



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

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			9 months ended		
	30.09.2022 RM'000 Unaudited	30.09.2021 RM'000 Unaudited	Changes %	30.09.2022 RM'000 Unaudited	30.09.2021 RM'000 Unaudited	Changes %
Continuing operations						
Revenue	34,320	4,224	> 100.0	52,384	9,438	> 100.0
Cost of sales	(10,389)	(186)	> 100.0	(13,518)	(1,627)	> 100.0
Gross profit	23,931	4,038	> 100.0	38,866	7,811	> 100.0
Other income	184,651	2,233	> 100.0	187,697	6,509	> 100.0
Administrative expenses	(1,624)	(1,585)	2.5	(5,263)	(5,052)	4.2
Other expenses	(10,859)	(2,727)	> 100.0	(32,872)	(21,776)	51.0
Operating profit/(loss)	196,099	1,959	> 100.0	188,428	(12,508)	> 100.0
Finance costs	(24)	(58)	(58.6)	(94)	(180)	(47.8)
Profit/(loss) before tax from continuing operations	196,075	1,901	> 100.0	188,334	(12,688)	> 100.0
Income tax (expense)/credit	(358)	(765)	(53.2)	(1,744)	158	> (100.0)
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period from continuing operations	195,717	1,136	> 100.0	186,590	(12,530)	> 100.0
Discontinuing operation						
Profit for the period, representing total comprehensive income for the period from discontinuing operation	14,610	22,078	(33.8)	8,901	36,265	(75.5)
Profit for the period, representing total comprehensive income for the period	210,327	23,214	> 100.0	195,491	23,735	> 100.0
Profit/(loss) for the period, representing total comprehensive income/(loss) attributable to:						
Owners of the Company:						
- Continuing operations	195,598	1,156	> 100.0	186,396	(12,503)	> 100.0
- Discontinuing operation	7,544	10,297	(26.7)	5,973	17,162	(65.2)
	203,142	11,453	> 100.0	192,369	4,659	> 100.0
Non-controlling interests:						
- Continuing operations	119	(20)	> 100.0	194	(27)	> 100.0
- Discontinuing operation	7,066	11,781	(40.0)	2,928	19,103	(84.7)
	7,185	11,761	(38.9)	3,122	19,076	(83.6)
	210,327	23,214	> 100.0	195,491	23,735	> 100.0
Earnings per share attributable to owners of the Company (sen per share)						
Basic and diluted from:						
- Continuing operations	27.3	0.2		26.1	(1.7)	
- Discontinuing operation	1.1	1.4		0.8	2.4	
	28.4	1.6		26.9	0.7	

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 STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	As at 30.09.2022 RM'000 Unaudited	As at 31.12.2021 RM'000 Audited
Assets		
Non-current assets		
Property, plant and equipment	55,206	55,897
Right-of-use ("ROU") assets	464	929
Investment properties	782,149	791,975
Investment securities	4,902	4,871
Intangible assets	22,320	22,320
Receivables	-	45,000
Deferred tax assets	10,678	10,677
Tax recoverable	16,698	16,698
	892,417	948,367
Current assets		
Investment securities	654,307	284,466
Inventories	175	114
Receivables	183,753	127,926
Tax recoverable	675	739
Cash and bank balances	312,126	8,598
	1,151,036	421,843
Assets held for sale	-	2,906,942
	2,043,453	4,277,152
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	1,011,091	1,011,091
Capital reserve	403	41,903
Merger deficit	(28,464)	(28,464)
Retained earnings	1,021,054	864,397
	2,004,084	1,888,927
Non-controlling interests	5,916	646,158
Total equity	2,010,000	2,535,085
Non-current liabilities		
Lease liabilities	-	319
Deferred tax liabilities	8,228	8,228
	8,228	8,547
Current liabilities		
Lease liabilities	506	676
Borrowing	-	3,000
Payables	23,978	25,124
Tax payable	741	1,255
	25,225	30,055
Liabilities directly associated with the assets held for sale	-	1,703,465
Total liabilities	33,453	1,742,067
Total equity and liabilities	2,043,453	4,277,152
Net assets per share attributable to owners of the Company (RM)	2.8	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 STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2022

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	Capital reserve RM'000	Merger deficit RM'000	Retained earnings RM'000			
At 1 January 2022	1,011,091	41,903	(28,464)	864,397	1,888,927	646,158	2,535,085
Profit for the period, representing total comprehensive income for the period	-	-	-	192,369	192,369	3,122	195,491
Dividend paid	-	-	-	(35,750)	(35,750)	-	(35,750)
Arising from increase in equity interest in a subsidiary	-	-	-	2	2	(19)	(17)
Arising from changes in equity interests in subsidiaries	-	-	-	36	36	(177,566)	(177,530)
Arising from disposal of equity interests in a subsidiary	-	(41,500)	-	-	(41,500)	(465,779)	(507,279)
At 30 September 2022	1,011,091	403	(28,464)	1,021,054	2,004,084	5,916	2,010,000
At 1 January 2021	1,011,091	41,903	(28,464)	842,990	1,867,520	469,260	2,336,780
Profit for the period, representing total comprehensive income for the period	-	-	-	4,659	4,659	19,076	23,735
Arising from changes in equity interests in subsidiaries	-	-	-	41	41	158,030	158,071
At 30 September 2021	1,011,091	41,903	(28,464)	847,690	1,872,220	646,366	2,518,586

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 STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2022

	9 months ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
	Unaudited	Unaudited
OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	188,334	(12,688)
Profit before tax from discontinuing operation	9,665	44,005
Profit before tax	<u>197,999</u>	<u>31,317</u>
Adjustments for:		
Amortisation of intangible assets	3,945	3,921
Bad debts recovered	(10)	-
Depreciation of property, plant and equipment	3,436	3,431
Depreciation of ROU assets	1,664	1,914
Depreciation of investment properties	1,368	1,380
Dividend income on shares and unit trusts	(1,464)	(993)
Gain on disposal of property, plant and equipment	(24)	(103)
Gain on disposal of a subsidiary	(179,432)	-
Interest income	(57,647)	(50,474)
Interest expense on revolving credit	68	125
Interest expense on lease liabilities	177	266
Net loss arising from fair value changes in financial assets at FVTPL	26,872	50,499
Property, plant and equipment written off	1	2
(Reversal of)/allowance for expected credit losses ("ECL") on insurance receivables	(552)	92
Reversal of ECL on trade receivables	(11)	-
Accretion income on loans and advances arising from a moratorium	(1,734)	-
Realised loss from financial assets at FVTPL	38,929	6,177
Operating cash inflow before working capital changes	<u>33,585</u>	<u>47,554</u>
Changes in working capital:		
Inventories	(61)	21
Receivables	(144,557)	146,378
Reinsurance assets	(13,218)	(68,979)
Insurance contract liabilities	82,354	126,591
Payables	(138,563)	15,196
Cash flows (used in)/generated from operations	<u>(180,460)</u>	<u>266,761</u>
Income tax paid	(10,037)	(5,549)
Net cash flows (used in)/generated from operating activities	<u>(190,497)</u>	<u>261,212</u>
INVESTING ACTIVITIES		
Proceeds from disposal of:		
- a subsidiary	522,059	-
- property, plant and equipment	24	104
- investment securities	667,312	460,845
- investment property	2,500	-
Purchase of:		
- additional shares in a subsidiary	(17)	-
- intangible assets	(2,685)	(2,940)
- property, plant and equipment	(2,616)	(2,593)
- investment securities	(596,031)	(751,074)
Net cash outflow arising from disposal of a subsidiary	(424,684)	-
Net dividend received from shares and unit trusts	1,464	993
Interest received	57,647	52,759
Net movement in fixed deposits with licensed banks	145,211	21,556
Net cash flows generated from/(used in) investing activities	<u>370,184</u>	<u>(220,350)</u>
FINANCING ACTIVITIES		
Repayment of borrowing	(3,000)	-
Interest expense paid	(68)	(186)
Dividend paid	(35,750)	-
Payment of principal portion of lease liabilities	(1,763)	(2,113)
Net cash flows used in financing activities	<u>(40,581)</u>	<u>(2,299)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	139,106	38,563
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	173,020	133,385
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>312,126</u>	<u>171,948</u>
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks, cash at banks and cash on hand	312,126	247,751
Short-term deposits with licensed banks with original maturity of more than 3 months	-	(75,803)
	<u>312,126</u>	<u>171,948</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

Amendment to MFRS 16 Leases – *Lease Liability in a Sale and Leaseback*

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*

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 September 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 September 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 September 2022.

A7 Dividend Paid

During the current quarter, the company has paid a single tier interim dividend of 5 sen per ordinary share for the financial year ending 31 December 2022, amounting to RM35.75 million, on 28 September 2022.

A8 Segmental Information

	3 months ended		Changes %	9 months ended		Changes %
	30.09.2022 RM'000	30.09.2021 RM'000		30.09.2022 RM'000	30.09.2021 RM'000	
Segmental Revenue						
Continuing operations						
Credit	3,557	3,385	5.1	10,989	4,156	> 100.0
Investments	30,763	839	> 100.0	41,395	5,282	> 100.0
	<u>34,320</u>	<u>4,224</u>	> 100.0	<u>52,384</u>	<u>9,438</u>	> 100.0
Discontinuing operation						
Insurance	92,684	109,225	(15.1)	343,771	344,266	(0.1)
Total	<u>127,004</u>	<u>113,449</u>	11.9	<u>396,155</u>	<u>353,704</u>	12.0
Segmental Results						
Continuing operations						
Credit	191,104	4,924	> 100.0	186,102	(4,169)	> 100.0
Investments	4,971	(3,023)	> 100.0	2,232	(8,519)	> 100.0
Loss before tax	196,075	1,901	> 100.0	188,334	(12,688)	> 100.0
Income tax (expense)/credit	(358)	(765)	(53.2)	(1,744)	158	> (100.0)
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period from continuing operations	<u>195,717</u>	<u>1,136</u>	> 100.0	<u>186,590</u>	<u>(12,530)</u>	> 100.0
Discontinuing operation						
Profit before tax	15,341	25,300	(39.4)	9,665	44,005	(78.0)
Income tax expense	(731)	(3,222)	(77.3)	(764)	(7,740)	(90.1)
Profit for the period, representing total comprehensive income for the period from discontinuing operation	<u>14,610</u>	<u>22,078</u>	(33.8)	<u>8,901</u>	<u>36,265</u>	(75.5)
Profit for the period, representing total comprehensive income for the period	<u>210,327</u>	<u>23,214</u>	> 100.0	<u>195,491</u>	<u>23,735</u>	> 100.0

A8 Segmental Information (cont'd)

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.

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

	3 months ended			9 months ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Revenue	92,684	109,225	(15.1)	343,771	344,266	(0.1)
Cost of sales	(65,189)	(53,722)	21.3	(211,382)	(178,589)	18.4
Gross profit	27,495	55,503	(50.5)	132,389	165,677	(20.1)
Other income	20,026	31,256	(35.9)	87,254	95,376	(8.5)
Administrative expenses	(14,380)	(21,454)	(33.0)	(53,084)	(57,988)	(8.5)
Depreciation and amortisation	(1,674)	(2,362)	(29.1)	(6,764)	(6,993)	(3.3)
Other expenses	(16,106)	(37,566)	(57.1)	(149,979)	(151,856)	(1.2)
Operating profit	15,361	25,377	(39.5)	9,816	44,216	(77.8)
Interest expenses on lease liabilities	(20)	(77)	(74.0)	(151)	(211)	(28.4)
Profit before tax from discontinuing operation	15,341	25,300	(39.4)	9,665	44,005	(78.0)
Income tax expense	(731)	(3,222)	(77.3)	(764)	(7,740)	(90.1)
Profit for the period, representing total comprehensive income for the period from discontinuing operation	14,610	22,078	(33.8)	8,901	36,265	(75.5)

Assets and Liabilities as at 30 September 2022

	Assets RM'000	Liabilities RM'000
Credit	870,785	3,255
Investments	1,172,668	30,198
Total	2,043,453	33,453

Assets and Liabilities as at 31 December 2021

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

A9 Other Income

	3 months ended			9 months ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Continuing operations						
Interest income	3,332	2,163	54.0	6,054	6,243	(3.0)
Rental income from properties	54	25	>100.0	161	101	59.4
Gain on disposal of a subsidiary	179,432	-	100.0	179,432	-	100.0
Gain on disposal of property, plant and equipment	20	-	100.0	20	4	>100.0
Realised gain from financial assets at FVTPL	-	1	(100.0)	2	2	-
Accretion income on loans and advances arising from a moratorium	1,734	-	100.0	1,734	-	100.0
Reversal of ECL on trade receivables	-	-	-	11	-	100.0
Others	79	44	79.5	283	159	78.0
Total	184,651	2,233	>100.0	187,697	6,509	>100.0
Discontinuing operation						
Interest income	9,895	15,978	(38.1)	41,941	44,231	(5.2)
Dividend income on shares and unit trusts	-	16	(100.0)	327	283	15.5
Fee and commission income	9,767	13,563	(28.0)	42,524	47,624	(10.7)
Gain on disposal of property and equipment	-	99	(100.0)	4	99	(96.0)
Service income earned from Malaysian Motor Insurance Pool	73	243	(70.0)	255	644	(60.4)
Rental income from properties	23	66	(65.2)	101	144	(29.9)
Reversal of ECL on insurance receivables	95	-	100.0	552	-	100.0
Bad debts recovered	-	-	-	10	-	100.0
Others	173	1,291	(86.6)	1,540	2,351	(34.5)
Total	20,026	31,256	(35.9)	87,254	95,376	(8.5)

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 30.09.2022 RM'000	As at 31.12.2021 RM'000
Assets - Continuing operations		
Financial assets at FVTPL		
Investment securities:		
- quoted shares	31,922	43,093
- unquoted shares	4,902	4,871
- unquoted unit trust funds	622,385	241,373
	659,209	289,337
Financial assets at amortised cost		
Receivables	182,950	172,713
Cash and bank balances	312,126	8,598
	495,076	181,311
Liabilities - Continuing operations		
Liabilities at amortised cost		
Lease liabilities	506	995
Borrowing	-	3,000
Payables	17,963	18,844
	18,469	22,839

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 September 2022				
Current				
Financial assets at FVTPL	31,922	622,385	-	654,307
Loans and advances	-	-	131,026	131,026
Non-current				
Financial assets at FVTPL	-	-	4,902	4,902
	<u>31,922</u>	<u>622,385</u>	<u>135,928</u>	<u>790,235</u>
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
	<u>43,093</u>	<u>241,373</u>	<u>132,330</u>	<u>416,796</u>

(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		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
<u>Affiliated companies:</u>				
Dividend received	303	-	806	403
Management fee received/receivables	189	37	469	258
Professional fees paid/payable	(28)	(25)	(38)	(38)
IT management fees paid	(14)	-	(59)	(32)
Discontinuing operation				
<u>Affiliated companies:</u>				
Gross insurance premium received	185	63	1,320	1,357
Insurance commission paid	-	-	(1)	(1)
Claims paid	(91)	(88)	(274)	(150)

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 November 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 5 October 2022, the Company announced that:

- a) the Company's shares will be reclassified under the new sector from Financial Services to Property and sub-sector from Insurance to Property with effect from 11 October 2022; and
- b) the High Court had granted the order confirming the Proposed Capital Reduction and Repayment.

On 17 October 2022, an office copy of the sealed order of the High Court confirming the Proposed Capital Reduction and Repayment has been lodged with the Registrar of Companies.

The Capital Reduction and Repayment was implemented by way of a capital reduction from RM1,011,091,000 to RM725,091,000 and repayment of RM0.40 for each share held by the Entitled Shareholders under Section 116 of the Act. The Entitled Shareholders have received cash distribution of RM0.40 for each share on 15 November 2022.

On 10 November 2022, the Company announced that Bursa Malaysia Securities Berhad had vide its letter dated 10 November 2022, had granted a waiver to the Company from being classified as an "Affected Listed Issuer" pursuant to Paragraph 8.03A(2) of the Listing Requirements.

A14 Significant Event During The Financial Period

On 30 August 2022, the Proposed Disposal has been completed upon receipt by MPCHB of the final Disposal Price of RM522,059,048 from Generali Asia and MPI Generali has ceased to be a subsidiary.

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 September 2022.

A16 Capital Commitments

	As at 30.09.2022 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 30.09.2022 RM'000	As at 31.12.2021 RM'000
Continuing operations:		
Not later than 1 year	2,319	1,316
Later than 1 year and not later than 5 years	1,656	508
	3,975	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			9 months ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Continuing operations						
Revenue	34,320	4,224	>100.0	52,384	9,438	>100.0
Operating profit/(loss)	196,099	1,959	>100.0	188,428	(12,508)	>100.0
Profit/(loss) before tax	196,075	1,901	>100.0	188,334	(12,688)	>100.0
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period	195,717	1,136	>100.0	186,590	(12,530)	>100.0
Profit/(loss), total comprehensive income/(loss) attributable to owners of the Company	195,598	1,156	>100.0	186,396	(12,503)	>100.0
Discontinuing operation						
Revenue	92,684	109,225	(15.1)	343,771	344,266	(0.1)
Operating profit	15,361	25,377	(39.5)	9,816	44,216	(77.8)
Profit before tax	15,341	25,300	(39.4)	9,665	44,005	(78.0)
Profit for the period, representing total comprehensive income for the period	14,610	22,078	(33.8)	8,901	36,265	(75.5)
Profit/total comprehensive income attributable to owners of the Company	7,544	10,297	(26.7)	5,973	17,162	(65.2)

3Q2022 vs 3Q2021

Continuing operations

The Group achieved revenue of RM34.3 million from its continuing operations in 3Q2022, an increase of RM30.1 million compared to the revenue of RM4.2 million recorded in 3Q2021. The Investments segment performed better due to revenue recognition from an ongoing Joint Venture Agreement (“JVA”) between Tibanis Sdn Bhd, a wholly owned subsidiary and Pinggir Mentari Sdn Bhd. The hotels posted higher revenue from local travelers as the restriction on interstate borders were lifted and the International borders, gradually re-open effective 1 April 2022.

In 3Q2022, the Group achieved Profit Before Tax (“PBT”) of RM196.1 million, which was significantly higher compared to PBT of RM1.9 million recorded in 3Q2021 due to gain on disposal of Insurance subsidiary (RM179.4 million) upon the completion of the Proposed Disposal on 30 August 2022.

Credit

In 3Q2022, Credit segment posted revenue of RM3.6 million which was RM0.2 million higher than revenue of RM3.4 million in 3Q2021 due to higher dividend income received.

PBT at RM191.1 million in 3Q2022 was higher than PBT of RM4.9 million in 3Q2021 mainly due to recognition of gain on disposal of Insurance subsidiary.

Investments

The Investments segment reported higher revenue of RM30.8 million in 3Q2022 compared to revenue of RM0.8 million in 3Q2021 as a result of revenue recognition from JVA (3Q2022: RM24.9 million) as well as increased contributions from hotel operations (3Q2022: RM4.5 million; 3Q2021: RM0.3 million) driven by higher domestic travel demand.

In tandem with the above, PBT of RM5.0 million in 3Q2022 was higher than Loss Before Tax (“LBT”) of RM3.0 million in 3Q2021.

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

Discontinuing operation

Insurance segment recorded an earned premium income of RM92.7 million for months of July and August 2022, as compared to RM109.2 million in 3Q2021.

Insurance segment posted a lower PBT of RM15.3 million for months of July and August 2022, against a PBT of RM25.3 million reported in 3Q2021. Lower profit was attributable to unfavourable claims experience with the reopening of business and economy activities post Movement Control Order.

9M2022 vs 9M2021

Continuing operations

The Group reported revenue from continuing operations of RM52.4 million in 9M2022, an increase of RM43.0 million compared to the revenue of RM9.4 million achieved in 9M2021. This was mainly contributed by revenue recognition from JVA, increased revenue from the hotels with increased in domestic travel demand and higher interest income from the Credit business upon the expiry of the moratorium period granted to a loan debtor.

The gain on disposal of Insurance subsidiary as well as higher contribution from other segments, PBT in 9M2022 was higher at RM188.3 million compared to LBT of RM12.7 million in 9M2021.

Discontinuing operation

Insurance segment recorded an earned premium income of RM343.8 million as at 30 August 2022, as compared to RM344.3 million for 9M2021.

Insurance segment posted a PBT of RM9.7 million as at 30 August 2022, which was lower than PBT of RM44.0 million reported in 9M2021. Lower profit was attributable to unfavourable claims experience, higher fair value losses from investments and shorter period of 8 months in 2022 compared to 9 months in 2021.

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

	3 months ended		Changes %
	30.09.2022 RM'000	30.06.2022 RM'000	
Continuing operations			
Revenue	34,320	9,191	>100.0
Operating profit/(loss)	196,099	(5,981)	>100.0
Profit/(loss) before tax	196,075	(6,006)	>100.0
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period	195,717	(6,731)	>100.0
Profit/(loss), total comprehensive income/(loss) attributable to owners of the Company	195,598	(6,764)	>100.0
Discontinuing operation			
Revenue	92,684	131,448	(29.5)
Operating profit/(loss)	15,361	(11,327)	>100.0
Profit/(loss) before tax	15,341	(11,389)	>100.0
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period	14,610	(9,949)	>100.0
Profit/(loss), total comprehensive income/(loss) attributable to owners of the Company	7,544	(3,695)	>100.0

3Q2022 vs 2Q2022**Continuing operations**

In 3Q2022, revenue improved significantly to RM34.3 million compared to RM9.2 million posted in 2Q2022 with the recognition of revenue from the JVA.

The Group reported PBT of RM196.1 million in 3Q2022 which was significantly higher than LBT of RM6.0 million in 2Q2022 due to the gain on disposal of Insurance subsidiary upon the completion of the Proposed Disposal on 30 August 2022.

Discontinuing operation

Insurance segment recorded lower earned premium income of RM92.7 million for 2 months, July and August 2022, as compared to RM131.4 million for the 3 months in 2Q2022.

Insurance segment posted a PBT of RM15.3 million for 2 months, July and August 2022, against a LBT of RM11.4 million reported in 2Q2022. Despite a comparison of 2-month period against 3-month period, higher PBT was attributable to fair value gain from investments in the current period as compared to fair value losses from investments in 2Q2022.

B3 Group's Prospects**Credit**

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

Investments

The Group will continue to conserve and safeguard its resources in the current lackluster property environment. However, it will evaluate viable options to create long-term sustainable value in the land banks, consider joint venture arrangements with niche reliable partners or outright disposal.

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		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax expense/(credit)	358	703	1,744	(220)
Deferred tax	-	62	-	62
	<u>358</u>	<u>765</u>	<u>1,744</u>	<u>(158)</u>
Discontinuing operation				
Income tax (credit)/expense	(587)	5,695	1,717	14,206
Deferred tax	1,318	(2,473)	(953)	(6,466)
	<u>731</u>	<u>3,222</u>	<u>764</u>	<u>7,740</u>
Total income tax expense	<u>1,089</u>	<u>3,987</u>	<u>2,508</u>	<u>7,582</u>

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 and previous corresponding periods 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		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Depreciation of property, plant and equipment	634	609	1,903	1,851
Depreciation of ROU assets	174	174	464	522
Depreciation of investment properties	426	427	1,279	1,280
Service fees & storage fees	25	24	77	73
Net loss/(gain) arising from fair value changes in financial assets at FVTPL	7,064	(148)	20,764	12,392
Interest expense on revolving credit	17	42	68	125
Interest expense on lease liabilities	7	16	26	55
Discontinuing operation				
Amortisation of intangible assets	1,008	1,340	3,945	3,921
Depreciation of property and equipment	370	525	1,533	1,580
Depreciation of ROU assets	276	463	1,200	1,392
Depreciation of investment properties	23	34	89	100
Service fees & storage fees	112	179	465	529
Net (gain)/loss arising from fair value changes in financial assets at FVTPL	(18,495)	5,828	6,108	38,107
Interest expense on lease liabilities	20	77	151	211
Realised loss/(gain) from financial assets at FVTPL	7,776	(1,130)	38,931	6,179
Property and equipment written off	1	1	1	2
(Reversal of)/allowance for ECL on insurance receivables	-	(63)	-	92

B7 Receivables

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
Trade receivables	145,881	143,387
Less: allowance for ECL	(14,054)	(14,065)
Total trade receivables	<u>131,827</u>	<u>129,322</u>
Other receivables	52,067	43,745
Less: allowance for ECL	(141)	(141)
Total other receivables	<u>51,926</u>	<u>43,604</u>
Total receivables	<u>183,753</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 September 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 30.09.2022		As at 31.12.2021	
	Current RM'000	Total RM'000	Current RM'000	Total RM'000
Revolving credit	-	-	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 profit/(loss) 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 September 2022.

	3 months ended		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit/(Loss) for the period attributable to owners of the Company from:				
- Continuing operations	195,598	1,156	186,396	(12,503)
- Discontinuing operation	7,544	10,297	5,973	17,162
	<u>203,142</u>	<u>11,453</u>	<u>192,369</u>	<u>4,659</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	27.3	0.2	26.1	(1.7)
- Discontinuing operation	1.1	1.4	0.8	2.4
	<u>28.4</u>	<u>1.6</u>	<u>26.9</u>	<u>0.7</u>

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