



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	3 months ended			12 months ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
	Unaudited	Unaudited		Unaudited	Audited	
<b>Continuing operations</b>						
Revenue	13,856	15,239	(9.1)	66,240	24,677	> 100.0
Cost of sales	(5,415)	(7,383)	(26.7)	(18,933)	(9,010)	> 100.0
Gross profit	8,441	7,856	7.4	47,307	15,667	> 100.0
Other income	7,956	14,596	(45.5)	195,653	21,105	> 100.0
Administrative expenses	(1,567)	(1,613)	(2.9)	(6,830)	(6,665)	2.5
Other expenses	(3,428)	(13,363)	(74.3)	(36,300)	(35,139)	3.3
<b>Operating profit/(loss)</b>	<b>11,402</b>	<b>7,476</b>	<b>52.5</b>	<b>199,830</b>	<b>(5,032)</b>	<b>&gt; 100.0</b>
Finance costs	(20)	(56)	(64.3)	(114)	(236)	(51.7)
<b>Profit/(loss) before tax from continuing operations</b>	<b>11,382</b>	<b>7,420</b>	<b>53.4</b>	<b>199,716</b>	<b>(5,268)</b>	<b>&gt; 100.0</b>
Income tax (expense)/credit	(3,265)	660	>(100.0)	(5,009)	818	>(100.0)
<b>Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year from continuing operations</b>	<b>8,117</b>	<b>8,080</b>	<b>0.5</b>	<b>194,707</b>	<b>(4,450)</b>	<b>&gt; 100.0</b>
<b>Discontinuing operation</b>						
Profit for the period/year, representing total comprehensive income for the period/year from discontinuing operation	-	15,043	(100.0)	8,901	51,308	(82.7)
<b>Profit for the period/year, representing total comprehensive income for the period/year</b>	<b>8,117</b>	<b>23,123</b>	<b>(64.9)</b>	<b>203,608</b>	<b>46,858</b>	<b>&gt; 100.0</b>
<b>Profit/(loss) for the period/year, representing total comprehensive income/(loss) attributable to:</b>						
Owners of the Company:						
- Continuing operations	8,073	8,026	0.6	194,469	(4,477)	> 100.0
- Discontinuing operation	-	7,330	(100.0)	5,973	24,492	(75.6)
	8,073	15,356	(47.4)	200,442	20,015	> 100.0
Non-controlling interests:						
- Continuing operations	44	54	(18.5)	238	27	> 100.0
- Discontinuing operation	-	7,713	(100.0)	2,928	26,816	(89.1)
	44	7,767	(99.4)	3,166	26,843	(88.2)
	<b>8,117</b>	<b>23,123</b>	<b>(64.9)</b>	<b>203,608</b>	<b>46,858</b>	<b>&gt; 100.0</b>
<b>Basic earnings per share attributable to owners of the Company (sen per share) from:</b>						
- Continuing operations	1.1	1.1		27.2	(0.6)	
- Discontinuing operation	-	1.0		0.8	3.4	
	<b>1.1</b>	<b>2.1</b>		<b>28.0</b>	<b>2.8</b>	

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 31 DECEMBER 2022**

	<b>As at</b>	<b>As at</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,569	55,897
Right-of-use ("ROU") assets	290	929
Investment properties	781,722	791,975
Investment securities	4,942	4,871
Intangible assets	22,320	22,320
Receivables	22,500	45,000
Deferred tax assets	11,482	10,677
Tax recoverable	16,698	16,698
	<u>915,523</u>	<u>948,367</u>
<b>Current assets</b>		
Investment securities	472,167	284,466
Inventories	234	114
Receivables	162,937	127,926
Tax recoverable	656	739
Cash and bank balances	212,978	8,598
	<u>848,972</u>	<u>421,843</u>
Assets held for sale	-	2,906,942
<b>Total assets</b>	<b>1,764,495</b>	<b>4,277,152</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	725,091	1,011,091
Treasury shares	(2,878)	-
Capital reserve	403	41,903
Merger deficit	(28,464)	(28,464)
Retained earnings	1,029,126	864,397
	<u>1,723,278</u>	<u>1,888,927</u>
Non-controlling interests	5,960	646,158
<b>Total equity</b>	<b>1,729,238</b>	<b>2,535,085</b>
<b>Non-current liabilities</b>		
Lease liabilities	-	319
Deferred tax liabilities	7,948	8,228
	<u>7,948</u>	<u>8,547</u>
<b>Current liabilities</b>		
Lease liabilities	319	676
Borrowing	-	3,000
Payables	24,343	25,124
Tax payable	2,647	1,255
	<u>27,309</u>	<u>30,055</u>
Liabilities directly associated with the assets held for sale	-	1,703,465
<b>Total liabilities</b>	<b>35,257</b>	<b>1,742,067</b>
<b>Total equity and liabilities</b>	<b>1,764,495</b>	<b>4,277,152</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.4</b>	<b>2.6</b>

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 ENDED 31 DECEMBER 2022

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

	I--Non-distributable--I				Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2022</b>	1,011,091	-	41,903	(28,464)	864,397	1,888,927	646,158	2,535,085
Profit for the year, representing total comprehensive income for the year	-	-	-	-	200,442	200,442	3,166	203,608
Dividend paid	-	-	-	-	(35,750)	(35,750)	-	(35,750)
Arising from increase in equity interest in a subsidiary	-	-	-	-	1	1	(19)	(18)
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)
Capital reduction and repayment	(286,000)	-	-	-	-	(286,000)	-	(286,000)
Share buy-back	-	(2,878)	-	-	-	(2,878)	-	(2,878)
<b>At 31 December 2022</b>	<b>725,091</b>	<b>(2,878)</b>	<b>403</b>	<b>(28,464)</b>	<b>1,029,126</b>	<b>1,723,278</b>	<b>5,960</b>	<b>1,729,238</b>
<b>At 1 January 2021</b>	1,011,091	-	41,903	(28,464)	842,990	1,867,520	469,260	2,336,780
Profit for the year, representing total comprehensive income for the year	-	-	-	-	20,015	20,015	26,843	46,858
Arising from partial disposal of equity interests in a subsidiary	-	-	-	-	1,337	1,337	-	1,337
Arising from changes in equity interests in subsidiaries	-	-	-	-	55	55	150,055	150,110
<b>At 31 December 2021</b>	<b>1,011,091</b>	<b>-</b>	<b>41,903</b>	<b>(28,464)</b>	<b>864,397</b>	<b>1,888,927</b>	<b>646,158</b>	<b>2,535,085</b>

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 ENDED 31 DECEMBER 2022

	12 months ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
	Unaudited	Audited
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax from continuing operations	199,716	(5,268)
Profit before tax from discontinuing operation	9,665	60,240
Profit before tax	209,381	54,972
Adjustments for:		
Amortisation of intangible assets	3,945	5,326
Bad debts recovered	(10)	(234)
Depreciation of property, plant and equipment	4,155	4,631
Depreciation of ROU assets	1,838	2,549
Depreciation of investment properties	1,795	1,839
Impairment of reinsurance assets	-	280
Dividend income from shares and unit trusts	(1,633)	(1,015)
Gain on disposal of property, plant and equipment	(67)	(82)
Gain on disposal of a subsidiary	(179,432)	-
Interest income	(67,407)	(76,722)
Interest expense on revolving credit	82	167
Interest expense on lease liabilities	183	353
Net loss arising from fair value changes in financial assets at FVTPL	24,017	68,930
Property, plant and equipment written off	1	68
Intangible assets written off	-	30
Reversal of expected credit losses ("ECL") on insurance receivables	(552)	(4,779)
Reversal of ECL on trade receivables	(11)	-
Allowance for ECL on other receivables	-	663
Accretion income on loans and advances arising from a moratorium	(1,748)	(7,114)
Modification loss on loans and advances	1,603	1,715
Realised loss from financial assets at FVTPL	38,726	6,729
<b>Operating cash inflow before working capital changes</b>	<b>34,866</b>	<b>58,306</b>
Changes in working capital:		
Inventories	(120)	2
Receivables	(146,596)	127,473
Reinsurance assets	(13,218)	(207,104)
Insurance contract liabilities	82,354	278,796
Payables	(138,198)	64,867
<b>Cash flows (used in)/generated from operations</b>	<b>(180,912)</b>	<b>322,340</b>
Income tax paid	(12,461)	(16,793)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(193,373)</b>	<b>305,547</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of:		
- a subsidiary	522,059	-
- property, plant and equipment	67	82
- investment securities	856,312	558,505
- investment property	2,500	-
Purchase of:		
- additional shares in a subsidiary	(18)	-
- intangible assets	(2,685)	(5,976)
- property, plant and equipment	(3,698)	(3,169)
- investment securities	(599,873)	(837,799)
Net cash outflow arising from disposal of a subsidiary	(424,684)	-
Net dividend received from shares and unit trusts	1,633	1,015
Arising from partial disposal of equity interests in a subsidiary	-	1,337
Interest received	66,173	70,943
Net movement in fixed deposits with licensed banks	(4,789)	13,042
<b>Net cash flows generated from/(used in) investing activities</b>	<b>412,997</b>	<b>(202,020)</b>
<b>FINANCING ACTIVITIES</b>		
Share buy-back	(2,878)	-
Repayment of borrowing	(3,000)	-
Interest expense paid	(82)	(165)
Dividend paid	(35,750)	-
Capital reduction and repayment	(286,000)	-
Payment of principal portion of lease liabilities	(1,956)	(2,833)
<b>Net cash flows used in financing activities</b>	<b>(329,666)</b>	<b>(2,998)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(110,042)</b>	<b>100,529</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>173,020</b>	<b>72,491</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>62,978</b>	<b>173,020</b>
<b>Cash and cash equivalents comprise:</b>		
Short-term deposits with licensed banks, cash at banks and cash on hand	212,978	318,231
Short-term deposits with licensed banks with original maturity of more than 3 months	(150,000)	(145,211)
	<b>62,978</b>	<b>173,020</b>

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”)  
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**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 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 for financial periods beginning on or after 1 January 2024**

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

Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*

**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 year ended 31 December 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 year ended 31 December 2022.

**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 2022 except for the following:

Capital Reduction and Repayment

The Proposed Capital Reduction and Repayment has taken effect on 17 October 2022 and the total issued and paid up share capital as at 31 December 2022 is RM725,091,000 (31 December 2021: RM1,011,091,000).

Treasury shares

The details of the share buy-back during the financial year ended 31 December 2022 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM000
	Lowest	Highest	Average		
November 2022	0.8900	0.9200	0.9099	729,100	667
December 2022	0.9032	0.9550	0.9138	2,407,600	2,211
			0.9129	3,136,700	2,878

As at 31 December 2022, the number of outstanding shares in issue with voting rights was 711,863,300 ordinary shares (31 December 2021: 715,000,000).

**A7 Dividend Paid**

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

## A8 Segmental Information

	3 months ended			12 months ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segmental Revenue</b>						
<b>Continuing operations</b>						
Credit	3,360	3,429	(2.0)	14,349	7,585	89.2
Investments	10,496	11,810	(11.1)	51,891	17,092	> 100.0
	<u>13,856</u>	<u>15,239</u>	(9.1)	<u>66,240</u>	<u>24,677</u>	> 100.0
<b>Discontinuing operation</b>						
Insurance	-	120,035	(100.0)	343,771	464,301	(26.0)
<b>Total</b>	<u>13,856</u>	<u>135,274</u>	(89.8)	<u>410,011</u>	<u>488,978</u>	(16.1)
<b>Segmental Results</b>						
<b>Continuing operations</b>						
Credit	9,909	4,089	> 100.0	196,011	(80)	> 100.0
Investments	1,473	3,331	(55.8)	3,705	(5,188)	> 100.0
Loss before tax	11,382	7,420	53.4	199,716	(5,268)	> 100.0
Income tax (expense)/credit	(3,265)	660	> (100.0)	(5,009)	818	> (100.0)
Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year from continuing operations	<u>8,117</u>	<u>8,080</u>	0.5	<u>194,707</u>	<u>(4,450)</u>	> 100.0
<b>Discontinuing operation</b>						
Profit before tax	-	16,235	(100.0)	9,665	60,240	(84.0)
Income tax expense	-	(1,192)	(100.0)	(764)	(8,932)	(91.4)
Profit for the period/year, representing total comprehensive income for the period/year from discontinuing operation	<u>-</u>	<u>15,043</u>	(100.0)	<u>8,901</u>	<u>51,308</u>	(82.7)
<b>Profit for the period/year, representing total comprehensive income for the period/year</b>	<u>8,117</u>	<u>23,123</u>	(64.9)	<u>203,608</u>	<u>46,858</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 has been classified as a 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		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	-	120,035	(100.0)	343,771	464,301	(26.0)
Cost of sales	-	(66,492)	(100.0)	(211,382)	(245,081)	(13.8)
Gross profit	-	53,543	(100.0)	132,389	219,220	(39.6)
Other income	-	(23,096)	(100.0)	87,254	72,280	20.7
Administrative expenses	-	(29,345)	(100.0)	(53,084)	(87,333)	(39.2)
Depreciation and amortisation	-	(2,464)	(100.0)	(6,764)	(9,457)	(28.5)
Other expenses	-	17,670	(100.0)	(149,979)	(134,186)	11.8
<b>Operating profit</b>	-	16,308	(100.0)	9,816	60,524	(83.8)
Interest expenses on lease liabilities	-	(73)	(100.0)	(151)	(284)	(46.8)
<b>Profit before tax from discontinuing operation</b>	-	16,235	(100.0)	9,665	60,240	(84.0)
Income tax expense	-	(1,192)	(100.0)	(764)	(8,932)	(91.4)
<b>Profit for the period/year, representing total comprehensive income for the period/year from discontinuing operation</b>	<u>-</u>	<u>15,043</u>	(100.0)	<u>8,901</u>	<u>51,308</u>	(82.7)

**A8 Segmental Information (cont'd.)****Assets and Liabilities as at 31 December 2022**

	<b>Assets</b>	<b>Liabilities</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit	879,523	3,404
Investments	884,972	31,853
<b>Total</b>	<b>1,764,495</b>	<b>35,257</b>

**Assets and Liabilities as at 31 December 2021**

Credit	502,666	3,507
Investments	867,544	35,095
	<b>1,370,210</b>	<b>38,602</b>

## Assets held for sale:

- Credit	2,500	-
- Insurance	2,904,442	-
	<b>2,906,942</b>	<b>-</b>

## Liabilities directly associated with the assets held for sale:

- Insurance	-	1,703,465
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<b>Total</b>	<b>4,277,152</b>	<b>1,742,067</b>
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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.

The status of utilisation of proceeds raised from the Proposed Disposal are as follows:

<b>Purpose</b>	<b>Gross</b>	<b>Actual</b>	<b>Balance</b>	<b>Deviation</b>	<b>Expected utilisation</b>
	<b>Proceeds</b>	<b>Utilisation</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>timeframe from completion date</b>
Distribution to entitled shareholders					
- Proposed Capital Reduction and Repayment	286,000	286,000	-	-	Within 6 months
- Dividend	35,750	35,750	-	-	Within 6 months
Expansion of property business	160,802	2,366	158,436	-	Within 36 months
Working capital	37,000	6,653	30,347	-	Within 24 months
Repayment of bank borrowings	500	500	-	-	Within 6 months
Estimated expenses	2,007	1,179	828	-	Within 6 months
	<b>522,059</b>	<b>332,448</b>	<b>189,611</b>		

**A9 Other Income**

	<b>3 months ended</b>			<b>12 months ended</b>		
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>Changes</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Continuing operations</b>						
Interest income	6,691	2,685	>100.0	12,745	8,928	42.8
Rental income from properties	54	53	1.9	215	154	39.6
Gain on disposal of a subsidiary	-	-	-	179,432	-	100.0
Gain on disposal of property, plant and equipment	43	-	100.0	63	4	>100.0
Realised gain from financial assets at FVTPL	203	-	100.0	205	2	>100.0
Accretion income on revenue arising from a JVA	852	4,228	(79.8)	852	4,228	(79.8)
Accretion income on loans and advances arising from a moratorium	14	7,114	(99.8)	1,748	7,114	(75.4)
Reversal of ECL on trade receivables	-	-	-	11	-	100.0
Others	99	516	(80.8)	382	675	(43.4)
<b>Total</b>	<b>7,956</b>	<b>14,596</b>	<b>(45.5)</b>	<b>195,653</b>	<b>21,105</b>	<b>&gt;100.0</b>



**A9 Other Income (cont'd.)**

	3 months ended			12 months ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Discontinuing operation</b>						
Interest income	-	16,842	(100.0)	41,941	61,073	(31.3)
Dividend income on shares and unit trusts	-	13	(100.0)	327	296	10.5
Fee and commission income	-	9,944	(100.0)	42,524	57,568	(26.1)
Net loss arising from fair value changes in financial assets of FVTPL	-	(49,666)	100.0	-	(49,666)	100.0
Gain on disposal of property and equipment	-	(21)	100.0	4	78	(94.9)
Service income earned from Malaysian Motor Insurance Pool	-	(760)	100.0	255	(116)	>100.0
Rental income from properties	-	48	(100.0)	101	192	(47.4)
Others	-	504	(100.0)	2,102	2,855	(26.4)
<b>Total</b>	<b>-</b>	<b>(23,096)</b>	<b>100.0</b>	<b>87,254</b>	<b>72,280</b>	<b>20.7</b>

**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 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Assets - Continuing operations</b>		
<b>Financial assets at FVTPL</b>		
Investment securities:		
- quoted shares	29,594	43,093
- unquoted shares	4,942	4,871
- unquoted unit trust funds	442,573	241,373
	<u>477,109</u>	<u>289,337</u>
<b>Financial assets at amortised cost</b>		
Receivables	185,293	172,713
Cash and bank balances	212,978	8,598
	<u>398,271</u>	<u>181,311</u>
<b>Assets held for sale - Discontinuing operation</b>		
<b>Financial assets at FVTPL</b>		
Investment securities:		
- quoted shares	-	25,180
- unquoted unit trust funds	-	323,797
- unquoted debts securities	-	979,044
- Malaysian Government Securities	-	274,368
	<u>-</u>	<u>1,602,389</u>
<b>Financial assets at amortised cost</b>		
Receivables	-	173,113
Cash and bank balances	-	309,633
	<u>-</u>	<u>482,746</u>

## A10 Financial Instruments (cont'd.)

### (i) Classification (cont'd.)

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. (cont'd.)

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Liabilities - Continuing operations</b>		
<b>Liabilities at amortised cost</b>		
Lease liabilities	319	995
Borrowing	-	3,000
Payables	18,038	18,844
	<u>18,357</u>	<u>22,839</u>
<b>Liabilities directly associated with the assets held for sale - Discontinuing operation</b>		
<b>Liabilities at amortised cost</b>		
Lease liabilities	-	6,551
Payables	-	200,409
	<u>-</u>	<u>206,960</u>

### 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As at 31 December 2022</b>				
<b>Current</b>				
Financial assets at FVTPL	29,594	442,573	-	472,167
Loans and advances	-	-	108,975	108,975
<b>Non-current</b>				
Financial assets at FVTPL	-	-	4,942	4,942
Loans and advances	-	-	22,500	22,500
	<u>29,594</u>	<u>442,573</u>	<u>136,417</u>	<u>608,584</u>
<b>As at 31 December 2021</b>				
<b>Current</b>				
Financial assets at FVTPL	43,093	241,373	-	284,466
Loans and advances	-	-	82,459	82,459
<b>Non-current</b>				
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		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
<u>Affiliated companies:</u>				
Dividend received	201	-	1,007	403
Management fee received/receivables	184	130	653	388
Professional fees paid/payable	(106)	(6)	(144)	(44)
IT management fees paid	(32)	(33)	(91)	(65)
<b>Discontinuing operation</b>				
<u>Affiliated companies:</u>				
Gross insurance premium received	-	(27)	1,320	1,330
Insurance commission paid	-	(13)	(1)	(14)
Claims paid	-	(21)	(274)	(171)

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 28 February 2023, 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**

There was no material event subsequent to the year ended 31 December 2022.

**A14 Significant Event During The Financial Year**

There was no significant event during the year ended 31 December 2022 other than disclosed in Note A6.

**A15 Changes in Composition of The Group**

There were no changes in the composition of the Group during the year ended 31 December 2022 other than disclosed in Note A8.

**A16 Capital Commitments**

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Approved and contracted for:</b>		
<b>Continuing operations</b>		
Plant and equipment	-	92
<b>Discontinuing operation</b>		
Computer and software	-	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 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Continuing operations:</b>		
Not later than 1 year	2,594	1,316
Later than 1 year and not later than 5 years	1,810	508
	<b>4,404</b>	<b>1,824</b>
<b>Discontinuing operation:</b>		
Not later than 1 year	-	200
Later than 1 year and not later than 5 years	-	334
	<b>-</b>	<b>534</b>

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

	3 months ended			12 months ended		
	31.12.2022 RM'000	31.12.2021 RM'000	Changes %	31.12.2022 RM'000	31.12.2021 RM'000	Changes %
<b>Continuing operations</b>						
Revenue	13,856	15,239	(9.1)	66,240	24,677	>100.0
Operating profit/(loss)	11,402	7,476	52.5	199,830	(5,032)	>100.0
Profit/(loss) before tax	11,382	7,420	53.4	199,716	(5,268)	>100.0
Profit/(loss) for the period/year, representing total comprehensive income/(loss) for the period/year	8,117	8,080	0.5	194,707	(4,450)	>100.0
Profit/(loss), total comprehensive income/(loss) attributable to owners of the Company	8,073	8,026	0.6	194,469	(4,477)	>100.0
<b>Discontinuing operation</b>						
Revenue	-	120,035	(100.0)	343,771	464,301	(26.0)
Operating profit	-	16,308	(100.0)	9,816	60,524	(83.8)
Profit before tax	-	16,235	(100.0)	9,665	60,240	(84.0)
Profit for the period/year, representing total comprehensive income for the period/year	-	15,043	(100.0)	8,901	51,308	(82.7)
Profit/total comprehensive income attributable to owners of the Company	-	7,330	(100.0)	5,973	24,492	(75.6)

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

### **4Q2022 vs 4Q2021**

#### **Continuing operations**

The Group achieved revenue of RM13.8 million from its continuing operations in 4Q2022, a decrease of RM1.4 million compared to the revenue of RM15.2 million recorded in 4Q2021. The Investments segment posted lower revenue as there was an adjustment arising from changes in estimate on investment properties transferred to a joint venture partner in 4Q2021.

However, the Group achieved Profit Before Tax ("PBT") of RM11.4 million in 4Q2022, which was RM4.0 million higher compared to PBT of RM7.4 million recorded in 4Q2021 due to higher fair value gain from its financial asset at FVTPL.

#### **Credit**

In 4Q2022, Credit segment posted revenue of RM3.36 million, a slight decrease of RM0.07 million compared to RM3.43 million posted in 4Q2021 due to lower interest income from credit business upon partial repayment of outstanding principal by a loan debtor.

However, the results improved significantly from PBT of RM4.1 million in 4Q2021 to RM9.9 million in 4Q2022 in view of higher fair value gain from its financial asset at FVTPL.

#### **Investments**

The Investments segment reported lower revenue of RM10.5 million in 4Q2022 compared to revenue of RM11.8 million in 4Q2021 as there was an adjustment arising from changes in estimate on investment properties transferred to a joint venture partner.

In tandem with the above and lower accretion income on revenue arising from a JVA, PBT of RM1.5 million posted in 4Q2022 was lower than PBT of RM3.3 million in 4Q2021.

### **FY2022 vs FY2021**

#### **Continuing operations**

The Group reported revenue from continuing operations of RM66.2 million in FY2022, an increase of RM41.5 million compared to the revenue of RM24.7 million achieved in FY2021. This was mainly contributed by revenue recognition from a JVA upon the launch of a phase, increased revenue from the hotels with improved domestic travel demand and higher interest income from the Credit business upon the expiry of the moratorium period granted to a loan debtor.

In tandem with the increased revenue and the gain from the disposal of Insurance subsidiary, PBT in FY2022 was higher at RM199.7 million compared to Loss Before Tax of RM5.3 million in FY2021.

#### **Discontinuing operation**

Insurance segment recorded an earned premium income of RM343.8 million for the eight months ended 30 August 2022, as compared to RM464.3 million for FY2021.

Insurance segment posted a PBT of RM9.7 million for the eight months ended 30 August 2022, which was lower than PBT of RM60.2 million reported in FY2021.

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

	3 months ended		Changes %
	31.12.2022 RM'000	30.09.2022 RM'000	
<b>Continuing operations</b>			
Revenue	13,856	34,320	(59.6)
Operating profit	11,402	196,099	(94.2)
Profit before tax	11,382	196,075	(94.2)
Profit for the period, representing total comprehensive income for the period	8,117	195,717	(95.9)
Profit/total comprehensive income attributable to owners of the Company	8,073	195,598	(95.9)
<b>Discontinuing operation</b>			
Revenue	-	92,684	(100.0)
Operating profit	-	15,361	(100.0)
Profit before tax	-	15,341	(100.0)
Profit for the period, representing total comprehensive income for the period	-	14,610	(100.0)
Profit/total comprehensive income attributable to owners of the Company	-	7,544	(100.0)

**4Q2022 vs 3Q2022****Continuing operations**

In 4Q2022, the Group achieved revenue of RM13.8 million, a decrease of 59.6% compared to RM34.3 million posted in 3Q2022 mainly due to lower revenue arising from a JVA.

The Group reported PBT of RM11.4 million in 4Q2022 which was significantly lower than PBT of RM196.1 million in 3Q2022 mainly due to the recognition of the gain on disposal of Insurance subsidiary in 3Q2022 and higher modification loss on loans and advances posted in 4Q2022.

**B3 Group's Prospects****Credit**

The Credit segment maintains its conservative strategy to conserve its assets and to finance reputable niche clients with low-risk exposure.

**Investments**

The Group will continue to conserve and safeguard its resources in view of the 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		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Income tax expense	4,347	1,648	6,091	1,428
Deferred tax	(1,082)	(2,308)	(1,082)	(2,246)
	<u>3,265</u>	<u>(660)</u>	<u>5,009</u>	<u>(818)</u>
<b>Discontinuing operation</b>				
Income tax expense	-	4,291	1,717	18,497
Deferred tax	-	(3,099)	(953)	(9,565)
	<u>-</u>	<u>1,192</u>	<u>764</u>	<u>8,932</u>
<b>Total income tax expense</b>	<u><b>3,265</b></u>	<u><b>532</b></u>	<u><b>5,773</b></u>	<u><b>8,114</b></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 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 Profit/(Loss) Before Tax**

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

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Depreciation of property, plant and equipment	719	636	2,622	2,487
Depreciation of ROU assets	174	173	638	695
Depreciation of investment properties	427	426	1,706	1,706
Service fees & storage fees	26	25	103	98
Net (gain)/loss arising from fair value changes in financial assets at FVTPL	(2,855)	6,872	17,909	19,264
Modification loss on loans and advances	1,603	1,715	1,603	1,715
Interest expense on revolving credit	14	42	82	167
Interest expense on lease liabilities	6	14	32	69

**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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Discontinuing operation</b>				
Amortisation of intangible assets	-	1,405	3,945	5,326
Depreciation of property and equipment	-	564	1,533	2,144
Depreciation of ROU assets	-	462	1,200	1,854
Depreciation of investment properties	-	33	89	133
Service fees & storage fees	-	208	465	737
Net loss arising from fair value changes in financial assets at FVTPL	-	11,559	6,108	49,666
Interest expense on lease liabilities	-	73	151	284
Realised loss from financial assets at FVTPL	-	552	38,931	6,731
Property and equipment written off	-	66	1	68
Reversal of ECL on insurance receivables	-	(4,871)	(552)	(4,779)
Impairment of reinsurance assets	-	280	-	280
Intangible assets written off	-	30	-	30
Bad debts recovered	-	(234)	(10)	(234)
Lease expenses relating to low value assets	-	227	148	227
Allowance for ECL on other receivables	-	663	-	663

**B7 Receivables**

	As at	As at
	31.12.2022	31.12.2021
	RM'000	RM'000
Trade receivables	146,016	143,387
Less: allowance for ECL	(14,054)	(14,065)
<b>Total trade receivables</b>	<b>131,962</b>	<b>129,322</b>
Other receivables	53,616	43,745
Less: allowance for ECL	(141)	(141)
<b>Total other receivables</b>	<b>53,475</b>	<b>43,604</b>
<b>Total receivables</b>	<b>185,437</b>	<b>172,926</b>

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

Pursuant to the listing of the Company, the Group undertakes to rectify the following non-compliances as at 31 December 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 is exploring options to rectify this non-compliance including an application to the local authorities for change of land use; and



## B8 Corporate Proposals (cont'd.)

### Non-Compliance (Property) (cont'd.)

Pursuant to the listing of the Company, the Group undertakes to rectify the following non-compliances as at 31 December 2022. As at current date, the non-compliances are as follows: (cont'd.)

- 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 31.12.2022		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.

**B10 Material Litigation(cont'd.)**

**(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] (cont'd.)**

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 December 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 13 and 14 March 2023.

**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 earnings per share is calculated by dividing the profit/(loss) 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 2022.

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/(Loss) for the period/year attributable to owners of the Company (RM'000) from:				
- Continuing operations	8,073	8,026	194,469	(4,477)
- Discontinuing operation	-	7,330	5,973	24,492
	<u>8,073</u>	<u>15,356</u>	<u>200,442</u>	<u>20,015</u>
Number of ordinary shares in issue - weighted average ('000)	<u>714,767</u>	<u>715,000</u>	<u>714,767</u>	<u>715,000</u>
Basic earnings per share (sen) from:				
- Continuing operations	1.1	1.1	27.2	(0.6)
- Discontinuing operation	-	1.0	0.8	3.4
	<u>1.1</u>	<u>2.1</u>	<u>28.0</u>	<u>2.8</u>

**By Order Of The Board**  
**Ng Sook Yee**  
**Company Secretary**  
**28 February 2023**