

MAA GROUP BERHAD (471403-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2013

	31 December 2013	31 December 2012
	RM'000	(Audited) RM'000
ASSETS		
Property, plant and equipment	21,996	23,886
Investment properties	12,500	11,632
Intangible assets	2,855	7,859
Investments	659,882	473,621
Financial assets at fair value through profit or loss	302,335	201,800
Held-to-maturity financial assets	40,043	-
Available-for-sale financial assets	209,613	216,335
Loans and receivables	107,891	55,486
Associated companies	63,971	56,314
Reinsurance assets	260,932	212,743
Insurance receivables	58,584	68,804
Trade and other receivables	122,910	257,590
Tax recoverable	2,773	3,617
Deferred tax assets	47	558
Cash and cash equivalents	184,531	141,717
Assets classified as held for sale	178	1,015
TOTAL ASSETS	1,391,159	1,259,356
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	691,243	600,929
Investment contract liabilities	4,082	11,289
Borrowings		
- Bank overdrafts (unsecured)	4,715	4,335
Insurance payables	123,180	101,543
Trade and other payables	100,699	74,659
Current tax liabilities	13,333	6,373
Deferred tax liabilities	3,422	6,110
TOTAL LIABILITIES	940,674	805,238
EQUITY		
Share capital	304,354	304,354
Retained earnings	116,798	118,734
Reserves	10,068	4,316
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	431,220	427,404
Non-controlling interests	19,265	26,714
TOTAL EQUITY	450,485	454,118
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,391,159	1,259,356
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.42	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 YEAR ENDED 31 DECEMBER 2013

	3 months ended		12 months ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	RM'000	RM'000	RM'000	(Restated) RM'000
Operating revenue				
- Continuing operations	127,191	128,275	550,424	458,727
- Discontinued operations	12,983	10,706	47,155	54,317
	<u>140,174</u>	<u>138,981</u>	<u>597,579</u>	<u>513,044</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	118,903	120,360	513,393	431,418
Premiums/contributions ceded to reinsurers/retakaful	(42,807)	(68,271)	(206,624)	(188,697)
Net earned premiums/contributions	<u>76,096</u>	<u>52,089</u>	<u>306,769</u>	<u>242,721</u>
Investment income	8,308	5,985	27,569	21,432
Realised gains and losses	13,139	4,130	27,516	15,157
Fair value gains and losses	8,887	8,322	21,542	11,829
Fee and commission income	9,664	9,767	47,502	37,365
Other operating revenue from non-insurance businesses	(20)	1,930	9,462	5,877
Other revenue	<u>39,978</u>	<u>30,134</u>	<u>133,591</u>	<u>91,660</u>
Gross benefits and claims paid	(94,580)	(45,882)	(260,730)	(184,744)
Claims ceded to reinsurers/retakaful	13,490	29,056	67,993	81,893
Gross change to contract liabilities	(31,617)	(100,815)	(68,171)	(113,656)
Change in contract liabilities ceded to reinsurers/retakaful	(2,741)	51,596	26,659	66,590
Net insurance/takaful benefits and claims	<u>(115,448)</u>	<u>(66,045)</u>	<u>(234,249)</u>	<u>(149,917)</u>
Fee and commission expense	(21,798)	(20,413)	(98,359)	(95,662)
Management expenses	(38,637)	(31,729)	(117,868)	(104,661)
Other operating expenses - net	9,381	1,200	9,789	792
Finance costs	(106)	(106)	(406)	(420)
Other expenses	<u>(51,160)</u>	<u>(51,048)</u>	<u>(206,844)</u>	<u>(199,951)</u>
Share of profit/ (loss) of associate companies, net of tax	(760)	663	1,525	(665)
	<u>(51,294)</u>	<u>(34,207)</u>	<u>792</u>	<u>(16,152)</u>
Taxation of life insurance, general takaful and family takaful businesses	(1,288)	(1,921)	(3,202)	(5,804)
Deficit after taxation/loss before taxation	<u>(52,582)</u>	<u>(36,128)</u>	<u>(2,410)</u>	<u>(21,956)</u>
Deficit/(surplus) attributable to participants	61,603	41,137	(6,842)	(9,192)
Profit/(loss) before taxation	<u>9,021</u>	<u>5,009</u>	<u>(9,252)</u>	<u>(31,148)</u>
Taxation	(2,993)	(1,844)	(3,910)	(3,199)
Zakat	(294)	(226)	(294)	(226)
Profit/(loss) from continuing operations	<u>5,734</u>	<u>2,939</u>	<u>(13,456)</u>	<u>(34,573)</u>
DISCONTINUED OPERATIONS				
Profit before taxation	1,481	3,500	18,704	70,316
Taxation	(440)	(232)	(1,180)	(618)
Profit from discontinued operations	<u>1,041</u>	<u>3,268</u>	<u>17,524</u>	<u>69,698</u>
Profit for the financial quarter/year	<u>6,775</u>	<u>6,207</u>	<u>4,068</u>	<u>35,125</u>
Profit/(loss) for the financial quarter/year attributable to:				
Owners of the Company	4,972	4,895	4,912	42,477
Non-controlling interests	1,803	1,312	(844)	(7,352)
	<u>6,775</u>	<u>6,207</u>	<u>4,068</u>	<u>35,125</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	1.29	0.53	(4.14)	(8.94)
- Discontinued operations	0.34	1.07	5.76	22.90
	<u>1.63</u>	<u>1.60</u>	<u>1.62</u>	<u>13.96</u>

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 YEAR ENDED 31 DECEMBER 2013

	3 months ended		12 months ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial quarter/year	6,775	6,207	4,068	35,125
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	2,685	1,072	10,853	3,950
Fair value gain/(loss) of available-for-sale financial assets, net of tax	(2,728)	2,069	(5,101)	767
Fair value gain in revaluation of leasehold lands	-	215	-	215
Other comprehensive income/(loss) for the financial quarter/year, net of tax	(43)	3,356	5,752	4,932
Total comprehensive income for the financial quarter/year	6,732	9,563	9,820	40,057
Total comprehensive income/(loss) for the financial quarter/year attributable to:				
Owners of the Company	4,929	8,251	10,664	47,409
Non-controlling interests	1,803	1,312	(844)	(7,352)
	6,732	9,563	9,820	40,057
Total comprehensive income/(loss) for the financial quarter/year attributable to owners of the Company:				
- Continuing operations	3,888	4,983	(6,860)	(22,289)
- Discontinued operations	1,041	3,268	17,524	69,698
	4,929	8,251	10,664	47,409

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 YEAR ENDED 31 DECEMBER 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
Profit for the financial year	-	-	-	-	4,912	4,912	(844)	4,068
Other comprehensive income/(loss)	-	10,853	(5,101)	-	-	5,752	-	5,752
Total comprehensive income/(loss) for the financial year	-	10,853	(5,101)	-	4,912	10,664	(844)	9,820
Interim dividend paid during the financial year	-	-	-	-	(6,848)	(6,848)	-	(6,848)
Transactions with non-controlling interest	-	-	-	-	-	-	(6,605)	(6,605)
As at 31 December 2013	304,354	8,389	1,464	215	116,798	431,220	19,265	450,485
2012 - Audited								
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 year	-	-	-	-	42,477	42,477	(7,352)	35,125
Other comprehensive income	-	3,950	767	215	-	4,932	-	4,932
Total comprehensive income/(loss) for the financial year	-	3,950	767	215	42,477	47,409	(7,352)	40,057
Transactions with non-controlling interest	-	-	-	-	-	-	6,094	6,094
As at 31 December 2012	304,354	(2,464)	6,565	215	118,734	427,404	26,714	454,118

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 YEAR ENDED 31 DECEMBER 2013**

	12 months ended	
	31 December 2013	31 December 2012
	RM'000	RM'000 (Restated)
Loss for the financial year from continuing operations	(13,456)	(34,573)
General takaful and family takaful funds surplus after taxation	15,717	16,608
Investment income	(27,569)	(21,432)
Realised gains and losses	(27,516)	(15,157)
Fair value gains and losses	(21,542)	(11,829)
Finance costs	406	420
Purchases of financial assets	(114,893)	(185,655)
Proceeds from disposal of financial assets	27,470	133,955
Increase in loans and receivables	(51,379)	(2,469)
Non-cash items:		
Depreciation of property, plant and equipment	3,430	2,794
Amortisation of leases	-	2
Amortisation of intangible assets	1,232	1,495
Property, plant and equipment written off	6	256
Write back of impairment loss on investment in associated companies	(3,666)	-
Allowance for impairment loss on trade and other receivables	2,997	41
Allowance for impairment loss on insurance receivables	6,521	1,546
Bad debts written off	-	166
Tax expenses	7,112	9,003
Changes in working capital:		
Increase in reinsurance assets	(48,189)	(64,815)
Decrease in insurance receivables	3,699	10,440
Decrease/(increase) in trade and other receivables	104,613	(51,776)
Increase in insurance contract liabilities	74,597	101,091
Decrease in investment contract liabilities	(7,207)	(6,467)
Increase in insurance payables	21,637	5,600
Increase in trade and other payables	43,718	8,500
Cash utilised in operating activities	(2,262)	(102,256)
Investment income received	29,523	16,144
Finance costs paid	(406)	(420)
Income tax paid	(7,166)	(3,300)
Dividend paid	(6,848)	-
Net cash inflow/(outflow) from operating activities - continuing operations	12,841	(89,832)
Net cash inflow from operating activities - discontinued operations	4,230	68,277
Investing activities:		
Proceeds from disposal of property, plant and equipment	92	154
Purchase of property, plant and equipments	(3,428)	(16,028)
Purchase of intangible assets	(738)	(1,307)
Net cashinflow from disposal of discontinued operations	32,761	10,984
Increase in investment in associated companies	(2,793)	-
Net cash inflow/(outflow) from investing activities - continuing operations	25,894	(6,197)
Net cash outflow from investing activities - discontinued operations	(531)	(2,886)
Net increase/(decrease) in cash and cash equivalents - continuing operations	38,735	(96,029)
Net increase in cash and cash equivalents - discontinued operations	3,699	65,391
Cash and cash equivalents at beginning of financial year	137,382	168,020
Cash and cash equivalents at end of financial year	179,816	137,382

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2013**

(continued)

	12 months ended	
	31 December 2013	31 December 2012
	RM'000	RM'000 (Restated)
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	169,432	129,828
Cash and bank balance	<u>15,099</u>	<u>11,889</u>
	184,531	141,717
Bank overdrafts	<u>(4,715)</u>	<u>(4,335)</u>
	<u>179,816</u>	<u>137,382</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.