

REPLY TO QUERY FROM BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

IPMUDA BERHD (“IPMUDA” OR “THE COMPANY”)

Disposal of one (1) unit factory known as Lot 155, bearing the postal address of Lot 155, Lingkaran Taman Industri Integrasi Rawang 3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor (“Freehold Factory”) by Roset-BLG Sdn Bhd, a wholly-owned subsidiary of Better Living Grand Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, to May Chemical Sdn Bhd for a total consideration of RM12,000,000 (“Disposal”)

We refer to the Company’s announcement in relation to the Disposal dated 30 April 2018 (“Announcement”) and the queries from Bursa Securities dated 03 May 2018 (“Queries”).

Unless otherwise stated, the terms used herein shall have the same meaning as defined in the Announcement.

The Company wishes to provide the following additional information pursuant to the Queries.

Query 1. Whether any valuation was carried out on the Freehold Factory, if so, the name of the independent registered valuer, date and method of valuation and quantification of the market value, and the time and place where the valuation report may be inspected.

Reply:

- a) The valuation conducted by Messrs Raine & Horne International Zaki + Partners Sdn Bhd on 28 November 2014 was at RM14,300,000 and subsequently was updated (via desktop valuation) to RM15,400,000.00 on 30 November 2017 using the sales comparison method of valuation. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size.
- b) The copy of the said valuation report and the desktop valuation are available for inspection at the registered office of the Company at Bangunan Ipmuda, 12 Jalan Datoh, 30000 Ipoh, Perak Darul Ridzuan during normal office hours (8.30 a.m. to 6.00 p.m.) on Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

Query 2. The size, age, number of storeys and amount of lettable space of the Freehold Factory.

Reply:

Size, number of storeys and amount of lettable space of the Factory	:	Single storey detached factory with a double storey integral office with approximate building area of 4,920.82 sq. metres and a single storey guard house with approximate building area of 14.49 sq. metres.
Approximate age of the Factory	:	22 years

Query 3. Details of the working capital, for which the proceeds from the Disposal will be utilized from, including the timeframe for full utilization of proceeds.

Reply:

The Consideration Sum is expected to be utilised by the Ipmuda Group in the following manner:

Particulars of utilisation	Amount to be utilized (RM)	Timeframe for full utilization of proceeds
Repayment of Bank Islam Malaysia Berhad borrowings	10,000,000	Within 6 months
Estimated real property gains tax	275,300	Within 6 months
Estimated incidental expenses related to the Disposal	401,000	Within 6 months
Working capital for the Ipmuda Group (payment to suppliers for purchase of building materials)	1,323,700	Within 6 months
Total:	12,000,000	