

IDEAL UNITED BINTANG INTERNATIONAL BERHAD

(1215261-H)

(Incorporated in Malaysia)

Interim report for the second quarter ended 30th June 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended 30th June 2020

	3 months ended			6 months ended		
	30.6.20 RM' 000	30.6.19 RM' 000	Changes %	30.6.20 RM' 000	30.6.19 RM' 000	Changes %
Revenue	39,633	146,907	-73%	101,100	288,242	-65%
Cost of sales	(34,938)	(95,044)	-63%	(81,987)	(199,940)	-59%
Gross profit	4,695	51,863	-91%	19,113	88,302	-78%
Other income	308	3,037	-90%	722	3,362	-79%
Administrative expenses	(6,776)	(4,735)	43%	(15,482)	(7,973)	94%
Selling & marketing expenses	(2,000)	(3,166)	-37%	(5,920)	(4,422)	34%
Finance Income	477	234	>100%	704	439	60%
Finance Cost	(452)	(95)		(517)	(103)	
Net Finance costs	25	139		187	336	
Operating Profit/(Loss)	(3,748)	47,138	>100%	(1,380)	79,605	>100%
Amortisation of goodwill	-	-		(18)	-	
Impairment of goodwill	(27,000)	-		(54,000)	-	
Operating Profit/(Loss) Before Taxation	(30,748)	47,138	>100%	(55,398)	79,605	>100%
Income tax expense	140	(11,022)	>100%	(1,571)	(18,879)	-92%
Profit/(Loss) for the period	(30,608)	36,116	>100%	(56,969)	60,726	>100%
Other Comprehensive Income/Expenses						
- Redeemable convertible preference shares interest	(971)	(1,943)		(1,943)	(1,943)	
Total Comprehensive Profit/(Loss) For The Period	(31,579)	34,173		(58,912)	58,783	
Profit/(Loss) For The Period Attributable to:						
Owners Of The Parent	(31,009)	18,390	>100%	(56,844)	30,569	>100%
Non-Controlling interest	(570)	15,783		(2,068)	28,214	
	(31,579)	34,173		(58,912)	58,783	
Total Comprehensive Profit/(Loss) For The Period						
Attributable to:-						
Owners Of The Parent	(31,009)	18,390		(56,844)	30,569	
Non-Controlling interest	(570)	15,783		(2,068)	28,214	
	(31,579)	34,173		(58,912)	58,783	
Earnings/(Loss) EPS Attributable To Owners Of The Company:						
Basic Earnings Per Share For The Period (Sen)	(6.67) #	3.97 *		(12.22) #	6.59 *	
Diluted EPS For The Period (Sen)	(5.44)	3.75		(9.95)	5.99	

The Condensed Consolidated of Comprehensive Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019

Neg. means Negligible

* Number of shares totalling 110.5 million

Increase of number of shares from 110.5 million to 465.0 million

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For the Six Months Ended 30th June 2020

	30.6.20	3 months ended	
	RM' 000	31.3.20	Changes
		RM' 000	%
Revenue	39,633	61,467	-36%
Cost of sales	(34,938)	(47,048)	-26%
Gross profit	<u>4,695</u>	<u>14,419</u>	-67%
Other income	308	414	-26%
Administrative expenses	(6,776)	(8,707)	-22%
Selling & marketing expenses	(2,000)	(3,919)	-49%
Finance Income	<u>477</u>	<u>226</u>	> 100%
Finance Cost	<u>(452)</u>	<u>(66)</u>	
Net Finance costs	<u>25</u>	<u>160</u>	
Operating Profit/(Loss)	(3,748)	2,367	> 100%
Amortisation of goodwill	-	(18)	
Impairment of goodwill	<u>(27,000)</u>	<u>(27,000)</u>	
Operating Profit/(Loss) Before Taxation	(30,748)	(24,651)	25%
Income tax expense	<u>140</u>	<u>(1,711)</u>	> 100%
Profit/(Loss) for the period	(30,608)	(26,362)	16%
Other Comprehensive Income			
- Redeemable convertible preference shares interest	<u>(971)</u>	<u>(971)</u>	
Total Comprehensive Profit/(Loss) For The Period	(31,579)	(27,333)	
Profit/(Loss) For The Period Attributable to:			
Owners Of The Parent	(31,009)	(25,835)	20%
Non-Controlling interest	<u>(570)</u>	<u>(1,498)</u>	
	(31,579)	(27,333)	
Total Comprehensive Profit/(Loss) For The Period			
Attributable to:-			
Owners Of The Parent	(31,009)	(25,835)	
Non-Controlling interest	<u>(570)</u>	<u>(1,498)</u>	
	(31,579)	(27,333)	
Earnings/(Loss) EPS Attributable To Owners Of The Company:			
Basic Earnings Per Share For The Period (Sen)	<u>(6.67)</u>	<u>(5.56)</u>	
Diluted EPS For The Period (Sen)	<u>(5.44)</u>	<u>(4.81)</u>	

The Condensed Consolidated of Comprehensive Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019

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CONDENSED CONSOLIDATED FINANCIAL POSITION

As at 30th June 2020

	As at 30.6.20 RM' 000	As at 31.12.19 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,471	2,294
Investment properties	155,359	5,502
Goodwill	134,715	188,715
	<u>292,545</u>	<u>196,511</u>
Current assets		
Inventories	560,608	557,698
Trade and other receivables	278,081	371,181
Fixed deposits	16,081	19,061
Cash and bank balances	27,244	69,730
	<u>882,014</u>	<u>1,017,670</u>
TOTAL ASSETS	<u>1,174,559</u>	<u>1,214,181</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	455,766	459,614
Accumulated profit/(loss)	37,055	93,899
Equity attributable to owner of the parent	<u>492,821</u>	<u>553,513</u>
Redeemable convertible preference shares	60,856	60,856
Non-controlling Interests	160,182	162,250
Total Equity	<u>713,859</u>	<u>776,619</u>
Non-current liabilities		
Redeemable convertible preference shares	18,022	18,022
Long term borrowings	101,829	13,893
	<u>119,851</u>	<u>31,915</u>
Current liabilities		
Trade and other payables	330,132	405,312
Short term borrowings	10,717	335
	<u>340,849</u>	<u>405,647</u>
Total Liabilities	<u>460,700</u>	<u>437,562</u>
TOTAL EQUITY AND LIABILITIES	<u>1,174,559</u>	<u>1,214,181</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.0813</u>	<u>1.2043</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Six Months Ended 30th June 2020

	← 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 2020</u>						
At 1st January 2020	464,251	60,856	89,262	614,369	162,250	776,619
Add: Increase in share capital	-	-	-	-	-	-
Add: Exercise of warrants	802	-	-	802	-	802
Total Comprehensive Profit/(Loss) For The Period	-	-	(56,844)	(56,844)	(2,068)	(58,912)
Dividends on ordinary shares	-	-	(4,650)	(4,650)	-	(4,650)
At 30th June 2020	465,053	60,856	27,768	553,677	160,182	713,859
<u>Period Ended 30th June 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
Total Comprehensive Profit/(Loss) For The Period	-	-	30,569	30,569	28,214	58,783
At 30th June 2019	463,556	60,856	66,314	590,726	180,739	771,465

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30th June 2020

	6 months ended	
	30/06/2020	30/06/2019
	RM	RM
	'000	'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	192,851	233,907
Payments to creditors	(177,758)	(198,578)
Cash generated from/(used in) operations	<u>15,093</u>	<u>35,329</u>
(Repayment)/Drawdown of borrowing	98,375	-
Tax paid	(5,287)	(7,709)
Interest received	704	205
Net cash generated from/(used in) operating activities	<u>108,885</u>	<u>27,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(150,444)	-
Acquisition of subsidiary, net of cash acquired	(100)	-
Net cash (used in)/generated from investing activities	<u>(150,544)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	104	-
Payment of hire purchase instalments	(165)	(37)
Increase in paid up share capital	802	-
Dividend (paid)/received	(4,650)	-
Net cash (used in)/generated from financing activities	<u>(3,909)</u>	<u>(37)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(45,568)	27,788
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	88,893	39,990
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>43,325</u>	<u>67,778</u>

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

Cash and bank balances	43,325	67,778
	<u>43,325</u>	<u>67,778</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)	1.0813	1.2043

Part A3 : ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
		CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2020	30/06/2019	30/06/2020	30/06/2019
		RM'000	RM'000	RM'000	RM'000
1	Gross interest income	477	234	704	439
2	Gross interest expense	452	95	517	103

Neg. means Negligible