



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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 MARCH 2023**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	3 months ended		Changes %
	31.03.2023	31.03.2022	
	RM'000 Unaudited	RM'000 Unaudited	
<b>Continuing operations</b>			
Revenue	9,522	8,873	7.3
Cost of sales	<u>(2,194)</u>	<u>(1,688)</u>	30.0
Gross profit	7,328	7,185	2.0
Other income	9,363	1,238	>100.0
Administrative expenses	(1,677)	(1,957)	(14.3)
Other expenses	<u>(4,844)</u>	<u>(8,156)</u>	(40.6)
<b>Operating profit/(loss)</b>	10,170	(1,690)	>100.0
Finance costs	(13)	(45)	(71.1)
<b>Profit/(loss) before tax from continuing operations</b>	10,157	(1,735)	>100.0
Income tax expense	<u>(1,322)</u>	<u>(661)</u>	100.0
<b>Profit/(loss) for the period, representing total comprehensive income/(loss) for the period from continuing operations</b>	8,835	(2,396)	>100.0
<b>Discontinued operation</b>			
Profit for the period, representing total comprehensive income for the period from discontinued operation	<u>-</u>	<u>4,240</u>	>(100.0)
<b>Profit for the period, representing total comprehensive income for the period</b>	<u>8,835</u>	<u>1,844</u>	>100.0
<b>Profit/(loss) for the period, representing total comprehensive income/(loss) attributable to:</b>			
Owners of the Company:			
- Continuing operations	8,733	(2,438)	>100.0
- Discontinued operation	-	2,124	>(100.0)
	8,733	(314)	>100.0
Non-controlling interests:			
- Continuing operations	102	42	>100.0
- Discontinued operation	-	2,116	>(100.0)
	102	2,158	(95.3)
	<u>8,835</u>	<u>1,844</u>	>100.0
<b>Basic earnings per share attributable to owners of the Company (sen per share) from:</b>			
- Continuing operations	1.2	(0.3)	
- Discontinued operation	<u>-</u>	<u>0.3</u>	
	<u>1.2</u>	<u>-</u>	

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

	<b>As at 31.03.2023 RM'000 Unaudited</b>	<b>As at 31.12.2022 RM'000 Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,241	55,569
Right-of-use ("ROU") assets	116	290
Investment properties	781,295	781,722
Investment securities	5,162	4,942
Intangible assets	22,320	22,320
Receivables	22,500	22,500
Deferred tax assets	11,069	11,069
Tax recoverable	16,698	16,698
	<b>914,401</b>	<b>915,110</b>
<b>Current assets</b>		
Investment securities	428,421	472,167
Inventories	180	234
Receivables	154,507	162,937
Tax recoverable	709	656
Cash and bank balances	265,184	212,978
	<b>849,001</b>	<b>848,972</b>
<b>Total assets</b>	<b>1,763,402</b>	<b>1,764,082</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	725,091	725,091
Treasury shares	(10,365)	(2,878)
Capital reserve	403	403
Merger deficit	(28,464)	(28,464)
Retained earnings	1,037,446	1,028,713
	<b>1,724,111</b>	<b>1,722,865</b>
Non-controlling interests	6,062	5,960
<b>Total equity</b>	<b>1,730,173</b>	<b>1,728,825</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,948	7,948
	<b>7,948</b>	<b>7,948</b>
<b>Current liabilities</b>		
Lease liabilities	128	319
Payables	23,088	24,343
Tax payable	2,065	2,647
	<b>25,281</b>	<b>27,309</b>
<b>Total liabilities</b>	<b>33,229</b>	<b>35,257</b>
<b>Total equity and liabilities</b>	<b>1,763,402</b>	<b>1,764,082</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.4</b>	<b>2.4</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2023

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	Treasury shares RM'000	Capital reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000			
<b>At 1 January 2023</b>	725,091	(2,878)	403	(28,464)	1,028,713	1,722,865	5,960	1,728,825	
Profit for the year, representing total comprehensive income for the period	-	-	-	-	8,733	8,733	102	8,835	
Purchase of treasury shares	-	(7,487)	-	-	-	(7,487)	-	(7,487)	
<b>At 31 March 2023</b>	<b>725,091</b>	<b>(10,365)</b>	<b>403</b>	<b>(28,464)</b>	<b>1,037,446</b>	<b>1,724,111</b>	<b>6,062</b>	<b>1,730,173</b>	
<b>At 1 January 2022</b>	1,011,091	-	41,903	(28,464)	864,397	1,888,927	646,158	2,535,085	
Net (loss)/profit for the period representing total comprehensive (loss)/income for the period	-	-	-	-	(314)	(314)	2,158	1,844	
Arising from increase in equity interest in a subsidiary	-	-	-	-	2	2	(19)	(17)	
Arising from changes in equity interest in a subsidiary	-	-	-	-	-	-	(32,237)	(32,237)	
<b>At 31 March 2022</b>	<b>1,011,091</b>	<b>-</b>	<b>41,903</b>	<b>(28,464)</b>	<b>864,085</b>	<b>1,888,615</b>	<b>616,060</b>	<b>2,504,675</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2023**

	3 months ended	
	31.03.2023 RM'000 Unaudited	31.03.2022 RM'000 Unaudited
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax from continuing operations	10,157	(1,735)
Profit before tax from discontinued operation	-	5,713
Profit before tax	10,157	3,978
Adjustments for:		
Amortisation of intangible assets	-	1,449
Depreciation of property, plant and equipment	663	1,191
Depreciation of ROU assets	174	636
Depreciation of investment properties	427	460
Dividend income on shares and unit trusts	(302)	(498)
Gain on disposal of property, plant and equipment	-	(4)
Interest income	(9,932)	(20,486)
Interest expense on revolving credit	-	34
Interest expense on lease liabilities	13	80
Net (gain)/loss arising from fair value changes in financial assets at FVTPL	(2,287)	19,999
Allowance for expected credit losses ("ECL") on insurance receivables	-	1,291
Reversal of ECL on trade receivables	-	(11)
Realised loss from financial assets at FVTPL	309	1,381
<b>Operating cash (outflow)/inflow before working capital changes</b>	<b>(778)</b>	<b>9,500</b>
Changes in working capital:		
Inventories	54	(6)
Receivables	9,285	(45,460)
Reinsurance assets	-	(11,059)
Insurance contract liabilities	-	45,891
Payables	(1,255)	(47,637)
<b>Cash flows generated from/(used in) operations</b>	<b>7,306</b>	<b>(48,771)</b>
Income tax paid	(1,957)	(4,591)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>5,349</b>	<b>(53,362)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of:		
- property, plant and equipment	-	4
- investment securities	50,000	82,865
Purchase of:		
- additional shares in a subsidiary	-	(17)
- intangible assets	-	(854)
- property, plant and equipment	(335)	(236)
- investment securities	(4,496)	(89,098)
Net dividend received from shares and unit trusts	302	498
Interest received	9,077	20,480
Net movement in fixed deposits with licensed banks	103,974	2,805
<b>Net cash flows generated from investing activities</b>	<b>158,522</b>	<b>16,447</b>
<b>FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(7,487)	-
Repayment of borrowing	-	(2,500)
Interest expense paid	-	(34)
Payment of principal portion of lease liability	(204)	(726)
<b>Net cash flows used in financing activities</b>	<b>(7,691)</b>	<b>(3,260)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>156,180</b>	<b>(40,175)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>62,978</b>	<b>173,020</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>219,158</b>	<b>132,845</b>
<b>Cash and cash equivalents comprise:</b>		
Short-term deposits with licensed banks, cash at banks and cash on hand	265,184	275,251
Short-term deposits with licensed banks with original maturity of more than 3 months	(46,026)	(142,406)
	<b>219,158</b>	<b>132,845</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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

### **A1 Basis of Preparation**

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

The condensed consolidated financial statements have also been prepared on a historical cost basis, except for those financial instruments which are carried at fair values in accordance with MFRS 9 *Financial Instruments*. In prior year insurance contract liabilities of MPI Generali Insuran Berhad (“MPI Generali”), the insurance subsidiary of the Group up to 30 August 2022, have been measured in accordance with the valuation methods specified in the Risk-Based Capital Framework for insurers issued by Bank Negara Malaysia (“BNM”).

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. 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 2022.

### **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 2022, 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 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*

#### **A2.2 Standards Issued but not yet effective**

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

##### **Effective for financial periods beginning on or after 1 January 2024**

Amendment to MFRS 16 Leases – *Lease Liability in a Sale and Leaseback*  
Amendments to MFRS 101 Presentation of Financial Statements – *Non-current Liabilities with Covenants*

##### **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*

The above pronouncements are either not relevant or do not have any material impact on the Group's financial statements.

**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 ended 31 March 2023.

**A5 Significant Estimates and Changes in Estimates**

There were no changes in estimates that have had any material effect during the current quarter ended 31 March 2023.

**A6 Debt and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 31 March 2023 except for repurchase of own shares.

Treasury shares

The details of the share buy-back during the current quarter ended 31 March 2023 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Low est	Highest	Average		
Balance c/f				3,136,700	2,878
January 2023	0.9250	0.9977	0.9668	2,127,000	2,069
February 2023	0.9800	1.0000	0.9888	872,500	869
March 2023	0.9610	1.0000	0.9890	4,578,000	4,549
			0.9815	10,714,200	10,365

As at 31 March 2023, the number of outstanding shares in issue with voting rights was 704,285,800 ordinary shares (31 December 2022: 711,863,300).

**A7 Dividend Paid**

No dividend was paid during the current quarter under review. (1Q2022:Nil)

**A8 Segmental Information**

	3 months ended		Changes %
	31.03.2023 RM'000	31.03.2022 RM'000	
<b>Segmental Revenue</b>			
<b>Continuing operations</b>			
Credit	3,349	3,610	(7.3)
Investments	6,173	5,263	17.3
	<u>9,522</u>	<u>8,873</u>	7.3
<b>Discontinued operation</b>			
Insurance	-	119,639	N/A
<b>Total</b>	<u>9,522</u>	<u>128,512</u>	(92.6)

**A8 Segmental Information (cont'd.)**

	3 months ended		Changes %
	31.03.2023 RM'000	31.03.2022 RM'000	
<b>Segmental Results</b>			
<b>Continuing operations</b>			
Credit	11,485	(299)	>100.0
Investments	(1,328)	(1,436)	(7.5)
Profit/(Loss) before tax	10,157	(1,735)	>100.0
Income tax expense	(1,322)	(661)	100.0
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period from continuing operations	8,835	(2,396)	>100.0
<b>Discontinued operation</b>			
Profit before tax	-	5,713	N/A
Income tax expense	-	(1,473)	N/A
Profit for the period, representing total comprehensive income for the period from discontinued operation	-	4,240	N/A
<b>Profit for the period, representing total comprehensive income for the period</b>	<b>8,835</b>	<b>1,844</b>	<b>&gt;100.0</b>

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

	3 months ended		Changes %
	31.03.2023 RM'000	31.03.2022 RM'000	
Revenue	-	119,639	N/A
Cost of sales	-	(68,316)	N/A
Gross profit	-	51,323	N/A
Other income	-	33,924	N/A
Administrative expenses	-	(19,035)	N/A
Depreciation and amortisation	-	(2,524)	N/A
Other expenses	-	(57,906)	N/A
<b>Operating profit</b>	-	5,782	N/A
Interest expenses on lease liabilities	-	(69)	N/A
<b>Profit before tax from discontinued operation</b>	-	5,713	N/A
Income tax expense	-	(1,473)	N/A
<b>Profit for the period, representing total comprehensive income for the period from discontinued operation</b>	-	4,240	N/A

**Assets and Liabilities as at 31 March 2023**

	Assets RM'000	Liabilities RM'000
Credit	836,537	2,760
Investments	926,865	30,469
	<u>1,763,402</u>	<u>33,229</u>

**Assets and Liabilities as at 31 December 2022**

	Assets RM'000	Liabilities RM'000
Credit	879,523	3,404
Investments	884,559	31,853
	<u>1,764,082</u>	<u>35,257</u>

**A8 Segmental Information (cont'd.)**

As at 31 March 2023, the status of utilisation of proceeds raised from the Disposal are as follows:

Purpose	Gross	Actual	Balance	Deviation	Expected utilisation timeframe from completion date
	Proceeds	Utilisation			
	RM'000	RM'000	RM'000	RM'000	
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	3,338	157,464	-	Within 36 months
Working capital	37,000	10,229	26,771	-	Within 24 months
Repayment of bank borrowings	500	500	-	-	Within 6 months
Estimated expenses	2,007	1,179	828 *	-	Within 6 months
	<u>522,059</u>	<u>336,996</u>	<u>185,063</u>		

\* As disclosed in Circular to shareholders dated 28 June 2022 in relation to the Disposal, any excess from the proceeds allocated for the estimated expenses will be adjusted to the proceeds allocated for working capital purposes.

**A9 Other Income**

	3 months ended		Changes %
	31.03.2023 RM'000	31.03.2022 RM'000	
<b>Continuing operations</b>			
Interest income	6,970	1,091	100.0
Rental income from properties	54	53	1.9
Net gain arising from fair value changes in financial assets at FVTPL	2,287	-	100.0
Realised gain on financial assets at FVTPL	-	2	(100.0)
Reversal of ECL on trade receivables	-	11	(100.0)
Others	52	81	(35.8)
<b>Total</b>	<u>9,363</u>	<u>1,238</u>	100.0
<b>Discontinued operation</b>			
Interest income	-	16,148	N/A
Dividend income on shares and unit trusts	-	196	N/A
Fee and commission income	-	16,520	N/A
Gain on disposal of property and equipment	-	4	N/A
Service income earned from Malaysian Motor Insurance Pool	-	116	N/A
Rental income from properties	-	36	N/A
Others	-	904	N/A
<b>Total</b>	<u>-</u>	<u>33,924</u>	N/A



## 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 31.03.2023 RM'000	As at 31.12.2022 RM'000
<b>Assets</b>		
<b>Financial assets at FVTPL</b>		
Investment securities:		
- quoted shares	26,666	29,594
- unquoted shares	5,162	4,942
- unquoted unit trust funds	401,755	442,573
	<b>433,583</b>	<b>477,109</b>
<b>Financial assets at amortised cost</b>		
Receivables	176,528	185,293
Cash and bank balances	265,184	212,978
	<b>441,712</b>	<b>398,271</b>
<b>Liabilities</b>		
<b>Liabilities at amortised cost</b>		
Lease liabilities	128	319
Payables	16,481	18,040
<b>Total financial liabilities</b>	<b>16,609</b>	<b>18,359</b>

### (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 March 2023</b>				
<b>Current</b>				
Financial assets at FVTPL	26,666	401,755	-	428,421
Loans and advances	-	-	108,714	108,714
<b>Non-current</b>				
Financial assets at FVTPL	-	-	5,162	5,162
Loans and advances	-	-	22,500	22,500
	<b>26,666</b>	<b>401,755</b>	<b>136,376</b>	<b>564,797</b>
<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
	<b>29,594</b>	<b>442,573</b>	<b>136,417</b>	<b>608,584</b>

**A10 Financial Instruments (cont'd.)****(ii) Fair Values (cont'd.)****(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	
	31.03.2023	31.03.2022
	RM'000	RM'000
<b>Continuing operations</b>		
<u>Affiliated companies:</u>		
Dividend received	302	302
Management fee receivables	129	140
Professional fees payable	(5)	(6)
IT management fees paid/payable	(20)	(32)
<b>Discontinued operation</b>		
<u>Affiliated companies:</u>		
Gross insurance premium received	-	815
Claims paid	-	(37)

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 18 May 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 Event After The Reporting Period**

There was no material event subsequent to the current quarter ended 31 March 2023.

**A14 Significant Event During The Financial Period**

There was no significant event during the current quarter ended 31 March 2023.

**A15 Changes in Composition of The Group**

There were no changes in the composition of the Group during the current quarter ended 31 March 2023.

**A16 Capital Commitment**

There was no capital commitment during the current quarter ended 31 March 2023.

**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:

	<b>As at 31.03.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
Not later than 1 year	2,036	2,503
Later than 1 year and not later than 5 years	1,500	1,811
	<u><b>3,536</b></u>	<u><b>4,314</b></u>

## B NOTES REQUIRED UNDER THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B1 Review of Performance of The Group

	3 months ended		Changes %
	31.03.2023 RM'000	31.03.2022 RM'000	
<b>Continuing operations</b>			
Revenue	9,522	8,873	7.3
Operating profit/(loss)	10,170	(1,690)	>100.0
Profit/(Loss) before tax	10,157	(1,735)	>100.0
Profit/(loss) for the period, representing total comprehensive profit/(loss) for the period	8,835	(2,396)	>100.0
Profit/(loss), total comprehensive profit/(loss) attributable to owners of the Company	8,733	(2,438)	>100.0
<b>Discontinued operation</b>			
Revenue	-	119,639	N/A
Operating profit	-	5,782	N/A
Profit before tax	-	5,713	N/A
Profit for the period, representing total comprehensive income for the period	-	4,240	N/A
Profit, total comprehensive income attributable to owners of the Company	-	2,124	N/A

#### **1Q2023 vs 1Q2022**

The Group reported revenue of RM9.5 million in 1Q2023, an increase of 7.3% compared to the revenue of RM8.9 million achieved in 1Q2022 due to improved revenue from hospitality.

In tandem with the increased revenue, higher interest income and fair value gain from its financial assets at FVTPL, profit before tax ("PBT") in 1Q2023 was RM10.1 million, a turnaround from a loss before tax ("LBT") of RM1.7 million posted in 1Q2022.

#### **Credit**

In 1Q2023, Credit segment achieved revenue of RM3.3 million which was RM0.3 million lower than revenue of RM3.6 million in 1Q2022 due to lower interest income.

However, it achieved PBT of RM15.5 million in 1Q2023 which was a significant improvement from LBT of RM0.3 million in 1Q2022 due to fair value gain and higher returns from its financial assets at FVTPL.

#### **Investments**

The Investments segment posted higher revenue of RM6.2 million in 1Q2023 compared to revenue of RM5.3 million reported in 1Q2022. LBT of RM1.3 million in 1Q2023 was lower than LBT of RM1.4 million in 1Q2022.

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

	3 months ended		Changes %
	31.03.2023 RM'000	31.12.2022 RM'000	
Revenue	9,522	13,856	(31.3)
Operating profit	10,170	11,402	(10.8)
Profit before tax	10,157	11,382	(10.8)
Profit for the period, representing total comprehensive income for the period	8,835	8,117	8.8
Profit, total comprehensive income attributable to owners of the Company	8,733	8,073	8.2

**1Q2023 vs 4Q2022**

In 1Q2023, the Group achieved revenue of RM9.5 million, which was 31.3% lower than revenue of RM13.9 million posted in 4Q2022 as there was an adjustment in the revenue recognition from the joint venture arrangement entered into between the Group and a third party property developer to develop a parcel of land owned by the Group.

In view of lower revenue, PBT was lower by 10.8% from PBT of RM11.4 million in 4Q2022 to RM10.2 million in 1Q2023.

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

According to BNM, the economy is expected to grow at a moderate pace between 4% and 5% in 2023 and the Credit segment will continue its strategy to finance reputable niche clients with low-risk exposure.

**Investments**

The Group continues to conserve and safeguard its resources whilst continuing to evaluate viable options to create long term sustainable value in the land banks. The Group may 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**

	3 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000
<b>Continuing operations</b>		
Income tax expense	1,322	661
<b>Discontinued operation</b>		
Income tax expense	-	4,150
Deferred tax	-	(2,677)
	<u>-</u>	<u>1,473</u>
<b>Total income tax expense</b>	<u>1,322</u>	<u>2,134</u>

**B5 Income Tax Expense (cont'd.)**

Income tax is calculated at the Malaysian statutory rate of 24% (2022: 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 lower than the statutory rate due to non-taxable income.

The effective tax rate for the Group for the previous corresponding quarter was higher than the statutory rate as certain expenses were not deductible for tax purposes.

**B6 Profit/(loss) Before Tax**

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

	3 months ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
<b>Continuing operations</b>		
Depreciation of property, plant and equipment	663	607
Depreciation of ROU assets	174	174
Depreciation of investment properties	427	427
Service fees & storage fees	26	26
Net loss arising from fair value changes in financial assets at FVTPL	-	4,176
Interest expense on revolving credit	-	34
Interest expense on lease liabilities	13	11
Realised loss/(gain) on financial assets at FVTPL	309	(2)
<b>Discontinued operation</b>		
Amortisation of intangible assets	-	1,449
Depreciation of property, plant and equipment	-	584
Depreciation of ROU assets	-	462
Depreciation of investment properties	-	33
Service fees & storage fees	-	171
Net loss arising from fair value changes in financial assets at FVTPL	-	15,823
Interest expense on lease liabilities	-	69
Realised loss on financial assets at FVTPL	-	1,383
Allowance for ECL on insurance receivables	-	1,291

**B7 Receivables**

	As at	As at
	31.03.2023	31.12.2022
	RM'000	RM'000
Trade receivables	145,456	146,047
Less: allowance for ECL	(14,085)	(14,085)
Total trade receivables	<u>131,371</u>	<u>131,962</u>
Other receivables	45,779	53,618
Less: allowance for ECL	(143)	(143)
Total other receivables	<u>45,636</u>	<u>53,475</u>
<b>Total receivables</b>	<b><u>177,007</u></b>	<b><u>185,437</u></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 March 2023. 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. Despite numerous efforts over time, SPSSB has not been successful in resolving the impasse between TNB and the Gombak land office. The management of SPSSB is now exploring other options including an application to the local authorities for change of land use; 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.

## 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;

## B10 Material Litigation (cont'd.)

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 22 June 2023.

## B11 Dividend

The Board of Directors is pleased to declare a single tier dividend of 5.0 sen for the current quarter, for the year ending 31 December 2023. (1Q2022: Nil).

The interim dividend is to be paid on 20 June 2023 to shareholders registered on the Record of Depositors at the close of business on 2 June 2023.

## B12 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

## B13 Earnings Per Share

Basic and diluted earnings per share is calculated by dividing the profit/(loss) for the current quarter attributable to owners of the Company by the weighted average number of ordinary shares in issue during the quarter ended 31 March 2023.

	3 months ended	
	31.03.2023	31.03.2022
Profit/(loss) for the period attributable to owners of the Company from:		
- Continuing operations	8,733	(2,438)
- Discontinued operation	-	2,124
	<u>8,733</u>	<u>(314)</u>
Number of ordinary shares in issue - weighted average	<u>709,110</u>	<u>715,000</u>
Basic and diluted earnings per share (sen) from:		
- Continuing operations	1.2	(0.3)
- Discontinued operation	-	0.3
	<u>1.2</u>	<u>-</u>

By Order Of The Board  
Ng Sook Yee  
Company Secretary  
18 May 2023