

IDEAL UNITED BINTANG INTERNATIONAL BERHAD

(1215261-H)

(Incorporated in Malaysia)

Interim report for the fourth quarter ended 31st December 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Twelve Months Ended 31st December 2019

	3 months ended			12 months ended		
	31.12.19 RM' 000	31.12.18 RM' 000	Changes %	31.12.19 RM' 000	31.12.18 RM' 000	Changes %
Revenue	129,668	172,212	-25%	570,373	675,754	-16%
Cost of sales	(104,707)	(129,879)	-19%	(423,086)	(497,298)	-15%
Gross profit	<u>24,961</u>	<u>42,333</u>	-41%	<u>147,287</u>	<u>178,456</u>	-17%
Other income	403	768	-48%	3,992	2,239	78%
Administrative expenses	(4,553)	(2,696)	69%	(22,250)	(22,217)	0%
Selling & marketing expenses	(3,817)	(4,385)	-13%	(12,397)	(14,020)	-12%
Finance Income	<u>246</u>	<u>630</u>	-61%	<u>871</u>	<u>1,011</u>	-14%
Finance Cost	<u>(206)</u>	<u>(8)</u>		<u>(403)</u>	<u>(26)</u>	
Net Finance costs	<u>40</u>	<u>622</u>		<u>468</u>	<u>985</u>	
Operating Profit	<u>17,034</u>	<u>36,642</u>	-54%	<u>117,100</u>	<u>145,443</u>	-19%
Amortisation of negative goodwill	<u>(3)</u>	<u>-</u>		<u>(5)</u>	<u>-</u>	
Operating Profit Before Taxation	<u>17,031</u>	<u>36,642</u>	-54%	<u>117,095</u>	<u>145,443</u>	-19%
Income tax expense	<u>(4,708)</u>	<u>(7,152)</u>	-34%	<u>(28,336)</u>	<u>(34,513)</u>	-18%
Profit/(Loss) for the period	<u>12,323</u>	<u>29,490</u>	-58%	<u>88,759</u>	<u>110,930</u>	-20%
Other Comprehensive Income/Expenses						
- Redeemable convertible preference shares interest	<u>(890)</u>	<u>(1,079)</u>		<u>(890)</u>	<u>(1,079)</u>	
Total Comprehensive Profit For The Period	<u>11,433</u>	<u>28,411</u>		<u>87,869</u>	<u>109,851</u>	
Profit/(Loss) For The Period Attributable to:						
Owners Of The Parent	<u>11,826</u>	<u>13,851</u>	-15%	<u>58,153</u>	<u>52,532</u>	11%
Non-Controlling interest	<u>(393)</u>	<u>14,560</u>		<u>29,716</u>	<u>57,319</u>	
	<u>11,433</u>	<u>28,411</u>		<u>87,869</u>	<u>109,851</u>	
Total Comprehensive Profit For The Period						
Attributable to:-						
Owners Of The Parent	<u>11,826</u>	<u>13,851</u>		<u>58,153</u>	<u>52,532</u>	
Non-Controlling interest	<u>(393)</u>	<u>14,560</u>		<u>29,716</u>	<u>57,319</u>	
	<u>11,433</u>	<u>28,411</u>		<u>87,869</u>	<u>109,851</u>	
Earnings/(Loss) EPS Attributable To Owners Of The Company:						
Basic Earnings Per Share For The Period (Sen)	<u>2.55</u> #	<u>12.54</u> *		<u>12.53</u> #	<u>47.55</u> *	
Diluted EPS For The Period (Sen)	<u>2.22</u>	<u>8.29</u>		<u>10.33</u>	<u>29.77</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 464.2 million

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Twelve Months Ended 31st December 2019

	31.12.19	3 months ended	
	RM' 000	30.9.19	Changes
		RM' 000	%
Revenue	129,668	152,402	-15%
Cost of sales	(104,707)	(118,379)	-12%
Gross profit	<u>24,961</u>	<u>34,023</u>	-27%
Other income	403	225	79%
Administrative expenses	(4,553)	(6,809)	-33%
Selling & marketing expenses	(3,817)	(4,157)	-8%
Finance Income	246	185	33%
Finance Cost	(206)	(93)	
Net Finance costs	<u>40</u>	<u>92</u>	
Operating Profit	17,034	23,374	-27%
Amortisation of negative goodwill	<u>(3)</u>	<u>-</u>	
Operating Profit Before Taxation	17,031	23,374	-27%
Income tax expense	<u>(4,708)</u>	<u>(4,748)</u>	-1%
Profit/(Loss) for the period	12,323	18,626	
Other Comprehensive Income			
- Redeemable convertible preference shares interest	<u>(890)</u>	<u>(971)</u>	
Total Comprehensive Profit For The Period	<u>11,433</u>	<u>17,655</u>	
Profit/(Loss) For The Period Attributable to:			
Owners Of The Parent	11,826	15,760	-25%
Non-Controlling interest	<u>(393)</u>	<u>1,895</u>	
	11,433	17,655	
Total Comprehensive Profit For The Period			
Attributable to:-			
Owners Of The Parent	11,826	15,760	
Non-Controlling interest	<u>(393)</u>	<u>1,895</u>	
	11,433	17,655	
Earnings/(Loss) EPS Attributable To Owners Of The Company:			
Basic Earnings Per Share For The Period (Sen)	<u>2.55</u>	<u>3.40</u>	
Diluted EPS For The Period (Sen)	<u>2.22</u>	<u>2.99</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 31st December 2019

	As at 31.12.19 RM' 000	As at 31.12.18 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,294	1,223
Investment properties	5,502	5,290
Goodwill	188,715	8,641
	<u>196,511</u>	<u>15,154</u>
Current assets		
Inventories	557,698	222,130
Trade and other receivables	371,181	369,585
Fixed deposits	19,061	18,510
Cash and bank balances	69,730	21,479
	<u>1,017,670</u>	<u>631,704</u>
TOTAL ASSETS	<u>1,214,181</u>	<u>646,858</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	464,251	110,468
Dividend account	(4,637)	-
Accumulated profit/(loss)	93,888	35,745
Equity attributable to owner of the parent	<u>553,502</u>	<u>146,213</u>
Redeemable convertible preference shares	60,856	60,856
Non-controlling Interests	162,262	152,525
Total Equity	<u>776,620</u>	<u>359,594</u>
Non-current liabilities		
Redeemable convertible preference shares	18,022	17,132
Long term borrowings	13,893	472
	<u>31,915</u>	<u>17,604</u>
Current liabilities		
Trade and other payables	405,311	269,482
Short term borrowings	335	178
	<u>405,646</u>	<u>269,660</u>
Total Liabilities	<u>437,561</u>	<u>287,264</u>
TOTAL EQUITY AND LIABILITIES	<u>1,214,181</u>	<u>646,858</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.1922</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 Twelve Months Ended 31st December 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 31st December 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	694	-	-	694	-	694
Total Comprehensive Profit For The Period	-	-	58,153	58,153	29,716	87,869
Changes in ownership interest in a subsidiary	-	-	(9)	(9)	21	12
Dividends on ordinary shares	(4,637)	-	-	(4,637)	(20,000)	(24,637)
At 31st December 2019	459,613	60,856	93,889	614,358	162,262	776,620
<u>Period Ended 31st December 2018</u>						
At 1st January 2018	110,468	-	(17,259)	93,209	27,693	120,902
Add: Increase in share capital	-	-	-	-	-	-
Add: Redeemable convertible preference shares	-	61,666	-	61,666	-	61,666
Total Comprehensive Profit For The Period	-	-	51,932	51,932	56,564	108,496
Changes in ownership interest in a subsidiary	-	-	-	-	67,018	67,018
At 31st December 2018	110,468	61,666	34,673	206,807	151,275	358,082

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 Twelve Months Ended 31st December 2019

	12 months ended	
	31/12/2019	31/12/2018
	RM	RM
	'000	'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	741,388	473,253
Payments to creditors	(637,996)	(507,299)
Cash generated from/(used in) operations	103,392	(34,046)
Loss on disposal of property, plant and equipment	6	-
(Repayment)/Drawdown of borrowing	(1,373)	2,510
Tax paid	(32,550)	(30,709)
Interest received	871	1,011
Net cash generated from/(used in) operating activities	70,346	(61,234)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,286)	(757)
Proceeds from disposal of property, plant and equipment	75	-
Issuance of redeemable convertible preference shares	-	77,719
Acquisition of subsidiary, net of cash acquired	(354,916)	(77,000)
Net cash generated from investing activities	(356,127)	(38)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	660	434
Payment of hire purchase instalments	(245)	(114)
Increase in paid up share capital	354,683	77,000
Dividend (paid)/received	(24,637)	-
Advances/(repayment) from substantial shareholder	-	(50)
Net cash (used in)/generated from financing activities	330,461	77,270
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALEN'	44,680	15,998
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	44,111	23,992
CASH AND CASH EQUIVALENTS CARRIED FORWARD	88,791	39,990

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

Cash and bank balances	88,791	39,990
Bank overdraft	-	-
	88,791	39,990

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)	1.1922	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
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	246	630	871	1,011
2 Gross interest expense	206	8	403	26

Neg. means Negligible