

MAA GROUP BERHAD (471403-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2013**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2013

	30 June 2013	31 December 2012
	RM'000	(Audited) RM'000
ASSETS		
Property, plant and equipment	25,865	23,886
Investment properties	11,632	11,632
Intangible assets	7,320	7,859
Investments	487,221	473,621
Financial assets at fair value through profit or loss	230,202	201,800
Held-to-maturity financial assets	38,911	-
Available-for-sale financial assets	161,067	216,335
Loans and receivables	57,041	55,486
Associated companies	60,822	56,314
Reinsurance assets	280,168	212,743
Insurance receivables	78,059	68,804
Trade and other receivables	257,477	257,590
Tax recoverable	3,267	3,617
Deferred tax assets	563	558
Cash and cash equivalents	184,587	141,717
Assets classified as held for sale	-	1,015
TOTAL ASSETS	1,396,981	1,259,356
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	725,036	600,929
Investment contract liabilities	10,922	11,289
Borrowings		
- Bank overdrafts (unsecured)	4,465	4,335
Insurance payables	129,204	101,543
Trade and other payables	84,980	74,659
Current tax liabilities	8,442	6,373
Deferred tax liabilities	5,334	6,110
TOTAL LIABILITIES	968,383	805,238
EQUITY		
Share capital	304,354	304,354
Retained earnings	95,693	118,734
Reserves	4,458	4,316
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	404,505	427,404
Non-controlling interests	24,093	26,714
TOTAL EQUITY	428,598	454,118
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,396,981	1,259,356
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.33	1.40

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2013

	3 months ended		6 months ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	158,955	136,779	290,473	240,109
- Discontinued operations	-	5,882	-	14,610
	<u>158,955</u>	<u>142,661</u>	<u>290,473</u>	<u>254,719</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	136,875	119,409	249,950	208,665
Premiums/contributions ceded to reinsurers/retakaful	(62,271)	(40,031)	(112,399)	(79,131)
Net earned premiums/contributions	<u>74,604</u>	<u>79,378</u>	<u>137,551</u>	<u>129,534</u>
Investment income	7,242	5,361	13,028	10,138
Realised gains and losses	7,919	2,135	10,915	6,187
Fair value gains and losses	3,867	2,453	(579)	4,001
Fee and commission income	14,647	9,313	26,282	18,147
Other operating revenue from non-insurance businesses	14,838	12,009	27,495	21,306
Other revenue	<u>48,513</u>	<u>31,271</u>	<u>77,141</u>	<u>59,779</u>
Gross benefits and claims paid	(50,710)	(49,556)	(91,495)	(85,334)
Claims ceded to reinsurers/retakaful	15,424	22,099	31,465	36,959
Gross change to contract liabilities	(30,427)	1,790	(60,876)	(1,382)
Change in contract liabilities ceded to reinsurers/retakaful	25,231	679	48,807	8,797
Net insurance/takaful benefits and claims	<u>(40,482)</u>	<u>(24,988)</u>	<u>(72,099)</u>	<u>(40,960)</u>
Fee and commission expense	(26,823)	(25,427)	(51,029)	(48,526)
Management expenses	(33,685)	(27,621)	(63,270)	(55,636)
Other operating income/(expenses) - net	(4,928)	(7,262)	(8,732)	9,090
Finance costs	(100)	(100)	(197)	(210)
Other expenses	<u>(65,536)</u>	<u>(60,410)</u>	<u>(123,228)</u>	<u>(95,282)</u>
Share of profit/ (loss) of associate companies, net of tax	195	(2,517)	1,678	(859)
	<u>17,294</u>	<u>22,734</u>	<u>21,043</u>	<u>52,212</u>
Taxation of life insurance, general takaful and family takaful businesses	(1,147)	(73)	(1,765)	(1,077)
Surplus after taxation/Profit before taxation	<u>16,147</u>	<u>22,661</u>	<u>19,278</u>	<u>51,135</u>
Surplus retained in life insurance, general takaful and family takaful businesses	(32,757)	(27,019)	(43,644)	(43,366)
Profit/(loss) before taxation	<u>(16,610)</u>	<u>(4,358)</u>	<u>(24,366)</u>	<u>7,769</u>
Taxation	(1,070)	(595)	(1,296)	(852)
Profit/(loss) from continuing operations	<u>(17,680)</u>	<u>(4,953)</u>	<u>(25,662)</u>	<u>6,917</u>
DISCONTINUED OPERATIONS				
Profit before taxation	-	30,892	-	31,350
Taxation	-	22	-	(153)
Profit from discontinued operations	<u>-</u>	<u>30,914</u>	<u>-</u>	<u>31,197</u>
Profit/(loss) for the financial quarter/period	<u>(17,680)</u>	<u>25,961</u>	<u>(25,662)</u>	<u>38,114</u>
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	(15,807)	24,780	(23,041)	36,600
Non-controlling interests	(1,873)	1,181	(2,621)	1,514
	<u>(17,680)</u>	<u>25,961</u>	<u>(25,662)</u>	<u>38,114</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	(5.19)	(2.02)	(7.57)	1.78
- Discontinued operations	-	10.16	-	10.25
	<u>(5.19)</u>	<u>8.14</u>	<u>(7.57)</u>	<u>12.03</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 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2013

	3 months ended		6 months ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial quarter/period	(17,680)	25,961	(25,662)	38,114
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	(728)	4,874	(203)	4,460
Fair value gain/(loss) of available-for-sale financial assets, net of tax	752	(1,146)	345	(1,613)
Other comprehensive income/(loss) for the financial quarter/period, net of tax	24	3,728	142	2,847
Total comprehensive income/(loss) for the financial quarter/period	(17,656)	29,689	(25,520)	40,961
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	(15,783)	28,508	(22,899)	39,447
Non-controlling interests	(1,873)	1,181	(2,621)	1,514
	(17,656)	29,689	(25,520)	40,961
Total comprehensive income/(loss) for the financial quarter/period attributable to attributable to owners of the Company:				
- Continuing operations	(15,783)	(2,406)	(22,899)	8,250
- Discontinued operations	-	30,914	-	31,197
	(15,783)	28,508	(22,899)	39,447

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2013

	Attributable to owners of the Company							Total equity RM'000
	Share capital RM'000	Foreign exchange reserves RM'000	Non-distributable		Distributable		Non-controlling interests RM'000	
			Available-for-sale reserves RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000		
2013								
As at 1 January 2013	304,354	(2,464)	6,565	215	118,734	427,404	26,714	454,118
Loss for the financial period	-	-	-	-	(23,041)	(23,041)	(2,621)	(25,662)
Other comprehensive income/(loss)	-	(203)	345	-	-	142	-	142
Total comprehensive income/(loss) for the financial period	-	(203)	345	-	(23,041)	(22,899)	(2,621)	(25,520)
As at 30 June 2013	304,354	(2,667)	6,910	215	95,693	404,505	24,093	428,598
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	-	-	-	-	(32,784)	(32,784)	(7,555)	(40,339)
- restated	304,354	(6,414)	5,798	-	76,257	379,995	27,972	407,967
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	-	112,857	419,442	29,486	448,928

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 2012.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2013**

	6 months ended	
	30 June 2013	30 June 2012
	RM'000	RM'000
(Loss)/profit for the financial year from continuing operations	(25,662)	6,917
General takaful and family takaful funds surplus after taxation	43,008	43,366
Investment income	(13,028)	(10,138)
Realised gains and losses	(10,915)	(6,187)
Fair value gains and losses	579	(4,001)
Finance costs	197	210
Purchases of financial assets	(58,993)	(42,441)
Proceeds from disposal of financial assets	57,511	16,178
(Increase)/decrease in loans and receivables	(998)	1,425
Non-cash items:		
Depreciation of property, plant and equipment	1,902	1,087
Amortisation of intangible assets	863	911
Property, plant and equipment written off	8	601
Allowance for impairment loss on trade and other receivables	130	145
Allowance for impairment loss on insurance receivables	43	856
Tax expenses	3,061	1,929
Changes in working capital:		
Increase in reinsurance assets	(67,425)	(13,648)
(Increase)/decrease in insurance receivables	(9,298)	19,009
Decrease/(increase) in trade and other receivables	697	(21,593)
Increase in insurance contract liabilities	81,099	12,194
Decrease in investment contract liabilities	(367)	(3,494)
Increase/(decrease) in insurance payables	27,661	(4,102)
Increase/(decrease) in trade and other payables	10,321	(18,912)
Cash generated from/(utilised in) operating activities	40,394	(19,689)
Investment income received	10,727	7,714
Finance costs paid	(197)	(210)
Income tax paid	(2,135)	(281)
Net cash inflow/(outflow) from operating activities - continuing operations	48,789	(12,466)
Net cash inflow from operating activities - discontinued operations	-	26,900
Investing activities:		
Proceeds from disposal of property, plant and equipment	135	44
Purchase of property, plant and equipments	(3,030)	(8,585)
Purchase of intangible assets	(324)	(483)
Net cashinflow from disposal of discontinued operations	-	33,865
Increase in investment in associated companies	(2,830)	-
Net cash (outflow)/ inflow from investing activities - continuing operations	(6,049)	24,841
Net cash outflow from investing activities - discontinued operations	-	(197)
Net increase in cash and cash equivalents - continuing operations	42,740	12,375
Net increase in cash and cash equivalents - discontinued operations	-	26,703
Cash and cash equivalents at beginning of financial year	137,382	168,020
Cash and cash equivalents at end of financial period	180,122	207,098

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2013**

(continued)

	6 months ended	
	30 June 2013	30 June 2012
	RM'000	RM'000
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	173,471	152,792
Cash and bank balance	<u>11,116</u>	<u>21,655</u>
	184,587	174,447
Bank overdrafts	<u>(4,465)</u>	<u>(4,518)</u>
	180,122	169,929
Assets classified as held for sales	-	37,169
	<u>180,122</u>	<u>207,098</u>

The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.