

MAA HOLDINGS BERHAD (471403-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	30 June 2011 RM'000	31 December 2010 RM'000 (Audited)
ASSETS		
Property, plant and equipment	8,505	8,387
Investment properties	11,601	11,601
Intangible assets	7,989	8,271
Investments	425,760	415,284
Financial assets held at fair value through profit or loss	159,306	154,353
Available-for-sale financial assets	188,137	224,335
Loans and receivables	78,317	36,596
Associated companies	49,290	49,404
Reinsurance assets	159,161	123,897
Insurance receivables	66,391	68,807
Trade and other receivables	72,877	58,187
Tax recoverable	2,812	4,554
Deferred tax assets	1,541	1,602
Cash and cash equivalents	240,293	252,579
Assets classified as held for sale	7,686,037	7,597,399
TOTAL ASSETS	8,732,257	8,599,972
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	578,856	517,350
Investment contract liabilities	37,444	40,538
Financial liabilities		
Borrowings		
- Medium Term Notes (secured)	140,000	170,000
- Revolving credit (secured)	36,300	36,300
- Bank overdrafts (unsecured)	9,865	9,905
Insurance payables	84,631	58,899
Trade and other payables	78,594	79,829
Current tax liabilities	1,146	631
Deferred tax liabilities	3,531	3,322
Liabilities classified as held for sale	7,412,927	7,363,214
TOTAL LIABILITIES	8,383,294	8,279,988
EQUITY		
Share capital	304,354	304,354
Retained earnings/(accumulated losses)	11,296	(16,728)
Reserves	(1,982)	(981)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	313,668	286,645
Minority interest	35,295	33,339
TOTAL EQUITY	348,963	319,984
TOTAL EQUITY, POLICYHOLDERS FUNDS' AND LIABILITIES	8,732,257	8,599,972
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.03	0.94

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2011

	3 months ended		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Operating revenue				
- Continuing operations	121,046	112,894	231,410	208,358
- Discontinued operations	481,815	431,952	860,036	876,558
	<u>602,861</u>	<u>544,846</u>	<u>1,091,446</u>	<u>1,084,916</u>
Continuing operations				
Gross earned premium	99,971	95,666	189,052	173,185
Premium ceded to reinsurers	(35,166)	(32,390)	(65,139)	(57,690)
Net earned premiums	<u>64,805</u>	<u>63,276</u>	<u>123,913</u>	<u>115,495</u>
Investment income	4,696	3,425	9,599	6,513
Realised gains and losses	4,062	1,115	9,118	2,216
Fair value gains and losses	659	(265)	557	334
Fee and commission income	7,947	5,293	15,981	10,485
Other operating revenue from non-insurance businesses	16,379	13,803	32,759	28,660
Other revenue	<u>33,743</u>	<u>23,371</u>	<u>68,014</u>	<u>48,208</u>
Gross benefits and claims paid	(49,682)	(47,852)	(88,215)	(77,345)
Claims ceded to reinsurers	20,644	27,987	42,966	47,555
Gross change to contract liabilities	(3,381)	(2,775)	(22,909)	(16,553)
Change in contract liabilities ceded to reinsurers	579	1,873	14,847	13,511
Net claims	<u>(31,840)</u>	<u>(20,767)</u>	<u>(53,311)</u>	<u>(32,832)</u>
Fee and commission expense	(22,587)	(21,304)	(41,933)	(37,544)
Management expenses	(27,085)	(24,550)	(51,917)	(46,308)
Other operating expenses - net	(4,715)	(3,715)	(9,631)	(7,861)
Finance cost	(3,097)	(2,824)	(6,175)	(5,638)
Other expenses	<u>(57,484)</u>	<u>(52,393)</u>	<u>(109,656)</u>	<u>(97,351)</u>
Share of loss of associate companies, net of tax	(17)	(6)	(114)	(61)
	<u>9,207</u>	<u>13,481</u>	<u>28,846</u>	<u>33,459</u>
Taxation of life insurance/family takaful fund	(558)	(209)	(744)	(373)
Surplus after taxation / Profit before taxation	<u>8,649</u>	<u>13,272</u>	<u>28,102</u>	<u>33,086</u>
Surplus retained in life insurance/family takaful fund	(13,445)	(19,395)	(31,582)	(43,977)
Loss before taxation	<u>(4,796)</u>	<u>(6,123)</u>	<u>(3,480)</u>	<u>(10,891)</u>
Taxation	(451)	(46)	(812)	(276)
Loss from continuing operations	<u>(5,247)</u>	<u>(6,169)</u>	<u>(4,292)</u>	<u>(11,167)</u>
Discontinued operations				
Profit before taxation	23,972	6	47,437	13,134
Taxation	(6,472)	1,163	(14,378)	(1,833)
Profit from discontinued operations	<u>17,500</u>	<u>1,169</u>	<u>33,059</u>	<u>11,301</u>
Profit/(loss) for the financial period	<u>12,253</u>	<u>(5,000)</u>	<u>28,767</u>	<u>134</u>
Profit/(loss) for the financial period attributable to:				
Owners of the Company	11,791	(4,757)	28,024	24
Minority interests	462	(243)	743	110
	<u>12,253</u>	<u>(5,000)</u>	<u>28,767</u>	<u>134</u>
Basic earnings/(loss) per ordinary share (sen):				
- Continuing operations	(1.88)	(1.95)	(1.65)	(3.70)
- Discontinued operations	5.75	0.38	10.86	3.71
	<u>3.87</u>	<u>(1.57)</u>	<u>9.21</u>	<u>0.01</u>

* Consistent with prior years' practice, no profit was transferred from the Life Insurance/Family Takaful Funds to the Shareholders' Fund as the transfer of life/family takaful businesses profits is only done at the financial year end.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

	3 months ended		6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit/(loss) for the financial period	12,253	(5,000)	28,767	134
Other comprehensive income, net of tax				
Foreign currency translation differences	447	(462)	955	2,423
Fair value of available-for-sale financial assets, net of tax	(403)	3,647	(1,956)	3,689
Other comprehensive income for the financial period, net of tax	44	3,185	(1,001)	6,112
Total comprehensive income for the financial period	12,297	(1,815)	27,766	6,246
Total comprehensive income attributable to:				
Owners of the Company	11,835	(1,572)	27,023	6,136
Minority interests	462	(243)	743	110
Total comprehensive income for the financial period	12,297	(1,815)	27,766	6,246

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Non-distributable		Distributable		Minority interest RM'000	
		Foreign exchange reserves RM'000	Available-for-sale reserves RM'000	Accumulated losses RM'000	Total RM'000		
2011							
As at 1 January 2011	304,354	(6,630)	5,649	(16,728)	286,645	33,339	319,984
Profit for the financial period	-	-	-	28,024	28,024	743	28,767
Other comprehensive income	-	955	(1,956)	-	(1,001)	-	(1,001)
Total comprehensive income for the financial period	-	955	(1,956)	28,024	27,023	743	27,766
Increase in share of net assets during the financial period	-	-	-	-	-	1,213	1,213
As at 30 June 2011	304,354	(5,675)	3,693	11,296	313,668	35,295	348,963
2010							
As at 1 January 2010							
- as previously stated	304,354	(5,927)	6,992	(28,855)	276,564	33,947	310,511
- change in accounting policy	-	-	-	(15,338)	(15,338)	(3,141)	(18,479)
- as restated	304,354	(5,927)	6,992	(44,193)	261,226	30,806	292,032
Profit for the financial period	-	-	-	24	24	110	134
Other comprehensive income	-	2,423	3,689	-	6,112	-	6,112
Total comprehensive income for the financial period	-	2,423	3,689	24	6,136	110	6,246
As at 30 June 2010	304,354	(3,504)	10,681	(44,169)	267,362	30,916	298,278

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

	6 months ended	
	30 June 2011 RM'000	30 June 2010 RM'000
Operating activities		
Cash generated from operations	49,451	205,015
Income taxes paid	(15,152)	(6,497)
Net cash inflows from operating activities	<u>34,299</u>	<u>198,518</u>
Investing activities		
Net cash inflows/(outflows) from investing activities	1,036	(10,612)
Financing activities		
Net cash outflows from financing activities	(30,000)	(40,000)
Net increase in cash and cash equivalents	<u>5,335</u>	<u>147,906</u>
Cash and cash equivalents at beginning of financial period	<u>861,949</u>	<u>758,864</u>
Cash and cash equivalents at end of financial period	<u>867,284</u>	<u>906,770</u>

The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.