

MAA GROUP BERHAD

(Registration No. 199801015274 (471403-A))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020**

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2020**

	As At 30 September 2020	(Audited) As At 31 December 2019
	RM'000	RM'000
ASSETS		
Property, plant and equipment	11,100	9,931
Right-of-use assets	7,826	13,740
Investment properties	51,841	51,373
Intangible assets	1,013	786
Goodwill on consolidation	26,911	26,911
Deferred tax assets	602	2,261
Tax recoverable	21	227
Investments	385,448	285,996
At fair value through profit or loss ("FVTPL")	153,707	95,328
At fair value through other comprehensive income ("FVOCI")	96,869	82,449
At amortised cost ("AC")	134,872	108,219
Loans and receivables	21,541	12,328
Reinsurance assets	81,301	77,552
Insurance receivables	73,373	56,693
Deferred acquisition costs	18,784	19,435
Trade and other receivables	58,160	34,726
Cash and cash equivalents	141,564	247,245
TOTAL ASSETS	879,485	839,204
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	215,556	216,589
Lease liabilities	8,006	13,718
Deferred tax liabilities	755	831
Insurance payables	23,924	22,676
Deferred reinsurance commissions	1,971	908
Trade and other payables	110,115	91,186
Retirement benefit liability	1,895	1,358
Current tax liabilities	7,760	255
TOTAL LIABILITIES	369,982	347,521
EQUITY		
Share capital	304,354	304,354
Treasury shares	(7,015)	-
Retained earnings	203,830	188,396
Reserves	4,668	(4,481)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	505,837	488,269
Non-controlling interests ("NCI")	3,666	3,414
TOTAL EQUITY	509,503	491,683
TOTAL EQUITY AND LIABILITIES	879,485	839,204
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.85	1.79

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020**

	Individual Period		Cumulative Period	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	To Date
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Operating revenue *	59,775	48,105	164,268	140,261
Gross earned premiums	43,284	41,820	121,750	122,162
Premiums ceded to reinsurers	(16,052)	(13,593)	(37,995)	(40,895)
Net earned premiums	27,232	28,227	83,755	81,267
Investment income	1,140	989	3,314	3,618
Interest income	2,704	4,253	9,781	11,490
Realised gains and losses - net	(10,719)	228	48	2,826
Fair value gains and losses - net	16,340	1,693	2,911	2,652
Commission income	933	563	1,914	1,698
Other operating revenue from non-insurance businesses	12,647	1,043	29,423	2,991
Other operating income/(expenses) - net	8,969	(1,337)	5,649	(2,654)
Other income - net	32,014	7,432	53,040	22,621
Total revenue	59,246	35,659	136,795	103,888
Gross claims paid	(13,908)	(15,275)	(43,806)	(39,846)
Claims ceded to reinsurers	3,344	3,537	14,233	7,696
Gross change to contract liabilities	1,786	(6,403)	8,911	(23,380)
Change in contract liabilities ceded to reinsurers	1,216	2,083	(4,291)	15,423
Net claims incurred	(7,562)	(16,058)	(24,953)	(40,107)
Commission expenses	(10,056)	(10,250)	(29,125)	(29,955)
Management expenses	(15,309)	(12,619)	(55,416)	(35,696)
Finance costs	(139)	(26)	(525)	(176)
Other expenses	(25,504)	(22,895)	(85,066)	(65,827)
Profit/(loss) before taxation	26,180	(3,294)	26,776	(2,046)
Taxation	(3,302)	(10)	(11,090)	(2,883)
Profit/(loss) for the financial quarter/period	22,878	(3,304)	15,686	(4,929)
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	22,760	(3,299)	15,434	(4,959)
NCI	118	(5)	252	30
	22,878	(3,304)	15,686	(4,929)
Basic earning/(loss) per ordinary share attributable to owners of the Company (sen)	8.35	(1.21)	5.70	(1.81)

* Operating revenue consists of gross earned premiums, investment income, interest income and other operating revenue from non-insurance businesses.

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 2019.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial quarter/period	22,878	(3,304)	15,686	(4,929)
<u>Other comprehensive income/(loss)</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	(1,375)	1,337	8,619	3,844
Net fair value (losses)/gains on debt securities at FVOCI	(1,230)	673	305	4,071
	(2,605)	2,010	8,924	7,915
<i>Items that will not be reclassified to profit or loss:</i>				
Net fair value gains on equity securities at FVOCI	136	793	225	700
	136	793	225	700
Other comprehensive (loss)/income for the financial quarter/period	(2,469)	2,803	9,149	8,615
Total comprehensive income/(loss) for the financial quarter/period	20,409	(501)	24,835	3,686
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	20,291	(496)	24,583	3,656
NCI	118	(5)	252	30
	20,409	(501)	24,835	3,686

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Attributable to owners of the Company								
	Share capital	Treasury shares	Foreign exchange reserves	Reserves		Retained earnings	Total	NCI	Total equity
				FVOCI reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 Months Ended 30 September 2020									
At 1 January 2020	304,354	-	(5,824)	1,343	(4,481)	188,396	488,269	3,414	491,683
Profit for the financial period	-	-	-	-	-	15,434	15,434	252	15,686
Other comprehensive income	-	-	8,619	530	9,149	-	9,149	-	9,149
Total comprehensive income for the financial period	-	-	8,619	530	9,149	15,434	24,583	252	24,835
Shares buy-back	-	(7,015)	-	-	-	-	(7,015)	-	(7,015)
At 30 September 2020	<u>304,354</u>	<u>(7,015)</u>	<u>2,795</u>	<u>1,873</u>	<u>4,668</u>	<u>203,830</u>	<u>505,837</u>	<u>3,666</u>	<u>509,503</u>
9 Months 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	<u>304,354</u>	<u>(132)</u>	<u>(3,393)</u>	<u>822</u>	<u>(2,571)</u>	<u>215,561</u>	<u>517,212</u>	<u>3,449</u>	<u>520,661</u>

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 2019.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Current Year To Date 30 September 2020	Preceding Year To Date 30 September 2019
	RM'000	RM'000
Profit/(loss) for the financial period	15,686	(4,929)
Adjustment for:		
Investment income	(3,314)	(3,618)
Interest income	(9,781)	(11,490)
Realised gains and losses	(48)	(2,826)
Fair value gains and losses	(2,911)	(2,652)
Allowance for/(write back of) impairment loss on:		
- investments at AC	52	245
- loans from money lending, hire purchase and other credit activities	379	-
- amounts due from associate companies	(2,997)	-
- cash and cash equivalents	(15)	3
- insurance receivables	1,047	(212)
- trade receivables	(50)	-
- factoring receivables	84	-
Realised foreign exchange (gains)/losses - net	623	68
Unrealised foreign exchange gains - net	902	2,204
Property, plant and equipment written off	-	12
Depreciation of property, plant and equipment	1,915	760
Depreciation of right-of-use assets	6,172	1,788
Amortisation of leasehold lands	1	1
Amortisation of intangible assets	128	54
Finance costs	525	176
Tax expenses	11,090	2,883
Changes in working capital:		
Increase in loans and receivables	(16,359)	(1,002)
Increase in reinsurance assets	(3,749)	(18,345)
Increase in insurance receivables	(17,724)	(7,316)
Decrease/(increase) in deferred acquisition costs	651	(2,186)
(Increase)/decrease in trade and other receivables	(23,910)	84,971
(Decrease)/increase in insurance contract liabilities	(1,033)	39,406
Increase in insurance payables	1,248	4,432
Increase in deferred reinsurance commission	1,063	113
Increase in trade and other payables	18,929	11,386
Cash (used in)/generated from operating activities	(21,396)	93,926
Income tax paid	(1,547)	(4,675)
Income tax refund	-	14
Net cash (used in)/generated from operating activities	(22,943)	89,265

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

(continued)

	Current Year To Date 30 September 2020	Preceding Year To Date 30 September 2019
	RM'000	RM'000
Investing activities:		
Purchase of property, plant and equipment	(3,114)	(1,676)
Proceeds from disposal of property, plant and equipment	65	420
Addition from subsequent expenditure of investment properties	-	(402)
Purchase of intangible assets	(279)	(83)
Purchase of investments	(616,260)	(146,821)
Proceeds from disposal of investments	532,700	128,648
Decrease/(increase) in fixed and call deposits	6,788	(199)
Interest income received	9,781	11,213
Dividend income received	5,142	3,331
Rental income received	143	197
Net cash used in investing activities	(65,034)	(5,372)
Financing activities:		
Purchase of treasury shares	(7,015)	(132)
Dividends paid	-	(16,411)
Repayment of lease liabilities	(5,954)	(1,696)
Finance costs paid	(525)	(176)
Net cash used in financing activities	(13,494)	(18,415)
Net (decrease)/increase in cash and cash equivalents	(101,471)	65,478
Currency translation difference	(4,210)	(4,785)
Cash and cash equivalents at beginning of financial year	247,245	251,132
Cash and cash equivalents at end of financial period	141,564	311,825
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	63,726	197,589
Cash and bank balance	77,838	114,236
	141,564	311,825

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.