

Interim Financial Statements for the First Quarter Ended 30 September 2021

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
(Unaudited)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>30/09/2021</u>	<u>30/09/2020</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	6,117	6,149	6,117	6,149
Operating expenses	(10,211)	(11,053)	(10,211)	(11,053)
Net gain on impairment of financial assets	1,374	1,068	1,374	1,068
Other operating income	284	231	284	231
Loss from operations	(2,436)	(3,605)	(2,436)	(3,605)
Finance costs	(490)	(760)	(490)	(760)
Finance income	283	295	283	295
Loss before tax	(2,643)	(4,070)	(2,643)	(4,070)
Tax income/(expense)	1	(12)	1	(12)
Loss after tax from continued operations	(2,642)	(4,082)	(2,642)	(4,082)
Profit after tax from discontinued operations	-	-	-	-
Loss after tax for the period	(2,642)	(4,082)	(2,642)	(4,082)
Other comprehensive income/(loss)				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Fair value changes of other investments	-	2	-	2
Other comprehensive income, net of tax	-	2	-	2
Total comprehensive loss	(2,642)	(4,080)	(2,642)	(4,080)
Loss for the period attributable to:				
Owners of the Company	(2,641)	(4,081)	(2,641)	(4,081)
Non-controlling interests	(1)	(1)	(1)	(1)
	(2,642)	(4,082)	(2,642)	(4,082)
Total comprehensive loss for the period attributable to:				
Owners of the Company	(2,641)	(4,079)	(2,641)	(4,079)
Non-controlling interests	(1)	(1)	(1)	(1)
	(2,642)	(4,080)	(2,642)	(4,080)
Basic/diluted loss for the period per ordinary share (sen)				
- from continued operations	(2.60)	(5.63)	(2.60)	(5.63)
- from discontinued operations	-	-	-	-
	(2.60)	(5.63)	(2.60)	(5.63)

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2021.

Interim Financial Statements for the First Quarter Ended 30 September 2021

Condensed Consolidated Statements of Financial Position

	AS AT <u>30/09/2021</u> Unaudited RM'000	AS AT <u>30/06/2021</u> Audited RM'000
Non-current assets		
Property, plant and equipment	4,279	3,667
Right-of-use assets	1,468	1,478
Investment properties	47,655	47,655
Land held for property development	9,612	9,430
Other investments	510	510
	<u>63,524</u>	<u>62,740</u>
Current assets		
Inventories	4,111	3,948
Trade and other receivables	23,810	22,368
Tax recoverable	571	517
Cash and cash equivalents	4,145	4,603
	<u>32,637</u>	<u>31,436</u>
Assets classified as held for sale	13,839	13,865
Current liabilities		
Trade and other payables	10,159	11,207
Lease liabilities	522	-
Overdraft and short term borrowings	21,374	16,093
	<u>32,055</u>	<u>27,300</u>
NET CURRENT ASSETS	<u>14,421</u>	<u>18,001</u>
	<u>77,945</u>	<u>80,741</u>
FINANCED BY:		
Total equity		
Share capital	94,777	94,777
Reserves	(51,856)	(49,215)
Equity attributable to owners of the company	42,921	45,562
Non-controlling interests	(271)	(270)
	<u>42,650</u>	<u>45,292</u>
Non-current liabilities		
Term financing/loan	32,925	33,079
Deferred tax liabilities	2,370	2,370
	<u>35,295</u>	<u>35,449</u>
	<u>77,945</u>	<u>80,741</u>
Net assets per share attributable to ordinary equity holders of the Parent (RM)	0.42	0.54

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2021.

Interim Financial Statements for the First Quarter Ended 30 September 2021

Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	← Attributable to Owners of the Company →			Total	Non-Controlling Interests	Total Equity
	← Non-Distributable Share Capital	→ Other Reserves	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended						
30-Sep-21						
At 1 July 2021	94,777	(38)	(49,177)	45,562	(270)	45,292
Loss after taxation for the financial period	-	-	(2,641)	(2,641)	(1)	(2,642)
Other comprehensive loss for the financial period	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	(2,641)	(2,641)	(1)	(2,642)
At 30 September 2021	94,777	(38)	(51,818)	42,921	(271)	42,650
Period ended						
30-Sep-20						
At 1 July 2019	75,926	13	(40,235)	35,704	(265)	35,439
Loss after taxation for the financial period	-	-	(4,081)	(4,081)	(1)	(4,082)
Other comprehensive loss for the financial period	-	2	-	2	-	2
Total comprehensive loss for the financial period	-	2	(4,081)	(4,079)	(1)	(4,080)
At 30 September 2020	75,926	15	(44,316)	31,625	(266)	31,359

Note

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Interim Financial Statements for the First Quarter Ended 30 September 2021

**Condensed Consolidated Statements of Cash Flows
(Unaudited)**

	<u>1/7/2021 to</u> <u>30/09/2021</u> RM'000	<u>1/7/2020 to</u> <u>30/09/2020</u> RM'000
Cash flows from operating activities		
Loss before tax from		
- continuing operations	(2,643)	(4,070)
- discontinued operations	-	-
Adjustments for:-		
Non-cash items	(996)	(709)
Non-operating items	(390)	(389)
Operating loss before working capital changes	<u>(4,030)</u>	<u>(5,168)</u>
Net change in current assets	(374)	11,338
Net change in current liabilities	<u>(1,032)</u>	<u>(5,308)</u>
Cash flows (used in)/from operations	(5,437)	862
Tax paid	(9)	(17)
Net cash (used in)/from operating activities	<u>(5,445)</u>	<u>845</u>
Cash flows from investing activities		
Equity investments	0	6
Other investments	(663)	367
Net cash (used in)/from investing activities	<u>(662)</u>	<u>373</u>
Cash flows for financing activities		
Finance service revenue account	0	(4)
Term financing/loan	5,048	-
Hire purchase financing	522	-
Short term bank borrowings	(502)	803
Net cash from financing activities	<u>5,068</u>	<u>799</u>
Net (decrease)/increase in cash and cash equivalents	(1,039)	2,017
Cash and cash equivalents at beginning of financial year	3,366	(9,979)
Cash and cash equivalents at end of financial year	<u><u>2,327</u></u>	<u><u>(7,962)</u></u>

Cash and cash equivalent at the end of the financial year comprise of:

	<u>30/09/2021</u> RM'000	<u>30/09/2020</u> RM'000
Cash and bank balances	4,145	5,909
Bank overdrafts	(581)	(12,022)
Finance service revenue account	(1,237)	(1,849)
	<u><u>2,327</u></u>	<u><u>(7,962)</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2021.

A EXPLANATORY NOTES

A1. Accounting Policies

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the year ended 30 June 2021.

Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2020.

Initial application of the new standards/amendments/improvements to MFRSs did not have material impact to the financial performance or position of the Group.

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following new and amended standards and interpretations issued by the Malaysian Accounting Standards Board ("MASB") are disclosed below. The Group intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, *Interest rate benchmark reform – Phase 2*

Amendments to MFRSs effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases: COVID-19 related rent concessions beyond 30 June 2021*

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations: Reference to the conceptual framework*
- Amendments to MFRS 116, *Property, plant and equipment: Proceeds before intended use*
- Amendments to MFRS 137, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*
- Annual Improvements to MFRS Standards 2018–2020

Interim Financial Statements for the First Quarter Ended 30 September 2021

A1. Accounting Policies (cont'd)

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- MFRS 17*, *Insurance contracts*
- Amendments to MFRS 17*, *Insurance contracts*
- Amendments to MFRS 4*, *Insurance contracts: Extension of the temporary exemption from applying MFRS 9*
- Amendments to MFRS 101, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to MFRS 101, *Presentation of financial statements: Disclosure of accounting policies*
- Amendments to MFRS 108, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to MFRS 112, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to MFRSs - effective date deferred indefinitely

- Amendments to MFRS 10 and 128, *Consolidated financial statements and investments in associates and joint venture: Sale or Contribution of assets between an investor and its associate or joint venture*

** Not applicable to the Group's operation.*

The initial application of the above standards, amendments, and interpretations are not expected to have any material financial impact to the financial statements of the Group upon its adoption.

A2. Audit Report

The audit report of the most recent annual financial statements was not subject to any qualification.

A3. Seasonal or Cyclical Factors

There is no major seasonality or cyclicity in the Group's operations.

A4. Exceptional Items (COVID-19 Pandemic)

Malaysia has implemented Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") to curb the spread of the COVID-19 pandemic. On 15 June 2021, a National Recovery Plan ("NRP") was under way which will be divided into 4 phases. The COVID-19 outbreak is a global crisis that is having an increasing impact on the global economy.

Our Group's trading business activities were impacted by the lockdowns imposed since the inception of the COVID-19 pandemic. However, with the reopening of more than 90% of the economy sectors and easing on the restriction by the government, the Group's trading business is on track for recovery.

Interim Financial Statements for the First Quarter Ended 30 September 2021

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current interim period.

A6. Debt and Equity Securities

There was no other share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the quarter under review.

A7. Dividend

A propose special cash dividend of RM30,437,190 (as stated in Note B8) was approved by the Company's shareholders in the Extraordinary General Meeting ("EGM") on 12 November 2021.

A8. Segmental Reporting

Segment information for the quarter ended 30 September 2021 is as follows: -

	Trading RM'000	Contract (exclude discontinuing operations) RM'000	Property Development RM'000	Property and Investment Holding RM'000	Others RM'000	Total RM'000
Revenue	4,518	1,419	-	180	-	6,117
Loss/(profit) from operations	(2,396)	(26)	46	-	(60)	(2,436)
Finance income	282	-	1	-	-	283
Finance costs	(490)	-	-	-	-	(490)
Loss/(profit) before tax	(2,604)	(26)	47	-	(60)	(2,643)
Tax expense	1	-	-	-	-	1
Loss/(profit) after tax from continuing operations	(2,603)	(26)	47	-	(60)	(2,642)
Result from discontinuing operations	-	-	-	-	-	-
Loss/(profit) after tax	(2,603)	(26)	47	-	(60)	(2,642)

Segment information for the quarter ended 30 September 2020 is as follows: -

	Trading RM'000	Contract (exclude discontinuing operations) RM'000	Property Development RM'000	Property and Investment Holding RM'000	Others RM'000	Total RM'000
Revenue	6,067	82	-	-	-	6,149
Loss/(profit) from operations	(3,483)	(38)	30	(107)	(7)	(3,605)
Finance income	294	-	1	-	-	295
Finance costs	(760)	-	-	-	-	(760)
Loss/(profit) before tax	(3,949)	(38)	31	(107)	(7)	(4,070)
Tax expense	(12)	-	-	-	-	(12)
Loss/(profit) after tax from continuing operations	(3,961)	(38)	31	(107)	(7)	(4,082)
Result from discontinuing operations	-	-	-	-	-	-
Loss/(profit) after tax	(3,961)	(38)	31	(107)	(7)	(4,082)

Interim Financial Statements for the First Quarter Ended 30 September 2021

A9. Property, Plant and Equipment

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated.

A10. Material Significant Events and Subsequent Events

There is no material event subsequent to the end of the quarter under review that has not been reflected in these condensed financial statements.

A11. Changes in Composition of the Group

Global Allied Sdn Bhd, a subsidiary of Ipmuda Group has commenced members' voluntary winding up on 24 January 2020 pursuant to Section 439(1)(b) of the Companies Act 2016. The subsidiary has ceased its business operations and is currently dormant and has no intention to carry on business or operations in the future. The voluntary winding up of the subsidiary is part of Ipmuda Group's continuing rationalisation effort to improve efficiency within the Ipmuda Group and will enable the Ipmuda Group to save future costs associated with maintaining the subsidiary.

This voluntary winding up now is in the final stage, which is pending the tax clearance from Inland Revenue Board. It is expected to be complete before end of the year.

Saved as disclosed above, there are no other changes in composition of the Group as at the date of the report.

A12. Capital Commitments

There was no material capital commitment for the current quarter under review except for the Acquisition of Hospital (as defined herein), Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset detailed in Note B8.

A13. Contingent Liabilities

There was no material contingent liability for the current quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Current quarter and year to date

Group revenue for the current quarter was lower by RM32.0 thousand or 0.5% as compared to corresponding quarter of the preceding year (“Q1FY21”) due to lower revenue generated from trading segment.

The Group registered a loss before tax (“LBT”) of RM2.6 million, lower by RM1.4 million or 35.1% as compared to Q1FY21. The improved LBT was mainly contributed by lower staff cost (by RM1.2 million) and higher net gain on impairment of trade receivables (by RM0.3 million) during the quarter.

B2. Comparison with Preceding Quarter’s Result

The Group revenue was higher by RM0.6 million or 10.3% as compared to preceding quarter (“Q4FY21”) which resulted from revenue generated from the Coara Marang Project and sales of high margin products such as finishing and general building products during the quarter.

However, the Group recorded a lower LBT (by RM0.5 million or 16.8%) as compared to Q4FY21 mainly due to higher net gain on impairment of trade receivables (by RM0.4 million).

B3. Current Year Prospects

With the recovery momentum seen during the first nine months of 2021, Malaysia's GDP is on track to achieve growth of between 3% and 4% in 2021, and further expand between 5.5% and 6.5% in 2022, in line with projections by the IMF and World Bank at 6.0% and 5.8%, respectively. Growth will be driven primarily by an expansionary Budget 2022, normalisation in economic and social activities premised on high vaccination rates, resumption of projects with high multiplier effects and strong external demand, especially from major trading partners*.

The Board foresees that the slow pace of recovery of the Malaysian economy from the COVID-19 pandemic will be challenging to the trading business segment. In view of this, the Group has made efforts to improve its financial performance and strengthen its financial position by undertaking the following:-

- i. the acquisition of the Hospital (referred to in Note B8) which is expected to complete by the end of 2021;
- ii. Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset (referred to in Note B8); and
- iii. monetising its various non-core assets (land and properties), for example disposal of property (referred to in Note B8).

Interim Financial Statements for the First Quarter Ended 30 September 2021

B3. Current Year Prospects (cont'd)

The steps will collectively add value to IpMuda by diversifying the Group's revenue streams and improve its financial position in the near future.

** Source: Ministry of Finance Malaysia portal, Press Release 12 November 2021, Third Quarter 2021 GDP Performance: Malaysia's Full Year Economic Growth Expected To Remain Positive.*

B4. Variances from Profit Forecast and Profit Guarantee

The Company did not make a profit forecast and therefore comments on variances with forecast profit are not applicable.

B5. Loss Before Tax

The loss before tax is stated after charging/(crediting):

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>30/9/2021</u>	<u>30/9/2020</u>	<u>30/9/2021</u>	<u>30/9/2020</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(283)	(295)	(283)	(295)
Other income	(284)	(229)	(284)	(229)
Interest expenses	490	760	490	760
Depreciation and amortisation	262	361	262	361
Loss/(gain) on disposal of property, plant & equipment	26	(2)	26	(2)
Inventories written down	89	-	89	-
Net gain on impairment of trade receivables	(1,374)	(1,068)	(1,374)	(1,068)

B6. Tax Income/(Expense)

Tax comprises the following:

	CURRENT QUARTER		CUMMULATIVE QUARTER	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>30/09/2021</u>	<u>30/09/2020</u>
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current year tax	-	-	-	-
Deferred tax	-	-	-	-
Prior years				
- Over/(under) provision	1	(12)	1	(12)
Total tax income/(expense)	<u>1</u>	<u>(12)</u>	<u>1</u>	<u>(12)</u>

Corporate tax was provided for non-business source for the quarter under review.

Interim Financial Statements for the First Quarter Ended 30 September 2021

B7. Purchase or Disposal of Quoted Securities

There is no purchase or disposal of quoted securities for the current quarter under review. Total investments in quoted shares as at 30 September 2021 are at stated at market values of RM154,957.

B8. Status of Corporate Proposals

Save for the following, there were no other corporate proposals announced but not completed as at the date of this announcement.

- i. As stated in Note B3, the Group announced a Proposed Diversification on 4 November 2020, and it is expected to further expand the revenue stream and earnings base of the Group and the Board anticipates that the Proposed Diversification may contribute 25% or more of the net profits of the Group in the future. The Proposed Diversification has been approved by the shareholders at an EGM held on 18 December 2020.
- ii. On 18 June 2021, MIDF Amanah Investment Bank Berhad had, on behalf of the Board, announced that the Company proposes to undertake the following proposals:
 - a. proposed disposal of a piece of leasehold property held under document of title Pajakan Negeri 3664 Lot 19 Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan measuring approximately 20,772.0684 square metres ("sqm") (approximately 223,596 square feet ("sqft")) together with an industrial premise and other supporting ancillary buildings erected thereon with a total approximate gross floor area of 15,524.75 sqm (167,107 sqft) and bearing postal address No. 1 Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, by Roset-BLG Sdn Bhd, a wholly-owned subsidiary of Better Living Grand Sdn Bhd, which in turn is a wholly-owned subsidiary of Ipmuda to Pixel Valley Sdn Bhd, a wholly owned subsidiary of Kerjaya Prospek Property Berhad for total consideration of RM82,000,000 which shall be satisfied in cash of RM80,000,000 and RM2,000,000 in kind by way of 2 properties ("Proposed Property Disposal");
 - b. proposed special cash dividend of RM30,437,190 on the basis of RM0.30 per ordinary share in Ipmuda ("Ipmuda Share(s)" or "Share(s)") to the entitled shareholders (defined herein) on an entitlement date to be determined and announced at a later date ("Entitlement Date") ("Proposed Special Dividend"). The special cash dividend of RM30,437,190 shall be paid out of the cash consideration of RM80,000,000 to be received pursuant to the Proposed Property Disposal;
 - c. proposed bonus issue of 101,457,300 new Ipmuda Shares ("Bonus Shares") together with 152,185,950 free detachable warrants in Ipmuda ("Bonus Warrants") on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing Ipmuda Shares held by the shareholders of Ipmuda whose names appear on the record of depositors of the Company at the close of business on an Entitlement Date ("Entitled Shareholders") ("Proposed Bonus Issue of Shares and Warrants"); and

B8. Status of Corporate Proposals (cont'd)

- d. proposed renounceable rights issue of 101,457,300 new Ipmuda Shares (“Rights Shares”) on the basis of one (1) Rights Share for every one (1) existing Ipmuda Share held by the Entitled Shareholders on the Entitlement Date (“Proposed Rights Issue of Shares”).

(the abovementioned proposals are collectively referred to as the “Proposals”)

- e. proposed acquisition of a hospital from third party vendors for a purchase consideration of up to RM18,000,000 to be satisfied via cash and issuance of new Ipmuda Shares (“Proposed Acquisition of Hospital”);
- f. proposed acquisition of a solar energy asset from related parties and third party vendor for a purchase consideration of RM11,107,000 to be satisfied via issuance of new Ipmuda Shares (“Proposed Acquisition of Solar Asset”); and
- g. proposed acquisition of a hydro energy asset from related parties and third party vendor for a purchase consideration of RM163,290,152 to be satisfied via issuance of new Ipmuda Shares (“Proposed Acquisition of Hydro Asset”);

(Proposed Property Disposal, Proposed Special Dividend, Proposed Bonus Issue of Shares and Warrants, Proposed Rights Issue of Shares and Proposed Acquisition of Hospital are collectively referred to as the “Proposals”)

(Proposed Acquisition of Hospital, Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset are collectively referred to as the “Proposed Acquisitions”)

Pursuant to the above, the Company had on 18 June 2021 entered into five (5) exclusive heads of agreements (“HOA(s)”) with the respective vendors in relation to the Proposed Acquisitions:

- a. One (1) HOA with the vendors of Ultimate Forte Sdn Bhd (“Ultimate Forte”), namely Dato’ Abdul Hamid Bin Sh Mohamed, Abdul Latif Bin Shaikh Mohamed, Murali A/L Vasu, Mohd Zaifullizan Bin Abdul Aziz, Ahmad Umar Bin Alisan, Ainy Binti Md Aris and Dahlia Binti Abd Malik (collectively referred to as the “Ultimate Forte Vendors”) for entire equity interests in Ultimate Forte for a total purchase consideration of up to RM18,000,000 to be satisfied via cash and issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Hospital;
- b. One (1) HOA with Jentayu Capital Sdn Bhd (“Jentayu Capital”) for 51% equity interests in Jentayu Solar Sdn Bhd (“Jentayu Solar”) for a total purchase consideration of RM5,664,570 to be satisfied via issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Solar Asset;

B8. Status of Corporate Proposals (cont'd)

- c. One (1) HOA with Seri Panglima Holdings Sdn Bhd (“Seri Panglima”) for 49% equity interest in Jentayu Solar for a total purchase consideration of RM5,442,430 to be satisfied via issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Solar Asset;
- d. One (1) HOA with Kasa Tuah Resources Sdn Bhd (“Kasa Tuah”) and Borneo Sustainable Energy Sdn Bhd (“Borneo Sustainable”) for 100% equity interest in Senja Optima Sdn Bhd (“Senja Optima”), by acquiring one (1) 50% equity interest from each Kasa Tuah and Borneo Sustainable, for a total purchase consideration of RM23,760,152 to be satisfied via issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Hydro Asset; and
- e. One (1) HOA with Jentayu Capital for 100% issued and paid-up preference shares in each Telekosang Hydro One Sdn Bhd (“Telekosang One”) and Telekosang Hydro Two Sdn Bhd (“Telekosang Two”) as well as 100% of Junior Sukuk in Telekosang One for a total purchase consideration of RM139,530,000 to be satisfied via issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Hydro Asset.

The Proposed Property Disposal is not conditional upon any other corporate proposals. The Proposed Special Dividend, Proposed Bonus Issue of Shares and Warrants as well as Proposed Rights Issue of Shares are conditional upon the completion of the Proposed Property Disposal. The Proposed Special Dividend, Proposed Bonus Issue of Shares and Warrants as well as Proposed Rights Issue of Shares are inter-conditional upon each other.

The Proposed Acquisition of Hospital, Proposed Acquisition of Solar Asset, Proposed Acquisition of Hydro Asset are not conditional upon each other and the Proposals.

- iii. Pursuant to the HOA dated 18 June 2021 entered into between the Company and the Ultimate Forte Vendors in relation to the Proposed Acquisition of Hospital as stated in Note B8(ii) above, on 24 August 2021, MIDF Amanah Investment Bank Berhad had, on behalf of the Board, announced that the Company had on even date entered into a conditional share sale agreement (“SSA”) with the Ultimate Forte Vendors in relation to the proposed acquisition of the entire equity interest in Ultimate Forte Sdn. Bhd. for a total purchase consideration of RM18,000,000 to be satisfied via a combination of cash and issuance of new Ipmuda Shares (“Consideration Shares”).

The Proposed Acquisition of Hospital is subject to the approvals being obtained from the following:

- a. shareholders of Ipmuda for the Proposed Acquisition of Hospital at an EGM to be convened (approved on 12 November 2021);
- b. Bursa Malaysia Securities Berhad for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Malaysia Securities Berhad; and

B8. Status of Corporate Proposals (cont'd)

- c. any other relevant authorities / parties, if required.

The Proposed Acquisition of Hospital is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

- iv. On 22 September 2021, the Company has entered into the following SSAs in relation to the Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset as elaborated below:-
 - a. one (1) SSA with Jentayu Capital Sdn. Bhd. and Seri Panglima Sdn. Bhd. for the acquisition of 3,000,000 ordinary shares representing the entire equity interest in Jentayu Solar Sdn. Bhd. for a total purchase consideration of RM11,107,050 to be satisfied via issuance of new Ipmuda Shares in relation to the Proposed Acquisition of Solar Asset;
 - b. one (1) SSA with Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. for the acquisition of 200 ordinary shares representing the entire equity interest in Senja Optima, by acquiring one (1) 50% equity interest from Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. respectively, for a total purchase consideration of RM44,600,200 to be satisfied via cash consideration of RM5,464,000 and issuance of new Ipmuda Shares amounting to RM39,136,200 in relation to the Proposed Acquisition of Hydro Asset;
 - c. one (1) SSA with Jentayu Capital Sdn. Bhd. for the acquisition of 60,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro One Sdn. Bhd. and 40,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro Two Sdn. Bhd. for a total purchase consideration of RM93,600,000 to be satisfied via cash consideration of RM7,488,000 and issuance of new Ipmuda Shares amounting to RM86,112,000 in relation to the Proposed Acquisition of Hydro Asset; and
 - d. one (1) SSA with Jentayu Capital Sdn. Bhd. for 100% of the Junior Bonds in Telekosang Hydro One Sdn. Bhd. for a total purchase consideration of RM38,100,000 to be satisfied via cash consideration of RM3,048,000 and issuance of new Ipmuda Shares amounting to RM35,052,000 in relation to the Proposed Acquisition of Hydro Asset.

(b, c and d are collectively referred to as the “**Hydro SSA**”)

B8. Status of Corporate Proposals (cont'd)

- v. On 11 October 2021, Bursa Securities had, vide its letter approved the following on the Main Market of Bursa Securities:-
- a. admission to the official list and listing of and quotation for 152,185,950 Bonus Warrants to be issued pursuant to the Proposed Bonus Issue of Shares and Warrants;
 - b. listing of and quotation for 101,457,300 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares and Warrants;
 - c. listing of and quotation for 101,457,300 Rights Shares to be issued pursuant to the Proposed Rights Issue of Shares;
 - d. listing of and quotation for up to 152,185,950 new Ipmuda Shares to be issued pursuant to the exercise of the Bonus Warrants; and
 - e. listing of and quotation for up to 18,867,700 new Consideration Shares to be issued pursuant to the Proposed Acquisition of Hospital.

subject to the conditions stipulated therein.

- vi. On 27 October 2021, the Company has announced the disclosure of dealings pursuant to Paragraph 19.04 of the rules on take-overs, mergers and compulsory acquisitions (“Rules”) in relation to the potential mandatory take-over offer by Jentayu Capital Sdn Bhd (“Offeror”) and its parties acting in concert to acquire all the remaining Ipmuda shares not already held by them (“Offer”).

With regards to the HOA dated 18 June 2021 and SSA dated 22 September 2021 entered into by the Company to undertake the Proposed Acquisition of Hydro Asset, after the completion of the Proposed Acquisition of Hydro Asset, the shareholdings of the Offeror together with its parties acting in concert will collectively increase from below 33% to above 50%. Therefore, upon the Hydro SSA becoming unconditional, the Offeror together with its parties acting in concert are obliged to extend the Offer. The Offeror will serve a notice of the MGO to the Board after the Hydro SSA becomes unconditional pursuant to the terms contained therein.

Accordingly, the offer period in respect of the MGO has commenced on 18 June 2021 in view of the Company’s entry into the heads of agreements in respect of the Proposed Acquisition of Hydro Asset dated 18 June 2021, which upon the Hydro SSA becoming unconditional, would result in the Offeror undertaking the MGO. Therefore, the provisions under the Rules are applicable to the Company.

- vii. On 28 October 2021, the Company has issued the circular to the shareholders of the Company in relation to the Proposals and notice of EGM on the Proposals.

Interim Financial Statements for the First Quarter Ended 30 September 2021

B8. Status of Corporate Proposals (cont'd)

- viii. On 12 November 2021, the Company has obtained its shareholders' approval on the Proposals at the EGM of the Company.
- ix. On 12 November 2021, the Board has announced that the Company intends to seek shareholders' approval at the forthcoming Annual General Meeting on the proposed change of name of the Company's existing name to Jentayu Sustainable Berhad.
- x. On 24 November 2021, MIDF Amanah Investment Bank Berhad had, on behalf of the Board, announced that the Company and the Ultimate Forte Vendors have mutually agreed to extend the fulfilment date of the conditions precedent as stipulated under the SSA in relation to the Acquisition of Hospital to 24 December 2021.

B9. Group Borrowings and Debt Securities

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 30 September 2021 are as below:

	As at <u>30/09/2021</u> RM'000	As at <u>30/09/2020</u> RM'000
Secured	21,374	24,180
Unsecured	-	28,475
Total short-term borrowings	<u>21,374</u>	<u>52,655</u>
Secured	32,925	5,797
Unsecured	-	855
Total long-term borrowings	<u>32,925</u>	<u>6,652</u>
Total borrowings	<u>54,299</u>	<u>59,307</u>

B10. Off Balance Sheet Financial Instruments

There is no off-balance sheet financial instrument as at the date of this report.

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Interim Financial Statements for the First Quarter Ended 30 September 2021

B11. Dividend

In the EGM dated 12 November 2021, the shareholders of Ip Muda have approved to declare and pay out part of the disposal consideration of the property disposal referred to in Note B8 as a special cash dividend of RM30,437,190 on the basis of RM0.30 per Ip Muda Share to the entitled shareholders on the entitlement date. The special cash dividend shall be paid not later than three (3) months from the date of the shareholders' approval. It is intended that the entitlement and payment dates for the special cash dividend to be fixed by the Board after the completion of the Property Disposal.

B12. Earnings Per Share

The basic earnings per share for the financial year have been calculated by dividing the Group's losses by the weighted average number of ordinary shares issued.

	CURRENT QUARTER		CUMMULATIVE QUARTER	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>30/09/2021</u>	<u>30/09/2020</u>
Loss attributable to owners of the Company (RM'000)				
- from continuing operations	<u>(2,641)</u>	<u>(4,081)</u>	<u>(2,641)</u>	<u>(4,081)</u>
	<u>(2,641)</u>	<u>(4,081)</u>	<u>(2,641)</u>	<u>(4,081)</u>
Weighted average number of shares outstanding ('000)	101,457	72,469	101,457	72,469
Basic/Diluted loss per share (sen)				
- from continuing operations	<u>(2.60)</u>	<u>(5.63)</u>	<u>(2.60)</u>	<u>(5.63)</u>
	<u>(2.60)</u>	<u>(5.63)</u>	<u>(2.60)</u>	<u>(5.63)</u>

The Company has issued 14,493,900 ordinary shares from restricted issue and 7,318,900 ordinary shares from second private placement on 22 March 2021.

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

BY ORDER OF THE BOARD
 Chen Bee Ling
 Nurly Salmi Binti Ruhaiza
 Secretary

Kuala Lumpur
 24 November 2021