

16. INVESTMENT IN SUBSIDIARIES (CONTD.)

(c) Disposal of Subsidiaries (Contd.)

(iii) A wholly-owned subsidiary of the Company, Waikiki Beach Hotel Sdn Bhd was also divested as part of the Life Business disposal.

The proceeds on the disposal of the Life Business was received on 4 July 2006 as disclosed below.

The summary of the effects of the deconsolidation of subsidiaries on the financial position of the Group were as follows:

	Continuing RM'000	Discontinued RM'000	Total Financial year ended 31.12.2006 RM'000
Property, plant & equipment	1,070	2,612	3,682
Property development costs	-	37,800	37,800
Inventories	-	409	409
Receivables	-	3,892	3,892
Cash and bank balances	-	411	411
Payables	(1,070)	(27,378)	(28,448)
	-	17,746	17,746
Total disposal proceeds	-	(18,388)	(18,388)
Gain on disposal to the Group	-	(642)	(642)

	Continuing RM'000	Discontinued RM'000
Disposal proceeds settle by :		
Cash	-	700
Deferred payment	-	4,500
Assumption of debts to redeem the Redeemable Secured Loan Stocks	-	13,188
	-	18,388

Cash outflow arising on disposals:

Cash consideration, representing cash inflow to the Group	700
Cash and bank balances of subsidiary disposed	(411)
Net cash inflow of the Group	289



16. INVESTMENT IN SUBSIDIARIES (CONTD.)

(c) Disposal of Subsidiaries (Contd.)

The disposal of the life business fund had the following effects on the financial position of the Company as at 30 June 2006:

	RM'000
Property, plant and equipment	427
Investments and placements with licensed financial institutions	171,507
Loans receivable	5,459
Investment in subsidiary	971
Investment properties	32,150
Outstanding premiums	770
Other receivables	5,479
Cash and bank balances	112
Provision for outstanding claims	(2,087)
Due to reinsurers	(3,101)
Other payables	(1,583)
Net assets of life insurance fund disposed	<u>210,104</u>
Net assets disposed	210,104
Life Policyholders' fund at 30 June 2006	(164,758)
Transfer from asset revaluation reserve	(10,670)
	<u>34,676</u>
Disposal proceeds settled by cash on 4 July 2006	121,000
Gain on disposal attributable to the shareholder's fund	<u>86,324</u>
Cash inflow arising on disposal:	
Cash consideration received on 4 July 2006	121,000
Cash and cash equivalents of life insurance fund disposed:	
Cash and bank balances	(112)
Repo placements	(2,112)
Net cash inflow attributable to the shareholder's fund	<u>118,776</u>



17. OTHER INVESTMENTS

	Group	
	2006	2005
	RM'000	RM'000
At cost		
Quoted shares in Malaysia	19,864	51,416
Quoted shares outside Malaysia	2	2
Quoted warrants in Malaysia	-	5,401
Unquoted shares	3,062	4,744
Unit trust	24,581	2,387
	<u>47,509</u>	<u>63,950</u>
Less: Provision for diminution in value of investment	<u>(2,061)</u>	<u>(13,841)</u>
	<u>45,448</u>	<u>50,109</u>
Malaysian Government Securities	62,493	77,847
Less: Net amortisation of premiums	<u>(5,428)</u>	<u>(6,400)</u>
	<u>57,065</u>	<u>71,447</u>
Bonds	36,416	197,295
Add: Net amortisation of premiums	<u>(497)</u>	<u>(377)</u>
	<u>35,919</u>	<u>196,918</u>
Classified as held for sale (Note 8)	<u>(1,602)</u>	<u>(1,752)</u>
Total investments	<u>136,830</u>	<u>316,722</u>
Market value		
Quoted shares in Malaysia	18,355	38,152
Quoted shares outside Malaysia	2	1
Malaysian Government Securities	57,493	71,230
Quoted warrants in Malaysia	-	5,402
Unit trust	24,757	2,702
Bonds	<u>34,785</u>	<u>178,648</u>

The information on financial risks of other investments are disclosed in Note 37.



18. LOANS RECEIVABLE

	Group	
	2006	2005
	RM'000	RM'000
Secured term loans	4,167	6,511
Staff loans	1,030	2,160
Automatic premium loans	-	4,834
Policy loans	-	1,133
	<u>5,197</u>	<u>14,638</u>
Less: Provision for doubtful debts	-	(644)
	<u>5,197</u>	<u>13,994</u>
Representing:		
Due within one year	127	466
Due after one year	5,070	13,528
	<u>5,197</u>	<u>13,994</u>

The information on financial risks of loans receivable are disclosed in Note 37.

19. INVENTORIES

	Group	
	2006	2005
	RM'000	RM'000
At cost:		
Consumables	-	51
Finished goods	-	979
	-	<u>1,030</u>
Classified as held for sale (Note 8)	-	(1,030)
	-	<u>-</u>

The cost of inventories recognised as an expense in the Group in the previous financial year amounted to RM17,488,000.



20. TRADE RECEIVABLES

	Group	
	2006 RM'000	2005 RM'000
Trade receivables	855	8,451
Outstanding premiums	40,193	38,389
Due from reinsurers, brokers and co-insurers	41,437	48,332
	<u>82,485</u>	<u>95,172</u>
Less: Provision for doubtful debts	(34,956)	(41,634)
	<u>47,529</u>	<u>53,538</u>
Classified as held for sale (Note 8)	(525)	(5,215)
	<u>47,004</u>	<u>48,323</u>

The Group's normal trade credit term ranges from 30 to 180 (2005: 30 to 180) days. Other credit terms are assessed and approved on a case-by-case basis. The Group had no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

21. OTHER RECEIVABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deposits (Note a)	4,075	4,438	2,907	2,907
Prepayments	534	534	18	14
Interest receivable	2,520	6,624	-	-
Tax recoverable	4,260	5,485	-	-
Sundry receivables	20,152	13,811	38	26
Due from subsidiaries (Note b)	-	-	200,263	201,839
Subordinated loan to a subsidiary (Note c)	-	-	35,000	35,000
Amount due from a joint venture partner of a subsidiary, Straight Effort Sdn. Bhd. (Note d)	760	760	-	-
Amount receivable from disposal of Fujasa (Note e)	17,688	-	-	-
	<u>49,989</u>	<u>31,652</u>	<u>238,226</u>	<u>239,786</u>
Less: Provision for doubtful debts	(4,980)	(5,681)	(197,898)	(197,897)
	<u>45,009</u>	<u>25,971</u>	<u>40,328</u>	<u>41,889</u>
Classified as held for sale (Note 8)	(17,937)	(455)	-	-
	<u>27,072</u>	<u>25,516</u>	<u>40,328</u>	<u>41,889</u>



21. OTHER RECEIVABLES (CONTD.)

- (a) Included in deposits of the Group and of the Company is RM2,750,000 (2005: RM2,750,000) in relation to the deposit paid for the proposed acquisition of a 25-storey building for a purchase consideration of RM55,000,000. During the financial year, the Company have informed the vendor of their intention of terminating their agreement and requested for a contra of the deposit against rental due, the outcome is pending.
- (b) Amount due from subsidiaries are non-interest bearing, unsecured and repayable on demand in cash.
- (c) On 26 December 2003, the Company, with the approval of BNM, extended a RM35,000,000 subordinated loan to its subsidiary, Tahan Insurance Malaysia Berhad ("Tahan"). The initial terms of the approval obtained from BNM are as follows:
 - (i) that the subordinated loan shall be converted into issued and paid-up share capital of Tahan in the event that additional capital is required in order to meet the solvency margin of the general insurance business of Tahan, within a period of 2 years from the date of approval of the loan;
 - (ii) that the subordinated loan cannot be withdrawn without prior approval being obtained from BNM; and
 - (iii) that the subordinated loan shall not be subjected to any interest or other charges thereon.

The initial deadline for conversion of the subordinated loan into issued and paid-up share capital expired on 20 January 2006. On 20 January 2006, BNM granted the Company an extension of time of up to 31 July 2006 to rectify the shortfall in the margin of solvency for the general business. The extension of time was requested by the Company to allow sufficient time for the completion of the proposed disposal of the life insurance fund of which the cash proceeds were to be utilised to reduce the shortfall in the margin of solvency in the general insurance fund as of 31 December 2005. The shortfall has not been rectified subsequent to the disposal and hence, on 9 August 2006, the Company obtained approval from BNM to allow a further extension of time on the subordinated loan up to 31 December 2007.

- (d) The amount due is non-interest bearing and secured against the joint venture partner's contribution in the joint venture company.



21. OTHER RECEIVABLES (CONTD.)

(e) The amount is receivable via the following:

- (i) On the RM13.2 million assumed liabilities to settle the RSLs, it is repayable on a staggered basis of RM1.1 million for every 3 months for a total period of 36 months. The first payment is within 6 months from the commencement of work on the proposed development undertaken by Fujasa; and
- (ii) On the balance of RM4.5 million, it is repayable on staggered basis of RM900,000 for every 3 months for a total of period 15 months. The first payment is within 3 months from the commencement of work on the proposed development undertaken by Fujasa.

Subject to obtaining all relevant approvals, the proposed development is expected to commence by end of 2007.

22. CASH AND BANK BALANCES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash on hand and at bank	20,986	31,581	62	118
Deposits with licensed banks	26,315	30,408	1,435	663
Deposits placed with a fellow subsidiary	2,000	2,000	-	-
Repo placements with:				
- licensed discount house	-	33,658	-	-
- licensed banks	163,415	64,613	-	195
Cash and bank balances	212,716	162,260	1,497	976
Classified under held for sale (Note 8)	(2,397)	(3,185)	-	-
	210,319	159,075	1,497	976

Included in cash on hand and at banks are sinking funds amounting to RM263,000 (2005: RM258,000) which will be used to redeem the Group's borrowings as disclosed in Note 26.

Deposits with licensed banks of the Group amounting to RM100,000 in prior year were pledged for banking facilities granted to certain subsidiaries favouring the Conservator of Forest.



22. CASH AND BANK BALANCES (CONTD.)

Deposits placed with a subsidiary are pledged as a performance bond in the form of a bank guarantee of RM5,000,000 (2005: RM5,000,000) in favour of the State Government of Sabah in relation to the Group's Forest Management Unit.

The information on financial risks of cash and bank balances are disclosed in Note 37.

23. TRADE PAYABLES

	Group	
	2006 RM'000	2005 RM'000
Trade payables	2,536	14,406
Provision for outstanding claims	314,163	323,681
Due to reinsurers, brokers and co-insurers	18,016	20,368
Others	887	887
	<u>335,602</u>	<u>359,342</u>
Classified as held for sale (Note 8)	(2,536)	(14,406)
	<u>333,066</u>	<u>344,936</u>

The normal trade credit terms for trade payables granted to the Group ranges from 60 to 90 (2005: 60 to 90) days.

	Group	
	2006 RM'000	2005 RM'000
Gross provision for outstanding claims	408,115	436,643
Less: Recoverable from reinsurers	(167,447)	(176,623)
Net provision for outstanding claims	<u>240,668</u>	<u>260,020</u>
Provision for IBNR claims (Note a)	73,495	63,661
	<u>314,163</u>	<u>323,681</u>

(a) Movement in provision for IBNR

At 1 January	63,661	61,144
Increase in provision	9,834	2,517
At 31 December	<u>73,495</u>	<u>63,661</u>



24. OTHER PAYABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Provision for liquidated ascertained damages (Note 32)	-	9,737	-	-
Due to subsidiaries (Note a)	-	-	1,834	1,773
Due to a director (Note a)	498	18	480	-
Sundry payables	40,768	45,854	6,968	5,393
Accruals	14,113	7,425	3,520	3,959
	<u>55,379</u>	<u>63,034</u>	<u>12,802</u>	<u>11,125</u>
Classified as held for sale (Note 8)	(21,580)	(25,704)	-	-
	<u>33,799</u>	<u>37,330</u>	<u>12,802</u>	<u>11,125</u>

(a) The amounts are unsecured, non-interest bearing and are repayable on demand.

25. HIRE PURCHASE PAYABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Minimum payments:				
Not later than 1 year	412	430	210	210
Later than 1 year and not later than 2 years	416	434	210	210
Later than 2 years and not later than 5 years	53	447	53	262
	<u>881</u>	<u>1,311</u>	<u>473</u>	<u>682</u>
Less : Future finance charges	(74)	(135)	(31)	(64)
Present value of hire purchase payables	807	1,176	442	618
Classified as held for sale (Note 8)	(151)	(183)	-	-
	<u>656</u>	<u>993</u>	<u>442</u>	<u>618</u>



25. HIRE PURCHASE PAYABLES (CONTD.)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Present value of hire purchase payables:				
Not later than 1 year	349	337	189	177
Later than 1 year and not later than 2 years	255	404	201	188
Later than 2 years and not later than 5 years	52	252	52	253
	<u>656</u>	<u>993</u>	<u>442</u>	<u>618</u>
Analysed as:				
Due within 12 months	349	337	189	177
Due after 12 months	307	656	253	441
	<u>656</u>	<u>993</u>	<u>442</u>	<u>618</u>

The Group has hire purchase contracts for motor vehicles (see Note 12(a)). These contracts have no escalation clauses. There are no restrictions placed upon the Group by entering into these contracts and no arrangements have been entered into for contingent rental payments.

Other information on financial risks of hire purchase payables are disclosed in Note 37.

26. BORROWINGS

	Group	
	2006 RM	2005 RM
Secured:		
Redeemable Secured Loan Stocks 2003/2007		
RSLs-A	120,870	120,870
RSLs-B	-	2,485
RSLs-C	16,970	16,970
RSLs-D	73,664	73,664
	<u>211,504</u>	<u>213,989</u>
Classified as held for sale (Note 8)	<u>(211,504)</u>	<u>(213,989)</u>
	<u>-</u>	<u>-</u>



26. BORROWINGS (CONTD.)

On 20 November 2003, the Company issued 233,989,000 of Redeemable Secured Loan Stocks 2003/2005 ("RSLs") at a nominal value of RM1 each pursuant to the Restructuring Exercise of Idris Hydraulic (Malaysia) Bhd. ("IHMB"). The loan stocks have a zero coupon rate and a maturity date of two (2) years from the date of issue. The loan stocks are unquoted and not transferable.

On 9 December 2005, based on an application submitted by the Company, approval was granted by the Securities Commission for the Extension of RSLs together with consequential amendments to the Trust Deeds. The RSLs now bear a coupon of 4% per annum from year three (3) onwards until the relevant redemption date or maturity date, and is payable in cash before the loan stocks are redeemed or annually at the third (3rd) and fourth (4th) anniversary of the date of issue. The RSLs will mature on 19 November 2007.

The terms of the loan stocks are as follows:

(a) Redeemability

- (i) Redemption by way of proceeds from sale of assets securing the respective redeemable secured loan stocks.
- (ii) Redemption by maturity.

(b) Conversion rights

The redeemable secured loan stocks are non-convertible.

The loan stocks are secured against the following:

(a) RSLs-A

- (i) Debenture by way of a fixed and floating charge over all assets and properties of subsidiaries, except for all the shares in Advanced Electronics (M) Sdn. Bhd. ("AESB") and Wiragain Sdn. Bhd. ("WSB");
- (ii) Charge over stocks and shares in certain subsidiaries, Syarikat Sabakina Sdn. Bhd., Bintang Tawau Sdn. Bhd., Resolute Enterprise Sdn. Bhd. and Tenju Sdn. Bhd. of their bonds, debentures, notes, warrants and other securities, dividends, distributions, allotments, interest, rights, offer entitlement accretions and benefits which may accrue, arise or be offered.



26. BORROWINGS (CONTD.)

(b) RSLs-B

- (i) First party charge over all the shares of a subsidiary, AESB;
- (ii) Third party security on the land, plant and machinery of AESB.

The disposal of AESB was completed on 12 July 2006, and the proceeds were used to redeem RSLs-B. Correspondingly, the charges on this loan stock were lifted on 9 August 2006.

(c) RSLs-C

- (i) First party charge over all the shares of a subsidiary, WSB;
- (ii) Third party security on the land, plant and machinery of WSB.

(d) RSLs-A, RSLs-B, RSLs-C and RSLs-D

- (i) The 50% + 1 share comprising 2,750,001 ordinary shares of USD1.00 each owned by IHMB in Anscan International Ltd.;
- (ii) The three storey shophouse at 328, Taman Melaka Raya, Jalan Taman Melaka, Melaka owned by IHMB; and
- (iii) A corporate guarantee by Idaman Unggul Berhad, its holding company, in favour of all RSLs, securing the redemption of the RSLs on maturity or the principal owing under the trust deed.

27. DEFERRED TAX LIABILITIES

	Group	
	2006	2005
	RM'000	RM'000
At 1 January	970	827
Recognised in life assurance fund	-	(99)
Recognised in asset revaluation reserve	-	242
Disposal of Life insurance fund	383	-
At 31 December	<u>1,353</u>	<u>970</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	(952)
Deferred tax liabilities	1,353	1,922
	<u>1,353</u>	<u>970</u>

27. DEFERRED TAX LIABILITIES (CONTD.)

Deferred Tax Liabilities of the Group:

	Revaluation Surplus RM'000	Accelerated Capital Allowances RM'000	Total RM'000
At 1 January 2006	242	1,680	1,922
Disposal of Life insurance fund	-	(569)	(569)
At 31 December 2006	<u>242</u>	<u>1,111</u>	<u>1,353</u>
At 1 January 2005	-	1,733	1,733
Recognised in the income statement	-	16	16
Recognised in life assurance fund	-	(69)	(69)
Recognised in asset revaluation reserve	242	-	242
At 31 December 2005	<u>242</u>	<u>1,680</u>	<u>1,922</u>

Deferred Tax Assets of the Group:

	Provision for Diminution RM'000	Tax Losses and Unabsorbed Capital Allowances RM'000	Total RM'000
At 1 January 2006	(927)	(25)	(952)
Disposal of Life insurance fund	927	25	952
At 31 December 2006	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2005	(897)	(9)	(906)
Recognised in the income statement	-	(16)	(16)
Recognised in life assurance fund	(30)	-	(30)
At 31 December 2005	<u>(927)</u>	<u>(25)</u>	<u>(952)</u>



27. DEFERRED TAX LIABILITIES (CONTD.)

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

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	124,117	98,838	5,951	3,991
Unabsorbed capital allowances	26,116	24,744	76	61
Provision for diminution in value for investment	536	9,047	-	-
Provision for doubtful debts	30,677	27,143	-	-
	<u>181,446</u>	<u>159,772</u>	<u>6,027</u>	<u>4,052</u>

28. LIFE ASSURANCE FUND

The balance which relates to the insurance subsidiary in previous year was derived as follows:

	Group	Group
	2006	2005
	RM'000	RM'000
Life Policyholders' Fund		
At 1 January	172,743	185,154
Surplus/(deficit) of income over expenditure for the year per the life business revenue account	2,685	(9,858)
Revaluation surplus transferred from investment properties		
Freehold land and building (Note 14)	-	762
Leasehold land and building (Note 14)	-	70
Revaluation deficit transferred to investment properties		
Freehold land and building (Note 14)	-	(628)
Leasehold land and building (Note 14)	-	(2,757)
Disposal of Life insurance fund	(175,428)	-
At 31 December	<u>-</u>	<u>172,743</u>



28. LIFE ASSURANCE FUND (CONTD.)

The actuarial deficit arising from the annual actuarial valuation of the life assurance fund as at 31 December 2005 carried out by a firm of independent actuary indicated that the subsidiary had an unallocated deficit which has not been incorporated in the financial statements of surplus of RM4,012,000.

The fund was arrived at after charging/(crediting):

	Group 1.1.06 to 30.6.06 RM'000	Group 1.1.05 to 31.12.05 RM'000
Auditors' remuneration	35	57
Depreciation	116	484
Impairment loss on property, plant and equipment	-	-
Rental of equipment	-	6
Rental expenses	386	772
Staff cost		
- salaries, bonus and other related costs	1,804	3,721
- contribution to Employees Provident Fund	352	490
Directors' fees	55	197
Directors' other emoluments	22	88
Net amortisation of premiums	387	657
Gross dividend income	(211)	(326)
Interest income	(3,446)	(6,598)
Rental income	(479)	(817)
	<hr/>	<hr/>



29. GENERAL INSURANCE FUND

The balance which relates to the insurance subsidiary was derived as follows:

Group	Fire	Motor	Marine, Aviation and Transit	Miscellaneous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2006					
At 1 January	2,728	33,993	446	4,596	41,763
Increase/(decrease) in insurance reserves	121	(7,352)	(17)	2,417	(4,831)
At 31 December	2,849	26,641	429	7,013	36,932
2005					
At 1 January	2,776	37,281	381	4,107	44,545
(Decrease)/increase in insurance reserves	(48)	(3,288)	65	489	(2,782)
At 31 December	2,728	33,993	446	4,596	41,763

30. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2006	2005	2006	2006
	'000	'000	RM'000	RM'000
Authorised:				
At 1 January/31 December	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
At 1 January	394,567	379,252	394,567	379,252
Conversion of ICULS-A (Note 31)	1,004	15,315	1,004	15,315
At 31 December	395,571	394,567	395,571	394,567



30. SHARE CAPITAL (CONTD.)

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 regard to the Company's residual assets.

(a) Ordinary Shares Issued Pursuant to Conversion of ICULS-A

On 18 May and 1 November 2006 respectively, the Company announced that RM149,000 and RM854,075 of ICULS-A were converted into 149,000 and 854,075 new ordinary shares of RM1 each and granted listing and quotation with effect from 22 May 2006 and 3 November 2006 respectively.

The new ordinary shares issued and allotted upon conversion of the ICULS-A rank pari passu in all respects with the existing shares in issue at the conversion date, except that they will not be entitled to any dividends, rights, allotments and/or other distribution the record date of which is prior to such conversion date.

31. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Number of ICULS		Amount	
	2006 '000	2005 '000	2006 RM'000	2005 RM'000
(a) ICULS-A of RM1 each				
At 1 January	1,004	16,319	1,004	16,319
Amount converted to ordinary shares (Note 30)	(1,004)	(15,315)	(1,004)	(15,315)
At 31 December	-	1,004	-	1,004
(b) ICULS-B of RM0.10 each				
At 1 January/ 31 December	173,780	173,780	17,378	17,378
Total			17,378	18,382



31. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (CONTD.)

ICULS-A was issued for settlement to IHMB scheme creditors. ICULS-A had zero-coupon and was convertible into ordinary shares of the Company from 23 October 2003 to 22 October 2006 at the rate of RM1 nominal value of ICULS-A for 1 ordinary share of RM1 each.

During the year, RM1,003,075 of ICULS-A were converted into 1,003,075 new ordinary shares of RM1 each which were granted listing and quotation.

ICULS-B was issued as rights issue on the basis of RM0.10 nominal value of ICULS-B for:

- (i) every 1 subscription share;
- (ii) every 1 yield share; and
- (iii) every 1 rights share issue.

ICULS-B has zero-coupon and is convertible into ordinary shares of the Company from 17 November 2003 to 16 November 2008 at the rate of RM0.10 nominal value of ICULS-B plus cash of RM0.90 or nominal value of ICULS-B to the value of RM1 for 1 ordinary share of RM1 each.

32. PROVISION FOR LIQUIDATED ASCERTAINED DAMAGES

	Group	
	2006	2005
	RM'000	RM'000
At the beginning of year	9,737	8,591
Additional provision during the year	-	1,146
Disposal of subsidiaries	(9,737)	-
At the end of year	<u>-</u>	<u>9,737</u>

In the prior year, provision for liquidated ascertained damages was in respect of projects undertaken by a subsidiary. The provision is recognised for expected liquidated damages claims based on the terms of the applicable sale and purchase agreements.

33. SIGNIFICANT AND SUBSEQUENT EVENTS

The significant events during the year and subsequent events of the Group and the Company are as follows:

- (a) The Company on 8 September 2006, entered in a Sale and Purchase Agreement ("SPA") with Capital Intelligence Holdings Sdn Bhd ("CIH") for the proposed disposal of 624,000 ordinary shares of RM1 each representing 26% of the issued and paid-up capital of IUB Asset Management Sdn Bhd ("IUBAM"), by Idaman Unggul Berhad ("IUB") to CIH for a purchase price of RM624,000. ("Proposed Disposal").

Upon the completion of the Proposed Disposal, IUB will enter into Call Option Agreement with CIH whereby IUB will grant CIH the option to call, and require IUB to sell, to CIH all or any part of the option shares of 720,000 ordinary shares of RM1 each in IUBAM representing 30% equity interest in IUBAM within the call option period.

The disposal was completed on 17 January 2007.

- (b) The Company on 27 April 2007 entered into a Share Purchase Agreement with Sparkle Scheme Sdn Bhd ("SSSB") for the proposed disposal of the entire issued and paid-up capital of Lambang Pertama Sdn Bhd ("LPSB") comprising 2 shares for a total consideration of RM410 million, payable in the following manner:

- (i) RM82 million for entire issued and paid-up share capital of LPSB comprising 2 LPSB Shares;
- (ii) RM228 million to settle the outstanding Redeemable Secured Loan Stocks ("RSLs") issued by LPSB.

In addition, SSSB will also pay a further sum of RM100 million as settlement of the inter-company balances between the Company and a subsidiary, Idris Hydraulic (Malaysia) Bhd over the period of 10 years of RM10,000,000 per year.

34. COMMITMENTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Approved and contracted for:				
Capital commitments	-	52,250	-	52,250
Investment commitments				
- third party	4,000	4,000	4,000	4,000
- subsidiary	-	-	20,000	-
	<u>4,000</u>	<u>56,250</u>	<u>24,000</u>	<u>56,250</u>



35. CONTINGENT LIABILITY

Pursuant to the restructuring scheme of IHMB, LPSB being the special purpose vehicle company issued RM233,989,000 nominal value 2 year zero-coupon RSLs in 2003 as partial settlement to the scheme creditors.

As disclosed in Note 26, approval was granted by SC on 9 December 2005 for the extension of the RSLs tenure from two (2) years to four (4) years together with consequential amendments to the Trust Deeds. The RSLs will now expire in November 2007 ("Extension of RSLs") and bear a coupon of 4% per annum from year three (3) onwards until the relevant redemption date or maturity date, and is payable in cash before the loan stocks are redeemed or annually at the third (3rd) and fourth (4th) anniversary of the date of issue.

On 12 July 2006, the Company announced that the RSLs holders have approved the Extension of RSLs and it will be effective upon execution of the Supplemental Sharing Agreements and Supplemental Guarantee Agreements and the Supplemental Trust Deeds for the respective series of the RSLs in addition to LPSB granting a Power of Attorney to Universal Trustee (Malaysia) Berhad.

The RSLs outstanding as at 31 December 2006 amounting to RM211,504,000 (2005: RM213,989,000) are secured against all assets of LPSB and a corporate guarantee by the Company.

The directors are of the opinion that the recoverable value of the assets of LPSB will be sufficient to redeem the RSLs.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Professional fees paid to a legal firm, Che Mokhtar & Ling, in which a director, Datuk Che Mokhtar bin Che Ali is a partner of the firm	21	5	-	5
Management fee from subsidiaries	-	-	493	1,527
Insurance premium payable to a subsidiary	-	-	122	81
	<hr/>	<hr/>	<hr/>	<hr/>

The directors are of the opinion that the transactions above have been entered into in the normal course of business.



37. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity, market and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Foreign Exchange Risk

The Group's foreign currency transaction exposure arises primarily on reinsurance transactions of a subsidiary with foreign reinsurance companies and brokers, which are transacted in United States Dollars ("USD"). Foreign currency exposures arising therewith are minimal, as the fluctuations in USD against Ringgit Malaysia are not significant.

(c) Interest Rate Risk

The Group's primary interest rate risk arises from differences in maturities of its assets and liabilities and the reinvestment of interest-bearing assets to meet long term liabilities. The Group's primary interest rate risk in this respect, relates to its interest-bearing assets and hire purchase payables.

The interest-bearing assets are made up primarily of placements with licensed banks and financial institutions (fixed and call deposits, and securities purchased under repurchase agreements), as well as other interest-bearing instruments classified under investments. These include Malaysian Government Securities, Cagamas bonds and bonds issued by corporations in Malaysia. The interest rate risk in this respect arises from fluctuations in market interest rate which may affect reinvestment decisions for these interest-bearing assets.

Management of interest rate risk is also largely guided by the need to comply with the solvency requirements of Section 96 of the Insurance Act, 1996, wherein the subsidiary in the insurance segment is required to invest a minimum amount of funds in low risk assets, defined by BNM to include the above mentioned instruments. Consequently, the maintenance of a prudent mix of short and longer term interest-bearing assets as well as continuous reviews of the portfolio mix therewith are key factors in ensuring that the returns generated from these assets commensurate, given the risk profiles of the instruments involved.

37. FINANCIAL INSTRUMENTS (CONTD.)

(c) Interest Rate Risk (Contd.)

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group	Note	WAEIR %	Within 1		Within 1 - 5 Years RM'000	More Than 5 years RM'000	Total RM'000
			Year RM'000	Year			
At 31 December 2006							
Fixed rate							
Hire purchase payables	25	5.3	(365)	(442)	-	-	(807)
Floating rate							
Malaysian Government Securities	17	3.51	9,220	47,845	-	-	57,065
Bonds	17	4.34	2,413	7,994	25,512	-	35,919
Loans receivable (Staff loans)	18	4.00	127	5,070	-	-	5,197
Deposits with licensed banks	22	2.36	26,315	-	-	-	26,315
Repo placements with licensed banks	22	2.53	163,415	-	-	-	163,415

37. FINANCIAL INSTRUMENTS (CONTD.)

(c) Interest Rate Risk (Contd.)

At 31 December 2005

Group	WAEIR %	Within 1 Year RM'000	Within 1 - 5 Years RM'000	More Than 5 years RM'000	Total RM'000
Fixed rate					
Hire purchase payables	5.3	(369)	(807)	-	(1,176)
Floating rate					
Malaysian Government Securities					
Bonds	3.41	3,578	67,869	-	71,447
Loans receivable	4.26	2,001	28,016	166,901	196,918
Deposits with licensed banks	4.00	466	13,528	-	13,994
Repo placements with licensed discount house	2.70	30,408	-	-	30,408
Repo placements with licensed banks	2.58	33,658	-	-	33,658
	2.19	64,613	-	-	64,613



37. FINANCIAL INSTRUMENTS (CONTD.)

(c) Interest Rate Risk (Contd.)

	Note	WAEIR %	Within 1 Year RM'000	Within 1 - 5 Years RM'000	Total RM'000
At 31 December 2006					
Company					
Fixed rate					
Hire purchase payables	25	3.3	(189)	(253)	(442)
Floating rate					
Deposits with licensed banks	22	3.00	1,435	-	1,435
At 31 December 2005					
Fixed rate					
Hire purchase payables	25	3.3	(177)	(441)	(618)
Floating rate					
Deposits with licensed banks	22	3.00	663	-	663
Repo placements with licensed banks	22	1.80	195	-	195

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 30 days (2005: 30 days). The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

(d) Liquidity Risk

A significant amount of investible funds are placed with licensed financial institutions as fixed and call deposits, and other money market instruments. The Group continuously endeavours to manage the maturity profiles of these instruments in order to ensure that sufficient funds are available at all times, to meet the day to day working capital requirements.

37. FINANCIAL INSTRUMENTS (CONTD.)

(e) Market Risk

The Group's investments in quoted securities and unit trust funds are subject to fluctuations in market prices. The Group does not use derivative financial instruments to manage market related risks.

The quoted securities portfolio of the Group is made up of shares, warrants and rights issued by fundamentally sound corporations, and which have a proven dividend payment track record. In addition, the Group has clear investment guidelines and authority limits to ensure that the funds invested are not exposed to significant risks.

(f) Credit Risk

Credit risk, or the risk of counter-parties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting Group's associations to business partners with good creditworthiness and ratings.

The Group does not have significant exposures or concentration of credit risk related to any financial instrument. A significant portion of investments are placed in Malaysian Government Securities, Cagamas bonds, corporate bonds and placements with licensed banks and financial institutions in Malaysia, which are generally considered low risk assets. The counter-parties to financial instruments consist of a number of prime banks, financial institutions and corporations with good credit ratings. The Group does not expect any of these counter-parties to default.

(g) Fair Values

Generally, the fair values of the financial assets and liabilities of the Group approximate their fair values, owing to their relatively short term maturity, except for the following:

	2006		2005	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets:				
Malaysian Government				
Securities	57,065	57,493	71,447	71,230
Bonds	35,919	34,785	196,918	178,648
Quoted shares in Malaysia	19,864	18,355	51,416	38,152
Unit trust	24,581	24,757	2,387	2,702
Quoted warrants in Malaysia	-	-	5,401	5,402
	<hr/>	<hr/>	<hr/>	<hr/>



37. FINANCIAL INSTRUMENTS (CONTD.)

(g) Fair Values (Contd.)

	2006		2005	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Liabilities:				
Hire purchase payables	807	*	1,176	*

- * The fair value of hire purchase payables is estimated by discounting the expected future cash flows using current interest rates for liabilities with similar risk profiles. In the opinion of the directors, there is no significant difference between the fair value and book value of this financial liability.

38. SEGMENT INFORMATION

Business Segments:

The Group is organised into two major business segments:

- (i) Insurance - underwriting of life insurance and all classes of general insurance business
- (ii) Others - investment holding and dormant

As disclosed in Note 8, LPSB has been presented on the consolidated balance sheet as a disposal group held for sale and results from this group is presented separately on the consolidated income statement as discontinued operation, which has been disclosed as a separate segment distinct from other business segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

No geographical segments are disclosed as the Group's operations, assets and liabilities are concentrated primarily in Malaysia, with immaterial contributions by other geographical segments.

38. SEGMENT INFORMATION (CONTD.)

	<----- Continuing Operations ----->				Discontinued Operation	Total Operations
	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000		
2006						
REVENUE						
External sales	106,737	23	-	106,760	9,725	116,485
Inter-segment sales	-	(493)	493	-	-	-
Total revenue	<u>106,737</u>	<u>(470)</u>	<u>493</u>	<u>106,760</u>	<u>9,725</u>	<u>116,485</u>
RESULTS						
(Loss)/profit before tax	(62,578)	(3,484)	497	(65,565)	82,430	16,865
Income tax expense	(8)	(10)	-	(18)	1,907	1,889
(Loss)/profit for the year	<u>(62,586)</u>	<u>(3,494)</u>	<u>497</u>	<u>(65,583)</u>	<u>84,337</u>	<u>18,754</u>

38. SEGMENT INFORMATION (CONTD.)

	<----- Continuing Operations ----->			Discontinued Operation	Total Operations
	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000	RM'000
2006					
OTHER INFORMATION					
Segment assets	559,788	176,259	(277,543)	458,504	755,258
Segment liabilities	502,564	17,376	(148,080)	371,860	615,079
Capital expenditure	172	20	-	192	4,892
Depreciation	2,205	343	-	2,548	2,703
Impairment losses	-	-	-	-	635
Non-cash expenses other than depreciation and impairment loss	15,670	136	-	15,806	251
					16,057

38. SEGMENT INFORMATION (CONTD.)

	<----- Continuing Operations ----->				Discontinued Operation	Total Operations
	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000		
2005						
REVENUE						
External sales	117,520	19	-	117,539	21,190	138,729
Inter-segment sales	-	(1,828)	1,828	-	-	-
Total revenue	<u>117,520</u>	<u>(1,809)</u>	<u>1,828</u>	<u>117,539</u>	<u>21,190</u>	<u>138,729</u>
RESULTS						
(Loss)/profit before tax	(20,209)	(5,682)	500	(25,391)	(5,283)	(30,674)
Income tax expense	(1)	(11)	-	(12)	(19)	(31)
(Loss)/profit for the year	<u>(20,210)</u>	<u>(5,693)</u>	<u>500</u>	<u>(25,403)</u>	<u>(5,302)</u>	<u>(30,705)</u>
OTHER INFORMATION						
Segment assets	<u>731,490</u>	<u>179,460</u>	<u>(280,249)</u>	<u>630,701</u>	<u>319,416</u>	<u>950,117</u>
Segment liabilities	<u>520,431</u>	<u>16,584</u>	<u>(148,309)</u>	<u>388,706</u>	<u>261,737</u>	<u>650,443</u>



38. SEGMENT INFORMATION (CONTD.)

	<----- Continuing Operations ----->				Discontinued Operation	Total Operations
	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000		
2005						
Capital expenditure	171	20	-	191	10,827	11,018
Depreciation	2,205	344	-	2,549	215	2,764
Impairment losses	2,571	-	-	2,571	3,389	5,960
Non-cash expenses other than depreciation and impairment loss	22,351	706	-	23,057	1,476	24,533

STATEMENT OF SHAREHOLDINGS AS AT 29 JUNE 2007

(Ordinary Shares)



Authorized Capital	:	RM1,000,000,000.00
Issued and fully paid up	:	RM395,570,522.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote per Ordinary Share

Size of shareholdings	No. of Holders	No. of shares	Percentage
Less than 1,000	37,768	5,678,681	1.44
1,000 to 10,000	6,391	32,005,640	8.09
10,001 to 100,000	2,997	103,436,258	26.14
100,001 to less than 5% of issued shares	468	176,399,954	44.60
5% and above of issued shares	2	78,049,989	19.73
	47,626	395,570,522	100.00

THIRTY LARGEST SHAREHOLDINGS AS AT 29 JUNE 2007

	Name of Shareholder	Number of Shareholders	Percentage of Shareholders
1.	Che Mohd Annuar bin Che Mohd Senawi	55,709,989	14.08
2.	Tasec Nominees (Tempatan) Sdn Bhd TA First Credit Sdn Bhd	22,340,000	5.65
3.	Tan Tiong Cheng	5,572,000	1.41
4.	HDM Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Che Mohd Annuar bin Che Mohd Senawi	5,200,000	1.31
5.	Rampai Dedikasi Sdn Bhd	5,000,000	1.26
6.	Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore for Embassy Group Inc.	5,000,000	1.26
7.	Dato' Ahmad Sebi bin Bakar	5,000,000	1.26
8.	Lim Seng Chee	3,876,300	0.98
9.	Syntech-Woh Hup Invescor Pte Ltd	3,810,850	0.96
10.	Teresa Goh Lean See	2,011,400	0.51
11.	Multi-Purpose Insurans Bhd	2,000,000	0.51
12.	HDM Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Siow Choy Fong	2,000,000	0.51
13.	Amsec Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd for Ramesh s/o Pritamdas	2,000,000	0.51
14.	Ho Chin Hoy	1,779,900	0.45
15.	Ling Shiang Yih	1,552,300	0.39
16.	Chay Yew Meng	1,550,000	0.39
17.	Mayban Nominees (Asing) Sdn Bhd Nomura Singapore Limited for Xcess Finance Co Ltd	1,500,000	0.38
18.	Lim Lee Seng	1,400,000	0.35
19.	Toh May Fook	1,350,000	0.34
20.	Su Ming Keat	1,319,100	0.33



THIRTY LARGEST SHAREHOLDINGS AS AT 29 JUNE 2007 (Contd)

21.	AMMB Nominees (Tempatan) Sdn Bhd AmInvestment Bank Berhad	1,147,550	0.29
22.	Sai Yee @ Sia Say Yee	1,100,600	0.28
23.	Ng Bok Wah	1,100,000	0.28
24.	Ee Wee Hee	1,100,000	0.28
25.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Soo Ming	1,100,000	0.28
26.	Teo Kin Swee	1,023,200	0.26
27.	Chan Yong Foo @ Chan Kuan Nam	1,000,000	0.25
28.	Liew Yook Kuiw	1,000,000	0.25
29.	HDM Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Sam Amai @ Sam Cheng	1,000,000	0.25
30.	Asbi Rohani binti Asnan	1,000,000	0.25

SUBSTANTIAL SHAREHOLDERS AS AT 29 JUNE 2007

According to the Register to be kept under section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company :

Shareholders	--- Direct ---		--- Indirect ---	
	No. of Shares	Percentage of Shares	No. of Shares	Percentage of Shares
1. Dato' Che Mohd Annuar bin Che Mohd Senawi	55,709,989	14.08	-	-
2. Tasec Nominees (Tempatan) Sdn Bhd	22,646,350	5.72	-	-

DIRECTORS' SHAREHOLDINGS AS AT 29 JUNE 2007

Shareholders	--- Direct ---		--- Indirect ---	
	No. of Shares	Percentage of Shares	No. of Percentage	Percentage of Shares
1. Dato' Che Mohd Annuar bin Che Mohd Senawi	60,909,989	15.40	-	-
2. Dato' Ab. Halim bin Mohyiddin	-	-	-	-
3. Datuk Che Mokhtar bin Che Ali	-	-	-	-
4. Haji Hussein bin Hamzah	-	-	-	-
5. Brig. Jen. (B) Dato' Pahlawan Hj Jamil bin Tahir	-	-	-	-
6. Dr. Radzuan bin Abdul Rahman	-	-	-	-



Class of Security	:	ICULS-B 2003/2008
Issue size	:	210,449,279 ICULS
Amount Convertible in the Financial Year	:	36,670,000 ICULS
Amount Remaining Unconvertible To date	:	173,779,279
Voting Rights	:	No Voting Right

Size of shareholdings	No. of Holders	No. of shares	Percentage
Less than 1,000	4,542	1,749,721	1.01
1,000 to 10,000	1,584	5,461,782	3.14
10,001 to 100,000	421	15,254,135	8.78
100,001 to less than 5% of issued shares	87	37,953,650	21.84
5% and above of issued shares	1	113,359,991	65.23
	6,635	173,779,279	100.00

THIRTY LARGEST ICULS-B HOLDERS AS AT 29 JUNE 2007

	Name of ICULS-B Holders	Number of ICULS-B	Percentage of ICULS-B
1.	Che Mohd Annuar bin Che Mohd Senawi	113,359,991	65.23
2.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chu Pau Lian	3,497,200	2.01
3.	United Overseas Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Seng Huat	3,088,300	1.78
4.	Tasec Nominees (Tempatan) Sdn Bhd TA First Credit Sdn Bhd	2,249,900	1.29
5.	Lim Seng Chee	1,642,700	0.95
6.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi In Aun	1,422,000	0.82
7.	Yap Sue Foong	1,207,200	0.69
8.	Tan Geok Lan	1,154,000	0.66
9.	AMMB Nominees (Tempatan) Sdn Bhd AmInvestment Bank Berhad	1,029,350	0.59
10.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Sue Foong	1,019,100	0.59
11.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Toh Thai	972,700	0.56
12.	Sai Yee @ Sia Say Yee	928,600	0.53
13.	Ong Wan Chin	764,100	0.44
14.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Sue Pin	753,000	0.43
15.	BHLB Trustee Berhad Exempted – Trust Account for EPF Investment for Member Savings Scheme	659,000	0.38
16.	OSK Nominees (Asing) Sdn Berhad DBS Vickers Secs (S) Pte Ltd for Peh Kwee Yong	613,300	0.35
17.	Chua Hon Chian	572,700	0.33
18.	Phua Siew Mooi	572,100	0.33



THIRTY LARGEST ICULS-B HOLDERS AS AT 29 JUNE 2007 (Contd)

19.	Olive Lim Swee Lian	515,300	0.30
20.	Saw Chiew Yim	511,100	0.29
21.	Teoh Kim Hooi	500,000	0.29
22.	Yong Chok Wah @ Yong Chak Wah	500,000	0.29
23.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kumar a/l Prabakaran	500,000	0.29
24.	Loh Bee Ai	459,300	0.26
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kong Beng	450,000	0.26
26.	Law Kok Foong	438,100	0.25
27.	Ow Chu Peng	430,600	0.25
28.	Cartaban Nominees (Asing) Sdn Bhd Credit Suisse Securities (Europe) Limited for LP Value Limited	401,100	0.23
29.	Ler Swee Lai	392,600	0.23
30.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Heng Teong	386,800	0.22

SUBSTANTIAL ICULS-B HOLDERS AS AT 29 JUNE 2007

According to the Register to be kept under section 69L of the Companies Act, 1965, the following are the substantial ICULS-B holders of the Company :

ICULS-B Holders	--- Direct ---		--- Indirect ---	
	No. of ICULS-B	Percentage of ICULS-B	No. of ICULS-B	Percentage of ICULS-B
Dato' Che Mohd Annuar bin Che Mohd Senawi	113,359,991	65.23	-	-

DIRECTORS' ICULS-B HOLDINGS AS AT 29 JUNE 2007

ICULS-B Holders	--- Direct ---		--- Indirect ---	
	No. of ICULS-B	Percentage of ICULS-B	No. of ICULS-B	Percentage of ICULS-B
1. Dato' Che Mohd Annuar bin Che Mohd Senawi	113,359,991	65.23	-	-
2. Dato' Ab. Halim bin Mohyiddin	-	-	-	-
3. Datuk Che Mokhtar bin Che Ali	-	-	-	-
4. Haji Hussein bin Hamzah	-	-	-	-
5. Brig. Jen. (B) Dato' Pahlawan Hj Jamil bin Tahir	-	-	-	-
6. Dr. Radzuan bin Abdul Rahman	-	-	-	-



Description	Location	Tenure	Area	Age (Years)	Net Book Value (RM'000)	Acquisition / Revaluation
TAHAN INSURANCE MALAYSIA BERHAD						
<i>Five and Half Storey Shophouse</i>	Wisma Tahan, No. 17-21 Jalan Medan Tuanku 1 Medan Tuanku 50300 Kuala Lumpur	<i>Freehold</i>	613m ²	-	9,126	24.08.2005
<i>Four and Half Storey Shopoffice</i>	No. 15, Jalan 3/116D Kuchai Entrepreneurs Park Off Jalan Kuchai Lama 58200 Kuala Lumpur	<i>Leasehold, Expiring 23 June 2081</i>	332m ²	15	1,769	24.08.2005
<i>Six and Half Storey Shopoffice</i>	No. 1, Jalan 1/116B Kuchai Entrepreneurs Park Off Jalan Kuchai Lama 58200 Kuala Lumpur	<i>Leasehold, Expiring 19 February 2097</i>	577.2806m ²	8	6,890	24.08.2005
<i>Three-Storey Shophouse</i>	No.27, Jalan Mega Taman Mega Jaya 56100 Ampang, Selangor	<i>Leasehold, Expiring 2080</i>	187.014m ²	25	344	24.08.2005
<i>Four-Storey Shophouse</i>	No. 2 & 4, Medan Istana 1 Bandar Ipoh Raya Ipoh, Perak	<i>Leasehold, Expiring 2081</i>	304m ²	24	948	01.09.2005
<i>Four-Storey Shophouse</i>	No. 5 & 7 Persiaran Green Town 7 Greentown Business Centre Off Jalan Sultan Abdul Jalil 30450 Ipoh, Perak	<i>Leasehold, Expiring 2094</i>	334m ²	11	1,869	26.08.2005
<i>Three-Storey Shophouse</i>	No.201 & 203 Jalan Sri Pelangi Taman Pelangi 80400 Johor	<i>Freehold</i>	178.37m ²	-	1,786	26.08.2005
<i>Four-Storey Shophouse</i>	No. 194K-M , Al-Idrus Commercial Center, Jalan Satok 93400 Kuching Sarawak	<i>Freehold</i>	379.4m ²	-	4,176	23.08.2005
<i>Four-Storey Shophouse</i>	Lot No. 12, Block B Damai Point Off Jalan Damai 88300 Kota Kinabalu Sabah	<i>Freehold</i>	147.15 m ²	-	1,192	15.08.2005
IDRIS HYDRAULIC (MALAYSIA) BHD						
<i>Agricultural Land</i>	Lot 39123, Mukim Kampar, Perak	<i>Freehold</i>	0.106 Hectares	-	-	26.06.1985
<i>Agricultural Land</i>	Lot 39316, Mukim Kampar, Perak	<i>Freehold</i>	1.62 Hectares	-	-	26.06.1985
MEE CHEONG SDN BHD						
<i>Land</i>	CL 155310106 District of Pensiangan Sapulut, Sabah	<i>Leasehold, Expiring 2018</i>	39.38 Hectares	18	126	24.11.2005
WIRAGAIN SDN BHD						
<i>Land and Building</i>	Lot 143, 144 & 145 Jalan Pertama 1/5, Arab-Malaysian Industrial Estate, Nilai Negeri Sembilan	<i>Freehold</i>	6.6 Hectares	-	8,362	13.02.2006



PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (APPENDIX I)

Article No.	EXISTING ARTICLES		PROPOSED ARTICLES		Rationale(s)
	WORD	MEANINGS	WORD	MEANINGS	
2.	Definition		Definition		
	Approved Market Place	A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.	Deleted		Pursuant to Para. 1.01 of the Listing Requirements.
	Central Depository	Malaysian Central Depository Sdn Bhd.	Depository	Bursa Malaysia Depository Sdn. Bhd. THAT all reference to the above definition throughout the whole Articles of Association be changed accordingly.	Pursuant to Para. 1.01 of the Listing Requirements.
2.	Depositor	A holder of a Securities Account.	Depositor	A holder of a securities account established by the Depository.	Pursuant to Para. 1.01 of the Listing Requirements.
2.	Deposited Security	The securities in the Company standing to the credit of the securities account of a Depository and includes such securities in the Company in a securities account that is in suspense subject to the provisions of the Central Depositories Act and the Rules.	Deposited Security	The meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.	Pursuant to Para. 1.01 of the Listing Requirements.
2.	The Exchange	The Kuala Lumpur Stock Exchange on which the shares of the Company are listed for the time being.	The Exchange	Bursa Malaysia Securities Berhad or such other name by which it may be known from time to time. THAT all reference to the above definition throughout the whole Articles of Association be changed accordingly.	Pursuant to Para. 1.01 of the Listing Requirements.



Article No.	EXISTING ARTICLES		PROPOSED ARTICLES		Rationale(s)
2.	Member or Members	Any person or persons for the time being holding shares in the Company including the Depositors whose name appear on the Record of Depositors in accordance with Section 35 of the Security Industry (Central Depositories) Act but shall exclude the Central Depository or its nominee company in whose name the Deposited Securities are registered unless required by virtue of the Central Depositories Act or the Rules or the context of these Articles.	Member or Members	Any person /persons who for the time being holds shares in the Company and whose names appear in the Register of Members (except the Bursa Malaysia Depository Nominees Sdn. Bhd.) but excludes the Depository in its capacity as a bare trustee	Pursuant to Para. 1.01 of the Listing Requirements.
2.	Rules	The Rules of the Central Depository including any amendment that may be made from time to time.	Rules	The Rules of the Depository and any appendices thereto.	Pursuant to Para. 1.01 of the Listing Requirements.
4.	<p><u>Shares</u></p> <p>Subject to the prior approval of the Member in general meeting and to the provisions of the Act and to the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such person or persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT :</p> <p>(a) no shares shall be issued at a discount except in compliance with the provisions of the Act;</p> <p>(b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;</p> <p>(c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;</p> <p>(d) every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and :</p> <p>(i) such approval shall specifically detail the amount of shares or options to be issued to such Director.</p>		<p>(d) And no Director shall participate in any issue of shares or options to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.</p>		Pursuant to Para. 7.04 of the Listing Requirements.



APPENDIX I (Contd)

Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
	<p>(ii) only Directors holding office in an executive capacity shall participate in such an issue of shares or options provided always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue.</p>		
6.	<p><u>Preference Shares</u></p> <p>Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that :-</p> <p>(a) the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time;</p> <p>(b) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and accounts and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the whole of the Company's property, business and undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on such shares in arrears for more than six months;</p> <p>(c) the holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the company is wound up; and</p> <p>(d) the Company shall not unless with the consent of the existing preference shareholders at a class Meeting or pursuant to Article 18 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.</p>	<p>(a) Deleted</p> <p>(b) Renumbered as Article 6(a)</p> <p>(c) Deleted</p> <p>(d) Renumbered as Article 6(b)</p>	<p>Pursuant to Para. 7.05 of the Listing Requirements.</p>



Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
	Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.		
6A.	<p><u>Timing for allotment of securities pursuant to rights, bonus, employees share option scheme and conversion/exercise</u></p> <p>New Provision</p>	<p><u>Timing for allotment of securities pursuant to rights, bonus, employees share option scheme and conversion/exercise.</u></p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities, dispatch notices of allotment to the allottees and make an application for the quotation of such securities within the following prescribed periods, or such other period as may be prescribed by the Exchange :</p> <p>(a) In respect of a rights issue, within eight (8) Market Days after the final applications date for rights issue;</p> <p>(b) In respect of any issuance shares pursuant to an employees share option scheme, within eight (8) Market Days after the date of receipt of a notice of the exercise of the option duly accompanied by the requisite payment; and</p> <p>(c) In respect of any issuance of shares pursuant to an exercise of a right or a conversion, within eight (8) Market Days after the date of receipt of a subscription form duly accompanied by the requisite payment.</p>	<p>Pursuant to Para. 6.25 of the Listing Requirements.</p> <p>Pursuant to Para. 6.32 of the Listing Requirements.</p> <p>Pursuant to Para. 6.44 of the Listing Requirements.</p>
43(1).	<p><u>Transmission of securities from Foreign Register</u></p> <p>Where :-</p> <p>(a) the securities of a company is listed on an Approved Market Place; and</p>	<p><u>Transmission of securities from Foreign Register</u></p> <p>Where :</p> <p>(a) the securities of the company are listed on another Stock Exchange; and</p>	<p>Pursuant to Para. 7.14 of the Listing Requirements.</p>



APPENDIX I (Contd)

Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
	<p>(b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,</p> <p>such Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Registrar”) to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “the Malaysian Registrar”) provided that there shall be no change in the ownership of such securities.</p>	<p>(b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,</p> <p>The Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the other stock exchange to the register of holders maintained by the registrar of the company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p>	
43(2).	For the avoidance of doubt, no company, which fulfils the requirements of subparagraph (1)(a) and (b) above, shall allow any transmission of securities from the Malaysian Register into the Foreign Register.	Deleted	Pursuant to Para. 7.14 of the Listing Requirements.
46.	<p><u>Suspension of Registration</u></p> <p>The transfer books and Register and register of debenture holders (in respect of non-deposited securities) may on due notice being given as required by the Act and the Stock Exchange be closed during such time or times as the Directors think fit, not exceeding in the whole thirty (30) days (or such other period permitted under the Act and by the Exchange) in each year. The Company may require the Central Depository to suspend the trading of shares that are deposited securities at such times and for such periods as the Directors may from time to time determine. The Company must give at least 12 Market Days notice pursuant to Section 160 of the Act, such other period prescribed by the Exchange of any such suspension to the Exchange stating the period and purpose of such suspension.</p>	<p><u>Suspension of Registration</u></p> <p>Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Ten (10) Market Days’ notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) Market Days prior notice shall be given to the Depository to prepare the appropriate Record of Depositors.</p>	In line with the amendment to the Listing Requirements whereby the time-frame to make announcement on the Book Closure has been shortened to ten (10) Market Days.



Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
60.	<p><u>Notice of General Meetings</u></p> <p>The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all members at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each Stock Exchange upon which the Company is listed.</p>	<p><u>Notice of General Meetings</u></p> <p>The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all [other than those who are not entitled to receive notices of general meetings of the Company under the provisions of these Articles or the terms of issue of shares held by them] and to the auditors for the time being of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily press and in writing to each Stock Exchange upon which the Company is listed.</p>	Pursuant to Para. 7.17 of the Listing Requirements.
62.	<p><u>Record of Depositors</u></p> <p>The Company shall also request the Central Depository in accordance with the Rules, to issue a Record of Depositors, as at a date not less than three (3) Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p>	<p><u>Record of Depositors</u></p> <p>The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p>	Pursuant to Para. 7.18(2) of the Listing Requirements.
64.	<p><u>Member may Appoint Proxy</u></p> <p>In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. Where a Member appoints two (2) or more proxies to attend the same meeting, the Member shall specify the proportion of his shareholdings to be represented by each proxy.</p>	<p><u>Member may Appoint Proxy</u></p> <p>In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint at least one proxy to attend and vote instead of him. Where a Member appoints two (2) or more proxies to attend the same meeting, the Member shall specify the proportion of his shareholdings to be represented by each proxy.</p>	Pursuant to Para. 7.22 of the Listing Requirements.



APPENDIX I (Contd)

Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
82.	<p><u>Vote of Members</u></p> <p>Subject to any special rights or restrictions as to voting attached to any class or classes or shares by or in accordance with these Articles, on a show of hands every person present who is a Member or Member's representative or proxy or attorney shall have one vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for every share held by him.</p>	<p><u>Vote of Members</u></p> <p>Subject to any special rights or restrictions as to voting attached to any class or classes or shares by or in accordance with these Articles, on a show of hands, a holder of ordinary shares or preference shares who is present as a member or a member's representative or proxy or attorney and entitled to vote shall be entitled to one vote. Every person present who is a Member or Member's representative or proxy or attorney shall have one vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for every share held by him.</p>	Pursuant to Para. 7.19A of the Listing Requirements.
94.	<p><u>Directors</u></p> <p>All Directors of the Company shall be natural persons.</p>	<p><u>Directors</u></p> <p>Deleted. The subsequent Articles, i.e. Article 95 to Article 180, are to be renumbered accordingly. All cross-references referring to the renumbered Articles need to be read according to the renumbered Articles.</p>	Pursuant to Para. 7.23 of the Listing Requirements.
108.	<p><u>Vacation of Office of Director</u></p> <p>The office of Director shall, ipso facto, be vacated :-</p> <p>(a) upon his attainment of the age of seventy (70) years; unless Section 129(6) of the Act is complied with;</p> <p>(b) If he ceases to be a Director by virtue of the Act;</p> <p>(c) If he resigns his office by notice in writing under his hand sent to or left at the Office;</p> <p>(d) If he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors) from meetings of the Directors for six months in succession and his alternate Director (if any) shall not during such period have attended in his stead;</p>	<p><u>Vacation of Office of Director</u></p> <p>The office of Director shall, ipso facto, be vacated :-</p> <p>(a) upon his attainment of the age of seventy (70) years; unless Section 129(6) of the Act is complied with;</p> <p>(b) If he ceases to be a Director by virtue of the Act;</p> <p>(c) If he resigns his office by notice in writing under his hand sent to or left at the Office;</p> <p>(d) If he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors) from meetings of the Directors for six months in succession and his alternate Director (if any) shall not during such period have attended in his stead;</p>	Pursuant to Para. 7.29 and 15.05(3) of the Listing Requirements



Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
	<p>(e) If he is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;</p> <p>(f) If he become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(g) If he has a receiving order in bankruptcy made against him or makes any arrangement or composition with his creditors generally;</p> <p>(h) If he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act;</p> <p>(i) Is absent from more than 50% of the total Board of Directors' meeting held during a financial year.</p>	<p>(e) If he is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;</p> <p>(f) If he becomes of unsound mind during his term of office;</p> <p>(g) If he has a receiving order in bankruptcy made against him or makes any arrangement or composition with his creditor generally during his term of office;</p> <p>(h) If he becomes prohibited from being a Director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act;</p> <p>(i) Is absent from more than 50% of the total Board of Directors meeting held during a financial year.</p>	
160.	<p><u>Accounts</u></p> <p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months. A copy of each such document shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and to every debentures holder of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or more than one of joint holders by any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>	<p><u>Accounts</u></p> <p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months. A copy of each such document either in printed form or in CD-ROM form or in such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and to every debentures holder of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange.</p>	<p>To be in line with the practice of issuing the accounts and annual report in CD-ROM form or such other electronic media</p>



APPENDIX I (Contd)

Article No.	EXISTING ARTICLES	PROPOSED ARTICLES	Rationale(s)
		<p>Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or more than one of joint holders by any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p> <p>In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Members within four (4) Market Days from the date of the receipt of the Member's request.</p>	
179.	<p><u>Alteration of Articles</u></p> <p>The Company may delete, amend or add to any of the existing Article provided a letter of the compliance together with the said deletion, amendment or addition thereto is submitted to the Exchange.</p>	<p><u>Alteration of Articles</u></p> <p>Subject to the Act, the Company may by special resolution delete, alter or add to these Articles.</p>	<p>Bursa Malaysia has via Practice Note 18/2005 removed the requirement to review any proposed amendments to the AA.</p>
180.	<p><u>Effect of Listing Requirements</u></p> <p>New provision</p>	<p><u>Effect of Listing Requirements</u></p> <p>(7) For the purpose of this article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad including any amendments to the Listing Requirements that may be made from time to time.</p>	<p>To be in line with Chapter 7 of the Listing Requirements</p>



IDAMAN UNGGUL BERHAD (279343-W)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares	CDS Account No.

I/We _____ of _____

being a Member/Members of **IDAMAN UNGGUL BERHAD**, hereby appoint _____

of _____
or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company, to be held at Sri Petaling Ballroom, Level 1, Hotel Sri Petaling, 30 Jalan Raden Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Thursday, 30 August 2007 at 9.00 a.m. and at any adjournment thereof.

RESOLUTIONS	For	Against
Resolution 1 - To adopt the Audited Financial Statements		
Resolution 2 - To re-elect Dato' Che Mohd Annuar bin Che Mohd Senawi as Director		
Resolution 3 - To re-elect Haji Hussein bin Hamzah as Director		
Resolution 4 - To approve the payment of Directors' fees		
Resolution 5 - To re-appoint Messrs. Ernst & Young as Auditors		
Resolution 6 - To approve the authority to allot and issue shares		
Special Resolution 1 – To approve the amendments to the Articles of Association of the Company		

(Please indicate with an "X" in the appropriate box against each resolution how you wish your vote to be cast. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit).

Signed this dayday of, 2007

.....
Signature/Seal of Shareholder

NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Subject to the Act, where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
4. The Form of Proxy must be completed, signed and deposited at the Company's Registered Office not less than 48 hours before the time set for the meeting or adjourned meeting.

The Company Secretary
Idaman Unggul Berhad (279343-W)
4th Floor
No. 17-21, Jalan Medan Tuanku Satu
Medan Tuanku
50300 Kuala Lumpur

This page is intentionally left blank.

This page is intentionally left blank.