



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

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	3 months ended			6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Continuing operations						
Revenue	9,191	2,387	> 100.0	18,064	5,214	> 100.0
Cost of sales	(1,441)	(706)	> 100.0	(3,129)	(1,441)	> 100.0
Gross profit	7,750	1,681	> 100.0	14,935	3,773	> 100.0
Other income	1,808	2,232	(19.0)	3,046	4,276	(28.8)
Administrative expenses	(1,682)	(1,685)	(0.2)	(3,639)	(3,467)	5.0
Other expenses	(13,857)	(6,692)	> 100.0	(22,013)	(19,049)	15.6
Operating loss	(5,981)	(4,464)	34.0	(7,671)	(14,467)	(47.0)
Finance costs	(25)	(60)	(58.3)	(70)	(122)	(42.6)
Loss before tax from continuing operations	(6,006)	(4,524)	32.8	(7,741)	(14,589)	(46.9)
Income tax (expense)/credit	(725)	(746)	(2.8)	(1,386)	923	> (100.0)
Loss for the period, representing total comprehensive loss for the period from continuing operations	(6,731)	(5,270)	27.7	(9,127)	(13,666)	(33.2)
Discontinuing operation						
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period from discontinuing operation	(9,949)	40,112	> (100.0)	(5,709)	14,187	> (100.0)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period	(16,680)	34,842	> (100.0)	(14,836)	521	> (100.0)
(Loss)/profit for the period, representing total comprehensive (loss)/income attributable to:						
Owners of the Company:						
- Continuing operations	(6,764)	(5,274)	28.3	(9,202)	(13,659)	(32.6)
- Discontinuing operation	(3,695)	19,408	> (100.0)	(1,571)	6,865	> (100.0)
	(10,459)	14,134	> (100.0)	(10,773)	(6,794)	58.6
Non-controlling interests:						
- Continuing operations	33	4	> 100.0	75	(7)	> (100.0)
- Discontinuing operation	(6,254)	20,704	> (100.0)	(4,138)	7,322	> (100.0)
	(6,221)	20,708	> (100.0)	(4,063)	7,315	> (100.0)
	(16,680)	34,842	> (100.0)	(14,836)	521	> (100.0)
Earnings per share attributable to owners of the Company (sen per share)						
Basic and diluted from:						
- Continuing operations	(1.0)	(0.7)		(1.3)	(1.9)	
- Discontinuing operation	(0.5)	2.7		(0.2)	0.9	
	(1.5)	2.0		(1.5)	(1.0)	

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	As at	As at
	30.06.2022	31.12.2021
	RM'000	RM'000
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	55,218	55,897
Right-of-use ("ROU") assets	638	929
Investment properties	791,122	791,975
Investment securities	4,760	4,871
Intangible assets	22,320	22,320
Receivables	-	45,000
Deferred tax assets	10,678	10,677
Tax recoverable	16,698	16,698
	<u>901,434</u>	<u>948,367</u>
Current assets		
Investment securities	272,643	284,466
Inventories	152	114
Receivables	166,788	127,926
Tax recoverable	714	739
Cash and bank balances	16,989	8,598
	<u>457,286</u>	<u>421,843</u>
Assets held for sale	<u>2,842,732</u>	<u>2,906,942</u>
Total assets	4,201,452	4,277,152
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	1,011,091	1,011,091
Capital reserve	41,903	41,903
Merger deficit	(28,464)	(28,464)
Retained earnings	853,653	864,397
	<u>1,878,183</u>	<u>1,888,927</u>
Non-controlling interests	611,142	646,158
Total equity	2,489,325	2,535,085
Non-current liabilities		
Lease liabilities	-	319
Deferred tax liabilities	8,228	8,228
	<u>8,228</u>	<u>8,547</u>
Current liabilities		
Lease liabilities	691	676
Borrowing	500	3,000
Payables	22,916	25,124
Tax payable	1,130	1,255
	<u>25,237</u>	<u>30,055</u>
Liabilities directly associated with the assets held for sale	<u>1,678,662</u>	<u>1,703,465</u>
Total liabilities	1,712,127	1,742,067
Total equity and liabilities	4,201,452	4,277,152
Net assets per share attributable to owners of the Company (RM)	2.6	2.6

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2022

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

	I--Non-distributable--I			Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2022	1,011,091	41,903	(28,464)	864,397	1,888,927	646,158	2,535,085
Loss for the period, representing total comprehensive loss for the period	-	-	-	(10,773)	(10,773)	(4,063)	(14,836)
Arising from increase in equity interest in a subsidiary	-	-	-	2	2	(19)	(17)
Arising from changes in equity interests in subsidiaries	-	-	-	27	27	(30,934)	(30,907)
At 30 June 2022	1,011,091	41,903	(28,464)	853,653	1,878,183	611,142	2,489,325
At 1 January 2021	1,011,091	41,903	(28,464)	842,990	1,867,520	469,260	2,336,780
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period	-	-	-	(6,794)	(6,794)	7,315	521
Arising from changes in equity interests in subsidiaries	-	-	-	27	27	111,806	111,833
At 30 June 2021	1,011,091	41,903	(28,464)	836,223	1,860,753	588,381	2,449,134

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2022

	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
	Unaudited	Unaudited
OPERATING ACTIVITIES		
Loss before tax from continuing operations	(7,741)	(14,589)
(Loss)/profit before tax from discontinuing operation	<u>(5,676)</u>	<u>18,705</u>
(Loss)/profit before tax	(13,417)	4,116
Adjustments for:		
Amortisation of intangible assets	2,937	2,581
Bad debts recovered	(10)	-
Depreciation of property, plant and equipment	2,432	2,297
Depreciation of ROU assets	1,214	1,277
Depreciation of investment properties	919	919
Dividend income on shares and unit trusts	(1,162)	(976)
Gain on disposal of property, plant and equipment	(4)	(4)
Interest income	(41,238)	(32,333)
Interest expense on revolving credit	51	83
Interest expense on lease liabilities	150	173
Net loss arising from fair value changes in financial assets at FVTPL	38,303	44,819
Property, plant and equipment written off	-	1
(Reversal of)/allowance for expected credit losses ("ECL") on insurance receivables	(457)	155
Reversal of ECL on trade receivables	(11)	-
Realised loss from financial assets at FVTPL	<u>31,153</u>	<u>7,308</u>
Operating cash inflow before working capital changes	20,860	30,416
Changes in working capital:		
Inventories	(38)	4
Receivables	(19,210)	108,529
Reinsurance assets	(39,251)	(37,229)
Insurance contract liabilities	87,462	74,647
Payables	<u>(110,040)</u>	<u>(23,458)</u>
Cash flows (used in)/generated from operations	(60,217)	152,909
Income tax paid	<u>(7,895)</u>	<u>(4,925)</u>
Net cash flows (used in)/generated from operating activities	(68,112)	147,984
INVESTING ACTIVITIES		
Proceeds from disposal of:		
- property, plant and equipment	4	5
- investment securities	501,110	362,268
- investment property	2,500	-
Purchase of:		
- additional shares in a subsidiary	(17)	-
- intangible assets	(1,647)	(1,812)
- property, plant and equipment	(1,980)	(933)
- investment securities	<u>(137,436)</u>	<u>(487,720)</u>
Net dividend received from shares and unit trusts	1,162	976
Interest received	40,562	33,906
Net movement in fixed deposits with licensed banks	<u>(30,556)</u>	<u>25,115</u>
Net cash flows generated from/(used in) investing activities	373,702	(68,195)
FINANCING ACTIVITIES		
Repayment of borrowing	(2,500)	-
Interest expense paid	(51)	(80)
Payment of principal portion of lease liabilities	<u>(1,213)</u>	<u>(1,399)</u>
Net cash flows used in financing activities	(3,764)	(1,479)
NET INCREASE IN CASH AND CASH EQUIVALENTS	301,826	78,310
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	173,020	133,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>474,846</u>	<u>211,695</u>
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks, cash at banks and cash on hand	650,613	283,939
Short-term deposits with licensed banks with original maturity of more than 3 months	<u>(175,767)</u>	<u>(72,244)</u>
	<u>474,846</u>	<u>211,695</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 2021 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

These 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 contract 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 Group’s audited financial statements for the financial year ended 31 December 2021. 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 2021.

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 2021, except for the following which were adopted at the beginning of the current financial year. These pronouncements do not have any material impact on the Group’s financial statements for the current financial year.

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

A2.2 Standards Issued but not yet effective

As at the date of authorisation of this unaudited interim financial statement, 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 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.

The insurance subsidiary is in the progress of assessing the impact of MFRS 17 on the financial statements. Below are some of the key milestones achieved by the insurance subsidiary in preparing for the implementation of MFRS 17 and to comply with the requirements of MFRS 17 and amendments to MFRS 17 when they become effective on 1 January 2023:

- Enhancement projects relating to systems and reports identified this far have been completed;
- User acceptance testing is in progress for the MFRS 17 solution system;
- System integration involving MFRS17 solution system and accounting system has been gradually completed and some processes remain in progress;
- Business requirements documentation has been substantially completed and will be continued to be reviewed and refined; and
- Data preparation and reconciliations for transition and opening balances are in progress.

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 period ended 30 June 2022.

A5 Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect during the current quarter and period ended 30 June 2022.

A6 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 30 June 2022.

A7 Dividend Paid

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

A8 Segmental Information

	3 months ended			6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Segmental Revenue						
Continuing operations						
Credit	3,822	341	> 100.0	7,432	771	> 100.0
Investments	5,369	2,046	> 100.0	10,632	4,443	> 100.0
	<u>9,191</u>	<u>2,387</u>	> 100.0	<u>18,064</u>	<u>5,214</u>	> 100.0
Discontinuing operation						
Insurance	131,448	118,724	10.7	251,087	235,041	6.8
Total	<u>140,639</u>	<u>121,111</u>	16.1	<u>269,151</u>	<u>240,255</u>	12.0
Segmental Results						
Continuing operations						
Credit	(4,703)	(1,609)	> 100.0	(5,002)	(9,093)	(45.0)
Investments	(1,303)	(2,915)	(55.3)	(2,739)	(5,496)	(50.2)
Loss before tax	(6,006)	(4,524)	32.8	(7,741)	(14,589)	(46.9)
Income tax (expense)/credit	(725)	(746)	(2.8)	(1,386)	923	> (100.0)
Loss for the period, representing total comprehensive loss for the period from continuing operations	<u>(6,731)</u>	<u>(5,270)</u>	27.7	<u>(9,127)</u>	<u>(13,666)</u>	(33.2)
Discontinuing operation						
(Loss)/profit before tax	(11,389)	48,653	> (100.0)	(5,676)	18,705	> (100.0)
Income tax credit/(expense)	1,440	(8,541)	> (100.0)	(33)	(4,518)	(99.3)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period from discontinuing operation	<u>(9,949)</u>	<u>40,112</u>	> (100.0)	<u>(5,709)</u>	<u>14,187</u>	> (100.0)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period	<u>(16,680)</u>	<u>34,842</u>	> (100.0)	<u>(14,836)</u>	<u>521</u>	> (100.0)

On 22 June 2021, Multi-Purpose Capital Holdings Berhad ("MPCHB"), a wholly-owned subsidiary of the Company, 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 relating to the proposed disposal of its 51% equity interest in its insurance subsidiary, MPI Generali Insurans Berhad ("MPI Generali") to Generali Asia N.V. ("Generali Asia") ("Proposed Disposal") and to enter into a Share Purchase Agreement with Generali Asia.

As a result of this, MPI Generali was classified as a disposal group held for sale and its operation as a discontinuing operation.

A8 Segmental Information (cont'd)

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

	3 months ended			6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	131,448	118,724	10.7	251,087	235,041	6.8
Cost of sales	(77,877)	(53,620)	45.2	(146,193)	(124,867)	17.1
Gross profit	53,571	65,104	(17.7)	104,894	110,174	(4.8)
Other income	33,304	31,413	6.0	67,228	64,120	4.8
Administrative expenses	(19,669)	(17,989)	9.3	(38,704)	(36,534)	5.9
Depreciation and amortisation	(2,566)	(2,322)	10.5	(5,090)	(4,631)	9.9
Other expenses	(75,967)	(27,471)	> 100.0	(133,873)	(114,290)	17.1
Operating (loss)/profit	(11,327)	48,735	> (100.0)	(5,545)	18,839	> (100.0)
Interest expenses on lease liabilities	(62)	(82)	(24.4)	(131)	(134)	(2.2)
(Loss)/profit before tax from discontinuing operation	(11,389)	48,653	> (100.0)	(5,676)	18,705	> (100.0)
Income tax credit/(expense)	1,440	(8,541)	> (100.0)	(33)	(4,518)	(99.3)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period from discontinuing operation	(9,949)	40,112	> (100.0)	(5,709)	14,187	> (100.0)

Assets and Liabilities as at 30 June 2022

	Assets	Liabilities
	RM'000	RM'000
Credit	498,845	2,889
Investments	859,875	30,576
	<u>1,358,720</u>	<u>33,465</u>
Assets held for sale:		
- Insurance	2,842,732	-
Liabilities directly associated with the assets held for sale:		
- Insurance	-	1,678,662
Total	<u>4,201,452</u>	<u>1,712,127</u>

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

	Assets	Liabilities
	RM'000	RM'000
Credit	502,666	3,507
Investments	867,544	35,095
	<u>1,370,210</u>	<u>38,602</u>
Assets held for sale:		
- Credit	2,500	-
- Insurance	2,904,442	-
	<u>2,906,942</u>	<u>-</u>
Liabilities directly associated with the assets held for sale:		
- Insurance	-	1,703,465
	<u>-</u>	<u>1,703,465</u>
Total	<u>4,277,152</u>	<u>1,742,067</u>

A9 Other Income

	3 months ended			6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing operations						
Interest income	1,631	2,145	(24.0)	2,722	4,080	(33.3)
Rental income from properties	54	39	38.5	107	76	40.8
Realised gain from financial assets at FVTPL	-	-	-	2	1	100.0
Reversal of ECL on trade receivables	-	-	-	11	-	100.0
Gain on disposal of property, plant and equipment	-	4	(100.0)	-	4	(100.0)
Others	123	44	> 100.0	204	115	77.4
Total	<u>1,808</u>	<u>2,232</u>	(19.0)	<u>3,046</u>	<u>4,276</u>	(28.8)
Discontinuing operation						
Interest income	15,898	14,473	9.8	32,046	28,253	13.4
Dividend income on shares and unit trusts	131	6	> 100.0	327	267	22.5
Fee and commission income	16,237	15,984	1.6	32,757	34,061	(3.8)
Gain on disposal of property and equipment	-	-	-	4	-	100.0
Service income earned from Malaysian Motor Insurance Pool	66	299	(77.9)	182	401	(54.6)
Rental income from properties	42	41	2.4	78	78	-
Reversal of ECL on insurance receivables	457	-	100.0	457	-	100.0
Bad debts recovered	10	-	100.0	10	-	100.0
Others	463	610	(24.1)	1,367	1,060	29.0
Total	<u>33,304</u>	<u>31,413</u>	6.0	<u>67,228</u>	<u>64,120</u>	4.8

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 30.06.2022 RM'000	As at 31.12.2021 RM'000
Assets - Continuing operations		
Financial assets at FVTPL		
Investment securities:		
- quoted shares	36,719	43,093
- unquoted shares	4,760	4,871
- unquoted unit trust funds	235,924	241,373
	277,403	289,337
Financial assets at amortised cost		
Receivables	165,816	172,713
Cash and bank balances	16,989	8,598
	182,805	181,311
Assets held for sale - Discontinuing operation		
Financial assets at FVTPL		
Investment securities:		
- quoted shares	21,454	25,180
- unquoted unit trust funds	208,526	323,797
- unquoted debt securities	857,377	979,044
- Malaysian Government Securities	93,835	274,368
	1,181,192	1,602,389
Financial assets at amortised cost		
Receivables	169,466	173,113
Cash and bank balances	633,624	309,633
	803,090	482,746
Liabilities - Continuing operations		
Liabilities at amortised cost		
Lease liabilities	691	995
Borrowing	500	3,000
Payables	17,286	18,844
	18,477	22,839
Liabilities directly associated with the assets held for sale - Discontinuing operation		
Liabilities at amortised cost		
Lease liabilities	5,903	6,551
Payables	103,926	200,409
	109,829	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 30 June 2022				
Current				
Financial assets at FVTPL	36,719	235,924	-	272,643
Loans and advances	-	-	130,413	130,413
Non-current				
Financial assets at FVTPL	-	-	4,760	4,760
	36,719	235,924	135,173	407,816
As at 31 December 2021				
Current				
Financial assets at FVTPL	43,093	241,373	-	284,466
Loans and advances	-	-	82,459	82,459
Non-current				
Financial assets at FVTPL	-	-	4,871	4,871
Loans and advances	-	-	45,000	45,000
	43,093	241,373	132,330	416,796

(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		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
<u>Affiliated companies:</u>				
Dividend received	201	-	503	403
Management fee received/receivables	140	107	280	221
Professional fees paid	(4)	(4)	(10)	(13)
IT management fees paid	(13)	(13)	(45)	(32)
Discontinuing operation				
<u>Affiliated companies:</u>				
Gross insurance premium received	320	559	1,135	1,294
Insurance commission paid	(1)	27	(1)	(1)
Claims paid	(146)	(23)	(183)	(62)

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 17 August 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 Events After The Reporting Period

On 27 July 2022, the Company announced that the resolutions set out in the Notice of the Extraordinary General Meeting ("EGM") dated 28 June 2022 were duly passed:

- Proposed disposal by MPCHB, a wholly-owned subsidiary of the Company, of its remaining 51% equity interest in MPI Generali to Generali Asia for a cash consideration of RM485.00 million, subject to adjustments; and
- Proposed Capital Reduction and Repayment of RM286.00 million of the proceeds from the proposed disposal to entitled shareholders of the Company on an entitlement date to be determined and announced later.

On 29 July 2022, the Company had filed an application to the High Court of Malaya in Kuala Lumpur to seek an order from the High Court confirming the Proposed Capital Reduction and Repayment.

A14 Significant Event During The Financial Period

On 9 May 2022, the Company announced that the Minister of Finance of Malaysia had via BNM's letter dated 6 May 2022, approved the disposal by MPCHB and the Company (by virtue of its effective interest) of MPCHB's 51% equity interest in MPI Generali to Generali Asia.

On 18 May 2022, the Company announced that MPCHB and Generali Asia had entered into a share purchase agreement ("SPA") to dispose MPCHB's 51% equity interest in MPI Generali for a total cash consideration of RM485.00 million, subject to adjustments, on the terms and conditions in the SPA. As at 31 May 2022, being the latest practicable date prior to the date of this Announcement, the adjusted Purchase Price is RM508.16 million.

On 20 May 2022, the Company announced the following:

- a) the Proposed Disposal is deemed a major disposal pursuant to Paragraph 10.11A of the Listing Requirements;
- b) the Proposed Disposal is not expected to result in a Cash Company;
- c) the estimated net gain on disposal of RM170.46 million (based on the adjusted purchase price as at latest practicable date of RM508.16 million); and
- d) the Independent Adviser, BDO Capital Consultants Sdn Bhd was appointed on 5 July 2021.

A15 Changes in Composition of The Group

There were no changes in the composition of the Group during the current quarter and period ended 30 June 2022.

A16 Capital Commitments

	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
Approved and contracted for:		
Continuing operations		
Plant and equipment	-	92
Discontinuing operation		
Computer and software	2,274	2,509

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 30.06.2022 RM'000	As at 31.12.2021 RM'000
Continuing operations:		
Not later than 1 year	2,662	1,316
Later than 1 year and not later than 5 years	1,869	508
	4,531	1,824
Discontinuing operation:		
Not later than 1 year	157	200
Later than 1 year and not later than 5 years	281	334
	438	534

B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of Performance of The Group**

	3 months ended			6 months ended		
	30.06.2022	30.06.2021	Changes	30.06.2022	30.06.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Continuing operations						
Revenue	9,191	2,387	> 100.0	18,064	5,214	> 100.0
Operating loss	(5,981)	(4,464)	34.0	(7,671)	(14,467)	(47.0)
Loss before tax	(6,006)	(4,524)	32.8	(7,741)	(14,589)	(46.9)
Loss for the period, representing total comprehensive loss for the period	(6,731)	(5,270)	27.7	(9,127)	(13,666)	(33.2)
Loss/total comprehensive loss attributable to owners of the Company	(6,764)	(5,274)	28.3	(9,202)	(13,659)	(32.6)
Discontinuing operation						
Revenue	131,448	118,724	10.7	251,087	235,041	6.8
Operating (loss)/profit	(11,327)	48,735	> (100.0)	(5,545)	18,839	> (100.0)
(Loss)/profit before tax	(11,389)	48,653	> (100.0)	(5,676)	18,705	> (100.0)
(Loss)/Profit for the period, representing total comprehensive (loss)/income for the period	(9,949)	40,112	> (100.0)	(5,709)	14,187	> (100.0)
(Loss)/profit, total comprehensive (loss)/income attributable to owners of the Company	(3,695)	19,408	> (100.0)	(1,571)	6,865	> (100.0)

2Q2022 vs 2Q2021**Continuing operations**

The Group achieved revenue of RM9.2 million from its continuing operations in 2Q2022, an increase of RM6.8 million compared to the revenue of RM2.4 million recorded in 2Q2021. The Credit business performed better upon the expiry of the moratorium period granted to a loan debtor. The hotels posted higher revenue mainly from local travelers as the Movement Control Order was lifted and International borders for travelers from all countries re-opened, effective 1 April 2022.

In 2Q2022, the Group reported Loss before tax ("LBT") of RM6.0 million, compared to LBT of RM4.5 million recorded in 2Q2021 due to adverse fair value changes in financial assets at FVTPL.

Credit

In 2Q2022, Credit segment achieved revenue of RM3.8 million which was RM3.5 million higher than revenue of RM0.3 million in 2Q2021 mainly due to higher interest income earned upon the expiry of the moratorium period granted to a loan debtor.

However, the LBT at RM4.7 million in 2Q2022 was higher than LBT of RM1.6 million in 2Q2021 due to higher fair value loss from its financial asset at FVTPL.

Investments

The Investments segment posted higher revenue of RM5.4 million in 2Q2022 compared to revenue of RM2.0 million reported in 2Q2021 mainly due to increased contributions from hotel operations driven mainly by domestic travel demand as MCO was lifted, interstate travel restrictions were permitted and re-opening of Malaysia's international borders for travelers from all countries, effective 1 April 2022.

In view of the above, LBT of RM1.3 million in 2Q2022 was lower than LBT of RM2.9 million in 2Q2021.

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

Discontinuing operation

Insurance subsidiary recorded an earned premium income growth of 10.7% in 2Q2022 at RM131.4 million (2Q2021: RM118.7 million), through strengthening relationships with intermediaries, defending renewals and focus on growth in preferred segments.

It posted a LBT of RM11.4 million in 2Q2022, which was significantly lower than the profit before tax of RM48.7 million reported in 2Q2021. The loss was attributable to unfavourable claims experience and higher fair value losses from investments at FVTPL.

1H2022 vs 1H2021

Continuing operations

The Group reported revenue from continuing operations of RM18.1 million in 1H2022, an increase of RM12.9 million compared to the revenue of RM5.2 million achieved in 1H2021. This mainly contributed by 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 driven mainly by domestic travel demand.

In tandem with the increased revenue, LBT in 1H2022 was lower at RM7.7 million compared to RM14.6 million in 1H2021.

Discontinuing operations

Insurance subsidiary recorded an earned premium income growth of 6.8% in 1H2022 at RM251.1 million (1H2021: RM235.0 million), through strengthening relationships with intermediaries, defending renewals and focus on growth in preferred segments.

However, it reported LBT of RM5.7 million in 1H2022, compared to profit before tax of RM18.7 million reported in 1H2021. The loss was attributable to unfavourable claims experience and higher fair value losses from investments at FVTPL.

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

	3 months ended		Changes %
	30.06.2022 RM'000	31.03.2022 RM'000	
Continuing operations			
Revenue	9,191	8,873	3.6
Operating loss	(5,981)	(1,690)	> 100.0
Loss before tax	(6,006)	(1,735)	> 100.0
Loss for the period, representing total comprehensive loss for the period	(6,731)	(2,396)	> 100.0
Loss/total comprehensive loss attributable to owners of the Company	(6,764)	(2,438)	> 100.0
Discontinuing operation			
Revenue	131,448	119,639	9.9
Operating (loss)/profit	(11,327)	5,782	> (100.0)
(Loss)/profit before tax	(11,389)	5,713	> (100.0)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period	(9,949)	4,240	> (100.0)
(Loss)/profit, total comprehensive (loss)/income attributable to owners of the Company	(3,695)	2,124	> (100.0)

2Q2022 vs 1Q2022**Continuing operations**

In 2Q2022, the Group achieved revenue of RM9.2 million, 3.6% higher compared to RM8.9 million posted in 1Q2022.

The Group reported LBT of RM6.0 million in 2Q2022 which was significantly higher than LBT of RM1.7 million in 1Q2022 largely due to adverse fair value changes in financial assets at FVTPL.

Discontinuing operation

In 2Q2022, the Insurance subsidiary achieved an earned premium income of RM131.4 million, an increase of 9.9% from RM119.6 million in 1Q2022, mainly contributed by motor segment.

It posted a LBT of RM11.4 million in 2Q2022, against a profit before tax of RM5.7 million reported in 1Q2022 due to unfavourable claims experience and higher fair value losses from investments at FVTPL.

B3 Group's Prospects**Credit**

The Credit segment continues its conservative strategy to finance reputable niche clients with low-risk exposure whilst maintaining stringent management of credit risk.

Investments

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

Discontinuing operation

Insurance subsidiary continues its growth strategies with the introduction of new value-added services and product enhancements, focus on profitable growth in preferred segments, maintains good working relationship with business partners for new and renewal business, as well as accelerating digitalisation of business processes.

B4 Profit Forecast and Profit Guarantee

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

B5 Income Tax Expense/(Credit)

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax expense/(credit)	725	746	1,386	(923)
Discontinuing operation				
Income tax (credit)/expense	(1,846)	4,667	2,304	8,511
Deferred tax	406	3,874	(2,271)	(3,993)
	<u>(1,440)</u>	<u>8,541</u>	<u>33</u>	<u>4,518</u>
Total income tax (credit)/expense	(715)	9,287	1,419	3,595

Income tax is calculated at the Malaysian statutory rate of 24% (2021: 24%) of the estimated assessable profit for the current and previous corresponding periods.

The effective tax rate for the Group for the current quarter was higher than the statutory rate as certain expenses are not deductible for tax purposes.

The effective tax rate for the Group for the previous corresponding period was lower than the statutory rate due to non-taxable income.

B6 (Loss)/Profit Before Tax

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

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Depreciation of property, plant and equipment	662	624	1,269	1,242
Depreciation of ROU assets	116	174	290	348
Depreciation of investment properties	426	426	853	853
Service fees & storage fees	26	26	52	49
Net loss arising from fair value changes in financial assets at FVTPL	9,524	3,450	13,700	12,540
Interest expense on revolving credit	17	41	51	83
Interest expense on lease liabilities	8	19	19	39
Realised gain from financial assets at FVTPL	-	-	(2)	(1)
Discontinuing operation				
Amortisation of intangible assets	1,488	1,310	2,937	2,581
Depreciation of property and equipment	579	520	1,163	1,055
Depreciation of ROU assets	462	459	924	929
Depreciation of investment properties	33	33	66	66
Service fees & storage fees	182	179	353	350
Net loss/(gain) arising from fair value changes				
in financial assets at FVTPL	8,780	(9,905)	24,603	32,279
Interest expense on lease liabilities	62	82	131	134
Realised loss/(gain) from financial assets at FVTPL	29,772	(991)	31,155	7,309
Property and equipment written off	-	(1)	-	1
(Reversal of)/allowance for ECL on insurance receivables	(1,291)	(90)	-	155

B7 Receivables

	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
Trade receivables	144,940	143,387
Less: allowance for ECL	(14,054)	(14,065)
Total trade receivables	<u>130,886</u>	<u>129,322</u>
Other receivables	36,043	43,745
Less: allowance for ECL	(141)	(141)
Total other receivables	<u>35,902</u>	<u>43,604</u>
Total receivables	<u>166,788</u>	<u>172,926</u>

B8 Corporate Proposals**Non-Compliance (Property)**

Pursuant to the listing of the Company, the Group undertakes to rectify the following non-compliances as at 30 June 2022. 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 30.06.2022		As at 31.12.2021	
	Current RM'000	Total RM'000	Current RM'000	Total RM'000
Revolving credit	500	500	3,000	3,000

The borrowing is denominated in Ringgit Malaysia.

B10 Material Litigation

(i) Legal suit filed by ISM Sendirian Berhad - Kuala Lumpur High Court 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 7 December 2022.

B11 Dividend

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

B12 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not qualified.

B13 Earnings Per Share

Basic and diluted earnings per share is calculated by dividing the (loss)/profit for the quarter and period ended attributable to owners of the Company by the weighted average number of ordinary shares in issue during the quarter and period ended 30 June 2022.

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
(Loss)/profit for the period attributable to owners of the Company from:				
- Continuing operations	(6,764)	(5,274)	(9,202)	(13,659)
- Discontinuing operation	(3,695)	19,408	(1,571)	6,865
	<u>(10,459)</u>	<u>14,134</u>	<u>(10,773)</u>	<u>(6,794)</u>
Number of ordinary shares in issue - weighted average	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>
Basic and diluted earnings per share (sen) from:				
- Continuing operations	(1.0)	(0.7)	(1.3)	(1.9)
- Discontinuing operation	(0.5)	2.7	(0.2)	0.9
	<u>(1.5)</u>	<u>2.0</u>	<u>(1.5)</u>	<u>(1.0)</u>

By Order Of The Board
Ng Sook Yee
Company Secretary
17 August 2022