



MPHB CAPITAL BERHAD
201201025763 (1010253-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENT
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			12 months ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000 Unaudited	RM'000 Audited	%	RM'000 Unaudited	RM'000 Audited	%
Continuing operations						
Revenue	11,174	3,451	> 100.0	20,612	45,060	(54.3)
Cost of sales	(3,604)	(2,385)	51.1	(5,231)	(21,616)	(75.8)
Gross profit	7,570	1,066	> 100.0	15,381	23,444	(34.4)
Other income	18,615	20,209	(7.9)	25,124	17,292	45.3
Administrative expenses	(1,630)	(1,090)	49.5	(6,682)	(6,402)	4.4
Other expenses	(16,946)	(31,862)	(46.8)	(38,722)	(62,198)	(37.7)
Operating profit/(loss)	7,609	(11,677)	> 100.0	(4,899)	(27,864)	(82.4)
Finance costs	(56)	(59)	(5.1)	(236)	(304)	(22.4)
Profit/(loss) before tax	7,553	(11,736)	> 100.0	(5,135)	(28,168)	(81.8)
Income tax credit/(expense)	742	580	27.9	900	(1,584)	> 100.0
Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year from continuing operations	8,295	(11,156)	> 100.0	(4,235)	(29,752)	(85.8)
Discontinuing operation						
Profit for the period/year, representing total comprehensive income for the period/year from discontinuing operation	15,043	30,049	(49.9)	51,308	84,286	(39.1)
Profit for the period/year, representing total comprehensive income for the period/year	23,338	18,893	23.5	47,073	54,534	(13.7)
Profit/(loss), total comprehensive income/(loss) attributable to:						
Owners of the Company:						
- Continuing operations	8,241	(11,175)	> 100.0	(4,262)	(30,096)	(85.8)
- Discontinuing operation	7,330	15,323	(52.2)	24,492	43,919	(44.2)
	15,571	4,148	> 100.0	20,230	13,823	46.4
Non-controlling interests:						
- Continuing operations	54	19	> 100.0	27	344	(92.2)
- Discontinuing operation	7,713	14,726	(47.6)	26,816	40,367	(33.6)
	7,767	14,745	(47.3)	26,843	40,711	(34.1)
	23,338	18,893	23.5	47,073	54,534	(13.7)
Earnings/(loss) per share attributable to owners of the Company (sen per share)						
Basic and diluted from:						
- Continuing operations	1.2	(1.5)		(0.6)	(4.2)	
- Discontinuing operation	1.0	2.1		3.4	6.1	
	2.2	0.6		2.8	1.9	

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	As at	As at
	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	55,897	65,851
Right-of-use ("ROU") assets	929	9,143
Investment properties	791,975	799,332
Investment securities	-	999,268
Intangible assets	22,320	51,265
Receivables	45,000	44,816
Reinsurance assets	-	146,499
Deferred tax assets	10,763	12,025
Tax recoverable	16,698	16,698
	<u>943,582</u>	<u>2,144,897</u>
Current assets		
Inventories	114	116
Receivables	127,960	313,152
Reinsurance assets	-	355,794
Tax recoverable	739	2,344
Investment securities	289,337	688,823
Cash and bank balances	8,521	230,744
	<u>426,671</u>	<u>1,590,973</u>
Assets held for sale	2,906,942	-
	<u>4,277,195</u>	<u>3,735,870</u>
Total assets		
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	1,011,091	1,011,091
Other reserves	41,903	41,903
Merger deficit	(28,464)	(28,464)
Retained earnings	864,612	842,990
	<u>1,889,142</u>	<u>1,867,520</u>
Non-controlling interests	646,158	469,260
	<u>2,535,300</u>	<u>2,336,780</u>
Total equity		
Non-current liabilities		
Insurance contract liabilities	-	318,734
Lease liabilities	428	7,097
Deferred tax liabilities	8,227	8,503
	<u>8,655</u>	<u>334,334</u>
Current liabilities		
Insurance contract liabilities	-	865,234
Lease liabilities	567	2,388
Borrowing	3,000	3,000
Payables	24,951	190,621
Tax payable	1,257	3,513
	<u>29,775</u>	<u>1,064,756</u>
Liabilities directly associated with the assets held for sale	1,703,465	-
	<u>1,741,895</u>	<u>1,399,090</u>
Total liabilities		
Total equity and liabilities		
	<u>4,277,195</u>	<u>3,735,870</u>
Net assets per share attributable to owners of the Company (RM)		
	<u>2.6</u>	<u>2.6</u>

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

I-----Attributable to owners of the Company-----I

	I--Non-distributable--I		Distributable		Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserves RM'000	Merger deficit RM'000	Retained earnings RM'000			
At 1 January 2021	1,011,091	41,903	(28,464)	842,990	1,867,520	469,260	2,336,780
Net profit for the year, representing total comprehensive income for the year	-	-	-	20,230	20,230	26,843	47,073
Arising from partial disposal of equity interests in a subsidiary	-	-	-	1,337	1,337	-	1,337
Arising from creation of units in subsidiaries	-	-	-	55	55	150,055	150,110
At 31 December 2021	1,011,091	41,903	(28,464)	864,612	1,889,142	646,158	2,535,300
At 1 January 2020	1,011,091	(336,821)	(28,464)	742,977	1,388,783	333,638	1,722,421
Net profit for the year, representing total comprehensive income for the year	-	-	-	13,823	13,823	40,711	54,534
Arising from expiry of Put Option	-	378,724	-	86,146	464,870	-	464,870
Arising from increase in equity interest in a subsidiary	-	-	-	4	4	(11)	(7)
Arising from creation of units in subsidiaries	-	-	-	40	40	94,922	94,962
At 31 December 2020	1,011,091	41,903	(28,464)	842,990	1,867,520	469,260	2,336,780

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	12 months ended	
	31.12.2021 RM'000 Unaudited	31.12.2020 RM'000 Audited
OPERATING ACTIVITIES		
Loss before tax from continuing operations	(5,135)	(28,168)
Profit before tax from discontinuing operation	60,240	85,864
	<u>55,105</u>	<u>57,696</u>
Adjustments for:		
Depreciation of property, plant and equipment	4,630	4,982
Depreciation of ROU assets	2,550	2,465
Depreciation of investment properties	1,839	1,847
Impairment of reinsurance assets	280	823
Intangible assets written off	30	-
Amortisation of intangible assets	5,326	4,516
Gain on disposal of:		
- property, plant and equipment	(82)	(46)
- investment properties	-	(397)
Property, plant and equipment written off	70	-
Reversal for expected credit losses ("ECL") on insurance receivables	(4,779)	(1,130)
Reversal of ECL on trade receivables	-	(51)
Allowance of ECL on other receivables	663	351
Reversal of ECL on loans and advances	-	(258)
Bad Debts recovered	(234)	(430)
Realised loss/(gain) on financial assets at fair value through profit or loss ("FVTPL")	6,729	(13,119)
Adjustment arising from revaluation of Put Option	-	20,570
Dividend income on shares and unit trusts	(1,015)	(3,228)
Interest expense	166	210
Interest on lease liabilities	354	446
Interest income	(76,722)	(72,389)
Accretion income on loans and advances arising from a moratorium	(7,114)	(4,805)
Modification loss on loans and advances	1,715	12,257
Net loss arising from fair value changes in financial assets at FVTPL	68,930	9,862
	<u>58,441</u>	<u>20,172</u>
Operating cash flows before working capital changes		
Changes in working capital:		
Inventories	2	100
Receivables	127,479	61,879
Reinsurance assets	(207,104)	(133,738)
Insurance contract liabilities	278,796	198,886
Payables	64,547	40,710
	<u>322,161</u>	<u>188,009</u>
Cash flows generated from operations		
Income tax paid	(16,796)	(13,494)
Net cash flows generated from operating activities	<u>305,365</u>	<u>174,515</u>
INVESTING ACTIVITIES		
Proceeds from disposal of:		
- property, plant and equipment	82	51
- investment properties	-	1,133
- investment securities	558,505	759,136
Purchase of:		
- additional shares in a subsidiary	-	(7)
- intangible assets	(5,648)	(7,613)
- property, plant and equipment	(3,498)	(1,783)
- investment securities	(837,799)	(1,050,464)
Arising from partial disposal of equity interests in a subsidiary	1,337	-
Net dividend received from shares	1,015	3,228
Interest received	70,943	70,422
Net movement in fixed deposits with licensed banks	13,042	(60,894)
Net cash flows used in investing activities	<u>(202,021)</u>	<u>(286,791)</u>
FINANCING ACTIVITIES		
Repayment of borrowing	-	(1,000)
Interest paid	(18)	(207)
Payment of principal portion of lease liabilities	(2,874)	(2,504)
Net cash flows used in financing activities	<u>(2,892)</u>	<u>(3,711)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	100,452	(115,987)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>72,491</u>	<u>188,478</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>172,943</u>	<u>72,491</u>
Cash and cash equivalents comprise:		
Deposits, cash and bank balances	318,154	230,744
Short-term deposits with licensed banks with original maturity of more than 3 months	(145,211)	(158,253)
	<u>172,943</u>	<u>72,491</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1 Basis of Preparation

The interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting*, International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the requirements of the Companies Act, 2016 in Malaysia, where applicable.

The condensed consolidated financial statements have also been prepared on a historical cost basis, except for those financial instruments which are carried at fair values in accordance with MFRS 9 *Financial Instruments* and insurance liabilities which have been measured in accordance with the valuation methods specified in the Risk-Based Capital Framework for insurers issued by Bank Negara Malaysia (“BNM”).

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2 Significant Accounting Policies

A2.1 Adoption of Amendments to Standards

The accounting standards adopted in the preparation of the unaudited interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020, except for the following which were adopted at the beginning of current financial year:

Amendment to MFRS 16 Leases - *COVID-19 - Related Rent Concessions*
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - *Interest Rate Benchmark Reform - Phase 2*

A2.2 Standards Issued but not yet effective

As at the date of authorisation of this unaudited interim financial statements, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective.

Effective for financial periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases - *COVID-19 - Related Rent Concessions beyond 30 June 2021*

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 - *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:
- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 9 Financial Instruments

Effective for financial periods beginning on or after 1 January 2023

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

Effective date of these Amendments to Standards has been deferred, and yet to be announced

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

A2 Significant Accounting Policies (cont'd.)

A2.2 Standards Issued but not yet effective (cont'd.)

These pronouncements are expected to have no material impact to the financial statements of the Company upon their initial application. For the Group, the impact from the initial application of MFRS 17 and Amendments to MFRS 17 are as discussed below:

MFRS 17 Insurance Contracts and Amendments to MFRS 17

MFRS 17 will replace MFRS 4 Insurance Contracts. MFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of MFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in MFRS 4, which are largely based on grandfathering previous local accounting policies, MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of MFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

Subsequent to the issuance of MFRS 17, the MASB issued amendments to MFRS 17 to simplify or clarify certain requirements of MFRS 17 without changing the fundamental principles of the standard.

MFRS 17 and amendments to MFRS 17 are effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17.

Below are some of the key milestones achieved by the Group:

- Enhancement projects (system and reports) are in progress;
- System design completed and user acceptance testing is in progress;
- Accounting system upgrade completed and system integration is in progress; and
- Business requirements documentation is in the process of review and refinement.

A3 Seasonal or Cyclical Factors

The performance of the Group is not affected by any seasonal or cyclical factors but is generally dependent on the prevailing economic environment.

A4 Unusual Items Due To Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 2021.

A5 Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect during the current quarter and year ended 31 December 2021.

A6 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2021

A7 Dividend Paid

No dividend was paid during the current quarter and year under review.

A8 Segmental Information

	3 months ended		Changes %	12 months ended		Changes %
	31.12.2021 RM'000	31.12.2020 RM'000		31.12.2021 RM'000	31.12.2020 RM'000	
Segmental Revenue						
Continuing operations						
Credit	3,429	851	> 100.0	7,585	10,369	(26.8)
Investments	<u>7,745</u>	<u>2,600</u>	> 100.0	<u>13,027</u>	<u>34,691</u>	(62.4)
	11,174	3,451	> 100.0	20,612	45,060	(54.3)
Discontinuing operation						
Insurance	<u>120,035</u>	<u>112,750</u>	6.5	<u>464,301</u>	<u>398,212</u>	16.6
Total	<u>131,209</u>	<u>116,201</u>	12.9	<u>484,913</u>	<u>443,272</u>	9.4
Segmental Results						
Continuing operations						
Credit	4,089	(5,649)	> 100.0	(80)	(21,498)	(99.6)
Investments	<u>3,464</u>	<u>(6,087)</u>	> 100.0	<u>(5,055)</u>	<u>(6,670)</u>	(24.2)
Profit/(loss) before tax	<u>7,553</u>	<u>(11,736)</u>	> 100.0	<u>(5,135)</u>	<u>(28,168)</u>	(81.8)
Income tax credit/(expense)	<u>742</u>	<u>580</u>	27.9	<u>900</u>	<u>(1,584)</u>	> 100.0
Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year from continuing operations	8,295	(11,156)	> 100.0	(4,235)	(29,752)	(85.8)
Discontinuing operation						
Profit for the period/year, representing total comprehensive income for the period/year from discontinuing operation *	<u>15,043</u>	<u>30,049</u>	(49.9)	<u>51,308</u>	<u>84,286</u>	(39.1)
Profit for the period/year, representing total comprehensive income for the period/year	<u>23,338</u>	<u>18,893</u>	23.5	<u>47,073</u>	<u>54,534</u>	(13.7)

A8 Segmental Information (cont'd)
Assets and Liabilities as at 31 December 2021

	Assets RM'000	Liabilities RM'000
Continuing operations		
Credit	502,666	3,507
Investments	867,587	34,923
	<u>1,370,253</u>	<u>38,430</u>
Discontinuing operation		
Assets held for sale:		
Credit	2,500	-
Insurance	2,904,442	-
	<u>2,906,942</u>	<u>-</u>
Liabilities directly attributable to assets held for sale:		
Insurance	-	1,703,465
	<u>2,906,942</u>	<u>1,703,465</u>
Total	<u>4,277,195</u>	<u>1,741,895</u>

Assets and Liabilities as at 31 December 2020

Insurance	2,349,626	1,359,087
Credit	504,546	7,171
Investments	881,698	32,832
Total	<u>3,735,870</u>	<u>1,399,090</u>

On 22 June 2021, the Company announced that Multi-Purpose Capital Holdings Berhad, a wholly-owned subsidiary of the Company, has submitted an application to BNM to seek the approval of the Minister of Finance of Malaysia pursuant to Section 89 of the Financial Services Act, 2013 for the disposal of 51% equity interest in MPI Generali Insurans Berhad ("MPI Generali") to Generali Asia N.V. ("Generali Asia") and the entry into a Share Purchase Agreement with Generali Asia.

At as 31 December 2021, MPI Generali was classified as Disposal Group held for sale and its operation as a discontinuing operation.

* The results of MPI Generali for the period/year are presented below:

	3 months ended			12 months ended		
	31.12.2021 RM'000	31.12.2020 RM'000	Changes %	31.12.2021 RM'000	31.12.2020 RM'000	Changes %
Revenue	120,035	112,750	6.5	464,301	398,212	16.6
Cost of sales	<u>(66,492)</u>	<u>(47,696)</u>	39.4	<u>(245,081)</u>	<u>(225,218)</u>	8.8
Gross profit	53,543	65,054	(17.7)	219,220	172,994	26.7
Other income	(23,096)	22,299	> (100.0)	72,280	123,869	(41.6)
Administrative expenses	(29,345)	(23,268)	26.1	(87,333)	(73,612)	18.6
Other expenses	<u>15,206</u>	<u>(33,777)</u>	> (100.0)	<u>(143,643)</u>	<u>(137,035)</u>	4.8
Operating profit	16,308	30,308	(46.2)	60,524	86,216	(29.8)
Finance costs	(73)	(98)	(25.5)	(284)	(352)	(19.3)
Profit before tax	<u>16,235</u>	<u>30,210</u>	(46.3)	<u>60,240</u>	<u>85,864</u>	(29.8)
Income tax expense	<u>(1,192)</u>	<u>(161)</u>	> 100.0	<u>(8,932)</u>	<u>(1,578)</u>	> 100.0
Profit for the period/year representing total comprehensive income for the period/year	<u>15,043</u>	<u>30,049</u>	(49.9)	<u>51,308</u>	<u>84,286</u>	(39.1)

A9 Other Income

	3 months ended			12 months ended		
	31.12.2021 RM'000	31.12.2020 RM'000	Changes %	31.12.2021 RM'000	31.12.2020 RM'000	Changes %
Continuing operations						
Interest income	2,685	2,060	30.3	8,928	11,278	(20.8)
Net gain arising from fair value changes in financial assets at FVTPL	-	13,108	(100.0)	-	-	-
Accretion income on loan and advances arising from a moratorium (Allowance for)/reversal of ECL on loans and advances	7,114	4,805	48.1	7,114	4,805	48.1
Gain on disposal of property, plant and equipment	-	-	-	4	28	(85.7)
Realised gain on financial assets at FVTPL	-	1	(100.0)	2	30	(93.3)
Accretion income on revenue arising from Joint Venture Agreement ("JVA")	4,228	-	100.0	4,228	-	100.0
Rental income from properties	49	53	(7.5)	150	211	(28.9)
Others	4,539	183	> 100.0	4,698	682	> 100.0
Total	18,615	20,209	(7.9)	25,124	17,292	45.3
Discontinuing operation						
Interest income	16,842	11,658	44.5	61,073	53,118	15.0
Dividend income	13	265	(95.1)	296	1,107	(73.3)
Net (loss)/gain arising from fair value changes in financial assets at FVTPL	(49,666)	(6,669)	> (100.0)	(49,666)	2,226	> (100.0)
Fee and commission income	9,944	11,031	(9.9)	57,568	49,709	15.8
(Loss)/gain on disposal of:						
- property, plant and equipment	(21)	-	(100.0)	78	18	> 100.0
- investment property	-	(1)	100.0	-	397	(100.0)
Realised gain on financial assets at FVTPL	-	3,401	(100.0)	-	13,089	(100.0)
Service income and share of investment results from Malaysian Motor Insurance Pool	(760)	2,146	> (100.0)	(116)	3,555	> (100.0)
Rental income from properties	48	48	-	192	192	-
Others	504	420	20.0	2,855	458	> 100.0
Total	(23,096)	22,299	> (100.0)	72,280	123,869	(41.6)

A10 Financial Instruments

(i) Classification

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Assets		
Continuing operations		
Financial assets at FVTPL		
Investment securities:		
- quoted shares	43,092	81,876
- unquoted shares	4,871	4,561
- unquoted unit trust funds	241,374	552,230
- unquoted debt securities	-	688,289
- Malaysian Government Securities	-	361,135
	289,337	1,688,091
Financial assets at amortised cost		
Receivables	172,748	308,398
Cash and bank balances	8,521	230,744
	181,269	539,142
Discontinuing operation		
Financial assets at FVTPL		
Investment securities:		
- quoted shares	25,180	-
- unquoted unit trust funds	323,797	-
- unquoted debt securities	979,044	-
- Malaysian Government Securities	274,368	-
	1,602,389	-
Financial assets at amortised cost		
Receivables	173,113	-
Cash and bank balances	309,633	-
	482,746	-
Liabilities		
Liabilities at amortised cost		
Continuing operations		
Lease liabilities	995	9,485
Payables	18,644	161,740
Borrowing	3,000	3,000
	22,639	174,225
Discontinuing operation		
Lease liabilities	6,551	-
Payables	200,409	-
	206,960	-

A10 Financial Instruments (cont'd.)**(ii) Fair Values****(a) Financial instruments that are carried at fair value**

The table below analyses those financial instruments carried at fair value by their valuation methods and non-financial assets which are carried at cost in the statements of financial position, but for which fair values are disclosed. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) of identical assets in active markets

Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (derived from prices)

Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2021				
Financial assets at FVTPL				
Continuing operations				
Current	43,092	241,374	4,871	289,337
Discontinuing operation				
Current	25,180	512,120	-	537,300
Non-current	-	1,090,269	-	1,090,269
	25,180	1,577,209	-	1,602,389
As at 31 December 2020				
Financial assets at FVTPL				
Current	81,876	606,947	-	688,823
Non-current	-	994,707	4,561	999,268
	81,876	1,601,654	4,561	1,688,091

(b) Financial instruments that are not carried at fair value

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values due to their short-term nature.

A11 Related Party Disclosures

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Affiliated companies				
Gross insurance premium received	(27)	(31)	1,330	1,435
Management fees receivable	130	165	388	516
Insurance commission paid	(13)	(12)	(14)	(28)
Claims paid	(21)	(145)	(171)	(310)
Professional fees payable	(6)	(12)	(44)	(65)
IT management fees paid	(33)	(19)	(65)	(78)
Dividend received	-	823	403	1,920

The above transactions are entered into in the normal course of business based on negotiated and mutually agreed terms.

Affiliated companies during the financial quarter refer to the following:

- Ganda Pesona Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.
- MWE Properties Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.
- Metra Management Sdn. Bhd., incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.
- Magnum Berhad, incorporated in Malaysia, which is a company in which a Director has a substantial financial interest.

A12 Contingent Liabilities

As at 23 February 2022, the Board is not aware of any material contingent liabilities which have become enforceable or are likely to become enforceable which will affect the ability of the Company or any of its subsidiaries to meet its obligations as and when they fall due.

A13 Event After The Reporting Year

There was no material event subsequent to the current quarter and year ended 31 December 2021.

A14 Significant Event During The Financial Year

On 22 June 2021, the Company announced that Multi-Purpose Capital Holdings Berhad, a wholly-owned subsidiary of the Company, has submitted an application to BNM to seek the approval of the Minister of Finance of Malaysia pursuant to Section 89 of the Financial Services Act, 2013 for the disposal of 51% equity interest in MPI Generali to Generali Asia and the entry into a Share Purchase Agreement with Generali Asia.

A15 Changes in Composition of The Group

There were no changes in the composition of the Group during the current quarter and year ended 31 December 2021.

A16 Capital Commitments

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Approved and contracted for:		
Plant and equipment	91	-
Computer and software	2,509	2,533
Total	2,600	2,533

A17 Operating Lease Arrangements**The Group as lessor**

The future aggregate minimum lease payments receivable under operating leases contracted for but not recognised as receivables are as follows:

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Not later than 1 year	1,644	2,837
Later than 1 year and not later than 5 years	827	1,108
Total future minimum rental payments receivable	2,471	3,945

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance of The Group

	3 months ended			12 months ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing operations						
Revenue	11,174	3,451	> 100.0	20,612	45,060	(54.3)
Operating profit/(loss)	7,609	(11,677)	> 100.0	(4,899)	(27,864)	(82.4)
Profit/(loss) before tax	7,553	(11,736)	> 100.0	(5,135)	(28,168)	(81.8)
Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year	8,295	(11,156)	> 100.0	(4,235)	(29,752)	(85.8)
Profit/(loss), total comprehensive income/(loss) attributable to owners of the Company	8,241	(11,175)	> 100.0	(4,262)	(30,096)	(85.8)
Discontinuing operation						
Revenue	120,035	112,750	6.5	464,301	398,212	16.6
Operating profit	16,308	30,308	(46.2)	60,524	86,216	(29.8)
Profit before tax	16,235	30,210	(46.3)	60,240	85,864	(29.8)
Profit for the period/year, representing total comprehensive income for the period/year	15,043	30,049	(49.9)	51,308	84,286	(39.1)
Profit/total comprehensive income attributable to owners of the Company	7,330	15,323	(52.2)	24,492	43,919	(44.2)

4Q2021 vs 4Q2020

Continuing operations

The Group reported revenue from continuing operations of RM11.2 million for the 4Q2021, an increase of >100% compared to the revenue of RM3.5 million achieved in 4Q2020. Higher interest income from the Credit business upon the expiry of the moratorium period granted to a loan debtor and increased revenue from the hotels with the uplift of interstate borders restriction.

Profit before tax ("PBT") for 4Q2021 was RM7.6 million, an increase of >100% from Loss before tax ("LBT") of RM11.7 million reported in 4Q2020. In addition to increase in revenue, the improvement was mainly contributed by lower modification loss on loans and advances (4Q2021: RM1.7 million; 4Q2020: RM12.2 million) arising from a moratorium and higher accretion income on revenue arising from a JVA.

Credit

In 4Q2021, Credit segment achieved revenue of RM3.4 million which was >100% higher than revenue of RM0.9 million in 4Q2020 mainly due to higher interest income from credit business upon the expiry of the moratorium period.

In tandem with the above, the results improved from LBT of RM5.6 million in 4Q2020 to PBT of RM4.1 million in 4Q2021.

Investments

In 4Q2021, the Investments segment posted revenue of RM7.8 million, >100% higher than revenue of RM2.6 million reported in 4Q2020 mainly due to increased contributions from hotel operations driven by domestic travel demand as Movement Control Orders eased and interstate restrictions were lifted.

In tandem with the above and higher accretion income on revenue arising from a JVA., the results improved significantly from LBT of RM6.1 million in 4Q2020 to PBT of RM3.5 million in 4Q2021.

B1 Review of Performance of The Group (cont'd)

Discontinuing operation

Insurance subsidiary recorded an earned premium growth of 6.5% in 4Q2021 at RM120.0 million (4Q2020: RM112.8 million) from its continued drive for profitable growth through developing and strengthening distribution channels to increase market share.

However, Insurance subsidiary posted results of RM16.2 million in 4Q2021, 46.3% lower than RM30.2 million in 4Q2020 due mainly to higher claims incurred and unrealised fair value losses from its financial assets at FVTPL.

FY2021 vs FY2020

Continuing operations

Revenue in FY2021 at RM20.6 million was 54.3% lower than revenue of RM45.1 million posted in FY2020 mainly due to lower revenue from the Investments segment due to the delay in the launch of new property phases by the JVA. COVID-19 pandemic resulted in strict containment measures and closure of inter-state borders which had affected the hotel operations and rental income adversely.

LBT in FY2021 was lower at RM5.1 million compared to RM28.2 million in FY2020 due to lower modification loss on loans and advances in FY2021. In FY2020, an adjustment arising from revaluation of Put Option of RM20.6 million which had affected the results adversely in FY2020.

Discontinuing operation

Insurance subsidiary recorded an earned premium growth of 16.6% in FY2021 at RM464.3 million (FY2020: RM398.2 million).

Despite higher earned premium and underwriting profit in FY2021, the PBT achieved in FY2021 at RM60.2 million, is 29.8% lower than RM85.9 million posted in FY2020. Unrealised fair value loss in financial assets at FVTPL stemming from unfavourable market condition has adversely affected the results in FY2021.

B2 Material Change in Performance of the current quarter compared with the Immediate preceding quarter

	3 months ended 31.12.2021 RM'000	3 months ended 30.09.2021 RM'000	Changes %
Continuing operations			
Revenue	11,174	4,224	> 100.0
Operating profit	7,609	1,959	> 100.0
Profit before tax	7,553	1,901	> 100.0
Profit for the period, representing total comprehensive income for the period	8,295	1,136	> 100.0
Profit/total comprehensive income attributable to owners of the Company	8,241	1,156	> 100.0
Discontinuing operation			
Revenue	120,035	109,225	9.9
Operating profit	16,308	25,377	(35.7)
Profit before tax	16,235	25,300	(35.8)
Profit for the period, representing total comprehensive income for the period	15,043	22,078	(31.9)
Profit/total comprehensive income attributable to owners of the Company	7,330	10,297	(28.8)

4Q2021 vs 3Q2021**Continuing operations**

In 4Q2021, the Group achieved revenue of RM11.2 million, >100.0% higher compared to RM4.2 million posted in 3Q2021 as the Hospitality sector improved as there were increase in domestic travelers with the uplift of MCO and interstate border restrictions.

In view of the above and higher interest income on loans upon the expiry of a moratorium granted, PBT at RM7.6 million increased significantly compared to RM1.9 million recorded in 3Q2021.

Discontinuing operation

In 4Q2021, the Insurance subsidiary achieved revenue of RM120.0 million, an increase of 9.9% compared to RM109.2 million posted in 3Q2021 with the strengthening distribution channels to increase market share

PBT at RM16.2 million compared to RM25.3 million recorded in 3Q2021 mainly due higher net claims incurred and unrealised fair value losses from its financial assets at FVTPL.

B3 Group's Prospects**Credit**

As the market outlook remains uncertain, the Credit segment continues its conservative strategy to finance reputable niche clients with low-risk exposure, to proactively provide assistance to its borrowers on repayments whilst maintaining stringent management of credit risk.

Investments

The Group will continue to conserve and safeguard its resources whilst continue to evaluate viable options to create sustainable value in the land banks in the midst of lackluster market environment. The Group may consider joint venture arrangements with niche reliable partners or outright disposal.

B3 Group's Prospects (cont'd)**Discontinuing operation**

Insurance subsidiary will continue its growth strategies by strengthening its distribution channels, retaining renewals and increasing business and profitable growth in preferred segments, as well as continue to drive for technical excellence in operational efficiencies and product offerings.

B4 Profit Forecast and Profit Guarantee

There was no profit forecast or profit guarantee issued by the Company and the Group.

B5 Income Tax (Credit)/Expenses

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax expense	1,650	4,066	1,430	6,230
Deferred tax	(2,392)	(4,646)	(2,330)	(4,646)
Total income tax (credit)/expense	<u>(742)</u>	<u>(580)</u>	<u>(900)</u>	<u>1,584</u>

Income tax is calculated at the Malaysian statutory rate of 24% (2020: 24%) of the estimated assessable profit for the current quarter and year.

The effective tax rate for the Group for the current quarter and year were lower than the statutory rate due to non-taxable income.

B6 Profit/(Loss) Before Tax

Included in the profit/(loss) before tax are the following items:

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Depreciation of property, plant and equipment	635	2,098	2,486	2,707
Depreciation of ROU assets	174	464	696	638
Depreciation of investment properties	426	1,279	1,706	1,706
Net loss arising from fair value changes in financial assets at FVTPL	6,872	12,236	19,264	12,088
Interest expense	41	168	166	210
Interest on lease liabilities	15	78	70	94
Property, plant and equipment written off	1	-	1	-
Adjustment arising from revaluation of Put Option	-	1,495	-	20,570
Service fees and storage fees	25	72	98	96
Reversal of ECL on trade receivables	-	(51)	-	(51)
Modification loss on loans and advances	1,715	12,257	1,715	12,257
Reversal of ECL on other receivables	-	-	-	(6)

B6 Profit/(Loss) Before Tax (cont'd)

Included in the profit/(loss) before tax are the following items (cont'd):

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Discontinuing operation				
Amortisation of intangible assets	1,405	1,191	5,326	4,516
Depreciation of property, plant and equipment	564	515	2,144	2,275
Depreciation of ROU assets	462	488	1,854	1,827
Depreciation of investment properties	33	33	133	141
Net gain arising from fair value changes in financial assets at FVTPL	(38,107)	-	-	-
Lease expenses relating to low value assets	227	229	227	229
Interest on lease liabilities	73	98	284	352
Intangible assets written off	30	-	30	-
Property, plant and equipment written off	67	-	69	-
Service fees and storage fees	208	(22)	737	486
Realised loss on financial assets at FVTPL	552	-	6,731	-
Reversal of ECL on insurance receivables	(4,871)	(2,392)	(4,779)	(1,130)
Allowance for ECL on other receivables	663	357	663	357
Bad debts recovered	(234)	(430)	(234)	(430)
Allowance for impairment of reinsurance assets	280	823	280	823

B7 Receivables

	As at	As at
	31.12.2021	31.12.2020
	RM'000	RM'000
Trade receivables	142,137	253,352
Less: allowance for ECL	(14,065)	(29,708)
Total trade receivables	<u>128,072</u>	<u>223,644</u>
Other receivables	45,029	134,825
Less: allowance for ECL	(141)	(501)
Total other receivables	<u>44,888</u>	<u>134,324</u>
Total receivables	<u>172,960</u>	<u>357,968</u>

B8 Corporate Proposals

Non-Compliance (Property)

Pursuant to the listing of the Company, the Group has undertaken to rectify the following non-compliances as at 31 December 2021. As at current date, the non-compliances are as follows:

- I) The condition imposed on the land title

Syarikat Perniagaan Selangor Sdn. Bhd. ("SPSSB") is the registered proprietor of a land held under PM 345, Lot 13501, Mukim Hulu Kelang, District of Gombak, State of Selangor Darul Ehsan. This land can only be used for guards' and keepers' quarters. However, a Tenaga Nasional Berhad ("TNB") sub-station and network pumping station has been erected on the said land. SPSSB has liaised with TNB and the Land Office to register a lease in favor of TNB over that portion of land on which the TNB sub-station is situated but the outcome is still pending; and

- II) The undetermined status of the certificate of fitness for occupation

The Group was unable to determine the status of the certificate of fitness for occupation to the buildings erected on GRN 28274, Lot 643 and GRN 9036, Lot 1199, Sekyen 67, Town of Kuala Lumpur, District and State of Wilayah Persekutuan Kuala Lumpur, properties registered under Mulpha Kluang Maritime Carriers Sdn. Bhd.

The buildings situated on GRN 28274, Lot 643 and GRN 9036, Lot 1199, remained unoccupied.

B9 Borrowing

The Group's borrowing is as follows:

	As at 31.12.2021		As at 31.12.2020	
	Current RM'000	Total RM'000	Current RM'000	Total RM'000
Revolving credit	3,000	3,000	3,000	3,000

The borrowing is denominated in Ringgit Malaysia.

B10 Material Litigation

(i) Legal suit filed by ISM Sendirian Berhad Civil Suit No. WA-22NCC-68-02/ 2016 [consolidated with civil suit no. WA-22NCC-69-02/ 2016, WA-22NCC-70-02/ 2016, WA-22NCC-71-02/ 2016 and WA-22NCC-72-02/ 2016]

ISM Sendirian Berhad (“ISM or the Plaintiff”) had filed five suits against the Company and its subsidiaries, namely, Queensway Nominees (Asing) Sdn. Bhd., Queensway Nominees (Tempatan) Sdn. Bhd., West-Jaya Sdn. Bhd., Mulpha Kluang Maritime Carrier Sdn. Bhd. and Leisure Dotcom Sdn. Bhd. (“the subsidiaries”), as well as its respective directors (collectively referred to hereinafter as “the Defendants”), alleging minority shareholders’ oppression under Section 181 of the Companies Act 1965. ISM is a minority shareholder of the subsidiaries.

In the five suits, the Plaintiff seeks damages, both general and punitive against the Defendants, several declarations regarding the manner in which the affairs of the Company and its subsidiaries are conducted, several injunctions to restrain the conduct of the Company with regards to the subsidiaries as well as an order that ISM’s shares in the subsidiaries are to be purchased by the Defendants at a value to be fixed by an independent auditor and valuer.

In response, the Defendants contended that the Plaintiff is in breach of the joint venture arrangement between the parties in failing to fulfil its financial obligations under the same. Hence, the Defendants have filed a Defense and Counterclaim (in each suit) against the Plaintiff for losses and damages suffered by the Defendants due to the Plaintiff’s breach of the joint venture arrangement.

On 21 June 2019, the High Court allowed the Plaintiff’s claim premised on minority shareholders’ oppression under Section 181 of the Companies Act 1965.

The High Court has made the following orders:

1. The Company (as the majority shareholder) is to buy out the Plaintiff’s 30% shares in the subsidiaries;
2. The buyout price is to be determined by an independent firm of accountants by taking into account the value of the land owned by the subsidiaries as determined by a licensed valuer;
3. The identities of the firm of accountants and the valuers are to be determined by agreement between the parties within 30 days from 21 June 2019 or if no agreement by the parties, the High Court will make the appointment based on nominations by the 2 parties;
4. ISM and the Company to mutually execute the terms and engagement of the accountant and valuer and shall equally bear the costs of the accountant and valuer;
5. Interest on the buyout sum will accrue at the rate of 5% per annum from the date expiring 7 days from the final determination of the buyout price by the independent accountant until full payment;
6. Nominal damages in the sum of RM10,000.00 to be paid to the Plaintiff with interest of 5% per annum to be calculated from 22 June 2019 to the date of full and final settlement;
7. Costs of RM100,000.00 to be paid to the Plaintiff, subject to payment of allocator;
8. Both parties are given liberty to apply; and
9. The Plaintiff’s claim for punitive and exemplary damages and the Defendants’ counterclaim are dismissed.

On 28 June 2019, the Defendants have appealed to the Court of Appeal against the judgement made by the High Court on 21 June 2019. On 18 July 2019, the Plaintiff has appealed to the Court of Appeal against certain parts of the judgement made by the High Court on 21 June 2019 (collectively referred to hereinafter as “the Appeals”).

The Defendants have filed to the High Court for a stay of the execution of the High Court’s judgement dated 21 June 2019 (“Judgement”) and all the proceedings relating thereto pending the disposal of the Appeals.

On 13 September 2019, the High Court ordered by consent of the parties (“Consent Order”) that the execution of the Judgment and all the proceedings relating thereto be stayed pending the disposal of both the Appeals before the Court of Appeal. Both the Appeals will be heard together by the Court of Appeal on 17 and 18 March 2022.

B11 Dividend

The Board of Directors does not recommend the payment of dividend for the year under review.

B12 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

B13 Earnings/(loss) Per Share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit for the quarter and year ended attributable to owners of the Company by the weighted average number of ordinary shares in issue during the quarter and year ended 31 December 2021.

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit/(loss) attributable to owners of the Company (RM'000):				
- Continuing operations	8,241	(11,175)	(4,262)	(30,096)
- Discontinuing operation	7,330	15,323	24,492	43,919
	<u>15,571</u>	<u>4,148</u>	<u>20,230</u>	<u>13,823</u>
Weighted average number of ordinary shares in issue ('000)	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>
Earnings/(loss) per share (sen per share):				
- Continuing operations	1.2	(1.5)	(0.6)	(4.2)
- Discontinuing operation	1.0	2.1	3.4	6.1
	<u>2.2</u>	<u>0.6</u>	<u>2.8</u>	<u>1.9</u>

By Order Of The Board
Ng Sook Yee
Company Secretary
23 February 2022