* consist of hire purchase

**B9. Other Income**

Other income consists mainly of administrative charges, late payment interest and sale of additional carparks.

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)****Interim report for the third quarter ended 30<sup>th</sup> Sept 2018****(These figures have not been audited)****B10. Notes to the Statement of Comprehensive Income**

	<b>Current Quarter 30/09/2018 RM'000</b>	<b>Cumulative 9 months ended 30/09/2018 RM'000</b>
a) Interest Income	<b>159</b>	<b>380</b>
b) Other income including investment income	<b>372</b>	<b>1,471</b>
c) Interest expense	<b>8</b>	<b>18</b>
d) Depreciation and amortization	<b>n/a</b>	<b>n/a</b>
e) Provision for and write off of receivables	<b>n/a</b>	<b>n/a</b>
f) Provision for and write off of inventories	<b>n/a</b>	<b>n/a</b>
g) Properties, plant & equipment written off	<b>n/a</b>	<b>n/a</b>
h) Gain/(loss) on disposal of properties, plant & equipment	<b>n/a</b>	<b>n/a</b>
i) Gain/(loss) on disposal of quoted and unquoted Investment or Properties	<b>n/a</b>	<b>n/a</b>
j) Gains on fair value changes of Investment Properties	<b>n/a</b>	<b>n/a</b>
k) Foreign exchange loss	<b>n/a</b>	<b>n/a</b>
l) Gain/(loss) on derivatives	<b>n/a</b>	<b>n/a</b>
m) Exceptional items (with details)	<b>n/a</b>	<b>n/a</b>



**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)****Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

(These figures have not been audited)

**B11. Changes in Material Litigations**

There was no pending material litigation within the 7 days before the date of issue of this report.

**B12. Dividend**

The board of directors have not proposed any dividend for the current financial period ended 30 September 2018.

**B13. Earnings Per Share**

	<b>3 months ended</b>		<b>Cumulative 9 months ended</b>	
	<b>30-09-2018</b>	<b>30-09-2017</b>	<b>30-09-2018</b>	<b>30-09-2017</b>
<b>(a) Basic earnings per share</b>				
Profit/(Loss) for the period attributable to owners of the Company (RM'000)	8,417	3,939	38,681	9,343
Number of ordinary shares in issued ('000)	110,468	110,468	110,468	110,468
Basic Earnings/(Loss) per share (sen)	7.62	3.57	35.02	8.46

	<b>3 months ended</b>		<b>Cumulative 9 months ended</b>	
	<b>30-09-2018</b>	<b>30-09-2017</b>	<b>30-09-2018</b>	<b>30-09-2017</b>
<b>(b) Diluted earnings per share</b>				
Diluted Earnings/(Loss) per share (sen)	4.63	N/A	20.51	N/A

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**

**Interim report for the third quarter ended 30<sup>th</sup> Sept 2018**

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**B14. Realised and Unrealised Losses**

	<b>As at 30-09-2018 RM'000</b>	<b>As at 30-09-2017 RM'000</b>
Total accumulated profit/(losses) of the Company and its subsidiary		
- Realised	20,097	(25,926)
- Unrealised	2,294	2,294
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Total group accumulated profit/(losses) as per consolidated accounts	22,391	(23,632)
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**By Order of the Board**

**LIM CHOO TAN**  
(LS 0008888)

**CHEW SIEW CHENG**  
(MAICSA 7019191)  
Company Secretaries

**Penang**  
**Date: 21<sup>st</sup> November 2018**

c.c Securities Commission