

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2014**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2014

	30 June 2014	31 December 2013 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	21,201	21,843
Investment properties	12,500	12,500
Intangible assets	2,724	3,007
Investments	610,336	658,995
Financial assets at fair value through profit or loss	329,833	294,722
Available-for-sale financial assets	211,313	214,361
Held-to-maturity financial assets	40,042	40,881
Loans and receivables	29,148	109,031
Associates	64,160	61,497
Reinsurance/retakaful assets	277,620	257,824
Insurance/takaful receivables	99,889	50,922
Trade and other receivables	126,162	107,621
Tax recoverable	903	2,773
Deferred tax assets	142	47
Cash and cash equivalents	317,870	181,840
Assets classified as held for sale	178	178
TOTAL ASSETS	1,533,685	1,359,047
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance/takaful contract liabilities	803,514	677,952
Investment contract liabilities	192	4,082
Borrowings		
- Bank overdrafts (unsecured)	4,965	4,715
Insurance/takaful payables	149,515	111,070
Trade and other payables	123,376	104,981
Current tax liabilities	3,759	1,660
Deferred tax liabilities	3,971	3,971
TOTAL LIABILITIES	1,089,292	908,431
EQUITY		
Share capital	304,354	304,354
Retained earnings	107,978	116,594
Reserves	12,207	10,448
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	424,539	431,396
Non-controlling interests	19,854	19,220
TOTAL EQUITY	444,393	450,616
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,533,685	1,359,047
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.39	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 30 JUNE 2014**

	3 months ended		6 months ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	160,967	146,996	335,729	268,466
- Discontinued operations	-	11,959	-	22,007
	<u>160,967</u>	<u>158,955</u>	<u>335,729</u>	<u>290,473</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	150,475	136,875	315,881	249,950
Premiums/contributions ceded to reinsurers/retakaful operators	(42,294)	(62,271)	(99,908)	(112,399)
Net earned premiums/contributions	<u>108,181</u>	<u>74,604</u>	<u>215,973</u>	<u>137,551</u>
Investment income	8,386	6,978	15,880	12,594
Realised gains and losses - net	3,550	7,952	9,955	10,948
Fair value gains and losses - net	5,418	4,861	4,217	(277)
Fee and commission income	10,158	14,647	23,113	26,282
Other operating revenue from non-insurance businesses	2,106	3,143	3,968	5,922
Other revenue	<u>29,618</u>	<u>37,581</u>	<u>57,133</u>	<u>55,469</u>
Gross benefits and claims paid	(87,096)	(50,710)	(148,126)	(91,495)
Claims ceded to reinsurers/retakaful operators	33,753	15,424	56,007	31,465
Gross change to contract liabilities	(35,106)	(50,233)	(83,312)	(88,335)
Change in contract liabilities ceded to reinsurers/retakaful operators	(2,051)	25,511	3,794	50,378
Net insurance/takaful benefits and claims	<u>(90,500)</u>	<u>(60,008)</u>	<u>(171,637)</u>	<u>(97,987)</u>
Fee and commission expense	(25,210)	(26,823)	(50,770)	(51,029)
Management expenses	(28,134)	(25,568)	(54,823)	(49,488)
Expenses liabilities	(333)	-	(942)	-
Other operating income/(expenses) - net	6,651	(2,940)	17,842	(2,254)
Finance costs	(111)	(100)	(218)	(197)
Other expenses	<u>(47,137)</u>	<u>(55,431)</u>	<u>(88,911)</u>	<u>(102,968)</u>
Share of profit of associates, net of tax	1,905	195	340	1,678
	<u>2,067</u>	<u>(3,059)</u>	<u>12,898</u>	<u>(6,257)</u>
Tax expenses attributable to participants	(1,741)	(1,147)	(3,304)	(1,765)
	<u>326</u>	<u>(4,206)</u>	<u>9,594</u>	<u>(8,022)</u>
Surplus attributable to participants	101	(13,231)	(6,465)	(17,756)
Profit/(loss) before taxation	<u>427</u>	<u>(17,437)</u>	<u>3,129</u>	<u>(25,778)</u>
Taxation	(35)	(861)	(380)	(935)
Profit/(loss) from continuing operations	<u>392</u>	<u>(18,298)</u>	<u>2,749</u>	<u>(26,713)</u>
DISCONTINUED OPERATIONS				
Profit before taxation	-	827	-	1,412
Taxation	-	(209)	-	(361)
Profit from discontinued operations	<u>-</u>	<u>618</u>	<u>-</u>	<u>1,051</u>
Profit/(loss) for the financial quarter/period	<u>392</u>	<u>(17,680)</u>	<u>2,749</u>	<u>(25,662)</u>
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	796	(15,807)	1,959	(23,041)
Non-controlling interests	(404)	(1,873)	790	(2,621)
	<u>392</u>	<u>(17,680)</u>	<u>2,749</u>	<u>(25,662)</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	0.26	(5.40)	0.64	(7.92)
- Discontinued operations	-	0.20	-	0.35
	<u>0.26</u>	<u>(5.20)</u>	<u>0.64</u>	<u>(7.57)</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 30 JUNE 2014**

	3 months ended		6 months ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial quarter/period	392	(17,680)	2,749	(25,662)
Other comprehensive income/(loss), net of tax				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	5,659	(728)	226	(203)
Fair value changes of available-for-sale financial assets, net of tax	168	752	(792)	345
Share of fair value changes of available-for-sale financial assets of associate	2,457	(2,709)	2,325	(1,948)
Other comprehensive income/(loss) for the financial quarter/period, net of tax	8,284	(2,685)	1,759	(1,806)
Total comprehensive income/(loss) for the financial quarter/period	8,676	(20,365)	4,508	(27,468)
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	9,080	(18,492)	3,718	(24,847)
Non-controlling interests	(404)	(1,873)	790	(2,621)
	8,676	(20,365)	4,508	(27,468)
Total comprehensive income/(loss) for the financial quarter/period attributable to owners of the Company:				
- Continuing operations	9,080	(19,110)	3,718	(25,898)
- Discontinued operations	-	618	-	1,051
	9,080	(18,492)	3,718	(24,847)

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 30 JUNE 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	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	-	-	-	-	1,959	1,959	790	2,749
Other comprehensive income	-	226	1,533	-	-	1,759	-	1,759
Total comprehensive income for the financial period	-	226	1,533	-	1,959	3,718	790	4,508
Interim dividend paid during the financial period	-	-	-	-	(9,131)	(9,131)	-	(9,131)
Dilution arising from increase in shareholding arising the acquisition of additional shares in subsidiaries	-	-	-	-	(1,444)	(1,444)	-	(1,444)
Transactions with non-controlling interests	-	-	-	-	-	-	(156)	(156)
As at 30 June 2014	304,354	8,615	3,377	215	107,978	424,539	19,854	444,393
			-		-	-	-	-
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 loss	-	(203)	(1,603)	-	-	(1,806)	-	(1,806)
Total comprehensive loss for the financial period	-	(203)	(1,603)	-	(23,041)	(24,847)	(2,621)	(27,468)
As at 30 June 2013	304,354	(2,667)	4,962	215	95,693	402,557	24,093	426,650

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 30 JUNE 2014**

	6 months ended	
	30 June 2014	30 June 2013
	RM'000	RM'000
Profit/(loss) for the financial period from continuing operations	2,749	(26,713)
Investment income	(15,880)	(12,594)
Realised gains and losses - net	(9,955)	(10,948)
Fair value gains and losses - net	(4,217)	277
Allowance for impairment loss on available-for-sale financial assets	-	858
Write back of impairment loss on loans and receivables	(2,268)	(557)
Finance costs	218	197
Purchases of financial assets	(16,481)	(58,993)
Proceeds from disposal of financial assets	9,851	57,511
Non-cash items:		
Depreciation of property, plant and equipment	1,720	1,689
Amortisation of leases	15	14
Amortisation of intangible assets	641	623
Allowance for impairment loss on insurance receivables	1,519	43
(Write back of)/allowance for impairment loss on trade and other receivable:	(98)	130
Bad debts recovered	(45)	(105)
Unrealised foreign exchange (gain)/loss	(2,187)	2,105
Share of profit of associates	(340)	(1,678)
Tax expenses	3,684	2,700
Changes in working capital:		
Decrease/(increase) in loans and receivables	82,151	(998)
Increase in reinsurance/retakaful assets	(19,796)	(67,425)
Increase in insurance/takaful receivables	(50,486)	(9,298)
(Increase)/decrease in trade and other receivables	(17,897)	43,370
Increase in insurance/contract liabilities	125,562	81,099
Decrease in investment contract liabilities	(3,890)	(367)
Increase in insurance payables	38,445	27,661
Increase in trade and other payables	18,395	10,321
Cash generated from operating activities	141,410	38,922
Investment income received	5,354	10,727
Finance costs paid	(218)	(197)
Income tax paid	(288)	(2,135)
Dividend paid	(9,131)	-
Net cash inflow from operating activities - continuing operations	137,127	47,317
Net cash inflow from operating activities - discontinued operations	-	1,472
Investing activities:		
Purchase of property, plant and equipments	(1,119)	(3,030)
Proceeds from disposal of property, plant and equipments	130	135
Purchase of intangible assets	(358)	(324)
Increase in investment in associates	-	(2,830)
Net cash outflow from investing activities - continuing operations	(1,347)	(6,049)
Net increase in cash and cash equivalents - continuing operations	135,780	41,268
Net increase in cash and cash equivalents - discontinued operations	-	1,472
Cash and cash equivalents at beginning of financial year	177,125	137,382
Cash and cash equivalents at end of financial period	312,905	180,122

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2014**

(continued)

	6 months ended	
	30 June 2014	30 June 2013
	<u>RM'000</u>	<u>RM'000</u>
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	278,650	172,545
Cash and bank balance	<u>39,220</u>	<u>12,042</u>
	317,870	184,587
Bank overdrafts	<u>(4,965)</u>	<u>(4,465)</u>
	<u>312,905</u>	<u>180,122</u>

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