



RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 |
| SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | | | |
| Rental income | 6,328,949 | 6,636,356 | 2,289,335 | 2,180,838 |
| Increase in fair value of investment properties | 5,049,324 | 5,699,102 | 2,970,800 | 1,844,276 |
| Other income | 1,537,353 | 1,005,093 | 1,135,980 | 811,312 |
| Dividend income from subsidiaries | - | - | 723,250 | 1,811,750 |
| Total income | 12,915,626 | 13,340,551 | 7,119,365 | 6,648,176 |
| Total operating expenses and finance costs | (3,754,274) | (3,999,759) | (2,262,858) | (2,262,228) |
| Profit before tax | 9,161,352 | 9,340,792 | 4,856,507 | 4,385,948 |
| Income tax | (4,817,711) | (1,656,022) | (1,253,189) | (883,942) |
| Profit for the year | 4,343,641 | 7,684,770 | 3,603,318 | 3,502,006 |
| Distributable profits | 966,140 | 1,976,026 | 1,489,553 | 2,156,951 |
| Non-distributable profits | 3,264,888 | 3,642,560 | 2,113,765 | 1,345,055 |
| Amount attributable to members of the parent | 4,231,028 | 5,618,586 | 3,603,318 | 3,502,006 |
| Amount attributable to non-controlling interests | 112,613 | 2,066,184 | - | - |
| | 4,343,641 | 7,684,770 | 3,603,318 | 3,502,006 |
| Issued shares | 2,298,047,460 | 2,298,047,460 | | |
| Basic earnings per share (K) | 1.84 | 2.44 | | |
| - Distributable (K) | 0.42 | 0.86 | | |
| - Non-distributable (K) | 1.42 | 1.59 | | |

SUMMARY STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

| | GROUP | | | COMPANY | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 | 31 Dec. 2018 K'000 | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 | 31 Dec. 2018 K'000 |
| EQUITY AND LIABILITIES | | | | | | |
| SHAREHOLDERS' EQUITY | | | | | | |
| Ordinary share capital | 114,902 | 114,902 | 114,902 | 114,902 | 114,902 | 114,902 |
| Distributable reserves | 5,289,825 | 4,668,394 | 3,232,411 | 8,843,809 | 7,698,965 | 6,082,058 |
| Non-distributable reserves | 29,505,572 | 26,240,684 | 22,598,124 | 14,912,245 | 12,798,479 | 11,453,424 |
| Share premium | 8,626,938 | 8,626,938 | 8,626,938 | 8,626,938 | 8,626,938 | 8,626,938 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY | 43,537,237 | 39,650,918 | 34,572,375 | 32,497,894 | 29,239,284 | 26,277,322 |
| Non-controlling interests | 19,976,897 | 19,928,782 | 18,400,848 | - | - | - |
| Total equity | 63,514,134 | 59,579,700 | 52,973,223 | 32,497,894 | 29,239,284 | 26,277,322 |
| LIABILITIES | | | | | | |
| Non-current liabilities | 13,378,003 | 12,604,377 | 12,121,343 | 4,860,736 | 4,066,994 | 3,575,175 |
| Current liabilities | 1,529,912 | 1,059,577 | 809,987 | 508,878 | 506,852 | 639,853 |
| Bank overdraft | 1,379,031 | 584,599 | 285,658 | 1,375,623 | 584,375 | 256,103 |
| Total liabilities | 16,277,946 | 14,248,553 | 13,216,988 | 6,745,237 | 5,158,221 | 4,471,131 |
| TOTAL EQUITY AND LIABILITIES | 79,792,080 | 73,828,253 | 66,190,211 | 39,243,131 | 34,397,505 | 30,748,453 |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Investment properties | 65,670,246 | 60,674,923 | 54,912,220 | 19,763,207 | 16,846,407 | 14,989,492 |
| Plant and equipment | 524,974 | 620,803 | 536,071 | 318,384 | 361,623 | 281,242 |
| Investment in subsidiaries | - | - | - | 14,640,612 | 14,640,612 | 13,814,663 |
| Deferred tax asset | 1,695,627 | 4,161,520 | 3,981,909 | - | - | - |
| Other assets | 71,274 | 14,163 | 20,458 | 71,274 | 14,163 | 20,458 |
| Total non-current assets | 67,962,121 | 65,471,409 | 59,450,658 | 34,793,477 | 31,862,805 | 29,105,855 |
| Current assets | | | | | | |
| Trade and other receivables | 11,581,604 | 8,196,780 | 4,171,019 | 4,316,872 | 2,523,385 | 1,593,038 |
| Assets held for sale | 54,000 | - | - | 54,000 | - | - |
| Cash and cash equivalents | 194,355 | 160,064 | 2,568,534 | 78,782 | 11,315 | 49,560 |
| Total current assets | 11,829,959 | 8,356,844 | 6,739,553 | 4,449,654 | 2,534,700 | 1,642,598 |
| TOTAL ASSETS | 79,792,080 | 73,828,253 | 66,190,211 | 39,243,131 | 34,397,505 | 30,748,453 |

SUMMARY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | GROUP | | COMPANY | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 | 31 Dec. 2020 K'000 | 31 Dec. 2019 K'000 |
| At the beginning of the year | 59,579,699 | 52,973,223 | 29,239,283 | 26,277,322 |
| Distributable profit for the year | 255,053 | 2,501,496 | 1,489,553 | 2,156,951 |
| Non-distributable profit for the year | 4,088,590 | 5,183,273 | 2,113,767 | 1,345,054 |
| Dividend declared - Final 2019 | (359,958) | (571,738) | (344,709) | (310,238) |
| Dividend declared - Interim 2020 | (49,250) | (506,555) | - | (229,806) |
| IFRS 9 Impairment- prior year | - | - | - | - |
| | 63,514,134 | 59,579,699 | 32,497,894 | 29,239,283 |

SUMMARY STATEMENT OF CASH FLOWS

| | | | |
|--|--------------------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net cash generated by/(used in) operations | 500,596 | (120,195) | (275,985) |
| Returns on investment and servicing of finance | | | |
| Dividend received | - | - | 415,500 |
| Interest received | 1,275,969 | 898,543 | 321,847 |
| Interest paid | (805,979) | (813,516) | (179,061) |
| Dividend paid | (344,709) | (540,044) | (344,709) |
| Dividend paid to non-controlling shareholders | (64,500) | (538,250) | - |
| Net cash flow from/(used in) returns on investment and servicing of finance | 561,377 | (1,113,462) | (62,408) |
| Taxation paid | (945,200) | (1,140,544) | (552,075) |
| Net cash (used in)/generated by operating activities | (383,823) | (2,254,006) | (614,483) |
| Cash flow from financing activities | | | |
| Repayment of borrowings | (254,376) | (175,013) | - |
| Net cash used in financing activities | (254,376) | (175,013) | - |
| Net decrease in cash and cash equivalents | (760,141) | (2,707,411) | (723,781) |
| Cash and cash equivalents at the beginning of the year | (424,535) | 2,282,876 | (573,040) |
| Cash and cash equivalents at the end of the year | (1,184,676) | (424,535) | (1,296,841) |

Basis of preparation

The summary consolidated and separate financial statements are prepared in order to meet the Malawi Stock Exchange Listing Requirements for summarized financial statements. The directors have considered the requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, comprehensive income, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards. The summary consolidated and separate financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the Board of Directors on 8th March 2021, and is available on the company's website, www.mpicomw.com.

2020 FINANCIAL YEAR RESULTS PUBLICATION COMMENTARY

Review of the results

Rental income decreased by 5% to MK6.3 billion in 2020 from MK6.6 billion in 2019. Fair value gains in current year at K5 billion were lower than the K5.7 billion recorded in 2019. The reduction in both rental income and fair value gains is mainly attributable to the unfavourable economic environment resulting from the impact of Covid-19 pandemic. Total operating expenditure for the year decreased to MK3.8 billion in 2020 from MK4.0 billion in 2019 due to relatively lower property expenses incurred in the current year.

Profit before tax of K9.2 billion was almost at par with that of 2019 at K9.3 billion. Profit after tax decreased by 57% to MK4.3 billion in 2020 from MK7.7 billion in 2019. This was mainly on account of a one-off deferred tax adjustment of K2.5 billion following de-recognition of the corresponding asset. It was prudently determined that based on current taxable profits projections in one of the subsidiaries in the Group, the utilisation of the tax asset would not materialise before the relevant statutory period expires.

Government rent arrears worsened to K8.7 billion from K5.8 billion in 2019 and continued to negatively impact the company's operations. Engagements with Government to settle the arrears were ongoing and significant progress was being made.

Outlook

The Covid-19 effects will continue in view of the reported resurgence in other parts of the world. There are, however, signs of the situation improving. The authorities have already started easing some of the gathering restriction measures that were imposed.

The Group has adaptive strategic plans to ensure that its stakeholders are provided with relevant property solutions and that shareholders' investment is protected.


Dividend

The Directors are recommending a final dividend of **MK643.5 million** representing 28 tambala per share, no interim dividend was paid during the year. The Company paid a dividend of MK574.5 from the profits of 2019 representing 25 tambala per share (MK229.8 million as interim in 2019 and MK344.7million as final dividend in 2020). The Dividend will be paid after approval by the AGM to be held in June 2021.

By order of the Board.


Damien Kaloteke


Edith Jijya


Edith Jijya


Edith Jijya


Edith Jijya

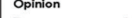

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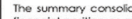

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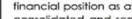

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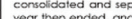

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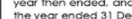

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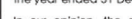

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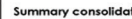

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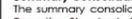

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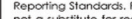

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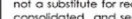

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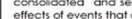

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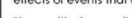

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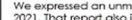

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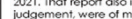

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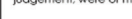

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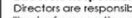

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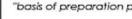

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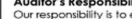

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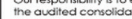

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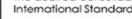

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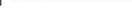

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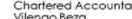

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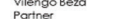

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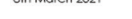

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