

IDEAL UNITED BINTANG INTERNATIONAL BERHAD

(1215261-H)

(Incorporated in Malaysia)

Interim report for the third quarter ended 30th September 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Nine Months Ended 30th September 2020

	3 months ended			9 months ended		
	30.9.20 RM' 000	30.9.19 RM' 000	Changes %	30.9.20 RM' 000	30.9.19 RM' 000	Changes %
Revenue	53,146	152,402	-65%	154,247	440,704	-65%
Cost of sales	(43,790)	(118,379)	-63%	(125,777)	(318,379)	-60%
Gross profit	9,356	34,023	-73%	28,470	122,325	-77%
Other income	837	225	> 100%	1,559	3,588	-57%
Administrative expenses	(9,823)	(6,809)	44%	(25,305)	(14,783)	71%
Selling & marketing expenses	(1,795)	(4,157)	-57%	(7,715)	(8,579)	-10%
Finance Income	83	185	-55%	787	625	26%
Finance Cost	(334)	(93)		(852)	(196)	
Net Finance costs	(251)	92		(65)	429	
Operating Profit/(Loss)	(1,676)	23,374	> 100%	(3,056)	102,980	> 100%
Amortisation of goodwill	-	-		(18)	(2)	
Impairment of goodwill	(20,000)	-		(74,000)	-	
Operating Profit/(Loss) Before Taxation	(21,676)	23,374	> 100%	(77,074)	102,978	> 100%
Income tax expense	(2,365)	(4,748)	-50%	(936)	(23,628)	-96%
Profit/(Loss) for the period	(24,041)	18,626	> 100%	(78,010)	79,350	> 100%
Other Comprehensive Income/Expenses						
- Redeemable convertible preference shares interest	(971)	(971)		(2,914)	(2,914)	
Total Comprehensive Profit/(Loss) For The Period	(25,012)	17,655		(80,924)	76,436	
Profit/(Loss) For The Period Attributable to:						
Owners Of The Parent	(21,759)	15,760	> 100%	(78,602)	46,327	> 100%
Non-Controlling interest	(3,253)	1,895		(5,322)	30,109	
	(25,012)	17,655		(83,924)	76,436	
Total Comprehensive Profit/(Loss) For The Period						
Attributable to:-						
Owners Of The Parent	(21,759)	15,760		(78,602)	46,327	
Non-Controlling interest	(3,253)	1,895		(5,322)	30,109	
	(25,012)	17,655		(83,924)	76,436	
Earnings/(Loss) EPS Attributable To Owners Of The Company:						
Basic Earnings Per Share For The Period (Sen)	(4.68) #	3.40 *		(16.90) #	9.99 *	
Diluted EPS For The Period (Sen)	(3.97)	2.99		(14.45)	8.79	

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 Nine Months Ended 30th September 2020

	3 months ended		
	30.9.20	30.6.20	Changes
	RM' 000	RM' 000	%
Revenue	53,146	39,633	34%
Cost of sales	(43,790)	(34,938)	25%
Gross profit	<u>9,356</u>	<u>4,695</u>	99%
Other income	837	308	> 100%
Administrative expenses	(9,823)	(6,776)	45%
Selling & marketing expenses	(1,795)	(2,000)	-10%
Finance Income	<u>83</u>	<u>477</u>	-83%
Finance Cost	<u>(334)</u>	<u>(452)</u>	
Net Finance costs	<u>(251)</u>	<u>25</u>	
Operating Profit/(Loss)	(1,676)	(3,748)	-55%
Amortisation of goodwill	-	-	
Impairment of goodwill	<u>(20,000)</u>	<u>(27,000)</u>	
Operating Profit/(Loss) Before Taxation	(21,676)	(30,748)	-30%
Income tax expense	<u>(2,365)</u>	<u>140</u>	> 100%
Profit/(Loss) for the period	(24,041)	(30,608)	-21%
Other Comprehensive Income			
- Redeemable convertible preference shares interest	<u>(971)</u>	<u>(971)</u>	
Total Comprehensive Profit/(Loss) For The Period	<u>(25,012)</u>	<u>(31,579)</u>	
Profit/(Loss) For The Period Attributable to:			
Owners Of The Parent	(21,759)	(31,009)	-30%
Non-Controlling interest	<u>(3,253)</u>	<u>(570)</u>	
	(25,012)	(31,579)	
Total Comprehensive Profit/(Loss) For The Period			
Attributable to:-			
Owners Of The Parent	(21,759)	(31,009)	
Non-Controlling interest	<u>(3,253)</u>	<u>(570)</u>	
	(25,012)	(31,579)	
Earnings/(Loss) EPS Attributable To Owners Of The Company:			
Basic Earnings Per Share For The Period (Sen)	<u>(4.68)</u>	<u>(6.67)</u>	
Diluted EPS For The Period (Sen)	<u>(3.97)</u>	<u>(5.44)</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 September 2020

	As at 30.9.20 RM' 000	As at 31.12.19 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,371	2,294
Investment properties	155,359	5,502
Goodwill	114,715	188,715
	<u>272,445</u>	<u>196,511</u>
Current assets		
Inventories	579,514	557,698
Trade and other receivables	297,090	371,181
Fixed deposits	11,882	19,061
Cash and bank balances	20,805	69,730
	<u>909,291</u>	<u>1,017,670</u>
TOTAL ASSETS	<u>1,181,736</u>	<u>1,214,181</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	455,772	459,614
Accumulated profit/(loss)	15,297	93,899
Equity attributable to owner of the parent	<u>471,069</u>	<u>553,513</u>
Redeemable convertible preference shares	60,856	60,856
Non-controlling Interests	156,928	162,250
Total Equity	<u>688,853</u>	<u>776,619</u>
Non-current liabilities		
Redeemable convertible preference shares	18,022	18,022
Long term borrowings	101,099	13,893
	<u>119,121</u>	<u>31,915</u>
Current liabilities		
Trade and other payables	362,577	405,312
Short term borrowings	11,185	335
	<u>373,762</u>	<u>405,647</u>
Total Liabilities	<u>492,883</u>	<u>437,562</u>
TOTAL EQUITY AND LIABILITIES	<u>1,181,736</u>	<u>1,214,181</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	<u>1.0336</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 Nine Months Ended 30th September 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 September 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	808	-	-	808	-	808
Total Comprehensive Profit/(Loss) For The Period	-	-	(78,602)	(78,602)	(5,322)	(83,924)
Dividends on ordinary shares	-	-	(4,650)	(4,650)	-	(4,650)
At 30th September 2020	465,059	60,856	6,010	531,925	156,928	688,853
<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/(Loss) 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

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 Nine Months Ended 30th September 2020

	9 months ended	
	30/09/2020	30/09/2019
	RM	RM
	'000	'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	246,070	598,255
Payments to creditors	(241,012)	(529,080)
Cash generated from/(used in) operations	5,058	69,175
Loss on disposal of property, plant and equipment	-	6
(Repayment)/Drawdown of borrowing	97,880	(915)
Tax paid	(5,321)	(28,348)
Interest received	787	625
Net cash generated from/(used in) operating activities	98,404	40,543
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(150,550)	(1,074)
Proceeds from disposal of property, plant and equipment	-	75
Acquisition of subsidiary, net of cash acquired	(100)	(354,830)
Net cash (used in)/generated from investing activities	(150,650)	(355,829)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	104	660
Payment of hire purchase instalments	(222)	(167)
Increase in paid up share capital	808	354,153
Dividend (paid)/received	(4,650)	(20,000)
Net cash (used in)/generated from financing activities	(3,960)	334,646
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(56,206)	19,360
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	88,893	43,747
CASH AND CASH EQUIVALENTS CARRIED FORWARD	32,687	63,107

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

Cash and bank balances	32,687	63,107
	<u>32,687</u>	<u>63,107</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)	1.0336	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
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
		RM'000	RM'000	RM'000	RM'000
1	Gross interest income	83	185	787	625
2	Gross interest expense	334	93	852	196

Neg. means Negligible