

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134: INTERIM FINANCIAL REPORTING**

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements ("Interim Reports") are unaudited and have been prepared in accordance with the requirements of MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These unaudited Interim Reports should be read in conjunction with the Group's consolidated audited annual financial statements for the financial year ended 31 December 2013. The explanatory notes attached to these Interim Reports provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

A2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Group in these Interim Reports are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2013, except for the adoption of the following amendments to MFRSs and Issue Committee ("IC") interpretations issued by MASB that are effective and applicable to the Group.

Effective beginning on or after 1 January 2014

- | | |
|--------------------------|---|
| • Amendments to MFRS 10 | Consolidated Financial Statements: Investment Entities |
| • Amendments to MFRS 12 | Disclosure of Interests in Other Entities: Investment Entities |
| • Amendments to MFRS 127 | Separate Financial Statements: Investment Entities |
| • Amendments to MFRS 132 | Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities |
| • Amendments to MFRS 136 | Impairment of Assets – Recoverable Amount disclosures for Non-Financial Assets |
| • IC Interpretation 21 | Levies |

The adoption of the above amendments to MFRSs and IC interpretations does not have any material impact to the current financial period's financial statements of the Group.

The following MFRSs, amendments and improvements to MFRSs and IC interpretations have been issued by MASB and are not yet effective for adoption by the Group:

Effective for financial periods beginning on or after 1 July 2014

- Amendments to MFRS 119 Defined Benefits Plans – Employees Contributions
- Annual improvements to MFRS 2010 -2012 Cycle
- Annual improvements to MFRS 2011 -2013 Cycle

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

A2. CHANGES IN ACCOUNTING POLICIES (continued)

Effective date yet to be determined by MASB

- MFRS 9 Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities

The Group will adopt the above MFRSs, amendments and improvements to MFRs and interpretations when they become effective in the respective financial periods. These MFRSs, amendments and improvements to MFRs and interpretations are not expected to have any material impact to the financial statements of the Group upon their first adoption.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operations for the current financial quarter and period ended 30 September 2014 were not significantly affected by any seasonal or cyclical factors.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the current financial quarter and period ended 30 September 2014.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect in the current financial quarter and period ended 30 September 2014.

A6. DEBT AND EQUITY SECURITIES

During the current financial quarter and period ended 30 September 2014, the Company has repurchased a total 100,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.67 per share. The total consideration paid for the share buy-back including transaction costs amounted to RM68,094 and was financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 September 2014, the total number of treasury shares held was 100,000 ordinary shares.

Other than above, there were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and period ended 30 September 2014.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

A7. DIVIDEND PAID

During the current financial period ended 30 September 2014, the following dividend payments were made:

- (a) a first interim gross dividend of 3 sen per share under the single-tier dividend system totaling RM9,131,000 on 18 April 2014 in respect of the financial year ending 31 December 2014; and
- (b) a second interim gross dividend of 3 sen per share under the single-tier dividend system totaling RM9,131,000 on 31 July 2014 in respect of the financial year ending 31 December 2014.

A8. SEGMENTAL INFORMATION

The Group has five (5) operating segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they employ different technology and marketing strategies. The operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee of the Company (the chief operating decision maker). The following summary describes the operations in each of the Group's operating segments:

- Life insurance - underwriting life insurance business, including investment-linked business
- General insurance - underwriting all classes of general insurance business
- Family takaful business - underwriting family takaful business
- General takaful business - underwriting general takaful business
- Shareholders' fund of the insurance and takaful businesses

Other segments comprise investment holding, hire purchase, leasing and other credit activities, property management, consultancy services and education services.

There have been no material changes in total assets, the basis of segmentation and the basis of measurement of segment profit or loss from the last annual financial statements.

MAA GROUP BERHAD (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**A8. SEGMENTAL INFORMATION (continued)**

	Insurance			Takaful			Unit trust fund management	All other segments			Total	Inter-segment elimination	Group total
	Life insurance	General insurance	Shareholders' fund	General takaful	Family takaful	Shareholders' fund							
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Discontinued RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 30 September 2014													
External revenue	-	146	90	84,914	96,883	1,039	-	4,863	-	187,935	-	-	187,935
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	-	146	90	84,914	96,883	1,039	-	4,863	-	187,935	-	-	187,935
Profit/(loss) by segments	16	611	(525)	2,525	4,036	630	-	(3,735)	12,500	16,058	-	-	16,058
Tax expenses attributable to participants	-	-	-	(850)	(24)	-	-	-	-	(874)	-	-	(874)
(Surplus)/deficit attributable to participants	16	611	(525)	1,675	4,012	630	-	(3,735)	12,500	15,184	-	-	15,184
	(16)	-	-	(837)	(4,012)	-	-	-	-	(4,865)	-	-	(4,865)
Share of profit of associates not included in reportable segments	-	611	(525)	838	-	630	-	(3,735)	12,500	10,319	-	-	10,319
										266	-	-	266
Profit before taxation (*)										10,585	-	-	10,585

(*) consist of profit before taxation from:

	RM'000
- Continuing	(1,915)
- Discontinued	12,500
	<u>10,585</u>

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**A8. SEGMENTAL INFORMATION (continued)**

	Insurance			Takaful			Unit trust fund management	All other segments			Total	Inter-segment elimination	Group total
	Life insurance	General insurance	Shareholders' fund	General takaful	Family takaful	Shareholders' fund							
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Discontinued RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000	RM'000
9 months period ended 30 September 2014													
External revenue	53	(230)	359	207,243	299,118	2,857	-	14,263	2	523,665	-	-	523,665
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	53	(230)	359	207,243	299,118	2,857	-	14,263	2	523,665	-	-	523,665
Profit/(loss) by segments	209	10,496	(1,843)	6,464	10,945	(3,589)	-	(6,549)	12,483	28,616	-	-	28,616
Tax expenses attributable to participants	-	-	-	(2,245)	(1,933)	-	-	-	-	(4,178)	-	-	(4,178)
(Surplus)/deficit attributable to participants	209	10,496	(1,843)	4,219	9,012	(3,589)	-	(6,549)	12,483	24,438	-	-	24,438
(Surplus)/deficit attributable to participants	(209)	-	-	(2,109)	(9,012)	-	-	-	-	(11,330)	-	-	(11,330)
Share of profit of associates not included in reportable segments	-	10,496	(1,843)	2,110	-	(3,589)	-	(6,549)	12,483	13,108	-	-	13,108
Profit before taxation (*)										606			606
										13,714	-	-	13,714

(*) consist of profit before taxation from:

	RM'000
- Continuing	1,231
- Discontinued	12,483
	<u>13,714</u>

MAA GROUP BERHAD (471403-A)

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014
A8. SEGMENTAL INFORMATION (continued)

	Insurance			Takaful			Unit trust fund management	All other segments			Total	Inter-segment elimination	Group total
	Life insurance	General insurance	Shareholders' fund	General takaful	Family takaful	Shareholders' fund							
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Discontinued RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 30 September 2013													
External revenue	59	5,198	315	61,672	81,479	1,006	12,166	5,037	-	166,932	-	-	166,932
Inter-segment revenue	-	-	-	-	-	-	-	93	-	93	(93)	-	-
Total operating revenue	59	5,198	315	61,672	81,479	1,006	12,166	5,130	-	167,025	(93)	-	166,932
Profit/(loss) by segments	55	(5,833)	(314)	2,284	(875)	(1,008)	1,038	11,713	14,770	21,830	-	-	21,830
Tax expenses attributable to participants	-	-	-	149	(298)	-	-	-	-	(149)	-	-	(149)
(Surplus)/deficit attributable to participants	55	(5,833)	(314)	2,433	(1,173)	(1,008)	1,038	11,713	14,770	21,681	-	-	21,681
	(55)	-	-	(90)	1,173	-	-	-	-	1,028	-	-	1,028
Share of profit of associates not included in reportable segments	-	(5,833)	(314)	2,343	-	(1,008)	1,038	11,713	14,770	22,709	-	-	22,709
										607	-	-	607
Profit before taxation (*)										23,316	-	-	23,316

(*) consist of profit before taxation from:

	RM'000
- Continuing	7,508
- Discontinued	15,808
	<u>23,316</u>

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**A8. SEGMENTAL INFORMATION (continued)**

	Insurance			Takaful			Unit trust fund management	All other segments		Total	Inter-segment elimination	Group total
	Life insurance	General insurance	Share-holders' fund	General takaful	Family takaful	Share-holders' fund		Discontinued	Continuing			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months period ended 30 September 2013												
External revenue	167	29,346	1,063	163,221	213,454	2,887	34,173	13,092	2	457,405	-	457,405
Inter-segment revenue	-	-	-	-	-	-	-	182	-	182	(182)	-
Total operating revenue	167	29,346	1,063	163,221	213,454	2,887	34,173	13,274	2	457,587	(182)	457,405
(Loss)/profit by segments	(27)	(26,491)	(1,042)	1,715	8,538	1,915	2,450	3,441	14,767	5,266	-	5,266
Tax expenses attributable to participants	-	-	-	-	(1,914)	-	-	-	-	(1,914)	-	(1,914)
Deficit/(surplus) attributable to participants	(27)	(26,491)	(1,042)	1,715	6,624	1,915	2,450	3,441	14,767	3,352	-	3,352
Share of profit of associates not included in reportable segments	27	-	-	(90)	(6,624)	-	-	-	-	(6,687)	-	(6,687)
Loss before taxation (*)	-	(26,491)	(1,042)	1,625	-	1,915	2,450	3,441	14,767	(3,335)	-	(3,335)
										2,285	-	2,285
										(1,050)	-	(1,050)

(*) consist of (loss)/profit before taxation from:

	RM'000
- Continuing	(18,267)
- Discontinued	17,217
	<u>(1,050)</u>

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

A9. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the financial period ended 30 September 2014 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 21 April 2014, Pusat Tiusyen Kasturi Sdn Bhd and Keris Murni Sdn Bhd became wholly owned subsidiary companies of the Group as stated in note B10(c) of this report.
- (b) On 3 July 2014, Chelsea Parking Services Sdn Bhd ceased to be a subsidiary of the Group as stated in note B10(d) of this report.
- (c) On 2 October 2014, Nilam Timur Sdn Bhd ceased to be a subsidiary company of the Group as stated in note B10(e) of this report.

A11. CARRYING AMOUNT OF REVALUED ASSETS

Investment properties of the Group had been carried at revalued amount at the financial year ended 31 December 2013. These revalued amounts have been carried forward to the current financial period ended 30 September 2014.

A12. CONTINGENCIES

In the normal course of business, the insurance and takaful subsidiaries of the Company incur certain liabilities in the form of performance bonds and guarantees on behalf of customers. No material losses are anticipated as a result of these transactions.

Details of the Group's contingent liabilities are as follows:

	As at 30.9.2014	As at 31.12.2013
	RM'000	RM'000
Performance bonds and guarantees	24,883	24,183

A13. CAPITAL COMMITMENTS

The Group's capital commitments not provided for in these Interim Reports is as follows:

	As at 30.9.2014
	RM'000
Authorised and contracted for:	
- Office renovation	440

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

**A14. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY FUNDS (UNAUDITED)
AS AT 30 SEPTEMBER 2014**

	Shareholders' fund	General fund	Life fund	General takaful fund	Family takaful fund	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property, plant and equipment	20,331	59	-	-	-	20,390
Investment properties	12,500	-	-	-	-	12,500
Intangible assets	2,679	-	-	-	-	2,679
Investments	150,071	1,398	-	64,171	386,940	602,580
Financial assets at fair value through profit of loss	14,967	-	-	-	325,231	340,198
Available-for-sale financial assets	126,737	1,398	-	49,164	36,666	213,965
Held-to-maturity financial assets	-	-	-	15,000	25,042	40,042
Loans and receivables	8,367	-	-	7	1	8,375
Associates	64,493	-	-	-	-	64,493
Reinsurance/retakaful assets	-	16,357	-	256,034	1,754	274,145
Insurance/takaful receivables	-	52,300	-	54,164	1,265	107,729
Trade and other receivables	61,017	104	-	1,166	11,631	73,918
Tax recoverable	775	-	-	-	-	775
Deferred tax assets	-	-	-	18	-	18
Cash and cash equivalents	223,555	1,836	1,854	38,041	77,155	342,441
Asset classified as held for sale	176	-	-	-	-	176
Total assets	535,597	72,054	1,854	413,594	478,745	1,501,844
Equity, policyholders' funds and liabilities						
Liabilities						
Insurance/takaful contract liabilities	-	43,859	-	325,363	460,834	830,056
Investment contract liabilities	-	-	208	-	-	208
Borrowings						
- Bank overdrafts (unsecured)	2,939	-	-	-	-	2,939
Insurance/takaful payables	-	85,279	-	67,400	3,289	155,968
Trade and other payables	37,218	703	410	8,914	10,865	58,110
Current tax liabilities	922	15	-	2,417	2,081	5,435
Deferred tax liabilities	2,145	-	-	-	1,481	3,626
Total liabilities	43,224	129,856	618	404,094	478,550	1,056,342
Equity, policyholders' funds and liabilities						
Share capital	304,354	-	-	-	-	304,354
Retained earnings	107,920	-	-	-	-	107,920
Reserves	12,343	-	-	-	-	12,343
Total equity attributable to the owners of the Company	424,617	-	-	-	-	424,617
Non-controlling interests	20,885	-	-	-	-	20,885
Total equity	445,502	-	-	-	-	445,502
Total equity, policyholders' funds and liabilities						
	488,726	129,856	618	404,094	478,550	1,501,844
Inter-fund balances	46,871	(57,802)	1,236	9,500	195	-

MAA GROUP BERHAD (471403-A)
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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

**A14. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY FUNDS (AUDITED)
AS AT 31 DECEMBER 2013**

	Shareholders' fund	General fund	Life fund	General takaful fund	Family takaful fund	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property, plant and equipment	21,714	129	-	-	-	21,843
Investment properties	12,500	-	-	-	-	12,500
Intangible assets	3,007	-	-	-	-	3,007
Investments	267,717	1,907	3,961	62,397	323,013	658,995
Financial assets at fair value through profit or loss	34,922	-	3,961	-	255,839	294,722
Available-for-sale financial assets	125,525	1,424	-	45,778	41,634	214,361
Held-to-maturity financial assets	-	-	-	15,365	25,516	40,881
Loans and receivables	107,270	483	-	1,254	24	109,031
Associates	61,497	-	-	-	-	61,497
Reinsurance/retakaful assets	-	41,972	-	200,362	15,490	257,824
Insurance/takaful receivables	-	6,706	-	37,940	6,276	50,922
Trade and other receivables	105,181	201	63	407	1,769	107,621
Tax recoverable	2,740	33	-	-	-	2,773
Deferred tax assets	-	-	-	47	-	47
Cash and cash equivalents	119,472	1,337	1,867	19,422	39,742	181,840
Asset classified as held for sale	178	-	-	-	-	178
Total assets	594,006	52,285	5,891	320,575	386,290	1,359,047
Equity, policyholders' funds and liabilities						
Liabilities						
Insurance/takaful contract liabilities	-	71,691	-	254,065	352,196	677,952
Investment contract liabilities	-	-	4,082	-	-	4,082
Borrowings						
- Bank overdrafts (unsecured)	4,715	-	-	-	-	4,715
Insurance/takaful payables	-	57,778	-	50,848	2,444	111,070
Trade and other payables	83,280	2,655	285	9,805	8,956	104,981
Current tax liabilities	366	40	-	173	1,081	1,660
Deferred tax liabilities	2,282	-	-	-	1,689	3,971
Total liabilities	90,643	132,164	4,367	314,891	366,366	908,431
Equity						
Share capital	304,354	-	-	-	-	304,354
Retained earnings	116,594	-	-	-	-	116,594
Reserves	10,448	-	-	-	-	10,448
Total equity attributable to the owners of the Company	431,396	-	-	-	-	431,396
Non-controlling interests	19,220	-	-	-	-	19,220
Total equity	450,616	-	-	-	-	450,616
Total equity, policyholders' funds and liabilities	541,259	132,164	4,367	314,891	366,366	1,359,047
Inter-fund balances	52,747	(79,879)	1,524	5,684	19,924	-

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**A14. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

Continuing Operations

	Shareholders ' fund	General fund	Life fund	General takaful fund	Family takaful fund	Inter-fund elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	17,479	(230)	53	207,243	299,118	-	523,663
Gross earned premiums/contributions	-	(365)	-	204,515	289,020	-	493,170
Premiums/contributions ceded to reinsurers/retakaful operators	-	26	-	(161,660)	(5,881)	-	(167,515)
Net earned premiums/contributions	-	(339)	-	42,855	283,139	-	325,655
Investment income	11,128	135	53	2,728	10,098	-	24,142
Realised gains and losses – net	590	56	-	(65)	15,897	-	16,478
Fair value gains and losses - net	244	-	(389)	-	(2,839)	-	(2,984)
Fee and commission income	-	28	-	34,498	-	-	34,526
Other operating revenue from non-insurance businesses	6,351	-	-	-	-	-	6,351
Wakalah fee from takaful business	111,217	-	-	-	-	(111,217)	-
Other revenue	129,530	219	(336)	37,161	23,156	(111,217)	78,513
Gross benefits and claims paid	-	(44,210)	-	(54,946)	(132,390)	-	(231,546)
Claims ceded to reinsurers/retakaful operators	-	48,787	-	39,778	3,800	-	92,365
Gross change to contract liabilities	-	32,914	489	(50,932)	(89,636)	-	(107,165)
Change in contract liabilities ceded to reinsurers/retakaful operators	-	(29,053)	-	44,047	(4,621)	-	10,373
Net insurance/takaful benefits and claims	-	8,438	489	(22,053)	(222,847)	-	(235,973)
Fee and commission expense	(75,546)	(81)	-	-	-	-	(75,627)
Management expenses	(78,474)	(11,454)	(220)	(1,733)	-	-	(91,881)
Expenses liabilities	(1,832)	-	-	-	-	-	(1,832)
Other operating income/(expenses) - net	14,658	13,713	276	-	(11,052)	-	17,595
Wakalah fee payable to Shareholders' fund	-	-	-	(49,766)	(61,451)	111,217	-
Finance cost	(317)	-	-	-	-	-	(317)
Other (expenses)/income	(141,511)	2,178	56	(51,499)	(72,503)	111,217	(152,062)
Share of profit of associates, net of tax	606	-	-	-	-	-	606
	(11,375)	10,496	209	6,464	10,945	-	16,739
Tax expenses attributable to participants	-	-	-	(2,245)	(1,933)	-	(4,178)
(Loss)/profit before taxation	(11,375)	10,496	209	4,219	9,012	-	12,561
(Surplus)/deficit attributable to participants	-	-	(209)	(2,109)	(9,012)	-	(11,330)
(Loss)/profit before taxation	(11,375)	10,496	-	2,110	-	-	1,231
Taxation	(860)	-	-	-	-	-	(860)
(Loss)/profit for the financial period	(12,235)	10,496	-	2,110	-	-	371

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**A14. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

Discontinued Operations

	Shareholders' fund	Total
	RM'000	RM'000
Operating revenue	<u>2</u>	<u>2</u>
Investment income	2	2
Other revenue	<u>2</u>	<u>2</u>
Management expenses	(20)	(20)
Other operating income- net	12,501	12,501
Other income	<u>12,481</u>	<u>12,481</u>
Profit before taxation	12,483	12,483
Taxation	(1)	(1)
Profit for the financial period	<u>12 482</u>	<u>12 482</u>

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

**A14. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

Continuing Operations

	Shareholders ' fund	General fund	Life fund	General takaful fund	Family takaful fund	Inter-fund elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	17,042	29,346	167	163,221	213,454	-	423,230
Gross earned premiums/contributions	-	29,196	-	160,981	204,313	-	394,490
Premiums/contributions ceded to reinsurers/retakaful operators	-	(24,376)	-	(129,545)	(9,896)	-	(163,817)
Net earned premiums/contributions	-	4,820	-	31,436	194,417	-	230,673
Investment income	7,560	150	167	2,240	9,141	-	19,258
Realised gains and losses – net	3,759	-	4	50	10,564	-	14,377
Fair value gains and losses - net	865	-	225	-	(838)	-	252
Fee and commission income	-	319	-	37,519	-	-	37,838
Other operating revenue from non-insurance businesses	9,482	-	-	-	-	-	9,482
Wakalah fee from takaful business	107,455	-	-	-	-	(107,455)	-
Other revenue	129,121	469	396	39,809	18,867	(107,455)	81,207
Gross benefits and claims paid	-	(38,227)	(68)	(44,945)	(82,910)	-	(166,150)
Claims ceded to reinsurers/retakaful operators	-	15,217	-	31,961	7,325	-	54,503
Gross change to contract liabilities	-	2,447	(101)	(38,900)	(67,823)	-	(104,377)
Change in contract liabilities ceded to reinsurers/retakaful operators	-	(2,256)	-	31,656	6,065	-	35,465
Net insurance/takaful benefits and claims	-	(22,819)	(169)	(20,228)	(137,343)	-	(180,559)
Fee and commission expense	(74,816)	(1,745)	-	-	-	-	(76,561)
Management expenses	(70,327)	(4,157)	(431)	(46)	-	-	(74,961)
Other operating income/(expenses) - net	20,636	(3,059)	177	-	(9,204)	-	8,550
Wakalah fee payable to Shareholders' fund	-	-	-	(49,256)	(58,199)	107,455	-
Finance cost	(300)	-	-	-	-	-	(300)
Other expenses	(124,807)	(8,961)	(254)	(49,302)	(67,403)	107,455	(143,272)
Share of profit of associates, net of tax	2,285	-	-	-	-	-	2,285
	6,599	(26,491)	(27)	1,715	8,538	-	(9,666)
Tax expenses attributable to participants	-	-	-	-	(1,914)	-	(1,914)
Profit/(loss) before taxation	6,599	(26,491)	(27)	1,715	6,624	-	(11,580)
Deficit/(surplus) attributable to participants	-	-	27	(90)	(6,624)	-	(6,687)
Profit/(loss) before taxation	6,599	(26,491)	-	1,625	-	-	(18,267)
Taxation	(918)	-	-	-	-	-	(918)
Profit/(loss) for the financial period	5,681	(26,491)	-	1,625	-	-	(19,185)

**A14. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

Discontinued Operations

	Shareholders' fund	Total
	RM'000	RM'000
Operating revenue	34,175	34,175
Investment income	647	647
Realised gains and losses – net	14,559	14,559
Other operating revenue from non-insurance businesses	33,528	33,528
Other revenue	48,734	48,734
Management expenses	(17,483)	(17,483)
Other operating expenses - net	(14,034)	(14,034)
Other expenses	(31,517)	(31,517)
Profit before taxation	17,217	17,217
Taxation	(739)	(739)
Profit for the financial period	16,478	16,478

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF GROUP PERFORMANCE

In these Interim Reports under review, the discontinued operations for the current financial period ended 30 September 2014 represent a local non-insurance subsidiary company, as announced by the Company in note B10(d) of this report, whereas the discontinued operations for the preceding financial period ended 30 September 2013 represent MAAKL Mutual Berhad which was disposed on 31 December 2013.

Current financial quarter ended 30 September 2014 (3Q-2014) against preceding year's corresponding financial quarter ended 30 September 2013 (3Q-2013)

Operating revenue

The Group recorded an increase of 12.5% in total operating revenue to RM187.9 million for 3Q-2014 under review, wholly from continuing operations (3Q-2013: RM167.0 million, of which the continuing operations recorded RM154.8 million and the discontinued operations recorded RM12.2 million).

Under the conventional insurance business, the General Insurance Division recorded a lower gross earned premium of RM0.1 million (3Q-2013: RM5.1 million) wholly from the insurance subsidiary in Indonesia, PT MAA General Assurance ("PT MAAG").

Under the takaful business, the General Takaful Division recorded an increase in total gross earned contribution by 37.8% to RM83.8 million (3Q-2013: RM60.8 million), mainly growth from motor and personal accident classes of business, whilst the Family Takaful Division registered a 18.8% increase in total gross earned contribution to RM93.4 million (3Q-2013: RM78.6 million), mainly growth from single premium investment-linked products.

The Shareholders' fund recorded total operating revenue of RM6.0 million wholly from the continuing operations (3Q-2013: RM18.6 million, of which the continuing operations recorded RM6.4 million and the discontinued operations recorded RM12.2 million).

Profit / loss before taxation

The Group recorded a lower profit before taxation ("PBT") of RM10.6 million for 3Q-2014 (3Q-2013: PBT of RM23.3 million), of which the continuing operations recorded a loss before taxation ("LBT") of RM1.9 million (3Q-2013: PBT of RM7.5 million) and the discontinued operations recorded a PBT of 12.5 million (3Q-2013: PBT of RM15.8 million).

Under the conventional insurance business, the General Insurance Division recorded a PBT of RM0.6 million (3Q-2013: LBT of RM5.8 million) wholly from PT MAAG. The profit in 3Q-2014 mainly consists of an income of RM1.3 million from claim liabilities waived via hair-cut negotiations. The Life Insurance Division registered a PBT of RM0.02 million (3Q-2013: PBT of RM0.06 million) wholly from the continuing operations.

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 30 September 2014 (3Q-2014) against preceding year's corresponding financial quarter ended 30 September 2013 (3Q-2013) (continued)

Profit before taxation (continued)

Under the takaful business, the General Takaful Division recorded a lower PBT of RM0.8 million in 3Q-2014 (3Q-2013: PBT of RM2.3 million) due mainly to higher net takaful benefits and claims of RM10.3 million (3Q-2013: RM7.3 million) and higher wakalah fee payable to Shareholders' fund of RM18.4 million (3Q-2013: RM16.1 million). The Family Takaful Division recorded a PBT of RM4.0 million (3Q-2013: LBT of RM1.2 million) due mainly to increase in gross earned contribution to RM93.4 million (3Q-2013: RM78.5 million) and improvement in net claim ratio to 72.3% (Q3-2013: 76.8%).

The Shareholders' Fund recorded a lower PBT of RM9.1 million in 3Q-2014 (3Q-2013: PBT of RM26.8 million), of which the continuing operations recorded a LBT of RM3.4 million (3Q-2013: PBT of RM11.0 million) and the discontinued operations recorded a PBT of 12.5 million (3Q-2013: PBT of RM15.8 million). The lower PBT in Q3-2014 was due mainly to higher management expenses of RM17.5 million (3Q-2013: RM15.4 million) recorded by the local takaful subsidiary company and slightly lower share of profit of associate companies of RM0.2 million (3Q-2013: share of profit of RM0.6 million). Notwithstanding this, the discontinued operations recorded a profit of RM12.5 million from a write back of over-provision of Zurich's Counterclaims pursuant to the second settlement agreement entered into with Zurich as disclosed in note B10(a) of this report. The PBT recorded in Q3-2013 was mainly contributed by a net fair value gain of RM12.9 million recognised from bonds transferred from Zurich and a further gain of RM15.0 million from the disposal of MAA under the settlement agreement with Zurich.

However, consistent with prior years' practice, no profit/loss was transferred from/to the Life insurance/Family Takaful Divisions to the Shareholders' Fund as such the transfer is only done at the financial year end.

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial period ended 30 September 2014 ("FP2014") against preceding financial period ended 30 September 2013 ("FP2013")

Operating revenue

The Group recorded an increase of 14.5% in total operating revenue to RM523.7 million for FP2014 under review (FP2013: RM457.4 million), of which the continuing operations recorded RM523.7 million (FP2013: RM423.2 million) and the discontinued operations recorded a minimum operating revenue at RM2,000 (FP2013: RM34.2 million).

Under the conventional insurance business, the General Insurance Division recorded a total negative gross earned premium of RM0.4 million (FP2013: RM29.2 million) wholly from PT MAAG due to refund premium for canceled policies.

Under the takaful business, the General Takaful Division recorded a 27.0% increase in total gross earned contribution to RM204.5 million (FP2013: RM161.0 million), mainly growth from motor, personal accident, marine, aviation and transit ("MAT") classes of business, whilst the Family Takaful Division registered a 41.5% increase in total gross earned contribution to RM289.0 million (FP2013: RM204.3 million), mainly growth from single premium investment-linked products.

The Shareholders' fund recorded total operating revenue of RM17.5 million, wholly from the continuing operations (FP2013: RM51.2 million, of which the continuing operations recorded RM17.0 million and the discontinued operations recorded RM34.2 million).

Profit / loss before taxation

The Group recorded a higher PBT of RM13.7 million for FP2014 under review (FP2013: LBT of RM1.1 million), of which the continuing operations recorded a PBT of RM1.2 million (FP2013: LBT of RM18.3 million) and the discontinued operations recorded a PBT of RM12.5 (FP2013: PBT of RM17.2 million).

Under the conventional insurance business, the General Insurance Division recorded a PBT of RM10.5 million (FP2013: LBT of RM26.5 million) wholly from PT MAAG. The profit in FP2014 mainly consists of an income of RM12.3 million from claim liabilities waived via hair-cut negotiations. The higher loss in FP2013 recorded by PT MAAG was mainly due to higher net insurance benefits and claims. The Life Insurance Division registered a small PBT of RM0.2 million (FP2013: LBT of RM0.02 million) wholly from the continuing operations.

Under the takaful business, the General Takaful Division recorded a higher PBT of RM2.1 million in FP2014 (FP2013: PBT of RM1.6 million) due mainly to increase in gross earned contribution to RM204.5 million (FP2013: RM161.0 million) and improved in net claim ratio to 51.5% (FP2013: 64.3%). The Family Takaful Division recorded a higher PBT of RM9.0 million (FP2013: PBT of RM6.6 million). Despite of the increase in net takaful benefits and claims of RM222.8 million (FP2013: RM137.3 million), the higher PBT was due mainly to increase in gross earned contribution to RM289.0 million (FP2013: RM204.3 million) and higher net realised gain of RM15.9 million (FP2013: RM10.6 million) from investments.

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial period ended 30 September 2014 ("FP2014") against preceding financial period ended 30 September 2013 ("FP2013") (continued)

Profit before taxation (continued)

The Shareholders' Fund recorded a lower PBT of RM1.1 million (FP2013: PBT of RM23.8 million), of which the continuing operations recorded a LBT of RM11.4 million (FP2013: PBT of RM6.6 million) and the discontinued operations recorded a PBT of RM12.5 million (FP2013: PBT of RM17.2 million). The lower PBT in FP2014 was due mainly to higher management expenses of RM52.8 million (FP2013: RM44.0 million) incurred by takaful subsidiary company and lower share of profit from associate companies of RM0.6 million (FP2013: share of profit of RM2.3 million). Notwithstanding this, the subsidiary company engaged in leasing, hire purchase and other credit activities recorded write back of impairment loss on loans totalling RM2.4 million and the discontinued operations recorded a profit of RM12.5 million from a write back of over-provision of Zurich's Counterclaims pursuant to the second settlement agreement entered into with Zurich as disclosed in note B10(a) of this report. The PBT recorded in FP2013 was mainly contributed by a net fair value gain of RM12.9 million recognised from bonds transferred from Zurich and a further gain of RM15.0 million arising from the disposal of MAA under the settlement agreement with Zurich.

However, consistent with prior years' practice, no profit/loss was transferred from/to the Life insurance/Family Takaful Divisions to the Shareholders' Fund as such the transfer is only done at the financial year end.

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (3Q-2014) AGAINST THE PRECEDING QUARTER (2Q-2014)

In 3Q-2014, the Group registered a higher PBT of RM10.6 million (2Q-2014: PBT of RM0.4 million wholly from continuing operations), of which the continuing operations recorded a LBT of RM1.9 million and the discontinued operations recorded a PBT of RM12.5 million. The profit recorded in Q3-2014 was mainly from an income from the write back of over provision of RM12.5 million from Zurich's Counterclaims.

B3. PROSPECTS

The Group foresees its performance for the current financial year will continue to be affected by the business run-off, claims hair-cut negotiation and operations wind down of PT MAAG.

On the PN17 status of the Company, it is the Board's intention to maintain the listing status of the Company. As disclosed in note B10(b) of these Interim Reports, Bursa Securities has on 21 October 2014 granted an extension of time of up to 31 January 2015 for the Company to submit a regularisation plan. Towards this, the Company will submit the regularisation plan as required.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

There was no profit forecast or profit guarantee issued by the Group.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B5. INVESTMENT INCOME

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Interest income	7,227	5,147	20,601	14,728
Dividend income	1,274	1,444	4,123	4,385
Rental income	29	35	99	57
(Amortisation of premium)/accretion of discounts	(267)	40	(681)	88
	8,263	6,666	24,142	19,258
<u>Discontinued operations</u>				
Interest income	-	186	2	619
Dividend income	-	25	-	28
	-	211	2	647

B6. REALISED GAINS AND LOSSES - NET

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Gains/(losses) on disposal of :				
- investments	6,594	3,432	16,445	14,367
- property, plant and equipments	(71)	(3)	33	10
	6,523	3,429	16,478	14,377
<u>Discontinued operations</u>				
Gains/(losses) on disposal of :				
- subsidiaries	-	14,592	-	14,592
- property, plant and equipments	-	-	-	(33)
	-	14,592	-	14,559

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B7. FAIR VALUE GAINS AND LOSSES - NET

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Fair value gains/(losses) on investments	(7,201)	529	(2,984)	252

B8. PROFIT/(LOSS) BEFORE TAXATION FOR THE QUARTER AND PERIOD

Profit/(loss) before taxation for the quarter and period is arrived at after crediting/(charging):

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
(Allowance for)/write back of impairment loss on:				
- available-for-sale financial assets	-	(10,843)	-	(11,701)
- trade and other receivables	345	9	443	(121)
- insurance receivables	(10,162)	(3)	(11,681)	(46)
- loans from leasing, hire purchase and others receivables	62	(224)	2,330	333
Bad debts recovered	23	27	68	132
Income from claim liabilities waived	1,301	-	12,266	-
Fair value gain from acquisition of bonds via Settlement Agreement	-	23,770	-	23,770
Net foreign exchange (loss)/gain	(1,906)	(2,155)	281	(4,260)
Property, plant and equipment written off	(293)	(7)	(293)	(7)
Depreciation of property, plant and equipment	(832)	(896)	(2,552)	(2,585)
Amortisation of intangible assets	(298)	(312)	(939)	(935)
Amortisation of lease	(9)	(8)	(24)	(22)
<u>Discontinued operations</u>				
Write back of over-provision for Zurich's Counterclaims	12,500	-	12,500	-
Commission paid and payable to unit trust agents	-	(5,172)	-	(14,276)
Property, plant and equipment written off	-	(33)	-	(33)
Depreciation of property, plant and equipment	-	(111)	-	(324)
Amortisation of intangible assets	-	(121)	-	(361)

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**B9. TAXATION**

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
<u>Current tax</u>				
Current financial quarter/period	343	(11)	752	882
Under/(over) accrual in prior financial quarter/period	138	(12)	118	36
	481	(23)	870	918
<u>Deferred tax</u>				
Current financial quarter/period	-	6	(10)	-
Tax expense/(income)	481	(17)	860	918
<u>Discontinued operations</u>				
<u>Current tax</u>				
Current financial quarter/period	-	408	1	769
<u>Deferred tax</u>				
Current financial quarter/period	-	(30)	-	(30)
Tax expense	-	378	1	739

The Group's effective tax rate for the current financial quarter and period under review was lower than the statutory tax rate of 25% due mainly to certain income/gain not subject to tax.

B10. STATUS OF CORPORATE PROPOSALS

- (a) On 30 September 2013, the Company announced that an amount of RM55.1 million has been retained in the escrow account with regards to the sale of Malaysian Assurance Alliance Berhad (“MAA Assurance”) to Zurich Insurance Company Ltd (“Zurich”) until Zurich’s remaining outstanding claims are resolved.

Zurich’s remaining outstanding claims were related to alleged breach of warranties and indemnities (“Zurich’s Counterclaims”), of which a provision of RM45.0 million had been made in the financial year ended 31 December 2013. The said provision amount was based on both parties’ ongoing settlement negotiations and no resolution has not reached or mutually agreed then.

On 1 August 2014, the Company entered into a second settlement agreement with Zurich for the settlement of Zurich’s Counterclaims that included, inter-alia, the following salient terms:

- (i) Without any admission of liability or wrongdoing on the part of either party, the parties agree to settle the disputes in relation to Zurich’s Counterclaims through the payment of RM32.5 million to Zurich from the escrow account, and the balance escrow monies of approximately RM23.9 million as at 30 July 2014 including interest accrued thereon (if any) shall be released to the Company.
- (ii) With effect from the date that the payments are made to Zurich and the Company, the disputes in relation to Zurich’s Counterclaims shall be fully and finally settled (“Settlement Date”).
- (iii) With effect from the Settlement Date, the parties agree to discontinue the arbitration proceedings with respect to Zurich’s Counterclaims and shall bear the Singapore International Arbitration Centre (SIAC) costs in equal proportions.

On 29 August 2014, the Company announced it has discontinued the arbitration proceedings against Zurich following both parties’ agreement subsequent to the second settlement agreement.

- (b) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the Listing Requirements whereby a listed issuer has suspended or ceased its major business, i.e. in this case the disposal of MAA Assurance.

Nonetheless, the Company did not trigger any of the other prescribed criteria under PN17 of the Listing Requirements, such as consolidated shareholders’ equity of 25% or less of the issued and paid up share capital, a default in payment by the Group, the auditors having expressed an adverse or disclaimer opinion on the Company’s latest audited accounts, etc.

As an affected listed issuer, the Company is required pursuant to paragraph 4.1 of the PN17 of the Listing Requirements to announce details of the regularisation plan.

On 11 March 2014, Bursa Securities has granted a further extension of time of up to 31 July 2014 for the Company to submit a regularisation plan.

B10. STATUS OF CORPORATE PROPOSALS (continued)

- (b) On 21 July 2014, the Company submitted an application to Bursa Securities for extension of time from complying with Paragraph 8.04(2), 8.04(3) and PN17 of the Listing Requirements.

Bursa Securities has, vide its letter dated 21 October 2014, granted an extension of time of up to 31 January 2015 for the Company to submit a regularisation plan, subject to the Requisite Announcement being made by 31 December 2014 (“Extension of Time”).

The Extension of Time is without prejudice to Bursa Securities’ right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the event:

- (i) The Company fails to make the Requisite Announcement on or before 31 December 2014;
- (ii) The Company fails to submit a regularisation plan to the regulatory authorities on or before 31 January 2015;
- (iii) The Company fails to obtain approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and
- (iv) The Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iv) above, Bursa Securities shall suspend the trading of the listed securities of the Company on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company’s right to appeal against the delisting.

On even date, the Board announced the status of the Groups’ internal restructuring as follows:

- (i) PT MAAG is currently implementing the plan to settle its obligation and liabilities. From December 2012 to September 2014, the company has signed settlement agreements and paid settlements for approximately RP108.1 billion gross claims;
- (ii) The proposed increase of the Groups’ equity interest in Columbus Capital Pty Ltd from 47.95% to 55% is pending approval from Foreign Investment Review Board, Australia; and
- (iii) The Company is in the midst of re-evaluating its group structure including the Group’s business plans and operational requirements, and the splitting of the existing composite license of MAA Takaful Berhad (“MAAT”) onto two (2) capitalised legal entities i.e. family takaful and general takaful insurance to ensure compliance with the Islamic Financial Services Act, 2013.

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NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**B10. STATUS OF CORPORATE PROPOSALS** (continued)

(c) On 14 April 2014, MAA Corp entered into a share sale agreement (“SSA”) with AEC College Pte Ltd (“AEC”) to acquire 30% interest in Pusat Tuisyen Kasturi Sdn Bhd (“PTKSB”) and Keris Murni Sdn Bhd (“KMSB”) (“Proposed Acquisition”) for a total cash consideration of RM1.6 million. The purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the aggregate profit after taxation of PTKSB and KMSB amounting to RM658,000 based on the audited financial statements for the financial year ended 31 December 2013.

The remaining 70% interest in PTKSB and KMSB is held by MAA Credit Berhad (“MAA Credit”), being a wholly-owned subsidiary of MAA Corp, pursuant to the exercise of its power of attorney on 2 October 2012 and formed part of the debt recovery action taken after its borrower had defaulted in its loan due to MAA Credit.

The Proposed Acquisition was completed on 21 April 2014 and consequently, PTKSB and KMSB became wholly-owned subsidiaries of the Group.

(d) On 3 July 2014, MAA Corp disposed off its entire equity interest held in a dormant subsidiary, Chelsea Parking Services Sdn Bhd that has ceased operations for at a total cash consideration of RM10.00 (Ringgit Malaysia: Ten Only) to external parties, arrived at on a willing-buyer and willing-seller basis.

(e) On 2 October 2014, MAA Credit disposed its entire equity interest held in Nilam Timur Sdn Bhd (“NTSB”) for a total cash consideration of RM10.00 (Ringgit Malaysia: Ten Only) together with a full and final settlement of the outstanding loan due from NTSB for a total cash sum of RM1.5 million.

Other than as stated above, there was no corporate proposal announced but not completed as at the reporting date.

B11. GROUP BORROWINGS

The Group’s borrowings include:

	As at 30.9.2014	As at 31.12.2013
	RM’000	RM’000
<u>Short term</u>		
Bank overdrafts (unsecured)	2,939	4,715

B12. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group and the Company as at the reporting date.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

B13. PROPOSED DIVIDEND

On 28 February 2014, the Board of Directors declared a first interim gross dividend of 3 sen per share totaling RM9,131,000 under the single-tier dividend system in respect of the financial year ending 31 December 2014. The first interim dividend was paid on 18 April 2014.

On 19 June 2014, the Board of Directors declared a second interim gross dividend of 3 sen per share totaling RM9,131,000 under the single-tier dividend system in respect of the financial year ending 31 December 2014. The second interim dividend was paid on 31 July 2014.

Other than as stated, the Board of Directors does not recommend the payment of any further dividend for the current financial quarter under review.

B14. EARNINGS PER SHARE

	3 months period ended		9 months period ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
<u>Attributable to the Owners of the Company:</u>				
Net profit/(loss) for the financial quarter /period (RM'000)				
- Continuing operations	(3,427)	7,551	(1,450)	(16,538)
- Discontinued operations	12,500	15,430	12,482	16,478
	9,073	22,981	11,032	(60)
Weighted average number of ordinary shares in issue ('000)	304,354	304,354	304,354	304,354
Basic earnings/(loss) per share (sen)				
- Continuing operations	(1.13)	2.48	(0.48)	(5.43)
- Discontinued operations	4.11	5.07	4.10	5.41
	2.98	7.55	3.62	(0.02)

B15. AUDITOR' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

MAA GROUP BERHAD (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)**

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Securities.

	As at 30.9.2014	As at 31.12.2013
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	149,124	150,217
- Unrealised	(36,612)	(23,647)
	112,512	126,570
Total share of accumulated profits/(losses) from associates		
- Realised	(5,503)	(5,175)
- Unrealised	5,941	5,007
	438	(168)
	112,950	126,402
Less: Consolidation adjustments	(5,030)	(9,808)
Total Group retained earnings as per statement of financial position	107,920	116,594

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the directive issued by Bursa Securities and should not be used for any other purposes.

By Order of the Board

Lily Yin Kam May

Yeo Took Keat

Company Secretaries

KUALA LUMPUR

DATE: 19 NOVEMBER 2014