

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	31 December 2012 RM'000	31 December 2011 RM'000 (Restated)
ASSETS		
Property, plant and equipment	23,619	10,373
Investment properties	11,632	11,175
Intangible assets	7,829	8,461
Investments	471,957	426,995
Financial assets at fair value through profit or loss	201,820	171,333
Available-for-sale financial assets	214,651	201,091
Loans and receivables	55,486	54,571
Associated companies	56,693	50,522
Reinsurance assets	219,178	147,928
Insurance receivables	60,877	81,158
Trade and other receivables	259,604	209,833
Tax recoverable	3,366	3,405
Deferred tax assets	-	677
Cash and cash equivalents	141,719	177,252
Assets classified as held for sale	1,015	1,589
TOTAL ASSETS	1,257,489	1,129,368
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	606,218	499,259
Investment contract liabilities	11,289	17,756
Borrowings		
- Bank overdrafts (unsecured)	4,335	9,232
Insurance payables	94,790	94,742
Trade and other payables	73,078	90,754
Current tax liabilities	6,176	3,418
Deferred tax liabilities	5,704	2,947
TOTAL LIABILITIES	801,590	718,108
EQUITY		
Share capital	304,354	304,354
Retained earnings	123,111	78,823
Reserves	1,004	(616)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	428,469	382,561
Non-controlling interest	27,430	28,699
TOTAL EQUITY	455,899	411,260
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,257,489	1,129,368
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.41	1.26

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 YEAR ENDED 31 DECEMBER 2012

	3 months ended		12 months ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	138,842	111,618	497,603	425,331
- Discontinued operations	0	7,749	15,302	1,301,263
	<u>138,842</u>	<u>119,367</u>	<u>512,905</u>	<u>1,726,594</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	120,200	97,280	431,258	362,363
Premiums/contributions ceded to reinsurers	(67,074)	(52,486)	(187,500)	(151,052)
Net earned premiums/contributions	<u>53,126</u>	<u>44,794</u>	<u>243,758</u>	<u>211,311</u>
Investment income	6,388	5,492	22,436	19,471
Realised gains and losses	4,108	5,376	15,144	10,579
Fair value gains and losses	8,297	(2,900)	12,195	(17,850)
Fee and commission income	9,767	10,792	37,365	32,318
Other operating revenue from non-insurance businesses	12,254	8,846	43,909	43,497
Other revenue	<u>40,814</u>	<u>27,606</u>	<u>131,049</u>	<u>88,015</u>
Gross benefits and claims paid	(15,031)	(38,804)	(153,893)	(142,022)
Claims ceded to reinsurers	13,886	12,694	66,723	66,827
Gross change to contract liabilities	(62,967)	7,144	(75,808)	27,285
Change in contract liabilities ceded to reinsurers	47,110	(1,554)	62,104	20,085
Net insurance/takaful benefits and claims	<u>(17,002)</u>	<u>(20,520)</u>	<u>(100,874)</u>	<u>(27,825)</u>
Fee and commission expense	(20,413)	(26,873)	(95,662)	(86,076)
Management expenses	(34,334)	(26,914)	(120,301)	(89,837)
Other operating expenses - net	(5,802)	(2,808)	(18,214)	(15,317)
Finance cost	(106)	(243)	(420)	(14,428)
Other expenses	<u>(60,655)</u>	<u>(56,838)</u>	<u>(234,597)</u>	<u>(205,658)</u>
Share of profit/(loss) of associate companies, net of tax	1,043	(702)	(285)	(350)
	<u>17,326</u>	<u>(5,660)</u>	<u>39,051</u>	<u>65,493</u>
Taxation of life insurance, general takaful and family takaful businesses	(1,417)	(1,904)	(5,300)	(2,080)
Surplus/(deficit) after taxation/Profit/(loss) before taxation	<u>15,909</u>	<u>(7,564)</u>	<u>33,751</u>	<u>63,413</u>
Surplus retained in life insurance, general takaful and family takaful businesses	(6,293)	(14,606)	(56,622)	(55,235)
Profit/(loss) before taxation	<u>9,616</u>	<u>(22,170)</u>	<u>(22,871)</u>	<u>8,178</u>
Taxation	(4,067)	(5,764)	(5,655)	(6,456)
Zakat	(232)	(188)	(232)	(188)
Profit/(loss) from continuing operations	<u>5,317</u>	<u>(28,122)</u>	<u>(28,758)</u>	<u>1,534</u>
DISCONTINUED OPERATIONS				
Profit before taxation	2,690	77,466	65,836	135,133
Taxation	-	(224)	(153)	(23,424)
Profit from discontinued operations	<u>2,690</u>	<u>77,242</u>	<u>65,683</u>	<u>111,709</u>
Profit for the financial quarter/year	<u>8,007</u>	<u>49,120</u>	<u>36,925</u>	<u>113,243</u>
Profit/(loss) for the financial quarter/year attributable to:				
Owners of the Company	6,706	50,407	44,288	114,095
Non-controlling interest	1,301	(1,287)	(7,363)	(852)
	<u>8,007</u>	<u>49,120</u>	<u>36,925</u>	<u>113,243</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	1.32	(8.82)	(7.03)	0.78
- Discontinued operations	0.88	25.38	21.58	36.70
	<u>2.20</u>	<u>16.56</u>	<u>14.55</u>	<u>37.48</u>

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 YEAR ENDED 31 DECEMBER 2012**

	3 months ended		12 months ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial quarter/year	8,007	49,120	36,925	113,243
Foreign currency translation differences	(88)	(551)	2,790	216
Fair value gain/(loss) of available-for-sale financial assets, net of tax	132	1,056	(1,170)	149
Other comprehensive income/(loss) for the financial quarter/year, net of tax	44	505	1,620	365
Total comprehensive income/(loss) for the financial quarter/year attributable to owners of the Company	8,051	49,625	38,545	113,608
Total comprehensive income/(loss) for the financial quarter/year attributable to owners of the Company:				
- Continuing operations	5,361	(27,617)	(27,138)	1,899
- Discontinued operations	2,690	77,242	65,683	111,709
	8,051	49,625	38,545	113,608

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 YEAR ENDED 31 DECEMBER 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							
- as previously stated	304,354	(6,414)	5,798	109,041	412,779	35,527	448,306
- prior years adjustments	-	-	-	(30,218)	(30,218)	(6,828)	(37,046)
- restated	304,354	(6,414)	5,798	78,823	382,561	28,699	411,260
Profit/(loss) for the financial year	-	-	-	44,288	44,288	(7,363)	36,925
Other comprehensive income/(loss)	-	2,790	(1,170)	-	1,620	-	1,620
Total comprehensive income/(loss) for the financial year	-	2,790	(1,170)	44,288	45,908	(7,363)	38,545
Transactions with non-controlling interest	-	-	-	-	-	6,094	6,094
As at 31 December 2012	304,354	(3,624)	4,628	123,111	428,469	27,430	455,899
2011 (Restated)							
As at 1 January 2011							
- as previously stated	304,354	(6,630)	5,649	(16,728)	286,645	33,339	319,984
- prior years adjustments	-	-	-	(18,544)	(18,544)	(5,002)	(23,546)
- restated	304,354	(6,630)	5,649	(35,272)	268,101	28,337	296,438
Profit for the financial year							
- as previously stated	-	-	-	125,769	125,769	974	126,743
- prior years adjustments	-	-	-	(11,674)	(11,674)	(1,826)	(13,500)
- restated	-	-	-	114,095	114,095	(852)	113,243
Other comprehensive income	-	216	149	-	365	-	365
Total comprehensive income for the financial year	-	216	149	114,095	114,460	(852)	113,608
Transactions with non-controlling interest	-	-	-	-	-	1,214	1,214
As at 31 December 2011	304,354	(6,414)	5,798	78,823	382,561	28,699	411,260

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 YEAR ENDED 31 DECEMBER 2012**

	12 months ended	
	31 December 2012	31 December 2011 (Audited)
	RM'000	RM'000
(Loss)/profit for the financial year from continuing operations	(28,758)	1,534
General takaful and family takaful funds surplus after taxation	73,230	67,993
Investment income	(22,436)	(19,471)
Realised gains and losses	(15,144)	(10,579)
Fair value gains and losses	(12,195)	17,850
Finance costs	420	14,428
Proceeds from disposal of investment properties	-	450
Purchases of financial assets	(58,804)	(313,866)
Proceeds from disposal of financial assets	34,104	310,077
Decrease/(increase) in loans and receivables	4,594	(16,098)
Non-cash items:		
Depreciation of property, plant and equipment	3,249	1,622
Amortisation of intangible assets	1,997	1,915
Property, plant and equipment written off	625	-
Impairment loss on goodwill on acquisition of a subsidiary company	6,865	-
Allowance for impairment loss on trade and other receivables	41	176
Allowance for/(write back of) impairment loss on insurance receivables	2,691	(1,562)
Bad debts written off	-	6
Amortisation of capitalised MTNs issues expenses	-	1,949
Tax expenses	10,955	8,536
Changes in working capital:		
Increase in reinsurance assets	(71,250)	(24,031)
Decrease/(increase) in insurance receivables	17,590	(10,929)
(Increase)/ decrease in trade and other receivables	(4,098)	8,307
Increase/(decrease) in insurance contract liabilities	33,729	(82,312)
Decrease in investment contract liabilities	(6,467)	(22,782)
Increase in insurance payables	48	29,980
(Decrease)/increase in trade and other payables	(17,676)	3,656
Cash utilised in operating activities	(46,690)	(33,151)
Investment income received	20,698	20,662
Interest paid	(420)	(14,291)
Income tax paid	(4,724)	(227)
Net cash outflow from operating activities - continuing operations	(31,136)	(27,007)
Net cash inflow from operating activities - discontinued operations	38,400	109,413

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

(continued)

	12 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000
Investing activities:		
Proceeds from disposal of property, plant and equipments	989	623
Purchase of property, plant and equipments	(16,431)	(6,910)
Purchase of intangible assets	(1,365)	(2,361)
Increase investment in associated company	6,456	-
Proceed from disposal of associated company	14	-
Net cash outflow from disposal of discontinued operations, net of transaction cost, deferred consideration and cash disposed	(27,365)	(557,851)
Net cash outflow from investing activities - continuing operations	<u>(37,702)</u>	<u>(566,499)</u>
Net cash outflow from investing activities - discontinued operations	<u>(198)</u>	<u>(3,536)</u>
Financing activities:		
Repayment of medium-term notes	-	(170,000)
Repayment of revolving credits	-	(36,300)
Net cash outflow from financing activities - continuing operations	<u>-</u>	<u>(206,300)</u>
Net cash inflow/(outflow) from financing activities - discontinued operations	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents - continuing operations	(68,838)	(799,806)
Net increase in cash and cash equivalents - discontinued operations	38,202	105,877
Cash and cash equivalents at beginning of financial year	168,020	861,949
Cash and cash equivalents at end of financial year	<u>137,384</u>	<u>168,020</u>
		-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	130,307	166,527
Cash and bank balance	11,412	10,725
	<u>141,719</u>	<u>177,252</u>
Bank overdraft	(4,335)	(9,232)
	<u>137,384</u>	<u>168,020</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.