

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

PART A – Compliance with Malaysia Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of new International Financial Reporting Standards Compliant framework, Malaysia Financial Reporting Standards (MFRS), MFRS 134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statement are consistent with those of the audited financial statements for the year ended 31 December 2020. The Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial year:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

Adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

A3. Auditor’s Report on Preceding Annual Financial Statements

The Financial Statements of the Group for the preceding financial year ended 31 December 2020 were not subject to any qualification.

A4. Comments about the Seasonality or Cyclicity of Interim Operation.

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows & Sensitivity Analysis of Market Risk

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows and sensitivity analysis of market risk that were unusual because of their nature, size or incidence for the current quarter.

A6. Changes in Estimates

There were no changes in estimates that had any material effect to the financial statements in the period under review.

A7. Issuance, Cancellation, Repurchase, Resale and Repayment of Debts and Equity Securities

On 23 March 2016, the Company undertook a bonus issue of 55,234,200 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The expiry date of warrants was on 30 March 2021.

The warrants exercised by the registered warrant holders to new ordinary shares during the financial period are as follows:

Date Of Exercise	Exercise Price	No. Of Warrants Exercised	Balance No. Of Warrants Outstanding / Expired
March 2021	RM1.00	680,100	53,051,400

A8. Dividends Paid

No dividends have been paid by the Company in the current quarter and financial year to date.

A9. Operating Segment Information

The Group has three business segments of which the revenue and result of business segments for the current quarter and financial year to date were as follows. As overseas machinery segment no longer meet the quantitative thresholds in accordance to FRS 8, Operating Segments, we have now combined the local machinery and overseas machinery under General Trading.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

-----3 months ended 30-9-2021-----

Business segments	Property Development	General Trading	Property Investment & Project Management	Total
	RM'000	RM'000	RM'000	RM'000
Revenue:				
External customers	93,382	827	2,883	97,092
Inter-segment	-	-	-	-
	<u>93,382</u>	<u>827</u>	<u>2,883</u>	<u>97,092</u>
Results:				
Segment results (external)	26,407	205	(878)	25,734
Unallocated expenses				-
Profit/(Loss) before tax				<u><u>25,734</u></u>

-----Cumulative 9 months ended 30-9-2021-----

Business segments	Property Development	General Trading	Property Investment & Project Management	Total
	RM'000	RM'000	RM'000	RM'000
Revenue:				
External customers	247,077	2,990	9,970	260,037
Inter-segment	-	-	-	-
	<u>247,077</u>	<u>2,990</u>	<u>9,970</u>	<u>260,037</u>
Results:				
Segment results (external)	45,001	640	(1,688)	43,953
Unallocated expenses				-
Profit/(Loss) before tax				<u><u>43,953</u></u>

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

A10. Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant, and equipment since the previous audited financial statements.

A11. Material Subsequent Events

There were no material events subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.

A12. Effects of Changes in Composition of Group

There is an increase in share capital from RM465,059,102 to RM465,739,202 due to warrant conversion by shareholders as stated in Note A7. All warrants already expired on 30 March 2021.

On 8 October 2021, the Company converted 34,261,000 redeemable convertible preference shares into 34,261,000 ordinary shares, thus increasing the shares to 500,000,736

A13. Contingent Liabilities and Contingent Assets

There have been no changes in contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 31 December 2020.

A14. Capital Commitments

There were no material capital commitments since the last audited financial statements for the financial year ended 31 December 2020.

A15. Related Party Transactions

There were no significant related party transactions in the interim financial statements.

A16. Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. Trade receivables that are past due but not impaired relate to a number of independent customers from whom there are no recent history of default.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

PART B – Explanatory Notes Pursuant to Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

B1 Review of Performance

The Group recorded total revenue of RM97.092 million for the current quarter under review compared to RM53.146 million in the corresponding preceding quarter. This represents an increase of 83%. Imperial Grande was completed in the last financial year. The Amarene is at 68% completion. The general trading segment recorded total revenue of RM0.827 million for the current quarter as the Group embarked in the business of trading building materials since year 2019. 1st Avenue Mall recorded total rental income of RM2.334 million for the current quarter.

The group achieved a profit after tax of RM21.985 million attributable to the owners as compared to loss after tax of RM21.759 million in the corresponding preceding quarter.

B2 Material changes in Profit before Tax for Current Quarter as Compared to the Preceding Quarter.

	Current Quarter Ended 30.9.21 RM '000	Preceding Quarter Ended 30.6.21 RM '000
Revenue	97,092	67,445
Profit/ (Loss) before Tax	26,705	4,410

For the current quarter under review, revenue increased by 29.37% from RM67.445 million in the immediate preceding quarter to RM97.092 million. Profit before tax of RM26.705 million was recorded for the current quarter. The Group's ongoing project, The Amarene, has a gross property sold value of RM266.944 million. This project is currently at 68% of completion.

In line with the Group's focus on developing affordable houses in strategic locations in Penang, the Group has launched Ideal Residency, a development in the heart of Penang Island with gross development value of RM520 million. This project has garnered positive response with high take up rate to-date. Sales has reached 70% and construction is currently at 7% of completion.

In addition to that, The Group is developing Havana Beach Residences, a beach-inspired affordable home development in Bayan Lepas with gross development value of RM535 million. This project is a hit among millennial as it is located in the fastest growing district in Penang. Sales is very encouraging at 60% and construction is currently at 6% of completion.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

B3. Prospects

Barring unforeseen circumstances, The Board is expecting the property development sector to contribute further to the revenue and profit of the Group for the financial year ending 31 December 2021 with the progress of Ideal Residency and Havana Beach Residences. The Group embarked in the property management sector with the acquisition of 1st Avenue Mall in Penang in June 2020.

B4. Variance of Profit Forecast and Profit Guarantee

Not applicable as the Group had not disclosed any profit forecasts or made any profit guarantees.

B5. Statement of the Board of Directors' Opinion as to whether Revenue or Profit Estimate, Forecast, Projection or Internal Targets are likely to be achieved.

Not applicable as the Group has not announced or disclosed in a public document any revenue or profit estimate, forecast, projection or internal targets.

B6. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Current year	8,201	2,365	14,328	3,936

For the quarter under review, the tax is approximate the statutory tax rate for the profitable subsidiary as the business losses carrying in the parent company cannot be utilised to set off the tax arisen from the profit in property sector.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 14 May 2021 being the latest practicable date which is not earlier than seven (7) days from the date of issue of this quarterly report.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**Interim report for the second quarter ended 30th September 2021**

(These figures have not been audited)

B8. Group Borrowings and Debt Securities

	As at 3rd quarter ended 30.9.2021		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Bank Borrowings *	4,806	-	4,806
Long Term Bank Borrowings #	103,140	-	103,140
Redeemable Convertible Preference Shares	-	6,881	6,881
	107,946	6,881	114,827

	As at 3rd quarter ended 30.9.2020		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Bank Borrowings *	11,185	-	11,185
Long Term Bank Borrowings #	101,099	-	101,099
Redeemable Convertible Preference Shares	-	18,022	18,022
	112,284	18,022	130,306

* consist of hire purchase

consist of hire purchase and term loan

B9. Other Income

Other income consists mainly of bank interest received, late payment interest and forfeited deposits from cancellation of sales.

B10. Notes to the Statement of Comprehensive Income

	Current Quarter 30/9/2021 RM'000	Cumulative 9 months ended 30/9/2021 RM'000
a) Interest Income	57	728
b) Other income including investment income	396	2,006
c) Interest expense	960	3,562
d) Depreciation and amortization	n/a	n/a

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

e) Provision for and write off of receivables	n/a	n/a
f) Provision for and write off of inventories	n/a	n/a
g) Properties, plant & equipment written off	n/a	n/a
h) Gain/(loss) on disposal of properties, plant & equipment	n/a	n/a
i) Gain /(loss) on disposal of quoted and unquoted Investment or Properties	n/a	n/a
j) Gains on fair value changes of Investment Properties	n/a	n/a
k) Foreign exchange loss	n/a	n/a
l) Gain /(loss) on derivatives	n/a	n/a
m) Exceptional items (with details)	n/a	n/a

B11. Changes in Material Litigations

There was no pending material litigation within the 7 days before the date of issue of this report.

B12. Dividend

The board of directors have not proposed any dividend for the current financial period ended 30 September 2021.

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)**Interim report for the second quarter ended 30th September 2021**

(These figures have not been audited)

B13. Earnings Per Share

	3 months ended		Cumulative 9 months ended	
	30-9-2021	30-9-2020	30-9-2021	30-9-2020
(a) Basic earnings per share				
Profit/(loss) for the period attributable to owners of the Company (RM'000)	21,985	(21,759)	34,077	(78,602)
Number of ordinary shares in issued ('000)	465,739	465,059	465,739	465,059
Basic Earnings per share (sen)	4.72	(4.68)	7.33	(16.90)

	3 months ended		Cumulative 9 months ended	
	30-9-2021	30-9-2020	30-9-2021	30-9-2020
(b) Diluted earnings per share				
Diluted Earnings per share (sen)	4.05	(3.97)	6.01	(14.45)

B14. Realised and Unrealised Profit/(Losses)

	As at 30-9-2021 RM'000	As at 30-9-2020 RM'000
Total accumulated profit of the Company and its subsidiary		
- Realised	59,719	13,003
- Unrealised	2,294	2,294
Total group accumulated profit as per consolidated accounts	62,013	15,297

IDEAL UNITED BINTANG INTERNATIONAL BERHAD (1215261-H)

Interim report for the second quarter ended 30th September 2021

(These figures have not been audited)

By Order of the Board

**LIM CHOO TAN
(LS 0008888)**

**CHEW SIEW CHENG
(MAICSA 7019191)
Company Secretaries**

**Penang
Date: 26 Nov 2021**