

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2018**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2018

	31 March 2018	31 December 2017
	RM'000	(Audited) RM'000
ASSETS		
Property, plant and equipment	4,539	4,612
Investment properties	50,110	49,982
Intangible assets	479	590
Associates	53,217	52,460
Deferred tax assets	455	667
Tax recoverable	173	172
Investments	288,613	335,555
Financial assets at fair value through profit or loss ("FVTPL")	97,750	19,310
Financial assets at fair value through other comprehensive income ("FVOCI")	60,554	-
Financial assets at amortised costs ("AC")	55,034	-
Available-for-sale ("AFS") financial assets	-	210,748
Loans and receivables ("LAR")	75,275	105,497
Reinsurance assets	35,581	34,943
Insurance receivables	40,922	44,322
Deferred acquisition costs	15,970	16,475
Trade and other receivables ^(N1)	94,786	97,591
Cash and cash equivalents	166,662	141,226
TOTAL ASSETS	751,507	778,595
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	143,808	150,968
Deferred tax liabilities	769	771
Insurance payables	10,829	8,656
Deferred reinsurance commissions	929	701
Trade and other payables	50,680	52,101
Retirement benefit liability	638	559
Current tax liabilities	2,964	2,213
TOTAL LIABILITIES	210,617	215,969
EQUITY		
Share capital	304,354	304,354
Retained earnings	259,336	259,140
Reserves	(26,109)	(4,168)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	537,581	559,326
Non-controlling interests	3,309	3,300
TOTAL EQUITY	540,890	562,626
TOTAL EQUITY AND LIABILITIES	751,507	778,595
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.97	2.04

^(N1) Included the balance sale consideration of RM93.75 million ("Retained Consideration") from the disposal of MAA Takaful Berhad which is payable to the Company on the third anniversary of the sale completion date, 30 June 2016 with a charge of RM5.8 million for present value adjustment ("PV Charge") to account for time value of money as at 31 December 2017.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2018

	3 months ended		3 months ended	
	31 March 2018	31 March 2017 (Restated)	31 March 2018	31 March 2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	39,164	4,036	39,164	4,036
Gross earned premiums	34,509	-	34,509	-
Premiums ceded to reinsurers	(9,092)	-	(9,092)	-
Net earned premiums	25,417	-	25,417	-
Investment income	3,646	2,570	3,646	2,570
Realised gains and losses - net	2,042	(2)	2,042	(2)
Fair value gains and losses - net	(13,217)	(42)	(13,217)	(42)
Commission income	480	-	480	-
Other operating revenue from non-insurance businesses	1,009	1,466	1,009	1,466
Other operating (expenses)/income - net	(1,191)	39	(1,191)	39
Other (expenses)/revenue	(7,231)	4,031	(7,231)	4,031
Total revenue	18,186	4,031	18,186	4,031
Gross claims paid	(11,873)	-	(11,873)	-
Claims ceded to reinsurers	880	-	880	-
Gross change to contract liabilities	(1,339)	-	(1,339)	-
Change in contract liabilities ceded to reinsurers	2,428	-	2,428	-
Net claims incurred	(9,904)	-	(9,904)	-
Commission expense	(8,758)	-	(8,758)	-
Management expenses	(11,474)	(6,742)	(11,474)	(6,742)
Finance costs	(3)	-	(3)	-
Other expenses	(20,235)	(6,742)	(20,235)	(6,742)
Operating loss	(11,953)	(2,711)	(11,953)	(2,711)
Share of profit of associates, net of tax	757	1,421	757	1,421
Loss before taxation	(11,196)	(1,290)	(11,196)	(1,290)
Taxation	(1,425)	(29)	(1,425)	(29)
Loss for the financial quarter/period	(12,621)	(1,319)	(12,621)	(1,319)
Loss for the financial quarter/period attributable to:				
Owners of the Company	(12,630)	(1,319)	(12,630)	(1,319)
Non-controlling interests	9	-	9	-
	(12,621)	(1,319)	(12,621)	(1,319)
Basic loss per ordinary share (sen) attributable to owners of the Company	(4.62)	(0.48)	(4.62)	(0.48)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2018

	3 months ended		3 months ended	
	31 March 2018	31 March 2017 (Restated)	31 March 2018	31 March 2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Loss for the financial quarter/period	(12,621)	(1,319)	(12,621)	(1,319)
<u>Other comprehensive income/(loss)</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	(9,822)	(420)	(9,822)	(420)
Changes in the fair value of FVOCI/AFS financial assets, net of tax	(1,717)	1,617	(1,717)	1,617
Share of fair value changes of AFS financial assets of associates	-	255	-	255
	(11,539)	1,452	(11,539)	1,452
<i>Items that will not be reclassified to profit or loss:</i>				
Changes in the fair value of financial assets at FVOCI, net of tax	(362)	-	(362)	-
Other comprehensive (loss)/income for the financial quarter/period, net of tax	(11,901)	1,452	(11,901)	1,452
Total comprehensive (loss)/income for the financial quarter/period	(24,522)	133	(24,522)	133
Total comprehensive (loss)/income for the financial quarter/period attributable to:				
Owners of the Company	(24,531)	133	(24,531)	133
Non-controlling interests	9	-	9	-
	(24,522)	133	(24,522)	133

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Attributable to owners of the Company								
	Share capital	Reserves				Retained earnings	Total	Non-controlling interests	Total Equity
		Foreign exchange reserves	AFS reserves	FVOCI reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2018									
- as previously stated	304,354	(14,212)	10,044	-	(4,168)	259,140	559,326	3,300	562,626
- effect of change in accounting policy ^(*)	-	-	(10,044)	4	(10,040)	12,826	2,786	-	2,786
- restated	304,354	(14,212)	-	4	(14,208)	271,966	562,112	3,300	565,412
(Loss)/profit for the financial period	-	-	-	-	-	(12,630)	(12,630)	9	(12,621)
Other comprehensive (loss)/income	-	(9,822)	-	(2,079)	(11,901)	-	(11,901)	-	(11,901)
Total comprehensive (loss)/income for the financial period	-	(9,822)	-	(2,079)	(11,901)	(12,630)	(24,531)	9	(24,522)
As at 31 March 2018	304,354	(24,034)	-	(2,075)	(26,109)	259,336	537,581	3,309	540,890

^(*) As disclosed in Note A2 to the report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018
(continued)

	Attributable to owners of the Company								
	Share capital	Reserves				Retained earnings	Total	Non-controlling interests	Total Equity
		Capital redemption reserves	Foreign exchange reserves	AFS reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2017									
- as previously stated	273,518	30,836	4,029	3,284	38,149	240,164	551,831	-	551,831
- effect of change in accounting policy (*)	-	-	-	-	-	(5,353)	(5,353)	-	(5,353)
- restated	273,518	30,836	4,029	3,284	38,149	234,811	546,478	-	546,478
Loss for the financial period									
- as previously stated	-	-	-	-	-	(577)	(577)	-	(577)
- effect of change in accounting policy (*)	-	-	-	-	-	(742)	(742)	-	(742)
- restated	-	-	-	-	-	(1,319)	(1,319)	-	(1,319)
Other comprehensive (loss)/income	-	-	(420)	1,872	1,452	-	1,452	-	1,452
Total comprehensive (loss)/income for the financial period	-	-	(420)	1,872	1,452	(1,319)	133	-	133
Interim dividend paid	-	-	-	-	-	(16,411)	(16,411)	-	(16,411)
As at 31 March 2017	273,518	30,836	3,609	5,156	39,601	217,081	530,200	-	530,200

(*) During the previous financial year ended 31 December 2017, the Group consistent with its general insurance subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP") adopted the new valuation standards implemented in the Philippines for the measurement of unearned premium reserve ("UPR"). The new valuation standards require the UPR to be calculated based on the 24th method for all business, on a gross of reinsurance basis and for policies with a policy duration of less than one (1) year or more than one (1) year, the UPR shall consider the actual unearned premium from the date of valuation (policy inception date) to the date of termination of the policy.

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 2017.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	3 months ended	
	31 March 2018	31 March 2017 (Restated)
	RM'000	RM'000
Loss for the financial period	(12,621)	(1,319)
Adjustment for:		
Investment income	(3,646)	(2,570)
Realised gains and losses - net	(2,042)	2
Fair value gains and losses - net	13,217	42
Share of profit of associates	(757)	(1,421)
Tax expenses	1,425	29
Purchases of financial assets	(22,145)	-
Proceeds from disposal of financial assets	21,200	-
Depreciation of property, plant and equipment	239	188
Amortisation of intangible assets	14	17
Allowance for impairment loss on:		
- insurance receivables	294	-
- financial assets at AC	28	-
Realised foreign exchange loss	452	32
Unrealised foreign exchange loss	1,072	141
Changes in working capital:		
Increase in loans and receivables	(12)	-
Increase in reinsurance assets	(638)	-
Decrease in insurance receivables	2,705	-
Decrease in deferred acquisition costs	505	-
Decrease/(increase) in trade and other receivables	2,264	(47)
Decrease in insurance contract liabilities	(7,160)	-
Increase in insurance payables	2,173	-
Increase in deferred reinsurance commission	228	-
Decrease in trade and other payables	(1,421)	(468)
Cash used in operating activities	(4,626)	(5,374)
Investment income received	3,420	3,630
Income tax paid	(17)	(8)
Income tax refund	14	24
Net cash used in operating activities	(1,209)	(1,728)
Investing activities:		
Purchase of property, plant and equipment	(237)	(6)
Proceeds from disposal of property, plant and equipment	31	36
Addition from subsequent expenditure of investment properties	(128)	(19)
Purchase of intangible assets	(5)	-
Decrease/(increase) in fixed and call deposits	30,306	(106,803)
Net cash generated from/(used in) investing activities	29,967	(106,792)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018
(continued)

	3 months ended	
	31 March 2018	31 March 2017 (Restated)
	RM'000	RM'000
Financing activities:		
Dividends paid	-	(16,411)
Net cash used in financing activities	-	(16,411)
Net increase/(decrease) in cash and cash equivalents	28,758	(124,931)
Currency translation difference	(3,322)	(27)
Cash and cash equivalents at beginning of financial year	141,226	157,074
Cash and cash equivalents at end of financial period	166,662	32,116
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	148,752	28,184
Cash and bank balance	17,910	3,932
	166,662	32,116

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.