

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2019

	As At <u>30 September 2019</u> RM'000	(Audited) As At <u>31 December 2018</u> RM'000
ASSETS		
Property, plant and equipment	4,484	4,105
Right-of-use assets	4,927	-
Investment properties	46,279	46,234
Intangible assets	689	658
Deferred tax assets	268	2,045
Tax recoverable	1,179	177
Investments	274,461	239,473
At fair value through profit or loss ("FVTPL")	93,876	105,273
At fair value through other comprehensive income ("FVOCI")	82,386	64,740
At amortised costs ("AC")	98,199	69,460
Loans and receivables	5,730	4,528
Reinsurance assets	58,368	40,023
Insurance receivables	55,110	47,608
Deferred acquisition costs	19,633	17,447
Trade and other receivables ^(N1)	18,941	103,369
Retirement benefit asset	-	101
Cash and cash equivalents	311,825	251,132
TOTAL ASSETS	801,894	756,900
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	188,639	149,233
Deferred tax liabilities	704	748
Insurance payables	18,012	13,580
Deferred reinsurance commissions	946	833
Trade and other payables	67,822	56,436
Lease liabilities	4,777	-
Retirement benefit liability	320	-
Current tax liabilities	13	2,552
TOTAL LIABILITIES	281,233	223,382
EQUITY		
Share capital	304,354	304,354
Treasury shares	(132)	-
Retained earnings	215,561	236,931
Reserves	(2,571)	(11,186)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	517,212	530,099
Non-controlling interests ("NCI")	3,449	3,419
TOTAL EQUITY	520,661	533,518
TOTAL EQUITY AND LIABILITIES	801,894	756,900
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.89	1.94

^(N1) As at 31 December 2018, the Trade and other receivables included the balance sale consideration of RM93.75 million ("Retained Consideration") from the disposal of MAA Takaful Berhad. Further details on this are stated in Note B11(c) of the Interim Reports.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

	Individual Period		Cumulative Period	
	Current Year Quarter 30 September 2019 RM'000	Preceding Year Corresponding Quarter 30 September 2018 RM'000	Current Year To Date 30 September 2019 RM'000	Preceding Year Corresponding Period 30 September 2018 RM'000
Operating revenue	48,105	45,271	140,261	125,262
Gross earned premiums	41,820	39,430	122,162	109,488
Premiums ceded to reinsurers	(13,593)	(11,701)	(40,895)	(31,699)
Net earned premiums	28,227	27,729	81,267	77,789
Investment income	5,242	4,608	15,108	12,444
Realised gains and losses - net	228	711	2,826	2,168
Fair value gains and losses - net	1,693	(6,311)	2,652	(21,236)
Commission income	563	695	1,698	1,829
Other operating revenue from non-insurance businesses	1,043	1,233	2,991	3,330
Other operating (expenses)/income - net	(1,337)	2,101	(2,654)	3,064
Other income/(expenses) - net	7,432	3,037	22,621	1,599
Total revenue	35,659	30,766	103,888	79,388
Gross claims paid	(15,275)	(10,634)	(39,846)	(35,422)
Claims ceded to reinsurers	3,537	354	7,696	4,365
Gross change to contract liabilities	(6,403)	(2,257)	(23,380)	(2,963)
Change in contract liabilities ceded to reinsurers	2,083	92	15,423	1,108
Net claims incurred	(16,058)	(12,445)	(40,107)	(32,912)
Commission expense	(10,250)	(9,892)	(29,955)	(27,598)
Management expenses	(12,619)	(11,532)	(35,696)	(34,482)
Finance costs	(26)	(2)	(176)	(7)
Other expenses	(22,895)	(21,426)	(65,827)	(62,087)
Operating loss	(3,294)	(3,105)	(2,046)	(15,611)
Share of profit of an associate, net of tax	-	1,242	-	2,922
Loss before taxation	(3,294)	(1,863)	(2,046)	(12,689)
Taxation	(10)	(740)	(2,883)	(3,712)
Loss for the financial quarter/period	(3,304)	(2,603)	(4,929)	(16,401)
(Loss)/profit for the financial quarter/period attributable to:				
Owners of the Company	(3,299)	(2,633)	(4,959)	(16,421)
NCI	(5)	30	30	20
	(3,304)	(2,603)	(4,929)	(16,401)
Basic loss per ordinary share (sen) attributable to owners of the Company	(1.21)	(0.96)	(1.81)	(6.00)

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 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

	Individual Period		Cumulative Period	
	Current Year Quarter 30 September 2019 RM'000	Preceding Year Corresponding Quarter 30 September 2018 RM'000	Current Year To Date 30 September 2019 RM'000	Preceding Year Corresponding Period 30 September 2018 RM'000
Loss for the financial quarter/period	(3,304)	(2,603)	(4,929)	(16,401)
<u>Other comprehensive income</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	1,337	2,494	3,844	(4,567)
Net fair value gains/(losses) on debt securities at FVOCI	673	(1,231)	4,071	(3,080)
	2,010	1,263	7,915	(7,647)
<i>Items that will not be reclassified to profit or loss:</i>				
Net fair value gains/(losses) on equity securities at FVOCI	793	(281)	700	(787)
Other comprehensive income/(loss) for the financial quarter/period	2,803	982	8,615	(8,434)
Total comprehensive (loss)/income for the financial quarter/period	(501)	(1,621)	3,686	(24,835)
Total comprehensive (loss)/income for the financial quarter/period attributable to:				
Owners of the Company	(496)	(1,651)	3,656	(24,855)
NCI	(5)	30	30	20
	(501)	(1,621)	3,686	(24,835)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Attributable to owners of the Company								
	Share capital	Treasury shares	Reserves			Retained earnings	Total	NCI	Total equity
			Foreign exchange reserves	FVOCI reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 Months Period Ended 30 September 2019									
At 1 January 2019	304,354	-	(7,237)	(3,949)	(11,186)	236,931	530,099	3,419	533,518
(Loss)/profit for the financial period	-	-	-	-	-	(4,959)	(4,959)	30	(4,929)
Other comprehensive income	-	-	3,844	4,771	8,615	-	8,615	-	8,615
Total comprehensive income/(loss) for the financial period	-	-	3,844	4,771	8,615	(4,959)	3,656	30	3,686
Shares buy-back	-	(132)	-	-	-	-	(132)	-	(132)
Interim dividends paid	-	-	-	-	-	(16,411)	(16,411)	-	(16,411)
At 30 September 2019	304,354	(132)	(3,393)	822	(2,571)	215,561	517,212	3,449	520,661

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

(continued)

	Attributable to owners of the Company								
	Share capital	Treasury shares	Foreign exchange reserves	FVOCI reserves	Reserves Total	Retained earnings	Total	NCI	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Period Ended 30 September 2018									
At 1 January 2018	304,354	-	(14,212)	4	(14,208)	272,248	562,394	3,300	565,694
Loss for the financial period	-	-	-	-	-	(16,421)	(16,421)	20	(16,401)
Other comprehensive loss	-	-	(4,567)	(3,867)	(8,434)	-	(8,434)	-	(8,434)
Total comprehensive loss for the financial period	-	-	(4,567)	(3,867)	(8,434)	(16,421)	(24,855)	20	(24,835)
Interim dividends paid	-	-	-	-	-	(8,206)	(8,206)	-	(8,206)
At 30 September 2018	304,354	-	(18,779)	(3,863)	(22,642)	247,621	529,333	3,320	532,653

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 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Current Year To Date 30 September 2019 RM'000	Preceding Year Corresponding Period 30 September 2018 RM'000
Loss for the financial period	(4,929)	(16,401)
Adjustment for:		
Investment income	(15,108)	(12,444)
Realised gains and losses - net	(2,826)	(2,168)
Fair value gains and losses - net	(2,652)	21,236
Allowance for/(write back of) impairment loss on:		
- investments at AC	248	(2)
- insurance receivables	(212)	41
- loans and receivables	-	22
Present value adjustment on Retained Consideration	-	(2,383)
Realised foreign exchange losses - net	68	(65)
Unrealised foreign exchange (gains)/losses - net	2,204	252
Property, plant and equipment written off	12	1
Depreciation of property, plant and equipment	760	731
Depreciation of right-of-use assets	1,788	-
Amortisation of leasehold lands	1	1
Amortisation of intangible assets	54	46
Finance costs	176	7
Share of profit of an associate	-	(2,922)
Tax expenses	2,883	3,712
Changes in working capital:		
Increase in loans and receivables	(1,002)	(39)
Increase in reinsurance assets	(18,345)	(2,197)
Increase in insurance receivables	(7,316)	(4,780)
Increase in deferred acquisition costs	(2,186)	(1,014)
Decrease/(increase) in trade and other receivables	84,971	(2,036)
Increase/(decrease) in insurance contract liabilities	39,406	(923)
Increase in insurance payables	4,432	3,105
Increase in deferred reinsurance commission	113	443
Increase in trade and other payables	11,386	6,189
Cash generated from/(used in) operating activities	93,926	(11,588)
Income tax paid	(4,675)	(6)
Income tax refund	14	1
Net cash generated from/(used in) operating activities	89,265	(11,593)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019
(continued)

	<div style="border: 1px solid black; padding: 2px;"> Current Year To Date 30 September 2019 </div>	<div style="border: 1px solid black; padding: 2px;"> Preceding Year Corresponding Period 30 September 2018 </div>
	<u>RM'000</u>	<u>RM'000</u>
Investing activities:		
Purchase of property, plant and equipment	(1,676)	(435)
Proceeds from disposal of property, plant and equipment	420	31
Addition from subsequent expenditure of investment properties	(402)	(330)
Purchase of intangible assets	(83)	(120)
Purchase of investments	(146,821)	(92,979)
Proceeds from disposal of investments	128,648	61,038
(Increase)/decrease in fixed and call deposits	(199)	35,128
Investment income received	14,741	13,215
Net cash (used in)/generated from investing activities	<u>(5,372)</u>	<u>15,548</u>
Financing activities:		
Purchase of treasury shares	(132)	-
Dividends paid	(16,411)	(8,206)
Repayment of lease liabilities	(1,696)	-
Finance costs paid	(176)	(7)
Net cash used in financing activities	<u>(18,415)</u>	<u>(8,213)</u>
Net increase in cash and cash equivalents	65,478	(4,258)
Currency translation difference	(4,785)	5,699
Cash and cash equivalents at beginning of financial year	251,132	141,226
Cash and cash equivalents at end of financial period	<u>311,825</u>	<u>142,667</u>
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	197,589	111,630
Cash and bank balance	114,236	31,037
	<u>311,825</u>	<u>142,667</u>

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.