2017 ANNUAL REPORT

IDEAL
CREATING LEGACY
超越时尚 • 缔造典范

IDEAL UNITED BINTANG INTERNATIONAL BERHAD
(1215261-H)

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of the Company will be held at Room 1, Level 1, Vistana Hotel, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Monday, 11 June 2018 at 1.30 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

As Ordinary Business

2. To re-elect Tan Sri Datuk Ooi Kee Liang retiring under the provision of Article 65 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 1**
3. To re-elect Datuk Phor Li Wei retiring under the provision of Article 65 of the Articles of Association of the Company, and who, being eligible, has offered herself for re-election. **Ordinary Resolution 2**
4. To re-elect Mr Tan Wooi Chuon retiring under the provision of Article 65 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 3**
5. To re-elect Encik Shahfie Bin Ahmad retiring under the provision of Article 65 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 4**
6. To re-elect Encik Mohtar Bin Abdullah retiring under the provision of Article 65 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 5**
7. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business

To consider and if thought fit, to pass with or without modifications the following resolutions:-

8. To approve the payment of Directors' fees of RM588,000 in respect of the financial year ended 31 December 2017. **Ordinary Resolution 7**
9. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 of up to RM50,000 from 23 June 2017 until the next Annual General Meeting ("AGM") of the Company. **Ordinary Resolution 8**
10. **Authority to Issue Shares**

    "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby authorised to issue and allot shares in the Company from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 9**

Notice of Annual General Meeting (cont'd)

11. **Proposed authority for share buy-back by the Company of up to ten per centum (10%) of its total number of issued shares**

    Ordinary Resolution 10

    "THAT, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Articles of Association and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's total number of issued shares through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject further to the following :-

    (i) the maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company at the point of purchase ("IDEAL Shares");

    (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the IDEAL Shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

    (iii) the authority conferred by this resolution shall commence upon the passing of this ordinary resolution and will continue to be in force until the conclusion of the next AGM of the Company (at which time it shall lapse unless by ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions), or unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of Bursa Securities or any other relevant authority; and

    (iv) upon completion of the purchase(s) of the IDEAL Shares by the Company, the Directors of the Company be hereby authorised to deal with the IDEAL Shares in the following manner :-

        (a) cancel the IDEAL Shares so purchased; or

        (b) retain the IDEAL Shares so purchased as treasury shares, which may be distributed as share dividends to the shareholders and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be transferred for the purposes of an employees' share scheme and/or be transferred as purchase consideration and/or be cancelled subsequently and/or be sold, transferred or otherwise be used for such purposes of the Minister may by order prescribe; or

        (c) retain part of the IDEAL Shares so purchased as treasury shares and cancel the remainder;

    and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

Notice of Annual General Meeting (cont'd)

11. **Proposed authority for share buy-back by the Company of up to ten per centum (10%) of its total number of issued shares (cont'd)**

    AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient and to enter into any agreements, arrangements and guarantees with any party or parties to implement or to effect the purchase(s) of the IDEAL Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required by the relevant authorities."

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

CHEW SIEW CHENG (MAICSA 7019191)
LIM CHOO TAN (LS 0008888)
Company Secretaries

Date: 30 April 2018

Penang

Notes:-

(1) A member entitled to attend and vote at the meeting is entitled to appoint one proxy to attend, participate, speak and vote in his stead at the same meeting.

(2) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Common Seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

(3) Where a member of the Company is an exempt authorised nominee (an authorised nominee which is exempted from compliance with the provision of Section 25A (1) of the Central Depositories Act) which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

    Where an exempt authorised nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(4) The instrument appointing a proxy shall be deposited at the Registered Office of the Company, Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(5) Depositors whose names appear in the Record of Depositors as at 4 June 2018 shall be entitled to attend and vote at the general meeting, or appoint a proxy to attend, participate, speak and vote on his behalf.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Special Business

(i) **Authority to Issue Shares**

This new Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

This proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company.

(ii) **Proposed authority for share buy-back by the Company of up to ten per centum (10%) of its total number of issued shares**

The proposed Ordinary Resolution 10 if passed, will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

Statement Accompanying Notice of Annual General Meeting pursuant to Paragraph 8.27(2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

General Mandate for Issue of Securities pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

A new general mandate for issue of shares ("the Mandate") is being sought at the forthcoming Annual General Meeting.

This Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority")

This Statement is important and requires your immediate attention. If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement. This Statement has not been perused by Bursa Securities before its issuance.

1. INTRODUCTION

On 28 February 2018, the Company announced that it proposed to seek authority from its shareholders to purchase shares of the Company up to a maximum of ten per centum (10%) of the total number of issued shares of the Company through the Bursa Securities pursuant to Section 127 of the Companies Act 2016 ("the Act") at the forthcoming Annual General Meeting ("AGM") to be held on 11 June 2018.

The purpose of this Statement is to provide the shareholders with information on the Proposed Share Buy-Back Authority and to seek the shareholders' approval for the ordinary resolution relating to the Proposed Share Buy-Back Authority under agenda 11 of the Notice of the AGM in this Annual Report of the Company for the financial year ended 31 December 2017 to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board of the Directors ("the Board") proposes to seek approval from its shareholders for authorisation to enable the Company to purchase and/or hold as treasury shares in aggregate of up to ten percent (10%) of the total number of issued shares of the Company at any point in time through stockbroker(s) to be appointed by the Company.

As at 16 April 2018, the total number of issued shares of the Company is represented by 110,468,402 ordinary shares. Hence, the maximum number of shares may be purchased by the Company will be 11,046,840 ordinary shares.

The approval from the shareholders for the Proposed Share Buy-Back Authority will be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back Authority until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time it will lapse, unless by resolution passed at a general meeting, the authority is renewed; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

In accordance with the Main Market Listing Requirements of Bursa Securities ("the MMLR"), the Proposed Share Buy-Back Authority must be made wholly out of retained profits of the listed company. The maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority will be subject to the retained profits of the Company. The actual number of shares which may be purchased and the timing of the purchase(s) will depend on, inter-alia, the market conditions, the availability of retained earnings and financial resources of the Company as well as the Bursa Securities' requirement to maintain the necessary shareholding spread.

Based on the Company's latest audited financial statements for the financial year ended 31 December 2017, the Company did not have any retained earnings and the net profit for the Group attributable to the shareholders was RM16,188,710.

The funding of the Proposed Share Buy-Back Authority will be through internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of any internally generated funds and borrowings and repayment capabilities of the Group at the time of purchase(s). As such, the funding is not expected to have a negative bearing on the cashflow position of the Group.

The amount of funds to be utilised for the Proposed Share Buy-Back Authority will only be determined later depending on the actual number of the Company's shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

Under the provisions of Paragraph 12.17 of the MMLR, the Company may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the weighted average market price for the shares for the five (5) market days immediately before the date of the purchase. Under the provisions of Paragraph 12.18 of the MMLR, the Company may only resell the purchased shares held as treasury shares on Bursa Securities at:-

(a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale; or

(b) a discounted price of not more than five percent (5%) to the weighted average market price for the shares for the five (5) market days immediately before the resale provided that:-

   (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and

   (ii) the resale price is not less than the cost of purchase of the shares being resold.

Pursuant to the provisions of Section 127(4) of the Act, the Directors may deal with the shares in the following manner:-

(i) cancel the shares so purchased;

(ii) retain the shares so purchased in treasury, which may be distributed as share dividends to the shareholders and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be transferred for the purposes of an employees' share scheme and/or be transferred as purchase consideration and/or be cancelled subsequently and/or be sold, transferred or otherwise be used for such purposes of the Minister may by order prescribe; or

(iii) retain part of the shares so purchased as treasury shares and cancel the remainder.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

While the purchased shares are held as treasury shares, the rights attached to them as to attending meetings, voting, receiving dividends and participation in other distributions whether cash or otherwise shall not be conferred to the holder of such treasury shares and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will enable the Company to utilise its financial resources not required for immediate use, to fund the purchase of its shares. In addition, it is expected to help stabilise the market price as well as the supply and demand of the Company's shares, which is expected to enhance investors' confidence in the performance of the price of the Company's shares. All things being equal, the Proposed Share Buy-Back Authority, whether the Company's shares to be purchased are maintained as treasury shares or cancelled, will improve the Earnings Per Share ("EPS") of the Company due to the reduction in the number of shares used for the purpose of computing EPS. This in turn, may have a positive impact on the market price of shares. If the purchased shares are held as treasury shares, they could be resold with the intention of realising a potential gain and/or distributed as share dividends to reward the shareholders of the Company.

In the event the treasury shares are distributed as share dividends to shareholders, it will serve as a reward to shareholders of the Company.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are outlined in Section 3 of this Statement.

The potential disadvantages of the Proposed Share Buy-Back Authority to the Company or its shareholders are as follows:-

(i) the Proposed Share Buy-Back Authority, if implemented, would reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in future; and

(ii) the Proposed Share Buy-Back Authority may also reduce the amount of resources available for the payment of cash dividends to shareholders of the Company.

However the financial resources of the Group may increase pursuant to the resale of the purchased shares held as treasury shares at prices higher than the purchase price. In that regard, the Company would buy back the shares only after the Directors have given due consideration to the potential impact on the Group's earnings and financial position and the Directors are of the opinion that it would be in the interests of the Company and the minority shareholders to do so.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

5.1 Share Capital

The effect of the Proposed Share Buy-Back Authority on the number of issued shares of the Company will depend on whether purchased shares are cancelled or retained as treasury shares. The Proposed Share Buy-Back Authority will result in a reduction in the number of issued shares of the Company if the purchased shares are cancelled.

In the event the Proposed Share Buy-Back Authority is implemented in full and all the purchased shares are subsequently cancelled, the proforma effects on the total number of issued shares of the Company as at 16 April 2018, are as follows:-

	Number of Shares
Existing number of issued shares as at 18 April 2018	110,468,402
Cancellation of purchased shares	(11,046,840)
Resultant number of issued shares upon completion of the Proposed Share Buy-Back Authority	99,421,562

However, the Proposed Share Buy-Back Authority will have no effect on the number of issued shares of the Company if all the purchased shares are to be retained as treasury shares, resold or distributed to the shareholders.

5.2 Net Assets per Share

The Proposed Share Buy-Back Authority may increase or decrease the Net Assets ("NA") per Share depending on the purchase price(s) of the shares bought back. The NA per share will increase if the purchase price is less than the NA per share and will decrease if the purchase price exceeds the NA per share at the time when the shares are purchased.

In the event the purchased shares which are retained as treasury shares are resold, the NA of the Group will increase or decrease depending on whether a gain or a loss is realised upon the resale. The quantum of the increase or decrease in NA will depend on the actual disposal price and the number of the purchased shares, retained as treasury shares, which are resold.

5.3 Working Capital

The Proposed Share Buy-Back Authority will reduce the working capital of the Group, the quantum of which depends on the actual purchase price and number of shares purchased. However, it is not expected to have a material adverse effect on the working capital of the Group. If purchased shares are treated as treasury shares and subsequently resold on Bursa Securities, the working capital of the Group will increase if the Company realized a gain from the resale.

5.4 EPS

The effect of the Proposed Share Buy-Back Authority on the EPS of the Company is dependent on, inter-alia, the actual number of the shares bought back and the purchase prices of the shares and the effective funding cost to the Company.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY (CONT'D)

5.4 EPS (cont'd)

Assuming that the purchased shares are retained as treasury shares and resold, the EPS will increase if the selling price is higher than the cost of the shares purchased and the interest foregone or interest expense incurred on the purchased shares. If the purchased shares are cancelled, the EPS will increase provided that the income foregone and interest expense incurred on the purchased shares is less than the EPS before the Proposed Share Buy-Back Authority.

The effective reduction in the number of shares in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back Authority may generally, all other things remaining equal, have a positive impact on the consolidated EPS of the Company for the financial year in which the shares are purchased.

5.5 Dividends

Assuming the Proposed Share Buy-Back Authority is implemented in full, dividends will be paid on the remaining number of shares of the Company (excluding the shares already purchased). The Proposed Share Buy-Back Authority will not have a material impact on the Company's dividend for the financial year ending 31 December 2018.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The effects of the Proposed Share Buy-Back Authority on the shareholdings of the directors and substantial shareholders based on the Company's Registers of Directors' Shareholdings and Substantial Shareholders as at 16 April 2018 are as follows:-

(i) Directors

	Before the Proposed Share Buy-Back Authority				After the Proposed Share Buy-Back Authority Assuming 10% of the share capital is purchased and cancelled			
	Direct		Indirect		Direct		Indirect	
Name of Directors	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Sri Datuk Ooi Kee Liang	-	-	30,000,000	27.16	-	-	30,000,000	30.17
Datuk Phor Li Wei	-	-	30,000,000	27.16	-	-	30,000,000	30.17

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (CONT'D)

(ii) Substantial Shareholders

Name of Substantial Shareholders	Before the Proposed Share Buy-Back Authority				After the Proposed Share Buy-Back Authority Assuming 10% of the share capital is purchased and cancelled			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
ICT Innotech Sdn. Bhd.	30,000,000	27.16	-	-	30,000,000	30.17	-	-
Tan Sri Datuk Ooi Kee Liang	-	-	30,000,000	27.16	-	-	30,000,000	30.17
Datuk Phor Li Wei	-	-	30,000,000	27.16	-	-	30,000,000	30.17
Bumimaju Gaya Sdn. Bhd.	19,200,000	17.38	-	-	19,200,000	19.31	-	-
Lakaran Asia Sdn. Bhd.	10,521,224	9.52	19,200,000	17.38	10,521,224	10.58	19,200,000	19.31

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH DIRECTORS AND MAJOR SHAREHOLDERS

Save for the changes in percentage of shareholdings and/or voting of the Shareholders resulting from the Proposed Share Buy-Back Authority, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Share Buy-Back Authority and, if any, the resale of treasury shares. In addition, in so far as the Directors are aware, none of the persons connected to the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Share Buy-Back Authority and, if any, in the resale of treasury shares.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

8. HISTORICAL SHARE PRICE OF THE COMPANY

The monthly highest and lowest closing price of shares as traded on Bursa Securities for the past twelve (12) months are as follows:

Year 2017/2018	High (RM)	Low (RM)
2017		
April	0.89	0.79
May	0.835	0.79
June	0.82	0.78
July	0.78	0.73
August	0.8	0.595
September	0.83	0.755
October	0.80	0.71
November	0.75	0.68
December	0.73	0.62
2018		
January	0.70	0.675
February	0.705	0.66
March	0.70	0.615

(Source : KLSE I3investor)

The last transacted price of shares on 16 April 2018 being the latest practicable date prior to the printing of this Statement was RM 0.62.

9. IMPLICATIONS OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010

Under Malaysian Code on Take-Overs and Mergers 2010 ("the Code"), a director and any person acting in concert with him or a relevant shareholder will be required to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/them if his/their stake in the Company is increased to beyond 33% or if his/their existing shareholdings is between 33% and 50% and increases by another 2% in any subsequent 6 months' period.

Notwithstanding the above, such person and any person acting in concert may make an application to the Securities Commission for an exemption from a mandatory general offer under Paragraph 24.1 of Practice Note 9 of the Code.

As at the date of this Statement, the Company has yet to decide on the percentage of its own shares to be purchased pursuant to the Proposed Share Buy-Back Authority. In any case, it is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory general offer under the Code and the Company will be mindful of the above implications of the Code in making any purchase of its own shares under the Proposed Share Buy-Back Authority.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

10. PURCHASE, RESALE AND CANCELLATION OF SHARES MADE IN THE LAST TWELVE MONTHS

The Company did not purchase its own shares previously and as such, there were no resale or cancellation of any treasury shares in the past twelve (12) months preceding the date of this Statement.

11. PUBLIC SHAREHOLDING SPREAD

As at 16 April 2018, the public shareholding spread of the Company was approximately 45.94%. The public shareholding spread is expected to be reduced to approximately 39.93% assuming the Proposed Share Buy-Back Authority is implemented in full and all the shares so purchased are cancelled. In this regard, the Board undertakes that the purchase of shares will be conducted in compliance with the 25% public shareholding spread as required by the MMLR.

12. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is subject to the approval of the shareholders of Company at the forthcoming AGM of the Company to be convened or at any adjournment thereof. Save for the approval of the shareholders of the Company, there are no other approvals required.

13. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Share Buy-Back Authority, are of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Directors recommend that the shareholders vote in favour of the Ordinary Resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM of the Company.

14. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I of this Statement for further information.

Statement To Shareholders

In Relation To The Proposed Authority For Share Buy-Back By The Company Of Up To Ten Per Centum (10%) Of Its Total Number Of Issued Shares ("Proposed Share Buy-Back Authority") (cont'd)

APPENDIX I

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given in this Statement and confirm that after having made all reasonable enquiries and to the best of their knowledge, information and belief, there are no other facts the omission of which would make any statement in this Statement misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company, during normal business hours on any week day (except public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

(a) The Constitution of the Company; and

(b) Audited financial statements of the Company for the two (2) financial years ended 31 December 2016 and 31 December 2017 and the unaudited quarterly results for the 4th quarter ended 31 December 2017.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Ooi Kee Liang	*(Executive Chairman)*
Datuk Phor Li Wei	*(Executive Director)*
Mr Tan Wooi Chuon	*(Independent & Non-Executive Director)*
En Shahfie Bin Ahmad	*(Independent & Non-Executive Director)*
En Mohtar Bin Abdullah	*(Independent & Non-Executive Director)*

AUDIT COMMITTEE

Mr Tan Wooi Chuon *(Chairman)*
En Shahfie Bin Ahmad
En Mohtar Bin Abdullah

NOMINATION COMMITTEE

Mr Tan Wooi Chuon *(Chairman)*
En Shahfie Bin Ahmad
En Mohtar Bin Abdullah

REMUNERATION COMMITTEE

En Shafie Bin Ahmad *(Chairman)*
Mr Tan Wooi Chuon
En Mohtar Bin Abdullah

COMPANY SECRETARIES

Ms Chew Siew Cheng *(MAICSA No. 7019191)*
Ms Lim Choo Tan *(LS 0008888)*

REGISTERED OFFICE

Suite A, Level 9,
Wawasan Open University,
54, Jalan Sultan Ahmad Shah,
10050 Georgetown, Penang
Tel : (04) 2296318
Fax : (04) 2268318

PRINCIPAL OFFICE

No. 71-5, Ideal @ The One
Jalan Mahsuri
11950 Bayan Lepas
Penang
Tel : (04) 6416888
Fax : (04) 6441888
website : www.idealubb.cc
e-mail : ekteoh@idealproperty.cc

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Public Bank Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
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AUDITORS

UHY (AF : 1411)
Chartered Accountants
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The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel : (03) 2279 3088
Fax : (03) 2279 3099

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market
Stock Name : IDEAL
Stock Code : 9687

Corporate Profile

CREATING LEGACY
超越时尚 ▪ 缔造典范

Ideal United International Bintang Berhad ("IDEAL" or the "Company") was incorporated in 2017 to undertake an internal reorganisation exercise ("Internal Reorganisation"), which transferred the listing of Ideal United Bintang Berhad ("IDEALUBB") as well as its subsidiaries to IDEAL. The Internal Reorganisation was completed in January 2018. The history of IDEAL began with the incorporation of IDEALUBB in 1979 and subsequently listed on main board of Bursa Malaysia Securities Berhad ("Bursa Securities") under the name of United Bintang Berhad. The company started its business by principally engaged in trading of heavy machinery and equipment, and spare parts in Malaysia, Indonesia, Australia, Thailand, Japan, and the United States. In May 2014, the company changed its name to Ideal United Bintang Berhad and thereafter diversified the business into property development. Currently IDEAL Group is developing 2155 units of affordable homes in Penang under the project name of I-Santorini.

The vision of IDEAL group is striving to be one of the leading property developer in Malaysia which constantly creating legacy by delivering high quality and valued products to our customers, achieving long term growth and lasting value for all stakeholders. As a community-oriented citizen, we strive to serve the well-being of the community, promoting public interest and conservation of the environment by practicing the following core values:-

- **Creative and Innovative**
- **Trustworthy and Reliable**
- **Prudent and Responsible**
- **Aesthetically Pleasing**
- **Team Work Spirit**

Corporate Structure

UNITED BINTANG INTERNATIONAL BERHAD
(1215261-H)

IDEAL UNITED BINTANG BERHAD
(44676-M)
100%

UNITED BINTANG MACHINERY SDN. BHD.
(71337-V)
100%

PLATINUM MANIFEST SDN. BHD.
(1060025-V)
100%

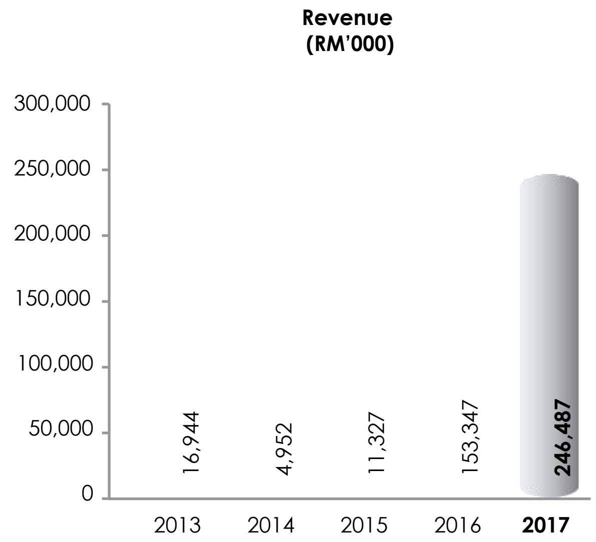
I-GLOBAL PROPERTY NETWORK SDN. BHD.
(823002-W)
50.5%

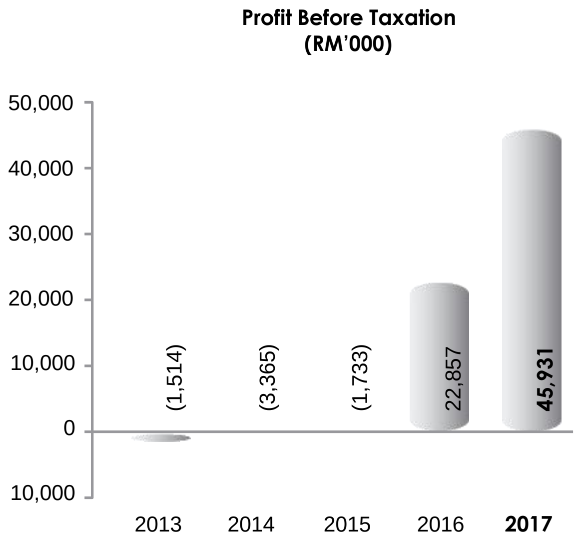
I-PLATINUM SDN. BHD.
(818821-W)
50%

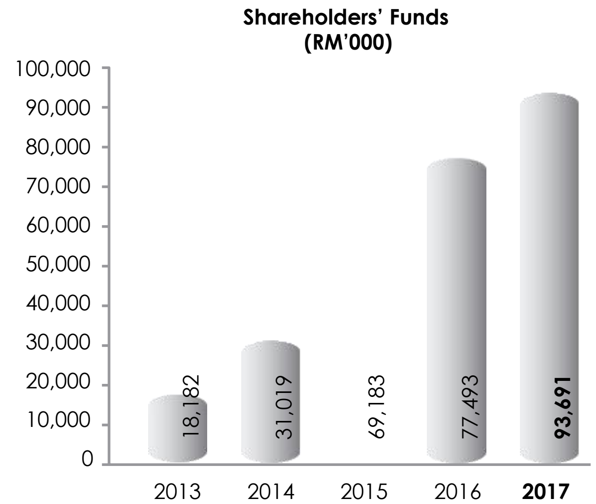
LESTARI BUMIJAYA SDN. BHD.
(1209889-A)
51%

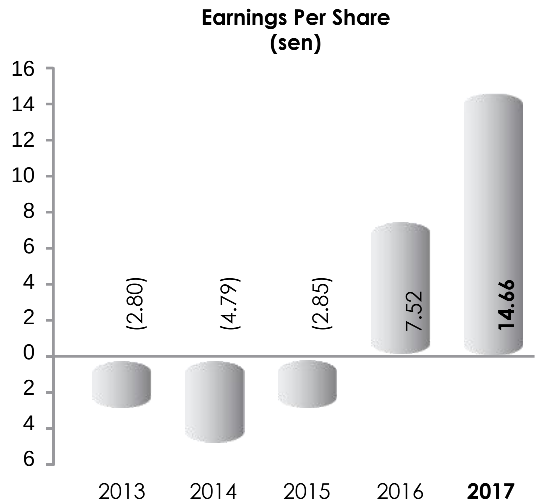
SELEKSI UPAYA SDN. BHD.
(1086861-T)
51%

Five Year Financial Highlights
Year ended 31 December









	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Revenue	16,944.00	4,952.00	11,327.00	153,347.00	246,487.00
Profit Before Taxation	(1,514.00)	(3,365.00)	(1,733.00)	22,857.00	45,931.00
Profit After Taxation	(1,514.00)	(3,365.00)	(1,879.00)	17,055.00	34,817.00
Share Capital	54,005.00	70,207.00	110,468.00	110,468.00	110,468.00
Shareholders' Funds	18,182.00	31,019.00	69,183.00	77,493.00	93,682.00
Earnings Per Share - basic (sen)	(2.80)	(4.79)	(2.85)	7.52	14.65

Management Discussion And Analysis

Management discussion and analysis (MD&A) is a review of the business and operations, current financial year financial results, risk and uncertainties and market outlook with prospects for Ideal United Bintang International Berhad ("IDEAL") which should be read in conjunction with The Group's audited financial statements and the accompanying notes for the financial year ended 31 December 2017.

IDEAL DIRECTION

The Group ultimate objective is to enhance the shareholders' value through the sustainability of its businesses with the main core focus on the property development business in Malaysia. When opportunity arises, the Group would be looking into property development across Asia. The Group will continue to provide modern and innovative property concepts and enhance property quality for the property buyers. Besides, the Group also seek to acquire strategic landed assets in Malaysia when opportunity arises with reasonable prices by adhering to the criteria which is based on the development potential taking into consideration the acquisition costs.

The Group would further maintain and enhance its operational efficiency and effectiveness while strengthening its risk management capacity to deal with unforeseen changes in market thru its pool of talents specializing in different business acumen including but not limited to finance, operations, investment and risk management. Further, the Group would continue to exercise prudence in seeking ways to strengthen the financial capabilities. For being able to gather momentum to growth on a long term and sustainable basis, the Group would strive to maintain strong liquidity and accumulate sufficient financial resources.

For the implementation of the Group's direction, various roles and responsibility have been identified mainly, focus on the main core operating businesses, identify profitable operating business with view to expend its business and earnings base, regular monitoring of the development and execution of business plan.

FINANCIAL REVIEW

The Group reported a turnover of RM246.49 million for the financial year under review, a significant increased from RM153.35 million reported in the previous financial year 2016. The increase was contributed by the progress and the sales of the Group's flagship project "I-Santorini" in Tanjung Tokong, Penang which reach around.

Profit after taxation for financial year ended 31 December 2017 of RM16.2 million which double the profit of RM 8.31 million under financial year 2016. The Group decision to diversify into Property Development is transforming the Group fortune with the revenue and profit from the development of I-Santorini in Tanjung Tokong, Penang. Gross profit stood at RM65.65 million which is 26.64% of the revenue for the year. Administrative expenses for the Group accounted for RM20.12 million for the financial year ended 31 December 2017 as compared to RM10.01 million for the preceding corresponding year. The significant increase was due to the significant progress of I-Santorini development which contributed the major bulk of the revenue for year ended 31 December 2017.

Management Discussion And Analysis (cont'd)

The total assets of the Group as at 31 December 2017 stood at RM311.58 million which is an increase of approximately 40% as compared to previous corresponding year as the development of I-Santorini is in full swing for the current year and progressive billing and collection from purchasers are contributing to the increase. Working capital for the Group is at RM115.9 million with the Group debt free from bank borrowings. Total liabilities increase by RM53.69million mainly due to the construction of I-Santorini.

The net assets per share as at 31 December 2017 was RM0.85 compared to RM0.70 as at 31 December 2016 while the Group's earnings per share for the financial year stands at 14.65 sen.

RISK AND UNCERTAINTIES

The Group's business, results of operations and growth prospect together with financial conditions are subject to risks and uncertainties, directly or indirectly in the environment it operates. Besides this, unfavourable changes in government policies, risk of weather conditions, changes in labour cost and constraints in labour supply would also hamper the operations of the Group that would affect the results of the Group. The Group mitigate the above risks with plans to acquire land banks at strategic locations with necessary market studies being done before embarking on the acquisition. Besides, the Group target on the development of affordable homes to reduce the risk of overhang.

CORPORATE DEVELOPMENT HIGHLIGHTS

For the financial year 2017, the Company entered into a scheme of arrangement under section 366 of the Companies Act, 2016 involving internal re-organisation by Ideal United Bintang Berhad ("IdealUBB") comprising the followings:

(i) Exchange of the entire 110,468,400 issued ordinary shares in IdealUBB with 110,468,400 new ordinary shares in Ideal United Bintang International Berhad ("IdealUBIB") on the basis of one unit of IdealUBIB shares for every one unit of existing shares held and all outstanding IdealUBB warrants with IdealUBIB warrants on a one-for-one-basis;

(ii) The listing status of IdealUBB by IdealUBIB was transferred to the Company and the admission of the Company to and withdrawal of the IdealUBB from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the listing of and quotation for the IdealUBIB shares and IdealUBIB warrants on the Main Market of Bursa Securities ("Transfer of Listing"); and

(iii) Transfer of IdealUBB's entire shareholdings in its subsidiaries to IdealUBIB. Following the Securities Exchange, all of IdealUBB's shareholdings in United Bintang Machinery Sdn. Bhd., Platinum Manifest Sdn. Bhd. And I-Platinum Sdn. Bhd. will be transferred to IdealUBIB. The transfer will be done in the form of a distribution of assets in specie, by way of a reduction in IdealUBB's capital under Section 116 or Section 117 of the Companies Act, 2016.

On 23 January 2018, the Board of Director of the Company has announced the following:

(i) A total of 136,350,000 new redeemable convertible preference shares ("RCPS") has been issued and allotted to ICT Innotech Sdn. Bhd. pursuant to its Undertaking. As such, the Proposed Issuance of RCPS is deemed complete; and

(ii) The Company had subscribed for 5,100,000 new ordinary shares in I-Global Property Network Sdn. Bhd. ("I-Global"), representing approximately 50.5% of the enlarged issued share capital of I-Global for a cash consideration of RM77,000,000 ("Proposed Subscription"). As such, the Proposed Subscription is deemed complete, I-Global Shall henceforth be a subsidiary of the Company.

Management Discussion And Analysis (cont'd)

CORPORATE DEVELOPMENT HIGHLIGHTS (CONT'D)

On 20 March 2018. M&A Securities Sdn. Bhd., on behalf of the Board of Directors of the Company announce that the final copy of the bylaws of the Employee Share Option Scheme ("ESOS") has been submitted to Bursa Securities on the same day. As such, the ESOS is deemed complete.

MARKET OUTLOOK

Currently, the Government (Federal Level or State Level) are actively pushing for the Affordable Homes for the "rakyat", as such, the take up rate is on the increasing trend. The Group thus focus building affordable homes especially with the recent share subscription in I-Global Property Network Sdn. Bhd. that build 1,343 units of affordable homes and 991 units of condominium, as such we are anticipating an increase in take up rate for affordable homes in I-Global which will contribute to the profit of the Group for year 2018.

PROSPECTS

In order to increase the Group's Shareholders value, the Group now focusing on selling of affordable homes. The subscription of I-Global Property Network Sdn. Bhd. further strengthen the Group intention to focus on developing affordable homes. The Group expect that for the year 2018, the Group would remain profitable.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the financial year ended 31 December 2017.

OVERALL

The Group is confident of achieving improved financial performance in the coming financial year ending 31 December 2018. I-Santorini development and Foresta and Forestvile would be the major contributor for the performance in year 2018. Current development progress for I-Santorini is at approximately 55%.

Sustainability Statement

CREATING SUSTAINABLITY

IdealUBIB is an organisation with a long history which has evolved and endured against the changing corporate environment over the years. We managed to achieve the sustainability through our own adjustment to the ever changing market environment. As such, we have set our own values to ensure the sustainability of the organisation. Evidence can be seen from our transformation of our organisation from the import and export of used heavy machineries business to our current property development business. This is to ensure that we are able to sustain for the long term and maximize the stakeholders' values. The organisation's longevity is dependent on the ability to sustain with the ever changing environment.

GOVERNANCE

The Group have created stable governance structure and risk management framework to instil the sustainability values across the Group. The Group sustainability strategies are thru top-down approach as guided by the recommendations of Bursa Malaysia Securities Berhad. As such, our key players to ensure sustainability comprises of the key employees that reports directly to the Group Chief Executive Officer. The board will ultimately review and approved the proposed policies and guidelines to ensure the sustainability of the organisation.

Strategic directions set by the Board for the organisation to be embedded across the Group with adequate processes, resources and systems being allocated to ensure the objectives are being met.

PRACTICING THE VALUES

All employees would need to adhere to the Group's sustainability policies in order for the Organisation's value of integrity, commitment, passion and work life balance will be translated into practice. Indirectly, this will ensure our employees benefited with the improvement in the quality of their performance and ultimately our business reputation. Mechanisms have been established to receive internal and external feedback as this would facilitate the adoption of the Company's sustainable policy. One of the channels to raise concern in the event of non-compliance with the Group's sustainability policies is thru whistle-blowing. Furthermore, the Group also encourage the stakeholders to embrace sustainability through community engagement activities. Contribution to society would be everyone responsibility.

Surau Handover

Chung Hwa Confucian High School Badminton Tournament

Sustainability Statement (cont'd)

Contribution to SRJK Kai Chee

Hari Polis

Sponsorship to Polis

Sponsorship to SJK Kong Min

In its Annual Report for financial year ending 31 December 2017 and in line with Bursa Malaysia's Sustainability Reporting Guide and the Organisation setting up the Sustainability Committee, the Group will report among others its sustainability policies, scope and actions thereon. In the meantime, the following are part of the Group's activities during the financial year that are part of our ongoing efforts to inculcate sustainability practices within the Group:-

Recognition to our police force

We have been participating and contributing to Royal Malaysia Police organised campaigns to demonstrate our appreciation for their efforts to keep our development safe and secure.

Building affordable Homes

Our flagship development, I-Santorini demonstrates our commitment to build affordable homes with full facilities for the residents. This includes providing full condominium facilities that includes swimming pools, gyms and etc. with affordable prices.

Sustainability Statement (cont'd)

Support to communities

Our Group has undertaken to build a new school for mentally retarded children which is targeted to complete by end of 2018. Further the Group has also refurbished a surau within the vicinity of Tanjung Tokong area. Cash contributions have also been made to several schools namely Sekolah Jenis Kebangsaan Kong Min, Sekolah Jenis Kebangsaan Mak Mandin, Sekolah Menengah Kebangsaan Tanjung Bungah and Sekolah Menengah Kebangsaan Sacred Heart. In addition to that, the Group have also sponsored the Star E-Paper to five schools in Penang. Our group was also the title sponsor for the Campaign For A Lane event, a round island cycling event to bring awareness for more dedicated bike lanes.

Employees Welfare

Our Group has organised several gatherings to foster closer relationships within the employees of the Group such as annual luncheons during festive seasons, annual dinners, company trips and sports/ recreational programmes.

The Star ePaper Sponsorship

CFAL 9th Edition

Directors' Profile

TAN SRI DATUK OOI KEE LIANG	
Age	**47**
Gender	**Male**
Nationality	**Malaysian**
Qualification	**Bachelor of Science in Computer Engineering (Ohio State University, US)**
Executive/Non-Executive Director	**Executive Director**
Position Held	**Chairman**

Working experience and occupation

Tan Sri Datuk Ooi started his career in 1994 as a Process Engineer in a Penang based company principally involved in packaging of semiconductors for multinational companies. In 1995, he joined a property development company in Penang as its Marketing & Finance Director where he was responsible for the company's overall property marketing and finance division. He successfully implemented various innovative marketing programmes which were highly successful with at least 90% sales take up rate. He was later promoted to the position of Chief Executive Officer in 2000. He left the Penang based property developer in 2001 to pursue his own property consultancy business under Ideal Concept Intelligence Sdn Bhd. However, in year 2007, Tan Sri Datuk Ooi scaled down the property consultancy business with the completion of the last project in Cambodia and started focusing on property development for commercial and residential properties on his own.

Through the management and operations of these property development businesses as well as in his property consultancy business, Tan Sri Datuk has accumulated over 23 years' experience within the property development industry.

Membership in Board Committee	None
Other directorships in public companies	None
Family relationships with directors	Spouse of Datuk Phor Li Wei
Family relationships with major shareholders	None
Conflict of interest with the Company	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

DATUK PHOR LI WEI	
Age	**47**
Gender	**Female**
Nationality	**Malaysian**
Qualification	**Bachelor of Science Majoring in Accounting (Franklin University, USA)**
Executive/Non-Executive Director	**Executive Director**
Position Held	**Director**

Working experience and occupation

Puan Sri Datuk Phor is responsible for overseeing the overall finance, human resource and administrative functions of the Group which include amongst others overseeing the internal control function and corporate planning. She obtained her Bachelor of Science majoring in Accounting from Franklin University, USA in 1995.

Puan Sri Datuk Phor started her career with KPMG Peat Marwick as an Audit Assistant in 1995. In 1997, she joined Astarex Sdn. Bhd., a company principally involved in trading of gold and jewelleries, as its Finance and Administration Manager. In 2001, she joined Ideal Concept Intelligence Sdn. Bhd. as its Executive Director. She is among the pioneers for Ideal Concept Intelligence Sdn. Bhd. and has been instrumental in obtaining the ISO 9001: Quality Management System for Ideal Concept Intelligence Sdn. Bhd. and Ideal Homes Properties Sdn. Bhd. Puan Sri Datuk Phor possesses more than 21 years of hands-on experience in finance and administration. Puan Sri Datuk Phor was appointed to the Board of the Company since 9th September 2014.

Membership in Board Committee	None
Other directorships in public companies	None
Family relationships with directors	Spouse of Tan Sri Datuk Ooi Kee Liang
Family relationships with major shareholders	None
Conflict of interest with the Company	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

TAN WOOI CHUON	
Age	**50**
Gender	**Male**
Nationality	**Malaysian**
Qualification	**An associate member of the Chartered Institute of Management Accountants UK, ACMA**
Executive/Non-Executive Director	**Independent Non-Executive Director**
Position Held	**Director**

Working experience and occupation

Mr. Tan has 4 years working experience in audit firm, 5 years working experience as Finance Manager in electronics manufacturing company, 4 years working experience as Finance and MIS manager in consumer products manufacturing company and 3 years working experience as Group Financial Controller of a public company listed on the Nasdaq. Mr. Tan was appointed to the Board of the Company since 23rd October 2013.

Membership in Board Committee	Chairman of Audit Committee, Chairman of Nomination Committee and member of Remuneration Committtee
Other directorships in public companies	Mega Sun City Holdings Berhad, ARK Resources Berhad
Family relationships with directors	None
Family relationships with major shareholders	None
Conflict of interest with the Company	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

ENCIK SHAHFIE BIN AHMAD	
Age	**49**
Gender	**Male**
Nationality	**Malaysian**
Qualification	**Bachelor of Business Administration from University of Wales, United Kingdom**
Executive/Non-Executive Director	**Independent Non-Executive Director**
Position Held	**Director**

Working experience and occupation

Encik Shahfie has a career spanning over 20 years and started work for a US based Multinational Company. He was a Founder of Sinetec Engineering Sdn Bhd in 1997. He acquired Chulia Engineering Sdn Bhd in 2004. He joined venture with IDS International Pte Ltd and formed Chulia Biomedical Engineering Sdn Bhd in 2008. He was elected as Vice President of the Malaysia Professional Medical Device Association (MEDVER) in 2012. Encik Shahfie was appointed to the Board of the Company since 24th September 2013.

Membership in Board Committee	Chairman of Remuneration Committee, member of Audit Committee and Nomination Committee
Other directorships in public companies	None
Family relationships with directors	None
Family relationships with major shareholders	None
Conflict of interest with the Company	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

ENCIK MOHTAR BIN ABDULLAH	
Age	**69**
Gender	**Male**
Nationality	**Malaysian**
Qualification	**Diploma in Public Administration from Institut Tadbiran Awam Negara (Intan) and Bachelor of Economics in Business Management (National University of Malaysia)**
Executive/Non-Executive Director	**Independent Non-Executive Director**
Position Held	**Director**

Working experience and occupation

Encik Mohtar served in Malaysian Civil Service as Assistant Trade Commissioner of Malaysia in Tokyo, Japan from 1981 to 1989. He assumed the post of Director of Investment, ASEAN Promotion Centre on Trade and Investment in Tokyo from 1991 to 1994. He was attached to MATRADE from 1994 to 2004 where he served as Consul and Trade Commissioner of Malaysia in Milan, Italy from 1994 to 2000 and subsequently based in Jeddah, Saudi Arabia until 2003. His last position in MATRADE was Director of Asia and Africa, Malaysian External Trade Development Corporation. Encik Mohtar was appointed to the Board of the Company since 24th September 2013.

Membership in Board Committee	Member of Audit Committee, Remuneration Committee and Nomination Committee
Other directorships in public companies	JKG Land Berhad
Family relationships with directors	None
Family relationships with major shareholders	None
Conflict of interest with the Company	None
List of convictions of offences within the past 10 years other than traffic offences	None

Profile of Key Senior Management

TEOH EE KEN	
Age	**43**
Gender	**Male**
Nationality	**Malaysian**
Qualification	**Degree in Accountancy** **Chartered Accountant, MIA**
Position Held	**Chief Financial Officer**

Working experience and occupation

Mr. Teoh has accumulated more than 15 years of working experience in the auditing and accounting, in manufacturing and property development industry. Prior to joining the Company, he served as Chief Financial Officer for Ideal Sun City Holdings Berhad from April 2012 to June 2014 and was then re-designated to Advisory Division. Prior to that, he served as the Financial Controller for Ideal Property Development Sdn. Bhd. from September 2010 to April 2012. He worked in property development and manufacturing companies from October 2003 until September 2011. During the period of March 2000 to September 2003, he worked as Senior Audit Associate in Ernst & Young, responsible for the auditing of public listed companies and privately owned companies.

Family relationship with any director and/or major shareholder of the listed issuer	N/A
Any conflict of interests that he/she has with the listed issuer or its subsidiaries	N/A
Details of any interest in the securities of the listed issuer of its subsidiaries	N/A

Corporate Governance Overview Statement

The Board of Directors of Ideal United Bintang International Berhad ("IdealUBIB" or "the Company") is committed and subscribes to ensuring that the sound principles of corporate governance set out in the Malaysian Code on Corporate Governance 2017 ("the Code") are practiced with the ultimate objective of protecting and enhancing shareholders' value.

To this end, the Board continues to evaluate the Group's corporate governance procedures, and to introduce various measures and implement the best practices in so far as they are relevant to the Group, bearing in mind the nature of the Group's businesses and the size of its business operations.

The Board of IdealUBIB is pleased to report on how the Company and Group have applied the principles set out in the Code to its particular circumstances, having regard to the recommendations stated under each principle.

1. DIRECTORS

1.1 Board of Directors

The Board members recognize the importance of the key role they play in charting the strategic direction, development and control of the Group and have assumed the responsibilities listed in the Code to facilitate the discharge of their stewardship responsibilities. As a whole, the Boards is the ultimate decision-making body.

1.2 Board Balance

The Company is headed by an effective Board with five members, comprising of an Executive Chairman, an Executive Director and three Independent Non-Executive Directors. The Company has complied with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") for independent non-executive directors to make up at least one third of the Board membership and for a director to be qualified under paragraph 15.09 (1) (c) of the MMLR to sit on the Audit Committee.

To ensure a balance of power and authority as the head of the Company, the roles of the Chairman and the Executive Director are clearly defined with their individual position descriptions. The Chairman guides and ensures the effectiveness of the Board policies and acts as a facilitator at Board Meetings, while the Executive Director is tasked to run the day to day management of the business as well as the implementation of the Board's policies and decisions. Together, the Directors bring a wide range and good mix of business, financial skills and experience relevant to the direction of a medium size, growing Group. A brief profile of each Director is presented from pages 26 to 30 of this Annual Report.

Although all the Directors have equal stewardship responsibilities towards the Group, the Board acknowledges that the role of independent non-executive directors are particularly important as they bring independent judgment to bear on the issues of strategy, performance and resources including key appointments and standards of conduct.

In this respect, the three Independent Non-Executive Directors who are individuals of calibre and credibility with varied industrial skills and experience are capable of ensuring a balanced and independent judgment on any issues or problems, which require the Board's deliberation and decision.

The Board has not set a specific gender diversity target at this time. Nonetheless, the appointment of a female director to the Board of IdealUBIB reflects that the Board recognizes the value of gender diversity in the Board and was an initial step taken by the Board towards achieving a more gender diversified Board.

Corporate Governance Overview Statement
(cont'd)

1. DIRECTORS (CONT'D)

1.3 Board Roles and Responsibilities

The Board of Directors play a vital role in the stewardship of the Group's direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including :-

i) Reviewing and approving corporate strategies and plans
ii) Establishing goals for management and monitoring the achievement of these goals
iii) Overseeing the conduct and performance of the Groups' business
iv) Identifying principal risks and putting in place appropriate control systems, monitoring and reporting guideline to effectively monitor and manage these risks
v) Appointing and continuous assessing the performance of the Executive Directors and overseeing succession plans for the senior management team
vi) Establish the corporate culture that engenders ethical behavior and conduct
vii) Reviewing and approving financial statements; and
viii) Appointment and removal of auditors

The Board has a formal schedule of matters specifically reserved to itself for decisions to ensure that the direction and control of the Group is firmly in its hands. The schedule involves approval of major capital expenditure projects and consideration of assets acquisition and divestment policies, significant financial matters including financial and operating performance of the Group.

The Board maintains 3 specific Board committees with clear responsibilities and terms of reference to assist the Board in carrying out its stewardship role and function namely Nomination Committee, Remuneration Committee and Audit Committee. All 3 Committees consists of Independent Non-Executives Directors.

1.4 Board of Directors' Meeting

The Board meets regularly at least four (4) times a year and additionally as and when required with due notice of issues to be discussed given to each Director. The Company Secretary attends all Board Meetings. Informal meetings and consultation among the Directors are also held frequently and freely to share knowledge and expertise. For financial year 2017, five scheduled Board Meetings of Ideal United Bintang Berhad ("IdealUBB") were held and the attendance records of each Director at these Board Meetings are as follows:-

	Dates of Board Meetings					
Board Members	**27/02/17**	**21/04/17**	**29/05/17**	**30/08/17**	**27/11/17**	**% of Attendance**
Tan Sri Datuk Ooi Kee Liang	√	√	√	√	√	100
Datuk Phor Li Wei	√	√	√	√	√	100
Mr Tan Wooi Chuon	√	√	√	√	√	100
En Shahfie Bin Ahmad	√	√	√	√	√	100
En Mohtar Bin Abdullah	√	√	√	√	√	100

Corporate Governance Overview Statement
(cont'd)

1. DIRECTORS (CONT'D)

1.4 Board of Directors' Meeting (cont'd)

One scheduled Board Meeting of Ideal United Bintang International Berhad was held and the attendance record of each Director at the Board Meeting is as follows:-

Board Members (appointed on 14 March 2017)	Dates of Board Meetings 27/11/17	% of Attendance
Tan Sri Datuk Ooi Kee Liang	√	100
Datuk Phor Li Wei	√	100
Mr Tan Wooi Chuon	√	100
En Shahfie Bin Ahmad	√	100
En Mohtar Bin Abdullah	√	100

All proceedings of the Board meetings which include decisions made and all issues discussed by the Board in arriving at decisions were properly recorded in minutes of meetings and signed by the Chairman of the meetings. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the Directors' full attendance at Board Meetings during the financial year 2017.

1.5 Supply of Information

During the reporting financial year, the Chairman had ensured that all the directors were provided with an agenda and a set of board papers in a timely manner, usually in advance of meetings. The board papers were comprehensive covering many aspects of matters being considered, enabling the Board to look at both quantitative and qualitative factors when dealing with any item on the agenda so that informed decisions were made. These procedures enabled the directors to have sufficient time to peruse the papers and if necessary, to obtain further information or clarification from the Management.

In addition to the Board papers, the Board was also notified of any corporate announcements released to Bursa Malaysia Securities Berhad ("Bursa") and was kept informed of the requirements and updates issued by the various regulatory authorities, where relevant.

In furtherance of their duties, the Directors as a full Board or in their individual capacity have access to all information within the Group as well as access to the advice and services of the senior management and the Company Secretary. The Company Secretaries, who are qualified and experienced, advice the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of the Directors and the potential impact and implications arising therefrom. The Directors may also engage independent professional services, where necessary, at the Group's expense after having obtained approval from the Chairman prior to the engagement.

Executive functions are delegated to the Management led by the Senior Management. The Group will continue to develop its talent pool for succession planning and to meet future challenges.

Corporate Governance Overview Statement
(cont'd)

1. DIRECTORS (CONT'D)

1.6 Code of Conduct and Ethics

A Code of Conduct, which outlined the conduct and responsibilities of both Management and employees, is in place. An Employee Handbook, which contained various human resources policies, serve as a guide for Management and employees of the Group to ensure that accepted code of conduct as well as employees responsibilities are practiced.

There is platform in place for employees and Management to report any wrongdoing by employees or Management. The Group has a whistlehlowing policy whereby all employees are encouraged to report genuine concerns and issues that relates to fraudulent financial information, actual and suspected fraud, misappropriation of monies, misrepresentation, concealment of information with the intention to misled, criminal offences, amongst others. Any personnel who has reasonable belief that there is serious malpractice may direct such complaint and report to the Chairman of the Audit Committee in writing which the Management shall ensure the complainant identity shall be kept confidential.

As far as the Board is concerned, the Directors have a duty to declare immediately to the Board and abstain from further discussion and decision-making process should they be interested in any transaction to be entered into by the Group.

1.7 Board Charter

The Board has established a Charter as a point of reference for Board activities and the Charter is published on the Company's website. The Charter clearly delineate the roles, duties and responsibilities of the Board. Salient features of the Charter are available on the Company website at www.IdealUBIB.cc. The Charter was last review on 2015.

1.8 Board Committees

The Board has established three principal board committees to assist in carrying out specific responsibilities for the Company. All three Board Committees operate under clearly defined terms of reference. These Committees have the delegated authority to review particular issues within their terms of reference and report back to the full Board with their recommendations. The Board ultimately decides all significant matters before it. The three Board Committees are the Audit Committee, Nomination Committee and Remuneration Committee.

(i) Audit Committee

The composition and terms of reference of the Audit Committee together with its report are presented on pages 44 to 46 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee comprising exclusively Independent Non-Executive Directors. The current nomination committee is as follows:-

a) Mr Tan Wooi Chuon *(Chairman)* - Independent Non-Executive Director
b) Encik Mohtar Bin Ahmad - Independent Non-Executive Director
c) En Shahfie Bin Ahmad - Independent Non-Executive Director

The terms of reference of the Nomination Committee are available on the Company website at www. idealubb.cc.

Corporate Governance Overview Statement
(cont'd)

1. DIRECTORS (CONT'D)

1.8 Board Committees (cont'd)

(ii) Nomination Committee (cont'd)

During financial year 2017, the Nomination Committee of IdealUBB met once with full attendance from its members.

(iii) Remuneration Committee

The Remuneration Committee consisting of the following Directors:-

a) En Shahfie Bin Ahmad *(Chairman)* - Independent Non-Executive Director
b) Mr Tan Wooi Chuon - Independent Non-Executive Director
c) En Mohtar Bin Abdullah - Independent Non-Executive Director

The terms of reference of the Remuneration Committee are available on the Company website at www. idealubb.cc.

The Remuneration Committee of IdealUBB met once during financial year 2017 with full attendance from its members.

1.9 Appointment to the Board

The Board appoints its members through a formal and transparent selection process. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, that all the necessary information is obtained from directors, both for the Company's own records and for purposes of meeting all legal, statutory and regulatory obligations.

1.10 Re-election

The Company's Articles of Association provide that one third of the Board shall retire by rotation from office and be eligible for re-election by shareholders at every Annual General Meeting ("AGM") of the Company while all newly appointed directors shall submit themselves for re-election by shareholders at the first opportunity after their appointment. The Articles of Association also provide that all Directors be subjected to retirement by rotation at least once every three years and shall be eligible for re-election.

1.11 Directors' training

The Directors have completed the Mandatory Accreditation Programme conducted by Bursatra Sdn Bhd, an affiliate company of Bursa. The Directors also received further training from time to time to enhance their skills and knowledge on the relevant new laws and regulations and to keep abreast with the latest development in various aspects of the business environment. The Board has undertaken an assessment of training needs of each director annually. A brief induction of the Group will be provided to newly appointed Directors to acquaint themselves with the Group's business operations.

Corporate Governance Overview Statement
(cont'd)

1. DIRECTORS (CONT'D)

1.11 Directors' training (cont'd)

During financial year 2017, the conferences, seminars and courses attended by the Directors encompassed various topics, which include the followings :-

- Common GST Errors and getting ready for GST audit;
- 2017 Budget Updates & recent development on tax/post-GST
- Risk Management and Internal Control Workshop
- GST Essential Updates, Tax Aspects of Transfer Pricing

In addition, the Board is regularly updated on the latest updates on MMLR and other regulatory requirements relating to the discharge of Directors' duties and responsibilities.

2. DIRECTORS' REMUNERATION

2.1 The level and make-up of remuneration

The Board ensures that the levels of remuneration for Directors are sufficient to attract and retain Directors needed to run the Group effectively. The remuneration of each Director reflects the responsibility and commitment, which goes with the Board membership. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to individual and Group performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Directors concerned.

2.2 Procedure

The Remuneration Committee is responsible for setting the policy framework and for making recommendations to the Board on all elements of the Directors' remuneration. Under the Group policy, the Remuneration Committee reviews and formulates the remuneration packages of the Executive Directors and makes suitable recommendations thereon to the Board for approval. The fees of the Non-Executive Directors, which payments are subjected to the shareholders' approval, are the ultimate responsibility of the Board after considering the recommendation of the Remuneration Committee. The Directors do not participate in discussion on their own remuneration.

2.3 Disclosure on Directors' Remuneration

Below are the details of remuneration paid to the Executive Directors of the Company for financial year 2017 save for Directors' fees, which will be paid to the Non-Executive Directors upon obtaining the shareholders' approval at the Company's forthcoming AGM scheduled on 11 June 2018:-

Corporate Governance Overview Statement
(cont'd)

2. DIRECTORS' REMUNERATION (CONT'D)

2.3 Disclosure on Directors' Remuneration (cont'd)

(i) The aggregate remuneration of Directors, distinguishing between Executive and Non-Executive Directors, were categorised into the following components:

Type of Remuneration		Fees	Salaries	EPF	Other emoluments	Total (RM)
Tan Sri Datuk Ooi Kee Liang	ExecutiveDirector	-	600,000	72,000	5,000	677,000
Datuk Phor Li Wei	ExecutiveDirector	-	600,000	72,000	4,000	676,000
Tan Wooi Chuon	Non-ExecutiveDirector	36,000	-	-	6,000	42,000
Mohtar Bin Abdullah	Non-ExecutiveDirector	36,000	-	-	5,000	41,000
Shahfie Bin Ahmad	Non-ExecutiveDirector	36,000	-	-	4,000	40,000
Total		**108,000**	**1,200,000**	**144,000**	**24,000**	**1,476,000**

ii) The number of Directors whose remuneration fell into each successive bands of RM50,000.00:

	Number of Directors		
Band (RM)	**Executive**	**Non-Executive**	**Total**
1 - 150,000	-	3	3
150,001 - 300,000	-	-	-
300,001 - 450,000	-	-	-
450,001 - 600,000	-	-	-
600,001 - 750,000	2	-	2

3. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of communication with its shareholders, institutional investors and the investing public at large and does this through the annual report, circular to shareholders, quarterly results, corporate proposal announcements and holding of general meetings. The policy of the Group is to maintain an active dialogue with its shareholders with the intention of giving shareholders a clear, accurate, timely and complete picture of the Group's performance and position as possible. Corporate information is also available from the Group's website, www.IdealUBIB.cc which is linked to Bursa's website at www.bursamalaysia.com.

It has also been the Group's practice to send the notice of general meeting and related papers to the shareholders at least 28 days prior to the meeting day. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Extraordinary General Meeting ("EGM") is held as and when shareholders' approval are required on specific matters, with due notice given.

Corporate Governance Overview Statement
(cont'd)

3. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS (CONT'D)

While the Group endeavours to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Any undisclosed material information about the Company will not be made available to a shareholder unless it is already disclosed in public domain.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Group's financial statements are prepared in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016. The Board is responsible for ensuring that the financial statements of the Group and the Company give a true and fair view of the state of affairs of the Group and the Company. The Statement by Directors pursuant to Section 251(3) of the Companies Act, 2016 is set out on page 57 of this Annual Report.

During the reporting financial year, the Board had taken the necessary steps to ensure that the annual financial statements and quarterly financial results released to the shareholders present a balanced comprehensive assessment of the Group and the Company's position and prospects, including :-

- adoption of applicable accounting policies and methods;
- consistent application of the accounting policies and methods;
- the making judgments and estimates that are reasonable and prudent; and
- stating whether applicable accounting standards have been complied with.

The CFO updates the Audit Committee regularly on the Group's financial performance and highlights key issues in connection with the preparation of the financial results, including but not limited to adaptation of new accounting standards and policies. The Group has a pool of experienced, skilled and knowledgeable accounting and finance staff.

To keep shareholders, investors and public regularly informed of the Group's and the Company's financial performance, it has been the Group's policy to release its financial results on quarterly and annual basis to the regulatory bodies in advance of the deadlines set.

4.2 Internal Control

The Management had, through the convening of operational meetings from time to time and preparation of monthly financial reports, reviewed the effectiveness, adequacy and integrity of the Group's system of internal controls. Any material shortcomings in control systems had been reported back to the Board who shall continue to periodically review these internal control systems to ensure that the shareholders' interest and the Group's assets are protected at all times.

The Group has outsourced the internal audit function to an independent consultancy company, which is independent from the Group's appointed external auditors. The internal audit consultants which report directly to the Audit Committee have commenced auditing on the various auditable units of the Group. The Audit Committee in turn has presented the audit findings and recommendations to the Board who is responsible for the adequacy and integrity of the Group's financial, operational and compliance controls as well as risk assessment and management.

Corporate Governance Overview Statement
(cont'd)

4. ACCOUNTABILITY AND AUDIT (CONT'D)

4.3 Relationship with Auditors

The Board maintains a close and transparent relationship with the Auditors in seeking professional advice and compliance with the accounting standards. The Auditors maintain professional independence with regards to the roles and task to be taken up.

The key features underlying the relationship between the Audit Committee and the external auditors are set out in the Audit Committee's terms of reference, details on page 44 of this Annual Report.

5. CORPORATE SOCIAL RESPONSIBILITY

The Group recognises the importance of Corporate Social Responsibility (CSR) by making positive contributions to society and the environment through their management, products and proactive engagement with stakeholders including employees, customers, investors, communities and suppliers. Past, present and ongoing CSR initiatives include the following:

Environment

The Group believes that it is in compliance with applicable environmental laws and regulations. All employees are encouraged to recycle all paper products to reduce the amount of papers used. Employees are also required to close all lights and air conditioner during lunch time to save on the electricity used. Further, all used paper, carton boxes and plastics would be compiled and sent to recycling center.

Society

To uphold our CSR's objective, the Group had made regular donations to various non-profit organizations such as Yayasan Anak-anak Yatim Sultanah Haminah, Yayasan Islam Pulau Pinang, Yayasan Kepong, Montfort Youth Training Centre and other orphanage/handicapped/charitable homes providing financial assistance to the less fortunate.

Workplace

To promote a clean, safe and conducive workplace, the Group continuously conducts trainings for its employees on safety and hygiene awareness, safety protection gears usage and proper handling of equipment.

The workplace is equipped with fire-fighting equipment, first aid kits, proper lighting and ventilation to ensure optimum working environment for the employees.

The Group also provides various benefits to its employees including personal accident and hospitalization and surgical insurance, subsidised public transport and medical benefits.

There is in place a comprehensive continual on-the-job training program for all its employees.

The Group will not compromise on the health, safety and welfare of the employees, visitors, customers, subcontractors' staff and general public.

Corporate Governance Overview Statement
(cont'd)

5. CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

Marketplace

The Group is committed to uphold good business ethics when formulating policies which include fair treatment of customers, sincerity in business dealings, passionate in business development and establishing trust in its relationships with shareholders and stakeholders.

To ensure a high level of safety and reliability of each reconditioned heavy equipment, all used heavy equipment undergo thorough checks at the Inspection Section to detect defects, if any, followed by the rejuvenation process and lastly the final pre-delivery inspection before delivery to customer.

The Group also committed to deliver completed properties that exceed the purchasers' expectation with emphasis on safety, comfort and reliable properties with minimal defects.

The Group believes in clear communication and recognizes the importance to have timely and equal dissemination of the relevant information to its shareholders to achieve a better understanding of the Group's performance. The annual report, quarterly financial results and announcements of the Group can be accessed from the Group's website at www.IdealUBIB.cc which is linked to Bursa Malaysia's website at www.bursamalaysia.com.

At each AGM and EGM of the Group, the Board provides adequate time to attend to queries and comments raised by shareholders.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flow position of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing these financial statements, the Group and the Company have used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company at any point of time and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia.

The Directors are also responsible for safeguarding the assets of the Group and of the Company, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance Overview Statement
(cont'd)

7. ADDITIONAL COMPLIANCE INFORMATION

During the financial year:-

a) The Group did not sponsor any Depository Receipt programme.

b) The Company entered into a scheme of arrangement under section 366 of the Companies Act, 2016 involving international re-organisation by Ideal United Bintang Berhad ("IdealUBB") comprising the followings:

(i) Exchange of the entire 110,468,400 issued ordinary shares in IdealUBB with 110,468,400 new ordinary shares in Ideal United Bintang International Berhad ("IdealUBIB") on the basis of one unit of IdealUBIB shares for every one unit of existing shares held and all outstanding IdealUBB warrants with IdealUBIB warrants on a one-for-one-basis;

(ii) The listing status of IdealUBB by IdealUBIB was transferred to the Company and the admission of the Company to and withdrawal of the IdealUBB from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the listing of and quotation for the IdealUBIB shares and IdealUBIB warrants on the Main Market of Bursa Securities ("Transfer of Listing"); and

(iii) Transfer of IdealUBB's entire shareholdings in its subsidiaries to IdealUBIB. Following the Securities Exchange, all of IdealUBB's shareholdings in United Bintang Machinery Sdn. Bhd., Platinum Manifest Sdn. Bhd. And I-Platinum Sdn. Bhd. will be transferred to IdealUBIB. The transfer will be done in the form of a distribution of assets in specie, by way of a reduction in IdealUBB's capital under Section 116 or Section 117 of the Companies Act, 2016.

On 23 January 2018, the Board of Director of the Company has announced that a total of 136,350,000 new redeemable convertible preference shares ("RCPS") has been issued and allotted to ICT Innotech Sdn. Bhd. pursuant to its Undertaking. The Proposed Issuance of RCPS is deemed complete.

c) There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directions or management by the relevant regulatory bodies during the financial year ended 31 December 2017, which have material impact on the operations of financial position of the Group.

d) There was no profit guarantee given by the Group for the financial year ended 31 December 2017.

e) The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to the shareholders. Thus in order to achieve the required capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. As the latest practical date, the Company and Group are not subject to any externally imposed capital requirements.

f) The Company had subscribed for 5,100,000 new ordinary shares in I-Global Property Network Sdn. Bhd. ("I-Global"), representing approximately 50.5% of the enlarged issued share capital of I-Global for a cash consideration of RM77,000,000 ("Proposed Subscription"). The Proposed Subscription is deemed complete; I-Global shall henceforth be a subsidiary of the Company.

Corporate Governance Overview Statement
(cont'd)

7. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

g) Gender Diversity

The Board does not have any gender diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity company and all appointments are based strictly on merits and are not driven by any racial or gender bias. The current board consists of multiracial male and female directors.

h) The Company and the Group did not release any profit estimate, forecast or projection for the financial year. There was no material variance between the results for the financial year and the unaudited results previously released by the Company and the Group.

Non-audit fee

The amount of non-audit fees incurred for services rendered to the Group by the external auditors and their affiliated companies for financial year 2017 was RM9,000.

Recurrent Related Party Transactions ("RRPTs")

RRPTs during the financial year are disclosed in Note 25 to the financial statements.

8. OPERATION REVIEW

The Group's results are mainly contributed by the development of I-Santorini in Penang. With sales secured for the development of I-Santorini, the Group is currently looking into other development opportunities that would contribute to the Group's performance.

With the acquisition of I-Global, the Group currently has under construction a total of 4,489 units of condominium of which majority are affordable homes. As at the financial year ended 31 December 2017, total units sold are 3788 units. For the financial year 2018, the Group is expecting these developments to contribute to the profit of the Group.

Rising operation costs and uncertainties in the global economy had affected the heavy machinery demand for the financial year under review. Although the construction industry is picking up however the demand for used machineries remains slow.

Audit Committee Report

1. COMPOSITION

The Audit Committee comprises the following members:-

Chairman	:	Mr Tan Wooi Chuon *	(Independent Non-Executive Director)
Members	:	En Shahfie Bin Ahmad	(Independent Non-Executive Director)
		En Mohtar Bin Abdullah	(Independent Non-Executive Director)

** Member of MIA*

2. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference is available on the Company website at www. idealubb.cc

3. MEETINGS AND ATTENDANCE

During the reporting financial year, the Audit Committee of IdealUBB had six meetings and the attendance records of each member at these meetings are as follows:-

	Dates of Audit Committee Meetings						
Audit Committee Members	**27/02/17**	**21/04/17**	**29/05/17**	**11/08/17**	**30/08/17**	**27/11/17**	**% of Attendance**
Mr Tan Wooi Chuon	√	√	√	√	√	√	100
En Shahfie Bin Ahmad	√	√	√	√	√	√	100
En Mohtar Bin Abdullah	√	√	√	√	√	√	100

The Audit Committee of IdealUBIB had one meeting and the attendance records of each member at the meeting is as follows:-

	Dates of Audit Committee Meetings	
Audit Committee Members (appointed on 22 June 2017)	**27/11/17**	**% of Attendance**
Mr Tan Wooi Chuon	√	100
En Shahfie Bin Ahmad	√	100
En Mohtar Bin Abdullah	√	100

At the invitation of the Audit Committee, the Managing Director, Chief Financial Officer, Internal Auditors and other senior management attended these meetings by invitation. The Audit Committee also invited the representatives of the External Auditors, Messrs UHY to attend the meetings twice during the financial year at which private sessions independent of the Management, were held.

Audit Committee Report (cont'd)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE REPORTING FINANCIAL YEAR

- Reviewed the unaudited interim report on consolidated results of the Group on a quarterly basis and made suitable recommendations thereon to the Board of Directors for approval prior to their release to Bursa Malaysia Securities Berhad.
- Reviewed the external auditors' audit strategy, audit plan, scope and time-table for the year.
- Discussed with the external auditors, accounting issues arising from the interim audit review and other matters that the external auditors wish to discuss with the Audit Committee in the absence of executive board members and management.
- Reviewed the external auditors' report on audit findings and the accounting issues arising from the audit before appropriate audit adjustments were made to the Group's financial statements.
- Discussed with the external auditors, the impact of the new financial reporting standards and regulatory requirements on the Group's financial statements.
- Reviewed the Audit Planning Memorandum from the external auditors for the financial year ended 31 December 2017.
- Reviewed the Company's annual audited financial statement for the financial year ended 31 December 2017 before recommendation to the Board for approval. Further to that, the Audit Committee also scrutinized potential key audit matters raised by External Auditors and ensure that adequate work has been performed to support the audit conclusion and overall impact on the financial statements.
- Reviewed the Group audit fees proposed by the external auditors prior to the Board of Directors' approval.
- Reviewed the status of the legal cases involving default debts which the Group has commenced legal proceedings overseas.
- Reviewed the internal audit reports on internal audit findings and recommendations and ensured all risks areas were covered and corrective actions taken by management.
- Reviewed related party transactions and conflict of interest situation that arose within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- Reviewed and recommended the Audit Committee Report, and Statement of Risk Management and Internal Control for inclusion in the Company's Annual Report before releasing to ensure that the information is well communicated to the shareholders.

5. INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an independent consultancy company which reports directly to the Audit Committee who assesses on behalf of the Board and makes appropriate recommendations for improvements.

The internal audit consultants are responsible to undertake independent, regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively. The following activities are carried out by the internal audit consultants in discharging its duties:-

Audit Committee Report (cont'd)

5. INTERNAL AUDIT FUNCTION (CONT'D)

- Adopted a risk-based approach to the implementation and monitoring of internal controls based on the risk-based audit plan. This audit plan is approved by the Audit Committee and the scope of internal audit covers the audit of all business units and operations of the Group.

- Evaluate and improve the existing systems of internal control within the Group by reviewing its adequacy and effectiveness in compliance with operational controls, established internal procedures and statutory requirements.

- Ascertaining the extent to which the Group's assets are accounted for and safeguarded.

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 31 December 2017 was RM9,000.00.

Statement on Risk Management and Internal Control

Pursuant to Para 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of Ideal United Bintang Berhad is pleased to provide the following statement on risk management and internal control of the Group which has been prepared in accordance with the Statement on Risk Management & Internal Control: Guidance for Directors of Listed Issuers ("Internal Control Guidance") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. The Board and management are responsible and accountable for maintaining a sound system of risk management and internal control.

The Board continuously evaluates appropriate initiatives to strengthen the transparency and efficiency of its operations taking into account the requirements for sound and appropriate internal controls and management information systems within the Group. Because of the limitations that are inherent in any system of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board.

RISK MANAGEMENT

The Board and management believe that risk management is critical for the Group's continued profitability and the enhancement of shareholders value. Thus, it is crucial to achieve a critical balance between risk incurred and potential returns.

The Board and management are mindful of measures required to identify risks residing in any major proposed transactions, changes in the nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks. Management had carried out high level risk assessment exercise during the year to identifies and update significant risk facing by the Group. For each key risks identified, management is responsible to continuously manage and monitor the implementation risk mitigation action plan to a level acceptable to the Board.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional company to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal control.

The internal auditors report to the Audit Committee on areas for improvement, highlight significant findings in respect of any non-compliance and will subsequently follow up to determine the extent of the recommendations that have been implemented.

The expenditure incurred for the internal audit function for current financial year was RM9,000.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL CONTROLS

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:-

- Certain responsibilities are delegated to Board Committees with clear Terms of Reference which are reviewed periodically.
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- A Code of Ethics is established for all employees, which defines the ethical standards and conduct of work required
- A Confidentiality Policy is established for the management, control and protection of confidential information used by the Group to avoid leakage and improper use of such information.
- The Audit Committee reviews internal control issues identified by internal auditors, the external auditors, and management, and evaluate the adequacy and effectiveness of the risk management and internal control system;
- Quarterly meetings for Board of Director are held to discuss on quarterly financial statements and issues that warrant the Board's attention; and
- There exists sufficient insurance coverage and physical safeguards on major assets to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage based on the current fixed asset inventory and the respective net book values and 'replacement value',

Based on the internal auditors' report for the financial year ended 31st December 2017, there is a reasonable assurance that the Group's systems of internal control for the area under review is generally adequate. A number of minor internal control weaknesses were identified during the financial period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board is of the view that the system of internal control and risk management is in place for the year under review, and up to the date of approval of this Statement and the Risk Management Statement, is sound and appear to be working satisfactorily.

The Board has received assurance from the CEO and CFO that the company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THIS STATEMENT

As required by the Listing Requirement of Bursa Securities, the external auditors have reviewed this statement on Risk Management and Internal Control for inclusion in the annual report for the financial year under review. Their review was performed in accordance with Audit and Assurance Practice Guide 3 : Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. From the review conducted, the external auditors have reported that nothing have come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls of the Group.

This statement is issued in accordance with a resolution of the Directors dated 27 April 2018.

List of Investment Properties

As at 31 December 2017

Type of Property and Location	Land Area (sq.ft.)	Existing use	Tenure/ Approximate age of building	Fair Value as at 31.12.2017 (RM)	Date of Acquisition	Date of Revaluation
1 Agriculture Land PT 397 Genting Sempah Bentong, Pahang	119,790	Vacant	Freehold	1,140,000	14.01.1983	22.02.2018
2 Agriculture Land Lot 1793 Mukim of Serendah Ulu Selangor	1,122,977	Vacant	Freehold	4,000,000	17.03.1989	13.02.2018
3 Agriculture Land Lot 2093 Mukim of Kota Lama Kanan Kuala Kangsar	347,609	Vacant	Freehold	150,000	09.12.1986	08.02.2018

Financial STATEMENTS

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

Financial Results

	Group RM	**Company RM**
Net profit/(loss) for the financial year/period	34,817,230	(378,069)
Attributable to:		
Owners of the parent	16,188,710	(378,069)
Non-controlling interests	18,628,520	-
	34,817,230	(378,069)

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the date of incorporation. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial period, the issued and paid-up share capital of the Company was increased from RM2 to RM110,468,402 by way of an issuance of 110,468,400 new ordinary shares in exchange of the entire 110,468,400 issued ordinary shares in Ideal United Bintang Berhad as disclosed in Note 12 (b) to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issue of shares during the financial period.

The Company did not issue any debentures during the financial period.

Directors' Report (cont'd)

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial period.

Directors

The Directors in office since the date of incorporation to the date of this report are:

Chew Siew Cheng (Named in Memorandum and Articles of Association, Resigned on 14.3.2017)
Lim Choo Tan (Named in Memorandum and Articles of Association, Resigned on 14.3.2017)
Tan Sri Datuk Ooi Kee Liang * (Appointed on 14.3.2017)
Datuk Phor Li Wei * (Appointed on 14.3.2017)
Tan Wooi Chuon (Appointed on 14.3.2017)
Shahfie Bin Ahmad (Appointed on 14.3.2017)
Mohtar Bin Abdullah (Appointed on 14.3.2017)

* Director of the Company and subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 10.1.2017 (date of incorporation)	**Internal reorganisation #**	**Bought**	**Sold**	**At 31.12.2017**
Interests in the Company					
Indirect Interests					
Tan Sri Datuk Ooi Kee Liang *	-	30,000,000	-	-	30,000,000
Datuk Phor Li Wei *	-	30,000,000	-	-	30,000,000

* Deemed interest by virtue of the shareholdings in ICT Innotech Sdn. Bhd..

\# Share exchange between the Company and Ideal United Bintang Berhad by way of a members' scheme of arrangement under Section 366 of the Companies Act, 2016 ('Internal Reorganisation') which had taken effect on 18 September 2017.

Directors' Report (cont'd)

Directors' Interests (Cont'd)

By virtue of their interests in the shares of the Company, Tan Sri Datuk Ooi Kee Liang and Datuk Phor Li Wei are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016.

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

Directors' Benefits

Since the date of incorporation, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fee paid to a firm in which a Director is a member other than as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

Directors' Report (cont'd)

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances (Cont'd):

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant Events

Details of the significant events are disclosed in Note 29 to the financial statements.

Subsequent Events

Details of the subsequent events are disclosed in Note 30 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Directors' Report (cont'd)

Auditors' Remuneration

The details of auditors' remuneration is set out in Note 20 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 April 2018.

TAN SRI DATUK OOI KEE LIANG	DATUK PHOR LI WEI

PENANG

Statement By Directors Pursuant To Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 62 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 April 2018.

TAN SRI DATUK OOI KEE LIANG

DATUK PHOR LI WEI

PENANG

Statutory Declaration Pursuant To Pursuant to Section 251(1) of the Companies Act, 2016

I, TEOH EE KEN (MIA Membership No.: 20363), being the officer primarily responsible for the financial management of Ideal United Bintang International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 62 to 113 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Georgetown in the)
State of Penang on 27 April 2018)

TEOH EE KEN

Before me,

Haji Mohamed Yusoff Bin Mohd Ibrahim
No.P156

Commissioner for Oaths

Independent Auditors' Report

To the Members of Ideal United Bintang International Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ideal United Bintang International Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To the Members of Ideal United Bintang International Berhad (cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
Carrying value of property development costs and revenue recognition The Group's assessment of the carrying value of property development costs, being the lower of cost and net realisable value and this involves significant judgements in estimating the stage of completion of property development activities and assessing the forecast costs to completion. In estimating the total costs to completion, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims. The total cost to completion are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and sub-contractor cost and construction issues. There is a risk that costs are inappropriately recognised within land and property development costs or that the allocation of costs that relate to the whole projects, such as land and infrastructure, is inappropriate across development phases, resulting in a material misstatement of land and property development or gross profit of each project.	We assessed the management's judgements on the profitability of the project with reference to the project budgets. We assessed the management's assumptions in estimating the costs to completion or each project, we assessed the budgeted costs to supporting evidence including contracts with suppliers and subcontractors. We reviewed the contractual delivery dates of the respective development projects against management's estimated delivery dates, progress report and interview with the project team. We verified the development costs to sub-contractors' work certifications and suppliers' invoices, and agreed the total sales value to signed sale and purchased agreements. We recalculated the percentage of completion as at the reporting date.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Independent Auditors' Report

To the Members of Ideal United Bintang International Berhad (cont'd)

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report

To the Members of Ideal United Bintang International Berhad (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and others matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communicate.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/08/2018 (J)
Chartered Accountant

KUALA LUMPUR
27 April 2018

Statements of Financial Position
As at 31 December 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	675,795	274,912	-
Investment properties	5	5,290,000	5,290,000	-
Investments in subsidiary companies	6	-	-	110,468,400
		5,965,795	5,564,912	110,468,400
Current assets				
Inventories	7	168,140,768	123,261,172	-
Trade receivables	8	131,043,044	26,088,640	-
Other receivables	9	1,144,359	752,244	-
Tax recoverable		9,600	16,925	-
Deposits, bank and cash balances	10	5,266,877	67,293,234	125,962
		305,604,648	217,412,215	125,962
Total assets		311,570,443	222,977,127	110,594,362
EQUITY				
Share capital	11	110,468,402	110,468,400	110,468,402
Reserves		(16,786,881)	(32,975,591)	(378,069)
Equity attributable to owners of the parent		93,681,521	77,492,809	110,090,333
Non-controlling interests		28,188,901	9,471,652	-
Total equity		121,870,422	86,964,461	110,090,333
LIABILITIES				
Non-current liabilities				
Finance lease liabilities	12	263,995	-	-
Deferred tax liabilites	13	3,500	-	-
		267,495	-	-
Current liabilities				
Finance lease liabilities	12	66,572	-	-
Trade payables	14	42,697,167	104,663,487	-
Other payables	15	143,087,569	28,057,803	91,644
Amount due from subsidiary companies	16	-	-	412,385
Tax payable		3,581,218	3,291,376	-
		189,432,526	136,012,666	504,029
Total liabilities		189,700,021	136,012,666	504,029
Total equity and liabilities		311,570,443	222,977,127	110,594,362

The accompanying notes form an integral part of the financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

FOR THE FINANCIAL PERIOD FROM 10 JANUARY 2017 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Note	Group 2017 RM	Group 2016 RM	Company 10.01.2017 to 31.12.2017 RM
Revenue	17	246,486,742	153,346,853	-
Costs of sales		(180,837,969)	(120,685,622)	-
Gross profit		65,648,773	32,661,231	-
Other income		407,201	205,485	-
Administrative expenses		(20,127,697)	(10,010,006)	(378,069)
Profit/(Loss) from operation		45,928,277	22,856,710	(378,069)
Finance cost	18	(6,597)	-	-
Profit/(Loss) before tax	19	45,921,680	22,856,710	(378,069)
Taxation	20	(11,104,450)	(5,801,577)	-
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		34,817,230	17,055,133	(378,069)
Total comprehensive income/(loss) for the financial year attributable to:				
Owners of the parent		16,188,710	8,309,656	(378,069)
Non-controlling interests		18,628,520	8,745,477	-
		34,817,230	17,055,133	(378,069)
Earnings per share				
Basic earnings per share (sen)	21	14.65	7.52	
Diluted earnings per share (sen)	21	14.65	7.52	

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
FOR THE FINANCIAL PERIOD FROM 10 JANUARY 2017 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Share capital RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group					
At 1 January 2017	110,468,400	(32,975,591)	77,492,809	9,471,652	86,964,461
Transaction with owners:					
Arising from internal reorganisation	2	-	2	-	2
Net profit for the financial year, representing total comprehensive income for the financial year	-	16,188,710	16,188,710	18,628,520	34,817,230
Changes in ownership interest in subsidiary companies	-	-	-	88,729	88,729
At 31 December 2017	110,468,402	(16,786,881)	93,681,521	28,188,901	121,870,422
At 1 January 2016	110,468,400	(41,285,247)	69,183,153	726,175	69,909,328
Net profit for the financial year, representing total comprehensive income for the financial year	-	8,309,656	8,309,656	8,745,477	17,055,133
At 31 December 2016	110,468,400	(32,975,591)	77,492,809	9,471,652	86,964,461

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity (cont'd)
FOR THE FINANCIAL PERIOD FROM 10 JANUARY 2017 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Share capital RM	Accumulated losses RM	Total equity RM
Company			
At 10 January 2017 (date of incorporation)	2	-	2
Internal reorganisation	110,468,400	-	110,468,400
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(378,069)	(378,069)
At 31 December 2017	110,468,402	(378,069)	110,090,333

Statements of Cash Flows

FOR THE FINANCIAL PERIOD FROM 10 JANUARY 2017 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Note	Group 2017 RM	Group 2016 RM	Company 10.01.2017 to 31.12.2017 RM
Cash flows from operating activities				
Receipts from customers		141,586,095	134,589,871	-
Payments to suppliers and employees		(193,134,231)	(68,009,176)	(286,425)
Cash (used in)/generated from operations		(51,548,136)	66,580,695	(286,425)
Loss on disposal of property, plant and equipment		-	989	-
Tax paid		(10,803,783)	(2,635,100)	-
Net cash (used in)/from operating activities		(62,351,919)	63,946,584	(286,425)
Cash flows from investing activities				
Acquisition of:				
- property, plant and equipment		(104,233)	-	-
- subsidiary companies	6(b)(iii)	103,982	-	-
Proceeds from disposal of property, plant and equipment		-	16,509	-
Net cash (used in)/from investing activities		(251)	16,509	-
Cash flows from financing activities				
Advances to subsidiary companies	23	-	-	412,385
Proceeds from issue of share capital		2	-	2
Payment of finance lease liabilities	23	(29,433)	-	-
Withdrawal of fixed deposits with licensed banks		-	53,495	-
Interest received		355,244	194,521	-
Net cash from financing activities		325,813	248,016	412,387
Net (decrease)/increase in cash and cash equivalents		(62,026,357)	64,211,109	125,962
Cash and cash equivalents at beginning of the financial year		67,293,234	3,082,125	-
Cash and cash equivalents at end of the financial year		5,266,877	67,293,234	125,962
Cash and cash equivalents at end of the financial year comprises:				
Cash and bank balances	10	5,116,877	59,147,141	125,962
Fixed deposits with licensed banks	10	150,000	8,146,093	-
		5,266,877	67,293,234	125,962

The accompanying notes form an integral part of the financial statements.

Notes to The Financial Statements
31 December 2017

1. Corporate Information

The Company was incorporated on 10 January 2017 and domiciled in Malaysia.

On 25 September 2017, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") via an internal reorganisation exercise as disclosed in Note 29.

The principal place of business of the Company is located at 71-5, Ideal @ The One, Jalan Mahsuri, 11950 Bayan Lepas, Penang.

The registered office of the Company is located at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 George Town, Penang.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

During the financial year, the Group applied the merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Ideal United Bintang Berhad by the Company in business combination under common control. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period presented in the financial statements.

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	
• Amendments to MFRS 12	Disclosure of Interests in Other Entities

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 24. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Company.

Notes to The Financial Statements (cont'd)
31 December 2017

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company has not applied the following new MFRSs, interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2014 - 2016 Cycle		
• Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
• Amendments to MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendment to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle		
• Amendments to MFRS 3	Business Combinations	1 January 2019
• Amendments to MFRS 11	Joint Arrangements	1 January 2019
• Amendments to MFRS 112	Income Taxes	1 January 2019

Notes to The Financial Statements (cont'd)
31 December 2017

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
• Amendments to MFRS 123	Borrowing Costs	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contacts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial applications of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

(i) <u>MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)</u>

Based on the analysis of the Group's and of the Company's financial assets and liabilities as at 31 December 2017 on the basis of facts and circumstances that existed at that date, the Directors of the Group and of the Company have assessed the impact of MFRS 9 to the Group's and the Company's consolidated financial statements as follows:

(i) Classification and measurement

Based on its assessment, the Group and the Company believe that the new classification requirements will have no material impact on the Group's and the Company's financial assets and financial liabilities.

(ii) Impairment

The Group and the Company have chosen to apply the simplified approach prescribed by MFRS 9, which requires a lifetime expected credit loss to be recognised from initial recognition of the trade and other receivables, including financial assets. Due to the strong creditworthiness of the Group's and of the Company's receivables, the Group and the Company believe that the new impairment model will not have any significant impact on the Group's and the Company's financial statements. However, the Group and the Company have yet to complete the quantification of the financial impact.

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

(iii) Hedge accounting

As the Group and the Company do not apply hedge accounting, applying the hedging requirements of MFRS 9 will not have a significant impact on the Group's and the Company's consolidated financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2018 when the Group and the Company adopt MFRS 9.

(ii) MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the MFRS 16, to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

Notes to The Financial Statements (cont'd)
31 December 2017

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Satisfaction of performance obligations</u>

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue.

The Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time in the following circumstances:

(a) where contracts are entered into for development (sale of properties to customers), the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(b) where contracts are entered into for sale of goods, the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

<u>Classification between investment properties and property, plant and equipment</u>

The Group has developed certain criteria based on MFRS 140 *Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.*

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions count not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Notes to The Financial Statements (cont'd)
31 December 2017

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2017 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The key assumptions used to determine the fair value of the properties are provided in Note 5.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 6.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised.

Notes to The Financial Statements (cont'd)
31 December 2017

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets (Cont'd)

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 14.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8.

Recognition of property development profits

The Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on direct measurements of the value transferred by the Group to the customer and the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets;
- the extent of the costs incurred;

Substantial changes in cost estimates can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists.

There is no estimation required in determining the transaction prices as revenue from property development are based on contracted prices.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2017, the Group has tax recoverable and payable of RM9,600 (2016: RM16,925) and RM3,581,218 (2016: RM3,291,376) respectively.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with Ideal United Bintang Berhad, which was accounted for under the merger method of accounting as the business combination of this subsidiary company involved an entity under common control.

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Under the acquisition method of accounting, subsidiary companies are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceased. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-byacquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

If the initial accounting for a business combination is incomplete by the end to the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interest in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owner n their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(i) to the financial statements on impairment of non-financial assets.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(b) Property, plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	2%
Motor vehicles	10%
Fixtures and fittings, office equipment and workshop tools	8% - 25%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(c) Investment properties (Cont'd)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(d) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets at initial recognition, into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(d) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or losses that had been recognised in equity is recognised in profit or loss.

(e) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition, into other financial liabilities measured at amortised cost.

The Group's and the Company's other financial liabilities comprise trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(f) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) Inventories

(i) Heavy machinery/equipment and spare parts

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow moving inventories.

Cost is determined on the following basis:

Type of Inventory	**Basis**
Heavy machinery/equipment	Specific identification
Spare parts	First-in-first-out basis

The cost comprises the landed costs of inventories purchased and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Land held for property development

Land held for development is stated at the lower of cost and net realisable value. The cost of land held for development includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development consists of land or such portions thereof on which held for future development no development activities have been carry out or where development activities are not expected to be completed within the Group's normal operating cycle. Such land is classified as non-current asset and carried at cost less accumulated impairment losses, if any.

Land held for property development is transferred to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle.

Net realisable value is the estimated selling price of the land less all estimated cost necessary to make the sale.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(g) Inventories (Cont'd)

(iii) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The asset is subsequently recognised as an expense in income statements when or as the control of the asset is transferred to the customer.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and bank overdrafts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

All financial assets, other than those categorised as investments in subsidiary companies, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(j) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(k) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(l) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(l) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

Recognition and measurement

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Specific revenue recognition criteria for each of the Group's activities are as described below.

Revenue from property development

Revenue from property development is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer overtime or at a point in time.

Control of the asset is transferred over time if the Group's performance:

- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer (e.g. surveys or appraisals of performance completed to date); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(l) Revenue and other income recognition (Cont'd)

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(m) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to The Financial Statements (cont'd)
31 December 2017

3. Significant Accounting Policies (Cont'd)

(n) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(o) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Notes to The Financial Statements (cont'd)
31 December 2017

4. Property, Plant and Equipment

	Buildings	Motor vehicles RM	Fixture and fittings, equipment and workshop tools RM	Total RM
Group				
2017				
Cost				
At 1 January 2017	326,639	-	174,195	500,834
Addition	-	455,001	9,232	464,233
At 31 December 2017	326,639	455,001	183,427	965,067
Accumulated depreciation				
At 1 January 2017	83,105	-	142,817	225,922
Charge for the financial year	6,533	44,168	12,649	63,350
At 31 December 2017	89,638	44,168	155,466	289,272
Carrying amount				
At 31 December 2017	237,001	410,833	27,961	675,795
2016				
Cost				
At 1 January 2016	339,266	-	181,731	520,997
Disposal	(12,627)	-	(7,536)	(20,163)
At 31 December 2016	326,639	-	174,195	500,834
Accumulated depreciation				
At 1 January 2016	78,461	-	129,522	207,983
Charge for the financial year	6,617	-	13,987	20,604
Disposal	(1,973)	-	(692)	(2,665)
At 31 December 2016	83,105	-	142,817	225,922
Carrying amount				
At 31 December 2016	243,534	-	31,378	274,912

(a) Assets held under finance leases

At 31 December 2017, the net carrying amount of leased motor vehicles of the Company was RM406,606 (2016: RM NIL).

Leased assets are pledged as security for the related finance lease liabilities.

Notes to The Financial Statements (cont'd)
31 December 2017

4. Property, Plant and Equipment (Cont'd)

(b) Purchase of property, plant and equipment

The aggregate cost for the property, plant and equipment of the Company during the financial year under finance lease and cash payments are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Aggregate costs	464,233	-
Less: Finance lease financing	(360,000)	-
Cash payments	104,233	-

5. Investment Properties

	Group	
	2017	**2016**
	RM	**RM**
At 1 January/At 31 December	5,290,000	5,290,000
Included in the above are:		
At fair value		
Freehold land	5,290,000	5,290,000

(a) Fair value basis of investment properties

The investment properties of the Group are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM5,290,000 (2016: RM5,290,000). The independent professionally qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between levels during current and previous financial year.

Notes to The Financial Statements (cont'd)
31 December 2017

5. Investment Properties (Cont'd)

(b) Expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2017	**2016**
	RM	**RM**
Direct operating expenses:		
- Non-income generating investment properties	782	463

6. Investments in Subsidiary Companies

	Company
	2017
	RM
In Malaysia:	
At cost	
Unquoted shares	110,468,400

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest (%) 2017	2016	Principal activities
Ideal United Bintang Berhad	Malaysia	100	-	Investment holding, trading of heavy machinery equipment
United Bintang Machinery Sdn. Bhd.	Malaysia	100	100	Trading of heavy machinery
Platinum Manifest Sdn. Bhd.	Malaysia	100	100	Property development
I-Platinum Sdn. Bhd.	Malaysia	50	50	Property development
Held through I-Platinum Sdn. Bhd.				
Lestari Bumijaya Sdn Bhd. (formerly known as Konsep Semesta Sdn. Bhd.)	Malaysia	51	-	Property development
Seleksi Upaya Sdn. Bhd.	Malaysia	51	-	Property development

Notes to The Financial Statements (cont'd)
31 December 2017

6. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2017	2016	2017	2016	2017	2016
	%	%	RM	RM	RM	RM
I-Platinum Sdn. Bhd.	50	50	18,628,520	8,745,477	28,100,172	9,471,652

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised statement of financial position

	2017 RM	2016 RM
Non-current assets	521,614	-
Current assets	298,530,462	210,506,453
Non-current liabilities	(267,495)	-
Current liabilities	(242,584,124)	(191,563,110)
	56,200,457	18,943,343

(ii) Summarised statement of profit or loss

	2017 RM	2016 RM
Revenue	246,456,742	117,626,853
Profit for the financial year	37,257,114	17,490,989

(iii) Summarised statement of cash flows

	2017 RM	2016 RM
Net cash (used in)/from operating activities	(150,324,353)	33,316,215
Net cash (used in)/from investing activities	(206,233)	32,540,000
Net cash from financing activities	88,454,453	194,521
Net (decrease)/increase in cash and cash equivalents	(62,076,133)	66,050,736

Notes to The Financial Statements (cont'd)
31 December 2017

6. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies

On 17 November 2017, the Company acquired 51% equity interest each in Lestari Bumijaya Sdn. Bhd. (formerly known as Konsep Semesta Sdn. Bhd.) ("LBSB") and Seleksi Upaya Sdn. Bhd. ("SUSB"), with cash consideration of RM102,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(i) Fair value of consideration transferred

	LBSB and SUSB RM
Cash consideration, representing total consideration transferred	102,000

(ii) Fair value of identifiable assets acquired and liabilities assumed

	LBSB and SUSB RM
Cash and cash equivalents	205,982
Trade and other payables	(24,902)
Total identifiable assets	181,080

(iii) Net cash outflow arising from acquisition of subsidiary companies

	LBSB and SUSB RM
Purchase consideration settled in cash	(102,000)
Cash and cash equivalents acquired	205,982
Net cash inflows on acquisition of subsidiary companies	103,982

Notes to The Financial Statements (cont'd)
31 December 2017

6. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd) (iv)

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	LBSB and SUSB RM
Fair value of consideration transferred	102,000
Non-controlling interests, based on their propotionate interest	88,729
Fair value of identifiable assets assumed	(181,080)
Goodwill	9,649

There was no acquisition in the previous financial year.

7. Inventories

	Note	**Group 2017 RM**	**2016 RM**
At cost:			
Heavy machinery/equipment	(a)	336,590	336,590
Spare parts		509,174	530,319
Property development cost	(b)	167,122,021	122,221,280
		167,967,785	123,088,189
At net realisable value:			
Heavy machinery/equipment	(a)	172,983	172,983
		168,140,768	123,261,172

(a) Heavy machinery/equipment

	Group 2017 RM	**2016 RM**
Recognised in profit or loss:		
Inventories recognised as costs of sales	21,145	123,902
Reversal of inventories written down	-	(9,501)

The reversal of inventories written down was made in previous year when the related inventories were sold above their carrying amounts.

Notes to The Financial Statements (cont'd)
31 December 2017

7. Inventories (Cont'd)

(b) Property development costs

	Group 2017 RM	Group 2016 RM
At 1 January		
Land and development costs	122,221,280	101,149,561
Add: Costs incurred during the financal year	225,717,565	141,642,940
Cost recognised to statement of profit or loss and other comprehensive income in current financial year	(180,816,824)	(120,571,221)
At 31 December	167,122,021	122,221,280
Property development costs are analysed as follows:		
Land and development costs	435,584,160	244,125,620
Accumulated costs charged to statement of profit or loss and other comprehensive income	(268,462,139)	(121,904,340)
	167,122,021	122,221,280

On 26 March 2014, I-Platinum Sdn. Bhd. entered into a Joint Venture Agreement with UDA Holding Berhad ("the Landowner") to develop part of the Landowner's freehold land at I-Platinum Sdn. Bhd.'s cost and expenses including the following consideration and upon the terms and considerations as stated in the Joint Venture Agreement:

(a) Cash payment of RM185,000,000; and
(b) Construction of one block of residential building for the Landowner.

8. Trade Receivables

	Group 2017 RM	Group 2016 RM
Trade receivables	15,081,965	23,432,191
Accrued billings in relation to property development cost	115,961,079	2,656,449
	131,043,044	26,088,640

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2016: 30 to 180 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to The Financial Statements (cont'd)
31 December 2017

8. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group	
	2017 RM	2016 RM
Neither past due nor impaired	120,060,043	10,576,237
Past due not impaired:		
Less than 30 days	1,825,653	3,063,111
31 to 60 days	1,103,184	6,553,420
61 to 90 days	2,902,164	1,125,872
More than 90 days	5,152,000	4,770,000
	131,043,044	26,088,640

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2017, trade receivables of RM10,983,001 (2016: RM15,512,403) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

9. Other Receivables

	Group	
	2017 RM	2016 RM
Other receivables	862,030	438,515
Deposits	282,329	313,729
	1,144,359	752,244

10. Deposits, Bank and Cash Balances

	Group		Company
	2017 RM	2016 RM	2017 RM
Cash and bank balances	5,116,877	59,147,141	125,962
Deposits with licensed banks	150,000	8,146,093	-
	5,266,877	67,293,234	125,962

Notes to The Financial Statements (cont'd)
31 December 2017

10. Deposits, Bank and Cash Balances (Cont'd)

Included in the cash at bank of the Group is an amount of RM2,714,690 (2016: RM2,439,774) held under Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

The effective interest rates and maturities of fixed deposits of the Group and of the Company at the end of the financial year is 2.85% to 3% (2016: 3.25%) per annum and 12 months (2016: 12 months) respectively.

11. Share Capital

	Group			
	Number of shares		Amount	
	2017 Units	2016 Units	2017 RM	2016 RM
Authorised:				
Ordinary shares with no par value (2016: RM1 each)				
At 10 January 2017 (Date of Incorporation)/ 1 January 2016	400,000	500,000,000	400,000	500,000,000
Abolishment of the concept of authorised share capital on 31 January 2017 #	(400,000)	-	(400,000)	-
At 31 December	-	500,000,000	-	500,000,000
Ordinary shares issued and fully paid:				
Ordinary shares with no par value (2016: RM1 each)				
At 10 January 2017 (Date of Incorporation)/ 1 January 2016	2	110,468,400	2	110,468,400
Internal reorganisation	110,468,400	-	110,468,400	-
At 31 December	110,468,402	110,468,400	110,468,402	110,468,400

Notes to The Financial Statements (cont'd)
31 December 2017

11. Share Capital (Cont'd)

	Company	
	Number of shares 2017 RM	Amount 2017 RM
Authorised:		
Ordinary shares with no par value		
At 10 January 2017 (Date of Incorporation)	400,000	400,000
Abolishment on the concept of authorised share capital on 31 January 2017	(400,000)	(400,000)
At 31 December	-	-
Ordinary shares issued and fully paid:		
Ordinary shares with no par value		
At 10 January 2017 (Date of Incorporation)	2	2
Internal reorganisation	110,468,400	110,468,400
At 31 December	110,468,402	110,468,402

The Companies Act, 2016 in Malaysia, which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) The Company was incorporated on 10 January 2017 with fully paid up share capital consisting 2 ordinary shares of issued price at RM1.00 each being the subsribers' shares.

(b) On 18 September 2017, the Company issued 110,468,400 ordinary shares in exchange of the entire 110,468,400 issued ordinary shares in Ideal United Bintang Berhad. The acquisition is accounted for under the merger accounting. Consequently, these issued and paid up share capital of the Group are presented as if the issuance had already been affected to the first day of the previous accounting period. The comparative figure of the issued and paid up share capital of the Group has therefore been restated accordingly.

Notes to The Financial Statements (cont'd)
31 December 2017

12. Finance Lease Liabilities

	Group 2017 RM	Group 2016 RM
Minimum lease payments:		
Within one year	81,024	-
Later than one year and not later than two years	81,024	-
Later than two year and not later than five years	207,040	-
	369,088	-
Less: Future finance charges	(38,521)	-
Present value of minimum lease payments	330,567	-
Present value of minimum lease payments:		
Within one year	66,572	-
Later than one year and not later than two years	69,802	-
Later than two year and not later than five years	194,193	-
	330,567	-

The average effective interest rate of finance lease payables are ranged from 4.72% to 4.81% (2016: NIL).

The Company leases motor vehicles under finance lease as disclosed in Note 4 to the financial statements. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

13. Deferred Tax Liabilities

	Group 2017 RM	Group 2016 RM
At 1 January	-	-
Recognised in profit or loss	3,500	-
At 31 December	3,500	-

Notes to The Financial Statements (cont'd)
31 December 2017

13. Deferred Tax Liabilities (Cont'd)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2017 RM	**2016 RM**
Deferred tax assets	(15,450)	(16,739)
Deferred tax liabilities	18,950	16,739
	3,500	-

The components and movements of deferred tax assets and liabilities are as follows:

Group **Deferred tax assets**	**Unutilised capital allowances RM**
At 1 January 2017	(16,739)
Recognised in profit or loss	1,289
At 31 December 2017	(15,450)
At 1 January 2016	(18,396)
Recognised in profit or loss	1,657
At 31 December 2016	(16,739)

Deferred tax liabilities	**Accerelated capital allowances RM**
At 1 January 2017	16,739
Recognised in profit or loss	2,211
At 31 December 2017	18,950
At 1 January 2016	18,396
Recognised in profit or loss	(1,657)
At 31 December 2016	16,739

Notes to The Financial Statements (cont'd)
31 December 2017

13. Deferred Tax Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2017	**2016**
	RM	**RM**
Unutilised capital allowances	1,244,236	1,241,070
Unutilised tax losses	15,032,941	14,697,692
Inventories written down	4,060	4,060
	16,281,237	15,942,822

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

14. Trade Payables

	Group	
	2017	**2016**
	RM	**RM**
Trade payables	42,697,167	104,663,487

Credit terms of trade payables of the Group ranged from 30 to 60 days (2016: 30 to 60 days) depending on the terms of the contracts.

15. Other Payables

	Group		Company
	2017	**2016**	**2017**
	RM	**RM**	**RM**
Other payables	115,733,199	27,438,483	56,644
Accruals	108,500	102,000	35,000
Deposits	27,245,870	517,320	-
	143,087,569	28,057,803	91,644

Included in other payable are amounts of RM112,750,889 (2016: RM21,778,050) due to related parties. These amounts are unsecured.

Included in other payable are amounts of RM2,433,116 (2016: RM5,263,116) due to Directors. These amounts are unsecured, non-interest bearing and repayable on demand.

Notes to The Financial Statements (cont'd)
31 December 2017

16. Amount due from Subsidiary Companies

Amount due from subsidiary companies are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

17. Revenue

	Group	
	2017 RM	2016 RM
Sale of heavy machinery	30,000	220,000
Property development	246,456,742	153,126,853
	246,486,742	153,346,853

18. Finance Cost

	Group	
	2017 RM	2016 RM
Interest expenses on finance lease liabilities	6,597	-

19. Profit/(Loss) Before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company
	2017 RM	2016 RM	10.01.2017 to 31.12.2017 RM
Auditors' remuneration			
- Statutory audits	83,000	62,000	30,000
- Non-audit services	5,000	3,000	5,000
Depreciation of property, plant and equipment	63,350	20,604	-
Interest income	(355,244)	(194,779)	-
Loss on disposal of property, plant and equipment	-	989	-
Non-executive Directors' remuneration			
- Fees	108,000	108,000	-
- Other emoluments	15,000	15,000	-
Rental expenses			
- Building	166,500	499,500	-
- Motor vehicles	311,200	50,500	-
Reversal of inventories written down	-	(9,501)	-

Notes to The Financial Statements (cont'd)
31 December 2017

20. Taxation

	Group 2017 RM	Group 2016 RM
Tax expenses recognised in profit or loss		
Current tax	10,669,218	5,811,376
Under/(Over) provision in prior years	431,732	(9,799)
	11,100,950	5,801,577
Deferred tax:		
Origination and reversal of temporary differences	3,500	-
	11,104,450	5,801,577

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profits for the financial year.

Effective year of assessment 2017, tax rate for Malaysian resident Companies have been given a reduction in the income tax rate ranging from 0% to 4% on the incremental chargeable income compared to the immediate proceeding year of assessment, based on the percentage of increase in chargeable income.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company
	2017 RM	2016 RM	10.01.2017 to 31.12.2017 RM
Profit/(Loss) before tax	45,921,680	22,856,710	(378,069)
At Malaysian statutory tax rate of 24% (2016: 24%)	11,021,202	5,485,611	(90,737)
Expenses not deductible for tax purposes	273,268	25,387	90,737
Deferred tax assets not recognised during the financial year	402,996	304,566	-
Utilisation of previously unrecognised deferred tax assets	-	(4,188)	-
Reduction in tax rate due to increment of chargeable income	(1,024,748)	-	-
	10,672,718	5,811,376	-
Over provision in prior years	431,732	(9,799)	-
	11,104,450	5,801,577	-

Notes to The Financial Statements (cont'd)
31 December 2017

20. Taxation (Cont'd)

The amount and future availability of unutilised tax losses and capital allowances are as follows:

	Group	
	2017 **RM**	**2016** **RM**
Unutilised tax losses	62,637,257	61,240,383
Unutilised capital allowances	5,248,692	5,240,873
	67,885,949	66,481,256

21. Earnings Per Share

(a) Basic earnings per shares

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2017 **RM**	**2016** **RM**
Profit attributable to owners of the parent	16,188,710	8,309,656
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	110,468,400	110,468,400
Effect of ordinary shares issued during the financial year	2	-
Weighted average number of ordinary shares at 31 December	110,468,402	110,468,400
Basic earnings per ordinary shares (in sen)	14.65	7.52

(b) Diluted earnings per share

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

Notes to The Financial Statements (cont'd)
31 December 2017

22. Staff Costs

	Group	
	2017 RM	2016 RM
Salaries, wages and other emoluments	3,619,232	2,637,525
Social security contributions	17,959	12,234
Defined contribution plans	339,616	258,622
Other benefits	88,884	73,372
	4,065,691	2,981,753

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group	
	2017 RM	2016 RM
Executive Directors		
Salaries, wages and other emoluments	1,209,000	1,212,000
Social security contributions	3,314	2,450
Defined contribution plans	144,000	120,000
	1,356,314	1,334,450

23. Reconciliation of Liabilities Arising From Financing Activities

The table below detail changes in the liability of the Group arising from financing activity, including both cash and non-cash changes:

	At 10 January 2017 (Date of Incoporation) RM	Financing cash flow RM	New finance lease (Note 4(b)) RM	At 31 December 2017 RM
Group				
Finance lease liabilities (Note 13)	-	(29,433)	360,000	330,567
Company				
Advances to subsidiary companies	-	412,385	-	412,385

Notes to The Financial Statements (cont'd)
31 December 2017

24. Commitments

	Group	
	2017 RM	2016 RM
Joint venture commitment	-	80,000,000

The balance consideration payable to UDA Holding Berhad ("the Landowner") pursuant to the Joint Venture Agreement dated 26 March 2014 (Note 8(b)) is as follows:

balance of cash consideration of RM NIL (2016: RM80,000,000); and
construction cost of one block of residential building for the Landowner, actual cost of which is yet to be ascertained.

Operating lease commitments - as lessee

The future minimum lease payments payable under non-cancellable operating leases are:

	Group	
	2017 RM	2016 RM
Within one year	308,100	335,000
Later than one year but not later than two years	183,600	150,000
Later than two years but not later than five years	304,200	300,000
Later than five years	-	108,000
	795,900	893,000

Leasing arrangements

The Company leases a number of building and motor vehicles under non-cancellable operating lease agreements. The lease terms are between 3 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. None of the leases includes contingent rentals.

25. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

Notes to The Financial Statements (cont'd)
31 December 2017

25. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 16 and 17, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2017 RM	2016 RM
Transactions with subsidiary companies		
- Sales of goods	-	183,400

(c) Compensation of key management personnel

	Group	
	2017 RM	2016 RM
Salaries, fees and other emoluments	1,332,000	1,335,000
Social security contributions	3,314	2,450
Defined contribution plan	144,000	120,000
	1,479,314	1,457,450

26. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

Trading	Trading of heavy machinery and spare parts
Property development	Property development activities

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes to The Financial Statements (cont'd)
31 December 2017

26. Segment Information (Cont'd)

	Trading RM	Property development RM	Adjustments and eliminations RM	Consolidated RM
2017				
Revenue				
External customers	30,000	246,456,742	-	246,486,742
Results				
Segment result	(1,012,174)	48,050,460	(1,398,851)	45,639,435
Interest income	-	355,244	-	355,244
Depreciation	(18,731)	(44,619)	-	(63,350)
Segment profit/(loss) before tax	(1,030,905)	48,361,085	(1,398,851)	45,931,329
Taxation	(479)	(11,103,971)	-	(11,104,450)
Segment profit/(loss) after tax	(1,031,384)	37,257,114	(1,398,851)	34,826,879
Segment assets	180,287,966	299,258,058	(167,965,932)	311,580,092
Segment liabilities	4,228,681	242,876,521	(57,405,181)	189,700,021
2016				
Revenue				
External customers	220,000	153,126,853	-	153,346,853
Inter-segment	183,400	-	(183,400)	-
Total revenue	403,400	153,126,853	(183,400)	153,346,853
Results				
Segment result	(1,364,283)	24,037,317	-	22,673,034
Interest income	258	194,521	-	194,779
Depreciation	(20,604)	-	-	(20,604)
Reversal of inventories written down	9,501	-	-	9,501
Segment profit/(loss) before tax	(1,375,128)	24,231,838	-	22,856,710
Taxation	-	(5,801,577)	-	(5,801,577)
Segment profit/(loss) after tax	(1,375,128)	18,430,261	-	17,055,133
Segment assets	74,287,006	213,896,401	(65,206,280)	222,977,127
Segment liabilities	1,547,568	194,037,894	(59,572,796)	136,012,666

Notes to The Financial Statements (cont'd)
31 December 2017

26. Segment Information (Cont'd)

Adjustments and eliminations

Inter-segment revenues are eliminated on consolidation.

Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

27. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair values gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	**Financial liabilities measured at amortised cost RM**	**Total RM**
Group			
2017			
Financial assets			
Trade receivables	131,043,044	-	131,043,044
Other receivables	1,144,359	-	1,144,359
Deposits, bank and cash balances	5,266,877	-	5,266,877
	137,454,280	-	137,454,280
Financial liabilities			
Finance lease liabilities	-	330,567	330,567
Trade payables	-	42,697,167	42,697,167
Other payables	-	143,087,569	143,087,569
	-	185,784,736	185,784,736

Notes to The Financial Statements (cont'd)
31 December 2017

27. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Group			
2016			
Financial assets			
Trade receivables	26,088,640	-	26,088,640
Other receivables	752,244	-	752,244
Deposits, bank and cash balances	67,293,234	-	67,293,234
	94,134,118	-	94,134,118
Financial liabilities			
Trade payables	-	104,663,487	104,663,487
Other payables	-	28,057,803	28,057,803
	-	132,721,290	132,721,290
Company			
2017			
Financial assets			
Deposits, bank and cash balances	125,962	-	125,962
Financial liability			
Other payables	-	91,644	91,644

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

Notes to The Financial Statements (cont'd)
31 December 2017

27. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets.

The Group determines concentrations of credit risk by monitoring its trade receivables by reportable segments on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of financial year are as follows:

	2017 RM	2016 RM
Group		
Trading	5,183,800	4,770,000
Property development	125,859,244	21,318,640
	131,043,044	26,088,640

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

27. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
At 1 January 2017					
Non-derivative financial liabilities					
Finance lease liabilities	81,024	81,024	207,040	369,088	330,567
Trade payables	42,697,167	-	-	42,697,167	42,697,167
Other payables	143,087,569	-	-	143,087,569	143,087,569
	185,865,760	81,024	207,040	186,153,824	186,115,303
2016					
Non-derivative financial liabilities					
Trade payables	104,663,487	-	-	104,663,487	104,663,487
Other payables	28,057,803	-	-	28,057,803	28,057,803
	132,721,290	-	-	132,721,290	132,721,290
Company					
2017					
Non-derivative financial liabilities					
Other payables	91,644	-	-	91,644	91,644
Amount due to subsidiary companies	412,385	-	-	412,385	412,385
	504,029	-	-	504,029	504,029

Notes to The Financial Statements (cont'd)
31 December 2017

27. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2017	**2016**
	RM	**RM**
Fixed rate instrument		
Financial assets	150,000	8,146,093
Financial liabilities	(330,567)	-
	(180,567)	8,146,093

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

Notes to The Financial Statements (cont'd)
31 December 2017

28. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital using a gearing ratio. The Company's policy is to maintain a prudent level of gearing ratio that complies with regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company
	2017 RM	2016 RM	2017 RM
Finance lease liabilities (Note 13)	330,567	-	-
Less: Deposits, bank and cash balances (Note 11)	(5,266,877)	(67,293,234)	(125,962)
Net debts	(4,936,310)	(67,293,234)	(125,962)
Total equity	93,681,521	77,492,859	110,090,333
Gearing ratio (times)	NA*	NA*	NA*

* The gearing ratio is not applicable as the Company has sufficient deposits, bank and cash balances to settle the liabilities as at financial year end.

There were no changes in the Group's approach to capital management during the financial year.

The Company is not subject to any externally imposed capital requirements.

29. Significant Events

During the financial period, the Company entered into a scheme of arrangement under Section 366 of the Companies Act, 2016 involving international re-organisation by Ideal United Bintang Berhad ("IUBB") comprising the followings:

(i) Exchange of the entire 110,468,400 issued ordinary shares in IUBB with 110,468,400 new ordinary shares in Ideal United Bintang International Berhad ("IUBIB") on the basis of one unit of IUBIB shares for every one unit of existing shares held and all outstanding IUBB warrants with IUBIB warrants on a one-for-one-basis;

(ii) The listing status of IUBB by IUBIB was transferred to the Company and the admission of the Company to and withdrawal of the IUBB from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the listing of and quotation for the IUBIB shares and IUBIB warrants on the Main Market of Bursa Securities ("Transfer of Listing"); and

(iii) Transfer of IUBB's entire shareholdings in its subsidiaries to IUBIB. Following the Securities Exchange, all of IUBB's shareholdings in United Bintang Machinery Sdn. Bhd., Platinum Manifest Sdn. Bhd. and I-Platinum Sdn. Bhd. will be transferred to IUBIB. The transfer will be done in the form of a distribution of assets in specie, by way of a reduction in IUBB's capital under Section 116 or Section 117 of the Companies Act, 2016.

Notes to The Financial Statements (cont'd)
31 December 2017

30. Subsequent Events

On 23 January 2018, the Board of Director of the Company has announced the following:

(i) A total of 136,350,000 new redeemable convertible preference shares ("RCPS") has been issued and allotted to ICT Innotech Sdn. Bhd. pursuant to its Undertaking. As such, the Proposed Issuance of RCPS is deemed complete; and

(ii) The Company had subscribed for 5,100,000 new ordinary shares in I-Global Property Network Sdn. Bhd. ("I-Global"), representing approximately 50.5% of the enlarged issued share capital of I-Global for a cash consideration of RM77,000,000 ("Proposed Subscription"). As such, the Proposed Subscription is deemed complete, I-Global shall henceforth be a subsidiary of the Company.

On 20 March 2018, M&A Securities Sdn. Bhd., on behalf of the Board of Directors of the Company announce that the final copy of the bylaws of the Employee Share Option Scheme ("ESOS") has been submitted to Bursa Securities on the same day. As such, the ESOS is deemed complete.

31. Comparative

(i) As described in Note 3 and 30 (a) to the financial statements, the Group applied the merger accounting on the acquisition of IUBB and its subsidiary companies. Consequently, merger related items are presented as if the merger had been effected throughout the current and previous financial years.

(ii) There were no comparative figures for the Company as it was incorporated on 10 January 2017.

32. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on

Analysis of Shareholdings
As at 16 APRIL 2018

SHARE CAPITAL

Issued Shares	:	110,468,402
Class of Shares	:	Ordinary Shares
Voting Right	:	One voting right for one ordinary share

DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	%	Total Holdings	%
1 - 99	13	1.045	181	0.000
100 – 1,000	551	44.328	511,300	0.462
1,001 - 10,000	458	36.846	2,007,900	1.817
10,001 - 100,000	176	14.159	6,219,497	5.630
100,001 – 5,523,419 (*)	42	3.378	42,008,300	38.027
5,523,420 and above (**)	3	0.241	59,721,224	54.061
Total	1,243	100.000	110,468,402	100.000

* - Less than 5% of issued shares
** - 5% and above of the issued shares

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Shareholdings	%
1	ICT Innotech Sdn. Bhd.	30,000,000	27.157
2	Bumimaju Gaya Sdn. Bhd.	19,200,000	17.380
3	Lakaran Asia Sdn. Bhd.	10,521,224	9.524
4	Tan Kim Soon	5,399,700	4.888
5	Chee Ping Ping	5,276,000	4.776
6	Ooh Kier Heng	3,500,100	3.168
7	Jok Siew Chian	3,500,000	3.168
8	Teo Chooi Lean	3,155,200	2.856
9	Goh Teng Whoo	3,100,100	2.806
10	Lim Tek Lin	3,100,000	2.806
11	Ng Sin Joe	2,858,800	2.587
12	Afiza Binti Abdul Rahman	1,582,700	1.432
13	Loh Peay Jin	1,301,700	1.178
14	Sure Strategy Sdn. Bhd.	1,121,900	1.015
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Boon Seong	1,092,100	0.988
16	Tan Kwee Ber	840,000	0.760
17	Abdul Rahman Bin Ismail	511,700	0.463
18	Cheong Saw Har	473,000	0.428
19	Koay Hean Khin	471,300	0.426
20	Tan Lay Kiat @ Tan Leh Wat	455,000	0.411
21	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Oh Yoke Choon	418,500	0.378

Analysis of Shareholdings
As at 16 APRIL 2018 (cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (continued)
(without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Shareholdings	%
22	Sin Len Moi	378,500	0.342
23	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Seng Poh (8068615)	350,000	0.316
24	Ung Ah Wah	278,000	0.251
25	Koay Hean Chuan	230,000	0.208
26	Oh Yoke Choon	172,400	0.156
27	Choo Tit Hui	153,600	0.139
28	Bon Kim Yuan	152,000	0.137
29	Oh Yoke Choon	151,000	0.136
30	Ooi Mooi See	150,000	0.135
Total		99,894,524	90.428

SUBSTANTIAL SHAREHOLDERS

		Shareholdings		%	
	Name	Direct	Indirect	Direct	Indirect
1.	ICT Innotech Sdn. Bhd.	30,000,000	-	27.157	-
2.	Tan Sri Datuk Ooi Kee Liang	-	30,000,000*	-	27.157
3.	Datuk Phor Li Wei	-	30,000,000*	-	27.157
4.	Bumimaju Gaya Sdn. Bhd.	19,200,000	-	17.380	-
5.	Lakaran Asia Sdn. Bhd.	10,521,224	19,200,000	9.524	17.380

DIRECTORS' SHAREHOLDINGS (ORDINARY SHARES)

	Name	Direct No. of shares held	%	Indirect No. of shares held	%
1.	Tan Sri Datuk Ooi Kee Liang	-	-	30,000,000*	27.157
2.	Datuk Phor Li Wei	-	-	30,000,000*	27.157
3.	Tan Wooi Chuon	-	-	-	-
4.	Mohtar Bin Abdullah	-	-	-	-
5.	Shahfie Bin Ahmad	-	-	-	-

Note:

* Deemed interested through ICT Innotech Sdn. Bhd.

Analysis of Shareholdings
As at 16 APRIL 2018 (cont'd)

DIRECTORS' SHAREHOLDINGS [REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")]

	Name	Direct No. of RCPS held	%	Indirect No. of RCPS held	%
1.	Tan Sri Datuk Ooi Kee Liang	-	-	136,350,000*	100.00
2.	Datuk Phor Li Wei	-	-	136,350,000*	100.00
3.	Tan Wooi Chuon	-	-	-	-
4.	Mohtar Bin Abdullah	-	-	-	-
5.	Shahfie Bin Ahmad	-	-	-	-

Note:

* Deemed interested through ICT Innotech Sdn. Bhd.

Analysis of Warrantholdings
As at 16 APRIL 2018

No. of Warrants 2016/2021 in issue	:	55,234,200
Exercise/Conversion price	:	RM1.00
Exercise/Conversion ratio	:	1 warrant for 1 ordinary share
Exercise/Conversion period	:	5 years
Maturity date	:	30 March 2021

DISTRIBUTION OF WARRANTHOLDERS

Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	53	4.727	2,439	0.004
100 – 1,000	654	58.340	403,450	0.730
1,001 - 10,000	292	26.048	1,098,200	1.988
10,001 - 100,000	94	8.385	2,949,949	5.340
100,001 – 2,761,709 (*)	25	2.230	20,919,550	37.874
2,761,710 and above (**)	3	0.267	29,860,612	54.061
Total	1,121	100.000	55,234,200	100.000

* - Less than 5% of issued warrants
** - 5% and above of the issued warrants

THIRTY LARGEST WARRANTHOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Warrantholdings	%
1	ICT Innotech Sdn. Bhd.	15,000,000	27.157
2	Bumimaju Gaya Sdn. Bhd.	9,600,000	17.380
3	Lakaran Asia Sdn. Bhd.	5,260,612	9.524
4	Tan Kim Soon	2,699,850	4.888
5	Chee Ping Ping	2,638,000	4.776
6	Ng Sin Joe	1,750,750	3.169
7	Ooh Kier Heng	1,750,050	3.168
8	Jok Siew Chian	1,750,000	3.168
9	Teo Chooi Lean	1,577,600	2.856
10	Goh Teng Whoo	1,550,050	2.806
11	Lim Tek Lin	1,550,000	2.806
12	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Boon Seong	829,000	1.500
13	Afiza Binti Abdul Rahman	791,350	1.432
14	Loh Peay Jin	650,850	1.178
15	Sure Strategy Sdn. Bhd.	560,950	1.015
16	Tan Kwee Ber	450,000	0.814
17	Yap Swee Hang	341,200	0.617
18	Koay Hean Khin	245,600	0.444
19	Cheong Saw Har	236,000	0.427
20	Tan Lay Kiat @ Tan Leh Wat	227,500	0.411
21	Leong Leei Jia	220,000	0.398

Analysis of Warrantholdings
As at 16 APRIL 2018 (cont'd)

THIRTY LARGEST WARRANTHOLDERS (continued)
(without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Warrantholdings	%
22	Yen Mee Foong	215,900	0.390
23	Sin Len Mui	189,250	0.342
24	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Oh Yoke Choon	178,250	0.322
25	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Seng Poh (8068615)	175,000	0.316
26	Abdul Rahman Bin Ismail	118,500	0.214
27	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kwee Ber	116,500	0.210
28	HLIB Nominees (Tempatan) Sdn. Bhd. Hong Leong Bank Bhd. for Ewe Hong Khoon	107,400	0.194
29	Bon Kim Yuan	84,000	0.152
30	Yap Swee Hang	80,900	0.146
Total		50,945,062	92.234

DIRECTORS' WARRANTHOLDINGS

	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1.	Tan Sri Datuk Ooi Kee Liang	-	-	15,000,000*	27.157
2.	Datuk Phor Li Wei	-	-	15,000,000*	27.157
3.	Tan Wooi Chuon	-	-	-	-
4.	Mohtar Bin Abdullah	-	-	-	-
5.	Shahfie Bin Ahmad	-	-	-	-

Note:

* Deemed interested through ICT Innotech Sdn. Bhd.

Proxy Form

IDEAL
UNITED BINTANG INTERNATIONAL BERHAD
(1215261-H)

CDS Account No.	
No. of shares held	

I/We*.. Tel:..
(Full name in block, NRIC No./Company No. and telephone number)

of ....
(full address)

being a member/members of **Ideal United Bintang International Berhad** hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the First Annual General Meeting of the Company to be held at Room 1, Level 1, Vistana Hotel, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Monday, 11 June 2018 at 1.30 p.m. or any adjournment thereof, and to vote as indicated below:-

		For	Against
Ordinary Resolution 1	Re-election of Tan Sri Datuk Ooi Kee Liang		
Ordinary Resolution 2	Re-election of Datuk Phor Li Wei		
Ordinary Resolution 3	Re-election of Mr Tan Wooi Chuon		
Ordinary Resolution 4	Re-election of Encik Shahfie Bin Ahmad		
Ordinary Resolution 5	Re-election of Encik Mohtar Bin Abdullah		
Ordinary Resolution 6	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Approval of Directors' fees		
Ordinary Resolution 8	Approval of Directors' Benefits		
Ordinary Resolution 9	Authority to Issue Shares		
Ordinary Resolution 10	Proposed Share Buy-Back Authority		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____________ day of ______________________, 2018

....
Signature of Shareholder/Common Seal

Notes:

(1) A member entitled to attend and vote at the meeting is entitled to appoint one proxy to attend, participate, speak and vote in his stead at the same meeting.

(2) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Common Seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

(3) Where a member of the Company is an exempt authorised nominee (an authorised nominee which is exempted from compliance with the provision of Section 25A (1) of the Central Depositories Act) which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Where an exempt authorised nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(4) The instrument appointing a proxy shall be deposited at the Registered Office of the Company, Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(5) Depositors whose names appear in the Record of Depositors as at 4 June 2018 shall be entitled to attend and vote at the general meeting, or appoint a proxy to attend, participate, speak and vote on his behalf.

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(Company No. 1215261-H)

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