

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018**

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

	31 December 2018	31 December 2017 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	4,193	4,612
Investment properties	46,234	49,982
Intangible assets	570	590
Associates	-	52,460
Deferred tax assets	2,378	667
Tax recoverable	176	172
Investments	244,002	335,555
Financial assets at fair value through profit or loss ("FVTPL")	105,273	19,310
Financial assets at fair value through other comprehensive income ("FVOCI")	64,740	-
Financial assets at amortised costs ("AC")	69,460	-
Available-for-sale ("AFS") financial assets	-	210,748
Loans and receivables ("LAR")	4,529	105,497
Reinsurance assets	40,023	34,943
Insurance receivables	47,608	44,322
Deferred acquisition costs	17,447	16,475
Trade and other receivables ^(N1)	103,366	97,591
Retirement benefit asset	101	-
Cash and cash equivalents	251,133	141,226
TOTAL ASSETS	757,231	778,595
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	149,233	150,968
Deferred tax liabilities	748	771
Insurance payables	13,580	8,656
Deferred reinsurance commissions	833	701
Trade and other payables	56,429	52,101
Retirement benefit liability	-	559
Current tax liabilities	2,552	2,213
TOTAL LIABILITIES	223,375	215,969
EQUITY		
Share capital	304,354	304,354
Retained earnings	237,269	259,140
Reserves	(11,186)	(4,168)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	530,437	559,326
Non-controlling interests ("NCI")	3,419	3,300
TOTAL EQUITY	533,856	562,626
TOTAL EQUITY AND LIABILITIES	757,231	778,595
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.94	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 30 June 2019 .

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 YEAR ENDED 31 DECEMBER 2018

	3 months ended		12 months ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017 (Audited)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	43,594	42,680	168,856	119,024
Gross earned premiums	38,973	38,064	148,461	98,573
Premiums ceded to reinsurers	(12,741)	(10,032)	(44,440)	(28,389)
Net earned premiums	26,232	28,032	104,021	70,184
Investment income	4,090	3,919	16,534	15,190
Realised gains and losses - net	(5,505)	1,511	(3,337)	2,831
Fair value gains and losses - net	(11,143)	(230)	(32,379)	(8,308)
Commission income	619	653	2,448	1,861
Other operating revenue from non-insurance businesses	531	697	3,861	5,261
Other operating income/(expenses) - net	244	(1,022)	3,308	31,822
Other (expenses)/revenue	(11,164)	5,528	(9,565)	48,657
Total revenue	15,068	33,560	94,456	118,841
Gross claims paid	(13,550)	(7,669)	(48,972)	(24,355)
Claims ceded to reinsurers	1,675	301	6,040	2,116
Gross change to contract liabilities	943	(3,678)	(2,020)	(20,776)
Change in contract liabilities ceded to reinsurers	3,496	494	4,604	9,663
Net claims incurred	(7,436)	(10,552)	(40,348)	(33,352)
Commission expense	(9,701)	(8,891)	(37,299)	(23,678)
Management expenses	(11,387)	(11,047)	(45,869)	(40,810)
Finance costs	(2)	(3)	(9)	(9)
Other expenses	(21,090)	(19,941)	(83,177)	(64,497)
Operating (loss)/profit	(13,458)	3,067	(29,069)	20,992
Share of profit of associates, net of tax	1,774	2,417	4,696	7,636
(Loss)/profit before taxation	(11,684)	5,484	(24,373)	28,628
Taxation	747	(2,193)	(2,965)	(2,284)
(Loss)/profit for the financial quarter/year	(10,937)	3,291	(27,338)	26,344
(Loss)/profit for the financial quarter/year attributable to:				
Owners of the Company	(11,036)	2,711	(27,457)	25,136
NCI	99	580	119	1,208
	(10,937)	3,291	(27,338)	26,344
Basic (loss)/earning per ordinary share (sen) attributable to owners of the Company	(4.03)	0.99	(10.04)	9.19

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 2017.

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

	3 months ended		12 months ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017 (Audited)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial quarter/year	(10,937)	3,291	(27,338)	26,344
<u>Other comprehensive income</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	11,542	(1,197)	6,975	(17,695)
Changes in the fair value of FVOCI/AFS financial assets, net of tax	204	4,732	(2,876)	7,325
Share of fair value changes of AFS financial assets of associates	-	-	-	526
Transferred to profit or loss arising from deemed disposal of an associate	-	-	-	728
	11,746	3,535	4,099	(9,116)
<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	(290)	-	(1,077)	-
Remeasurement gain/(loss) on retirement benefit liability	684	(80)	684	(80)
Other comprehensive income/(loss) for the financial quarter/year, net of tax	12,140	3,455	3,706	(9,196)
Total comprehensive (loss)/income for the financial quarter/year	1,203	6,746	(23,632)	17,148
Total comprehensive (loss)/income for the financial quarter/year attributable to:				
Owners of the Company	1,104	6,166	(23,751)	15,940
NCI	99	580	119	1,208
	1,203	6,746	(23,632)	17,148

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 YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the Company								
	Share capital	Reserves				Retained earnings	Total	NCI	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)	13,108	3,068	-	3,068
- restated	304,354	(14,212)	-	4	(14,208)	272,248	562,394	3,300	565,694
Loss for the financial year	-	-	-	-	-	(27,457)	(27,457)	119	(27,338)
Other comprehensive income/(loss)	-	6,975	-	(3,953)	3,022	684	3,706	-	3,706
Total comprehensive income/(loss) for the financial year	-	6,975	-	(3,953)	3,022	(26,773)	(23,751)	119	(23,632)
Interim dividends paid	-	-	-	-	-	(8,206)	(8,206)	-	(8,206)
As at 31 December 2018	304,354	(7,237)	-	(3,949)	(11,186)	237,269	530,437	3,419	533,856

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

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

(continued)

	Attributable to owners of the Company								
	Share capital	Reserves				Retained earnings	Total	NCI	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
Transition to non-par value regime on 31 January 2017	30,836	(30,836)	-	-	(30,836)	-	-	-	-
Profit/(loss) for the financial year									
- as previously stated	-	-	-	-	-	25,136	25,136	485	25,621
- effect of change in accounting policy (*)	-	-	-	-	-	-	-	(247)	(247)
- restated	-	-	-	-	-	25,136	25,136	1,208	26,344
Other comprehensive (loss)/income	-	-	(17,695)	8,579	(9,116)	(80)	(9,196)	-	(9,196)
Total comprehensive (loss)/income for the financial year	-	-	(17,695)	8,579	(9,116)	25,056	15,940	1,208	17,148
Interim dividends paid	-	-	-	-	-	(24,617)	(24,617)	-	(24,617)
Acquisition of subsidiary with NCI	-	-	(546)	(1,819)	(2,365)	-	(2,365)	26,502	24,137
Realised foreign currency translation differences	-	-	-	-	-	10,233	10,233	-	10,233
Transactions with NCI	-	-	-	-	-	13,657	13,657	(24,410)	(10,753)
As at 31 December 2017	304,354	-	(14,212)	10,044	(4,168)	259,140	559,326	3,300	562,626

(*) During the previous financial year ended 31 December 2017, the Group consistent with its general insurance subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP") had adopted the new valuation standards implemented in the Philippines for the measurement of unearned premium reserve ("UPR"). The new valuation standards required 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 YEAR ENDED 31 DECEMBER 2018**

	12 months ended	
	31 December 2018	31 December 2017 (Audited)
	RM'000	RM'000
(Loss)/profit for the financial year	(27,338)	26,344
Adjustment for:		
Investment income	(16,534)	(15,190)
Realised gains and losses - net	3,337	(2,831)
Fair value gains and losses - net	32,379	8,308
Present value adjustment on Retained Consideration	(3,958)	(1,841)
Other income arising from settlement with other receivable	-	(20,000)
Reserve arising from business combination	-	(10,025)
Gain on remeasurement of previously held equity interest in an associate	-	(1,666)
Loss on deconsolidation of subsidiaries	757	682
Share of profit of associates	(4,696)	(7,636)
Tax expenses	2,965	2,284
Purchases of financial assets	(119,082)	(139,355)
Proceeds from disposal of financial assets	74,976	100,919
Depreciation of property, plant and equipment	980	954
Property, plant and equipment written off	1	196
Amortisation of leasehold land	1	1
Amortisation of intangible assets	63	70
Allowance for/(write back of) impairment loss on:		
- loans from loans and receivables	(385)	(2)
- insurance receivables	91	(95)
- other receivables	-	44
- financial assets at AC	97	-
Realised foreign exchange (gains)/losses - net	(130)	1,701
Unrealised foreign exchange losses/(gains) - net	2,122	(130)
Changes in working capital:		
Decrease in loans and receivables	365	271
Increase in reinsurance assets	(5,080)	(3,389)
(Increase)/decrease insurance receivables	(3,778)	3,664
Increase in deferred acquisition costs	(972)	(1,161)
Decrease in trade and other receivables	2,227	22,687
(Decrease)/increase in insurance contract liabilities	(1,735)	17,506
Increase/(decrease) in insurance payables	4,924	(25)
Increase/(decrease) in deferred reinsurance commission	132	(806)
Increase in trade and other payables	4,350	1,302
Cash used in operating activities	(53,921)	(17,219)
Investment income received	17,436	16,565
Income tax paid	(3,938)	(1,545)
Income tax refund	1	60
Net cash used in operating activities	(40,422)	(2,139)

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

	12 months ended	
	31 December 2018	31 December 2017 (Audited)
	RM'000	RM'000
Investing activities:		
Purchase of property, plant and equipment	(546)	(784)
Proceeds from disposal of property, plant and equipment	43	173
Addition from subsequent expenditure of investment properties	(609)	(6,245)
Purchase of intangible assets	(144)	(97)
Decrease in fixed and call deposits	99,881	27,162
Proceeds from disposal of an associate	56,713	-
Net cash outflow from business combination	-	(5,004)
Net cash outflow from deconsolidation of subsidiaries	(29)	(737)
Net cash generated from investing activities	155,309	14,468
Financing activities:		
Dividends paid	(8,206)	(24,617)
Net cash used in financing activities	(8,206)	(24,617)
Net decrease in cash and cash equivalents	106,681	(12,288)
Currency translation difference	3,226	(3,560)
Cash and cash equivalents at beginning of financial year	141,226	157,074
Cash and cash equivalents at end of financial year	251,133	141,226
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	168,701	109,050
Cash and bank balance	82,432	32,176
	251,133	141,226

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.