



News release

Ipmuda Berhad Accelerates Growth through Renewable Energy & Healthcare Acquisitions

Shareholders rewarded with special dividend, bonus shares and bonus warrants.

KUALA LUMPUR, June 18, 2021 – Ipmuda Berhad (“Ipmuda” or “the Group”) today announced a series of corporate exercises in line with the Group’s growth plans.

Cementing its position in Renewable Energy & Healthcare sectors.

Ipmuda signed a heads of agreement to effectively acquire 70% equity interest in the form of ordinary shares, and 100% of the redeemable preference shares of Telekosang Hydro One Sdn Bhd and Telekosang Hydro Two Sdn Bhd (collectively, “Telekosang”), as well as 100% of the Telekosang Hydro One ASEAN Green Junior Sukuk for a total consideration of RM163.3 million to be satisfied by way of issuance of new Ipmuda ordinary shares. Telekosang is currently developing a 40MW Small Hydropower Plant Project at Sungai Telekosang, Kemabong, Tenom, Sabah, which would be the largest of its kind in Malaysia. Commercial operations are expected to take place at the end of 2021 with a power purchase agreement of 21 years with Sabah Electricity Sdn Bhd.

Ipmuda also signed a heads of agreement to acquire 100% equity interest in the form of ordinary shares of Jentayu Solar Sdn Bhd (“Jentayu Solar”) for a total consideration of RM11.1 million to be satisfied by way of issuance of new Ipmuda ordinary shares. Jentayu Solar owns and operates a 5.99 Megawatt (MW) Solar Power Plant, which is a quality asset that is strategically located in a high solar irradiance area in Pokok Sena, Kedah. With a concession period of 21 years, beginning October 2019, the plant generates an annual average energy yield of 12.7GWh.

Jeffri M. Yusup, Chief Executive Officer, said, “The acquisitions provide a unique opportunity for the Group to acquire high-quality assets in line with our strategy to diversify our business streams to include the Renewable Energy (RE) business.”

Additionally, Ipmuda also signed a heads of agreement to acquire 100% equity interest in the form of ordinary shares of Ultimate Forte Sdn Bhd (UFSB) for a consideration of up to RM18 million to be satisfied by way of issuance of new Ipmuda ordinary shares and cash. UFSB operates a 30-bedded private hospital specialising in paediatrics and obstetrics & gynaecology known as Ohana Specialist Hospital located in Seri Rampai, Kuala Lumpur.

“This is an opportune time for our RE and Healthcare acquisitions as it will also allow us to capitalise on the favourable market conditions. We also intend to increase our presence in the healthcare sector to tap into the vast opportunities in the market, particularly the underserved middle-income segment.” said Jeffri.

Jeffri added “The acquisitions enable the Group to generate consistent profits and cashflow, hence greatly improving its financial footing for the long term. This is further supported by the new leadership line-up with enhanced governance and expertise, particularly in RE and Healthcare.”

The Group also announced the sale of its 5.13-acre property in Section 13, Petaling Jaya to Pixel Valley Sdn Bhd for a total consideration of RM82 million, signifying a gain of approximately RM65.2 million based on the carrying book value of the land. As a result, there will be an increase in the Group’s Net Tangible Asset per share from RM0.49 to RM1.14 based on the 30 June 2020 audited accounts.

Rewarding loyal shareholders through capital market exercises.

Following through from the asset rationalisation exercise, Ipmuda is proposing the distribution of a special dividend amounting to RM30.44 million on the basis of RM0.30 per ordinary share based on Ipmuda’s existing issued shares. The special dividend payment is expected to be made in the fourth quarter of 2021 following completion of the proposed property sale.

The Group is also proposing a bonus issue of 101.5 million shares on the basis of one bonus share for every one existing Ipmuda share together with 152.2 million free detachable warrants on the basis of three warrants for every two existing shares held. Additionally, Ipmuda is proposing a renounceable rights issue of 101.5 million rights shares on the basis of one rights share for every one existing Ipmuda share. The rights issue will be at an issue price of RM0.30 per rights share, which will raise proceeds of approximately RM30.4 million for the Group. The Group expects the completion of the exercise by the fourth quarter of 2021.

“We are pleased to announce this special dividend as well as bonus shares and warrants as a way of rewarding our loyal shareholders, while the rights issue provides an opportunity for shareholders to be part of our future growth. These exercises will also increase the liquidity of the Group’s shares” added Jeffri.

These exercises are subject to necessary approvals, due diligence, and governance processes, to be conducted in due course. Apart from financing the proposed special dividends, the gross proceeds from the property sale and rights issuance will be utilised to bolster working capital for ongoing as well as prospective businesses. It will also be channelled into strengthening the Group’s financial footing through the reduction of bank borrowings and interest commitments.

“Our strategic acquisition of assets will allow us to gain immediate access into the growth sectors of RE and healthcare, eliminating the risks associated with developing these assets from the ground up. We trust these transformative acquisitions will most certainly provide Ipmuda with improved earnings visibility and better investor returns over the long term,” Jeffri concluded.

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