

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

**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"), paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of Companies Act, 2016.

Companies Act 2016

Companies Act 2016 ("New Act") was enacted to replace Companies Act, 1965. The New Act becomes effective on 31 January 2017.

The New Act did not have financial impact to the consolidated financial statements of the Group in the financial quarter ended 31 March 2017.

These unaudited Interim Reports should be read in conjunction with the Group's consolidated audited financial statements for the financial year ended 31 December 2016. 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 2016.

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 2016.

The following amendments to MFRSs and annual improvements to MFRSs that are effective from financial year beginning on or after on 1 January 2017 have been adopted by the Group and do not have material financial impact to the current financial year's consolidated financial statements of the Group:

- Amendments to MFRS 12 Disclosures of Interests in Other Entities
- Amendments to MFRS 107 "Statements of Cash Flows – *Disclosure Initiative*
- Amendments to MFRS 112 Income Taxes - *Recognition of Deferred Tax Assets for Unrealised Losses*
- Annual Improvements to MFRSs 2014-2016 Cycle

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Effective from financial year beginning on or after 1 January 2018

- Amendments to MFRS 140 Investment Property – *Transfer of Investment Property*
- IC interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments – *Classification and Measurement of Financial Assets and Financial Liabilities*
- Amendments to MFRS 4 - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Annual Improvements to MFRS 2014-2016 Cycle
 - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 128 Investment in Associates and Joint Ventures
- Amendments to MFRS 2 Share-based Payment – *Classification and Measurement of Share-based Payment Transactions*

Effective from financial year beginning on or after 1 January 2019

- MFRS 16 Leases

Effective date yet to be determined by MASB

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

A3. SEASONAL OR CYCLICAL FACTORS

The Group's business operations were not significantly affected by any seasonal or cyclical factors in the current financial quarter and period ended 31 March 2017.

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 31 March 2017.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have any material effect in the current financial quarter and period ended 31 March 2017.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and period ended 31 March 2017.

A7. DIVIDEND PAID

For the current financial period ended 31 March 2017, the Company paid a first interim dividend of 6 sen per ordinary share under the single-tier dividend system in respect of the financial year ending 31 December 2017 totaling RM16,411,065 on 31 March 2017.

For the previous financial period ended 31 March 2016, the Company paid a first interim dividend of 3 sen per ordinary share under the single-tier dividend system in respect of the financial year ended 31 December 2016 totaling RM8,712,698 on 31 March 2016.

A8. SEGMENTAL INFORMATION

The following summary describes the operations in each of the Group's operating segments for the current financial quarter and period ended 31 March 2017:

- Investment holdings
- Education services
- Retail mortgage lending business
- General insurance business

Other segments comprise hire purchase, leasing and other credit facilities, property management and consultancy services.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 31 March 2017

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,612	1,401	-	-	23	4,036
(Loss)/profit before taxation before share of profit of associates	(2,423)	37	-	-	(325)	(2,711)
Share of profit of associates	-	-	560	1,603	-	2,163
(Loss)/profit before taxation ^(*)	(2,423)	37	560	1,603	(325)	(548)

^(*) Profit/(loss) before taxation from:	RM'000
- Continuing Operations	(548)
- Discontinued Operations	-
Consolidated	<u>(548)</u>

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 31 March 2016

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,931	1,759	-	-	33	3,723
(Loss)/profit before taxation before share of profit of associates	(3,687)	213	-	-	(147)	(3,621)
Share of profit of associates	-	-	(220)	903	-	683
(Loss)/profit before taxation ^(*)	(3,687)	213	(220)	903	(147)	(2,938)

Discontinued Operations

	Investment holdings	Takaful	Other segments	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	-	132,310	142	132,452
Profit/(loss) before taxation	967	6,113	(205)	6,875
Tax expenses attributable to participants	-	(1,788)	-	(1,788)
Profit/(loss) before taxation ^(*)	967	4,325	(205)	5,087

^(*) Profit/(loss) before taxation from:	RM'000
- Continuing Operations	(2,938)
- Discontinued Operations	5,087
Consolidated	<u>2,149</u>

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial period ended 31 March 2017 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the current financial quarter and period ended 31 March 2017.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. There were no revaluations of property, plant and equipment during the current financial quarter and period ended 31 March 2017.

A12. VALUATION OF INVESTMENT PROPERTIES

Investment properties of the Group were carried at revalued amount at the financial year ended 31 December 2016. These revalued amounts have been carried forward to the current financial period ended 31 March 2017.

A13. CONTINGENCIES

There were no contingent assets and liabilities as at the end of the financial period ended 31 March 2017.

A14. CAPITAL COMMITMENTS

There were no capital commitment for the purchase of property, plant and equipment as at the end of the financial period ended 31 March 2017.

A15 RELATED PARTY DISCLOSURES

All related party transactions within the Group had been entered into the normal course of business in accordance with the Shareholders' mandate procured on 25 May 2017 under Chapter 10 of the MMLR of Bursa Securities and were carried out on normal commercial terms.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

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 previous financial period ended 31 March 2016 represent MAA Takaful Berhad (“MAA Takaful”) and MAA Cards Sdn Bhd (“MAA Cards”), subsidiaries disposed during that year. There is no Discontinued Operations in the current financial period ended 31 March 2017.

Current financial quarter ended 31 March 2017 (“1Q-2017”) against preceding year’s corresponding financial quarter ended 31 March 2016 (“1Q-2016”)

	1Q-2017	1Q-2016
	RM’000	RM’000
<u>Group</u>		
Operating revenue		
- Continuing Operations	4,036	3,723
- Discontinued Operations	-	132,452
	4,036	136,175
Profit/(loss) before taxation		
- Continuing Operations	(548)	(2,938)
- Discontinued Operations	-	5,087
	(548)	2,149

In 1Q-2017 under review, the Group recorded total operating revenue of RM4.0 million (1Q-2016: RM136.2 million). The Continuing Operations recorded a higher operating revenue of RM4.0 million (1Q-2016: RM3.7 million) driven by higher interest income. The Discontinued Operations recorded total operating revenue of RM132.5 million in 1Q-2016 mainly from MAA Takaful with total operating revenue of RM132.3 million.

The Group recorded a Loss before taxation (“LBT”) of RM0.5 million (1Q-2016: Profit before taxation (“PBT”) of RM2.1 million). The Continuing Operations recorded a lower LBT of RM0.5 million (1Q-2016: LBT of RM2.9 million) mainly attributed by higher profit contribution from the Group’s associates with total share of profit after taxation of RM2.2 million (1Q-2016: RM0.7 million). The Discontinued Operations recorded a PBT of RM5.1 million in 1Q-2016 mainly from MAA Takaful with a PBT of RM4.3 million.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2017 ("1Q-2017") against preceding year's corresponding financial quarter ended 31 March 2016 ("1Q-2016") (continued)

Investment Holdings

Key financial performance	1Q-2017	1Q-2016
	RM'000	RM'000
Operating revenue		
- Continuing Operations	2,612	1,931
Profit/(loss) before taxation		
- Continuing Operations	(2,423)	(3,687)
- Discontinued Operations	-	967
	(2,423)	(2,720)

Total operating revenue of Investment Holdings segment comprised mainly of interest income increased by 35.3% to RM2.6 million (1Q-2016: 1.9 million) in 1Q-2017 on the back of higher amount of available funds from the disposal of MAA Takaful for fixed deposit placements.

In 1Q-2017, the Continuing Operations of Investment Holdings segment recorded a lower LBT of RM2.4 million (1Q-2016: LBT of RM3.7 million) due mainly to higher interest income and lower unrealised foreign exchange loss on loan receivables. The profit recorded in 1Q-2016 by Discontinued Operations comprised mainly of a gain from the disposal of MAA Cards.

Education Services

Key financial performance	1Q-2017	1Q-2016
	RM'000	RM'000
Operating revenue	1,401	1,759
Profit before taxation	37	213

Total operating revenue of Education Services segment consists of tuition fee income recoded a 20.4% decrease to RM1.4 million (1Q-2016: RM1.8 million) in 1Q-2017 due mainly to reduction in students enrollment.

In 1Q-2017, Education Services segment recorded a lower PBT of RM37,000 (1Q-2016: RM213,000), caused by reduction in tuition fee income and higher tutor costs which have affected the profit margin of the business.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2017 ("1Q-2017") against preceding year's corresponding financial quarter ended 31 March 2016 ("1Q-2016") (continued)

Retail Mortgage Lending

The Group's Retail Mortgage Lending business operating in Australia is held via 48% associated company Columbus Capital Pty Limited ("CCA").

Key financial performance	1Q-2017	1Q-2016
	RM'000	RM'000
Operating revenue	75,666	66,992
Profit before taxation	2,007	233
Group's share of profit/(loss) after taxation	560	(220)

CCA's operating revenue consists of loan interest and fee income. In 1Q-2017, the operating revenue grew to RM75.7 million, a 13.0% increase compared to 1Q-2016 of RM67.0 million, on the back of higher assets under management from AUD 1.43 billion as at 31 March 2016 to AUD 1.91 billion as at 31 March 2017.

CCA recorded a higher PBT from RM0.2 million in 1Q-2016 to RM2.0 million in 1Q-2017, driven mainly by the 13.0% growth in operating revenue with a slightly lower net interest margin of 0.99% (1Q-2016: 1.01%).

In 1Q-2017, CCA has contributed a share of profit after taxation of RM0.6 million (1Q-2016: share of loss after taxation of RM0.2 million).

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2017 ("1Q-2017") against preceding year's corresponding financial quarter ended 31 March 2016 ("1Q-2016") (continued)

General Insurance

The Group's General Insurance business in the Philippines is held via 40% associated company MAA General Assurance Philippines, Inc. ("MAAGAP").

Key financial performance	1Q-2017	1Q-2016
	RM'000	RM'000
Gross premium written ("GPW")	44,758	38,799
Underwriting surplus	8,559	6,676
Investment income	1,133	431
Loss ratio in %	42%	40%
Commission ratio in %	24%	24%
Profit before taxation	5,202	2,945
Group's share of profit after taxation	1,603	903

In 1Q-2017, GPW grew by 15.4% from RM38.8 million in 1Q-2016 to RM44.8 million, driven mainly by increase in the production of both motor and non-motor classes of business. Motor and non-motor businesses contributed 40% (1Q-2016: 41%) and 60% (1Q-2016: 59%) respectively of the total GPW in 1Q-2017.

MAAGAP registered a higher PBT of RM5.2 million in 1Q-2017, a 76.6% increase over RM2.9 million in 1Q-2016. The higher profit was contributed mainly by higher underwriting surplus at RM8.6 million (1Q-2016: RM6.7 million) driven by an overall stable combined loss and commission ratio of 66% (1Q-2016: 64%) and higher investment income of RM1.1 million (1Q-2016: RM0.4 million) attributed by higher interest and dividend income of RM1.4 million (1Q-2016: RM0.8 million).

In 1Q-2017, MAAGAP has contributed a higher share of profit after taxation of RM1.6 million (1Q-2016: RM0.9 million).

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (1Q-2017) AGAINST THE PRECEDING FINANCIAL QUARTER (4Q-2016)

In 1Q-2017, the Group recorded a lower LBT of RM0.5 million (4Q-2016: LBT of RM20.4 million), with Continuing Operations recorded a lower LBT of RM0.5 million (4Q-2016: LBT of RM6.0 million) and Discontinued Operations recorded nil (4Q-2016: LBT of RM14.4 million).

The lower loss in 1Q-2017 recorded by Continuing Operations was mainly driven by higher profit contribution from the Group's associated company with total share profit after taxation of RM2.2 million (4Q-2016: RM0.1 million), whilst the higher loss recorded in 4Q-2016 was due mainly to a present value adjustment of RM5.8 million made on the Retained Consideration from the disposal of MAA Takaful and a downward adjustment of RM14.4 million to the initial disposal consideration of RM300.0 million.

B3. PROSPECTS

The Company has been continuing its efforts to explore other investment opportunities to address the PN17 status of the Company in the midst of the challenging economic conditions in Malaysia. On this note, the Company has assessed and evaluated companies engaged in manufacturing, oil and gas, education, assisted reproductive technologies etc. Further announcement on the development will be made in due course. At the same time, the Company will continue to expand the existing operating segments to deliver quality growth and sustainable profits.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. DISCONTINUED OPERATIONS

Statement of Profit of Loss
For the financial period ended 31 March 2016

	RM'000
Operating revenue	<u>132,452</u>
Gross earned contributions	127,549
Contributions ceded to retakaful operators	<u>(45,385)</u>
Net earned contributions	<u>82,164</u>
Investment income	4,799
Realised gains and losses – net	(398)
Fair value gains and losses - net	(7,145)
Fee and commission income	8,987
Other operating revenue from non-insurance businesses	104
Other operating income - net	<u>4,813</u>
Other revenue	<u>11,160</u>
Total revenue	<u>93,324</u>
Gross benefits and claims paid	(59,468)
Claims ceded to retakaful operators	21,094
Gross change to contract liabilities	(7,488)
Change in contract liabilities ceded to retakaful operators	<u>1,991</u>
Net takaful benefits and claims	<u>(43,871)</u>
Fee and commission expense	(22,653)
Management expenses	(19,710)
Expenses liabilities	<u>(215)</u>
Other expenses	<u>(42,578)</u>
Profit before taxation	<u>6,875</u>
Tax expenses attributable to participants	(1,788)
Profit before taxation	<u>5,087</u>
Taxation	<u>(3,422)</u>
Tax expenses attributable to participants	<u>1,788</u>
Tax expenses attributable to Shareholders' fund	<u>(1,634)</u>
Profit for the financial period	<u>3,453</u>

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B6. INVESTMENT INCOME

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Interest income	2,570	1,813	2,570	1,813
Rental income	-	102	-	102
	2,570	1,915	2,570	1,915
<u>Discontinued Operations</u>				
Interest income	-	4,358	-	4,358
Dividend income	-	481	-	481
Amortisation of premium	-	(40)	-	(40)
	-	4,799	-	4,799

B7. REALISED GAINS AND LOSSES – NET

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
(Losses)/gains on disposal of:				
- property, plant and equipment	(2)	39	(2)	39
<u>Discontinued Operations</u>				
(Losses)/gains on disposal of:				
- investments	-	(1,365)	-	(1,365)
- subsidiary	-	967	-	967
	-	(398)	-	(398)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B8. FAIR VALUE GAINS AND LOSSES – NET

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Net fair value (losses)/gains on:				
- investments	(42)	26	(42)	26
<u>Discontinued Operations</u>				
Net fair value losses on:				
- investments	-	(7,145)	-	(7,145)

B9. PROFIT/(LOSS) BEFORE TAXATION FOR THE FINANCIAL QUARTER AND PERIOD

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

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Write back of impairment loss on loans from leasing, hire purchase and others receivables	-	3	-	3
Bad debts recovered	16	19	16	19
Realised foreign exchange losses	(32)	(18)	(32)	(18)
Unrealised foreign exchange losses	(141)	(856)	(141)	(856)
Depreciation of property, plant and equipment	(188)	(176)	(188)	(176)
Amortisation of intangible assets	(17)	(11)	(17)	(11)
Amortisation of leases	-	(1)	-	(1)
<u>Discontinued Operations</u>				
Write back of impairment loss on takaful receivables	-	2,075	-	2,075
Property, plant and equipment written off	-	(8)	-	(8)
Intangible assets written off	-	(1)	-	(1)
Write back of takaful payables	-	4,301	-	4,301
Depreciation of property, plant and equipment	-	(649)	-	(649)
Amortisation of intangible assets	-	(326)	-	(326)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B10. TAXATION

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
<u>Current tax</u>				
Current financial quarter/period	-	26	-	26
Over provision in prior financial quarter/period	-	(7)	-	(7)
	-	19	-	19
<u>Deferred tax</u>				
Current financial quarter/period	29	(18)	29	(18)
Tax expense	29	1	29	1
<u>Discontinued Operations</u>				
<u>Current tax</u>				
Current financial quarter/period	-	1,713	-	1,713
<u>Deferred tax</u>				
Current financial quarter/period	-	(79)	-	(79)
Tax expense	-	1,634	-	1,634

Even though the Group recorded a loss before taxation, provision for tax has been made in the current financial quarter under review due to certain non-deductible expenses and non-recognition of deferred tax assets on the losses recorded by certain subsidiaries.

The Group's effective tax rate for the previous financial quarter was higher than the statutory tax rate of 24% due to certain non-deductible expenses and non-recognition of deferred tax assets on the losses recorded by certain subsidiaries.

B11. CORPORATE PROPOSALS

- (a) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the MMLR of Bursa Securities whereby a listed issuer has suspended or ceased its major business, i.e. in this case the disposal of Malaysian Assurance Alliance Berhad (now known as Zurich Insurance Malaysia Berhad).

Nonetheless, the Company did not trigger any of the other prescribed criteria under PN17 of MMLR, 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.

Pursuant to Paragraph 8.04(3) of the MMLR, the Company is required to regularise its condition by undertaking a regularisation plan. The regularisation plan was required to be submitted to Bursa Securities on 30 September 2012, and was subsequently extended until 30 June 2017 via Bursa Securities’ letters dated 16 February 2017, 21 July 2016, 18 February 2016, 4 August 2015, 23 March 2015, 21 October 2014, 11 March 2014, 1 August 2013 and 20 December 2012.

The extension of time of up to 30 June 2017 for the Company to submit a regularisation plan 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 submit a regularisation plan to the regulatory authorities on or before 30 June 2017;
- (ii) The Company fails to obtain approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and
- (iii) 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 (iii) above, Bursa Securities shall suspend the trading of the listed securities of the Company on the next market day on the 6th market day after 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.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B11. CORPORATE PROPOSALS (continued)

- (b) On 6 December 2016, the Company announced that MAA International Group Ltd (“MAAIG”) (formerly known as MAA International Assurance Ltd), a wholly owned subsidiary of MAA Corporation Sdn Bhd, had on the same date remitted a sum of PHP300 million to subscribe for additional 300,000 new shares with par value of PHP1,000.00 per share (“Proposed Subscription”) of MAA General Assurance Philippines, Inc. (“MAAGAP”), a licensed general insurance company operating in the Republic of Philippines. The Proposed Subscription is subject to the approval of regulatory authority in the Phillipines.

On 21 April 2017, the Company announced that MAAGAP has received approval from Securities & Exchange Commission of Philippines vide its letter dated 19 April 2019 for the increase in the authorised and paid-up share capital of MAAGAP via the capital injection of PHP300 million by MAAIG, MAAGAP will now be a 70% subsidiary of MAAIG.

- (c) On 6 December 2016, MAAIG applied to Labuan Financial Services Authority (“LFSA”) to surrender its Labuan composite insurance license premised that since the second half of 2014 it had ceased all the previous offshore reinsurance and investment-linked businesses and also taking into consideration the high compliance cost. Presently the principal activity of MAAIG is investment holding and it does not have plan to re-active its insurance business.

On 5 January 2017, the Company announced that LFSA had vide its letter dated 3 January 2017 granted approval to MAAIG to surrender the Labuan composite insurance license effective 31 January 2017.

- (d) On 11 April 2017, the Company announced that it has on the same day entered into the following agreements for the Acquisition of Properties:
- (i) supplemental sale and purchase agreement with PIMA Pembangunan Sdn Bhd (“PIMA”) to complete the purchase of 783 car parking bays situated at a commercial development known as Prima Klang Avenue (“Development”) for a purchase price of RM3.5 million;
 - (ii) sale and purchase agreement with PIMA to purchase 38 office suits and retail units in Block B of the Development for a purchase price of RM23.0 million;
 - (iii) sale and purchase agreement with PIMA to purchase the land, together with the platform built thereon, comprised in Block C of the Development for a purchase price of RM11.0 million, and
 - (iv) settlement agreement with PIMA wherein the purchase considerations for the Properties will settle the amount owing by PIMA to the Company under the joint venture agreement entered into in 2013 with the balance purchase considerations totalling RM6.0 million payable to PIMA upon delivery of vacant possession of the Properties.

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

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B12. CHANGES IN MATERIAL LITIGATION

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

B13. DIVIDEND PAYABLE

During the financial quarter ended 31 March 2017, a first interim dividend of 6 sen per share under the single-tier dividend system in respect of the financial year ending 31 December 2017 amounting to RM16,411,065 was paid on 31 March 2017.

Other than as stated, the Board of Director did not declare further interim dividend for the financial year ending 31 December 2017.

The total interim dividends for the current financial period ended 31 March 2017 is 6.0 sen per ordinary share (2016: 3.0 sen).

B14. EARNINGS PER SHARE

	3 months period ended		3 months period ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
<u>Attributable to the Owners of the Company:</u>				
Net (loss)/profit for the financial quarter/period (RM'000)				
- Continuing Operations	(577)	(2,939)	(577)	(2,939)
- Discontinued Operations	-	2,799	-	2,799
	(577)	(140)	(577)	(140)
Weighted average number of ordinary shares in issue ('000)	279,789	295,451	279,789	295,451
Basic (loss)/earnings per share (sen)				
- Continuing Operations	(0.21)	(0.99)	(0.21)	(0.99)
- Discontinued Operations	-	0.95	-	0.95
	(0.21)	(0.04)	(0.21)	(0.04)

B15. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2017

B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS

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 31.3.2017	As at 31.12.2016
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	199,203	211,670
- Unrealised	10,973	11,040
	210,176	222,710
Total share of accumulated profits/(loss) from associates		
- Realised	9,959	9,475
- Unrealised	803	(876)
	10,762	8,599
	220,938	231,309
Add: Consolidation adjustments	2,238	8,855
Total Group retained earnings as per statement of financial position	223,176	240,164

The disclosure of realised and unrealised profits 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: 25 May 2017