

MAA GROUP BERHAD (471403-A)
(formerly known as MAA HOLDINGS BERHAD)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	30 June 2012 RM'000	31 December 2011 RM'000 (Audited)
ASSETS		
Property, plant and equipment	16,139	10,373
Investment properties	11,175	11,175
Intangible assets	8,033	8,461
Investments	445,426	426,995
Financial assets at fair value through profit or loss	192,244	171,333
Available-for-sale financial assets	200,802	201,091
Loans and receivables	52,380	54,571
Associated companies	49,663	50,522
Reinsurance assets	161,576	147,928
Insurance receivables	63,499	84,130
Trade and other receivables	240,430	218,666
Tax recoverable	2,960	3,405
Deferred tax assets	460	677
Cash and cash equivalents	174,447	177,252
Assets classified as held for sale	59,591	1,589
TOTAL ASSETS	1,233,399	1,141,173
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	520,271	495,922
Investment contract liabilities	13,642	17,756
Borrowings		
- Bank overdrafts (unsecured)	4,518	9,232
Insurance payables	75,212	79,463
Trade and other payables	63,032	81,921
Current tax liabilities	4,689	3,418
Deferred tax liabilities	4,989	5,155
Liabilities classified as held for sale	57,779	0
TOTAL LIABILITIES	744,132	692,867
EQUITY		
Share capital	304,354	304,354
Retained earnings	145,641	109,041
Reserves	2,231	(616)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	452,226	412,779
Non-controlling interest	37,041	35,527
TOTAL EQUITY	489,267	448,306
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,233,399	1,141,173
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.49	1.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	3 months ended		6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Operating revenue				
- Continuing operations	136,778	112,626	240,109	214,646
- Discontinued operations	5,883	490,235	14,610	876,800
	<u>142,661</u>	<u>602,861</u>	<u>254,719</u>	<u>1,091,446</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	119,409	95,426	208,665	181,002
Premiums/contributions ceded to reinsurers	(40,031)	(34,937)	(79,131)	(64,652)
Net earned premiums/contributions	<u>79,378</u>	<u>60,489</u>	<u>129,534</u>	<u>116,350</u>
Investment income	5,360	5,053	10,138	9,294
Realised gains and losses	2,135	3,620	6,187	8,246
Fair value gains and losses	2,453	(313)	4,001	(415)
Fee and commission income	9,313	7,872	18,147	15,790
Other operating revenue from non-insurance businesses	12,009	12,147	21,306	24,350
Other revenue	<u>31,270</u>	<u>28,379</u>	<u>59,779</u>	<u>57,265</u>
Gross benefits and claims paid	(49,556)	(44,792)	(85,334)	(81,206)
Claims ceded to reinsurers	22,099	20,644	36,959	42,966
Gross change to contract liabilities	1,790	(3,904)	(1,382)	(23,161)
Change in contract liabilities ceded to reinsurers	679	579	8,797	14,847
Net insurance/takaful benefits and claims	<u>(24,988)</u>	<u>(27,473)</u>	<u>(40,960)</u>	<u>(46,554)</u>
Fee and commission expense	(25,427)	(21,840)	(48,526)	(40,737)
Management expenses	(31,239)	(20,572)	(55,636)	(39,083)
Other operating income/(expenses) - net	(3,643)	(4,806)	9,090	(9,694)
Finance cost	(100)	(3,086)	(210)	(6,156)
Other expenses	<u>(60,409)</u>	<u>(50,304)</u>	<u>(95,282)</u>	<u>(95,670)</u>
Share of loss of associate companies, net of tax	(2,517)	(17)	(859)	(114)
	<u>22,734</u>	<u>11,074</u>	<u>52,212</u>	<u>31,277</u>
Taxation of life insurance, general takaful and family takaful businesses	(73)	(558)	(1,077)	(744)
Surplus after taxation/Profit before taxation	<u>22,661</u>	<u>10,516</u>	<u>51,135</u>	<u>30,533</u>
Surplus retained in life insurance, general takaful and family takaful businesses	(27,019)	(14,897)	(43,366)	(33,270)
Profit/(loss) before taxation	<u>(4,358)</u>	<u>(4,381)</u>	<u>7,769</u>	<u>(2,737)</u>
Taxation	(595)	(245)	(852)	(517)
Profit/(loss) from continuing operations	<u>(4,953)</u>	<u>(4,626)</u>	<u>6,917</u>	<u>(3,254)</u>
DISCONTINUED OPERATIONS				
Profit before taxation	30,892	23,557	31,350	46,694
Taxation	22	(6,678)	(153)	(14,673)
Profit from discontinued operations	<u>30,914</u>	<u>16,879</u>	<u>31,197</u>	<u>32,021</u>
Profit for the financial quarter/period	<u>25,961</u>	<u>12,253</u>	<u>38,114</u>	<u>28,767</u>
Profit for the financial quarter/period attributable to:				
Owners of the Company	24,780	11,791	36,600	28,024
Non-controlling interest	1,181	462	1,514	743
	<u>25,961</u>	<u>12,253</u>	<u>38,114</u>	<u>28,767</u>
Basic earnings per ordinary share (sen):				
- Continuing operations	(2.02)	(1.67)	1.78	(1.31)
- Discontinued operations	10.16	5.55	10.25	10.52
	<u>8.14</u>	<u>3.88</u>	<u>12.03</u>	<u>9.21</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 2011.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	3 months ended		6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Profit for the financial quarter/period	25,961	12,253	38,114	28,767
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	4,874	447	4,460	955
Fair value loss of available-for-sale financial assets, net of tax	(1,146)	(403)	(1,613)	(1,956)
Other comprehensive income/(loss) for the financial quarter/period, net of tax	3,728	44	2,847	(1,001)
Total comprehensive income for the financial quarter/period attributable to owners of the Company	29,689	12,297	40,961	27,766
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
- Continuing operations	(1,225)	(4,582)	9,764	(4,255)
- Discontinued operations	30,914	16,879	31,197	32,021
	29,689	12,297	40,961	27,766

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Non-distributable		Distributable		Non-controlling interest RM'000	
		Foreign exchange reserves RM'000	Available-for-sale reserves RM'000	Retained earnings RM'000	Total RM'000		
2012							
As at 1 January 2012	304,354	(6,414)	5,798	109,041	412,779	35,527	448,306
Profit for the financial period	-	-	-	36,600	36,600	1,514	38,114
Other comprehensive income/(loss)	-	4,460	(1,613)	-	2,847	-	2,847
Total comprehensive income/(loss) for the financial period	-	4,460	(1,613)	36,600	39,447	1,514	40,961
As at 30 June 2012	304,354	(1,954)	4,185	145,641	452,226	37,041	489,267
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/(loss)	-	955	(1,956)	-	(1,001)	-	(1,001)
Total comprehensive income/(loss) for the financial period	-	955	(1,956)	28,024	27,023	743	27,766
Transactions with non-controlling interest	-	-	-	-	-	1,213	1,213
As at 30 June 2011	304,354	(5,675)	3,693	11,296	313,668	35,295	348,963

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000
Profit for the financial period	38,114	28,767
General takaful and family takaful funds surplus after taxation	43,366	30,567
Share of loss of associated companies	859	114
Investment income	(10,749)	(163,731)
Realised gains and losses	(37,124)	(33,521)
Fair value gains and losses	(2,641)	(67,328)
Finance costs	210	6,177
Purchase of investment properties	-	(1,314)
Proceeds from disposal of investment properties	-	11,308
Purchases of financial assets	(43,698)	(3,089,492)
Proceeds from disposal of financial assets	16,178	3,031,404
Increase in loans and receivables	1,496	103,953
Non-cash items:		
Depreciation of property, plant and equipment	1,433	7,418
Amortisation of intangible assets	911	2,063
Property, plant and equipment written off	601	-
Allowance for/(write back of) impairment loss on trade and other receivables	145	(189)
Allowance for/(write back of) impairment loss on insurance receivables	856	(705)
Tax expenses	2,082	37,280
Changes in working capital:		
Increase in reinsurance assets	(13,648)	(70,463)
Decrease/(increase) in insurance receivables	19,573	(14,450)
(Increase)/decrease in trade and other receivables	(21,903)	601
(Decrease)/increase in insurance contract liabilities	(1,684)	151,718
Decrease in investment contract liabilities	(3,278)	(3,094)
Decrease in insurance payables	(4,199)	(12,230)
Increase/(decrease) in trade and other payables	19,851	(57,659)
Cash generated from/(utilised in) operating activities	6,751	(102,806)
Investment income received	8,325	160,842
Interest paid	(210)	(6,177)
Income tax paid	(432)	(17,510)
Net cash inflow from operating activities	14,434	34,349

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

(continued)

6 months ended
30 June **30 June**
2012 **2011**
RM'000 **RM'000**

Investing activities:

Proceeds from disposal of property, plant and equipments	74	4,970
Purchase of property, plant and equipments	(8,812)	(2,362)
Purchase of intangible assets	(483)	(1,622)
Net cash inflow from disposal of discontinued operations	33,865	-

Net cash inflow from investing activities

<u>24,644</u>	<u>986</u>
---------------	------------

Financing activities:

Repayment of medium-term notes	-	(30,000)
--------------------------------	---	----------

Net cash outflows from financing activities

<u>-</u>	<u>(30,000)</u>
----------	-----------------

Net increase in cash and cash equivalents

39,078	5,335
--------	-------

Cash and cash equivalents at beginning of financial year

168,020	861,949
---------	---------

Cash and cash equivalents at end of financial period

<u>207,098</u>	<u>867,284</u>
----------------	----------------

Cash and cash equivalents comprise of:

Fixed and call deposits with licensed banks	152,792	223,372
Cash and bank balance	<u>21,655</u>	<u>16,921</u>
	174,447	240,293
Bank overdraft	<u>(4,518)</u>	<u>(9,865)</u>
	169,929	230,428
Assets classified as held for sale	<u>37,169</u>	<u>636,856</u>
	<u>207,098</u>	<u>867,284</u>

The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.