

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2017**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2017

	30 June 2017	31 December 2016 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	4,903	3,686
Investment properties	49,500	19,824
Intangible assets	532	494
Associates	48,180	71,692
Deferred tax assets	314	-
Tax recoverable	243	252
Reinsurance assets	30,280	-
Investments	389,503	179,405
Financial assets at fair value through profit or loss	2,006	2,086
Available-for-sale financial assets	199,440	36,779
Loans and receivables	188,057	140,540
Insurance receivables	43,001	-
Deferred acquisition costs	17,081	-
Trade and other receivables ^(N1)	93,617	131,705
Cash and cash equivalents	97,342	157,074
TOTAL ASSETS	774,496	564,132
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	127,325	-
Deferred tax liabilities	1,271	185
Insurance payables	5,481	-
Trade and other payables	51,226	12,116
Current tax liabilities	405	-
TOTAL LIABILITIES	185,708	12,301
EQUITY		
Share capital	304,354	273,518
Retained earnings	253,814	240,164
Reserves	2,124	38,149
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	560,292	551,831
Non-controlling interests	28,496	-
TOTAL EQUITY	588,788	551,831
TOTAL EQUITY AND LIABILITIES	774,496	564,132
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.05	2.02

^(N1) Included the balance disposal consideration of RM93.75 million ("Retained Consideration") from the disposal of MAA Takaful Berhad which is payable to the Company on the third anniversary date 30 June 2016, the sale completion date and a charge for present value adjustment of RM5.8 million to account for time value of money.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2017

	3 months ended		6 months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing Operations	29,072	3,883	33,108	7,606
- Discontinued Operations	-	146,927	-	279,379
	<u>29,072</u>	<u>150,810</u>	<u>33,108</u>	<u>286,985</u>
<u>CONTINUING OPERATIONS</u>				
Gross earned premiums	23,114	-	23,114	-
Premiums ceded to reinsurers	(4,723)	-	(4,723)	-
Net earned premiums	<u>18,391</u>	<u>-</u>	<u>18,391</u>	<u>-</u>
Investment income	4,439	1,856	7,009	3,771
Realised gains and losses - net	846	1	844	40
Fair value gains and losses - net	(7,895)	28	(7,937)	54
Commission income	504	-	504	-
Other operating revenue from non-insurance businesses	1,519	2,027	2,985	3,835
Other operating income/(expenses) - net	38,213	(3,550)	38,252	(4,255)
Other revenue	<u>37,626</u>	<u>362</u>	<u>41,657</u>	<u>3,445</u>
Total revenue	<u>56,017</u>	<u>362</u>	<u>60,048</u>	<u>3,445</u>
Gross benefits and claims paid	(6,369)	-	(6,369)	-
Claims ceded to reinsurers	291	-	291	-
Gross change to contract liabilities	(4,403)	-	(4,403)	-
Change in contract liabilities ceded to reinsurers	158	-	158	-
Net insurance benefits and claims	<u>(10,323)</u>	<u>-</u>	<u>(10,323)</u>	<u>-</u>
Commission expense	(5,866)	-	(5,866)	-
Management expenses	(9,928)	(14,334)	(16,670)	(21,038)
Finance costs	(2)	-	(2)	-
Other expenses	<u>(15,796)</u>	<u>(14,334)</u>	<u>(22,538)</u>	<u>(21,038)</u>
Operating profit/(loss)	<u>29,898</u>	<u>(13,972)</u>	<u>27,187</u>	<u>(17,593)</u>
Share of profit of associates, net of tax	2,027	1,581	4,190	2,264
Profit/(loss) before taxation	<u>31,925</u>	<u>(12,391)</u>	<u>31,377</u>	<u>(15,329)</u>
Taxation	(988)	-	(1,017)	(1)
Profit/(loss) for the financial quarter/period	<u>30,937</u>	<u>(12,391)</u>	<u>30,360</u>	<u>(15,330)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2017
(continued)

	3 months ended		6 months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
DISCONTINUED OPERATIONS				
Profit before taxation	-	296,134	-	301,221
Taxation	-	(2,095)	-	(3,729)
Profit from discontinued operations	-	294,039	-	297,492
Profit for the financial quarter/period	30,937	281,648	30,360	282,162
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	30,452	281,850	29,875	281,710
Non-controlling interests	485	(202)	485	452
	30,937	281,648	30,360	282,162
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company				
- Continuing Operations	11.13	(4.28)	10.92	(5.24)
- Discontinued Operations	-	101.58	-	101.53
	11.13	97.30	10.92	96.29

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2017**

	3 months ended		6 months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
Profit for the financial quarter/period	30,937	281,648	30,360	282,162
Other comprehensive income/(loss), net of tax :				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	(2,700)	(439)	(3,120)	1,018
Fair value changes of available-for-sale financial assets, net of tax	(2,655)	243	(1,038)	437
Share of fair value changes of available-for-sale financial assets of associate	271	591	526	1,588
Transferred to profit or loss arising from deemed disposal of an associate	728	-	728	-
Other comprehensive (loss)/income for the financial quarter/period, net of tax	(4,356)	395	(2,904)	3,043
Total comprehensive income for the financial quarter/period	26,581	282,043	27,456	285,205
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	26,096	282,245	26,971	284,753
Non-controlling interests	485	(202)	485	452
	26,581	282,043	27,456	285,205

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	Attributable to owners of the Company								
	Share capital	Capital redemption reserves	Foreign exchange reserves	Reserves		Retained earnings	Total	Non-controlling interests	Total Equity
				Available - for-sale reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2017									
As at 1 January 2017	273,518	30,836	4,029	3,284	38,149	240,164	551,831	-	551,831
Transfer pursuant to S618 (2) of New Act ^(Note 1)	30,836	(30,836)	-	-	(30,836)	-	-	-	-
Profit for the financial period	-	-	-	-	-	29,875	29,875	485	30,360
Other comprehensive (loss)/income	-	-	(3,120)	216	(2,904)	-	(2,904)	-	(2,904)
Total comprehensive (loss)/income for the financial period	-	-	(3,120)	216	(2,904)	29,875	26,971	485	27,456
Interim dividend paid	-	-	-	-	-	(16,411)	(16,411)	-	(16,411)
Acquisition of subsidiary with non-controlling interests	-	-	(466)	(1,819)	(2,285)	-	(2,285)	31,766	29,481
Transactions with non-controlling interests	-	-	-	-	-	186	186	(3,755)	(3,569)
As at 30 June 2017	304,354	-	443	1,681	2,124	253,814	560,292	28,496	588,788

^(Note 1) The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the capital redemption reserve account of RM30,836,000 has been transferred to the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016
(continued)

	Attributable to owners of the Company									
	Share capital	Treasury share	Capital redemption reserves	Foreign exchange reserves	Available - for-sale reserves	Reserves		Non-controlling interests	Total Equity	
						Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2016										
As at 1 January 2016	292,693	(444)	11,661	(6,246)	(255)	5,160	112,643	410,052	27,789	437,841
Profit for the financial period	-	-	-	-	-	-	281,710	281,710	452	282,162
Other comprehensive income	-	-	-	1,018	2,025	3,043	-	3,043	-	3,043
Total comprehensive income for the financial period	-	-	-	1,018	2,025	3,043	281,710	284,753	452	285,205
Interim dividend paid	-	-	-	-	-	-	(8,713)	(8,713)	-	(8,713)
Share buy-back	-	(4,086)	-	-	-	-	-	(4,086)	-	(4,086)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	(28,241)	(28,241)
As at 30 June 2016	292,693	(4,530)	11,661	(5,228)	1,770	8,203	385,640	682,006	-	682,006

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	6 months ended	
	30 June 2017	30 June 2016
	RM'000	RM'000
Profit/(loss) for the financial period from continuing operations	30,360	(15,330)
Non-cash items:		
Investment income	(7,009)	(3,771)
Realised gains and losses - net	(844)	(40)
Fair value gains and losses - net	7,937	(54)
Other income arising from settlement with other receivable	(20,000)	-
Reserve arising from business combination	(15,413)	-
Gain on remeasurement of previously held equity interest in an associate	(2,496)	-
Write back of impairment loss on loans from leasing, hire purchase and other receivables	(1)	(5)
(Write back of)/allowance for impairment loss on trade and other receivables	(34)	1,700
Allowance for impairment loss on insurance receivables	41	-
Purchases of financial assets	(9,172)	-
Proceeds from disposal of financial assets	1,568	1,763
Depreciation of property, plant and equipment	426	351
Property, plant and equipment written off	-	40
Amortisation of leases	1	1
Amortisation of intangible assets	34	27
Intangible assets written off	-	1
Unrealised foreign exchange loss	313	2,190
Share of profit of associates	(4,190)	(2,264)
Tax expenses	1,017	1
Changes in working capital:		
Decrease in loans and receivables	557	450
Increase in reinsurance assets	(424)	-
Decrease in insurance receivables	4,721	-
Decrease in deferred acquisition costs	142	-
(Increase)/decrease in trade and other receivables	(7,796)	28,752
Increase in insurance contract liabilities	2,210	-
Decrease in insurance payables	(3,200)	-
(Decrease)/increase in trade and other payables	(1,662)	3,178
Cash (used in)/generated from operating activities	<u>(22,914)</u>	<u>16,990</u>
Investment income received	8,856	2,736
Income tax paid	(15)	(54)
Income tax refund	24	145
Net cash (used in)/generated from operating activities (continuing operations)	<u>(14,049)</u>	<u>19,817</u>
Net cash generated from operating activities (discontinued operations)	<u>-</u>	<u>71,501</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017
(continued)

	6 months ended	
	30 June 2017	30 June 2016
	RM'000	RM'000
Investing activities:		
Purchase of property, plant and equipment	(168)	(156)
Proceeds from disposal of property, plant and equipment	91	64
Addition from subsequent expenditure of investment properties	(101)	-
Purchase of intangible assets	-	(53)
(Decrease)/increase in fixed and call deposits	(43,594)	19,000
Net cash inflow from disposal of discontinued operations	-	25,448
Net cash inflow from business combination	17,630	-
Net cash (used in)/generated from investing activities (continuing operations)	(26,142)	44,303
Net cash used in investing activities (discontinued operations)	-	(499)
Financing activities:		
Purchase of treasury shares	-	(4,086)
Dividend paid	(16,411)	(8,713)
Net cash used in financing activities (continuing operations)	(16,411)	(12,799)
Net (decrease)/increase in cash and cash equivalents	(56,602)	51,321
Net increase in cash and cash equivalents - discontinued operations	-	71,002
Currency translation difference	(3,130)	1,018
Cash and cash equivalents at beginning of financial year	157,074	357,245
Cash and cash equivalents at end of financial period	97,342	480,586
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	79,152	477,969
Cash and bank balance	18,190	2,617
	97,342	480,586

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.