

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2015**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2015

	30 September 2015	31 December 2014 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	15,894	17,297
Investment properties	18,936	14,846
Intangible assets	3,093	3,584
Associates	68,305	64,866
Deferred tax assets	4,961	3,820
Tax recoverable	1,989	1,258
Reinsurance/retakaful assets	275,810	301,426
Investments	567,895	600,248
Financial assets at fair value through profit or loss	335,044	321,005
Available-for-sale financial assets	154,787	210,714
Held-to-maturity financial assets	40,645	41,002
Loans and receivables	37,419	27,527
Insurance/takaful receivables	133,263	156,895
Trade and other receivables	46,607	52,798
Cash and cash equivalents	384,212	342,268
Assets classified as held for sales	6,104	-
TOTAL ASSETS	1,527,069	1,559,306
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance/takaful contract liabilities	851,651	847,128
Deferred tax liabilities	851	911
Insurance/takaful payables	202,398	209,677
Trade and other payables	52,779	57,543
Current tax liabilities	2,491	50
Liabilities directly associated with assets classified as held for sales	995	-
TOTAL LIABILITIES	1,111,165	1,115,309
EQUITY		
Share capital	304,354	304,354
Treasury shares	(7,942)	(1,312)
Retained earnings	103,905	113,845
Reserves	(4,348)	7,024
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	395,969	423,911
Non-controlling interests	19,935	20,086
TOTAL EQUITY	415,904	443,997
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,527,069	1,559,306
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.30	1.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended		9 months ended	
	30 September 2015	30 September 2014 (restated)	30 September 2015	30 September 2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	139,591	187,770	429,331	523,949
- Discontinued operations	78	70	361	187
	<u>139,669</u>	<u>187,840</u>	<u>429,692</u>	<u>524,136</u>
Gross earned premiums/contributions	129,333	177,193	399,539	493,641
Premiums/contributions ceded to reinsurers/retakaful operators	(50,216)	(66,750)	(146,646)	(167,551)
Net earned premiums/contributions	<u>79,117</u>	<u>110,443</u>	<u>252,893</u>	<u>326,090</u>
Investment income	7,824	8,225	23,503	24,031
Realised gains and losses - net	(5,613)	6,523	1,137	16,503
Fair value gains and losses - net	(8,234)	(7,201)	(2,232)	(2,984)
Fee and commission income	10,031	11,416	30,706	34,498
Other operating revenue from non-insurance businesses	2,434	2,352	6,289	6,277
Other operating income/(expenses) - net	1,599	(1,108)	7,695	15,934
Other revenue	<u>8,041</u>	<u>20,207</u>	<u>67,098</u>	<u>94,259</u>
Gross benefits and claims paid	(71,504)	(83,420)	(212,315)	(230,439)
Claims ceded to reinsurers/retakaful operators	25,942	36,358	67,696	92,365
Gross change to contract liabilities	36,130	(26,623)	5,386	(116,953)
Change in contract liabilities ceded to reinsurers/retakaful operators	(27,699)	6,579	(21,248)	10,373
Net insurance/takaful benefits and claims	<u>(37,131)</u>	<u>(67,106)</u>	<u>(160,481)</u>	<u>(244,654)</u>
Fee and commission expense	(24,760)	(24,822)	(73,890)	(75,546)
Management expenses	(31,888)	(36,220)	(84,886)	(89,582)
Expenses liabilities	214	(833)	-	(1,775)
Finance costs	-	(99)	-	(317)
Other expenses	<u>(56,434)</u>	<u>(61,974)</u>	<u>(158,776)</u>	<u>(167,220)</u>
Share of profit of associates, net of tax	3,071	266	3,812	606
(Loss)/profit before taxation	<u>(3,336)</u>	<u>1,836</u>	<u>4,546</u>	<u>9,081</u>
Tax income/(expenses) attributable to participants	2,084	(664)	(1,998)	(3,650)
(Loss)/profit before taxation for Shareholders' fund and General fund	<u>(1,252)</u>	<u>1,172</u>	<u>2,548</u>	<u>5,431</u>
Taxation	1,338	(2,262)	(4,403)	(6,253)
Tax (income)/expenses attributable to participants	(2,084)	664	1,998	3,650
Tax expenses attributable to Shareholders' fund	(746)	(1,598)	(2,405)	(2,603)
(Loss)/profit for the financial quarter/period	<u>(1,998)</u>	<u>(426)</u>	<u>143</u>	<u>2,828</u>
DISCONTINUED OPERATIONS				
(Loss)/profit before taxation	(152)	11,718	(1,234)	10,353
Taxation	-	(1)	-	(1)
(Loss)/profit from discontinued operations	<u>(152)</u>	<u>11,717</u>	<u>(1,234)</u>	<u>10,352</u>
(Loss)/profit for the financial quarter/period	<u>(2,150)</u>	<u>11,291</u>	<u>(1,091)</u>	<u>13,180</u>
(Loss)/profit for the financial quarter/period attributable to:				
Owners of the Company	(1,518)	9,967	(940)	11,329
Non-controlling interests	(632)	1,324	(151)	1,851
	<u>(2,150)</u>	<u>11,291</u>	<u>(1,091)</u>	<u>13,180</u>
Basic (loss)/earnings per ordinary share (sen) attributable to owners of the Company				
- Continuing operations	(0.45)	(0.57)	0.10	0.32
- Discontinued operations	(0.05)	3.85	(0.41)	3.40
	<u>(0.50)</u>	<u>3.28</u>	<u>(0.31)</u>	<u>3.72</u>

With effect from 1 January 2015, surplus/deficit from the Life Insurance/Family Takaful Funds is transferred to the Shareholders' fund over the financial year. Accordingly quarterly financial results for the previous financial year have been restated to apply the same recognition.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended		9 months ended	
	30 September 2015	30 September 2014 (restated)	30 September 2015	30 September 2014 (restated)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial quarter/period	(2,150)	11,291	(1,091)	13,180
Other comprehensive income/(loss), net of tax :				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	(7,493)	(451)	(10,121)	(225)
Fair value changes of available-for-sale financial assets, net of tax	(1,293)	590	(878)	(202)
Share of fair value changes of available-for-sale financial assets of associate	(353)	65	(373)	2,390
Other comprehensive (loss)/income for the financial quarter/period, net of tax	(9,139)	204	(11,372)	1,963
Total comprehensive (loss)/income for the financial quarter/period	(11,289)	11,495	(12,463)	15,143
Total comprehensive (loss)/income for the financial quarter/period attributable to:				
Owners of the Company	(10,657)	10,171	(12,312)	13,292
Non-controlling interests	(632)	1,324	(151)	1,851
	(11,289)	11,495	(12,463)	15,143

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Attributable to owners of the Company										
	Issued and fully paid ordinary shares		Treasury shares		Reserves			Retained earnings	Total	Non-controlling interests	Total equity
	Number of shares	Nominal value	Number of shares		Foreign exchange reserves	Available-for-sale reserves	Revaluation reserves				
000	RM'000	000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2015											
As at 1 January 2015	304354	304,354	(2,025)	(1,312)	4,360	2,664	-	113,845	423,911	20,086	443,997
Loss for the financial period		-		-	-	-	-	(940)	(940)	(151)	(1,091)
Other comprehensive loss		-		-	(10,121)	(1,251)	-	-	(11,372)	-	(11,372)
Total comprehensive loss for the financial period		-		-	(10,121)	(1,251)	-	(940)	(12,312)	(151)	(12,463)
Interim dividend paid during the financial period		-		-	-	-	-	(9,000)	(9,000)	-	(9,000)
Purchase of treasury shares		-	(9,498)	(6,630)	-	-	-	-	(6,630)	-	(6,630)
As at 30 September 2015	304,354	304,354	(11,523)	(7,942)	(5,761)	1,413	-	103,905	395,969	19,935	415,904
2014											
As at 1 January 2014	304,354	304,354	-	-	8,389	1,844	215	116,594	431,396	19,220	450,616
Profit for the financial period		-		-	-	-	-	11,329	11,329	1,851	13,180
Other comprehensive income/(loss)		-		-	(225)	2,188	-	-	1,963	-	1,963
Total comprehensive income/(loss) for the financial period		-		-	(225)	2,188	-	11,329	13,292	1,851	15,143
Interim dividend paid during the financial period		-		-	-	-	-	(18,262)	(18,262)	-	(18,262)
Purchase of treasury shares		-	(100)	(68)	-	-	-	-	(168)	-	(168)
Transactions with non-controlling interests		-		-	-	-	-	(1,444)	(1,444)	(156)	(1,600)
As at 30 September 2014	304,354	304,354	(100)	(68)	8,164	4,032	215	108,217	424,814	20,915	445,729

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	9 months ended	
	30 September 2015	30 September 2014
	RM'000	RM'000
Profit for the financial period	143	2,828
Investment income	(23,503)	(24,031)
Realised gains and losses - net	(1,137)	(16,503)
Fair value gains and losses - net	2,232	2,984
Write back of impairment loss on loans and receivables	(86)	(2,330)
Finance costs	-	317
Purchases of financial assets	(630,327)	(109,923)
Proceeds from disposal of financial assets	682,099	92,595
Non-cash items:		
Property, plant and equipment		
- depreciation	2,487	2,539
- write off	-	293
Amortisation of intangible assets	1,098	921
Amortisation of leases	2	24
Allowance for impairment loss on insurance/takaful receivables	1,425	11,681
Write back of impairment loss on trade and other receivables	(21)	(443)
Bad debts recovered	(50)	(68)
Unrealised foreign exchange gain	(1,505)	(281)
Share of profit of associates	(3,812)	(606)
Tax expenses	4,403	6,253
Changes in working capital:		
(Increase)/decrease in loans and receivables	(1,301)	64
(Decrease)/increase in reinsurance/retakaful assets	25,616	(16,321)
Decrease/(increase) in insurance/takaful receivables	22,207	(68,488)
(Increase)/decrease in trade and other receivables	(14,355)	36,707
Increase in insurance/contract liabilities	4,799	152,104
Decrease in investment contract liabilities	-	(3,874)
(Decrease)/increase in insurance/takaful payables	(7,279)	44,898
Decrease in trade and other payables	(3,769)	(46,871)
Cash generated from operating activities	<u>59,366</u>	<u>64,469</u>
Investment income received	23,170	10,271
Finance costs paid	-	(317)
Income tax paid	(4,406)	(5,013)
Income tax refund	511	1,856
Dividend paid	(9,000)	(18,262)
Net cash inflow from operating activities	<u>69,641</u>	<u>53,004</u>
Net cash (outflow)/inflow from operating activities - discontinued operations	<u>(1,234)</u>	<u>10,352</u>
Investing activities:		
Purchase of property, plant and equipments	(1,180)	(1,478)
Proceeds from disposal of property, plant and equipments	37	133
Purchase of intangible assets	(607)	(593)
Decrease in fixed and call deposits	(8,065)	103,028
Net cash (outflow)/inflow from investing activities	<u>(9,815)</u>	<u>101,090</u>
Net cash inflow from investing activities - discontinued operations	<u>103</u>	<u>-</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

(continued)

	9 months ended	
	30 September 2015	30 September 2014
	RM'000	RM'000
Financing activities:		
Purchase of treasury shares	(6,630)	(68)
Repayment of borrowings	-	(1,776)
Net cash outflow from financing activities	<u>(6,630)</u>	<u>(1,844)</u>
Net increase in cash and cash equivalents	53,196	152,250
Net (decrease)/increase in cash and cash equivalents - discontinued opera	(1,131)	10,352
Currency translation difference	(10,121)	(225)
Cash and cash equivalents at beginning of financial year	342,268	177,125
Cash and cash equivalents at end of financial period	<u>384,212</u>	<u>339,502</u>
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	373,865	323,184
Cash and bank balance	<u>10,347</u>	<u>19,257</u>
	384,212	342,441
Bank overdrafts	-	(2,939)
	<u>384,212</u>	<u>339,502</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 2014.