

Interim Financial Statements for the Third Quarter Ended 31 March 2021

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

for the Third Quarter Ended 31 March 2021

(Unaudited)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>31-03-2021</u>	<u>31-03-2020</u>	<u>31-03-2021</u>	<u>31-03-2020</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	12,270	19,102	24,669	76,476
Operating expenses	(13,514)	(23,984)	(39,590)	(94,399)
Impairment gain/(loss) of financial assets	1,137	(1,481)	5,270	(9,509)
Other operating income	190	415	4,550	1,074
Profit / (Loss) from operations	83	(5,948)	(5,101)	(26,358)
Finance costs	(357)	(1,001)	(1,781)	(3,206)
Finance income	292	(205)	905	528
Profit / (Loss) before tax	18	(7,154)	(5,977)	(29,036)
Tax income / (expense)	89	(101)	41	(119)
Profit / (Loss) after tax from continued operations	107	(7,255)	(5,936)	(29,155)
Profit after tax from discontinued operations	-	-	-	404
Profit / (Loss) after tax for the period	107	(7,255)	(5,936)	(28,751)
Other comprehensive income/(loss)				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Fair value changes of other investments	-	(33)	40	(51)
Total comprehensive profit / (loss)	107	(7,288)	(5,896)	(28,802)
Profit/(Loss) for the period attributable to:				
Owners of the Company	107	(7,241)	(5,935)	(28,864)
Non-controlling interests	-	(14)	(1)	113
	107	(7,255)	(5,936)	(28,751)
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	107	(7,274)	(5,895)	(28,915)
Non-controlling interests	-	(14)	(1)	113
	107	(7,288)	(5,896)	(28,802)
Basic/Diluted profit / (loss) for the period per ordinary share (sen)				
- from continued operations	0.13	(9.99)	(7.81)	(40.21)
- from discontinued operations	-	-	-	0.38
	0.13	(9.99)	(7.81)	(39.83)

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 2020.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

Condensed Consolidated Statements of Financial Position as at 31 March 2021

	AS AT END OF CURRENT QUARTER <u>31-03-2021</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED <u>30-06-2020</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	7,776	8,469
Right-of-use assets	7,241	7,483
Investment properties	51,740	51,740
Land held for property development	7,178	9,174
Investment in an associate	7	7
Other investments	602	561
	<u>74,544</u>	<u>77,434</u>
Current Assets		
Inventories	4,028	4,115
Trade and other receivables	30,813	34,871
Tax recoverable	558	433
Cash and cash equivalents	19,281	3,629
Assets classified as held for sale	556	1,912
	<u>55,236</u>	<u>44,960</u>
Current Liabilities		
Trade and other payables	21,100	26,217
Overdraft and short term borrowings	24,762	52,447
Tax payable	1	26
	<u>45,863</u>	<u>78,690</u>
NET CURRENT ASSETS / (LIABILITIES)	<u>9,373</u>	<u>(33,730)</u>
	<u>83,917</u>	<u>43,704</u>
FINANCED BY:		
Total Equity		
Share capital	94,777	75,926
Reserves	(46,117)	(40,222)
Equity attributable to owners of the Company	48,660	35,704
Non-controlling interests	(266)	(265)
	<u>48,394</u>	<u>35,439</u>
Non-current Liabilities		
Term Financing/Loan	33,055	5,797
Deferred tax liabilities	2,468	2,468
	<u>35,523</u>	<u>8,265</u>
	<u>83,917</u>	<u>43,704</u>

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 2020.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

Condensed Consolidated Statements of Changes in Equity for the Third Quarter Ended 31 March 2021

(Unaudited)

	← Attributable to Owners of the Company ▶						
	← Non-Distributable			→ Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Other Reserves	Retained Profits	Total	RM'000		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended							
31 March 2021							
At 1 July 2020	75,926	13	(40,235)	35,704	(265)	35,439	
Issuance of shares pursuant to private placements	8,995	-	-	8,995	-	8,995	
Issuance of shares pursuant to restricted issue	9,856	-	-	9,856	-	9,856	
Loss after taxation for the financial period	-	-	(5,935)	(5,935)	(1)	(5,936)	
Other comprehensive income for the financial period	-	40	-	40	-	40	
Total comprehensive income/(loss) for the financial period	18,851	40	(5,935)	12,956	(1)	12,955	
At 31 March 2021	94,777	53	(46,170)	48,660	(266)	48,394	
9 months ended							
31 March 2020							
At 1 July 2019	75,926	38	(2,172)	73,792	8,196	81,988	
(Loss)/profit after taxation for the financial period	-	-	(28,864)	(28,864)	113	(28,751)	
Loss on divestment of subsidiaries	-	-	-	-	(8,274)	(8,274)	
Other comprehensive loss for the financial period	-	(51)	-	(51)	-	(51)	
Total comprehensive loss for the financial period	-	(51)	(28,864)	(28,915)	(8,161)	(37,076)	
At 31 March 2020	75,926	(13)	(31,036)	44,877	35	44,912	

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 Third Quarter Ended 31 March 2021

Condensed Consolidated Statements of Cash Flows for the Third Quarter 31 March 2021

(Unaudited)

	1/7/2020 to 31-03-2021 RM'000	1/7/2019 to 31-03-2020 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax from		
- continuing operations	(5,977)	(29,036)
- discontinued operations	-	532
Adjustments for:-		
Non-cash items	(7,558)	1,606
Non-operating items	(1,080)	(347)
Operating loss before working capital changes	(14,615)	(27,245)
Net change in current assets	9,328	7,039
Net change in current liabilities	(4,850)	11,581
Cash flows used in operations	(10,137)	(8,625)
Tax (paid)/refunded	(97)	1,020
Net cash used in operating activities	(10,234)	(7,605)
Cash flows from investing activities		
Equity investments	6	6
Other investments	8,643	7,498
Net cash from investing activities	8,649	7,504
Cash flows for financing activities		
Finance service revenue account	(11)	-
Private placement	8,995	-
Restricted issue	9,856	-
Term financing/loan	2,875	(5,168)
Hire purchase financing	-	(6)
Short term bank borrowings	(850)	(4,298)
Net cash from financing activities	20,865	(9,472)
Net increase/(decrease) in cash and cash equivalents	19,280	(9,573)
Cash and cash equivalents at beginning of financial period	(9,979)	(1,414)
Cash and cash equivalents at end of financial period	9,301	(10,987)

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

	31-03-2021 RM'000	31-03-2020 RM'000
Cash and bank balances	19,281	4,402
Bank overdrafts	(8,124)	(13,585)
Finance service revenue account	(1,856)	(1,804)
	9,301	(10,987)

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 2020.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

A EXPLANATORY NOTES AS PER MFRS 134

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 2020 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 2020.

Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following amendments to MFRS for annual financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3 Business Combinations (Definition of a Business)
- Amendments to MFRS 7, MFRS 9 and MFRS 139 Financial Instruments: Interest rate benchmark reform
- Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The adoption of the above amended standards did not have any significant effect on 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 Standards and Amendments to Standards were issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group –

Effective for financial periods beginning on or after 1 June 2020

- Amendments to MFRS 16 Leases (Covid-19-Related Rent Concessions)

Effective for financial periods beginning on or after 1 June 2021

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

Effective for financial 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 (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 Third Quarter Ended 31 March 2021

A1. Accounting Policies (cont'd)

Effective for financial periods beginning on or after 1 January 2023

- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 17 Insurance Contracts

MFRSs, Interpretations and Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

There are no other new or revised MFRSs and amendments to MFRSs not yet effective that would likely have a material impact on the Group and the Company in the current or future reporting periods.

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 cyclicality in the Group's operations.

A4. Exceptional Items

Malaysia has implemented MCO and CMCO in an effort to curb the spread of the COVID-19 pandemic and MCO 3.0 will be implemented to whole country starting 12 May until 7 June 2021 at the time the report is prepared. Our Group's major business activities slowed down and effected the revenue growth of the trading segment.

The COVID-19 outbreak is a global crisis that is having an increasing impact on the global economy.

The country's economy recorded a contraction of 0.5 per cent in the first quarter of 2021, a sign of recovery from a decrease of 3.4 per cent in the preceding quarter with improvement seen in all economic sectors.

(Source: Malay Mail 11 May 2021, Malaysia's economy contract 0.5pc in Q1, 2021 growth target remains, says Bank Negara)

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.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

A6. Debt and Equity Securities

The Company has completed the first tranche of the Private Placement of 7,175,000 on 17 December 2020. Second tranche of the Private Placement of 7,318,900 and Restricted Issue of 14,493,900 completed on 22 March 2021.

There were no other share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current interim period.

A7. Payment of Dividend

There was no payment of dividend for the quarter under review.

A8. Segmental Reporting

Segment information for the third quarter ended 31 March 2021 is as follows: -

	Trading	Contract (exclude discontinuing operations)	Property Development	Property and Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	18,002	6,385	-	282	-	24,669
(Loss)/profit from operations	(5,126)	(100)	107	31	(13)	(5,101)
Finance income						905
Finance costs						(1,781)
Loss before tax						(5,977)
Tax income						41
Loss after tax from continuing operations						(5,936)
Result from discontinuing operations						-
Loss after tax						(5,936)

Segment information for the third quarter ended 31 March 2020 is as follows: -

	Trading	Contract (exclude discontinuing operations)	Property Development	Property and Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	76,395	-	-	81	-	76,476
(Loss)/profit from operations	(25,712)	(369)	488	(206)	(31)	(25,830)
Finance costs						(3,206)
Loss before taxation						(29,036)
Tax expenses						(119)
Loss after tax from continuing operations						(29,155)
Result from discontinuing operations						404
Loss after taxation						(28,751)

Interim Financial Statements for the Third Quarter Ended 31 March 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

Status of Engineering, Procurement, Construction and Commissioning (“EPCC”) contract with Coara Marang Sdn. Bhd.

On 4 September 2020, Ipmuda Construction & Engineering Sdn. Bhd.(formerly known as Ipmuda Rensol Sdn. Bhd.) (“ICESB”), a wholly-owned subsidiary of the Company, has executed an EPCC contract with Coara Marang Sdn. Bhd. for ICESB to undertake the onshore contract on the design, procurement, erection, connection, commissioning and testing as well as the supply of equipment for the construction of a ground mounted photovoltaic solar generation facility with an installed capacity of 100 MWac Solar Park in Marang, Terengganu, Malaysia at the total contract price of RM78 million.

The Company has commenced the above project in January 2021.

Bank Guarantee claim

On 24 October 2020, Ministry of Local Government and Housing of Sabah made a claim on Bank Guarantee of RM3,342,000 provided by Maybank Islamic Berhad to Ipmuda Properties Sdn Bhd, a wholly-owned subsidiary of the Company, in relation to a residential development project undertaken by Ipmuda Properties Sdn Bhd. The Group had recognised the impact as liabilities and penalty expense subsequent to the claim during the quarter under review while resolving the issue relating to renewal of developer license with the said Ministry.

However during third quarter we managed to appeal from Ministry of Local Government and Housing of Sabah and cancel Bank Guarantee claim.

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.

The voluntary winding up is expected to be completed in approximately twelve months or more from the announcement date.

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

Interim Financial Statements for the Third Quarter Ended 31 March 2021

A12. Capital Commitments

There were no material capital commitments for the current quarter under review.

A13. Contingent Liabilities

Material Litigation

Industrial Court Case No: 12/4-913/20

Lim Swee Khim, the former President had commenced a legal action for unfair dismissal effective from 7 January 2020 against Ipmuda Buildermart Sdn Bhd (“Ipmuda Buildermart”), a wholly-owned subsidiary of Ipmuda at the Industrial Court. The main remedy claimed by Lim Swee Khim is reinstatement into former employment. The first mention date called by the Industrial Court was on 11 August 2020.

The potential maximum exposure of liability by Ipmuda Buildermart is estimated to be a sum of RM1,300,000.

Ipmuda Buildermart’s solicitors are of the opinion that at this juncture, it is too early to tell the chances of success. The chances of success will depend on availability of witnesses and documentary evidence to support the decision to terminate an employee’s services. At this juncture, the solicitors had taken a conservative stand that the chances of success would at best be 50:50.

On the hearing date of 22 March 2021, the parties informed the Court that they have agreed to settle the matter amicably. The Claimant applied to withdraw the case against Ipmuda Buildermart pending the full settlement of the case. The Company did not object to the application. Ipmuda Buildermart agree to pay the Claimant the sum of Ringgit Four Hundred Thousand (RM400,000.00) only to termed as “compensation for loss of employment”.

Other than disclosed above, there were no material contingent liabilities for the current quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1. Review of Performance

Turnover has declined by 36%, to RM12.3 million compared to prior year corresponding quarter of RM19.1 million.

The lower sales in the current quarter were mainly stemming from the implementation of the Movement Control Order ("MCO") and Conditional MCO ("CMCO") by the Malaysian Government. Despite less stringent CMCO during the quarter under review, trade for building materials and finishing products remained slow following the slow recovery pace of the construction and property development industries. The decline in sales volume during the quarter under review was due to the Group's focus on high margin products such as finishing products and other general building products, instead of high-volume low margin products such as steel bars and cement.

The Group registered a profit before tax of RM0.02 million compared to a loss before tax of RM7.2 million in the prior year corresponding quarter, an improvement achieved during the quarter by RM7.12 million. This improvement is mainly due to reversal of bank guarantee claim of RM3.3 million during the quarter under review upon receipt of letter from Ministry of Local Government and Housing of Sabah to cancel the bank guarantee claim after resolving the issue relating to the renewal of developer license with the said Ministry. In addition, reversal of impairment on receivables of RM1.1 million during the quarter compared to impairment on receivables of RM1.5 million made in the prior year corresponding period and cost savings of RM1.2 million relating to employee expense following the restructuring and downsizing exercise of the Group, had further contributed to the lower loss before tax.

The current cumulative quarter recorded a loss before tax of RM6.0 million compared to a loss before tax of RM29.0 million in the prior year cumulative quarter, representing an improvement achieved by RM23.0 million. This is mainly due to net reversal of impairment on receivables of RM5.3 million compared to impairment on receivables of RM9.5 million made in the prior year cumulative period.

The Group's gross margin is 7.8% for the current quarter compared to 10.4% in prior year corresponding quarter, due to the low margin contribution from Coara Marang Project in relation to the margin from the other revenue items.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B2. Comparison with Preceding Quarter's Result

The Group managed to generate turnover of RM12.27 million during the quarter under review compared to quarter 2, FY 2021 of RM6.25 million, a growth of 96.4% growth in turnover during the quarter.

The higher in revenue compared to previous quarter is mainly due to the revenue from Coara Marang Project of RM6.3 million.

The Group registered a profit before tax of RM0.02 million compared to a loss before tax of RM1.93 million in the last quarter. This is mainly due to reversal of bank guarantee claims, reversal of impairment, non-recurring expenses arising from corporate exercise, professional fees and legal fees from debt recovery.

The Group's Gross margin is 7.8% for current quarter compared to 13.9 % last quarter. The decrease in Gross margin is due to the low margin contribution from the Coara Marang Project in relation to the margin from the other revenue items.

B3. Current Year Prospects

The Board foresees that the trading business segment will continue to face various challenges in the current business environment including longer credit period for customers to make payment, pricing competition and timely supply of products due to the impact of the Coronavirus Disease ("COVID-19") pandemic on its product supply chain. Nevertheless, the trading business segment remains as the main contributor of revenue to the Group and the management of Ipmuda expects that it will continue to contribute to the earnings of the Group.

Whilst the Company is continuing to undertake a business efficiency exercise for its trading division, it has recently ventured into sourcing and supplying medical and healthcare products such as personal protective equipment and providing disinfection and sanitisation services to both its existing and new customers in an effort to enhance its products and servicing offering and not relying solely on building materials.

Given the above, the Group has been actively identifying other alternatives to improve its financial performance and thus agreed to plan to diversify its existing businesses to include the Renewable Energy Business and Healthcare Business as well as to monetise the existing underutilised non-core assets.

The Group announced a Proposed Diversification on 4 November 2020 (Note B8) 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.

Upon the completion of the Proposed Diversification, the Group will undertake to expand its business to include the owning, developing, maintaining, operating, designing and constructing of power plants, involving the generation of energy and electricity using sustainable and renewable energy sources.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B3. Current Year Prospects (cont'd)

Further to that, the Renewable Energy Business also comprises the development of greenfield and brownfield projects which includes independent power producers (IPP) projects involving other sustainable energy including but not limited to biomass, biogas, small hydro, solar and geothermal.

Meanwhile, the Healthcare Business will involve the following:

- (i) developing, owning and operating of private healthcare services involving facilities such as private hospitals, healthcare specialists and clinics, retirement and aged-care resorts/homes/villages, as well as healthcare related tourism under the Malaysia My Second Home Programme;
- (ii) developing, owning and operating wellness resorts and other related facilities; and
- (iii) sourcing and supplying of medical and healthcare related products.

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>31/03/2021</u>	<u>31/03/2020</u>	<u>31/03/2021</u>	<u>31/03/2020</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(292)	205	(905)	(528)
Other income	(190)	(303)	(1,356)	(817)
Interest expenses	357	1001	1,781	3,206
Depreciation and amortisation	358	330	1,077	997
Gain on disposal of property, plant & equipment	-	(45)	(3,194)	(190)
Loss on disposal of investment properties	13	-	13	53
Gain on disposal of quoted shares	-	(61)	-	(61)
(Gain) / Loss on divestment in subsidiaries	-	(7)	-	879
(Gain) / Loss on foreign exchange	1	(6)	1	(6)
Waiver of advance	-	-	-	250
Inventory written down	77	28	270	83
(Reversal of impairment)/impairment loss on receivables	(1,137)	1,481	(5,270)	9,509

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B6. Tax Income / (Expense)

Tax comprises the following:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current year tax	-	(113)	(12)	(131)
Deferred tax	-	12	-	12
Prior years				
- over provision	99	-	75	-
- under provision	(10)	-	(22)	-
Total tax income / (expense)	89	(101)	41	(119)

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

B7. Purchase or Disposal of Quoted Securities

There is no purchase or disposal of quoted securities for the current under review. Total investments in quoted shares as at 31 March 2021 are at carrying value/market value of RM156,154.

B8. Status of Corporate Proposals

(a) Save for the following, there were no other corporate proposals announced but not yet completed as at the date of this report.

- (i) On 23 November 2020, MIDF Amanah Investment Bank Berhad (“MIDF”) had, on behalf of the Board, announced that Bursa Securities had resolved to approve the listing and quotation of up to 14,493,900 new Ipmuda Shares (“Restricted Issue Shares”) representing up to 20% of the existing total number of issued Ipmuda Shares to Beroz Nikmal Bin Mirdin, being the Executive Chairman of the Company, Jeeфри Bin Muhamad Yusup, being the Chief Executive Officer (“CEO”) of the Company, Teh Foo Hock, Baevinraj Thiagarajah, Dato’ Amiruddin Bin Abdul Satar and Abdul Halim Bin Jantan, being the independent non-executive directors of the Company (collectively, the “Interested Directors”) (“Proposed Restricted Issue”).
- (ii) On 13 January 2021, MIDF had, on behalf of the Board, announced that Bursa Securities has, resolved to approve the listing and quotation of up to 7,246,950 Placement Shares to be issued pursuant to the Second 10% Proposed Private Placement.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B8. Status of Corporate Proposals (cont'd)

- (iii) On 10 March 2021, MIDF had, on behalf of the Board, announced that the Board had on 10 March 2021 fixed the issue price for both the Restricted Issue and second tranche of Private Placement at RM0.68 per Restricted Issue Share and Placement Share (“Price-Fixing Date”)

The abovementioned issue price of RM0.68 per Restricted Issue Share and Placement Share represents a discount of approximately RM0.0737 or 9.78% to the 5-day volume weighted average market price of Ipmuda Shares up to and including 9 March 2021, being the market day immediately preceding to the Price-Fixing Date of RM0.7537.

- (iv) On 22 March 2021, MIDF had, on behalf of the Board, announced that the Restricted Issue and second tranche of the Private Placement had been completed following the listing of and quotation for 14,493,900 Restricted Issue Shares and 7,318,900 Placement Shares.
- (v) As mentioned 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 was approved by the shareholders at the EGM held on 18 December 2020.

- (b) Status of utilisation of proceeds of the first tranche of the Private Placement of 7,246,950 Placement Shares

In the quarter under review, the Company successfully raised a total of approximately RM4.018 million from the first tranche of the Private Placement, which was completed on 17 December 2020.

Purpose	Proposed Utilisation	Actual Utilisation as at 31 Mar 2021	Remaining Balance	Timeframe for Utilisation
Trade payables	2,392	2,392	-	within 6 months
Working capital	1,448	1,448	-	within 1 month
Estimated expenses in relation to the Private Placement	178	178	-	
Total	4,018	4,018	-	

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B8. Status of Corporate Proposals (cont'd)

(c) Status of utilisation of proceeds of the Restricted Issue of 14,493,900 Restricted Issue Shares

In the quarter under review, the Company successfully raised a total of approximately RM9.856 million from the Restricted Issue, which was completed on 22 March 2021.

Purpose	Proposed Utilisation	Actual Utilisation as at 31 Mar 2021	Remaining Balance	Timeframe for Utilisation
Trade payables	6,099	6,099	-	within 6 months
Working capital	3,693	3,693	-	within 1 month
Estimated expenses in relation to the Restricted Issue	64	64	-	
Total	9,856	9,856	-	

(d) Status of utilisation of proceeds of the second tranche of the Private Placement of 7,318,900 Placement Shares

In the quarter under review, the Company successfully raised a total of approximately RM4.977 million from the second tranche of the Private Placement, which was completed on 22 March 2021.

Purpose	Proposed Utilisation	Actual Utilisation as at 31 Mar 2021	Remaining Balance	Timeframe for Utilisation
Trade payables	3,060	3,060	-	within 6 months
Working capital	1,853	1,853	-	within 1 month
Estimated expenses in relation to the Private Placement	64	64	-	
Total	4,977	4,977	-	

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B9. Group Borrowings and Debt Securities

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 March 2021 are as below:

	As at <u>31/03/2021</u>	As at <u>30/06/2020</u>
	RM'000	RM'000
Secured	8,676	23,188
Unsecured	<u>15,285</u>	<u>29,259</u>
Total short-term borrowings	<u>23,961</u>	<u>52,447</u>
Secured	33,006	5,797
Unsecured	<u>850</u>	<u>-</u>
Total long-term borrowings	<u>33,856</u>	<u>5,797</u>
Total borrowings	<u>57,817</u>	<u>58,244</u>

As at the dated of this announcement, the debts restructuring of the Group were completed.

The following are the estimated impact to the financial position of the Group:

	Upon completion <u>of charges</u> RM'000
Secured short-term borrowings	<u>8,676</u>
Secured long-term borrowings	48,291
Unsecured long-term borrowings	<u>850</u>
Total long-term borrowings	<u>49,141</u>
Total borrowings	<u>57,817</u>

B10. Off Balance Sheet Financial Instruments

There are no off-balance sheet financial instruments as at the date of this report.

B11. Dividend

No dividend has been recommended by the Board of Directors.

Interim Financial Statements for the Third Quarter Ended 31 March 2021

B12. Earnings Per Share

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>31/03/2021</u>	<u>31/03/2020</u>	<u>31/03/2021</u>	<u>31/03/2020</u>
(Loss)/Profit attributable to owners of the Company (RM'000)				
- from continuing operations	107	(7,241)	(5,935)	(29,139)
- from discontinued operations	-	-		275
	<u>107</u>	<u>(7,241)</u>	<u>(5,935)</u>	<u>(28,864)</u>
Weighted average number of shares outstanding ('000)	82,068	72,469	76,015	72,469
Basic/Diluted (loss)/profit per share (sen)				
- from continuing operations	0.13	(9.99)	(7.81)	(40.21)
- from discontinued operations	-	-	-	0.38
	<u>0.13</u>	<u>(9.99)</u>	<u>(7.81)</u>	<u>(39.83)</u>

The Company has issued 14,493,900 ordinary shares from restricted issue and 7,318,900 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

Chan Lai Choon

Secretary

Kuala Lumpur

27 May 2021