



IDEAL

CREATING LEGACY

超越时尚 ■ 缔造典范

IDEAL CAPITAL BERHAD

[201701001111 (1215261-H)]



2023 ANNUAL REPORT

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Room 1, Level 1, AC Hotel by Marriott Penang, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Friday, 21 June 2024 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 2023 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

As Ordinary Business

2. To re-elect the following Directors retiring under Clause 79(3) of the Constitution of the Company, and who, being eligible, have offered themselves for re-election:-
 - a) Puan Sri Datuk Phor Li Wei **Ordinary Resolution 1**
 - b) Tan Wooi Chuon **Ordinary Resolution 2**
3. To approve the payment of Directors' fees of RM108,000 in respect of the financial year ended 31 December 2023. **Ordinary Resolution 3**
4. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 of up to RM50,000 from 22 June 2024 until the next Annual General Meeting ("AGM") of the Company. **Ordinary Resolution 4**
5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

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

6. **Ordinary Resolution Authority to Issue Shares** **Ordinary Resolution 6**

"THAT pursuant to Sections 75 and 76 the Companies Act 2016, the Constitution 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 new shares in the Company from time to time until the conclusion of the next Annual General Meeting 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, if any) 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.

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Notice of Annual General Meeting (cont'd)

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Room 1, Level 1, AC Hotel by Marriott Penang, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Friday, 21 June 2024 at 1.30 p.m. for the following purposes:- (cont'd)

7. 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 7

“THAT, subject to the provisions under the Companies Act 2016 (“the Act”), the Company’s Constitution and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, 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

Notice of Annual General Meeting (cont'd)

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Room 1, Level 1, AC Hotel by Marriott Penang, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Friday, 21 June 2024 at 1.30 p.m. for the following purposes:- (cont'd)

7. 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) Ordinary Resolution 7

(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 and the requirements of Bursa Securities and any other relevant authorities for the time being in force;

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."

8. Continuing in Office as an Independent Non-Executive Director - En Mohtar Bin Abdullah Ordinary Resolution 8

"THAT authority be and is hereby given to En Mohtar Bin Abdullah who has served as an Independent Non-Executive Director within the Group for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

9. Continuing in Office as an Independent Non-Executive Director - Mr Tan Wooi Chuon Ordinary Resolution 9

"THAT subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Mr Tan Wooi Chuon who has served as an Independent Non-Executive Director within the Group for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

10. 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

LIM CHOO TAN (LS 0008888) (SSM PC No. 202008000713)
CHEW SIEW CHENG (MAICSA 7019191) (SSM PC No. 202008001179)
 Company Secretaries

Date: 30 April 2024

Penang

Notice of Annual General Meeting (cont'd)

Note A:-

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:-

- (1) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (5) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - (ii) By electronic means
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide.

Notice of Annual General Meeting (cont'd)

Notes:- (cont'd)

- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging this proxy form is Wednesday, 19 June 2024 at 1.30 p.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.

Explanatory Notes

Ordinary Resolutions 1 and 2 – Re-election of retiring Directors

The details and profiles of the retiring Directors, Puan Sri Datuk Phor Li Wei and Tan Wooi Chuon who are standing for re-election at the 7th AGM are set out in the Directors' Profile of the Annual Report 2023.

The Board through the Nomination Committee ("NC") had conducted an annual assessment on the performance and contribution of the individual Directors including the retiring Directors for the financial year ended 31 December 2023 based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director was found to be satisfactory and the NC had assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members' approval for the re-election of Puan Sri Datuk Phor Li Wei and Tan Wooi Chuon as Directors of the Company.

Ordinary Resolution 3 – Directors' fees of RM108,000 for the financial year ended 31 December 2023

The proposed Ordinary Resolution 3, if passed, will authorise the payment of the Directors' fees for the financial year ended 31 December 2023 amounting to RM108,000.

Ordinary Resolution 4 - Directors' benefits

The proposed Ordinary Resolution 4, if passed, will authorise the payment of the Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 of up to RM50,000 from 22 June 2024 until the next Annual General Meeting of the Company.

Notice of Annual General Meeting (cont'd)

Notes:- (cont'd)

Explanatory Notes on Special Business

Ordinary Resolution 6 - Authority to Issue Shares

The Board is desirous of seeking a general mandate for issuance of shares ("the Mandate") at the 7th AGM.

This proposed Ordinary Resolution 6, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares, if any) of 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.

By voting in favour of this Ordinary Resolution, the shareholders of the Company would also be waiving their statutory pre-emptive right.

This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution 7 – Share Buy-Back Authority

The proposed Ordinary Resolution 7, 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. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution 8 - Continuing in Office as an Independent Non-Executive Director (En Mohtar Bin Abdullah)

The Nomination Committee with En Mohtar Bin Abdullah ("En Mohtar") abstaining from deliberation of his own assessment, had conducted an assessment of En Mohtar who has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and believe that the length of his service does not interfere with En Mohtar's ability and exercise of independent judgement as an Independent Director.

Meanwhile, as recommended by the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), the Board will be seeking shareholders' approval through a two-tier voting process at the Seventh Annual General Meeting to retain En Mohtar as an Independent Non-Executive Director as he has served as Independent Non-Executive Director within the Group for a cumulative term of more than nine (9) years.

Ordinary Resolution 9 - Continuing in Office as an Independent Non-Executive Director (Mr Tan Wooi Chuon)

The Nomination Committee with Mr Tan Wooi Chuon ("Mr Tan") abstaining from deliberation of his own assessment, had conducted an assessment of Mr Tan Wooi Chuon who has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and believe that the length of his service does not interfere with Mr Tan Wooi Chuon's ability and exercise of independent judgement as an Independent Director.

Meanwhile, as recommended by the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), the Board will be seeking shareholders' approval through a two-tier voting process at the Seventh Annual General Meeting to retain Mr Tan Wooi Chuon as an Independent Non-Executive Director as he has served as Independent Non-Executive Director within the Group for a cumulative term of more than nine (9) years.

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

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. A renewal of this authority is being sought at the Seventh AGM.

This Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Statement To Shareholders

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE AUTHORITY FOR SHARE BUY-BACK BY THE COMPANY OF UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL OF 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 29 February 2024, the Company announced that it proposed to seek a renewal of an existing authorisation 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 21 June 2024.

At the AGM held on 22 June 2023, the Company had obtained from its shareholders, the authorisation for the Company to purchase up to ten per centum (10%) of the total number of issued shares of the Company. The authority obtained shall lapse at the conclusion of the forthcoming 7th AGM unless a renewal of the authority of share buy-back is obtained from shareholders of the Company. In view thereof, a renewal of the authority for the purchase of own shares is sought from shareholders for the Proposed Renewal of Share Buy-Back Authority by way of an ordinary resolution.

The purpose of this Statement is to provide the shareholders with information on the Proposed Renewal of Share Buy-Back Authority and to seek the shareholders’ approval for the ordinary resolution relating to the Proposed Renewal of Share Buy-Back Authority under Ordinary Resolution 7 of the Notice of the AGM in this Annual Report of the Company for the financial year ended 31 December 2023 to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF 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 17 April 2024, the total number of issued shares of the Company is represented by 500,000,736 ordinary shares, equivalent to RM543,459,236. Hence, the maximum number of shares may be purchased by the Company will be 50,000,073 ordinary shares.

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

Statement To Shareholders (cont'd)

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

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority will be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority until: (Cont'd)

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

whichever occurs first.

In accordance with the Main Market Listing Requirements of Bursa Securities ("the MMLR"), the Proposed Renewal of 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 Renewal of 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 2023, the Company's retained profits was RM126,165,268.

The funding of the Proposed Renewal of 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 Renewal of 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

Statement To Shareholders (cont'd)

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

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

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

And in any other manner as prescribed by the Act and the requirements of Bursa Securities and any other relevant authorisation for the time being in force.

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 RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of 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 Renewal of 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 RENEWAL OF SHARE BUY-BACK AUTHORITY

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

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

- (i) the Proposed Renewal of 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 Renewal of 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 (cont'd)

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

5.1 Share Capital

The effect of the Proposed Renewal of 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 Renewal of 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 Renewal of 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 17 April 2024, are as follows:-

	Number of Shares
Existing number of issued shares as at 17 April 2024	500,000,736
Cancellation of purchased shares	(50,000,073)
Resultant number of issued shares upon completion of the Proposed Renewal of Share Buy-Back Authority	450,000,663

However, the Proposed Renewal of 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 Renewal of 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 Renewal of 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 Renewal of 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 (cont'd)

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF 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 Renewal of Share Buy-Back Authority.

The effective reduction in the number of shares in the computation of the consolidated EPS pursuant to the Proposed Renewal of 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

The Proposed Renewal of Share Buy-Back Authority may reduce the amount of distributable reserves available for payment of dividend in the immediate future.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The effects of the Proposed Renewal of 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 17 April 2024 are as follows:-

(i) Directors

Name of Directors	Before the Proposed Renewal of Share Buy-Back Authority				After the Proposed Renewal of 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	%
Tan Sri Datuk Ooi Kee Liang	48,441,112	9.69	277,994,000	55.60	48,441,112	10.76	277,994,000	61.78
Puan Sri Datuk Phor Li Wei	48,441,112	9.69	277,994,000	55.60	48,441,112	10.76	277,994,000	61.78

Statement To Shareholders (cont'd)

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (Cont'd)

(ii) Substantial Shareholders

Name of Substantial Shareholders	Before the Proposed Renewal of Share Buy-Back Authority				After the Proposed Renewal of 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.	277,994,000	55.60	-	-	277,994,000	61.78	-	-
Tan Sri Datuk Ooi Kee Liang	48,441,112	9.69	277,994,000	55.60	48,441,112	10.76	277,994,000	61.78
Puan Sri Datuk Phor Li Wei	48,441,112	9.69	277,994,000	55.60	48,441,112	10.76	277,994,000	61.78

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 Renewal of Share Buy-Back Authority, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Renewal of 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 Renewal of Share Buy-Back Authority and, if any, in the resale of treasury shares.

Statement To Shareholders (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 2023/2024	High (RM)	Low (RM)
2023		
April	2.24	2.14
May	2.20	2.10
June	2.16	2.14
July	2.14	2.00
August	2.01	2.00
September	2.05	2.00
October	2.25	2.05
November	2.35	2.22
December	3.00	2.35
2024		
January	3.50	2.92
February	3.50	3.10
March	3.60	3.30

(Source : Bursa Securities)

The last transacted price of shares on 17 April 2024 being the latest practicable date prior to the printing of this Statement was RM3.20.

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 Renewal of 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 Renewal of Share Buy-Back Authority.

Statement To Shareholders (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 17 April 2024, the public shareholding spread of the Company was approximately 25.02%. The public shareholding spread is expected to be reduced to approximately 16.69% assuming the Proposed Renewal of 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 Renewal of 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 Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of 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 Renewal of 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 (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 2023 and 31 December 2022.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Ooi Kee Liang
(Executive Chairman)

Puan Sri Datuk Phor Li Wei
(Executive Director)

Mr Tan Wooi Chuon
(Independent & Non-Executive Director)

En Mohtar Bin Abdullah
(Independent & Non-Executive Director)

Dato Haji Rosly Bin Abas
(Independent & Non-Executive Director)

AUDIT COMMITTEE

Mr Tan Wooi Chuon (Chairman)
En Mohtar Bin Abdullah
Dato Haji Rosly Bin Abas

NOMINATION COMMITTEE

Mr Tan Wooi Chuon (Chairman)
En Mohtar Bin Abdullah
Dato Haji Rosly Bin Abas

REMUNERATION COMMITTEE

Dato Haji Rosly Bin Abas (Chairman)
Mr Tan Wooi Chuon
En Mohtar Bin Abdullah

COMPANY SECRETARIES

Ms Lim Choo Tan (LS 0008888)
(SSM PC No. 202008000713)
Ms Chew Siew Cheng (MAICSA No. 7019191)
(SSM PC No. 202008001179)

REGISTERED OFFICE

Suite A, Level 9,
Wawasan Open University,
54, Jalan Sultan Ahmad Shah,
10050 Georgetown, Penang
Tel : (04) 2296318
Fax : (04) 2282118
Email : Tricor.Penang@my.tricorglobal.com

PRINCIPAL OFFICE

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

PRINCIPAL BANKERS

OCBC Bank
AmBank
Malayan Banking Berhad
Public Bank Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3 Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : (03) 27839299
Fax : (03) 27839222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

UHY (AF : 1411)
Chartered Accountants
Suite 11.05 Level 11,
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



Ideal Capital Berhad was incorporated in 1979 and subsequently listed on the main board of Bursa Malaysia Securities Berhad under the name of United Bintang Berhad. The company started its business by principally engaging 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. Over the years, Ideal Capital Berhad has completed numerous prestigious projects in Penang Island such as One Imperial, Imperial Residences, Tree Sparina, Summerskye Residences, Solaria Residences, Forestville, One Foresta, I-Santorini, Imperial Grande and The Amarene.

Ideal Capital Berhad is currently developing a total of 2560 units of affordable homes in two strategic and fast growing area of Penang under the project names of Ideal Residency in Island Glades and Havana Beach Residences in Bayan Lepas which will be completed in year 2024. Ideal Venice, the second phase of affordable homes project located next to Ideal Residency having a total of 1632 units will also be completed in year 2024. Lucerne Residences is a resort style residential project with European charm which started construction in year 2023.

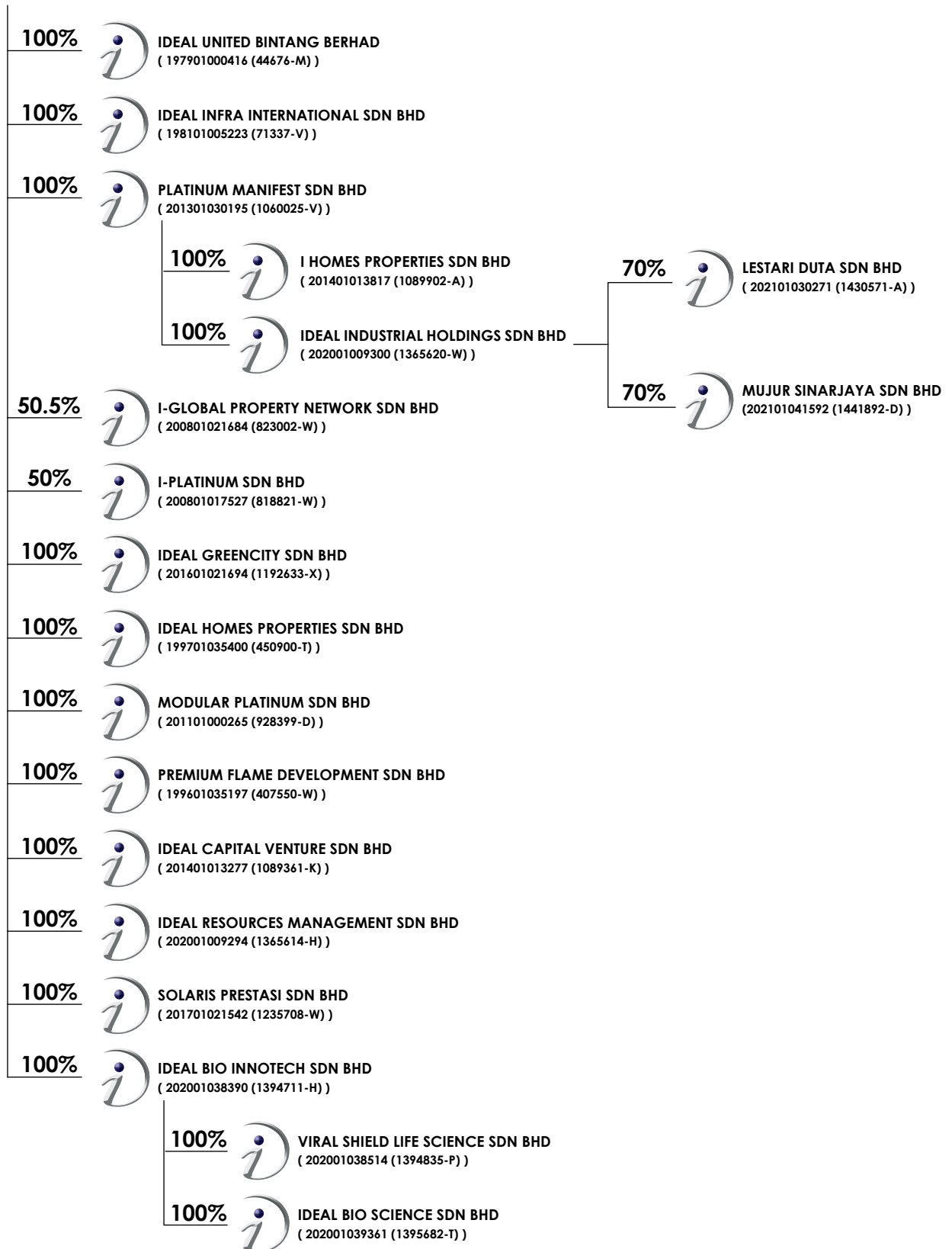
Ideal Capital Berhad diversified their business into property investment and project management with the acquisition of 1st Avenue Mall in Penang in year 2020. The Group has taken a further step in its business diversification plans and has now embarked on the selling of industrial lands by acquiring 17 parcels of freehold land situated in Daerah Seberang Perai Utara, Penang. This project is known as Penang Technology Park @ Bertam and has received positive response from investors of all fields, bringing sustainable growth to the Group.

The vision of Ideal Capital Berhad group is striving to be one of the leading property developer in Malaysia while 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**

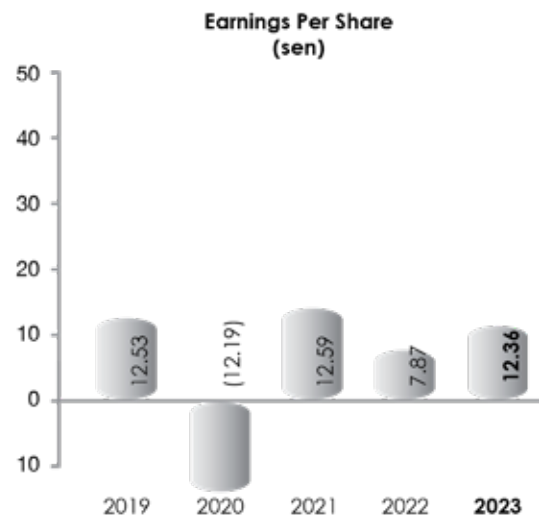
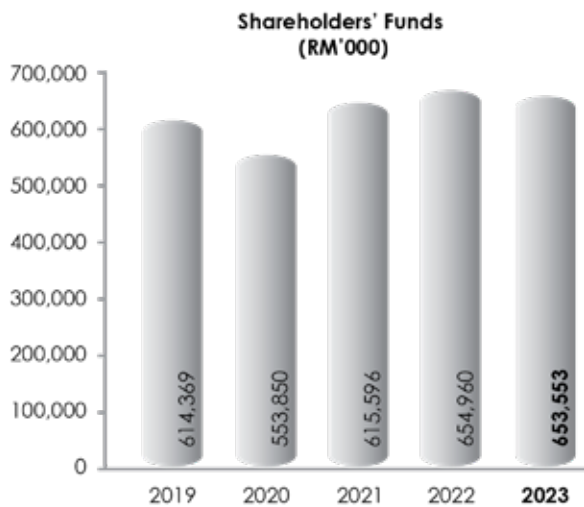
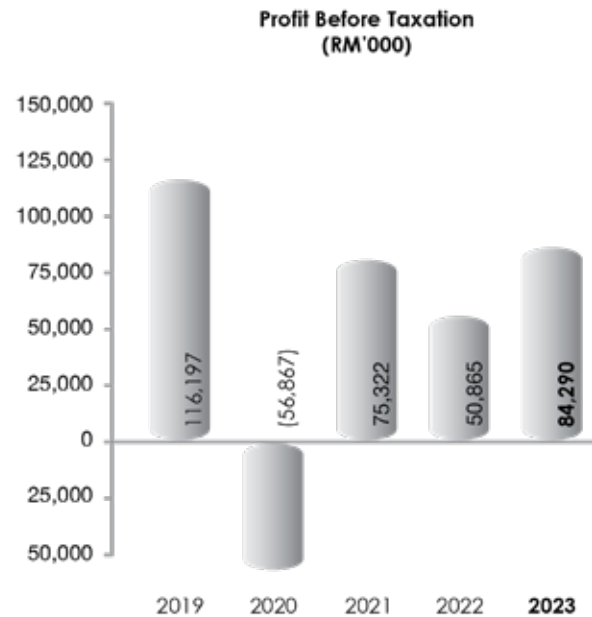
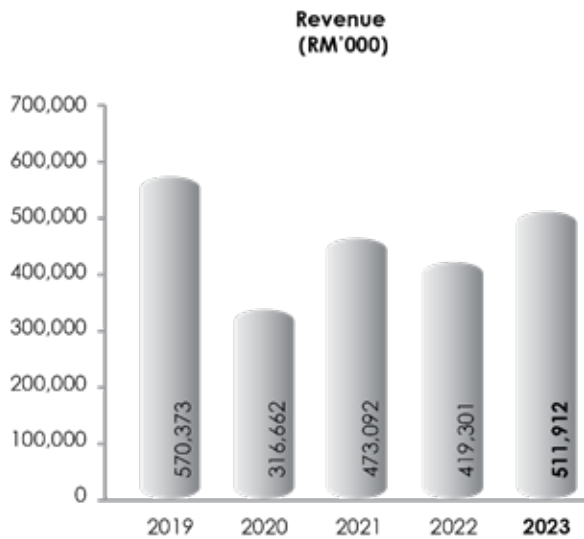
Corporate Structure

As At 31 December 2023



Five Year Financial Highlights

Year ended 31 December



	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	570,373.00	316,662.00	473,092.00	419,301.00	511,912.00
Profit/(Loss)Before Taxation	116,197.00	(56,867.00)	75,322.00	50,865.00	84,290.00
Profit/(Loss)After Taxation	87,862.00	(65,787.00)	55,222.00	33,433.00	66,837.00
Share Capital	464,251.00	465,059.00	482,171.00	482,171.00	540,362.00
Shareholders' Funds	614,369.00	553,850.00	615,596.00	654,960.00	653,553.00
Earnings/Loss Per Share - basic (sen)	17.82	(12.19)	12.59	7.87	12.36

Management Discussion And Analysis 2023

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 Capital 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 2023.



IDEAL DIRECTION

In year 2023, we expanded our horizons by venturing into the development of an industrial park, a strategic move aligned with our vision of sustainable growth. Our industrial park, Penang Technology Park @ Bertam, is currently under construction, marking a significant milestone for IDEAL. The groundbreaking ceremony for Penang Technology Park @ Bertam in March 2023 has set stage for a new era of possibilities. The park is poised to become a hub of innovation and growth. With the park focused on high-technology industry, Penang Technology Park @ Bertam is slated to bring together companies, research institutions and start-ups in the field of applied technology by providing a platform for collaboration, innovation and commercialization. For Penang Technology Park @ Bertam, the targeted market are mainly local and foreign investors. The development would feature a one-stop center, 24 hours surveillance with CCTV monitoring system, green recreational spaces, bus parking station and F&B outlets. It will be a well-managed industrial park with one-stop centre providing support to tenants and investors. The Industrial park will also offer high-speed internet, water and power supply, gas supply and a good transport system with convenient accessibility. Besides that, investors will enjoy an expedited process of approval from the state government and agencies, including for construction permits. Thus, Penang Technology Park @ Bertam, offers a cost-savings solutions for business to operate efficiently and profitably.

Management Discussion And Analysis 2023 (cont'd)

IDEAL DIRECTION (CONT'D)

In terms of environmental, social and governance (ESG) standards, the industrial park offers retention pond to manage rainwater flow, installation of solar panels for clean energy generation, as well as utilizing solar power for facilities, buildings, lightings and open spaces. There would be recycling of industrial water and waste within the park. Sustainability development is the key emphasis for Penang Technology Park @ Bertam. The other key factors is the strategic location of Penang Industrial Park @ Bertam which is 5km from North-South Expressway, 23km from Butterworth Port and 42km from Penang International Airport which would make it easily accessible. Other amenities close by includes educational institutions (Universiti Teknologi Mara - Penang Branch, Universiti Sains Malaysia's Institut Perubatan dan Pergigian Termaju and Institut Latihan Perindustrian Kepala Batas, Kepala Batas fire and rescue station and Majlis Bandaraya Seberang Jaya. So far to date, the response is encouraging with more than 100 potential investors from US, Europe, Japan and China have registered their interest and IDEAL is expecting the sales to be completed within year 2024 and 2025.

As for residential and commercial developments, IDEAL targets to launch 3,000 units annually. New launches this year includes affordable housing development by the name of Maldives Residences in Ideal City. Maldives Residences is a freehold development offering 930 square feet units, with three bedrooms and two bathrooms. This would be an addition to the ongoing developments in year 2023 which are Lucerne Residences, a resort style residences with European charm in Bayan Lepas, Ideal Residency, an affordable homes in the heart of Penang, Ideal Venice Residency, the second phase of affordable homes located next to Ideal Residency and Havana Beach Residences, a beach inspired development with the vibrant energy of Spanish Colonial architecture of Cuba colonial's past located in Bayan Lepas.

FINANCIAL REVIEW

For the year 2023, the Group reported a turnover of RM512 million which represents an increase of almost 22% as compared to 2022 as all industries have resumed to the normal business environment. For year 2023, current ongoing constructions includes three affordable homes projects namely Ideal Residency, Ideal Venice Residency and Havana Beach Residences. In addition to that, IDEAL had also started the construction of Lucerne Residences in year 2023. The group ventured into the selling and development of Penang Technology Park @ Bertam industrial plots which has also contributed to the total revenue. Besides that, revenue from 1st Avenue Mall totaling RM11.5million has been recorded for year 2023.

The Group reported gross profit of RM144.6 million for the year 2023 with the income mainly from the property development sector. Profit before tax from operations totaling RM84.3 million while total comprehensive income for the year attributable to the owners of the parent totaling RM61.7 million. The commendable performance of the Group is mainly due to the active construction of affordable homes of Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences for the year 2023 with considerable progress made. Total assets for the Group currently stands at RM1.7 billion which is healthy. Working capital for the Group is RM743 million for the year 2023. The Group's total borrowings stands at RM407.8 million. Gearing for the Group stands at 0.5 times that is fairly low compared to other companies within the same industry. The Group's net tangible assets is at RM701 million.

Management Discussion And Analysis 2023 (cont'd)

OPERATIONS REVIEW

The Group's results were mainly contributed by the ongoing construction of affordable homes of Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences. Besides that, Penang Industrial Park @ Bertam also contributed to the bottom line of the Group.

In line with the Group's focus on developing affordable houses in strategic locations in Penang, the Group launched Maldives Residences, a development in Bayan Lepas, Penang island with gross development value of RM808.7 million. This project has garnered positive response with commendable take up rate to-date.

In addition to that is the Group's on-going construction of Havana Beach Residences, a beach-inspired affordable home development in Bayan Lepas with gross development value of RM535 million. This project is a hit among millennial as it is located in the fastest growing district in Penang. Besides that, the construction is also on-going for Ideal Residency, Ideal Venice Residency and Lucerne Residences.

With sales secured for both completed and on-going developments, in year 2023, the Group started to venture into industrial park development with the maiden Industrial Park of Penang Technology Park @ Bertam. The take up rate for the park is positive with many further inquiries by potential investors and customers both local and overseas.

Barring unforeseen circumstances, The Board is expecting the property development sector to contribute further to the revenue and profit of the Group for the coming financial year. Besides that, Penang Technology Park @ Bertam would also be one of the main contributors to the bottom line of the Group by end of year 2024.

The Group is confident that with its readiness and resilience, well-planned strategies and business acumens, the Group will achieve its performance targets and corporate goals for the year 2024 as the Group expect the industrial park development of Penang Technology Park @ Bertam to contribute significantly to the Group by end of year 2024 without any delay.

RISK AND UNCERTAINTIES

The Group's business, results of operations and growth prospect together with the financial conditions all are subject to risks and uncertainties, directly or indirectly in the environment it operates in. During the last two and a half years, the prolonged outbreak of Covid-19 has led to a significant slow-down in economics in Malaysia and the rest of the world, thus also affecting the property development, investment property and trading business of the Group. Given the ongoing nature of these circumstances, the related impact on the consolidated results of the operations, cash flows and financial condition of the Group had been minimal and the Group had been able to present profits for both year 2022 and year 2023. Thus, the Group is able to sustain its business despite the challenging environment the Group is in. For year 2023, the Group is focusing on Penang Technology Park @ Bertam which contributed to the income of the Group in year 2023 and also future 2024.

Management Discussion And Analysis 2023 (cont'd)

CORPORATE DEVELOPMENT HIGHLIGHTS

For the financial year 2023, the Group announced the following:

- (i) On 27 July 2022, the shareholders of the Group approved in the Extraordinary General Meeting that two of its subsidiaries namely Lestari Duta Sdn Bhd and Mujur Sinarjaya Sdn Bhd has purchased from Aspen Bell Avenue Sdn Bhd, 17 parcels of freehold land situated in Daerah Seberang Perai Utama, Negeri Pulau Pinang to turn it into Penang Technology Park @ Bertam to fill the demand for industrial land in Penang. This would kick start the Group foray into Industrial Park Development besides the affordable homes development and condominium development. Both the acquisitions were completed in year 2023 and launching of Penang Technology Park @ Bertam was held in March 2023.

MARKET OUTLOOK

With the trade wars between the United States of America and China coupled with the Ukraine war, more companies are looking to setup manufacturing plants in South East Asia. Thus, Malaysia is directly benefited from this with the country not having any major natural disaster like, earthquakes and volcanos. Besides that, Penang especially would benefit more as the electrical and electronics sector has been here since the 1970s. So with any expansion plans by the Companies, they would be looking into Penang first as compared to the other states. This is because the architecture of the electric and electronics has been steadily built since the 1970s. This would be in tandem with the launch by IDEAL's Penang Technology Park @ Bertam. For year 2024, we will continue with selling of affordable homes namely Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences. Besides that, IDEAL has launched Maldives Residences in Ideal City. The Group will also continue to sell industrial lands in Penang Technology Park @ Bertam. Currently, more than 100 potential investors from US, Europe, Japan and China have registered their interest with further more to come.

PROSPECTS

The Group expects year 2024 to remain challenging as oil prices have currently gone up the ceiling together with all material costs namely steel bars, concrete, cement. This indirectly would affect the Group's profitability. However, the Group expects robust demand for industrial lands within these two years down the road. Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences would help the Group to sustain its property development business while Penang Technology Park @ Bertam would be the major contributor in the year 2024 onwards. With more than 100 potential investors from around the world interested in the Penang Technology Park @ Bertam, The Group anticipated the revenue contribution would be significant in year 2024 onwards.

OVERALL

Year 2024 would be the year the economy to pick up and for most companies to obtain more businesses since the recovery from the Covid-19 pandemic. The Group is fairly confident that with its ongoing project of Ideal Residency, Havana Beach Residences, Ideal Venice Residency and Lucerne Residences, the Group would be able to increase its shareholders wealth while Penang Technology Park @ Bertam would contribute more to the bottom line of the Group for year 2024.

Sustainability Statement

CREATING SUSTAINABILITY

Ideal Capital Berhad ("Ideal") and its subsidiaries ("the Group") are committed to creating value for all its customers, suppliers, employees, shareholders, business associates, communities and the environment. Ideal 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 adaptability 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. In year 2020, Ideal has diversified their business into property investment and property management with the acquisition of a mall. Ideal also ventured into the disinfectant business to help combat the Covid-19 pandemic. Ideal has now embarked on the selling of industrial lands as another one of its new business venture. 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 strive in the ever changing environment.

Ideal's Sustainability Statement reports the Group's initiatives and efforts under the environmental, social and governance ("ESG") pillars in seeking long term value for our stakeholders.

GOVERNANCE AND ANTI-CORRUPTION

Ideal has created a stable governance structure and risk management framework to instil the sustainability values across the Group. The Groups' 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 report directly to the Group Chief Executive Officer. The board and the management primarily takes charge of creating an effective sustainability governance structure, which includes setting the organisation's sustainability targets and strategies for achieving them, as well as monitoring progress. The board will ultimately review and approve the proposed policies and guidelines to ensure the sustainability of the organisation.

The Board Charter together with the Code of Ethics and Conduct for Directors ensures the Group's adherence to standards and principles.

Corporate governance and anti-corruption are essential in ensuring transparency, impartiality, integrity, accountability and trust within the Group, reducing the risk of financial misconduct for long term success. Ideal has in place the Anti-Bribery and Anti-Corruption Policy which sets out the framework on how to detect, prevent and deal with bribery and corruption activities that may arise in the course of business. 100% of management level staffs, 90% of executive staffs and 80% of non-executive staffs have received training on anti-corruption. 95% of our operations were assessed for corruption related risks and we are pleased to report that we have zero cases of bribery and corruption.

The Whistle Blowing Policy provides an avenue for employees and stakeholders of the Group to raise concerns and disclose any improper conduct in accordance with the procedures provided for under this policy and to provide protection for those who report such allegations. Wrongdoings such as fraud, corruption, serious financial impropriety and mismanagement are to be reported and facilitated through internal mechanisms. There were zero whistle blowing incidents reported during the year.

The Conflict of Interest Policy is established to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. This policy provides guidance on ways to identify, implement and monitor actions to appropriately manage conflict of interest situations and protect the interest of the Group. Zero conflict of interest cases were reported.

Sustainability Statement (cont'd)

Practicing the values

The Board, management and 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 to be translated into practice. Indirectly, this will ensure our employees benefit with the improvement in the quality of their performance and ultimately our business reputation.

COMMUNITY AND THE SOCIETY

Ideal has always regarded the communities as one of the most important aspect in conducting its businesses. The Group is constantly involved in many initiatives in giving back to the community and building strong relationships.

Building affordable Homes

Ideal has successfully built affordable homes throughout the years, namely One Foresta, Forestville and I-Santorini. In line with the Group's commitment to develop affordable homes, the Group launched Ideal Residency in year 2021, a development strategically located at the heart of Penang Island, targeted to be completed in year 2024. Additionally, the Group is developing Havana Beach Residences, a beach-inspired affordable homes development located in Bayan Lepas, the fastest growing district in Penang. Ideal Venice, the second phase of PRIMA affordable homes is located next to Ideal Residency. Ideal strives to provide affordable housing so that everyone can afford to own their own homes.

CSR activities & events

Ideal took part in the Green Restoration program on World Town Planning Day 2023 at Robina Eco Park Butterworth. This event was organised by the Penang Town and Country Planning Department with the theme of "To Strengthen Unity in Community". The sponsored plants and gardening equipments were handover over to the MPKK Taman Robina Eco Park, in line with the Green Malaysia Programme through the planting campaign of 100 million trees in 2025.



Sustainability Statement (cont'd)

CSR activities & events (cont'd)

Ideal was the title sponsor for Penang's most interesting running event, Ideal Balik Pulau Half Marathon 2023. A total of 4,000 participants from 24 countries participated in the half marathon event. All participants were treated to a durian buffet after the run.



In line with promoting healthy lifestyle and harmony within the community, Ideal was one of the joint sponsors for the Bayan Baru Madani Walk. More than 1,000 residents joined in the morning fun walk around the beautifully landscaped Bayan Baru township.



Ideal participated in the Pesta Tanglung 2023 Sungai Ara by being one of the sponsors. The event was organised by MPKK Taman Sungai Ara. Residents who joined the event, especially the children, enjoyed the colourful lantern parade, tanglung making competition, Hanfu competition, arts and crafts game stalls, lion dance performance, Zumba, aerobics and various other stage acts.



Sustainability Statement (cont'd)

CSR activities & events (cont'd)

In conjunction with 2023 World Children's Day Carnival, Penang State Level, Ideal contributed cinema movie passes to Advanced Medical and Dental Institute, USM as the event's lucky draw prizes. The two days event had a variety of interesting programs for the children such as colouring contest, rock painting, cupcake and donut decoration, treasure hunt and many more.



1st Avenue Mall, Penang by Ideal organised numerous events in year 2023. YMM Penang Charity Group held a blood donation campaign in collaboration with Penang Hospital at 1st Avenue Mall. Penang Paragon Lions Club also held a Blood Donation and Health Carnival drive in collaboration with Penang Hospital, with 1st Avenue Mall & Ideal being the venue sponsor.



Sustainability Statement (cont'd)

CSR activities & events (cont'd)

In scope of World Diabetes Day, District 308 B2 Region 1 Zone 2 Lions Club jointly organised World Diabetes Day – Blood Drive, Health Checking & Diabetes Awareness at 1st Avenue Mall. Ideal once again became the venue sponsor for this event.



1st Avenue Mall has been the venue sponsor for the Young Enterprise Penang Sales Fair for few years in a row and year 2023 is no different. Over 400 students from 17 schools participated in the annual sales fair under the Young Enterprise Program to showcase their innovative products, designed and produced from scratch and sold to the general public. This event will inspire students to be business leaders of tomorrow as they learn how to run an organisation as a team.



Sustainability Statement (cont'd)

CSR activities & events (cont'd)

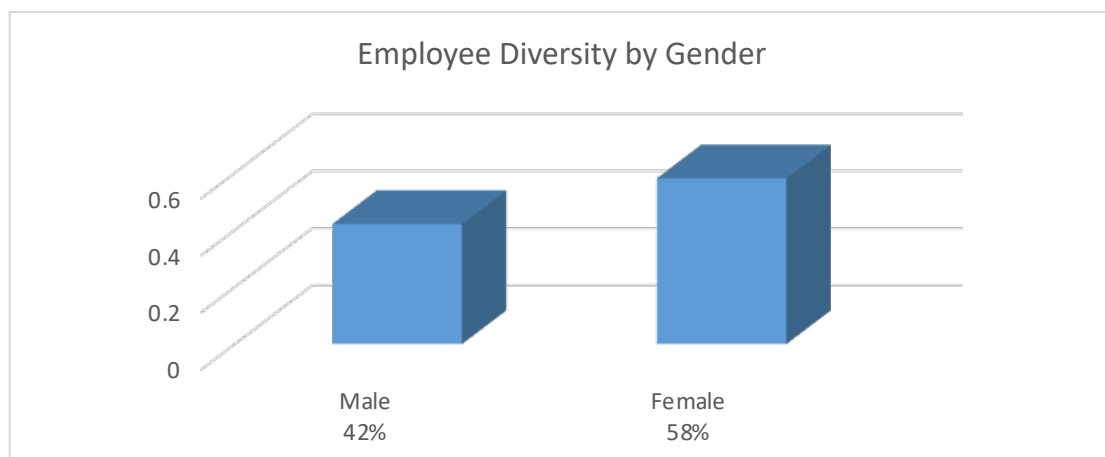
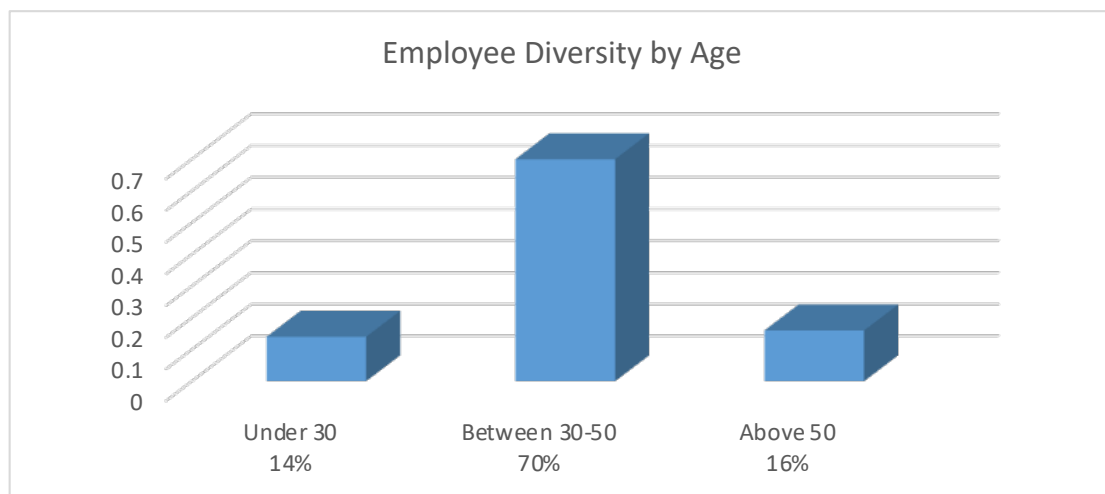
Apart from all the above, Ideal has also made donations, contributions and sponsorships to the bomba association, muay thai association, rental of stadiums for football matches, school anniversary celebration, fun rider event and festive celebrations for the community.

Ideal recognises that community development is of paramount importance in creating a thriving and sustainable society. By contributing to the society, it will enhance the quality of life, stimulates economic growth, foster sustainable social cohesion and contribute to an equitable and vibrant community for all.

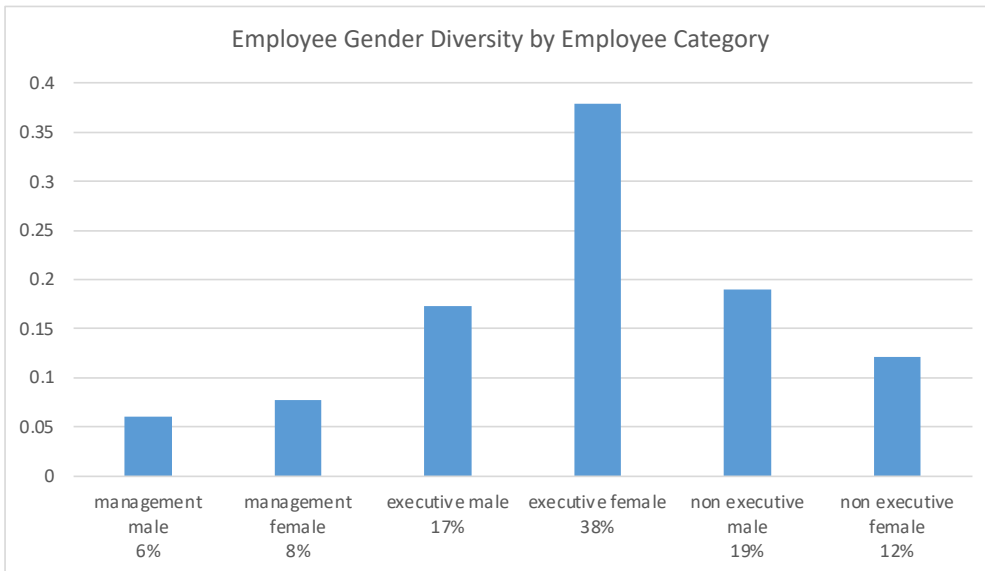
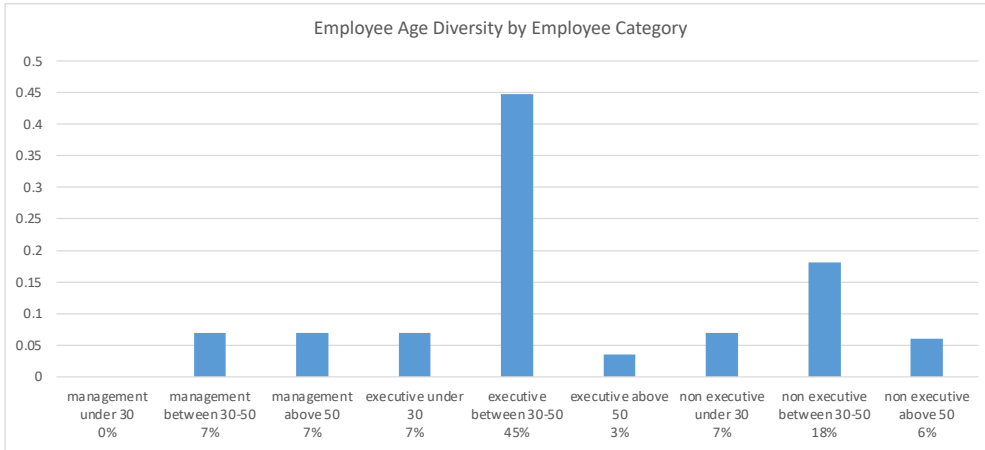
DIVERSITY AND EQUAL OPPORTUNITY

Ideal promotes diversity and equal opportunity to all its employees, regardless of gender, age, race, religion and background. The Group recognises the value of each individual who has their own perspectives, opinions, ideas and experiences. This diversity will enable the Group to successfully achieve its business goals. The Group exercise prudence in its hiring process, free of any biasness.

Ideal strategically attracts, develops, retains and optimises employee performance through selective recruitment, training and recognition of high performers. Our annual performance reviews assists to identify progress, areas for improvement, guiding and development initiatives.



Sustainability Statement (cont'd)



ENERGY MANAGEMENT

Ideal recognises the benefits of energy management which includes cost savings, improved operational efficiency and effectiveness, regulatory compliance and environmental sustainability. Energy management enables businesses to allocate and utilise their resources in an effective manner. Ideal put efforts in minimising adverse environmental effects by analysing energy usage patterns, identifying areas of inefficiency and implementing appropriate measures. This has led to reduction of costs and improved operational performance.

The Group successfully installed photovoltaics system consisting of solar panels at 1st Avenue Mall in year 2023. This system generates approximately 150,000 kWh of energy per month, which is equivalent to 1,860,000 kWh per year.

Ideal's main energy consumption is attributed to 1st Avenue Mall, corporate office and sales galleries. With the installation of the solar panels, overall energy costs will be reduced. Timers are also installed for improved energy management.

Photovoltaics system will also be installed in Penang Technology Park @ Bertam's water retention area to generate renewable energy. Solar energy is green, sustainable and does not emit pollutants. This is in line with Ideal's efforts in mitigating the adverse environmental impact to create a sustainable future.

Sustainability Statement (cont'd)

HEALTH AND SAFETY

Ideal advocates a workplace that is safe for all its employees. The Group reported zero work-related accidents and fatalities during the year. Safety and health monitoring together with taking necessary corrective measure are implemented to safeguard the health and security at all times.

Employees are covered with Group Personal Accident insurance and Hospital & Surgical medical insurance. Group Personal Accident insurance provides coverage for accidental injuries or death while Hospital & Surgical insurance covers the cost of medical treatment and hospitalization due to accidents and illnesses.

Safety training and awareness programmes are carried out by the Group. Toolbox meeting is scheduled on a monthly basis to brief all employees on the different safety aspects and dangers at work. This is designed to create awareness of the course of actions necessary to be take should any hazards arises. Fire drill is conducted from time to time for safety and preparedness.

Employees attended Bomba seminar to better equip them with the knowledge to prevent safety hazards.

Health and safety procedures is one of the vital areas to ensure business continuity of the Group.

LABOUR PRACTICES AND STANDARDS

Employees are the greatest asset to the Group. Ideal ensures that its employees are offered competitive remuneration packages with wide range of benefits. To foster a thriving workplace with continuous learning culture, the Group arranges internal and external training programmes for its employees. This will further develop their technical and professional skills, ensuring that they are well equipped and continue to grow consistently in line with the Group.

Management staffs attended 128 hours of training, executives 512 hours of training and non-executives 288 hours of training during year 2023.

Company social events are organised to build good relationships between employees. Annual luncheons and dinners, festive season celebrations and gatherings are held every year by Ideal. Employees are also honoured with long service awards for their loyal and meritorious service to the organisation.

Ideal abides by the Employment Act 1955 in its human resource functions to enhance and improve the protection and welfare of its employees. This will ensure fairness at work, which will in turn boost productivity for the Group.

There are no employees that are contractors or temporary staffs. The Group only recorded a total of 6 employees' turnover at the executive category during the year.

In year 2023, Ideal recorded zero substantiated complaints concerning human rights violations.

Sustainability Statement (cont'd)

SUPPLY CHAIN MANAGEMENT

Supply chain management is an essential part of a business's success. It affects the product and service quality, delivery, costs, customer experience and ultimately, profitability.

Ideal places value on effective supply chain management in integrating the supply and demand aspect, not only with the Group, but also external parties and channels in the supply chain.

Ideal ensures that the supply chain network adheres to the Group's anti-bribery and anti-corruption policies, whistle blowing policy and conflict of interest policy. Contractors and suppliers are carefully sourced and assessed prior to their engagement. Assessment is based on questionnaires performed, site visits, performance metrics, risk assessment and historical data. Each supplier and contractor's scores will be based on each criteria based on their importance to the Group.

Ideal is committed to supporting local talents and is proud to report that the Group spent 100% of spending on local suppliers during the year. Ideal places strategic priority on an effective and efficient procurement process for added value creation.

DATA PRIVACY AND SECURITY

With the accelerating growth of digital economy, data privacy and security is of utmost importance to protect customer and business data from being breached and attacked. This is crucial to prevent fraud and cybercrimes which may damage the Group's reputation and confidential information.

Ideal adheres to the Personal Data Protection Act of 2010 that regulates the processing of personal data in regards to commercial transactions.

The Group ensures that sensitive data, such as customer data, business data, financial information and employees personal records are only accessed by authorised personnel. We have secured servers with backups for data storage and processing which facilitates our daily communication and activities. Our IT team regularly updates and keep our employees informed of potential malicious content and threats.

Ideal is pleased to record zero complaints concerning breaches of customer privacy and losses of customer data throughout the year. Ideal will continue to be vigilant and alert in protecting both customer and business data to ensure the security and stability of our digital environment.

WATER CONSERVANCY

Ideal practices water stewardship by using water in a socially equitable manner through responsible planning and management of resources.

All industrial plots at Penang Technology Park @Bertam will practice zero liquid discharge to preserve the water quality in nearby rivers. This is in compliance with the environment department conditions and policies. Zero liquid discharge ensures that there will be no discharge of industrial wastewater into the environment. This is achieved by treating wastewater through recycling, recovery and reuse for industrial purpose. All contaminants will be reduced to solid waste and wastewater discharge will be minimized.

This is both environmentally sustainable and economically beneficial which will benefit both humankind and nature in the long run.

Sustainability Statement (cont'd)

ENGAGING WITH STAKEHOLDERS

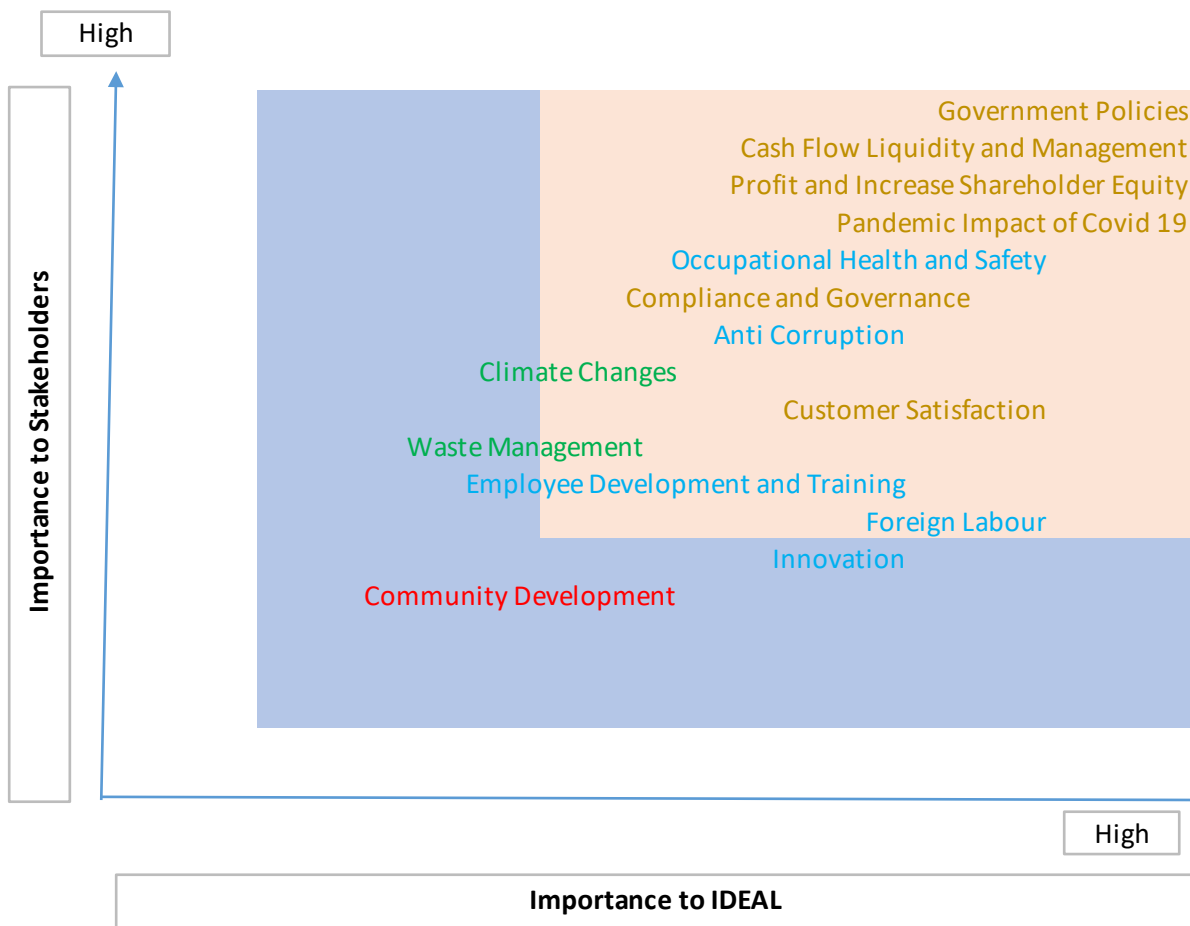
Ideal engages with its stakeholders through various means of communication modes. This is for them to understand its business operations and to create long term value with its stakeholders. The Group tables out the stakeholders' expectation as follows:-

Stakeholders	Area of Concern	Engagement Mode
1 Shareholders/ Investors	Financial performance Regulatory compliance Corporate governance Internal control and risk management Business strategies Future growth	Annual General Meeting Extraordinary General Meeting Financial accouncements and reporting Yearly audit Corporate website Media Releases
2 Customers	Product Quality Product Design Market Demand Customer Service Satisfaction	Constant engagement during sales promotion, campaign and advertisement Distribution of brochures Information sharing thru the Group's Website and social media platforms Customer appreciation events
3 Financiers/ Bankers	Funding method for buyers end financing Funding method for operations	Bankers appreciation events Completion project celebrations
4 Employees	Health and safety Career development and advancement Remuneration package and appreciation Learning and continuous growth	Safety at work meetings Performance appraisals Provision of benefits Training programmes Social events with employees Open door communication
5 Local Community /Industry Association	Community well being Community investment	Social events and visits Company website
6 Government Authorities/ Regulators/ Agencies	Regulatory compliance Approvals and permits Occupational safety and health standards	Regular meetings, discussions and consultations Periodic visits and inspections Submission of regulatory reports Renewal and updating of licenses and permits Training programmes and dialogue
7 Contractors/ Vendors/ Suppliers	Transparent contract awards practices Fair pricing/ payment schedules Completion on timely matters in accordance with HDA requirement	Tendering and Contract Negotiations Site inspections and verification Periodic evaluation and performance review Meetings and discussions

Sustainability Statement (cont'd)

SUSTAINABILITY MATERIALITY MATRIX

Ideal established its sustainability goals to provide an approach and communicate the approach for all functions to operate. The goals cover the marketplace, environment, community and workplace. The Group initiated its materiality assessment among its stakeholders, including customers, employees, consultants, contractors and suppliers to collect insights to drive its responsible growth.



Legend :

Marketplace

Environment

Community

Workplace

High Priority
Medium Priority

Sustainability Statement (cont'd)

PERFORMANCE DATA TABLE

INDICATOR	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	90.00
Non-Executive	Percentage	80.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	95.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	564,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	22
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	7.00
Management Above 50	Percentage	7.00
Executive Under 30	Percentage	7.00
Executive Between 30-50	Percentage	45.00
Executive Above 50	Percentage	3.00
Non-Executive Under 30	Percentage	7.00
Non-Executive Between 30-50	Percentage	18.00
Non-Executive Above 50	Percentage	6.00
Gender Group by Employee Category		
Management Male	Percentage	6.00
Management Female	Percentage	8.00
Executive Male	Percentage	17.00
Executive Female	Percentage	38.00
Non-Executive Male	Percentage	19.00
Non-Executive Female	Percentage	12.00

Sustainability Statement (cont'd)

INDICATOR (CONT'D)	Measurement Unit	2023
Bursa (Diversity) (Cont'd)		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	13,373.05
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	116
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	128
Executive	Hours	512
Non-Executive	Hours	288
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	6
Non-Executive	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	10.140000

Directors' Profile

TAN SRI DATUK OOI KEE LIANG	
Age	53
Gender	Male
Nationality	Malaysian
Qualification	Bachelor of Science in Computer Engineering (Ohio State University, US)
Executive/Non-Executive Director	Executive Director
Position Held	Chairman
<p>Working experience and occupation</p> <p>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.</p> <p>Through the management and operations of these property development businesses as well as in his property consultancy business, Tan Sri Datuk Ooi has accumulated over 28 years' experience within the property development industry. Tan Sri Datuk Ooi was appointed to the Board of the Company since 14th March 2017.</p>	
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 Group	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	53
Gender	Female
Nationality	Malaysian
Qualification	Bachelor of Science Majoring in Accounting (Franklin University, USA)
Executive/Non-Executive Director	Executive Director
Position Held	Director
<p>Working experience and occupation</p> <p>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.</p> <p>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 jewellery, 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. Datuk Phor possesses more than 26 years of hands-on experience in finance and administration. Datuk Phor was appointed to the Board of the Company since 14th March 2017.</p>	
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 Group	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

TAN WOUI CHUON	
Age	56
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
<p>Working experience and occupation</p> <p>Mr. Tan has 4 years working experience in an audit firm, 5 years working experience as Finance Manager in an electronics manufacturing company, 4 years working experience as Finance and MIS manager in a consumer product 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 14th March 2017.</p>	
Membership in Board Committee	Chairman of Audit Committee, Chairman of Nomination Committee and member of Remuneration Committee
Other directorships in public companies	ARK Resources Berhad
Family relationships with directors	None
Family relationships with major shareholders	None
Conflict of interest with the Group	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	75
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
<p>Working experience and occupation</p> <p>Encik Mohtar served in the 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 14th March 2017.</p>	
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 Group	None
List of convictions of offences within the past 10 years other than traffic offences	None

Directors' Profile (cont'd)

DATO HAJI ROSLY BIN ABAS	
Age	64
Gender	Male
Nationality	Malaysian
Qualification	Master Degree in Social Science & Bachelor Degree in Management from University Utara Malaysia
Executive/Non-Executive Director	Independent Non-Executive Director
Position Held	Director
<p>Working experience and occupation</p> <p>Dato Rosly is a retired police officer with over 40 years of experience in the intelligence police force field. He joined the Royal Malaysia Police in 1979 and held various positions in the Malaysian Special Branch throughout his career. Prior to his retirement, he holds the position of Deputy Director I of the Malaysian Special Branch. Dato Rosly was appointed to the Board of the Company since 26th April 2021.</p>	
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 Group	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	49
Gender	Male
Nationality	Malaysian
Qualification	Degree in Accountancy Chartered Accountant, MIA
Position Held	Chief Financial Officer
Appointment Date	14 March 2017

Working experience and occupation

Mr. Teoh is a member of the Malaysia Institute of Accountants. He began his career with a local bank in 1998 and continues with an international accounting firm in year 2000. Since then, he has held various senior financial positions in both private and public listed companies in properties, manufacturing and plantation.

Mr. Teoh does not hold any directorship in any public companies. He is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries. He does not have any conflict of interest with the Company and have not been convicted for any offences other than traffic offences, if any within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Corporate Governance Overview Statement

The Board of Directors of Ideal Capital Berhad ("Ideal" or "the Group" or "the Company") is committed and subscribes to ensuring that the sound principles of corporate governance set out in the new Malaysian Code on Corporate Governance 2021 ("the Code") are practised with the following 3 key principles, under the leadership of the Board during the financial year ended 31 December 2023.

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 Ideal 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.

Principle A – Board Leadership and Effectiveness

Principle B – Effective Audit and Risk Management

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Statement is to be read together with the Corporate Governance Report 2023 of the Company which discloses the details of the Company's application of each Practice and both are available at the corporate website at www.idealcapital.com.my

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

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 in the Directors' Profile contained in this Annual Report.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. DIRECTORS (CONT'D)

1.2 Board Balance (Cont'd)

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 but supports diversity in terms of age, gender, ethnicity and socio-economic background on the Board and in Senior Management team. Nonetheless, the appointment of a female director to the Board of Ideal 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.

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 that include strategies on economic, environment, social and governance consideration underpinning sustainability
- 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.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. DIRECTORS (CONT'D)

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 2023, five scheduled Board Meetings of Ideal were held and the attendance records of each Director at these Board Meetings are as follows:-

Board Members	Dates of Board of Directors' Meetings					% of Attendance
	28/02/2023	25/04/2023	31/05/2023	29/08/2023	27/11/2023	
Tan Sri Datuk Ooi Kee Liang	√	√	√	√	√	100
Puan Sri Datuk Phor Li Wei	√	√	√	√	√	100
Mr Tan Wooi Chuon	√	√	√	√	√	100
En Mohtar Bin Abdullah	√	√	√	√	√	100
Dato Haji Rosly Bin Abas	√	√	√	√	√	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.

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, advise 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)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. DIRECTORS (CONT'D)

1.6 Code of Conduct and Ethics, Anti-Bribery & Anti-Corruption and Whistle Blowing Policy

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 a platform in place for employees and Management to report any wrongdoing by employees or Management. The Group has in place an Anti-Bribery & Anti-Corruption and Whistle Blowing Policy which is aimed at protecting integrity, transparency and accountability in conducting business operations. The policies can be viewed at the corporate website at www.idealcapital.com.my. All employees are encouraged to report genuine concerns and issues that relates to fraudulent financial information, actual and suspected fraud, misappropriation of monies, misrepresentation, and 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.idealcapital.com.my. The Charter was last review on 29 February 2024.

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 in the Audit Committee Report contained in 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 (<i>Chairman</i>) | - Independent Non-Executive Director |
| b) Encik Mohtar Bin Abdullah | - Independent Non-Executive Director |
| c) Dato Haji Rosly Bin Abas | - Independent Non-Executive Director |

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. DIRECTORS (CONT'D)

1.8 Board Committees (Cont'd)

(ii) Nomination Committee (Cont'd)

A summary of activities carried out by the Nomination Committee during financial year 2023 are as follows:

- Reviewing the re-election of the Directors who were subject to retiring at the 6th AGM of the Company.
- Conducting annual assessment review on the effectiveness of the Board and Board Committees.
- Conducting annual assessment review on the Independent Directors.
- Reviewing the performance of the Key Principal Officers of the Company.

The terms of reference of the Nomination Committee are available on the Company website at www.idealcapital.com.my

During financial year 2023, the Nomination Committee of Ideal met once with full attendance from its members.

(iii) Remuneration Committee

The Remuneration Committee consisting of the following Directors:-

- | | |
|---|--------------------------------------|
| a) Dato Haji Rosly Bin Abas (<i>Chairman</i>) | - 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.idealcapital.com.my

The Remuneration Committee of Ideal met once during financial year 2023 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.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. DIRECTORS (CONT'D)

1.10 Re-election

The Company's Constitution 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 Constitution also provide that all Directors be subjected to retirement by rotation at least once every three years and shall be eligible for re-election.

As recommended by the Code and provided for in the Board Charter, the tenure of an Independent Non-Executive Director should not exceed a cumulative or consecutive term of nine years. Upon completion of the nine years, the Independent Non-Executive Director may continue to serve on the Board subject to the Director re-designation as a Non-Independent Executive Director. Nonetheless, the Board reserves the right to retain the Director as Independent Director by seeking annual shareholders' approval.

Presently, two out of the three Independent Directors, mainly Encik Mohtar Bin Abdullah and Mr Tan Wooi Chuon who have served as members of the Board within the Group for a tenure exceeded the cumulative term of nine (9) years. During the financial year 2023, the Nomination Committee assessed the independence of the Independent Directors with reference to the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. Independent Directors were abstained from deliberation on their own assessment. The Nomination Committee was satisfied in the independent status of Independent Directors. As stipulated in the Board Charter, annual shareholders' approval shall be seek through a two-tier voting process should the Board intends to retain an Independent Director who has served more than 9 years.

Upon recommendation from the Nomination Committee, the Board will seek shareholders' approval through a two-tier voting process to retain Encik Mohtar Bin Abdullah and Mr Tan Wooi Chuon as Independent Directors.

1.11 Directors' training

The Directors have completed the Mandatory Accreditation Programme conducted by Bursatratra 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.

During financial year 2023, the conferences, seminars and courses attended by the Directors encompassed various topics, which include the followings:-

- Taxation of Property Developers and Contractors
- Conflict of Interest and Governance of Conflict of Interest
- Fraud Risk Management
- Governance, Risk and Controls
- 2024 Budget & Tax Conference

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.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 2023 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 21 June 2024:-

- (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 emoluments	Other	Total (RM)
Tan Sri Datuk Ooi Kee Liang	Executive Director	-	1,776,000	213,120	247,770	2,236,890
Datuk Phor Li Wei	Executive Director	-	1,542,000	191,520	247,770	1,981,290
Tan Wooi Chuon	Non-Executive Director	36,000	-	-	5,000	41,000
Mohtar Bin Abdullah	Non-Executive Director	36,000	-	-	5,000	41,000
Dato Haji Rosly Bin Abas	Non-Executive Director	36,000	-	-	5,000	41,000
Total		108,000	3,318,000	404,640	510,540	4,341,180

- (ii) The number of Directors whose remuneration fell into each successive bands of RM500,000.00:

Band (RM)	Number of Directors		Total
	Executive	Non-Executive	
1 - 500,000	-	3	3
500,001 – 1,000,000	-	-	-
1,000,001 – 1,500,000	-	-	-
1,500,001 – 2,000,000	1	-	1
2,000,001 – 2,500,000	1	-	1

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. DIRECTORS' REMUNERATION (CONT'D)

2.4 Details of Top 5 Senior Management's Remuneration on Named Basis

Given the confidential and commercial sensitivities associated with remuneration matters and the competitive hiring environment, the Board views that there is no necessity for the Group to disclose the remuneration of the Group's senior management personnel.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

The Audit Committee assists the Board to fulfill its corporate governance and oversight responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions. An independent Audit Committee is a fundamental component of good corporate governance.

The Audit Committee composition and summary of activities are set out in the Audit Committee Report contained in this Annual Report.

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 in the Financial Statements contained in 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.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

2.1 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.

2.2 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 set out in the Audit Committee Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. COMMUNICATION WITH STAKEHOLDERS

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.idealcapital.com.my which is linked to Bursa's website at www.bursamalaysia.com.

2. CONDUCT OF GENERAL MEETINGS

It has 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)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER (CONT'D)

3. 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.

4. ADDITIONAL COMPLIANCE INFORMATION

During the financial year:-

- (a) The Group did not sponsor any Depository Receipt programme.
- (b) 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 2023, which have material impact on the operations of financial position of the Group.
- (c) There was no profit guarantee given by the Group for the financial year ended 31 December 2023.
- (d) 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.
- (e) 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.

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER (CONT'D)

4. ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

During the financial year:- (Cont'd)

- (f) 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 2023 was RM5,000.

Recurrent Related Party Transactions (“RRPTs”)

RRPTs during the financial year are disclosed in Note 34 to the financial statements.

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.

Audit Committee Report

1. COMPOSITION

The Audit Committee comprises the following members:-

Chairman	: Mr Tan Wooi Chuon *	(Independent Non-Executive Director)
Members	: En Mohtar Bin Abdullah	(Independent Non-Executive Director)
	Dato Haji Rosly Bin Abas	(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.idealcapital.com.my

3. MEETINGS AND ATTENDANCE

During the reporting financial year, the Audit Committee of Ideal Capital Berhad had five meetings and the attendance records of each member at these meetings are as follows:-

Audit Committee Members	Date of Audit Committee Meeting					% of Attendance
	28/02/2023	25/04/2023	31/05/2023	29/08/2023	27/11/2023	
Mr Tan Wooi Chuon	√	√	√	√	√	100
En Mohtar Bin Abdullah	√	√	√	√	√	100
Dato Haji Rosly Bin Abas	√	√	√	√	√	100

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 2023.

Audit Committee Report (cont'd)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE REPORTING FINANCIAL YEAR (CONT'D)

- Reviewed the Company's annual audited financial statement for the financial year ended 31 December 2023 before recommendation to the Board for approval. Further to that, the Audit Committee also scrutinized potential key audit matters raised by External Auditors and ensures 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:-

- 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 2023 was RM7,000.00.

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 Capital 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 identify 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 RM7,000.

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 2023 there is a reasonable assurance that the Group's systems of internal control for the area under review are 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 Group'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 26 April 2024.

List of Investment Properties

As at 31 December 2023

Type of Property and Location	Land Area (sq.ft.)	Existing use	Tenure/ Approximate age of building	Fair Value as at 31.12.2023 (RM)	Date of Acquisition	Date of Revaluation
1 Agriculture Land PT 397 Genting Sempah Bentong, Pahang	119,790	Vacant	Freehold	1,260,000	14.01.1983	06.12.2023
2 Agriculture Land Lot 1793 Mukim of Serendah Ulu Selangor	1,122,977	Vacant	Freehold	4,000,000	17.03.1989	10.11.2023
3 Agriculture Land Lot 2093 Mukim of Kota Lama Kanan Kuala Kangsar	347,609	Vacant	Freehold	320,000	09.12.1986	30.11.2023

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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 2023.

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 of the Company and its subsidiary companies during the financial year.

Financial Results

	Group RM	Company RM
Net profit for the financial year	66,837,055	3,544,146
Attributable to:		
Owners of the parent	61,783,755	3,544,146
Non-controlling interests	5,053,300	-
	66,837,055	3,544,146

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year.

Directors' Report (cont'd)

Dividends

Since the end of the last financial year, the Company paid an interim single tier dividend of RM0.01 per ordinary share amounting to RM5,000,007 for the financial year ended 31 December 2023 on 26 September 2023.

On 29 February 2024, the Company declared a second interim single tier dividend of RM0.02 per ordinary share in respect of the current financial year and the payment date on 31 May 2024. The financial statements for the current financial year do not reflect this declared dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

Issue of Shares and Debentures

During the financial year, the Company increased its share capital from RM482,171,016 to RM540,361,746 by conversion of 102,089,000 Redeemable Convertible Preference Shares ("RCPS") at the issue price of RM0.57 per share for total consideration of RM58,190,730.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

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

Redeemable Convertible Preference Shares ("RCPS")

The terms of conversion of RCPS are disclosed in Note 16 to the financial statements.

On 20 January 2023, the Company fully redeemed all the outstanding RCPS in cash at the redemption price of the aggregate of the issue price of RM0.57 and paid out a cumulative preference dividend on 20 January 2023.

Directors

The Directors in office during the financial year and during the period from the end of financial year until the date of this report are:

Tan Sri Datuk Ooi Kee Liang *
Puan Sri Datuk Phor Li Wei *
Tan Wooi Chuon
Mohtar Bin Abdullah
Dato Haji Rosly Bin Abas

Directors' Report (cont'd)

Directors (cont'd)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of financial year up to the date of this report:

Muhamad Adzrill Bin Abu Bakar
 Dato Goh Teng Whoo
 Ang Chuan Im

* Director of the Company and its 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 in Shares

The interests and deemed interests in the shares and options over 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:

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
Interests in the Company				
Direct Interests				
Tan Sri Datuk Ooi Kee Liang	48,441,112	-	-	48,441,112
Puan Sri Datuk Phor Li Wei	48,441,112	-	-	48,441,112
Indirect Interests				
Tan Sri Datuk Ooi Kee Liang *	277,994,000	-	-	277,944,000
Puan Sri Datuk Phor Li Wei *	277,994,000	-	-	277,944,000
Number of Redeemable Convertible Preference Shares				
	At 1.1.2023	Granted	Redeemed	At 31.12.2023
Interests in the Company				
Indirect Interests				
Tan Sri Datuk Ooi Kee Liang *	102,089,000	-	102,089,000	-
Puan Sri Datuk Phor Li Wei *	102,089,000	-	102,089,000	-

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

By virtue of their interests in the shares of the Company, Tan Sri Datuk Ooi Kee Liang and Puan Sri 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 in Malaysia.

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

Directors' Report (cont'd)

Directors' Benefits

Since the end of the previous financial year, 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 below) 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 as disclosed in Note 34 to the financial statements.

The details of the Directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
<u>Directors of the Company</u>		
Executive Directors:		
- Salaries, wages and other emoluments	3,808,000	10,000
- Social security contributions	5,541	-
- Defined contributions plans	404,640	-
	<u>4,218,181</u>	<u>10,000</u>
Non-executive Directors:		
- Directors' fees	108,000	108,000
- Other emoluments	15,000	15,000
	<u>123,000</u>	<u>123,000</u>
	<u>4,341,181</u>	<u>133,000</u>

Neither during nor at the end of the financial year, 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, other than the issue of redeemable convertible preference shares.

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 in Malaysia.

Directors' Report (cont'd)

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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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 Group and 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 the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (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 year 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 year.
- (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 year 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 year 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 year 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.

Directors' Report (cont'd)

Subsidiary Companies

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

Auditors

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

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audits	271,300	40,000
- Non-statutory services	5,000	5,000
	<u>276,300</u>	<u>45,000</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 April 2024.

 TAN SRI DATUK OOI KEE LIANG

PENANG

 PUAN SRI DATUK PHOR LI WEI

Statement By Directors 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 75 to 145 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 2023 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 26 April 2024.

TAN SRI DATUK OOI KEE LIANG

PUAN SRI DATUK PHOR LI WEI

PENANG

Statutory Declaration 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 Capital Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 75 to 145 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 George Town in the)
State of Penang on 26 April 2024)

TEOH EE KEN

Before me,

Commissioner for Oaths

Independent Auditors' Report To the Members of Ideal Capital Berhad

[Company No.: 201701001111 (1215261-H)] (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ideal Capital Berhad, which comprise the statements of financial position as at 31 December 2023 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 financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 145.

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 2023, 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 Requirements

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 Capital Berhad (cont'd)

[Company No.: 201701001111 (1215261-H)] (Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Carrying value of property development costs and revenue recognition</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Impairment assessment on goodwill</p> <p>Goodwill are subject to annual impairment test to assess the recoverability and to determine whether there is any indication of impairment.</p> <p>This assessment requires the management to exercise significant judgement involved in the estimation of future cash flows and associated discount rates and growth rates based on the management's view of future business prospects. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is considered as a key audit matter.</p>	<p>We checked the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion.</p> <p>We corroborated, on a sample basis, the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs.</p> <p>We agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors.</p> <p>We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation.</p> <p>We compared prior period projections to actual outcome to assess the reliability of management forecasting process.</p> <p>We reviewed the estimation uncertainty and performed a sensitivity analysis on the key assumptions to assess their reasonableness and the achievability of the forecasting.</p> <p>We testing the mathematical accuracy of the impairment assessment.</p> <p>We assessed the appropriateness of the discounted rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money.</p>

Independent Auditors' Report

To the Members of Ideal Capital Berhad (cont'd)

[Company No.: 201701001111 (1215261-H)] (Incorporated in Malaysia)

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.

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 auditors' 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.

Independent Auditors' Report

To the Members of Ideal Capital Berhad (cont'd)

[Company No.: 201701001111 (1215261-H)] (Incorporated in Malaysia)

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

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: (Cont'd)

- 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.
- 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 complied 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, actions taken to eliminate threats or safeguards applied.

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.

Independent Auditors' Report

To the Members of Ideal Capital Berhad (cont'd)

[Company No.: 201701001111 (1215261-H)] (Incorporated in Malaysia)

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

TIO SHIN YOUNG

Approved Number: 03355/02/2026 J

Chartered Accountant

PENANG

26 April 2024

Statements of Financial Position

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,522,615	855,296	-	-
Investment properties	5	157,796,843	157,771,942	-	-
Right-of-use assets	6	2,722,495	2,078,933	-	-
Investments in subsidiary companies	7	-	-	541,851,202	541,851,202
Goodwill	8	113,526,469	115,526,469	-	-
Inventories	9	85,389,064	176,881,669	-	-
		361,957,486	453,114,309	541,851,202	541,851,202
Current assets					
Inventories	9	1,006,101,255	370,412,338	-	-
Contract assets	10	85,150,124	137,212,338	-	-
Trade receivables	11	102,086,907	50,765,622	-	-
Other receivables	12	87,926,524	104,617,116	-	-
Amount due from subsidiary companies	13	-	-	143,913,364	270,078,414
Tax recoverable		8,529,299	9,501,337	-	-
Deposits, cash and bank balances	14	57,772,165	45,985,911	613,619	41,136
		1,347,566,274	718,494,662	144,526,983	270,119,550
Total assets		1,709,523,760	1,171,608,971	686,378,185	811,970,752
EQUITY					
Share capital	15	540,361,746	482,171,016	540,361,746	482,171,016
Redeemable convertible preference shares	16	-	45,564,354	-	45,564,354
Retained earnings	17	113,191,319	127,224,677	126,165,268	198,438,235
Equity attributable to owners of the parent		653,553,065	654,960,047	666,527,014	726,173,605
Non-controlling interests		47,919,154	42,865,854	-	-
Total equity		701,472,219	697,825,901	666,527,014	726,173,605

Statements of Financial Position (cont'd)

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	1,683,421	1,256,828	-	-
Bank borrowings	19	401,526,037	94,052,260	-	-
Deferred tax liabilities	20	3,500	-	-	-
		403,212,958	95,309,088	-	-
Current liabilities					
Contract liabilities	10	223,414,040	-	-	-
Amount due to subsidiary companies	13	-	-	18,052,287	83,891,741
Lease liabilities	18	695,970	558,106	-	-
Bank borrowings	19	6,231,260	6,231,260	-	-
Trade payables	21	300,633,259	314,750,568	-	-
Other payables	22	71,122,155	51,437,686	1,368,284	1,729,656
Tax payable		2,741,899	5,496,362	430,600	175,750
		604,838,583	378,473,982	19,851,171	85,797,147
Total liabilities		1,008,051,541	473,783,070	19,851,171	85,797,147
Total equity and liabilities		1,709,523,760	1,171,608,971	686,378,185	811,970,752

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

Statements Of Profit Or Loss And Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	23	511,911,697	419,301,058	-	-
Costs of sales	24	(367,272,242)	(316,868,998)	-	-
Gross profit		144,639,455	102,432,060	-	-
Administrative expenses		(68,980,824)	(54,564,164)	(637,162)	(419,712)
Profit/(Loss) before other expenses and income		75,658,631	47,867,896	(637,162)	(419,712)
Other income		13,109,330	7,236,704	10,729,192	9,218,489
Finance costs	25	(4,477,979)	(4,240,064)	(4,651,476)	(2,434,248)
Profit before tax	26	84,289,982	50,864,536	5,440,554	6,364,529
Taxation	27	(17,452,927)	(17,431,332)	(1,896,408)	(1,816,182)
Profit for the financial year		66,837,055	33,433,204	3,544,146	4,548,347
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		61,783,755	39,364,089	3,544,146	4,548,347
Non-controlling interests		5,053,300	(5,930,885)	-	-
		66,837,055	33,433,204	3,544,146	4,548,347
Earnings per share attributable to owners of the parent					
Basic (sen)	28	12.36	7.87		
Diluted (sen)	28	12.36	7.91		

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Attributable to owners of parent		Distributable		Non-controlling interests RM	Total equity RM
	Share capital RM	Redeemable convertible preference shares RM	Retained earnings RM	Total RM		
At 1 January 2023	482,171,016	45,564,354	127,224,677	654,960,047	42,865,854	697,825,901
Profit for the financial year, representing total other comprehensive income for the financial year	-	-	61,783,755	61,783,755	5,053,300	66,837,055
Transaction with owners:						
Conversion of redeemable convertible preference shares	58,190,730	(45,564,354)	(70,817,106)	(58,190,730)	-	(58,190,730)
Dividends to owners of the Company	-	-	(5,000,007)	(5,000,007)	-	(5,000,007)
Total transactions with owners	58,190,730	(45,564,354)	(75,817,113)	(63,190,737)	-	(63,190,737)
At 31 December 2023	540,361,746	-	113,191,319	653,553,065	47,919,154	701,472,219

Note

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Statements of Changes in Equity (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Attributable to owners of parent		Distributable		Total equity RM	
	Share capital RM	Redeemable convertible preference shares RM	Retained earnings RM	Non-controlling interests RM		
	Share capital RM	Redeemable convertible preference shares RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
At 1 January 2022	482,171,016	45,564,354	87,860,588	615,595,958	48,736,739	664,332,697
Profit/(Loss) for the financial year, representing total other comprehensive income/(loss) for the financial year	-	-	39,364,089	39,364,089	(5,930,885)	33,433,204
Transaction with owners: Acquisition of subsidiary companies	-	-	-	-	60,000	60,000
At 31 December 2022	482,171,016	45,564,354	127,224,677	654,960,047	42,865,854	697,825,901

Statements of Changes in Equity (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM	Redeemable convertible preference shares RM	Retained earnings RM	Total equity RM
Company					
At 1 January 2023		482,171,016	45,564,354	198,438,235	726,173,605
Profit for the financial year, representing total comprehensive income for the financial year		-	-	3,544,146	3,544,146
Transaction with owners:					
Conversion of redeemable convertible preference shares	15	58,190,730	(45,564,354)	(70,817,106)	(58,190,730)
Dividends to owners of the Company	30	-	-	(5,000,007)	(5,000,007)
Total transactions with owners		58,190,730	(45,564,354)	(75,817,113)	(63,190,737)
At 31 December 2023		540,361,746	-	126,165,268	666,527,014
At 1 January 2022		482,171,016	45,564,354	193,889,888	721,625,258
Profit for the financial year, representing total comprehensive income for the financial year		-	-	4,548,347	4,548,347
At 31 December 2022		482,171,016	45,564,354	198,438,235	726,173,605

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
Receipts from customers	548,477,842	409,182,792	-	-
Payments to suppliers and employees	(755,068,815)	(410,714,401)	(2,011,264)	(5,442,773)
Cash used in operations	(206,590,973)	(1,531,609)	(2,011,264)	(5,442,773)
Interest paid	(4,477,979)	(4,056,855)	(4,651,476)	(2,251,039)
Tax paid	(22,647,255)	(20,910,962)	(1,641,558)	(1,866,902)
Tax refunded	3,415,403	2,908,299	-	-
Net cash used in operating activities	(230,300,804)	(23,591,127)	(8,304,298)	(9,560,714)
Cash flows from investing activities				
Acquisition of:				
- property, plant and equipment	(2,117,576)	(225,758)	-	-
- right-of-use assets	6(a) (315,204)	(231,398)	-	-
- investment properties	5 (4,901)	(886,322)	-	-
Advances	-	-	1,012,730	(467,712)
Interest received	907,242	1,026,114	10,729,192	9,218,489
Net withdrawal/ (Placement) of fixed deposits pledged with licensed bank	6,587,300	(3,336,001)	-	-
Proceeds from disposal of property, plant and equipment	-	1,000	-	-
Repayment from/ (Advances to) subsidiary companies	-	-	126,165,050	(27,640,815)
Net cash from/ (used in) investing activities	5,056,861	(3,652,365)	137,906,972	(18,890,038)

Statements of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Conversion of RCPS	15	(58,190,730)	-	(58,190,730)	-
Dividend paid	31	(5,000,007)	-	(5,000,007)	-
Proceeds from bank borrowings	31	454,000,000	-	-	-
Net payment to bank borrowings	31	(146,526,223)	(6,231,260)	-	-
Payment of lease liabilities	31	(665,543)	(531,158)	-	-
(Repayment to)/ Advances from subsidiary companies	31	-	-	(65,839,454)	28,169,458
Net cash from/ (used in) financing activities		243,617,497	(6,762,418)	(129,030,191)	28,169,458
Net increase/ (decrease) in cash and cash equivalents					
		18,373,554	(34,005,910)	572,483	(281,294)
Cash and cash equivalents at beginning of the financial year					
		29,712,324	63,718,234	41,136	322,430
Cash and cash equivalents at end of the financial year					
	14	48,085,878	29,712,324	613,619	41,136

Statements of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash and cash equivalents at end of the financial year comprise:					
Cash and bank balances	14	18,176,315	13,097,627	220,741	41,136
Housing Development Accounts	14	24,747,445	4,899,846	-	-
Deposits with licensed conventional banks	14	14,848,405	27,988,438	392,878	-
Total deposits, cash and bank balances		57,772,165	45,985,911	613,619	41,136
Less: Deposits pledged with licensed banks	14	(9,686,287)	(16,273,587)	-	-
		48,085,878	29,712,324	613,619	41,136

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

Notes to The Financial Statements

31 DECEMBER 2023

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

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

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 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 ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

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

Adoption of new and amended standards

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company, except for:

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosure of Accounting Policies

The Group and the Company adopted Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Standards issued but not yet effective

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

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

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

The initial application of the above-mentioned amendment to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(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.

(c) Use of estimates and judgements

The preparation of the Group's and the Company'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:

Classification between investment properties and property, plant and equipment

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 lease), the Group would account for the portions separately. If the portions could 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.

Satisfaction of performance obligations in relation to contracts with customers

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. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Judgements (Cont'd)

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: (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) 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
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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.

Determining the lease term of contracts with renewal option - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for lease of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (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/depreciation of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets 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 and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets.

The carrying amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 6 respectively.

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 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 8.

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 9.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group and the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and services are based on invoiced values or retail price. Discounts are not considered as they are not only given in rare circumstances.

Revenue from property development contracts

Revenue is recognised when the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgement are used to estimate these total property development costs to complete the contracts. In making these estimates, management relies on past experience, the work of specialists and a continuous monitoring mechanism.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Notes 9 and 10.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

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 and the Company 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 2023, the Group has tax recoverable and tax payable of RM8,529,299 (2022: RM9,501,337) and RM2,741,899 (2022: RM5,496,362) respectively and the Company has tax payable of RM430,600 (2022: RM175,750).

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 36(c) regarding financial liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Material Accounting Policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, 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.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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 deconsolidated 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-by-acquisition 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.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

- (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 in 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.

- (iv) Goodwill on consolidation

Goodwill arises on business combinations is measured at cost less any 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 not be impaired.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated based on the estimated annual depreciation rates of the assets as follows:

Building	2%
Motor vehicles	20%
Fixtures and fittings, equipment and workshop tools	8% - 40%

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(c) Leases

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated annual depreciation rates of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Building	Over the remaining lease term
Motor vehicles	20%

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(d) 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 and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

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 valuation process, performed by the independent valuers for financial reporting purposes.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(e) Intangible assets

- (i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

- (ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

- (i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value can not be determined reliably, these inventories will be stated at the lower of cost or fair value costs to see. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(f) Inventories (Cont'd)

(ii) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expenses in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Cost of finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated based on the following:

Cost is determined on the following basis:

Type of Inventory	Basis
Heavy machine/equipment	Specific identification
Spare parts/disinfectant products	First-in-first-out basis

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.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(g) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

(h) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from property development is measured at the fixed transaction price under the sales and purchase agreement.

Revenue is recognised over the period of the contract using input method to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(h) Revenue recognition (Cont'd)

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

The Group recognises revenue from the following major sources: (Cont'd)

(a) Revenue from property development (Cont'd)

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously has recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

Revenue from sales of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

The Group provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(h) to the financial statements.

(b) Sale of goods

Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer. Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. A receivable is recognised by Group when the goods are delivered at this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due.

(c) Property management services

Revenue from property management services are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(h) Revenue recognition (Cont'd)

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

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

(i) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(j) Statement of cash flows

The Group and the Company adopts the direct method in the preparation of the statement of cash flows.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

4. Property, Plant and Equipment

	Buildings RM	Motor vehicles RM	Fixtures and fittings, equipment and workshop tools RM	Total RM
Group 2023				
Cost				
At 1 January 2023	326,639	833,527	3,342,778	4,502,944
Additions	-	180,700	1,936,876	2,117,576
At 31 December 2023	326,639	1,014,227	5,279,654	6,620,520
Accumulated depreciation				
At 1 January 2023	122,301	794,823	2,730,524	3,647,648
Charge for the financial year	6,533	54,877	388,847	450,257
At 31 December 2023	128,834	849,700	3,119,371	4,097,905
Carrying amount				
At 31 December 2023	197,805	164,527	2,160,283	2,522,615
Group 2022				
Cost				
At 1 January 2022	326,639	826,553	3,128,605	4,281,797
Additions	-	11,585	214,173	225,758
Disposal	-	(4,611)	-	(4,611)
At 31 December 2022	326,639	833,527	3,342,778	4,502,944
Accumulated depreciation				
At 1 January 2022	115,769	752,070	2,488,362	3,356,201
Charge for the financial year	6,532	47,363	242,162	296,057
Disposal	-	(4,610)	-	(4,610)
At 31 December 2022	122,301	794,823	2,730,524	3,647,648
Carrying amount				
At 31 December 2022	204,338	38,704	612,254	855,296

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

5. Investment Properties

	2023 RM	Group 2022 RM
At 1 January	157,771,942	156,805,620
Addition	4,901	886,322
Increase resulting from revaluation	20,000	80,000
	<hr/>	<hr/>
At 31 December	157,796,843	157,771,942
	<hr/>	<hr/>
Included in the above are:		
At fair value		
Freehold land and buildings	157,796,843	157,771,942
	<hr/>	<hr/>

(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. 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.

(b) Income and expenses recognised in profit or loss

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

	2023 RM	Group 2022 RM
Rental income	4,929,121	5,106,227
Direct operating expenses:		
- Income generating investment properties	997,989	993,836
- Non-income generating investment properties	684	684
	<hr/>	<hr/>
	5,927,794	6,100,747
	<hr/>	<hr/>

(c) Investment properties pledged as securities to financial institutions

As at 31 December 2023, the carrying amount of the investment properties of the Group amounted to RM152,216,843 (2022: RM152,211,942) pledged as securities for credit facilities as disclosed in Note 19 to the financial statements.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

6. Right-of-use Assets

Group	Motor vehicles RM	Building RM	Total RM
2023			
Cost			
At 1 January 2023	4,633,427	-	4,633,427
Additions	1,545,204	-	1,545,204
At 31 December 2023	<u>6,178,631</u>	<u>-</u>	<u>6,178,631</u>
Accumulated depreciation			
At 1 January 2023	2,554,494	-	2,554,494
Charge for the financial year	901,642	-	901,642
At 31 December 2023	<u>3,456,136</u>	<u>-</u>	<u>3,456,136</u>
Carrying amount	<u>2,722,495</u>	<u>-</u>	<u>2,722,495</u>
2022			
At 1 January 2022	3,068,229	72,681	3,140,910
Additions	1,565,198	-	1,565,198
Modification of lease term	-	(72,681)	(72,681)
At 31 December 2022	<u>4,633,427</u>	<u>-</u>	<u>4,633,427</u>
Accumulated depreciation			
At 1 January 2022	1,832,266	31,716	1,863,982
Charge for the financial year	722,228	9,250	731,478
Modification of lease term	-	(40,966)	(40,966)
At 31 December 2022	<u>2,554,494</u>	<u>-</u>	<u>2,554,494</u>
Carrying amount	<u>2,078,933</u>	<u>-</u>	<u>2,078,933</u>

Included in the above, motor vehicles with a carrying amount of RM2,722,495 (2022: RM2,078,933) of the Group are pledged as securities for the related lease liabilities as disclosed in Note 18 to the financial statements.

(a) Purchase of right-of-use assets

The aggregate cost of the right-of-use assets of the Group during the financial year under finance lease and cash payments are as follows:

	2023 RM	Group 2022 RM
Aggregate costs	1,545,204	1,565,198
Less: Lease financing (Note 18)	(1,230,000)	(1,333,800)
Cash payments	<u>315,204</u>	<u>231,398</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

7. Investments in Subsidiary Companies

	Company	
	2023 RM	2022 RM
In Malaysia:		
At cost		
Unquoted shares	541,851,202	541,851,202

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2023	2022	
Ideal United Bintang Berhad	Malaysia	100	100	Investment holding, trading of heavy machinery equipment
Ideal Infra International Sdn.Bhd.	Malaysia	100	100	Trading of heavy machinery
Platinum Manifest Sdn. Bhd. ("Platinum Manifest")	Malaysia	100	100	Property development
I-Global Property Network Sdn. Bhd. ("I-Global")	Malaysia	50.5	50.5	Property development, trading in building materials and investments
I-Platinum Sdn. Bhd. ("I-Platinum")	Malaysia	50	50	Property development
Ideal Greencity Sdn. Bhd. ("Ideal Greencity")	Malaysia	100	100	Property development
Ideal Homes Properties Sdn. Bhd.	Malaysia	100	100	Property development
Modular Platinum Sdn. Bhd. ("Modular Platinum")	Malaysia	100	100	Property development
Premium Flame Development Sdn. Bhd. ("Premium Flame Development")	Malaysia	100	100	Property development, providing energy management services
Ideal Capital Venture Sdn. Bhd.	Malaysia	100	100	Property development
Ideal Resources Management Sdn. Bhd.	Malaysia	100	100	Asset management and services
Ideal Bio Innotech Sdn. Bhd.	Malaysia	100	100	Investment holding
Solaris Prestasi Sdn. Bhd. ("Solaris Prestasi")	Malaysia	100	100	Property development

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2023	2022	
Held through Platinum Manifest Sdn. Bhd.				
I Homes Properties Sdn. Bhd. ("I Homes Properties")	Malaysia	100	100	Property investment, property management and investment holding
Ideal Industrial Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding and trading of industrial land
Held through Ideal Bio Innotech Sdn. Bhd.				
Viral Shield Life Science Sdn. Bhd.	Malaysia	100	100	Manufacturing and general trading of sterilisation and sanitisation products
Ideal Bio Science Sdn. Bhd.	Malaysia	100	100	Manufacturing and general trading of pharmaceutical products
Held through Ideal Industrial Holdings Sdn. Bhd.				
Lestari Duta Sdn. Bhd. ("Lestari Duta")	Malaysia	70	-	Industrial park developer and development
Mujur Sinarjaya Sdn. Bhd. ("Mujur Sinarjaya")	Malaysia	70	-	Industrial park developer and development

(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		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023	2022	2023	2022
	%	%	RM'000	RM'000	RM'000	RM'000
I-Platinum	50	50	(1,481)	(3,146)	4,310	5,791
I-Global	49.5	49.5	392	(2,536)	37,610	37,218
Lestari Duta	30	30	6,441	(160)	6,281	(160)
Mujur Sinarjaya	30	30	(298)	(88)	(386)	(88)
Individually immaterial subsidiaries with non-controlling interests					104	105
Total non-controlling interest					47,919	42,866

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

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 statements of financial position

	I-Platinum RM'000	I-Global RM'000	Lestari Duta RM'000	Mujur Sinarjaya RM'000	Total RM'000
2023					
Non-current assets	32	25,214	92	5	25,343
Current assets	18,650	53,246	360,802	254,135	686,833
Non-current liabilities	-	-	(132,005)	-	(132,005)
Current liabilities	(10,066)	(2,478)	(207,854)	(255,329)	(475,727)
Net asset/(liabilities)	8,616	75,982	21,035	(1,189)	104,444
2022					
Non-current assets	157	25,331	-	-	25,488
Current assets	66,053	54,664	27,541	18,014	166,272
Non-current liabilities	(40)	(49)	-	-	(89)
Current liabilities	(54,591)	(4,756)	(27,975)	(18,208)	(105,530)
Net asset/(liabilities)	11,579	75,190	(434)	(194)	86,141

(ii) Summarised statements of profit or loss and other comprehensive income

	I-Platinum RM'000	I-Global RM'000	Lestari Duta RM'000	Mujur Sinarjaya RM'000	Total RM'000
2023					
Revenue	1,018	1,906	63,301	1,375	67,600
(Loss)/ Profit for the financial year	(2,963)	792	21,469	(995)	18,303
Total comprehensive (loss)/ profit for the financial year	(2,963)	792	21,469	(995)	18,303
2022					
Revenue	10,206	12,419	-	-	22,625
Loss for the financial year	(6,292)	(5,123)	(534)	(294)	(12,243)
Total comprehensive loss for the financial year	(6,292)	(5,123)	(534)	(294)	(12,243)

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

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. (Cont'd)

(iii) Summarised statement of cash flows

	I-Platinum RM'000	I-Global RM'000	Lestari Duta RM'000	Mujur Sinarjaya RM'000	Total RM'000
2023					
Net cash (used in)/from operating activities	(1,506)	9,822	(140,928)	(284,282)	(416,894)
Net cash from/(used in) investing activities	44,223	(8,171)	249	17,333	53,634
Net cash (used in)/from financing activities	(45,207)	(1,928)	142,323	17,990	113,178
Net (decrease)/increase in cash and cash equivalent	(2,490)	(277)	1,644	(248,959)	(250,082)
2022					
Net cash from/(used in) operating activities	17,448	7,661	(26,692)	(18,055)	(19,638)
Net cash (used in)/from investing activities	(19,865)	(8,914)	1	2	(28,776)
Net cash from financing activities	1,655	1,840	27,588	18,227	49,310
Net (decrease)/increase in cash and cash equivalent	(762)	587	897	174	896

(b) Acquisition of subsidiary companies

In the previous financial year

- (i) On 26 January 2022, Ideal Industrial Holdings Sdn Bhd, a wholly-owned subsidiary of the Company subscribed 70,000 ordinary shares in total cash consideration of RM70,000 representing 70% of total issued and paid-up capital of in Lestari Duta Sdn. Bhd..
- (ii) On 26 January 2022, Ideal Industrial Holdings Sdn Bhd, a wholly-owned subsidiary of the Company subscribed 70,000 ordinary shares in total cash consideration of RM70,000 representing 70% of total issued and paid-up capital of in Mujur Sinarjaya Sdn. Bhd.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

8. Goodwill

	Group	
	2023	2022
	RM	RM
At 1 January	189,533,162	189,533,162
Less: Accumulated impairment losses	(76,006,693)	(74,006,693)
At 31 December	<u>113,526,469</u>	<u>115,526,469</u>

Movements in the allowance for impairment losses are as follows:

	Group	
	2023	2022
	RM	RM
At 1 January	74,006,693	74,006,693
Impairment losses recognised	2,000,000	-
At 31 December	<u>76,006,693</u>	<u>74,006,693</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

8. Goodwill (Cont'd)

The goodwill is in respect of the Group's acquisition of subsidiary companies and is stated at cost.

(a) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three to five years period. The key assumptions used for value in-use calculations are based on future projection of the Group in Malaysia as follows:

	Property development
Gross margin	24%
Growth rate	N/A
Pre-tax discount rate	8.00

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Gross margin - Budgeted value based on the average margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and market development.
- (ii) Growth rate - Not applicable for property development segment as the cash flow projections made is for a period of 3 to 5 years, in accordance with the expected life cycle of the CGU.
- (iii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

(b) Sensitivity to changes in assumptions

The management believes that a reasonably possible changes in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

9. Inventories

	Note	2023 RM	Group 2022 RM
Non-current			
Land held for development	(a)	85,389,064	176,881,669
Current			
Property development costs	(b)	983,175,970	345,342,990
Completed properties	(c)	21,211,825	23,355,446
Other inventories	(d)	1,713,460	1,713,902
		<u>1,006,101,255</u>	<u>370,412,338</u>
		<u>1,091,490,319</u>	<u>547,294,007</u>

(a) Land held for development

	Freehold land RM	Development expenditure RM	Total RM
Group 2023 Cost			
At 1 January	130,673,655	46,208,014	176,881,669
Cost incurred during the financial year	-	10,989,668	10,989,668
Transfer to property development cost (Note 9(b))	(74,393,771)	(28,088,502)	(102,482,273)
At 31 December	<u>56,279,884</u>	<u>29,109,180</u>	<u>85,389,064</u>
2022 Cost			
At 1 January	131,673,655	27,285,134	158,958,789
Cost incurred during the financial year	-	19,176,651	19,176,651
Recognised during the financial year	(1,000,000)	(253,771)	(1,253,771)
At 31 December	<u>130,673,655</u>	<u>46,208,014</u>	<u>176,881,669</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

9. Inventories (Cont'd)

(b) Property development costs

Group 2023	Land costs RM	Development expenditure RM	Total RM
Cumulative property development cost			
At 1 January	232,111,413	451,870,723	683,982,136
Cost incurred during the financial year	519,859,924	364,596,624	884,456,548
Transfer from land held for development units (Note 9(a))	74,393,771	28,088,502	102,482,273
At 31 December	<u>826,365,108</u>	<u>844,555,849</u>	<u>1,670,920,957</u>
Less: Cumulative costs recognised in profit or loss			
At 1 January	28,182,351	310,456,795	338,639,146
Recognised during the financial year (Note 24)	29,522,176	319,583,665	349,105,841
At 31 December	<u>57,704,527</u>	<u>630,040,460</u>	<u>687,744,987</u>
Carrying amount			
At 31 December	<u>768,660,581</u>	<u>214,515,389</u>	<u>983,175,970</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

9. Inventories (Cont'd)

(b) Property development costs

Group 2022	Land costs RM	Development expenditure RM	Total RM
Cumulative property development cost			
At 1 January	24,998,783	204,026,147	454,024,930
Cost incurred during the financial year	22,950,000	254,241,104	277,191,104
Transfer to completed units (Note 9(c))	(40,837,370)	(6,396,528)	(47,233,898)
At 31 December	<u>232,111,413</u>	<u>451,870,723</u>	<u>683,982,136</u>
Less: Cumulative costs recognised in profit or loss			
At 1 January	40,837,370	74,677,218	115,514,588
Recognised during the financial year (Note 24)	28,182,351	242,176,105	270,358,456
Transfer to completed units (Note 9(c))	(40,837,370)	(6,396,528)	(47,233,898)
At 31 December	<u>28,182,351</u>	<u>310,456,795</u>	<u>338,639,146</u>
Carrying amount			
At 31 December	<u>203,929,062</u>	<u>141,413,928</u>	<u>345,342,990</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

9. Inventories (Cont'd)

(c) Completed properties

	2023 RM	Group 2022 RM
At 1 January	23,355,446	57,911,718
Disposal during the financial year (Note 24)	(6,249,521)	(38,409,571)
Additional cost incurred for completed units	4,105,900	4,226,419
Reversal of additional cost incurred for completed units in prior year	-	(373,120)
At 31 December	<u>21,211,825</u>	<u>23,355,446</u>

(d) Other inventories

	2023 RM	Group 2022 RM
Heavy machinery/equipment	273,040	273,040
Spare parts	-	-
Disinfectant products	1,440,420	1,440,862
	<u>1,713,460</u>	<u>1,713,902</u>
Recognised in profit or loss:		
Inventories recognised as costs of sales	<u>442</u>	<u>66,169</u>

The carrying amount of inventories of the Company pledged as securities for bank borrowings as disclosed in Note 19 to the financial statements are RM494,893,125 (2022: RM19,534,069).

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

10. Contract Assets/(Liabilities)

Property development activities

	2023 RM	Group 2022 RM
At 1 January	137,212,338	(100,695)
Property development revenue recognised during the financial year	492,888,842	362,576,195
Less: Billing during the year	(768,365,096)	(225,263,162)
At 31 December	<u>(138,263,916)</u>	<u>137,212,338</u>
Presented as:		
Contract assets	85,150,124	137,212,338
Contract liabilities	(223,414,040)	-
	<u>(138,263,916)</u>	<u>137,212,338</u>

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, which revenue is recognised over time during the property development activities.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

11. Trade Receivables

	2023	Group	2022
	RM		RM
Trade receivables	105,040,373		53,599,088
Less: Accumulated impairment losses	(2,953,466)		(2,833,466)
	<u>102,086,907</u>		<u>50,765,622</u>

Trade receivables are non-interest bearing and are generally on 7 to 180 days (2022: 7 to 180 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of the trade receivables are as follows:

	2023	Group	2022
	RM		RM
At 1 January	2,833,466		2,431,000
Impairment losses recognised	120,000		402,466
	<u>2,953,466</u>		<u>2,833,466</u>

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

11. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2023			
Neither past due nor impaired	46,997,931	-	46,997,931
Past due but not impaired:			
Less than 30 days	18,302,324	-	18,302,324
31 - 60 days	4,590,547	-	4,590,547
61 - 90 days	26,723,578	-	26,723,578
More than 90 days	5,472,527	-	5,472,527
	55,088,976	-	55,088,976
	102,086,907	-	102,086,907
Individually impaired	2,953,466	(2,953,466)	-
	105,040,373	(2,953,466)	102,086,907
2022			
Neither past due nor impaired	4,218,300	-	4,218,300
Past due but not impaired:			
Less than 30 days	1,562,212	-	1,562,212
31 - 60 days	927,719	-	927,719
61 - 90 days	36,801,955	-	36,801,955
More than 90 days	7,255,436	-	7,255,436
	46,547,322	-	46,547,322
	50,765,622	-	50,765,622
Individually impaired	2,833,466	(2,833,466)	-
	53,599,088	(2,833,466)	50,765,622

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

As at 31 December 2023, trade receivables of RM55,088,976 (2022: RM46,547,322) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default, mainly purchasers who have obtained financing from reputable banks and financial institutions.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM2,953,466 (2022: RM2,833,466), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

12. Other Receivables

	Note	2023 RM	Group 2022 RM
Other receivables		25,452,810	44,139,456
Deposits	(a)	62,285,656	60,350,525
GST refundable		669	712
Prepayments		187,389	126,423
		<u>87,926,524</u>	<u>104,617,116</u>

(a) Included in the deposits of the Group has an amount RM20,000,000 (2022: RM43,970,252) paid in relation to the acquisition of land held for development. The related commitments have been disclosed in Note 32.

13. Amount Due From/(To) Subsidiary Companies

Amount due from/(to) subsidiary companies are non-trade related, unsecured advances, bear interest at rates ranging from 4.96% to 5.39% (2022: 3.44% to 4.80%) per annum and repayable on demand.

14. Deposits, Cash and Bank Balances

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	18,176,315	13,097,627	220,741	41,136
Housing Development Accounts	24,747,445	4,899,846	-	-
Deposits with licensed conventional banks	14,848,405	27,988,438	392,878	-
Total deposits, cash and bank balances	57,772,165	45,985,911	613,619	41,136
Less: Deposit pledged with licensed banks	(9,686,287)	(16,273,587)	-	-
Total cash and cash equivalents	<u>48,085,878</u>	<u>29,712,324</u>	<u>613,619</u>	<u>41,136</u>

Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

Fixed deposits with licensed banks of the Group amounting to RM9,686,287 (2022: RM16,273,587) are pledged as security for bank guarantee.

The effective interest rates and maturity periods of deposits with licensed conventional banks of the Group as at the end of the reporting period are ranged from 1.85% to 3.00% (2022: 1.85% to 2.85%) per annum and 1 to 12 months (2022: 1 to 12 months) respectively.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

15. Share Capital

	Group and Company			
	Number of shares		Amount	
	2023 RM	2022 RM	2023 RM	2022 RM
Issued and fully paid:				
<u>Ordinary shares</u>				
At 1 January	500,000,736	500,000,736	482,171,016	482,171,016
Conversion of redeemable convertible preference shares	-	-	58,190,730	-
At 31 December	500,000,736	500,000,736	540,361,746	482,171,016

During the financial year, the Company increased its share capital from RM482,171,016 to RM540,361,746 by conversion of 102,089,000 Redeemable Convertible Preference Shares ("RCPS") at the issue price of RM0.57 per share for total consideration of RM58,190,730.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

16. Redeemable Convertible Preference Shares

On 22 January 2018, the Company issued 136,350,000 new RCPS at an indicative issue price of RM0.57 each. The proceeds of RCPS was used for subscription shares in I-Global Property Network Sdn. Bhd.

RCPS issued by the Company are redeemable at any time at the discretion of the Company from and including the third anniversary of the issue date up to the day immediately preceding the maturity date and the accrued but unpaid periodic preference dividend payments shall be due and payable upon redemption of RCPS.

On 20 January 2023, the Company fully redeemed all the outstanding RCPS in cash at the redemption price of the aggregate of the issue price of RM0.57 and paid out a cumulative preference dividend on 20 January 2023.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

16. Redeemable Convertible Preference Shares (Cont'd)

The main features of RCPS are as follows:

- (i) The RCPS shall be convertible to new ordinary shares at a fixed conversion price of RM0.57, at the option of the holder, at any time commencing from date of listing up to and including the maturity date of 5 years from the issue date;
- (ii) The Company has an option to redeem the RCPS from third anniversary of the issue date of the RCPS up to the day immediately preceding the maturity date and any RCPS not redeemed or converted shall be automatically converted into new ordinary shares;
- (iii) The holders of the RCPS shall have the right to receive a cumulative reference dividend at the rate of 5% per annum. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulate;
- (iv) The RCPS shall rank pari passu among themselves, and will rank ahead in regards to payment of dividends in all classes of shares of the Company; and
- (v) The RCPS shall rank in priority to the ordinary shares in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

The RCPS recognised in the statements of financial position is summarised as follows:

	Liability component of RCPS RM	Group and Company Equity component of RCPS RM	Total RM
2023			
At the date of issuance of RCPS - nominal value	-	-	-
At 1 January 2023	-	45,564,354	45,564,354
Conversion	-	(45,564,354)	(45,564,354)
At 31 December 2023	-	-	-
2022			
At the date of issuance of RCPS - nominal value	16,053,434	61,666,076	77,719,510
At 1 January 2022	2,726,326	45,564,354	48,290,680
Interest expense	183,209	-	183,209
Dividend payable	(2,909,535)	-	(2,909,535)
At 31 December 2022	-	45,564,354	45,564,354

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

17. Retained Earnings

The entire retained earnings of the Company are available for distribution as single-tier dividends.

18. Lease Liabilities

	2023 RM	Group 2022 RM
At 1 January	1,814,934	1,044,749
Additions	1,230,000	1,333,800
Modification of lease terms	-	(32,457)
Payments	(665,543)	(531,158)
	<hr/>	<hr/>
At 31 December	2,379,391	1,814,934
	<hr/>	<hr/>
Presented as:		
Non-current	1,683,421	1,256,828
Current	695,970	558,106
	<hr/>	<hr/>
	2,379,391	1,814,934
	<hr/>	<hr/>

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

Within one year	786,948	602,374
Later than one year and not later than two years	677,488	511,717
Later than two year and not later than five years	1,116,109	848,522
	<hr/>	<hr/>
	2,580,545	1,962,613
Less: Future finance charges	(201,154)	(147,679)
	<hr/>	<hr/>
Present value of lease liabilities	2,379,391	1,814,934
	<hr/>	<hr/>

The Group leases various motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

19. Bank Borrowings

	2023 RM	Group 2022 RM
Secured		
Term loans	88,152,260	100,283,520
Revolving credits	319,605,037	-
	<u>407,757,297</u>	<u>100,283,520</u>
Analysed as:		
Non-current		
Term loans	81,921,000	94,052,260
Revolving credits	319,605,037	-
	<u>401,526,037</u>	<u>94,052,260</u>
Current		
Term loans	6,231,260	6,231,260
	<u>407,757,297</u>	<u>100,283,520</u>

(a) The bank borrowings are secured by the following

- (i) Fresh facility agreement as principal instrument;
- (ii) First party legal charge over the investment properties and land held for development and property development costs of the Group as disclosed in Notes 5 and 9 respectively to the financial statements;
- (iii) A fresh joint and several guarantee by a Director;
- (iv) Pledged of certain fixed deposits with licensed bank of the Group as disclosed in Note 14; and
- (v) Corporate guarantees provided by the Company.

(b) The average effective interest rates per annum are as follows:

	2023 %	Group 2022 %
Term loans	4.72 - 4.90	4.19 - 4.78
Revolving credits	2.50	-

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

20. Deferred Tax Liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	-	146,270	-	43,970
Recognised in profit or loss	(1,000)	-	-	-
Under/(Over) provision in prior years	4,500	(146,270)	-	(43,970)
At 31 December	3,500	-	-	-

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

Deferred tax liabilities Group	Property, plant and equipment RM	Redeemable convertible preference shares RM	Total RM
At 1 January 2023	-	-	-
Recognised in profit or loss	(1,000)	-	(1,000)
Under provision in prior years	4,500	-	4,500
At 31 December 2023	3,500	-	3,500
At 1 January 2022	102,300	43,970	146,270
Over provision in prior years	(102,300)	(43,970)	(146,270)
At 1 January 2022	-	-	-

Deferred tax liabilities Company	Redeemable convertible preference shares RM
At 1 January 2022	43,970
Recognised in profit or loss	(43,970)
At 31 December 2022	-

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

20. Deferred Tax Liabilities (Cont'd)

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

	2023	Group
	RM	2022
		RM
Unabsorbed capital allowances	1,218,437	1,123,193
Unutilised tax losses	25,888,649	25,828,957
Other deductible temporary differences	(141,756)	(72,404)
	<u>26,965,330</u>	<u>26,879,746</u>

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.

21. Trade Payables

	2023	Group
	RM	2022
		RM
Trade payables	300,633,259	314,750,568
	<u>300,633,259</u>	<u>314,750,568</u>

Credit terms of trade payables of the Group ranged from 30 to 90 days (2022: 30 to 90 days) depending on the terms of the contracts.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

22. Other Payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	35,836,075	12,410,070	1,319,884	1,686,356
Accruals	25,062,936	26,634,464	48,400	43,300
Deposits repayables	10,207,099	12,361,247	-	-
SST payables	16,045	31,905	-	-
	<u>71,122,155</u>	<u>51,437,686</u>	<u>1,368,284</u>	<u>1,729,656</u>

23. Revenue

	Group	
	2023 RM	2022 RM
Property development	500,396,107	408,691,492
Project investment and project management	11,512,420	10,515,660
Trading	3,170	93,906
	<u>511,911,697</u>	<u>419,301,058</u>

Timing of revenue recognition:

At a point in time	6,706,437	46,209,203
Over time	505,205,260	373,091,855
	<u>511,911,697</u>	<u>419,301,058</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

23. Revenue (Cont'd)

Breakdown of the Group's revenue:

	Trading RM	Property development RM	Property investment and project management RM	Total RM
Group				
2023				
Property development	-	500,396,107	-	500,396,107
Property management services	-	-	11,512,420	11,512,420
Trading	3,170	-	-	3,170
	3,170	500,396,107	11,512,420	511,911,697
2022				
Property development	-	408,691,492	-	408,691,492
Property management services	-	-	10,515,660	10,515,660
Trading	93,906	-	-	93,906
	93,906	408,691,492	10,515,660	419,301,058

24. Cost of Sales

	Group	
	2023 RM	2022 RM
Cost of goods sold	11,916,880	8,100,971
Property development expenditure recognised (Note 9(b))	349,105,841	270,358,456
Cost of sales of property development units (Note 9(c))	6,249,521	38,409,571
	367,272,242	316,868,998

25. Finance Costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses of financial liabilities not fair value through profit or loss:				
- Lease liabilities	97,163	67,086	-	-
- Redeemable convertible preference shares classified as liabilities	-	183,209	-	183,209
- Term loans	4,380,816	3,989,769	-	-
- Others	-	-	4,651,476	2,251,039
	4,477,979	4,240,064	4,651,476	2,434,248

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

26. Profit Before Tax

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- Statutory audits				
- current year	271,300	236,200	40,000	35,000
- under/(over) provision in prior year	265	(8,000)	-	750
- Non-audit services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	450,257	296,057	-	-
Depreciation of right-of-use assets	901,642	731,478	-	-
Gain on disposal of property, plant and equipment	-	(999)	-	-
Gain on modification of lease term	-	(742)	-	-
Gain on revaluation surplus	20,000	80,000	-	-
Independent non-executive directors				
- director fees	108,000	108,000	108,000	108,000
- other emoluments	-	16,695	-	16,695
Impairment losses on trade receivables	120,000	402,466	-	-
Impairment losses on goodwill	2,000,000	-	-	-
Interest income	(907,242)	(1,026,114)	(10,729,192)	(9,218,489)
Lease expenses relating to low-value asset	5,000	13,540	-	-
Lease expenses relating to short-term leases	1,013,400	1,073,300	-	-
Pre-operating expenses	-	3,718	-	-

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

27. Taxation

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expenses recognised in profit or loss				
Current tax				
- Current financial year	17,166,800	16,814,925	1,398,800	1,116,680
- Under provision in prior years	282,627	762,677	497,608	743,472
	<u>17,449,427</u>	<u>17,577,602</u>	<u>1,896,408</u>	<u>1,860,152</u>
Deferred tax				
- Origination and reversal of temporary differences	(1,000)	-	-	-
- Under/(Over) provision in prior years	4,500	(102,300)	-	-
- Redeemable convertible preference shares	-	(43,970)	-	(43,970)
	<u>17,452,927</u>	<u>17,431,332</u>	<u>1,896,408</u>	<u>1,816,182</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

27. Taxation (Cont'd)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	84,289,982	50,864,536	5,440,554	6,354,529
At Malaysian statutory tax rate of 24% (2022: 24%)	20,229,596	12,207,489	1,305,733	1,527,487
Income not subject to tax	(6,411,313)	(2,032,113)	(1,305,733)	(1,527,487)
Expenses not deductible for tax purposes	3,261,933	3,854,495	1,398,800	1,116,680
Deferred tax assets not recognised	1,061,550	2,787,874	-	-
Utilisation of deferred tax assets previously not recognised	(975,966)	(2,820)	-	-
Redeemable convertible preference shares	-	(43,970)	-	(43,970)
	17,165,800	16,770,955	1,398,800	1,072,710
Under provision of income tax expenses in prior years	282,627	762,677	497,608	743,472
Under/(Over) provision of deferred tax in prior years	4,500	(102,300)	-	-
	17,452,927	17,431,332	1,896,408	1,816,182

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

The Group has unabsorbed capital allowances and unutilised tax losses carried forward, available to off-set against future taxable profits as follows:

	Group	
	2023 RM	2022 RM
Unabsorbed capital allowances	5,076,821	4,679,972
Unutilised tax losses, expiring on:		
- year assessment 2028	63,514,912	63,514,912
- year assessment 2029	7,649	7,649
- year assessment 2030	15,811,126	15,811,126
- year assessment 2031	16,508,073	16,508,073
- year assessment 2032	7,716,801	11,778,894
- year assessment 2033	4,310,808	-
	112,946,190	112,300,626

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

28. Earnings Per Share

(a) Basic earnings per share

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:

	2023	Group	2022
	RM		RM
Profit attributable to owners of the parent	61,783,755		39,364,089
Weighted average number of ordinary shares in issue	500,000,736		500,000,736
Basic earnings per ordinary shares (in sen)	12.36		7.87

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted 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 have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	2023	Group	2022
	RM		RM
Profit attributable to owners of the parent for basic earnings	61,783,755		39,364,089
Interest expenses on 5% RCPS (net of tax)	-		183,209
Profit attributable to owners of parents (diluted)	61,783,755		39,547,298
Weighted average number of ordinary shares at 31 December (diluted)	500,000,736		500,000,736
Diluted earnings per ordinary shares (in sen)	12.36		7.91

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

29. Staff Costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	12,722,755	12,004,831	25,000	26,695
Director fees	108,000	108,000	108,000	108,000
Social security contributions	158,695	204,072	-	-
Defined contribution plans	1,453,295	1,467,699	-	-
	14,442,745	13,784,602	133,000	134,695

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		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
<u>Executive Directors</u>				
Salaries, wages and other emoluments	3,808,000	3,808,000	10,000	10,000
Social security contributions	5,541	5,541	-	-
Defined contribution plans	404,640	404,640	-	-
	4,218,181	4,218,181	10,000	10,000
Directors of the subsidiary company				
<u>Executive Directors</u>				
Other emoluments	240,000	-	-	-

30. Dividends

	Group and Company	
	2023 RM	2022 RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
- An interim single tier dividend of RM0.01 per ordinary share in respect of financial year ended 31 December 2023	5,000,007	-

On 29 February 2024, the Company declared a second interim single tier dividend of RM0.02 per ordinary share in respect of the current financial year and the payment date on 31 May 2024. The financial statements for the current financial year do not reflect this declared dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

31. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January 2023 RM	Financing cash flows (i) RM	New lease (Note 18) RM	Non-cash changes Others changes (ii) RM	At 31 December 2023 RM
Group					
Dividend payable	-	(5,000,007)	-	5,000,007	-
Lease liabilities (Note 18)	1,814,934	(665,543)	1,230,000	-	2,379,391
Bank borrowings (Note 19)	100,283,520	307,473,777	-	-	407,757,297
	102,098,454	301,808,227	1,230,000	5,000,007	410,136,688
	At 1 January 2022 RM	Financing cash flows (i) RM	New lease (Note 18) RM	Non-cash changes Modification of lease term (Note 18) RM	At 31 December 2022 RM
Group					
Lease liabilities (Note 18)	1,044,749	(531,158)	1,333,800	(32,457)	1,814,934
Bank borrowings (Note 19)	106,514,780	(6,231,260)	-	-	100,283,520
	107,559,529	(6,762,418)	1,333,800	(32,457)	102,098,454

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

31. Reconciliation of Liabilities Arising From Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

Company	At 1	Financing cash flows (i)	Non-cash changes	At 31
	January 2023		Others changes (ii)	December 2023
	RM	RM	RM	RM
Dividend payable	-	(5,000,007)	5,000,007	-
Amount due to subsidiary companies	83,891,741	(65,839,454)	-	18,052,287
	83,891,741	(70,839,461)	5,000,007	18,052,287

Company	At 1	Financing cash flows (i)	At 31
	January 2022		December 2022
	RM	RM	RM
Amount due to subsidiary companies	55,722,283	28,169,458	83,891,741

(i) The cash flows from lease liabilities, bank borrowings and amount due to subsidiary companies make up the net amount of proceeds from or repayment or payment in the statements of cash flows.

(ii) Other changes included dividends payable to the owners of the Company.

32. Commitments

	Group	
	2023 RM	2022 RM
Capital expenditure		
Authorised and contracted for:		
- Land held for development	-	436,591,104
Authorised but not contracted for:		
- Land held for development	379,998,412	-

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

33. Contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2023	2022
	RM	RM
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies	319,605,037	-

34. 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.

(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 elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Company	
	2023	2022
	RM	RM
Transaction with subsidiary companies		
- Interest income	10,726,726	9,091,721
- Interest expenses	(4,651,476)	(2,251,039)

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Executive Directors' Remuneration as disclosed in Note 29.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

35. Segment Information

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

Trading	Trading of heavy machinery, spare parts and disinfectant products
Property development	Property development activities
Project investment and project management	Rental income and property management services

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 2023

35. Segment Information (Cont'd)

	Trading RM	Property development RM	Project investment and project management RM	Adjustments and eliminations RM	Consolidated RM
2023					
Revenue					
External customers	3,170	500,396,107	11,512,420	-	511,911,697
Inter-segment	-	240,000	2,041,285	(2,281,285)	-
Total revenue	3,170	500,636,107	13,553,705	(2,281,285)	511,911,697
Results					
Segment result	13,265,657	97,991,984	8,661,902	(28,654,385)	91,265,158
Depreciation of property, plant and equipment	(8,952)	(245,544)	(195,761)	-	(450,257)
Depreciation of right-of-use assets	-	(901,642)	-	-	(901,642)
Finance costs	(4,651,476)	(18,660,233)	(7,820,655)	26,654,385	(4,477,979)
Interest income	13,955	822,258	18,489	-	854,702
Impairment losses on goodwill	(2,000,000)	-	-	-	(2,000,000)
Segment profit/(loss) before tax	6,619,184	79,006,823	663,975	(2,000,000)	84,289,982
Taxation	(2,233,821)	(15,194,168)	(24,938)	-	(17,452,927)
Segment profit after tax	4,385,363	63,812,655	639,037	(2,000,000)	66,837,055
Segment assets	754,676,689	1,914,465,145	172,183,357	(1,131,801,431)	1,709,523,760
Segment liabilities	22,125,680	1,519,573,819	168,538,738	(702,186,696)	1,008,051,541

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

35. Segment Information (Cont'd)

2022	Trading RM	Property development RM	Project investment and project management RM	Adjustments and eliminations RM	Consolidated RM
Revenue					
External customers	93,906	408,691,492	10,515,660	-	419,301,058
Inter-segment	-	240,000	2,290,810	(2,530,810)	-
Total revenue	93,906	408,931,492	12,806,470	(2,530,810)	419,301,058
Results					
Segment result	9,361,566	57,871,276	5,193,108	(17,320,928)	55,105,022
Depreciation of property, plant and equipment	(9,295)	(164,567)	(122,195)	-	(296,057)
Depreciation of right-of-use assets	-	(731,478)	-	-	(731,478)
Finance costs	(2,434,248)	(12,639,762)	(6,486,982)	17,320,928	(4,240,064)
Interest income	140,636	807,295	78,183	-	1,026,114
Gain on disposal of property, plant and equipment	-	999	-	-	999
Segment profit/(loss) before tax	7,058,659	45,143,763	(1,337,886)	-	50,864,536
Taxation	(1,991,463)	(15,651,814)	211,945	-	(17,431,332)
Segment profit/(loss) after tax	5,067,196	29,491,949	(1,125,941)	-	33,433,204
Segment assets	879,293,866	1,084,081,544	169,720,583	(961,487,022)	1,171,608,971
Segment liabilities	87,937,483	753,002,873	166,715,001	(533,872,287)	473,783,070

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

35. 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.

36. 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:

	At amortised cost RM
Group	
2023	
Financial assets	
Trade receivables	102,086,907
Other receivables (excluding prepayments and GST refundable)	87,738,466
Deposits, cash and bank balances	57,772,165
	<hr/> 247,597,538 <hr/>
Financial liabilities	
Lease liabilities	2,379,391
Term loans	407,757,297
Trade payables	300,633,259
Other payables (excluding SST payables)	71,106,110
	<hr/> 781,876,057 <hr/>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

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: (Cont'd)

	At amortised cost RM
Group	
2022	
Financial assets	
Trade receivables	50,765,622
Other receivables (excluding prepayments and GST refundable)	104,489,981
Deposits, cash and bank balances	45,985,911
	<u>201,241,514</u>
Financial liabilities	
Lease liabilities	1,814,934
Term loans	100,283,520
Trade payables	314,750,568
Other payables (excluding SST payables)	51,405,781
	<u>468,254,803</u>
Company	
2023	
Financial assets	
Amount due from subsidiary companies	143,913,364
Deposits, cash and bank balances	613,619
	<u>144,526,983</u>
Financial liabilities	
Amount due from subsidiary companies	18,052,287
Other payables	1,368,284
	<u>19,420,571</u>

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

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: (Cont'd)

	At amortised cost RM
Company (Cont'd)	
2022	
Financial assets	
Amount due from subsidiary companies	270,078,414
Deposits, cash and bank balances	41,136
	<u>270,119,550</u>
Financial liabilities	
Amount due from subsidiary companies	83,891,741
Other payables	1,729,656
	<u>85,621,397</u>

(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 2023

36. 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. There are no significant changes as compare to prior years.

Credit risk in the property development activity is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements.

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 Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

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 except for financial guarantees provided to banks for credit facilities granted to a subsidiary company as disclosed in Note 33. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

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 and contract assets at the end of financial year are as follows:

	2023	2022
	RM	RM
Group		
Trading	3,817,830	5,789,725
Property development	180,001,873	180,542,310
Project investment and project management	3,417,328	1,645,925
	<u>187,237,031</u>	<u>187,977,960</u>

The Company has no significant concentration of credit risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(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.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2023						
<u>Non-derivative financial liabilities</u>						
Lease liabilities	786,948	677,488	1,116,109	-	2,580,545	2,379,391
Bank borrowings	17,187,988	18,052,231	57,976,158	323,945,151	417,161,528	407,757,297
Trade payables	300,633,259	-	-	-	300,633,259	300,633,259
Other payables	71,122,155	-	-	-	71,122,155	71,122,155
	389,730,350	18,729,719	59,092,267	323,945,151	791,497,487	781,892,102
2022						
<u>Non-derivative financial liabilities</u>						
Lease liabilities	602,374	511,717	848,522	-	1,962,613	1,814,934
Term loans	15,654,712	17,187,986	56,985,538	23,382,963	113,211,199	100,283,520
Trade payables	314,750,568	-	-	-	314,750,568	314,750,568
Other payables	51,437,686	-	-	-	51,437,686	51,437,686
	382,445,340	17,699,703	57,834,060	23,382,963	481,362,066	468,286,708

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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. (Cont'd)

Company	On demand or within				Total contractual cash flows	Total carrying amount
	1 year	1 to 2 years	2 to 5 years	RM		
2023						
<u>Non-derivative financial liabilities</u>						
Amount due to subsidiary companies	18,052,287	-	-	18,052,287	18,052,287	
Other payables	1,368,284	-	-	1,368,284	1,368,284	
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies	319,605,037	-	-	319,605,037	-	
	339,025,608	-	-	339,025,608	19,420,571	
2022						
<u>Non-derivative financial liabilities</u>						
Amount due to subsidiary companies	83,891,741	-	-	83,891,741	83,891,741	
Other payables	1,729,656	-	-	1,729,656	1,729,656	
	85,621,397	-	-	85,621,397	85,621,397	

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

(iii) Market risk

Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate deposits placed with licensed banks and borrowings are exposed to a risk of change in cash flows 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 short-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 and of the Company's significant interestbearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2023	Group	2022
	RM		RM
Fixed rate instruments			
<u>Financial assets</u>			
Deposits with licensed conventional banks (Note 14)	14,848,405		27,988,438
<u>Financial liabilities</u>			
Lease liabilities (Note 18)	(2,379,391)		(1,814,934)
	<u>12,469,014</u>		<u>26,173,504</u>
Floating rate instrument			
<u>Financial liabilities</u>			
Bank borrowings (Note 19)	(407,757,297)		(100,283,520)

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

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

(iii) Market risk (Cont'd)

Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interestbearing financial instruments, based on carrying amounts as at the end of the reporting period was: (Cont'd)

	Company	
	2023	2022
	RM	RM
Floating rate instrument		
<u>Financial assets</u>		
Amount due from subsidiary companies (Note 13)	143,913,364	270,078,414
<u>Financial liabilities</u>		
Amount due to subsidiary companies (Note 13)	(18,052,287)	(83,891,741)
	125,861,077	186,186,673

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does 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.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's and the Company's profit/(loss) before tax by RM4,077,573 (2022: RM1,002,835) and RM1,258,611 (2022: RM1,861,867) respectively, arising mainly as a result of lower/higher interest income/(expense) on floating rate loans and advances. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

36. Financial Instruments (Cont'd)

(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.

The carrying amounts of the long term borrowings at the reporting date reasonably approximate their fair values.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of RCPS, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

Notes to The Financial Statements (cont'd)

31 DECEMBER 2023

37. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Lease liabilities (Note 18)	2,379,391	1,814,934	-	-
Term loans (Note 19)	407,757,297	100,283,520	-	-
Less: Deposits, cash and bank balances (Note 14)	(57,772,165)	(45,985,911)	(613,619)	(41,136)
Net debts	352,364,523	56,112,543	(613,619)	(41,136)
Total equity	701,472,219	697,825,901	666,527,014	726,173,605
Gearing ratio (times)	0.50	0.08	N/A	N/A

N/A - The gearing ratio is not applicable as the Company has sufficient deposits, cash and bank balances to settle the liabilities as at financial year end. The gearing ratio may not provide a meaningful indicator of the risk of borrowings.

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.

38. 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 26 April 2024.

Analysis of Shareholdings

AS AT 17 APRIL 2024

SHARE CAPITAL

Issued Shares	:	500,000,736
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	19	2.467	215	0.000
100 - 1,000	389	50.519	339,400	0.067
1,001 - 10,000	277	35.974	1,019,300	0.203
10,001 - 100,000	61	7.922	1,688,497	0.337
100,001 - 25,000,035 (*)	21	2.727	122,077,100	24.415
25,000,036 and above (**)	3	0.389	374,876,224	74.975
Total	770	100.000	500,000,736	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.	277,994,000	55.598
2	Ooi Kee Liang	48,441,112	9.688
3	Phor Li Wei	48,441,112	9.688
4	Sensasi Armada Sdn. Bhd.	22,819,400	4.563
5	Caturan Elemen Sdn. Bhd.	16,711,900	3.342
6	Sure Strategy Sdn. Bhd.	15,145,500	3.029
7	Jok Siew Chian	14,033,300	2.806
8	Ooh Kier Heng	10,650,100	2.130
9	Ng Sin Joe	10,392,800	2.078
10	Chee Ping Ping	8,691,500	1.738
11	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Bear & Co. Ltd. (Singapore BCH)	4,100,000	0.819
12	Koh Guat Imm	3,258,700	0.651
13	Khoo Boon Chye	3,137,000	0.627
14	Teo Chooi Lean	3,057,000	0.611
15	Khoo Phay Mun	2,486,100	0.497
16	Leong Ka Hon	2,227,900	0.445
17	Low Lay Sia	1,801,600	0.360
18	Lim Chee Tong	1,236,300	0.247
19	Goh Teng Whoo	1,119,200	0.223
20	Loo Howe Yin	484,900	0.096
21	Phang Li Koon	200,000	0.039
22	Premium Capital Partners Sdn. Bhd.	190,000	0.037

Analysis of Shareholdings

AS AT 17 APRIL 2024 (cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating securities from different securities accounts belonging to the same registered holder) (cont'd)

	Name	Shareholdings	%
23	Sin Len Moi	176,300	0.035
24	Loo Howe Yin	157,600	0.031
25	Tan Kim Heng	84,997	0.016
26	Tan Chim Bee	79,000	0.015
27	Ooi Tse Piao	76,100	0.015
28	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Ai Huang (E-PRA)	75,000	0.014
29	Hiap Seng Whatt Trading Sendirian Berhad	70,000	0.013
30	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Yit Teng Yuet (E-TSA)	70,000	0.013
Total		497,408,421	99.481

SUBSTANTIAL SHAREHOLDERS

	Name	Shareholdings		%	
		Direct	Indirect	Direct	Indirect
1.	ICT Innotech Sdn. Bhd.	277,994,000	-	55.598	-
2.	Tan Sri Datuk Ooi Kee Liang	48,441,112	277,994,000*	9.688	55.598
3.	Puan Sri Datuk Phor Li Wei	48,441,112	277,994,000*	9.688	55.598

DIRECTORS' SHAREHOLDINGS (ORDINARY SHARES)

	Name	Direct		Indirect	
		No. of shares held	%	No. of shares held	%
1.	Tan Sri Datuk Ooi Kee Liang	48,441,112	9.688	277,994,000*	55.598
2.	Puan Sri Datuk Phor Li Wei	48,441,112	9.688	277,994,000*	55.598
3.	Tan Wooi Chuon	-	-	-	-
4.	Mohtar Bin Abdullah	-	-	-	-
5.	Dato Haji Rosly Bin Abas	-	-	-	-

Note:

* Deemed interested through ICT Innotech Sdn. Bhd.

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Proxy Form

CDS Account No
No. of shares held

I/We* _____ Tel: _____
 [Full name in block, NRIC/Passport/Company No.]

of _____
 being member(s) of **Ideal Capital 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 Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company to be held at Room 1, Level 1, AC Hotel by Marriott Penang, 213 Jalan Bukit Gambir, 11950 Bukit Jambul, Penang on Friday, 21 June 2024 at 1.30 p.m. or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
Re-election of Puan Sri Datuk Phor Li Wei	Ordinary Resolution 1		
Re-election of Tan Wooi Choon	Ordinary Resolution 2		
Approval of Directors' fees	Ordinary Resolution 3		
Approval of Directors' Benefits	Ordinary Resolution 4		
Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
Authority to Issue Shares	Ordinary Resolution 6		
Proposed Share Buy-Back Authority	Ordinary Resolution 7		
Continuing in Office as an Independent Non-Executive Director - En Mohtar Bin Abdullah	Ordinary Resolution 8		
Continuing in Office as an Independent Non-Executive Director - Mr Tan Wooi Choon	Ordinary Resolution 9		

Please indicate with an "X" in the space 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 _____

Signature* **Member**

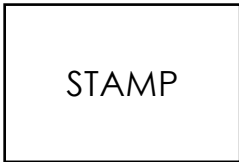
*** Manner of execution:**

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/ its behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - In hard copy form**
 In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - By electronic means**
 The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tih.online>. Please follow the procedures set out in the Administrative Guide.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notariably and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- Last date and time for lodging this proxy form is Wednesday, 19 June 2024 at 1.30 p.m.
- Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
- Those proxy forms which are indicated with "N" in the spaces provided to show how the votes are to be cast will also be accepted.

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Ideal Capital Berhad
(201701001111)(1215261-H)
Tricor Investor & Issuing House Services Sdn. Bhd.
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Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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IDEAL

CREATING LEGACY

超越时尚 ■ 缔造典范

IDEAL CAPITAL BERHAD

[201701001111 (1215261-H)]



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