

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**GGPART 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 in Malaysia, where applicable. 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 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 2020. The explanatory notes attached to these Interim Reports provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

As announced on 22 June 2021, the Company had changed its financial year end from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2021 to 30 June 2022.

**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 2020, except for the adoption of the following standards, amendments to standards and interpretations that became effective from financial year beginning on or after 1 January 2021:

- Amendment to MFRS 16 ‘Leases’ – *Covid-19-Related Rent Concessions*
- Amendments to MFRS 9 ‘Financial Instruments’, MFRS 139 ‘Financial Instruments: Recognition and Measurement’, MFRS 7 ‘Financial Instruments: Disclosures’, MFRS 4 ‘Insurance Contracts’ and MFRS 16 ‘Leases’ – *Interest Rate Benchmark Reform – Phase 2*

The adoption of the standards and amendments to standards listed above did not result in significant changes in the accounting policies of the Group and did not have any significant financial impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Effective for financial periods beginning on or after 1 April 2021

- Amendment to MFRS 16 Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for financial periods commencing on or after 1 January 2022

- Amendments to MFRS 3 ‘Business Combinations’ – *Reference to the Conceptual Framework*
- Amendments to MFRS 116 ‘Property, Plant and Equipment’ – *Proceeds before Intended Use*
- Amendments to MFRS 137 ‘Provisions, Contingent Liabilities and Contingent Assets’ – *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to MFRSs 2018 – 2020 Cycle
  - MFRS 1 ‘First-time Adoption of Malaysian Financial Reporting Standards’
  - MFRS 9 ‘Financial Instruments’
  - Illustrative Examples accompanying MFRS 16 ‘Leases’
  - MFRS 114 ‘Agriculture’

Effective for financial periods commencing on or after 1 January 2023

- MFRS 17 ‘Insurance Contracts’ and Amendments to MFRS 17 ‘Insurance Contracts’
- Amendments to MFRS 101 ‘Presentation of Financial Statements’ - *Classification of liabilities as current or non-current*
- Amendments to MFRS 101 ‘Presentation of Financial Statements’ and MFRS Practice Statement 2 – *Disclosure of Accounting Policies*
- Amendments to MFRS 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ - *Definition of Accounting Estimates*
- Amendments to MFRS 112 ‘Income Taxes’ – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date yet to be confirmed by MASB

- 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 standards and interpretations before the effective dates.

**A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group’s business operations were not significantly affected by any seasonal or cyclical factors.

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**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 quarter and period ended 31 December 2021.

**A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect during the current quarter and period ended 31 December 2021.

**A6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 31 December 2021.

**A7. DIVIDEND PAID**

There was no interim dividend paid by the Company during the current quarter and period ended 31 December 2021 in respect of the financial year ending 30 June 2022.

**A8. SEGMENTAL INFORMATION**

The following summary describes the operations in each of the Group's operating segments:

- Investment Holdings - investment holdings
- General Insurance - underwriting of all classes of general insurance business
- Education Services - provision of education services and operation of tuition centers
- Credit Services - provision of money lending, debt factoring and other credit activities
- Hospitality Services - provision of hospitality services, food and beverage, retailer of Cigars, and other services including logistics, renovation, facilities management service, entertainment, film distribution and cinema business

The Group's Other segments comprise property management, advisory and consultancy services, none of which has met the requirements of MFRS 8 '*Operating Segment*' to be separately presented as an operating segment.

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.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****A8. SEGMENTAL INFORMATION** (continued)Current quarter ended 31 December 2021 (“Q4 FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	459	43,580	6,118	2,668	8,554	97	61,476
Net earned premiums	-	19,805	-	-	-	-	19,805
Investment income	22	687	-	-	-	92	801
Interest income	378	2,088	8	2,668	-	3	5,145
Realised gains and losses – net	4	257	-	-	-	-	261
Fair value gains and losses - net	6,508	1,942	(2,809)	-	-	(86)	5,555
Commission income	-	986	-	-	-	-	986
Other operating revenue from non-insurance businesses	59	-	6,110	-	8,554	2	14,725
Other operating income/(expenses) – net	145	5,034	(343)	705	452	(13)	5,980
Net claims incurred	-	(7,770)	-	-	-	-	(7,770)
Commission expenses	-	(10,246)	-	-	-	-	(10,246)
Management expenses	(7,357)	(3,456)	(8,542)	(211)	(9,887)	(939)	(30,392)
Finance costs	(42)	(6)	(420)	-	(59)	(4)	(531)
Share of (loss)/profit of associates	(12)	-	-	-	4	-	(8)
(Loss)/profit before taxation	(295)	9,321	(5,996)	3,162	(936)	(945)	4,311
Taxation	792	3,135	(154)	(144)	-	(1)	3,628
<b>Profit/(loss) after taxation</b>	<b>497</b>	<b>12,456</b>	<b>(6,150)</b>	<b>3,018</b>	<b>(936)</b>	<b>(946)</b>	<b>7,939</b>

*There will be no comparative financial information available for the corresponding quarter as the Group had changed its financial year end from 31 December to 30 June.*

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****A8. SEGMENTAL INFORMATION** (continued)12 months period ended 31 December 2021 (“12M FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	3,549	177,538	24,918	10,334	16,006	312	232,657
Net earned premiums	-	103,241	-	-	-	-	103,241
Investment income	2,307	2,897	-	-	-	92	5,296
Interest income	1,005	8,343	172	10,334	26	20	19,900
Realised gains and losses – net	5,207	3,753	-	-	-	-	8,960
Fair value gains and losses - net	10,041	(1,308)	(2,855)	-	-	(77)	5,801
Commission income	-	3,485	-	-	-	-	3,485
Other operating revenue from non-insurance businesses	237	-	24,746	-	15,980	200	41,163
Other operating income/(expenses) – net	967	4,862	489	1,830	(1,394)	(30)	6,724
Net claims incurred	-	(27,124)	-	-	-	-	(27,124)
Commission expenses	-	(40,998)	-	-	-	-	(40,998)
Management expenses	(22,745)	(17,174)	(33,092)	(1,204)	(26,050)	(2,881)	(103,146)
Finance costs	(187)	(33)	(885)	-	(202)	(19)	(1,326)
Share of (loss)/profit of associates	(143)	-	-	-	7	-	(136)
(Loss)/profit before taxation	(3,311)	39,944	(11,425)	10,960	(11,633)	(2,695)	21,840
Taxation	(1,270)	(7,813)	(1,128)	(499)	-	(1)	(10,711)
<b>(Loss)/profit after taxation</b>	<b>(4,581)</b>	<b>32,131</b>	<b>(12,553)</b>	<b>10,461</b>	<b>(11,633)</b>	<b>(2,696)</b>	<b>11,129</b>

*There will be no comparative financial information available for the corresponding period as the Group had changed its financial year end from 31 December to 30 June.*

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A8. SEGMENTAL INFORMATION** (continued)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Assets</u>							
At 31 December 2021	211,591	464,224	94,452	101,387	32,354	8,534	912,542
At 31 December 2020 (Audited)	276,617	434,972	80,952	59,817	18,222	9,951	880,531
<u>Segment Liabilities</u>							
At 31 December 2021	9,418	291,810	55,451	3,131	17,784	726	378,320
At 31 December 2020 (Audited)	15,211	286,389	31,967	890	15,463	1,593	351,513

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A9. MATERIAL EVENT AFTER THE REPORTING PERIOD**

There was no material event subsequent to the end of the current financial period ended 31 December 2021 that have not been reflected in these Interim Reports.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

(a) During the current financial period, Hospitality 360 Sdn Bhd (“H360”), a 51% sub-subsidiary of the Company, had:

- on 8 January 2021, acquired 140,000 ordinary shares representing 14% of the share capital of Trinidad Signature Suites Sdn Bhd (“TSSSB”) from Dato’ Indera Naresh Mohan for a total consideration of RM10. With the said acquisition, H360’s equity interest in TSSSB increased from 51% to 65%;
- on 20 January 2021, via its subsidiary, TSSSB acquired 100 ordinary shares representing 100% of the share capital of NS Global Management Sdn Bhd from Rajes M. Daswani and NS Global Assets Sdn Bhd respectively for a total consideration of RM100;
- on 23 March 2021, subscribed 999,900 ordinary shares at an issue price of RM1 each in the capital of Trisend Logistic Technologies Sdn Bhd (“TLTSB”) for a total consideration of RM999,900. With the said subscription, H360’s equity interest in TLTSB increased from 55% to 99.99%;
- on 1 April 2021, via its subsidiary, TSSSB acquired 6,590,765 ordinary shares representing 100% of the share capital of Clear Dynamic Sdn Bhd from Nusajaya Consolidated Sdn Bhd for a total consideration of RM300,000;
- on 5 May 2021, via its subsidiary, Staysuites Group Sdn Bhd subscribed for 100 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Staysuites Malaysia Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM100;
- on 11 May 2021, acquired 1 ordinary share representing 100% of the share capital of Global Champ Sdn Bhd from Jasmine Bin Jalmen Dullah for the total consideration of RM1;
- on 5 August 2021, subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Infiniti Indah Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2;
- on 6 August 2021, subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Ruby Luxury Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2;

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A10. CHANGES IN THE COMPOSITION OF THE GROUP (continued)**

- (a) During the current financial period, Hospitality 360 Sdn Bhd (“H360”), a 51% sub-subsidiary of the Company, had: (continued)
- on 6 August 2021, Staysuites Malaysia Sdn Bhd, a sub-subsidiary of H360 subscribed for 51 ordinary shares at an issue price of RM1 each, representing 51% of the share capital in a new subsidiary, Vacation Rental Advisory Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM51;
  - on 17 August 2021, acquired 50,000 ordinary shares representing 50% of the share capital of Dine 360 Sdn Bhd (“Dine 360”) (formerly known as Hugos Langkawi Sdn Bhd) from Wawasan Hakiki Sdn Bhd for a total consideration of RM1. With the said acquisition, H360’s equity interest in Dine 360 increased from 50% to 100%;
  - on 25 August 2021, subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Nova Blaze Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2; and
  - on 17 September 2021, via its subsidiary, TSSSB subscribed for 100 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Luxe Prestige Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM100.
- (b) On 4 February 2021, MAA Credit Berhad (“MAA Credit”), a wholly owned sub-subsidiary of the Company acquired 11,000 ordinary shares representing 11% of the share capital of MAA Bancwell Trustee Berhad (“MAA Bancwell”) from Melewar Group Berhad for a total consideration of RM7,000. With this acquisition, the Group’s equity interest in MAA Bancwell increased from 49% to 60%, making MAA Bancwell a subsidiary of the Group.
- (c) During the current financial period, MAA Corporation Sdn Bhd (“MAA Corp”), a wholly owned subsidiary of the Company, had:
- on 6 May 2021, subscribed for 600 ordinary shares at an issue price of RM1 each, representing 60% of the share capital in 10Star Cinemas Sdn Bhd (“10Star”), a company incorporated in Malaysia, for a total consideration of RM600;
  - on 15 September 2021, subscribed for 100,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Maax Capital Sdn Bhd (“Maax Capital”), a company incorporated in Malaysia, for a total consideration of RM100,000;
  - on 23 November 2021, transferred its Partnership Interest Subscription with MicroLEAP PLT (“MicroLEAP”), of which the subscription of 35.2% interest in MicroLEAP, to Maax Capital, for a total consideration of RM1,250,000;



**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A10. CHANGES IN THE COMPOSITION OF THE GROUP (continued)**

(c) During the current financial period, MAA Corporation Sdn Bhd (“MAA Corp”), a wholly owned subsidiary of the Company, had: (continued)

- on 1 December 2021, disposed the shares held in the share capital of the following companies to Maax Capital:

(i) 200,000 ordinary shares, representing 100% of the share capital of Maax Fidelity Berhad (formerly known as MAA Excel Berhad) (formerly known as MAA Excel Sdn Bhd) for a total consideration of RM190,000;

(ii) 933,252 ordinary shares, representing 100% of the share capital of Maax Factor Sdn Bhd for a total consideration of RM5,366,199; and

(iii) 86,200,000 ordinary shares and 211,600 preference shares, representing 100% of the share capital of MAA Credit for a total consideration of RM6,896,000 and RM16,928 respectively.

(d) On 10 December 2021, Edumaax Sdn Bhd, a wholly owned subsidiary of MAA Corp subscribed for 1,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Edumaax Professional Center Sdn Bhd, a company incorporated in Malaysia, for total consideration of RM1,000.

(e) The Company and Imperium Edumaax Sdn Bhd, a wholly owned sub-sub-subsidiary of the Company had, from 3 August 2021 to 6 October 2021, acquired from the open market a total of 266,001,800 and 80,000,000 ordinary shares of KNM Group Berhad (“KNM”) respectively, representing approximately total 10.35% of the total issued and paid up share capital of KNM as at 31 October 2021, for a total purchase consideration of RM63,054,926 and RM19,212,461 respectively, making KNM an associate of the Group.

**A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no revaluation of property, plant and equipment during the current quarter and period ended 31 December 2021. As at 31 December 2021, 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 period ended 31 December 2021 based on valuations carried out by professional valuers during the financial period and the fair value changes therein were recognised in the income statement.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**A13. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets and liabilities as at 31 December 2021.

**A14. CAPITAL COMMITMENTS**

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

	<b>As at 31.12.2021</b>	<b>As at 31.12.2020</b>
	RM'000	RM'000
Property, plant and equipment		
- Furniture, fitting and equipment	315	32
- Renovation	1,064	19
- Computers and software	75	-
	<b>1,454</b>	<b>51</b>

**A15. RELATED PARTY DISCLOSURES**

All related party transactions and balances within the Group had been entered into the normal course of business and were carried out on normal commercial terms. The Company monitors related party transactions to comply with the requirements under Chapter 10 of the Main Market Listing Requirements of Bursa Securities.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****A16. 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 December 2021**

	Level 1	Level 2	Level 3	Total
	RM’000	RM’000	RM’000	RM’000
<b>Investments at FVTPL:</b>				
Equity securities quoted in Malaysia	536	-	-	536
Equity securities quoted outside Malaysia	89,516	-	-	89,516
Equity securities unquoted outside Malaysia	-	-	23,057	23,057
Unit trusts quoted in Malaysia	2,846	-	-	2,846
	<b>92,898</b>	<b>-</b>	<b>23,057</b>	<b>115,955</b>
<b>Investments at FVOCI:</b>				
Government debt securities quoted outside Malaysia	45,264	-	-	45,264
Corporate debt securities quoted outside Malaysia	1,103	-	-	1,103
Equity securities quoted outside Malaysia	24,016	1,061	-	25,077
Equity securities unquoted in Malaysia	-	-	100	100
Equity securities unquoted outside Malaysia	-	-	43	43
	<b>70,383</b>	<b>1,061</b>	<b>143</b>	<b>71,587</b>
<b>Total investments measured at fair value</b>	<b>163,281</b>	<b>1,061</b>	<b>23,200</b>	<b>187,542</b>

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

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(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****A16. 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 2020 (Audited)**

	Level 1	Level 2	Level 3	Total
	RM’000	RM’000	RM’000	RM’000
<b>Investments at FVTPL:</b>				
Equity securities quoted in Malaysia	23,411	-	-	23,411
Equity securities quoted outside Malaysia	153,610	-	-	153,610
Equity securities unquoted outside Malaysia	-	-	22,923	22,923
Unit trusts quoted in Malaysia	2,433	-	-	2,433
	179,454	-	22,923	202,377
<b>Investments at FVOCI:</b>				
Government debt securities quoted outside Malaysia	45,678	-	-	45,678
Corporate debt securities quoted outside Malaysia	1,140	-	-	1,140
Equity securities quoted outside Malaysia	29,110	921	-	30,031
Equity securities unquoted in Malaysia	-	-	100	100
Equity securities unquoted outside Malaysia	-	-	43	43
	75,928	921	143	76,992
<b>Total investments measured at fair value</b>	<b>255,382</b>	<b>921</b>	<b>23,066</b>	<b>279,369</b>

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 current quarter and period ended 31 December 2021.

The following table shows the movement in Level 3 investments for the current period ended 31 December 2021:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM’000	RM’000
At 1 January 2021	22,923	143
Fair value loss recorded in profit or loss	(666)	-
Currency translation difference	800	-
<b>At 31 December 2021</b>	<b>23,057</b>	<b>143</b>

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(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. REVIEW OF GROUP PERFORMANCE**Group

Key financial performance	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Operating revenue	61,476	-	232,657	-
Profit before taxation	4,311	-	21,840	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 31 December 2021 (“Q4 FY2022”)

The Group recorded a total operating revenue of RM61.5 million in Q4 FY2022 which comprised of gross earned premiums of RM40.8 million recorded by General Insurance business, investment and interest income of RM5.9 million and other operating revenue from non-insurance businesses of RM14.7 million.

In Q4 FY2022, the Group recorded a Profit before taxation (“PBT”) of RM4.3 million. The profit mainly contributed by PBT of RM9.3 million from General Insurance business and PBT of RM3.2 million from Credit Services segment; however these profits were offset by Loss before taxation (“LBT”) of RM0.3 million from Investment Holdings segment, LBT of RM6.0 million from Education Services segment, LBT of RM0.9 million from Hospitality Services segment and LBT of RM0.9 million from Other segments.

12 months period ended 31 December 2021 (“12M FY2022”)

The Group recorded a total operating revenue of RM232.7 million in 12M FY2022 which comprised of gross earned premiums of RM166.3 million recorded by General Insurance business, investment and interest income of RM25.2 million and other operating revenue from non-insurance businesses of RM41.2 million.

In 12M FY2022, the Group recorded a PBT of RM21.8 million. The profit mainly contributed by PBT of RM39.9 million from General Insurance business and PBT of RM11.0 million from Credit Services segment; however these profits were offset by LBT of RM3.3 million from Investment Holdings segment, LBT of RM11.4 million from Education Services segment, LBT of RM11.6 million from Hospitality Services segment and LBT of RM2.7 million from Other segments.

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**Investment Holdings

Key financial performance	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Operating revenue	459	-	3,549	-
Loss before taxation	(295)	-	(3,311)	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 31 December 2021 (“Q4 FY2022”)

In Q4 FY2022, Investment Holdings segment recorded a total operating revenue of RM0.5 million which comprised mainly of interest and dividend income of RM0.4 million.

Despite net fair value gains on equities investments classified at FVTPL of RM6.5 million, Investment Holdings segment recorded a LBT of RM3.3 million in Q4 FY2022 mainly due to management expenses of RM7.4 million.

12 months period ended 31 December 2021 (“12M FY2022”)

In 12M FY 2022, Investment Holdings segment recorded a total operating revenue of RM3.5 million which comprised mainly of interest income of RM1.0 million and dividend income of RM2.3 million.

Investment Holdings segment recorded a LBT of RM3.3 million in 12M FY2022 mainly due to management expenses of RM22.7 million, offset by operating revenue of RM3.5 million, net fair values gains on equity investments classified at FVTPL of RM10.0 million, realised gains from disposal of investments of RM5.2 million and other operating income of RM1.0 million.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**General Insurance

The Group’s General Insurance business in the Philippines held via subsidiary, MAA General Assurance Philippines, Inc. (“MAAGAP”) is principally engaged in underwriting general insurance businesses.

Key financial performance	3 months period ended			
	30.12.2021		30.12.2020 <sup>(*)</sup>	
	PHP’000	RM’000	PHP’000	RM’000
Gross premium written (“GPW”)	537,093	44,298	-	-
Underwriting surplus	33,644	2,775	-	-
Investment income	8,330	687	-	-
Interest income	25,322	2,088	-	-
Claim ratio in %	39.2%	39.2%	-	-
Commission ratio in %	49.3%	49.3%	-	-
Profit before taxation (“PBT”)	113,050	9,321	-	-
Range of currency exchange rate	1RM = 12.08 to 12.18PHP			-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 31 December 2021 (“Q4 FY2022”)

In Q4 FY2022, MAAGAP recorded a GPW of PHP537.1 million (RM44.3 million equivalent). The motor and non-motor classes contributed PHP154.9 million (RM12.8 million equivalent) and PHP382.2 million (RM31.5 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP113.1 million (RM9.3 million equivalent) in Q4 FY2022 mainly contributed by underwriting surplus of PHP33.6 million (RM2.8 million equivalent), investment and interest income of PHP33.7 million (RM2.8 million equivalent), fair value gain of PHP11.4 million (RM0.9 million equivalent) on investment properties, net fair value gains of PHP12.2 million (RM1.0 million equivalent) on equity investments classified at FVTPL, and realised gains from disposal of investments of PHP3.1 million (RM0.3 million equivalent), offset by management expenses of PHP41.9 million (RM3.5 million equivalent).

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**General Insurance (continued)

Key financial performance	12 months period ended			
	31.12.2021		31.12.2020 <sup>(*)</sup>	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written (“GPW”)	2,015,769	168,831	-	-
Underwriting surplus	459,048	38,604	-	-
Investment income	34,493	2,897	-	-
Interest income	99,519	8,343	-	-
Claim ratio in %	26.3%	26.3%	-	-
Commission ratio in %	37.2%	37.2%	-	-
Profit before taxation	476,742	39,944	-	-
Range of currency exchange rate	1RM = 11.68 to 12.18PHP			-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

12 months period ended 31 December 2021 (“12M FY2022”)

In 12M FY2022, MAAGAP recorded a GPW of PHP2,015.8 million (RM168.8 million equivalent). The motor and non-motor classes contributed PHP617.9 million (RM51.8 million equivalent) and PHP1,397.9 million (RM117.0 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP476.7 million (RM39.9 million equivalent) in 12M FY2022 mainly contributed by underwriting surplus of PHP459.0 million (RM38.6 million equivalent), investment and interest income of PHP134.0 million (RM11.2 million equivalent), fair value gain of PHP11.4 million (RM0.9 million equivalent) on investment properties and realised gains from disposal of investments of PHP44.8 million (RM3.8 million equivalent), offset by net fair value losses of PHP26.6 million (RM2.3 million equivalent) on equity investments classified at FVTPL and management expenses of PHP204.5 million (RM17.2 million equivalent).



**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**Education Services

Education Services comprised of the following business units:

- Edumaax Sdn Bhd and Kasturi Academy Sdn Bhd (“Kasturi Group”) – offers private tuition for Malaysia National secondary school curriculum;
- St John’s International Edu Group Sdn Bhd, St John’s International (Campus 2) Sdn Bhd and Alfaakademik Sdn Bhd (collectively known as “SJI Group”) – operates international school and offers primary and secondary education and private tuition for Cambridge, IGCSE O-Level and A-Level programmes; and
- Imperium Edumaax Sdn Bhd (“Imperium Edumaax”) – offers tertiary education for foundations, certificates, diplomas, bachelor degrees and professional accountancy qualifications. Imperium Edumaax is also a HRDF-registered training provider offering a suite of continuous professional development and training programmes.

Key financial performance by business units	3 months period ended				
	31.12.2021				31.12.2020 <sup>(*)</sup>
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	220	4,731	1,167	6,118	-
(Loss)/profit before taxation	(1,496)	762	(5,262)	(5,996)	-

Key financial performance by business units	12 months period ended				
	31.12.2021				31.12.2020 <sup>(*)</sup>
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	968	19,804	4,146	24,918	-
(Loss)/profit before taxation	(3,916)	4,086	(11,595)	(11,425)	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B1. REVIEW OF GROUP PERFORMANCE (continued)**

Education Services (continued)

Current quarter ended 31 December 2021 (“Q4 FY2022”)

(i) Kasturi Group

In Q4 FY2022, Kasturi Group recorded a total operating revenue of RM0.2 million and a LBT of RM1.5 million due to lower students’ enrolment. Loss of RM0.5 million was attributable to loss from tuition centres’ operations due to low students’ enrolment following postponement of Sijil Pelajaran Malaysia (“SPM”) to March 2022 and additionally, December was holiday season therefore students had low desire to sign up for tuition classes. The LBT included also professional fee incurred for a business development amounted to RM0.4 million.

(ii) SJI Group

In Q4 FY2022, SJI Group recorded a total operating revenue of RM4.7 million with a PBT of RM0.8 million. Secondary education has contributed profit of RM1.2 million but offset with loss making in primary education and private tuition of RM0.4 million, in overall SJI Group remained profitable in Q4 FY2022.

(iii) Imperium Edumaax

In Q4 FY2022, Imperium Edumaax recorded a total operating revenue of RM1.2 million with a LBT of RM5.3 million. Prolonged COVID-19 pandemic continued to post challenges to the industry with low students’ enrolment rate. Management has developed multiple new strategies including offering of training courses, new programmes, intensive marketing efforts and branding exercise as well as provision of financial aids i.e. in-house loans and bursaries to students. Additionally, management is reviewing internal processes ongoingly to improve efficiency.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B1. REVIEW OF GROUP PERFORMANCE (continued)**

Education Services (continued)

12 months period ended 31 December 2021 (“12M FY2022”)

(i) Kasturi Group

In 12M FY2022, Kasturi Group recorded a total operating revenue of RM1.0 million and a LBT of RM3.9 million due to lower students’ enrolment. Loss of RM1.8 million was attributable to loss from tuition centres’ operations due to low students’ enrolment rate following cancellation of PT3 and postponement of SPM to March 2022. With this, students had low exam pressure and desire to sign up for tuition classes. The LBT included also professional fee incurred for a business development amounted to RM1.1 million.

(ii) SJI Group

In 12M FY2022, SJI Group recorded a total operating revenue of RM19.8 million with a PBT of RM4.1 million. Secondary education has contributed profit of RM5.7 million but offset with loss making in primary education and private tuition of RM1.6 million, in overall SJI Group remained profitable in 12M FY2022. Primary education commenced operations only in early 2020 and has gradually building presence in the market, students enrolment rate was increased by double in year 2021 despite of COVID-19 pandemic.

(iii) Imperium Edumaax

In 12M FY2022, Imperium Edumaax recorded a total operating revenue of RM4.1 million with a LBT of RM11.6 million. Due to postponement of year 2020 SPM and Sijil Tinggi Persekolahan Malaysia (“STPM”) to early 2021, movement control order during the year and restricted international travel ban, prolonged COVID-19 pandemic continued to affect the industry significantly with low students’ enrolment for the year. In response to this, management has introduced new initiatives including offering of training courses to working adults, developing new programmes, continuous intensive marketing efforts and branding exercise as well as offering in-house loans to students in financial distress. Further to this, management is also uplifting students’ wellbeing constantly with wide array of students’ supports and focusing on students’ social and emotional development during this challenging time so to provide a pleasure learning experience with the college.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**Credit Services

Key financial performance	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,668	-	10,334	-
Profit before taxation	3,162	-	10,960	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 31 December 2021 (“Q4 FY2022”)

Credit Services segment recorded a total operating revenue of RM2.7 million which comprised mainly of income from debt factoring business of RM1.2 million and interest income of RM1.5 million from term loans and other credit activities with a PBT of RM3.2 million.

12 months period ended 31 December 2021 (“12M FY2022”)

Credit Services segment recorded a total operating revenue of RM10.3 million which comprised mainly of income from debt factoring business of RM6.8 million and interest income of RM3.5 million from term loans and other credit activities with a PBT of RM11.0 million.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B1. REVIEW OF GROUP PERFORMANCE (continued)**Hospitality Services

Key financial performance	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Operating revenue	8,554	-	16,006	-
Loss before taxation	(936)	-	(11,633)	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 31 December 2021 (“Q4 FY2022”)

In Q4 FY2022, Hospitality Services segment recorded a total operating revenue of RM8.6 million with a LBT of RM0.9 million mainly due to management expenses of RM9.9 million.

12 months period ended 31 December 2021 (“12M FY2022”)

The Hospitality services segment recorded total operating revenue of RM16.0 million and a LBT of RM11.6 million in 12M FY2022. This segment temporarily closed its operation in June 2021 in compliance with a government directive of a nationwide total lockdown amid the outbreak of the COVID-19 pandemic.

Followed by the government announcement of the lifted movement control restrictions, interstate travel allowed, and third vaccination shot in October 2021, the business of Hospitality Services segment progress recover in Q4 FY2022.

**B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION FOR THE QUARTER REPORTED ON AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER**

For the current quarter ended 31 December 2021 (“Q4 FY2022”), the Group recorded a lower PBT of RM4.3 million as compared to PBT of RM8.0 million in the preceding quarter ended 30 September 2021 (“Q3 FY2022”). Despite the higher other operating revenue from non-insurance businesses of RM14.7 million (Q3 FY2022: RM8.1 million), higher net fair value gains of RM4.6 million (Q3 FY2022: gains of RM2.4 million) from equity investments classified at FVTPL and higher other operating income of RM6.0 million (Q3 FY2022: RM1.8 million) recorded in Q4 FY2022, the lower PBT mainly due to lower net earned premiums of RM19.8 million (Q3 FY2022: RM28.5 million), lower gains from disposal of investments of RM0.2 million (Q3 FY2022: gains of RM2.1 million) and higher management expenses of RM30.4 million (Q3 FY2022: RM23.2 million).

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B3. PROSPECTS**

The Malaysian economy is projected to expand by 5.8% in 2022, as domestic and external demand recovers according to the latest edition of the World Bank Malaysia Economic Monitor. The expected growth trajectory aligns with the successful vaccination programme under the National COVID-19 Immunisation Programme (PICK) and various stimulus and assistance packages to support the people and revitalize the economy. In October 2021, the Malaysian government lifted movement control restrictions for vaccinated people and moving forward, continued expansion in global demand and the broader reopening of the domestic economy and easing of restricted movements will also support Malaysia’s growth momentum going into 2022.

Amidst the challenges brought by COVID-19 pandemic, the Group expects the General Insurance business in the Philippines to continue with premium growth and improved profit margins in 2022 and MAAGAP being the main revenue contributor to the Group. In spite of the challenges the insurance industry continues to face as a result of the COVID-19 pandemic and barring other unforeseen circumstances like natural disasters which Philippines is most vulnerable to and the market driven stock performance, MAAGAP remains optimistic for 2022. The Group expects MAAGAP to improve its financial performance in 2022 by capturing a wider market share in the Philippines through agencies expansion, venture to innovative digital transformation and management efficiency while preserving its prudent selection of risk and underwriting principles.

2022 continues to be a challenging year for the Group’s Education Services business. The Education Services’ operating units namely Kasturi Group, SJI Group and Imperium Edumaax will continue to intensify their marketing efforts to increase student enrolment, diversify program offerings and continue with cost control measures.

The Group is seeking to grow its money lending business and SME debt factoring business, given that SMEs account for approximately 95% of businesses in Malaysia, and cuts across all sizes and sectors. This translates to approximately 1 million SMEs in Malaysia, which contribute to more than 30% of GDP and are mostly under-served by the banking sector.

Although the global economic outlook for FY2022 continues to be cautious with the COVID-19 pandemic, the Group will continue its efforts to implement management action plans to expanding existing business and improve profitability. The Group expects its performance for FY2022 to perform in tandem with the Malaysian economy.

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B5. INVESTMENT INCOME**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	12	-	30	-
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	4	-	264	-
- Equity securities quoted outside Malaysia	238	-	2,459	-
- Equity securities unquoted outside Malaysia	-	-	778	-
- Unit trusts quoted in Malaysia	92	-	92	-
	334	-	3,593	-
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	455	-	1,673	-
	801	-	5,296	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B6. INTEREST INCOME**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income				
- Government debt securities quoted outside Malaysia	448	-	1,581	-
- Corporate debt securities quoted outside Malaysia	9	-	49	-
- Corporate debt securities unquoted in Malaysia	313	-	621	-
	770	-	2,251	-
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	182	-	731	-
- Corporate debt securities quoted outside Malaysia	1,438	-	5,923	-
- Private trust fund unquoted outside Malaysia	-	-	4	-
- Investment notes unquoted in Malaysia	36	-	46	-
	1,656	-	6,704	-
Interest income from:				
- staff loans	9	-	11	-
- associates	6	-	54	-
- fixed and call deposits	71	-	594	-
	86	-	659	-
Interest income from:				
- debt factoring business	1,153	-	6,780	-
- loans from money lending and other credit activities	1,480	-	3,506	-
	2,633	-	10,286	-
	5,145	-	19,900	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.



**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B7. REALISED GAINS AND LOSSES - NET**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Net losses from disposal of property, plant and equipment	-	-	(18)	-
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	(38)	-	1,332	-
- Equity securities quoted outside Malaysia	353	-	7,254	-
- Unit trusts quoted outside Malaysia	(54)	-	(54)	-
	261	-	8,532	-
Investments at FVOCI				
Net realised gains				
- Government debt securities quoted outside Malaysia	-	-	446	-
	261	-	8,960	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B8. FAIR VALUE GAINS AND LOSSES - NET**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Fair value gains on investment properties	948	-	948	-
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(9,736)	-	(15,587)	-
- Equity securities quoted outside Malaysia	16,981	-	21,225	-
- Equity securities unquoted outside Malaysia	(2,556)	-	(666)	-
- Unit trusts quoted in Malaysia	(82)	-	(119)	-
	4,607	-	4,853	-
	5,555	-	5,801	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B9. PROFIT/(LOSS) BEFORE TAXATION FOR THE QUARTER AND PERIOD**

Profit/(loss) before taxation for the quarter and period is arrived at after crediting/(charging):

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/write back of impairment loss on:				
- investments at AC	97	-	224	-
- cash and cash equivalents	(77)	-	(83)	-
- insurance receivables	(7)	-	248	-
- trade and other receivables	409	-	(369)	-
- factoring receivables	22	-	(127)	-
- loans from money lending and other credit activities	338	-	(615)	-
Realised foreign exchange losses – net	(56)	-	(628)	-
Unrealised foreign exchange (losses)/gains - net	(830)	-	188	-
Allowance for impairment loss on goodwill acquired	-	-	(3,995)	-
Reserves arising from business combination	-	-	649	-
Depreciation of property, plant and equipment	(1,057)	-	(4,051)	-
Amortisation of leasehold land	-	-	(1)	-
Depreciation of right-of-use assets	(2,581)	-	(10,050)	-
Amortisation of intangible assets	(28)	-	(104)	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B10. TAXATION**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
	RM'000	RM'000	RM'000	RM'000
Current tax	(2,021)	-	9,685	-
Deferred tax	(1,607)	-	1,026	-
Total tax (income)/expense	(3,628)	-	10,711	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

The effective tax rates of the Group for the current quarter and period ended 31 December 2021 higher than the statutory tax rates of the respective quarter and period mainly due to certain expenses being not deductible for tax purposes.

**B11. BORROWING**

The Group's borrowing includes:

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
<u>Short term</u>		
Term loan – secured	19,515	-
Total Group's borrowing	19,515	-

The Group's borrowing is denominated in Ringgit Malaysia (RM).

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B12. CORPORATE PROPOSALS**

- (a) On the PN17 status of MAAG, the Company had, on 24 November 2020, submitted an application to Bursa Securities for a waiver from having to comply with Paragraph 8.04(3)(a) and Practice Note 17 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities had, vide its letter dated 25 March 2021, decided to grant the Company a waiver from complying with Paragraph 8.04(3)(a) of the Main Market Listing Requirements. With the waiver being granted, MAAG was uplifted from being classified as a PN17 Company effective from 26 March 2021.
- (b) On 22 June 2021, the Company entered into an unconditional share sale and purchase agreement (“SPA”) with Ithmaar Bank B.S.C. (Closed) (“Vendor” or “Ithmaar”) to acquire 132,151,497 ordinary shares in Turiya Berhad (“Turiya”) (“Turiya Shares” or “Sale Shares”), representing approximately 57.78% equity interest in Turiya, for a cash consideration of RM23,787,269.46 or RM0.18 per Turiya Shares (“Acquisition”).

Upon completion of the Acquisition, MAAG’s shareholding in Turiya increased from nil to approximately 57.78%. As a consequence, MAAG is obliged to extend a mandatory take-over offer to acquire all the remaining Turiya Shares not already held by MAAG (“Offer Shares”) at a cash offer price of RM0.18 per Offer Share pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“SC”) (“Proposed Offer”).

The Company had, on 5 July 2021, been served with a sealed copy of Writ of Summons dated 3 July 2021 from Empire Holdings Ltd (“Plaintiff”), together with the Notice of Application dated 3 July 2021 and Affidavit in Support of Sarin Sahadev Swami affirmed on 2 July 2021. Please refer to Note B14 of these Interim Reports for details on the Plaintiff’s claim against the Company and other defendants.

In view of the legal proceedings, SC had, vide its letter dated 12 July 2021, approved and further approved verbally in October 2021 MAAG’s application for an extension of time to despatch the offer document.

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

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B13. 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 (“MAA Takaful”) on 30 September 2016**

	Purpose	Revised Utilisation <sup>(N1)</sup>	Actual Proceeds Received	Further Revised Utilisation <sup>(N4)</sup>	Deviation	Further Revised Utilisation (After Deviation)	Further Revised Timeframe For Utilisation	Actual Utilisation	Further Revised Remaining Unutilised Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
(i)	Future investment opportunity(ies)/Prospective new business(es) to be acquired <sup>(N3)</sup>	68,250 93,750	68,250 <sup>(N2)</sup> 88,623	- 70,127	- <sup>(N7)</sup> (14,807)	- 55,320	Within 24 months from the EGM held on 30 June 2020	<sup>(N8)</sup> 55,320	-
(ii)	Working capital	30,854	30,854	84,435	18,615 <sup>(N5), (N6), (N7)</sup>	103,050		Within 24 months from the EGM held on 30 June 2020	103,050
(iii)	Payment of dividends to shareholders for the FYE 2017	8,207	8,207	8,207	-	8,207	Utilised	8,207	-
(iv)	Payment of dividends to shareholders	32,822	32,822	32,822	-	32,822	Within 24 months from the EGM held on 30 June 2020	16,411	16,411
(v)	Acquisition of HCAT <sup>(N5)</sup> , Acquisition of SIB <sup>(N6)</sup> and Subscription of Shares in Altech Chemicals Limited (“Altech”)	-	-	38,292	<sup>(N5), (N6)</sup> (3,808)	34,484	Within 18 months from the EGM held on 30 June 2020	34,484	-
	Total	233,883	228,756	233,883	-	233,883		217,472	16,411

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B13. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)**

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

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

- <sup>(N1)</sup> Revised utilisation approved by shareholders during the EGM held on 5 June 2018.
- <sup>(N2)</sup> Of the RM93,750,000 balance sale consideration of MAA Takaful retained by Zurich Insurance Company Ltd (“Zurich”), the Company received RM88,623,399.52 from Zurich on 1 July 2019 net of Zurich’s claims of RM5,126,600.48.
- <sup>(N3)</sup> As disclosed in the Circular to Shareholders in relation to the disposal of MAA Takaful dated 6 June 2016, the actual proceeds of RM156.9 million is allocated for the Company to acquire future investment opportunity(ies)/prospective new business(es) to enhance its earning profile, regulate its financial conditions and address the PN17 status.
- <sup>(N4)</sup> Further revised utilisation approved by shareholders during the EGM held on 30 June 2020.
- <sup>(N5)</sup> Pursuant to the new Share Purchase Agreement (“SPA dated 20 July 2020”) entered by Edumaax Sdn Bhd (“Edumaax”) and HELP International Corporation Berhad (“HIC”) in relation to the acquisition of HELP College of Arts and Technology Sdn Bhd (“HCAAT”) (now known as Imperium Edumaax Sdn Bhd (“Imperium Edumaax”) (“Acquisition for HCAAT”), the purchase consideration had reduced from RM5.5 million to RM2.0 million. HIC had refunded the excess purchase consideration of RM3.5 million to Edumaax. The excess purchase consideration of RM3.5 million was subsequently re-allocated and utilised for the working capital requirement of Imperium Edumaax.
- <sup>(N6)</sup> RM5.0 million of the purchase consideration for Scholastic IB International Sdn Bhd (“SIB”) and its subsidiaries was withheld by Edumaax pending fulfillment by the vendors of the aggregate profit guarantees of RM5.0 million for financial years ended 31 December 2019 and 31 December 2020. On 17 July 2020 and 22 March 2021, Edumaax had paid RM4.7 million to the vendors upon achieving profits of RM1.2 million and RM3.5 million for financial years ended 31 December 2019 and 31 December 2020 respectively. Edumaax deducted RM0.3 million from the retained purchase consideration of RM5.0 million in view of the profit shortfall. The balance purchase consideration of RM0.3 million had been re-allocated for the working capital requirement of the Company.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B13. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)**

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

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

<sup>(N7)</sup> The Company had re-allocated and utilised an amount totaling RM14.8 million for the following businesses via capital injections and advances to MAA Credit Berhad and Maax Factor Sdn Bhd:

- Money lending: RM10.5 million
- Factoring: RM4.3 million

<sup>(N8)</sup> The Company had utilised an amount totaling RM50.2 million for the following investments:

- RM23.8 million being the purchase consideration of the acquisition of 132,151,497 ordinary shares in Turiya, as stated in note B12(b) of this report; and
- RM26.4 million being part finance the acquisition of 233,001,800 ordinary shares of KNM Group Berhad at an average price of RM0.227 per shares amounted to RM52.9 million.

In addition, RM5.1 million had been utilised to settle Zurich’s claims.



**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B13. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)**

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

**(b) Disposal of Columbus Capital Pty Limited (“CCA”) on 27 December 2018**

	Purpose	Proposed Utilisation	Deviation	Revised Utilisation (After Deviation)	Timeframe for utilisation	Actual Utilisation	Remaining Unutilised Proceeds
		RM'000	RM'000	RM'000		RM'000	RM'000
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	59,613	(22,644)	36,969	No time limit specified	<sup>(N10)</sup> 36,969	-
(ii)	Working Capital	-	<sup>(N9)</sup> 22,644	22,644		22,644	-
	Total	59,613	-	59,613		59,613	-

<sup>(N9)</sup> Capital injections and advances to subsidiaries, namely Imperium Edumaax Sdn Bhd, MAA Corporation Sdn Bhd, Kasturi Academy Sdn Bhd, Hospitality 360 Sdn Bhd and Edumaax Sdn Bhd totaling RM22.6 million for working capital requirements.

<sup>(N10)</sup> The Company had utilised an amount totaling RM37.0 million for the following investments:

- (i) Acquisition of a loan of Euro3,160,000 (equivalent to RM14.6 million) and other related professional fees incurred. This loan is secured by mortgage which was valued approximately 2.5 times above the debt;
- (ii) Investment in 35.20% interest in MicroLEAP PLT for a total consideration of RM1.25 million; and
- (iii) RM16.3 million being part finance the acquisition of 233,001,800 ordinary shares of KNM Group Berhad at an average price of RM0.227 per shares amounted to RM52.9 million.

**MAA GROUP BERHAD ("MAAG" or "the Company")**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B14. CHANGES IN MATERIAL LITIGATION**

*KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22NCC-295-07/2021 EMPIRE HOLDINGS LTD ("PLAINTIFF") VS ITHMAAR DEVELOPMENT COMPANY LTD ("1ST DEFENDANT"), ITHMAAR BANK B.S.C. ("2ND DEFENDANT"), MAAG ("3RD DEFENDANT"), TUNKU DATO' YAACOB KHYRA ("4TH DEFENDANT") AND TURIYA BERHAD ("5TH DEFENDANT") (COLLECTIVELY REFERRED TO AS "DEFENDANTS")*

The Company had, on 5 July 2021, been served with a sealed copy of a Writ of Summons dated 3 July 2021 from the Plaintiff together with the Notice of Application dated 3 July 2021 and Affidavit in Support of Sarin Sahadev Mohan Swami affirmed on 2 July 2021. ("Injunction Application")

The Plaintiff's claim against the 1st Defendant and 2nd Defendant is inter alia for breach of contract and/or duty of care and/or good faith as lender and/or charge in respect of 132,151,497 ordinary shares in the 5th Defendant held as security and/or by way of charge by the 1st Defendant, and owned at all material times by Plaintiff ("the Shares"), pursuant to a Share Charge dated 20 April 2008 and a Charge Supplement dated 28 October 2015, arising out of and/or in connection with the 1st Defendant's and/or 2nd Defendant's sale and/or disposal of the Shares to the 3rd Defendant at below market value and/or at an undervalue, pursuant to a share sale and purchase agreement entered into between the 2nd Defendant and 3rd Defendant on 22 June 2021 ("Share Sale and Purchase Agreement") to acquire the Shares, without reasonable or any notice to the Plaintiff, and contrary to and/or in breach of the representations and/or agreement by Abdulla Taleb made for and on behalf of the 1st Defendant and/or 2nd Defendant to the Plaintiff for inter alia the redemption inter alia of the Shares by the Plaintiff ("the Agreement") and/or giving rise to an estoppel against the sale and transfer of the Shares to the 3rd Defendant.

Further to the e-review case management held on 7 July 2021, the Court issued an Ad Interim Injunctive Order (interim injunction) against the Company, and against the 1st Defendant and the 2nd Defendant.

On 27 September 2021, the decision on the inter-parties for the Plaintiff's Injunction Application was delivered by Yang Arif Tuan Ong Chee Kwan, Judicial Commissioner ("Yang Arif Judicial Commissioner"), via e-review.

Yang Arif Judicial Commissioner decided as follows:

- i) The Plaintiff's Injunction Application is dismissed;
- ii) The Ad Interim Injunctive Order against the Defendants, first granted on 7 July 2021, is set aside; and
- iii) The Plaintiff pays cost of RM35,000 each to the 1st and 2nd Defendants, the 3rd Defendant and the 4th Defendant.

The solicitors for the Plaintiff ("Appellant" or "Empire") filed, on 27 September 2021, the notices of appeal against the High Court's decision to dismiss the Appellant's Injunction Application and to set aside the Ad Interim Injunction Order ("Appeals"). On 28 September 2021, they filed the Notice of Motion for an Erinford Injunction ("Notice of Motion").

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**B14. CHANGES IN MATERIAL LITIGATION (continued)**

Empire and MAAG agreed to grant each other certain undertakings, pending the disposal of the Appeals by the Court of Appeal.

In exchange for the abovementioned undertakings by MAAG to Empire, and the abovementioned cross-undertakings by Empire to MAAG, Empire agreed to withdraw its Notice of Motion against MAAG.

The Appeals were heard by the Court of Appeal on 1 December 2021, and the Court of Appeal delivered their unanimous decision as follows:

- i) The Appeals were dismissed.
- ii) The decision by Yang Arif Tuan Ong Chee Kwan, Judicial Commissioner, the High Court of Malaya at Kuala Lumpur dated 27 September 2021, was upheld.
- iii) The Court of Appeal awarded costs of RM20,000 to the 3<sup>rd</sup> Respondent.

Empire’s solicitors has filed a Notice of Application dated 27 December 2021, pursuant to Order 14A of the Rules of Court 2012 (“Order 14A Application”) and Affidavit in Support of Tan Seow Wan, affirmed on 27 December 2021 (“Affidavit in Support”), to dispose of the civil suite action No. WA-22NCC-295-07/2001, filed against MAAG.

Empire through its solicitors, filed a Notice of Application dated 29 December 2021, applying to the High Court of Malaya (“HC”) for an injunction against MAAG, pending the disposal of the Order 14A Application and, an affidavit in support of Tan Seow Wan, affirmed on 31 December 2021 (“Injunction Affidavit in Support”) (“Injunction Application”).

Pursuant to the Injunction Application, the Plaintiff is applying for an order from the High Court of Malaya at Kuala Lumpur for an injunction against MAAG and Ithmaar Bank B.S.C. (Closed) (“Ithmaar Bank”), details of which are as follows:

- i) That MAAG, whether by themselves, their directors, officers, servants and/or agreement or otherwise howsoever be restrained and an injunction be granted restraining them from selling, transferring, pledging, exercising any rights including management rights (if any) or howsoever dealing with the 132,151,497 ordinary shares in Turiya Berhad until the disposal of the Order 14A Application;
- ii) That MAAG, whether by themselves, their directors, officers, servants and/or agreement or otherwise howsoever be restrained and an injunction be granted restraining them from taking further steps under the notice of unconditional mandatory take-over offer to acquire shares in Turiya Berhad other than the 132,151,497 ordinary shares in Turiya Berhad until the disposal of the Order 14A Application; and
- iii) That Ithmaar Bank, whether by themselves, their directors, officers, servants and/or agreement or otherwise howsoever be restrained and an injunction be granted restraining them from taking further steps to complete the sale of the 132,151,497 ordinary shares in Turiya Berhad until the disposal of the Order 14A Application.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021****B14. CHANGES IN MATERIAL LITIGATION** (continued)

The Order 14A Application filed by Empire was heard by the HC on 18 February 2022. The Order 14A Application was dismissed; and costs of RM30,000 each is awarded to the 1st & 2nd Defendants, the 3rd Defendant and the 4th Defendant. Following the dismissal of the Order 14A Application, the injunction application filed by Empire pending the disposal of the Order 14A Application was struck out by the HC, with no order as to costs.

Regarding the Writ and Statement of Claim dated 3 July 2021 filed by Empire, the HC provided the following directions:

- (i) Case Management is fixed for 14 April 2022; and
- (ii) Trial dates are maintained at 15, 16 and 17 June 2022.

**B15. DIVIDEND PAYABLE**

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 31 December 2021 in respect for the financial year ending 30 June 2022.

**B16. BASIC EARNINGS PER SHARE**

	3 months period ended		12 months period ended	
	31.12.2021	31.12.2020 <sup>(*)</sup>	31.12.2021	31.12.2020 <sup>(*)</sup>
<u>Attributable to the Owners of the Company:</u>				
Net profit for the financial period (RM'000)	8,563	-	17,574	-
Weighted average number of ordinary shares in issue ('000)	263,732	-	263,732	-
Basic earnings per share (sen)	3.25	-	6.66	-

<sup>(\*)</sup> There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

**MAA GROUP BERHAD (“MAAG” or “the Company”)**

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

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**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 2020 was not qualified.

**By Order of the Board**

Lily Yin Kam May

Company Secretary

KUALA LUMPUR

DATE: 25 FEBRUARY 2022