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 MFRS 134 *'Interim Financial Reporting'* issued by the Malaysian Accounting Standards Board ("MASB"), the International Accounting Standard ("IAS") 34 *'Interim Financial Reporting'* and the requirements of Companies Act 2016. These Interim Reports have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

These Interim Reports have also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

These unaudited Interim Reports should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018. 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 2018.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted by the Group in these Interim Reports are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following standards and amendments to standards that became effective from financial year beginning on or after 1 January 2019:

- MFRS 16 *'Leases'*
- IC Interpretation 23 *'Uncertainty over Income Tax Treatments'*
- Amendments to MFRS 9 *'Financial Instruments - Prepayment features with negative compensation'*
- Amendments to MFRS 128 *'Investments in Associates and Join Ventures - Long-term Interests in Associates and Joint Ventures'*
- Annual Improvements to MFRSs 2015 – 2017 Cycle
  - Amendments to MFRS 3 *'Business Combinations'*
  - Amendments to MFRS 112 *'Income Taxes'*
  - Amendments to MFRS 123 *'Borrowing Costs'*
  - Amendments to MFRS 11 *'Joint Arrangement'*

The adoption of the above do not have any significant financial impact to the current and prior financial period's consolidated financial statements of the Group upon their initial application, except as mentioned below:

MFRS 16 *'Leases'*

MFRS 16 *'Leases'* supersedes MFRS 117 *'Leases'*, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 16 *'Leases'* (continued)

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 *'Property, Plant and Equipment'* and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group adopted MFRS 16 using the modified retrospective approach and measured the right-of-use assets equals to the lease liabilities at 1 January 2019 with no restatement of comparative information. The Group recognised right-of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

On transition to MFRS 16, the Group recognised an amount of RM 6,520,000 of right-of-use assets and lease liabilities. When measuring the lease liabilities, the Group discounted the operating lease commitments using the incremental borrowing rates at 1 January 2019. The weighted-average rate applied by the Group is 9.1%.

The following standards, amendments to published standards and interpretations to existing standards that have been issued by MASB but are not yet effective to the Group:

<u>Effective for annual periods commencing on or after 1 January 2020</u>

- Amendments to MFRS 3 *'Business Combinations – Definition of a Business'*
- Amendments to MFRS 108 *'Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material'*
- Amendments to MFRS 101 *'Presentation of Financial Statements – Definition of Material'*

<u>Effective for annual periods commencing on or after 1 January 2021</u>

- MFRS 17 *'Insurance Contracts'*

The International Accounting Standards Board has tentatively proposed to amend the effective date of IFRS 17 *'Insurance Contracts'* to 1 January 2022.

<u>Effective date of these Amendments to Standards has been deferred, and yet to be announced</u>

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 assess the application of adopting the above standards, amendments to published standards and interpretations to exiting standards before the effective dates.

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 2019.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and period ended 31 March 2019.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have any material effect during the current financial quarter and period ended 31 March 2019.

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 2019.

A7. DIVIDEND PAID

No interim dividend was paid by the Company during the current financial quarter and period ended 31 March 2019 in respect of the financial year ending 31 December 2019.

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 2019:

- Investment holdings
- General insurance business
- Education services

The Group's other segments comprise of hire purchase, leasing and other credit facilities, property management and consultancy services.

There have been no material changes in total assets, the basis of segmentation and the basis of measurement of segment profit or loss from the last annual financial statements, except that the retail mortgage lending business held via associated company, Columbus Capital Pty Limited ("CCA") has ceased to be the Group's operating segment subsequent to the disposal of CCA on 27 December 2018.

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 31 March 2019

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,012	41,296	850	85	44,243
Net earned premiums	-	26,374	-	-	26,374
Investment income	1,953	2,048	-	73	4,074
Realised gains and losses – net	225	2,010	-	-	2,235
Fair value gains and losses – net	6,906	(537)	-	34	6,403
Commission income	-	505	-	-	505
Other operating revenue from non-insurance businesses	59	-	850	12	921
Other operating income/(expenses) –net	(161)	(175)	1	(6)	(341)
Net claims incurred	-	(12,090)	-	-	(12,090)
Commission expense	-	(9,589)	-	-	(9,589)
Management expenses	(4,978)	(4,224)	(889)	(539)	(10,630)
Finance costs	(32)	(31)	(13)	(4)	(80)
Profit/(loss) before taxation	3,972	4,291	(51)	(430)	7,782

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 31 March 2018

	Investment holdings	General insurance	Education services	Retail mortgage lending	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,965	36,230	944	-	25	39,164
Net earned premiums	-	25,417	-	-	-	25,417
Investment income	1,906	1,721	-	-	19	3,646
Realised gains and losses – net	1,077	965	-	-	-	2,042
Fair value gains and losses – net	(10,115)	(3,123)	-	-	21	(13,217)
Commission income	-	480	-	-	-	480
Other operating revenue from non-insurance businesses	59	-	944	-	6	1,009
Other operating (expenses)/ income -net	(1,125)	(77)	1	-	10	(1,191)
Net claims incurred	-	(9,904)	-	-	-	(9,904)
Commission expense	-	(8,758)	-	-	-	(8,758)
Management expenses	(5,790)	(4,295)	(906)	-	(483)	(11,474)
Finance costs	-	(3)	-	-	-	(3)
(Loss)/profit before taxation before share of profit of associate	(13,988)	2,423	39	-	(427)	(11,953)
Share of profit of associate	-	-	-	757	-	757
(Loss)/profit before taxation	(13,988)	2,423	39	757	(427)	(11,196)

A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial period ended 31 March 2019 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter and period ended 31 March 2019.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current financial quarter and period ended 31 March 2019. As at 31 March 2019, the Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

A12. VALUATION OF INVESTMENT PROPERTIES

Investment properties of the Group were carried at revalued amount at the financial year ended 31 December 2018. These revalued amounts have been carried forward to the current financial period ended 31 March 2019.

A13. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at the end of the financial period ended 31 March 2019.

A14. CAPITAL COMMITMENTS

Significant capital commitments contracted but not provided for the purchase of property, plant and equipment as at the end of the financial period are as follows:

	As at 31.3.2019	**As at 31.12.2018**
	RM'000	RM'000
Property, plant and equipment		
- Renovation	208	416

A15. RELATED PARTY DISCLOSURES

All related party transactions and balances within the Group had been entered in the normal course of business and were carried out on normal commercial terms and in accordance with the Shareholders' mandate procured on 5 June 2018 under Chapter 10 of the MMLR of Bursa Securities which ended on 29 May 2019.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF GROUP PERFORMANCE

Current financial quarter ended 31 March 2019 ("1Q-2019") against preceding year's corresponding financial quarter ended 31 March 2018 ("1Q-2018")

Group

	1Q-2019	1Q-2018
	RM'000	RM'000
Operating revenue	44,243	39,164
Profit/(loss) before taxation	7,782	(11,196)

In 1Q-2019 under review, the Group recorded a higher total operating revenue of RM44.2 million (1Q-2018: RM39.2 million), mainly contributed by the higher gross earned premiums of RM39.2 million (1Q-2018: RM34.5 million) recorded by the General Insurance business held via subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP") and higher investment income of RM4.1 million (1Q-2018: RM3.6 million).

The Group recorded a Profit before taxation ("PBT") of RM7.8 million (1Q-2018: Loss before taxation ("LBT") of RM11.2 million) in 1Q-2019. The profit in 1Q-2019 was mainly contributed by higher PBT of RM4.3 million (1Q-2018: RM2.4 million) from the General Insurance business and PBT of RM4.0 million (1Q-2018: LBT of RM14.0 million) from the Investment Holdings segment.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2019 ("1Q-2019") against preceding year's corresponding financial quarter ended 31 March 2018 ("1Q-2018") (continued)

Investment Holdings

Key financial performance	**1Q-2019**	**1Q-2018**
	RM'000	RM'000
Operating revenue	2,012	1,965
Profit/(loss) before taxation	3,972	(13,988)
Assets	437,562	462,825
Liabilities	12,535	9,904

Investment Holdings segment recorded a marginal increase in total operating revenue to RM2.0 million (1Q-2018: RM2.0 million) which mainly comprised of interest income of RM1.7 million (1Q-2018: RM1.8 million), dividend income of RM220,000 (1Q-2018: RM49,000) and rental income from investment properties of RM72,000 (1Q-2018: RM76,000).

In 1Q-2019, the Investment Holdings segment recorded a PBT of RM4.0 million (1Q-2018: LBT of RM14.0 million). The profit was mainly contributed by net fair value gains of RM7.1 million (1Q-2018: loss of RM10.1 million) on investments classified at FVTPL attributed by recovery of the regional equity markets and lower management expenses of RM5.0 million (1Q-2018: RM5.8 million).

As at 31 March 2019, Investment Holdings segment's assets were lower at RM437.6 million as compared to RM462.8 million as at 31 March 2018. The decrease was due mainly to payment of the first interim dividend totaling RM8.2 million for the financial year ended 31 December 2018 on 25 April 2018, the recorded net fair value losses on investments classified at FVTPL of RM7.4 million resulted from the weak stock market and the net fair value loss of RM2.9 million on investment properties during the period from April 2018 to 31 March 2019.

As at 31 March 2019, total liabilities of the Investment Holdings segment increased to RM12.5 million from RM9.9 million as at 31 March 2018. The increase was mainly attributed by the recognition of lease liability of RM3.8 million from the adoption of MFRS 16 on 1 January 2019.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2019 ("1Q-2019") against preceding year's corresponding financial quarter ended 31 March 2018 ("1Q-2018") (continued)

General Insurance

Key financial performance	1Q-2019		1Q-2018	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	543,672	42,566	518,892	39,598
Underwriting surplus	66,308	5,200	94,333	7,235
Investment income	26,173	2,048	22,516	1,721
Claim ratio in %	45.9%	45.9%	39.0%	39.0%
Commission ratio in %	32.1%	32.1%	28.4%	28.4%
Profit before taxation	54,654	4,291	29,856	2,423
Assets	4,196,342	324,463	3,806,137	281,640
Liabilities	2,909,891	224,994	2,697,128	199,578
Range of currency exchange rate	1 RM = 12.68 to 12.93PHP		1 RM= 12.32 to 13.51 PHP	

GPW grew by 4.8% from PHP518.9 million in 1Q-2018 to PHP543.7 million in 1Q-2019, driven mainly by 14.4% increase in the production of non-motor classes of business. Motor and non-motor businesses contributed 35% (1Q-2018: 40%) and 65% (1Q-2018: 60%) respectively of the total GPW in 1Q-2019.

In 1Q-2019, MAAGAP recorded a lower underwriting surplus of PHP66.3 million as compared to PHP94.3 million in 1Q-2018 affected by higher claim ratio of 45.9% (1Q-2018 : 39.0%). The claim ratio for motor class was higher at 50.2% (1Q-2018: 34.5%) in 1Q-2019, mainly due to the increase in the number of registered motor claims by 11.2% compared to 1Q-2018. For non-motor class, the claim ratio improved from 44.0% in 1Q-2018 to 42.1% in 1Q-2019. Nevertheless, MAAGAP registered a higher PBT of PHP54.7 million (1Q-2018: PHP29.9 million) in 1Q-2019 mainly attributed by the higher investment income of PHP26.2 million (1Q-2018: PHP22.5 million), higher realised gains from disposal of investments of PHP25.7 million (1Q-2018: PHP12.6 million) and lower net fair value loss of PHP6.9 million (1Q-2018: PHP42.2 million) on investments classified at FVTPL.

As at 31 March 2019, MAAGAP's total assets increased by 10.3% to PHP4,196.3 million from PHP3,806.1 million as at 31 March 2018. The increase was mainly attributed by higher cash and cash equivalents, investments, reinsurance assets and insurance receivables positions which were in line with the company's business growth.

Total liabilities increased by 7.9% to PHP2,909.9 million as at 31 March 2019 from PHP2,697.1 million as at 31 March 2018. The increase was mainly due to higher insurance contract liabilities, insurance and other payables positions which were in line with the company's business growth.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2019 ("1Q-2019") against preceding year's corresponding financial quarter ended 31 March 2018 ("1Q-2018") (continued)

Education Services

Key financial performance	**1Q-2019**	**1Q-2018**
	RM'000	RM'000
Operating revenue	850	944
(Loss)/profit before taxation	(51)	39
Assets	1,672	820
Liabilities	1,145	241

Total operating revenue of the Education Services segment consists of tuition fee income recorded a 10.0% decrease to RM850,000 (1Q-2018: RM944,000) in 1Q-2019 affected by the reduction in students enrollment.

Corresponding to the lower tuition fee income, the Education Services segment has recorded a LBT of RM51,000 (1Q-2018: PBT of RM39,000).

As at 31 March 2019, the Education Services segment's assets and liabilities were higher at RM1.7 million (31 March 2018: RM0.8 million) and RM1.1 million (31 March 2018: RM0.2 million) respectively due mainly to recognition of right-of-use assets of RM1.0 million and lease liability of RM1.0 million from the adoption of new MFRS 16 on 1 January 2019.

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (1Q-2019) AGAINST THE PRECEDING FINANCIAL QUARTER (4Q-2018)

In 1Q-2019, the Group recorded a PBT of RM7.8 million (4Q-2018: LBT of RM11.7 million). The profit in 1Q-2019 was mainly contributed by net fair value gains on investments classified at FVTPL totaling RM6.6 million, whilst the loss in 4Q-2018 arose mainly from the net fair value losses on investments classified at FVTPL totaling RM9.4 million and fair value losses of RM1.6 million from revaluation of investment properties.

B3. PROSPECTS

In 2019, the Group's General Insurance business held via MAAGAP in the Philippines is expected to maintain its premium level as previous year. However, the Group is cautious of the higher claims experience recorded by the motor class of business in 1Q-2019 and will monitor the situation closely. At the same time, the on-going trade tensions between US and China, downside local and global risks such as rising inflation and the Brexit uncertainties etc. may cause capital flows and share market volatility in the Philippines, all these factors will affect the performance of MAAGAP's investment portfolios.

For the Group's Education Services business, 2019 will remain challenging with issue of declining student enrollment. Nevertheless, the Education Services will continue to intensify its marketing initiatives to improve student enrollment.

On the Investment Holdings side, its performance is equally exposed to the stock market volatility with regards to its investments measured at FVTPL. On the PN17 status, the Company will continue exploring investment opportunities with reasonable pricing and long-term sustainable profits to address the regularisation plan. As disclosed in note B11(a), Bursa Securities has given the Company an extension of time up to 31 October 2019 to submit a regularisation plan.

In light of the prospects of the operating segments of the Group mentioned above, the Board foresees 2019 to be a challenging year for the Group.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. INVESTMENT INCOME

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	72	76	72	76
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	48	12	48	12
- Equity securities quoted outside Malaysia	237	136	237	136
	285	148	285	148
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	348	316	348	316
Interest income				
- Government debt securities quoted outside Malaysia	787	551	787	551
- Corporate debt securities quoted outside Malaysia	51	50	51	50
	1,186	917	1,186	917
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	98	95	98	95
- Corporate debt securities quoted outside Malaysia	476	525	476	525
	574	620	574	620
Interest income from fixed and call deposits	1,957	1,885	1,957	1,885
	4,074	3,646	4,074	3,646

B6. REALISED GAINS AND LOSSES – NET

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Net losses from disposal of property, plant and equipment	(190)	-	(190)	-
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	262	689	262	689
- Equity securities quoted outside Malaysia	2,204	1,340	2,204	1,340
- Unit trusts quoted outside Malaysia	(11)	-	(11)	-
- Derivatives quoted in Malaysia	15	17	15	17
	2,470	2,046	2,470	2,046
Investments at FVOCI				
Net realised losses				
- Government debt securities quoted outside Malaysia	(45)	(4)	(45)	(4)
	2,235	2,042	2,235	2,042

B7. FAIR VALUE GAINS AND LOSSES – NET

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Net fair value losses on investment properties	(159)	-	(159)	-
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	1,349	(1,143)	1,349	(1,143)
- Equity securities quoted outside Malaysia	6,101	(8,707)	6,101	(8,707)
- Equity securities unquoted outside Malaysia	(1,144)	(3,448)	(1,144)	(3,448)
- Unit trusts quoted in Malaysia	34	21	34	21
- Unit trusts quoted outside Malaysia	131	-	131	-
- Derivatives quoted in Malaysia	91	60	91	60
	6,562	(13,217)	6,562	(13,217)
	6,403	(13,217)	6,403	(13,217)

B8. 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):

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Write back of/(allowance for) impairment loss on:				
- insurance receivables	44	(294)	44	(294)
- investments at AC	(6)	(5)	(6)	(5)
- loans and receivables	-	(9)	-	(9)
- cash and cash equivalents	(71)	(14)	(71)	(14)
Bad debts recovered	-	8	-	8
Realised foreign exchange losses – net	(181)	(452)	(181)	(452)
Unrealised foreign exchange gains/(losses) - net	44	(1,072)	44	(1,072)
Property, plant and equipment written off	(4)	(1)	(4)	(1)
Depreciation of property, plant and equipment	(220)	(239)	(220)	(239)
Depreciation of right-of-use assets	(455)	-	(455)	-
Amortisation of intangible assets	(17)	(14)	(17)	(14)

B9. TAXATION

	Individual Period		Cumulative Period	
	Current Year Quarter	**Preceding Year Corresponding Quarter**	**Current Year To Date**	**Preceding Year Corresponding Period**
	31.3.2019	**31.3.2018**	**31.3.2019**	**31.3.2018**
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current financial quarter/period	638	1,269	638	1,269
Over provision in prior quarter/period	(20)	-	(20)	-
	618	1,269	618	1,269
Deferred tax				
Current financial quarter/period	567	156	567	156
Tax expenses	1,185	1,425	1,185	1,425

For the current financial quarter and period under review, the Group's effective tax rate was lower than the statutory tax rate due mainly to fair value gains on investments that are not subject to tax.

Provision for taxation has been made in the previous year's financial quarter and period even though the Group had recorded a loss; this was due mainly to certain expenses including the fair value losses on investments that are not deductible for tax purposes.

B10. FAIR VALUE MEASUREMENT OF INVESTMENTS

The Group classifies investments which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurement:

Level 1 - The fair value is measured by reference to published quotes in an active market which are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regular occurring market transactions on an arm's length basis.

Level 2 - The fair value is measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions obtained via pricing services; where prices have not been determined in an active market.

Level 3 - The fair value is determined using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category is unquoted equity securities. The unobservable inputs reflect the Group's own assumptions that market participants would use in pricing the investment. These inputs are developed based on the best information available, which might include the Group's own data.

The following tables show the Group's investments which are measured at fair value analysed by the various level within the fair value hierarchy:

At 31 March 2019

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	11,001	-	-	11,001
Equity securities quoted outside Malaysia	66,726	-	-	66,726
Equity securities unquoted outside Malaysia	-	-	22,621	22,621
Unit trusts quoted in Malaysia	2,167	-	-	2,167
Unit trusts quoted outside Malaysia	1,471	-	-	1,471
Derivatives quoted in Malaysia	24	-	-	24
	81,389	-	22,621	104,010
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	44,859	-	-	44,859
Corporate debt securities quoted outside Malaysia	3,840	-	-	3,840
Equity securities quoted outside Malaysia	21,382	464	-	21,845
Equity securities unquoted outside Malaysia	-	-	3	3
	70,081	464	3	70,548
Total investments measured at fair value	151,470	464	22,624	174,558

B10. FAIR VALUE MEASUREMENT OF INVESTMENTS (continued)

The following tables show the Group's investments which are measured at fair value analysed by the various level within the fair value hierarchy: (continued)

At 31 December 2018 (Audited)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	7,982	-	-	7,982
Equity securities quoted outside Malaysia	69,248	-	-	69,248
Equity securities unquoted outside Malaysia	-	-	24,079	24,079
Unit trusts quoted in Malaysia	2,133	-	-	2,133
Unit trusts quoted outside Malaysia	1,719	-	-	1,719
Derivatives quoted in Malaysia	112	-	-	112
	81,194	-	24,079	105,273
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	38,669	-	-	38,669
Corporate debt securities quoted outside Malaysia	3,728	-	-	3,728
Equity securities quoted outside Malaysia	21,892	448	-	22,340
Equity securities unquoted outside Malaysia	-	-	3	3
	64,289	448	3	64,740
Total investments measured at fair value	145,483	448	24,082	170,013

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There was no transfer among Level 1, 2 and 3 during the financial period ended 31 March 2019.

The following table shows the movement in Level 3 investments for the current financial period ended 31 March 2019:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM'000	RM'000
At 1 January 2019	24,079	3
Fair value loss recorded in profit or loss	(1,144)	-
Currency translation difference	(314)	-
At 31 March 2019	22,621	3

B11. CORPORATE PROPOSALS

(a) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 ("PN17") of the Main Market Listing Requirements ("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 to 31 October 2019 via Bursa Securities' letters dated 17 May 2019, 30 October 2018, 27 June 2018, 12 January 2018, 18 July 2017, 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 31 October 2019 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 31 October 2019;

(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 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.

B11. CORPORATE PROPOSALS (continued)

(b) On 27 February 2019, the Board of Directors of the Company ("Board") received a letter from Melewar Acquisitions Limited and Melewar Equities (BVI) Ltd (collectively "Non-Entitled Shareholders"), in their capacity as major shareholders of the Company, requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 ("Proposed SCR").

The Proposed SCR entails a selective capital reduction and a corresponding capital repayment of a proposed cash amount of RM1.10 for each ordinary share in the Company ("Share") held by all the shareholders (other than the Non-Entitled Shareholders) whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitled Shareholders").

The Entitled Shareholders collectively hold 167,740,668 Shares, representing approximately 61.33% of the total issued shares of the Company. Pursuant to the Proposed SCR, the issued share capital of the Company will be reduced by up to RM184,514,735 and the Entitled Shareholders will receive an aggregate capital repayment of RM184,514,735, which represents a cash repayment of RM1.10 for each Share held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, the Non-Entitled Shareholders will not be entitled to the capital repayment pursuant to the Proposed SCR.

The Board, except for Tunku Dato' Yaacob Khyra and Tunku Yahaya @ Yahya Bin Tunku Tan Sri Abdullah ("Interested Directors"), who are deemed to be interested in the Proposed SCR, will deliberate on the Proposed SCR and decide on the next course of action.

In this regard, the Board has appointed Affin Hwang Investment Bank Berhad as the Principal Adviser in relation to the Proposed SCR on 27 February 2019, and on 14 March 2019 has further appointed Mercury Securities Sdn Bhd as the Independent Adviser to provide comments, opinions, information and recommendations to the Board (except for the Interested Directors) and to the Entitled Shareholders in respect of the Proposed SCR.

On 29 March 2019, the Company announced the Board (save for Tunku Dato' Yaacob Khyra and Tunku Yahaya @ Yahya Bin Tunku Tan Sri Abdullah who are deemed interested in the Proposed SCR) has deliberated on the Proposed SCR and has resolved to table the Proposed SCR to the Entitled Shareholders of the Company for their consideration and approval at an extraordinary general meeting to be held at a later date.

Subsequently on 1 April 2019, the Board announced the application in relation to the Proposed SCR has been submitted to the Securities Commission Malaysia pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions.

On 2 May 2019, the Company announced that an extraordinary general meeting ("EGM") will be held on 29 May 2019 for the Entitled Shareholders to vote for the special resolution on the Proposed SCR. The Company announced on 29 May 2019 that the special resolution for the Proposed SCR was not carried by way of poll at the EGM held on the same day.

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

B12. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Brief explanations of the status of utilisation of proceeds raised from corporate proposals of the Group are as follow:

(a) Disposal of MAA Takaful Berhad on 30 September 2016

	Purpose	Revised Utilisation	Actual Utilisation	Revised timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	68,250	-	Within 24 months from the EGM held on 5 June 2018	-	-
		93,750	-	Within 24 months from the receipt of the Retained Consideration	-	-
(ii)	Working capital and share buy-back exercise	30,854	16,153	Within 24 months from the EGM held on 5 June 2018	-	-
(iii)	Payment of dividends to shareholders for the FYE 2017	8,207	8,207	Utilised	-	-
(iv)	Payment of dividends to shareholders	32,822	-	Within 24 months from the EGM held on 5 June 2018	-	-
	Total	(N1)233,883	24,360		-	-

(N1) Revised utilisation of balance proceeds from the disposal of MAA Takaful Berhad as approved by the Shareholders during the EGM held on 5 June 2018.

(b) Disposal of Columbus Capital Pty Limited on 27 December 2018

	Purpose	Proposed Utilisation	Actual Utilisation	Revised timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	56,713	-	No limit specified	-	-
	Total	56,713	-		-	-

B13. BORROWINGS AND DEBT SECURITIES

The Group has no outstanding borrowings and debt securities as at the end of the financial period ended 31 March 2019.

B14. CHANGES IN MATERIAL LITIGATION

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

B15. DIVIDEND PAYABLE

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 31 March 2019 (31 March 2018: 3 sen).

B16. EARNINGS PER SHARE

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
Attributable to the Owners of the Company:				
Net profit/(loss) for the financial quarter/period (RM'000)	6,566	(12,630)	6,566	(12,630)
Number of ordinary shares in issue ('000)	273,518	273,518	273,518	273,518
Basic earnings/(loss) per share (sen)	2.40	(4.62)	2.40	(4.62)

B17. 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 2018 was not qualified.

By Order of the Board
Lily Yin Kam May
Company Secretary

KUALA LUMPUR
DATE: 29 May 2019