

JENTAYU SUSTAINABLES BERHAD (FORMERLY KNOWN AS IPMUDA BERHAD)

Registration No. 197501000834 (22146-T)

Interim Financial Statements for the Second Quarter Ended 31 December 2021

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

for the Second Quarter Ended 31 December 2021

(Unaudited)

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	34,281	6,250	40,398	12,399
Operating expenses	(40,283)	(15,024)	(50,494)	(26,077)
Net gain on impairment of financial assets	984	3,065	2,358	4,133
Gain on disposal of investment property	64,565	-	64,565	-
Other operating income	392	4,129	676	4,360
Profit/(Loss) from operations	59,939	(1,580)	57,503	(5,185)
Finance costs	(562)	(664)	(1,052)	(1,424)
Finance income	279	318	562	613
Profit/(Loss) before tax	59,656	(1,926)	57,013	(5,996)
Tax income/(expense)	-	(36)	1	(48)
Profit/(Loss) after tax from continued operations	59,656	(1,962)	57,014	(6,044)
Profit after tax from discontinued operations	-	-	-	-
Profit/(Loss) after tax for the period	59,656	(1,962)	57,014	(6,044)
Other comprehensive income/(loss)				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Fair value changes of other investments	-	38	-	40
Other comprehensive income, net of tax	-	38	-	40
Total comprehensive profit/(loss)	59,656	(1,924)	57,014	(6,004)
Profit/(Loss) for the period attributable to:				
Owners of the Company	59,927	(1,962)	57,286	(6,043)
Non-controlling interests	(271)	-	(272)	(1)
	59,656	(1,962)	57,014	(6,044)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the Company	59,927	(1,924)	57,286	(6,003)
Non-controlling interests	(271)	-	(272)	(1)
	59,656	(1,924)	57,014	(6,004)
Basic/diluted profit/(loss) for the period per ordinary share (sen)				
- from continued operations	59.07	(2.66)	56.46	(8.27)
- from discontinued operations	-	-	-	-
	59.07	(2.66)	56.46	(8.27)

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.

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Condensed Consolidated Statements of Financial Position as at 31 December 2021

	AS AT END OF CURRENT QUARTER <u>31/12/2021</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED <u>30/06/2021</u> Audited RM'000
Non-current assets		
Property, plant and equipment	4,045	3,667
Right-of-use assets	1,459	1,478
Investment properties	49,702	47,655
Land held for property development	-	9,430
Inventories	9,612	-
Other investments	510	510
	<u>65,328</u>	<u>62,740</u>
Current assets		
Inventories	4,077	3,948
Trade and other receivables	92,799	22,367
Tax recoverable	579	516
Cash and cash equivalents	3,638	4,603
	<u>101,093</u>	<u>31,434</u>
Assets classified as held for sale	425	13,864
Current liabilities		
Trade and other payables	29,394	11,205
Lease liabilities	477	-
Overdraft and short term borrowings	32,298	16,093
	<u>62,169</u>	<u>27,298</u>
NET CURRENT ASSETS	<u>39,349</u>	<u>18,000</u>
	<u>104,677</u>	<u>80,740</u>
FINANCED BY:		
Total equity		
Share capital	94,777	94,777
Reserves	7,802	(49,215)
Equity attributable to owners of the company	102,579	45,562
Non-controlling interests	(272)	(271)
	<u>102,307</u>	<u>45,291</u>
Non-current liabilities		
Term financing/loan	-	33,079
Deferred tax liabilities	2,370	2,370
	<u>2,370</u>	<u>35,449</u>
	<u>104,677</u>	<u>80,740</u>
Net assets per share attributable to ordinary equity holders of the Parent (RM)	1.01	0.54

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Condensed Consolidated Statements of Changes in Equity for the Second Quarter Ended 31 December 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	
Period ended							
<u>31 December 2021</u>							
At 1 July 2021	94,777	(38)	(49,177)	45,562	(270)	45,292	
Profit/(Loss) after taxation for the financial period	-	-	57,286	57,286	(272)	57,014	
Total comprehensive profit/(loss) for the financial	-	-	57,286	57,286	(272)	57,014	
At 31 December 2021	94,777	(38)	8,109	102,848	(542)	102,306	
Period ended							
<u>31 December 2020</u>							
At 1 July 2020	75,926	13	(40,235)	35,704	(265)	35,439	
Issuance of ordinary shares pursuant to private placements	4,018	-	-	4,018	-	4,018	
Profit/(Loss) after taxation for the financial period	-	-	(6,043)	(6,043)	(1)	(6,044)	
Other comprehensive profit/(loss) for the financial	-	40	-	40	-	40	
Total comprehensive profit/(loss) for the financial	4,018	40	(6,043)	(1,985)	(1)	(1,986)	
At 31 December 2020	79,944	53	(46,278)	33,719	(266)	33,453	

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.

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Interim Financial Statements for the Second Quarter Ended 31 December 2021

Condensed Consolidated Statements of Cash Flows for the Second Quarter 31 December 2021

(Unaudited)

	1/7/2021 to 31/12/2021 RM'000	1/7/2020 to 31/12/2020 RM'000
Cash flows from operating activities		
Loss before tax from		
- continuing operations	57,013	(5,996)
- discontinued operations	-	-
Adjustments for:-		
Non-cash items	(2,037)	(6,779)
Non-operating items	(2,796)	(788)
Operating loss before working capital changes	52,179	(13,563)
Net change in current assets	(67,996)	16,247
Net change in current liabilities	18,217	(4,697)
Cash flows (used in)/from operations	2,400	(2,013)
Tax paid	(27)	(11)
Net cash (used in)/from operating activities	2,373	(2,024)
Cash flows from investing activities		
Equity investments	1	6
Other investments	13,058	6,175
Net cash (used in)/from investing activities	13,059	6,181
Cash flows for financing activities		
Finance service revenue account	0	(11)
Advance to associate	(1)	-
Term financing/loan	(21,804)	4,018
Hire purchase financing	477	2,553
Short term bank borrowings	(1,689)	(974)
Net cash from financing activities	(23,016)	5,586
Net (decrease)/increase in cash and cash equivalents	(7,584)	9,743
Cash and cash equivalents at beginning of financial year	3,366	(9,979)
Cash and cash equivalents at end of financial year	(4,218)	(236)

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

	31/12/2021 RM'000	31/12/2020 RM'000
Cash and bank balances	3,638	9,868
Bank overdrafts	(6,619)	(8,248)
Finance service revenue account	(1,237)	(1,856)
	(4,218)	(236)

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.

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Interim Financial Statements for the Second Quarter Ended 31 December 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 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 2021.

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*

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- Annual Improvements to MFRS Standards 2018–2020

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 was 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.

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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.

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 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 and was paid on 10 February 2022.

A8. Segmental Reporting

Segment information for the second quarter ended 31 December 2021 is as follows: -

	Trading RM'000	Renewable Energy RM'000	Property Development RM'000	Property and Investment Holding RM'000	Others RM'000	Total RM'000
Revenue	10,233	29,886	-	279	-	40,398
Profit/(Loss) from operations	(6,631)	(280)	(172)	65,089	(503)	57,503
Finance income	560	-	2	-	-	562
Finance costs	(1,052)	-	-	-	-	(1,052)
Profit/(Loss) before tax	(7,123)	(280)	(170)	65,089	(503)	57,013
Tax expense	1	-	-	-	-	1
Profit/(Loss) after tax from continuing operations	(7,122)	(280)	(170)	65,089	(503)	57,014
Result from discontinuing operations	-	-	-	-	-	-
Profit/(Loss) after tax	(7,122)	(280)	(170)	65,089	(503)	57,014

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

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	Trading	Renewable	Property	Property and	Others	Total
	RM'000	Energy	Development	Investment	RM'000	RM'000
		RM'000	RM'000	Holding		
				RM'000		
Revenue	12,197	82	-	120	-	12,399
Profit/(Loss) from operations	(1,834)	(38)	(3,237)	(63)	(13)	(5,185)
Finance income	611	-	2	-	-	613
Finance costs	(1,424)	-	-	-	-	(1,424)
Profit/(Loss) before tax	(2,647)	(38)	(3,235)	(63)	(13)	(5,996)
Tax expense	(19)	-	-	(29)	-	(48)
Profit/(Loss) after tax from continuing operations	(2,666)	(38)	(3,235)	(92)	(13)	(6,044)
Result from discontinuing operations	-	-	-	-	-	-
Profit/(Loss) after tax	(2,666)	(38)	(3,235)	(92)	(13)	(6,044)

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 was 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

There was no change 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 Proposed Acquisition of Hospital (as defined herein), Proposed Acquisition of Solar Asset, 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

The Group recorded a total revenue of RM34.28 million, an increase of RM28 million, compared to the corresponding quarter of the preceding year (“Q1FY21”) of RM6.25 million. The main contributing factor was the revenue generated from Renewable Energy segment mainly for the Coara Marang Project.

The Group registered a profit before tax (“PBT”) of RM59.6 million compared a loss before tax of RM RM1.9 million in the same quarter last year, Q1FY21. The improved PBT was mainly due to the sale of land as disclosed in note B8, which was recognised as other income.

B2. Review of Performance: Comparison with Preceding Quarter’s Result

The Group revenue was higher by RM29 million as compared to preceding quarter (“Q1FY22”) due to revenue generated from the Coara Marang Project.

Due to the gain on disposal of land as disclosed in Note B8, the Group recorded a PBT compared to a LBT of RM2.6 million in Q1FY22.

B3. Current Year Prospects

The Board is of the view that after a challenging 2020 and 2021, the slow pace of recovery of the Malaysian economy from the COVID-19 pandemic will be challenging to the trading business segment of the Group. However, driven by stakeholder value creation, the Group has taken aggressive measures to evolve from being a premier supplier of customised building solutions to a sustainable high-performing organisation, involved in key growth sectors namely renewable energy and healthcare.

The Group has made the following efforts:

- I. The recycling of its non-core assets (land and properties), which include the disposal of property (referred to in Note B8) which in turn has reduced the Group’s gearing through the settlement of various term loans. This augurs well for future cashflows as well as allowing for reinvestment in profit generating asset such as the Proposed Acquisition of Solar and Hydro Assets.
- II. The acquisition of Ultimate Forte Sdn Bhd which was completed on 22 February 2022 opening opportunities for a more sustainable and diversified source of income for the Group.
- III. Improve the efficiency of its trading unit by reducing stocking levels, moving its operations into a smaller warehouse, focusing its effort on select customers as well as promoting higher margined finishing products. Attention has also been given to ensure prompt collection towards its debtors which has improved the Group’s overall gross margins as well as mitigated collection risks.

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Moving forward, the Group will embark on its path of becoming a clean energy solutions provider entailing the ownership, operation, design, development and maintenance of solar and small hydro plants, among others.

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 Profit/(Loss) Before Tax

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

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<u>31-12-21</u>	<u>31-12-20</u>	<u>31-12-21</u>	<u>31-12-20</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(279)	(318)	(562)	(613)
Other income	(392)	(937)	(676)	(1,166)
Interest expenses	562	664	1,052	1,424
Depreciation and amortisation	268	358	530	719
Loss/(gain) on disposal of property, plant & equipment	-	(3,192)	26	(3,194)
Gain on disposal of investment property	(64,565)	-	(64,565)	-
Inventories written down	-	(193)	-	(193)
Net gain on impairment of trade receivables	(984)	(3,065)	(2,358)	(4,133)

B6 Tax Income/(Expense)

Tax comprises the following:

	CURRENT QUARTER		CUMMULATIVE QUARTER	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current year tax	-	(36)	1	(36)
Prior years	-	-	-	(12)
Total tax expenses	<u>-</u>	<u>(36)</u>	<u>1</u>	<u>(48)</u>

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

B7 Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter under review.

B8 Status of Corporate Proposals

Save for the following, there were no other corporate proposals announced as at the date of this announcement.

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- 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.

B8 Status of Corporate Proposals (cont'd)

- ii. On 22 September 2021, the Company has entered into the following share sales agreement in relation to the Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset:
 - 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 Jentayu Sustainable 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 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.
- iii. 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 Jentayu Sustainable shares not already held by them (“Offer”).

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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.

- iv. On 28 October 2021, the Company has issued the circular to the shareholders of the Company in relation to the following Proposals and notice of EGM on the 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;
 - b. proposed special cash dividend of RM30,437,190 on the basis of RM0.30 per ordinary share in Jentayu Sustainables to the entitled shareholders on an entitlement date to be determined and announced at a later date. 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 shares ("Bonus Shares") together with 152,185,950 free detachable warrants in Jentayu Sustainables ("Bonus Warrants") on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing Shares held by the shareholders whose names appear on the record of depositors of the Company at the close of business on an Entitlement Date;

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- d. proposed renounceable rights issue of 101,457,300 new Shares (“Rights Shares”) on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.30 per right share; and
- 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 of RM6,679,500 and issuance of new Jentayu Sustainable Shares amounting to RM 11,320,500.

B8. Status of Corporate Proposals (cont’d)

- v. On 12 November 2021, the Company has obtained its shareholders’ approval on the Proposals in para v above at the EGM of the Company.
- vi. **Item iv (a)** : On 11 January 2022, MIDF Amanah Investment Bank Berhad, on behalf of the Board of the Company announced that the Property Disposal of Lot 19 Seksyen 13, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan, Title no PN3664 has been completed following the receipt of the balance of the Cash Purchase Price of Ringgit Malaysia Seventy Two Million (RM72,000,000) from the Purchaser pursuant to the Property SPA.
- vii. **Item iv (b) (c) (d):**
On 12 January 2022, the Company announced that Jentayu Sustainable Berhad had, on the same day, entered into an underwriting agreement in relation to the Rights Issue of Shares with MIDF Amanah Investment Bank Berhad, being the Managing Underwriter and Joint Underwriter, BIMB Securities Sdn Bhd and KAF Investment Bank Berhad, being the Joint Underwriters (“**Underwriting Agreement**”). The Managing Underwriter and Joint Underwriters will underwrite the entire portion of 101,457,300 Rights Shares for an aggregate amount of RM30,437,190 to achieve a full subscription basis of the Rights Issue of Shares, subject to the terms and conditions of the Underwriting Agreement.

On 13 January 2022, the Company announced the followings:

- a. that the special single-tier Dividend of RM0.30 per Ordinary Share to be Ex-Date on 27 January 2022, Entitlement date of 28 January 2022 and Payment date of 10 February 2022;
- b. that the Bonus Issue of 101,457,000 new Ordinary Shares in Jentayu Sustainable Berhad together with 152,185,950 Free Detachable Warrants in Jentayu Sustainable Berhad on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing Jentayu Sustainable Berhad shares held by the entitled shareholders at 5pm on 28 January 2022 shall be Ex-Date on 27 January 2022 and Entitlement date of 28 January 2022; and
- c. that the Renounceable Rights Issue of 101,457,300 new Ordinary Shares in Jentayu Sustainable Berhad on the basis of one (1) Rights Share for every one (1) existing Jentayu Sustainable Berhad share held by the entitled shareholders at 5pm on 28 January 2022 at

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an issue price of RM0.30 per Rights Share shall be Ex-Date 27 January 2022 and Entitlement date of 28 January 2022.

- viii. On 19 January 2022, the company announced Important Relevant Dates for Renounceable Rights Issue of 101,457,300 new Ordinary Shares in Jentayu Sustainables Berhad on the basis of one (1) Rights Share for every one (1) existing Jentayu Sustainables Berhad share held by the entitled shareholders at 5pm on 28 January 2022 at an issue price of RM0.30 per Rights Share shall have date of commencement of trading of Rights of 31 January 2022, date for cessation of trading of rights of 10 February 2022 and date for announcement of final subscription of result and basis of allotment of excess Rights Securities.

B8 Status of Corporate Proposals (cont'd)

- ix. **Item iv (e):** 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, which was later further extended to 13 January 2022 as announced by the Company on 7 January 2022. On 21 February 2022, the Company announced that the Acquisition of Hospital has been completed with the listing of and quotation for 18,867,700 new Jentayu Sustainables Shares on the Main Market of Bursa Securities.
- x. On 15 December 2021, the shareholders approved the change of name of the Company to Jentayu Sustainables Berhad. This is to reflect the Company's focus on sustainability and the transformation strategies that it has embarked on. On 10 January 2022, the Company announced that the Notice of Registration of New Name (Form of Section 28 of the Companies Act, 2016) has been issued by the Companies Commission of Malaysia on 10 January 2022 and accordingly, the Company's name has now been changed to Jentayu Sustainables Berhad with effect from 10 January 2022.
- xi. On 15 December 2021, the Company announced that the Company, through its wholly-owned subsidiary, Oriole Power Sdn Bhd ("ORIOLE"), has entered into two (2) shareholders' agreements with the following parties:
- Shareholders Agreement with Inno Hydropower (M) Sdn Bhd, a subsidiary company of Petrosabah Sdn Bhd which is a wholly-owned subsidiary of Innoprise Corporation Sdn Bhd, a subsidiary of Kumpulan Yayasan Sabah ("KYS") to regulate the relationship inter se of the shareholders of a joint venture company known as "Oriole Hydro Maligan Sdn Bhd" to jointly develop of a Run-of-River Hydroelectric Cascading Scheme in Sungai Maligan, Sipitang, Sabah with an installed capacity of up to 31MW ("the Sungai Maligan Project"); and
 - Second Shareholders Agreement with Elopura Power Sdn Bhd, a subsidiary of Sabah Electricity Sdn Bhd and PSSB which is a wholly-owned subsidiary of Innoprise Corporation Sdn Bhd, a subsidiary of KYS to regulate the relationship inter se of the shareholders of a

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joint venture company known as “Oriole Hydro Padas Sdn Bhd” to jointly develop of a Run-of-River Hydroelectric Cascading Scheme in Ulu Padas, Sipitang, Sabah with an installed capacity of up to 129MW (“the Sungai Padas Project”).

B9. Group Borrowings and Debt Securities

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

	As at <u>31/12/2021</u> RM'000	As at <u>31/12/2020</u> RM'000
Secured	32,298	8,798
Unsecured	-	14,841
Total short-term borrowings	<u>32,298</u>	<u>23,639</u>
Secured	-	33,006
Unsecured	-	850
Total long-term borrowings	<u>-</u>	<u>33,856</u>
Total borrowings	<u>32,298</u>	<u>57,495</u>

The long-term borrowings were reclassified as short-term borrowings in the current quarter as the Group expects to make full settlement of the outstanding debt arising from the proceeds of the property disposal and the Right Issue.

B10. Off Balance Sheet Financial Instruments

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

B11. Dividend

In the EGM dated 12 November 2021, the shareholders of Jentayu Sustainables 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 Jentayu Sustainables Share to the entitled shareholders on the entitlement date.

On 13 January 2022, the Company announced that the special single-tier dividend of RM0.30 per Ordinary Share to be Ex-Date on 27 January 2022, Entitlement date of 28 January 2022 and payment was made on 10 February 2022 as per the announcement.

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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>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
Profit/(Loss) attributable to owners of the Company (RM'000)				
- from continuing operations	59,927	(1,962)	57,286	(6,043)
	<u>59,927</u>	<u>(1,962)</u>	<u>57,286</u>	<u>(6,043)</u>
Weighted average number of shares outstanding ('000)	101,457	73,639	101,457	73,054
Basic/Diluted loss per share (sen)				
- from continuing operations	59.07	(2.66)	56.46	(8.27)

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

Secretaries

Kuala Lumpur

23 February 2022