

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2014**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2014

	31 March 2014	31 December 2013 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	21,619	21,843
Investment properties	12,500	12,500
Intangible assets	2,801	3,007
Investments	671,676	658,995
Financial assets at fair value through profit or loss	308,320	294,722
Available-for-sale financial assets	220,529	214,361
Held-to-maturity financial assets	35,042	40,881
Loans and receivables	107,785	109,031
Associates	59,799	61,497
Reinsurance/ratakaful assets	273,177	257,824
Insurance/takaful receivables	80,435	50,922
Trade and other receivables	118,655	107,621
Tax recoverable	939	2,773
Deferred tax assets	172	47
Cash and cash equivalents	206,770	181,840
Assets classified as held for sale	178	178
TOTAL ASSETS	1,448,721	1,359,047
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance/takaful contract liabilities	757,239	677,952
Investment contract liabilities	4,024	4,082
Borrowings		
- Bank overdrafts (unsecured)	4,838	4,715
Insurance/takaful payables	122,353	111,070
Trade and other payables	108,575	104,981
Current tax liabilities	1,782	1,660
Deferred tax liabilities	3,462	3,971
TOTAL LIABILITIES	1,002,273	908,431
EQUITY		
Share capital	304,354	304,354
Retained earnings	117,757	116,594
Reserves	3,923	10,448
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	426,034	431,396
Non-controlling interests	20,414	19,220
TOTAL EQUITY	446,448	450,616
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,448,721	1,359,047
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.40	1.42

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2014**

	3 months ended		3 months ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	174,762	121,470	174,762	121,470
- Discontinued operations	-	10,048	-	10,048
	<u>174,762</u>	<u>131,518</u>	<u>174,762</u>	<u>131,518</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	165,406	113,075	165,406	113,075
Premiums/contributions ceded to reinsurers/retakaful operators	(57,614)	(50,128)	(57,614)	(50,128)
Net earned premiums/contributions	<u>107,792</u>	<u>62,947</u>	<u>107,792</u>	<u>62,947</u>
Investment income	7,494	5,616	7,494	5,616
Realised gains and losses - net	6,405	2,996	6,405	2,996
Fair value gains and losses - net	(1,201)	(5,138)	(1,201)	(5,138)
Fee and commission income	12,955	11,635	12,955	11,635
Other operating revenue from non-insurance businesses	1,862	2,779	1,862	2,779
Other revenue	<u>27,515</u>	<u>17,888</u>	<u>27,515</u>	<u>17,888</u>
Gross benefits and claims paid	(61,030)	(40,785)	(61,030)	(40,785)
Claims ceded to reinsurers/retakaful operators	22,254	16,041	22,254	16,041
Gross change to contract liabilities	(48,206)	(38,102)	(48,206)	(38,102)
Change in contract liabilities ceded to reinsurers/retakaful operators	5,845	24,867	5,845	24,867
Net insurance/takaful benefits and claims	<u>(81,137)</u>	<u>(37,979)</u>	<u>(81,137)</u>	<u>(37,979)</u>
Fee and commission expense	(25,560)	(24,206)	(25,560)	(24,206)
Management expenses	(26,689)	(23,920)	(26,689)	(23,920)
Expenses liabilities	(609)	-	(609)	-
Other operating income - net	11,191	686	11,191	686
Finance costs	(107)	(97)	(107)	(97)
Other expenses	<u>(41,774)</u>	<u>(47,537)</u>	<u>(41,774)</u>	<u>(47,537)</u>
Share of (loss)/profit of associates, net of tax	(1,565)	1,483	(1,565)	1,483
	<u>10,831</u>	<u>(3,198)</u>	<u>10,831</u>	<u>(3,198)</u>
Tax expenses attributable to participants	(1,563)	(618)	(1,563)	(618)
Profit/(loss) before taxation	<u>9,268</u>	<u>(3,816)</u>	<u>9,268</u>	<u>(3,816)</u>
Surplus attributable to participants	(6,566)	(4,525)	(6,566)	(4,525)
Profit/(loss) before taxation	<u>2,702</u>	<u>(8,341)</u>	<u>2,702</u>	<u>(8,341)</u>
Taxation	(345)	(74)	(345)	(74)
Profit/(loss) from continuing operations	<u>2,357</u>	<u>(8,415)</u>	<u>2,357</u>	<u>(8,415)</u>
DISCONTINUED OPERATIONS				
Profit before taxation	-	585	-	585
Taxation	-	(152)	-	(152)
Profit from discontinued operations	<u>-</u>	<u>433</u>	<u>-</u>	<u>433</u>
Profit/(loss) for the financial quarter/period	<u>2,357</u>	<u>(7,982)</u>	<u>2,357</u>	<u>(7,982)</u>
(Loss)/profit for the financial quarter/period attributable to:				
Owners of the Company	1,163	(7,234)	1,163	(7,234)
Non-controlling interests	1,194	(748)	1,194	(748)
	<u>2,357</u>	<u>(7,982)</u>	<u>2,357</u>	<u>(7,982)</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	0.38	(2.52)	0.38	(2.52)
- Discontinued operations	-	0.14	-	0.14
	<u>0.38</u>	<u>(2.38)</u>	<u>0.38</u>	<u>(2.38)</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 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2014

	3 months ended		3 months ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial quarter/period	2,357	(7,982)	2,357	(7,982)
Other comprehensive income/(loss), net of tax				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	(5,433)	525	(5,433)	525
Fair value changes of available-for-sale financial assets, net of tax	(960)	(407)	(960)	(407)
Share of fair value changes of available-for-sale financial assets of associate	(132)	761	(132)	761
Other comprehensive (loss)/income for the financial quarter/period, net of tax	(6,525)	879	(6,525)	879
Total comprehensive loss for the financial quarter/period	(4,168)	(7,103)	(4,168)	(7,103)
Total comprehensive(loss)/ income for the financial quarter/period attributable to:				
Owners of the Company	(5,362)	(6,355)	(5,362)	(6,355)
Non-controlling interests	1,194	(748)	1,194	(748)
	(4,168)	(7,103)	(4,168)	(7,103)
Total comprehensive(loss)/income for the financial quarter/period attributable to owners of the Company:				
- Continuing operations	(5,362)	(6,788)	(5,362)	(6,788)
- Discontinued operations	-	433	-	433
	(5,362)	(6,355)	(5,362)	(6,355)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2014**

	Attributable to owners of the Company					Non-controlling interests	Total equity	
	Share capital	Foreign exchange reserves	Available-for-sale reserves	Revaluation reserves	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2014								
As at 1 January 2014	304,354	8,389	1,844	215	116,594	431,396	19,220	450,616
Profit for the financial period	-	-	-	-	1,163	1,163	1,194	2,357
Other comprehensive loss	-	(5,433)	(1,092)	-	-	(6,525)	-	(6,525)
Total comprehensive income/(loss) for the financial period	-	(5,433)	(1,092)	-	1,163	(5,362)	1,194	(4,168)
As at 31 March 2014	304,354	2,956	752	215	117,757	426,034	20,414	446,448
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	-	-	-	-	(7,234)	(7,234)	(748)	(7,982)
Other comprehensive income/(loss)	-	525	354	-	-	879	-	879
Total comprehensive income/(loss) for the financial period	-	525	354	-	(7,234)	(6,355)	(748)	(7,103)
As at 31 March 2013	304,354	(1,939)	6,919	215	111,500	421,049	25,966	447,015

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 2013.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2014**

	3 months ended	
	31 March 2014	31 March 2013
	RM'000	RM'000
Profit/(loss) for the financial period from continuing operations	2,357	(8,415)
Investment income	(7,494)	(5,616)
Realised gains and losses - net	(6,405)	(2,996)
Fair value gains and losses - net	1,201	5,138
Allowance for impairment loss on available-for-sale financial assets	270	-
Allowance for/(write back of) impairment loss on loans and receivables	155	(692)
Finance costs	107	97
Purchases of financial assets	(10,334)	(8,815)
Proceeds from disposal of financial assets	6,405	49,571
Non-cash items:		
Depreciation of property, plant and equipment	850	826
Amortisation of leases	8	7
Amortisation of intangible assets	366	250
Allowance for impairment loss on insurance receivables	774	13
Write back of impairment loss on trade and other receivables	(65)	(7)
Bad debts recovered	(25)	(82)
Unrealised foreign exchange (gain)/loss	(2,113)	55
Share of loss/(profit) of associates	1,565	(1,483)
Tax expenses	1,908	692
Changes in working capital:		
Decrease/(increase) in loans and receivables	1,091	(7,061)
Increase in reinsurance/retakaful assets	(15,353)	(35,911)
Increase in insurance/takaful receivables	(30,287)	(14,763)
(Increase)/decrease in trade and other receivables	(17,750)	12,730
Increase in insurance/contract liabilities	79,287	40,665
Decrease in investment contract liabilities	(58)	(101)
Increase in insurance payables	11,283	12,680
Increase in trade and other payables	3,594	3,873
Cash utilised in operating activities	<u>21,337</u>	<u>40,655</u>
Investment income received	2,429	3,524
Finance costs paid	(22)	(97)
Income tax recovered/(paid)	1,856	(1,030)
Net cash inflow from operating activities - continuing operations	<u>25,600</u>	<u>43,052</u>
Net cash inflow from operating activities - discontinued operations	<u>-</u>	<u>642</u>
Investing activities:		
Purchase of property, plant and equipments	(633)	(1,757)
Purchase of intangible assets	(160)	(11)
Net cash outflow from investing activities - continuing operations	<u>(793)</u>	<u>(1,768)</u>
Net increase in cash and cash equivalents - continuing operations	24,807	41,284
Net increase in cash and cash equivalents - discontinued operations	-	642
Cash and cash equivalents at beginning of financial year	177,125	137,382
Cash and cash equivalents at end of financial period	<u>201,932</u>	<u>179,308</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2014**

(continued)

	3 months ended	
	31 March 2014	31 March 2013
	RM'000	RM'000
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	189,189	172,540
Cash and bank balance	<u>17,581</u>	<u>11,116</u>
	206,770	183,656
Bank overdrafts	<u>(4,838)</u>	<u>(4,348)</u>
	<u>201,932</u>	<u>179,308</u>