

**IDEAL UNITED BINTANG INTERNATIONAL BERHAD**

(1215261-H)

(Incorporated in Malaysia)

**Interim report for the second quarter ended 30th June 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Six Months Ended 30th June 2019

	3 months ended			6 months ended		
	30.6.19 RM' 000	30.6.18 RM' 000	Changes %	30.6.19 RM' 000	30.6.18 RM' 000	Changes %
Revenue	146,907	194,693	-25%	288,242	400,291	-28%
Cost of sales	(95,044)	(139,506)	-32%	(199,940)	(292,618)	-32%
Gross profit	<u>51,863</u>	<u>55,187</u>	-6%	<u>88,302</u>	<u>107,673</u>	-18%
Other income	3,037	974	> 100%	3,362	1,098	> 100%
Administrative expenses	(4,735)	(6,468)	-27%	(7,973)	(14,322)	-44%
Selling & marketing expenses	(3,166)	(3,517)	-10%	(4,422)	(8,731)	-49%
Finance Income	<u>234</u>	<u>190</u>	23%	<u>439</u>	<u>221</u>	99%
Finance Cost	<u>(95)</u>	<u>(5)</u>		<u>(103)</u>	<u>(9)</u>	
Net Finance costs	<u>139</u>	<u>185</u>		<u>336</u>	<u>212</u>	
<b>Operating Profit</b>	<u>47,138</u>	<u>46,361</u>	2%	<u>79,605</u>	<u>85,930</u>	-7%
Amortisation of negative goodwill	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
<b>Operating Profit Before Taxation</b>	<u>47,138</u>	<u>46,361</u>	2%	<u>79,605</u>	<u>85,930</u>	-7%
Income tax expense	<u>(11,022)</u>	<u>(10,963)</u>	1%	<u>(18,879)</u>	<u>(20,832)</u>	-9%
<b>Profit/(Loss) for the period</b>	<u>36,116</u>	<u>35,398</u>	2%	<u>60,726</u>	<u>65,098</u>	-7%
<b>Other Comprehensive Income/Expenses</b>						
- Redeemable convertible preference shares interest	<u>(1,943)</u>	<u>(1,943)</u>		<u>(1,943)</u>	<u>(1,943)</u>	
<b>Total Comprehensive Profit For The Period</b>	<u>34,173</u>	<u>33,455</u>		<u>58,783</u>	<u>63,155</u>	
<b>Profit/(Loss) For The Period Attributable to:</b>						
<b>Owners Of The Parent</b>	<u>18,390</u>	<u>15,570</u>	18%	<u>30,569</u>	<u>30,264</u>	1%
<b>Non-Controlling interest</b>	<u>15,783</u>	<u>17,885</u>		<u>28,214</u>	<u>32,891</u>	
	<u>34,173</u>	<u>33,455</u>		<u>58,783</u>	<u>63,155</u>	
<b>Total Comprehensive Profit For The Period</b>						
<b>Attributable to:-</b>						
<b>Owners Of The Parent</b>	<u>18,390</u>	<u>15,570</u>		<u>30,569</u>	<u>30,264</u>	
<b>Non-Controlling interest</b>	<u>15,783</u>	<u>17,885</u>		<u>28,214</u>	<u>32,891</u>	
	<u>34,173</u>	<u>33,455</u>		<u>58,783</u>	<u>63,155</u>	
<b>Earnings/(Loss) EPS Attributable To Owners Of The Company:</b>						
Basic Earnings Per Share For The Period (Sen)	<u>3.97</u> #	<u>14.09</u> *		<u>6.59</u> #	<u>27.40</u> *	
Diluted EPS For The Period (Sen)	<u>3.75</u>	<u>9.98</u>		<u>5.99</u>	<u>18.36</u>	

The Condensed Consolidated of Comprehensive Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018

Neg. means Negligible

\* Number of shares totalling 110.5 million

# Increase of number of shares from 110.5 million to 463.5 million

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the Six Months Ended 30th June 2019

	<b>3 months ended</b>		
	<b>30.6.19</b>	<b>31.3.19</b>	<b>Changes</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>%</b>
Revenue	146,907	141,335	4%
Cost of sales	(95,044)	(104,896)	-9%
Gross profit	<u>51,863</u>	<u>36,439</u>	42%
Other income	3,037	325	> 100%
Administrative expenses	(4,735)	(3,238)	46%
Selling & marketing expenses	(3,166)	(1,257)	> 100%
Finance Income	234	205	14%
Finance Cost	(95)	(7)	
Net Finance costs	<u>139</u>	<u>198</u>	
<b>Operating Profit</b>	47,138	32,467	45%
Amortisation of negative goodwill	<u>-</u>	<u>-</u>	
<b>Operating Profit Before Taxation</b>	47,138	32,467	45%
Income tax expense	<u>(11,022)</u>	<u>(7,857)</u>	40%
<b>Profit/(Loss) for the period</b>	36,116	24,610	47%
<b>Other Comprehensive Income</b>			
- Redeemable convertible preference shares interest	<u>(1,943)</u>	<u>-</u>	
<b>Total Comprehensive Profit For The Period</b>	<u>34,173</u>	<u>24,610</u>	
<b>Profit/(Loss) For The Period Attributable to:</b>			
<b>Owners Of The Parent</b>	18,390	12,178	51%
<b>Non-Controlling interest</b>	<u>15,783</u>	<u>12,432</u>	
	34,173	24,610	
<b>Total Comprehensive Profit For The Period</b>			
<b>Attributable to:-</b>			
<b>Owners Of The Parent</b>	18,390	12,178	
<b>Non-Controlling interest</b>	<u>15,783</u>	<u>12,432</u>	
	34,173	24,610	
<b>Earnings/(Loss) EPS Attributable To Owners Of The Company:</b>			
Basic Earnings Per Share For The Period (Sen)	<u>3.97</u>	<u>11.02</u>	
Diluted EPS For The Period (Sen)	<u>3.75</u>	<u>6.57</u>	

The Condensed Consolidated of Comprehensive Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018

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## Interim report for the second quarter ended 30th June 2019

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### CONDENSED CONSOLIDATED FINANCIAL POSITION

As at 30th June 2019

	As at 30.6.19 RM' 000	As at 31.12.18 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,587	1,223
Investment properties	5,290	5,290
Goodwill	189,586	8,641
	<u>197,463</u>	<u>15,154</u>
<b>Current assets</b>		
Inventories	729,813	222,130
Trade and other receivables	503,864	369,585
Fixed deposits	18,786	18,510
Cash and bank balances	8,257	21,479
	<u>1,260,720</u>	<u>631,704</u>
<b>TOTAL ASSETS</b>	<u>1,458,183</u>	<u>646,858</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	463,556	110,468
Accumulated profit/(loss)	66,313	35,745
<b>Equity attributable to owner of the parent</b>	<u>529,869</u>	<u>146,213</u>
Redeemable convertible preference shares	60,856	60,856
Non-controlling Interests	180,740	152,525
<b>Total Equity</b>	<u>771,465</u>	<u>359,594</u>
<b>Non-current liabilities</b>		
Redeemable convertible preference shares	17,132	17,132
Long term borrowings	14,946	472
	<u>32,078</u>	<u>17,604</u>
<b>Current liabilities</b>		
Trade and other payables	654,315	269,482
Short term borrowings	325	178
	<u>654,640</u>	<u>269,660</u>
<b>Total Liabilities</b>	<u>686,718</u>	<u>287,264</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,458,183</u>	<u>646,858</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.1431</u>	<u>1.3236</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the six Months Ended 30th June 2019

	← Attributable to the equity holders of the parent →					
	Share Capital RM' 000	Redeemable Convertible Preference Shares RM' 000	Accumulated Profit / (Loss) RM' 000	Total Equity RM' 000	Non-Controlling Interest RM' 000	Total Equity RM' 000
<u>Period Ended 30th June 2019</u>						
<b>At 1st January 2019</b>	110,468	60,856	35,745	207,069	152,525	359,594
Add: Increase in share capital	353,088	-	-	353,088	-	353,088
Add: Redeemable convertible preference shares	-	-	-	-	-	-
Total Comprehensive Profit For The Period	-	-	30,569	30,569	28,214	58,783
Changes in ownership interest in a subsidiary	-	-	-	-	-	-
<b>At 30th June 2019</b>	<b>463,556</b>	<b>60,856</b>	<b>66,314</b>	<b>590,726</b>	<b>180,739</b>	<b>771,465</b>
<u>Period Ended 30th June 2018</u>						
<b>At 1st January 2018</b>	110,468	-	(17,259)	93,209	27,693	120,902
Add: Increase in share capital	-	-	-	-	-	-
Total Comprehensive Profit For The Period	-	-	30,264	30,264	32,891	63,155
Changes in ownership interest in a subsidiary	-	-	-	-	-	-
<b>At 30th June 2018</b>	<b>110,468</b>	<b>-</b>	<b>13,005</b>	<b>123,473</b>	<b>60,584</b>	<b>184,057</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30th June 2019

	6 months ended	
	30/06/2019	30/06/2018
	RM	RM
	'000	'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	342,054	327,950
Payments to creditors	(343,760)	(363,417)
<b>Cash generated from/(used in) operations</b>	<b>(1,706)</b>	<b>(35,467)</b>
Loss on disposal of property, plant and equipment	6	-
(Repayment)/Drawdown of borrowing	(458)	2,510
Tax paid	(14,695)	(12,167)
Interest received	439	221
<b>Net cash generated from/(used in) operating activities</b>	<b>(16,414)</b>	<b>(44,903)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,077)	(665)
Proceeds from disposal of property, plant and equipment	75	-
Issuance of redeemable convertible preference shares	-	77,719
Acquisition of subsidiary, net of cash acquired	(353,088)	(77,000)
<b>Net cash generated from investing activities</b>	<b>(354,090)</b>	<b>54</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from hire purchase	660	434
Payment of hire purchase instalments	(84)	(41)
Increase in paid up share capital	353,088	77,000
Advances from directors	-	-
Repayment of advance to director	-	-
Repayment of advance to related Companies	-	-
Advances/(repayment) from substantial shareholder	-	(50)
<b>Net cash (used in)/generated from financing activities</b>	<b>353,664</b>	<b>77,343</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALEN'</b>	<b>(16,840)</b>	<b>32,494</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>43,883</b>	<b>23,992</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>27,043</b>	<b>56,486</b>

Cash and cash equivalents included in the Statements of Cash Flows comprise the following  
Statement of Financial Position amounts:

Cash and bank balances	27,043	56,486
	<u>27,043</u>	<u>56,486</u>

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	1.1431	1.3236

Part A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	234	190	439	221
2 Gross interest expense	95	5	103	9

Neg. means Negligible