

FOR IMMEDIATE RELEASE

IPMUDA IS MALAYSIA'S FIRST SHARIAH-COMPLIANT BUILDING MATERIAL TRADING HOUSE

- Benchmark for socially responsible and ethical business
- Developed by in-house Shariah Committee and guided by external Shariah Advisor

KUALA LUMPUR, 1 SEPTEMBER 2021 – IPMUDA Berhad (“IPMUDA” or “the Group”) has today launched its Shariah-compliant procedures to become the first fully shariah-compliant trading house in Malaysia.

The building materials and solutions trading house, with diversified verticals in Renewable Energy & Healthcare sectors, has transformed its trading division to better serve its customers and partners.

The launch was spearheaded by an in-house Shariah Committee formed at the onset of the transformation plan pursuant to IPMUDA's change of shareholding and leadership structure in June 2020. The Committee is guided by an appointed Shariah advisor hence ensuring the proper application of Shariah tenets to the overall trading division.

“This is a step further for IPMUDA who has already been previously affirmed as a Shariah-Compliant Securities by the Shariah Advisory Council of Securities Commission. We want to ensure that we better serve our customers, partners and more importantly the communities at large,” said Chief Executive Officer Jeffri M. Yusup

“This move will be a competitive advantage that is unique only to Ipmuda,” Jeffri added.

Facilitating business relations through Shariah-compliant procedures

The Shariah-compliant procedures are aimed at promoting socially responsible and ethical business practices via **transparent contractual terms and obligations**, avoiding hidden caveats or conditions, particularly in terms of fees or charges.

This move will apply to all its building material products and services under the trading arm, such as tiles, ironmongery, sanitary wares, and interlocking blocking system (IBS), including its in-house brands such as *Ortolani*, *Concord* and *Duraset*.

The Group will also eliminate any compounding interest and penalty to be imposed on its customers by requiring only charges against actual cost incurred from late payments, in line with the Shariah concept of **ta'widh**. Any excess proceeds over and above the actual cost will be **channeled to charitable organizations and causes** benefitting the communities, particularly in areas relevant to the Group such as providing green and stable electricity to remote areas via installation of solar panels and micro hydro turbines.

Additionally, any early payment or settlement would entitle customers for **cheaper prices and early rebates** under the Shariah concept of **ibra'**, further benefiting the customers.

Shariah-compliant procedures will also promote fairness as all customers are treated with **equal opportunities, eliminating uncompetitive bargaining practices**. This would require a robust customer engagement process entailing improved overall business relationships with the Group's current and prospective customers.

"Incorporating Shariah practices into our trading house acts as a mechanism to provide attractive and unique incentives to our customers," said Jeffri.

On the business side, Shariah-compliant procedures will improve collection turn-around days and early payments thus safeguarding the Group's cash flow management. The Shariah-compliant procedures will also be able to increase client retention, confidence, and loyalty through the improved customer experience.

Delivering ESG commitments

"This move complements IPMUDA's aspiration to be a socially responsible organization. We are gearing up our ESG initiatives across all our business segments. Our Renewable Energy and Healthcare divisions are, by its nature, inherently within the sustainability space - and now our trading division will join in the same journey towards building a more sustainable future," added Jeffri.

The Group believes its stakeholders stand to benefit from a more transparent business relationship, ethical practices, and competitive prices with no hidden charges. Overall, this would reduce economic disparity, promote shared responsibility, and improve corporate governance standards.

"At IPMUDA, we want to serve as a catalyst for responsible and ethical business practices. In providing our products and services, we believe in shared responsibility and our customers, clients and communities are all important stakeholders that we must serve better. We hope that our peers and other players will follow suit in embracing similar procedures," Jeffri concluded.

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About IPMUDA Berhad

Driven by stakeholder value creation, IPMUDA has evolved from being the premier supplier of customised building solutions to a sustainable high-performing diversified organisation, involved in key growth sectors namely renewable energy, healthcare and trading.

Since its inception in 1975, and the ensuing listing on the Main Bourse of Kuala Lumpur Stock Exchange (Bursa) in 1993, IPMUDA has undergone a comprehensive transformation to inject vigour to our journey of continuous and sustainable growth.

The Group has expanded its stable of assets and operations to include renewable energy and healthcare through its solar and hydro plants as well as a private healthcare facility. The Group will continue to meet the growing clean energy and healthcare needs of the communities and future generations.

IPMUDA Berhad remains steadfast in achieving its aspirations to become a leading regional player, with a focus on governance and sustainability in all that we do.

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Photos and captions:



Jeffri M. Yusup
Chief Executive Officer
High Res Photo: <https://bit.ly/2Y9M12s>



IPMUDA Logo
High Res Photo: <https://bit.ly/3zutA6r>

IPMUDA'S Trading Highlight Products:



Basico, Tiles Series

High Res Photo: <https://bit.ly/3jtG88u>



Concorde, Ironmongery

High Res Photo: <https://bit.ly/3ySp2fu>



Ortolani, Sanitarywares & Fittings

High Res Photo: <https://bit.ly/3BqOowb>