

IDEAL UNITED BINTANG INTERNATIONAL BERHAD

(1215261-H)

(Incorporated in Malaysia)

Interim report for the third quarter ended 30th September 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Nine Months Ended 30th September 2019

	3 months ended			9 months ended		
	30.9.19 RM' 000	30.9.18 RM' 000	Changes %	30.9.19 RM' 000	30.9.18 RM' 000	Changes %
Revenue	152,402	103,252	48%	440,704	503,542	-12%
Cost of sales	(118,379)	(74,801)	58%	(318,379)	(367,419)	-13%
Gross profit	<u>34,023</u>	<u>28,451</u>	20%	<u>122,325</u>	<u>136,123</u>	-10%
Other income	225	372	-40%	3,588	1,471	> 100%
Administrative expenses	(6,809)	(2,253)	> 100%	(14,783)	(16,574)	-11%
Selling & marketing expenses	(4,157)	(904)	> 100%	(8,579)	(9,635)	-11%
Finance Income	<u>185</u>	<u>159</u>	16%	<u>625</u>	<u>380</u>	64%
Finance Cost	<u>(93)</u>	<u>(8)</u>		<u>(196)</u>	<u>(18)</u>	
Net Finance costs	<u>92</u>	<u>151</u>		<u>429</u>	<u>362</u>	
Operating Profit	<u>23,374</u>	<u>25,817</u>	-9%	<u>102,980</u>	<u>111,747</u>	-8%
Amortisation of negative goodwill	<u>-</u>	<u>-</u>		<u>(2)</u>	<u>-</u>	
Operating Profit Before Taxation	<u>23,374</u>	<u>25,817</u>	-9%	<u>102,978</u>	<u>111,747</u>	-8%
Income tax expense	<u>(4,748)</u>	<u>(6,562)</u>	-28%	<u>(23,628)</u>	<u>(27,393)</u>	-14%
Profit/(Loss) for the period	<u>18,626</u>	<u>19,255</u>	-3%	<u>79,350</u>	<u>84,354</u>	-6%
Other Comprehensive Income/Expenses						
- Redeemable convertible preference shares interest	<u>(971)</u>	<u>(971)</u>		<u>(2,914)</u>	<u>(2,914)</u>	
Total Comprehensive Profit For The Period	<u>17,655</u>	<u>18,284</u>		<u>76,436</u>	<u>81,440</u>	
Profit/(Loss) For The Period Attributable to:						
Owners Of The Parent	<u>15,760</u>	<u>8,417</u>	87%	<u>46,327</u>	<u>38,681</u>	20%
Non-Controlling interest	<u>1,895</u>	<u>9,867</u>		<u>30,109</u>	<u>42,759</u>	
	<u>17,655</u>	<u>18,284</u>		<u>76,436</u>	<u>81,440</u>	
Total Comprehensive Profit For The Period						
Attributable to:-						
Owners Of The Parent	<u>15,760</u>	<u>8,417</u>		<u>46,327</u>	<u>38,681</u>	
Non-Controlling interest	<u>1,895</u>	<u>9,867</u>		<u>30,109</u>	<u>42,759</u>	
	<u>17,655</u>	<u>18,284</u>		<u>76,436</u>	<u>81,440</u>	
Earnings/(Loss) EPS Attributable To Owners Of The Company:						
Basic Earnings Per Share For The Period (Sen)	<u>3.40</u> #	<u>7.62</u> *		<u>9.99</u> #	<u>35.02</u> *	
Diluted EPS For The Period (Sen)	<u>2.99</u>	<u>4.63</u>		<u>8.79</u>	<u>20.51</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 463.7 million

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine Months Ended 30th September 2019

	3 months ended		
	30.9.19	30.6.19	Changes
	RM' 000	RM' 000	%
Revenue	152,402	146,907	4%
Cost of sales	(118,379)	(95,044)	25%
Gross profit	<u>34,023</u>	<u>51,863</u>	-34%
Other income	225	3,037	-93%
Administrative expenses	(6,809)	(4,735)	44%
Selling & marketing expenses	(4,157)	(3,166)	31%
Finance Income	185	234	-21%
Finance Cost	(93)	(95)	
Net Finance costs	<u>92</u>	<u>139</u>	
Operating Profit	23,374	47,138	-50%
Amortisation of negative goodwill	<u>-</u>	<u>-</u>	
Operating Profit Before Taxation	23,374	47,138	-50%
Income tax expense	<u>(4,748)</u>	<u>(11,022)</u>	-57%
Profit/(Loss) for the period	18,626	36,116	-48%
Other Comprehensive Income			
- Redeemable convertible preference shares interest	<u>(971)</u>	<u>(1,943)</u>	
Total Comprehensive Profit For The Period	17,655	34,173	
Profit/(Loss) For The Period Attributable to:			
Owners Of The Parent	15,760	18,390	-14%
Non-Controlling interest	<u>1,895</u>	<u>15,783</u>	
	17,655	34,173	
Total Comprehensive Profit For The Period			
Attributable to:-			
Owners Of The Parent	15,760	18,390	
Non-Controlling interest	<u>1,895</u>	<u>15,783</u>	
	17,655	34,173	
Earnings/(Loss) EPS Attributable To Owners Of The Company:			
Basic Earnings Per Share For The Period (Sen)	<u>3.40</u>	<u>3.97</u>	
Diluted EPS For The Period (Sen)	<u>2.99</u>	<u>3.75</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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CONDENSED CONSOLIDATED FINANCIAL POSITION

As at 30th September 2019

	As at 30.9.19 RM' 000	As at 31.12.18 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,392	1,223
Investment properties	5,290	5,290
Goodwill	189,586	8,641
	<u>197,268</u>	<u>15,154</u>
Current assets		
Inventories	748,068	222,130
Trade and other receivables	352,592	369,585
Fixed deposits	18,915	18,510
Cash and bank balances	44,192	21,479
	<u>1,163,767</u>	<u>631,704</u>
TOTAL ASSETS	<u>1,361,035</u>	<u>646,858</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	463,720	110,468
Accumulated profit/(loss)	82,063	35,745
Equity attributable to owner of the parent	<u>545,783</u>	<u>146,213</u>
Redeemable convertible preference shares	60,856	60,856
Non-controlling Interests	162,655	152,525
Total Equity	<u>769,294</u>	<u>359,594</u>
Non-current liabilities		
Redeemable convertible preference shares	17,132	17,132
Long term borrowings	14,420	472
	<u>31,552</u>	<u>17,604</u>
Current liabilities		
Trade and other payables	559,843	269,482
Short term borrowings	346	178
	<u>560,189</u>	<u>269,660</u>
Total Liabilities	<u>591,741</u>	<u>287,264</u>
TOTAL EQUITY AND LIABILITIES	<u>1,361,035</u>	<u>646,858</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.1770</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 nine Months Ended 30th September 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 September 2019</u>						
At 1st January 2019	110,468	60,856	35,745	207,069	152,525	359,594
Add: Increase in share capital	353,088	-	-	353,088	-	353,088
Add: Exercise of warrants	164	-	-	164	-	164
Total Comprehensive Profit For The Period	-	-	46,327	46,327	30,109	76,436
Changes in ownership interest in a subsidiary	-	-	(9)	(9)	21	12
Dividends on ordinary shares	-	-	-	-	(20,000)	(20,000)
At 30th September 2019	463,720	60,856	82,063	606,639	162,655	769,294
<u>Period Ended 30th September 2018</u>						
At 1st January 2018	110,468	-	(17,259)	93,209	27,693	120,902
Add: Increase in share capital	-	-	-	-	-	-
Total Comprehensive Profit For The Period	-	-	39,650	39,650	42,759	82,409
Changes in ownership interest in a subsidiary	-	-	-	-	67,018	67,018
At 30th September 2018	110,468	-	22,391	132,859	137,470	270,329

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 Nine Months Ended 30th September 2019

	9 months ended	
	30/09/2019	30/09/2018
	RM	RM
	'000	'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	598,255	464,414
Payments to creditors	(529,080)	(484,431)
Cash generated from/(used in) operations	69,175	(20,017)
Loss on disposal of property, plant and equipment	6	-
(Repayment)/Drawdown of borrowing	(915)	2,510
Tax paid	(28,348)	(21,409)
Interest received	625	380
Net cash generated from/(used in) operating activities	40,543	(38,536)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,074)	(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	(354,830)	(77,000)
Net cash generated from investing activities	(355,829)	54
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	660	434
Payment of hire purchase instalments	(167)	(77)
Increase in paid up share capital	354,153	77,000
Dividend (paid)/received	(20,000)	-
Advances from directors	-	-
Repayment of advance to director	-	-
Repayment of advance to related Companies	-	-
Advances/(repayment) from substantial shareholder	-	(50)
Net cash (used in)/generated from financing activities	334,646	77,307
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	19,360	38,825
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	43,747	23,992
CASH AND CASH EQUIVALENTS CARRIED FORWARD	63,107	62,817

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

Cash and bank balances	63,107	62,817
Bank overdraft	-	-
	63,107	62,817

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)	1.1770	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
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	185	159	625	380
2 Gross interest expense	93	8	196	18

Neg. means Negligible