

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 30 SEPTEMBER 2022

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements (“Interim Reports”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard (“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 18 months period ended 30 June 2022. 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 period ended 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 period ended 30 June 2022, except for the adoption of the following:

Standards, amendments to published standards and interpretations that are effective for annual period beginning on or after 1 July 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 MFRS Standards 2018 – 2020:
 - Amendments to MFRS 9 Financial Instruments - *Fees in the ‘10 percent’ test for Derecognition of Financial Liabilities*
 - Amendments to MFRS 1 First time adoption of Malaysian Financial Reporting Standards - *Subsidiary as a First-Time Adopter*
 - Amendments to MFRS 141 Agriculture - *Taxation in Fair Value Measurements*
 - Amendments to Illustrative Example accompanying MFRS 16 Leases - *Lease Incentives*

None of the amendments listed above have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods of the Group’s financial statements.

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A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following standards, amendments to standards and interpretations that have been issued by MASB but are not yet effective to the Group’s current financial period:

Standards, amendments to published standards and interpretations effective for annual period beginning after 1 July 2023

- Amendments to MFRS 101 Presentation of Financial Statements - *Classification of liabilities as current or non-current*
- 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*
- MFRS 17 Insurance Contracts (“MFRS 17”) and Amendments to MFRS 17

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.

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 30 September 2022.

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 30 September 2022.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended September 2022.

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A7. DIVIDEND PAID

There was no dividend paid by the Company in respect of the current financial period ending 30 June 2023.

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 and facilities management service

The Group's Other segments comprise property management, advisory and consultancy services, film distribution and cinema businesses 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**A8. SEGMENTAL INFORMATION (continued)**Current quarter ended 30 September 2022 (“Q1 FY2023”)

	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							
External revenue	228	48,275	7,683	2,699	10,645	1,764	71,294
Inter segment revenue	6,321	-	495	243	-	225	7,284
Total revenue	6,549	48,275	8,178	2,942	10,645	1,989	78,578
Net earned premiums	-	26,556	-	-	-	-	26,556
Investment income	129	623	-	-	-	-	752
Interest income	40	2,197	25	2,699	-	1	4,962
Realised gains and losses – net	(15)	(37)	-	-	-	-	(52)
Fair value gains and losses - net	11,867	(3,642)	(9)	-	-	-	8,216
Commission income	-	935	-	-	-	-	935
Other operating revenue from non-insurance businesses	59	-	7,658	-	10,645	1,763	20,125
Other operating (expenses)/income – net	(190)	750	(83)	(443)	543	(7)	570
Net claims incurred	-	(11,379)	-	-	-	-	(11,379)
Commission expenses	-	(9,501)	-	-	-	-	(9,501)
Management expenses	(4,554)	(5,232)	(9,096)	(608)	(13,387)	(2,818)	(35,695)
Finance costs	(31)	(3)	(408)	-	(375)	(130)	(947)
Profit/(loss) before taxation by segments	7,305	1,267	(1,913)	1,648	(2,574)	(1,191)	4,542
Share of profit of associates not included in reportable segments	-	-	-	-	-	-	49
Profit/(loss) before taxation	7,305	1,267	(1,913)	1,648	(2,574)	(1,191)	4,591
Taxation	(458)	(2,504)	(508)	-	-	-	(3,470)
Profit/(loss) after taxation	6,847	(1,237)	(2,421)	1,648	(2,574)	(1,191)	1,121

() 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.*

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**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>At 30 September 2022</u>							
Segment Assets	135,769	435,667	68,415	64,516	40,056	24,044	768,467
Associates							716
Total Assets							<u>769,183</u>
<u>At 30 June 2022 (Audited)</u>							
Segment Assets	119,555	450,439	56,677	67,166	43,059	39,649	776,545
Associates							667
Total Assets							<u>777,212</u>

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A9. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There were no significant events subsequent to the end of the current financial period ended 30 September 2022 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period ended 30 September 2022.

A11. VALUATION OF INVESTMENT PROPERTIES

Investment properties of the Group were carried at revalued amount at the financial period ended 30 June 2022. These revalued amounts have been carried forward to the current financial period ended 30 September 2022.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 30 September 2022.

A13. CAPITAL COMMITMENTS

Significant capital expenditures contracted but not provided for as at the end of the financial period are as follows:

	As at 30.9.2022	As at 31.6.2022
	RM'000	RM'000
Property, plant and equipment		
- Computer and software	500	500
- Furniture, fitting and equipment	1,029	1,000
- Renovation	17,053	13,850
	18,582	15,350

A14. 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**A15. FAIR VALUE MEASUREMENT OF INVESTMENTS**

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 30 September 2022

	Carrying values	Level 1	Level 2	Level 3	Total fair values
	RM'000	RM'000	RM'000	RM'000	RM'000
Investments measured at fair value					
Investments at FVTPL:					
Equity securities quoted in Malaysia	116	116	-	-	116
Equity securities quoted outside Malaysia	71,567	71,567	-	-	71,567
Equity securities unquoted outside Malaysia	22,490	-	-	22,490	22,490
Unit trusts unquoted in Malaysia	392	-	392	-	392
	94,565	71,683	392	22,490	94,565
Investments measured at fair value					
Investments at FVOCI:					
Government debt securities quoted outside Malaysia	49,186	49,186	-	-	49,186
Corporate debt securities quoted outside Malaysia	1,305	1,305	-	-	1,305
Equity securities quoted outside Malaysia	23,447	22,102	1,345	-	23,447
Equity securities unquoted in Malaysia	100	-	-	100	100
Equity securities unquoted outside Malaysia	42	-	-	42	42
	74,080	72,593	1,345	142	74,080
Investments for which fair values are disclosed					
Investments at AC:					
Government debt securities quoted outside Malaysia	17,786	16,097	-	-	16,097
Corporate debt securities quoted outside Malaysia	113,978	113,323	-	-	113,323
Investment notes unquoted in Malaysia	3,133	-	-	3,133	3,133
	134,897	129,420	-	3,133	132,563

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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)

30 June 2022 (Audited)

	Carrying values	Level 1	Level 2	Level 3	Total fair values
	RM'000	RM'000	RM'000	RM'000	RM'000
Investments measured at fair value					
Investments at FVTPL:					
Equity securities quoted in Malaysia	239	239	-	-	239
Equity securities quoted outside Malaysia	63,067	63,067	-	-	63,067
Equity securities unquoted outside Malaysia	22,562	-	-	22,562	22,562
Unit trusts unquoted in Malaysia	401	-	401	-	401
	86,269	63,306	401	22,562	86,269

Investments measured at fair value					
Investments at FVOCI:					
Government debt securities quoted outside Malaysia	45,645	45,645	-	-	45,645
Corporate debt securities quoted outside Malaysia	1,350	1,350	-	-	1,350
Equity securities quoted outside Malaysia	24,317	23,091	1,226	-	24,317
Equity securities unquoted in Malaysia	100	-	-	100	100
Equity securities unquoted outside Malaysia	43	-	-	43	43
	71,455	70,086	1,226	143	71,455

Investments for which fair values are disclosed					
Investments at AC:					
Government debt securities quoted outside Malaysia	18,011	16,345	-	-	16,345
Corporate debt securities quoted outside Malaysia	110,448	110,298	-	-	110,298
Investment notes unquoted in Malaysia	2,725	-	-	2,725	2,725
	131,184	126,643	-	2,725	129,368

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**A15. FAIR VALUE MEASUREMENT OF INVESTMENTS (continued)**

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 were no transfers among Level 1, 2 and 3 of their fair value hierarchy during the current quarter and period ended 30 September 2022.

The following table shows the movement in Level 3 investments for the current period ended 30 September 2022:

	Unquoted equity securities		Unquoted investment notes
	FVTPL	FVOCI	AC
	RM’000	RM’000	RM’000
At 1 July 2022	22,562	143	2,725
Purchases	-	-	2,010
Disposal/maturities	-	-	(1,282)
Fair value loss	(1,277)	-	-
Allowance for impairment loss	-	-	(320)
Currency translation difference	1,205	(1)	-
At 30 September 2022	22,490	142	3,133

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**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		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2021 ^(*)	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	71,294	-	71,294	-
Profit before taxation	4,591	-	4,591	-

^(*) 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 30 September 2022 (“Q1 FY2023”)

For Q1 FY2023, the Group recorded a total operating revenue of RM71.3 million which comprised of gross earned premiums of RM45.5 million recorded by General Insurance business, investment and interest income of RM5.7 million and other operating revenue from non-insurance businesses of RM20.1 million.

The Group recorded a Profit before taxation (“PBT”) of RM4.6 million for Q1 FY2023. The profit was mainly contributed by PBT of RM7.3 million from Investment Holdings segment, PBT of RM1.3 million from General Insurance business, PBT of RM1.6 million from Credit services segment; however, these profits were offset by Loss before taxation (“LBT”) of RM1.9 million from Education Services segment, LBT of RM2.6 million from Hospitality Services segment and LBT of RM1.2 million from other segment.

Investment Holdings

Key financial performance	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	228	-	228	-
Profit before taxation	7,305	-	7,305	-

^(*) 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 30 September 2022 (“Q1 FY2023”)

For Q1 FY2023, Investment Holdings segment recorded a total operating revenue of RM0.2 million with a PBT of RM7.3 million. The profit was mainly contributed by fair value gains on equities investments classified at FVTPL of RM11.9 million.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**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			
	30.9.2022		30.9.2021 ^(*)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written (“GPW”)	557,211	44,534	-	-
Underwriting surplus	82,903	6,611	-	-
Investment income	7,811	623	-	-
Interest income	27,478	2,197	-	-
Claim ratio in %	42.8%	42.8%	-	-
Commission ratio in %	31.3%	31.3%	-	-
Profit before taxation	15,409	1,267	-	-
Range of currency exchange rate	1RM = 12.45 to 12.59PHP			-

^(*) 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 30 September 2022 (“Q1 FY2023”)

For Q1 FY2023, MAAGAP recorded a GPW of PHP557.2 million (RM44.5 million equivalent). The motor and non-motor classes contributed PHP158.3 million (RM12.6 million equivalent) and PHP398.9 million (RM31.9 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP15.4 million (RM1.3 million equivalent) for Q1 FY2023 contributed by underwriting surplus of PHP82.9 million (RM6.6 million equivalent), investment and interest income of PHP35.3 million (RM2.8 million equivalent) and offset by net fair value losses of PHP46.2 million (RM3.6 million equivalent) on equity investments classified at FVTPL and management expenses of PHP65.5 million (RM5.2 million equivalent).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**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 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 diplomas, bachelor degrees and professional accountancy qualifications. Imperium Edumaax is also a Human Resource Development Corporation (“HRDF Corp”) training provider offering a suite of continuous professional development and training programmes.

Key financial performance by business units	3 months period ended				
	30.9.2022				30.9.2021 ^(*)
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	294	6,454	935	7,683	-
(Loss)/profit before taxation	(1,269)	1,687	(2,331)	(1,913)	-

^(*) 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 30 September 2022 (“Q1 FY2023”)

(i) Kasturi Group

For Q1 FY2023, Kasturi Group recorded a total operating revenue of RM0.3 million and a LBT of RM1.3 million. Loss of RM0.6 million was attributable to loss from tuition centre, mainly due to low students’ enrolment. Series of transformation plans are still on-going includes enhancing students’ learning experience, rationalisation exercise, rebranding exercise, increasing existing market share, implementing ‘SPEED’ marketing focusing on school, people, e-marketing, educators, and direct marketing.

(ii) SJI Group

For Q1 FY2023, SJI Group recorded a total operating revenue of RM6.5 million with a PBT of RM1.7 million. Secondary education has contributed profit of RM1.8 million but offset with a small loss in primary education and private tuition of RM0.1 million.

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(iii) Imperium Edumaax

For Q1 FY2023, Imperium Edumaax recorded a total operating revenue of RM0.9 million with a LBT of RM2.3 million. Improving students’ enrolment rate is the key to increase revenue and profit of the company. Therefore, management has re-focused on a few key areas including review of programmes and fee structure to ensure premium education quality is guaranteed with affordable fees, implement new marketing initiatives, identify new target market for both domestic and international markets, and promote synergy effort within group of education companies i.e Kasturi Group and SJI Group to work hand in hand with Imperium Edumaax to increase students’ enrolment rate.

Credit Services

Key financial performance	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM’000	RM’000	RM’000	RM’000
Operating revenue	2,699	-	2,699	-
Profit before taxation	1,648	-	1,648	-

^(*) 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 30 September 2022 (“Q1 FY2023”)

For Q1 FY2023, Credit Services segment recorded a total operating revenue of RM2.7 million which comprised mainly of interest income of RM1.6 million from money lending and other credit activities and income from debt factoring business of RM0.9 million with a PBT of RM1.6 million.

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Key financial performance	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	10,645	-	10,645	-
Loss before taxation	(2,574)	-	(2,574)	-

^(*) 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 30 September 2022 (“Q1 FY2023”)

In pace with Malaysia transitioned into the endemic phase of COVID-19 pandemic on 1 April 2022, with the opening of its border and the negative list which prohibited certain business and social activities was relaxed on 15 May 2022. The Hospitality Services segment reported increase in revenue due to the improvement in overall occupancy and average room rates reported by the hotels and short-term accommodation after the easing of travel and social restrictions during the current quarter under review.

For Q1 FY2023, the Hospitality Services segment recorded total operating revenue of RM10.6 million mainly contributed by RM9.0 million from hospitality industry, RM1.0 million from Cigar division and RM0.6 million from other services.

The LBT of RM2.6 million in Q1 FY2023 was mainly caused by LBT of RM2.7 million from hospitality industry, whilst the Cigar division recorded a small PBT of RM0.04 million.

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	Quarter ended	
	30.9.2022	30.6.2022
	RM'000	RM'000
Operating revenue	71,294	68,672
Profit/(loss) before taxation	4,591	(78,038)

The Group recorded total operating revenue of RM71.3 million in current quarter ended 30 September 2022 (“Q1 FY2023”), an increase of 3.8% from RM68.7 million in the immediate preceding quarter ended 30 June 2022 (“Q6 FY2022”). The increase mainly from higher gross earned premiums from General insurance business of RM45.5 million (Q6 FY2022: RM42.2 million).

The Group recorded a PBT of RM4.6 million in Q1 FY2023. The profit in Q1 FY2023 mainly due to fair value gains of RM8.2 million (Q6 FY2022: fair value losses of RM20.9 million) from equity investments classified at FVTPL, lower net claims incurred of RM11.4 million (Q6 FY2022: RM18.3 million) and lower allowance for impairment loss totaling of RM0.4 million (Q6 FY2022: RM39.4 million) on factoring and term loan receivables.

B3. INVESTMENT INCOME

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	121	-	121	-
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	2	-	2	-
- Equity securities quoted outside Malaysia	287	-	287	-
	289	-	289	-
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	342	-	342	-
	752	-	752	-

^(*) 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.

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	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income				
- Government debt securities quoted outside Malaysia	488	-	488	-
- Corporate debt securities quoted outside Malaysia	16	-	16	-
	504	-	504	-
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	174	-	174	-
- Corporate debt securities quoted outside Malaysia	1,497	-	1,497	-
- Investment notes unquoted in Malaysia	178	-	178	-
	1,849	-	1,849	-
Interest income from:				
- staff loans	26	-	26	-
- associates	6	-	6	-
- fixed and call deposits	56	-	56	-
	88	-	88	-
Interest income from:				
- loans from money lending and other credit activities	1,574	-	1,574	-
- debt factoring business	947	-	947	-
	2,521	-	2,521	-
	4,962	-	4,962	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**B5. REALISED GAINS AND LOSSES - NET**

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Net gains from disposal of property, plant and equipment	1	-	1	-
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	(13)	-	(13)	-
- Equity securities quoted outside Malaysia	(40)	-	(40)	-
	(53)	-	(53)	-
	(52)	-	(52)	-

^(*) 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.

B6. FAIR VALUE GAINS AND LOSSES - NET

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(32)	-	(32)	-
- Equity securities quoted outside Malaysia	9,534	-	9,534	-
- Equity securities unquoted outside Malaysia	(1,277)	-	(1,277)	-
- Unit trusts unquoted in Malaysia	(9)	-	(9)	-
	8,216	-	8,216	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**B7. OTHER OPERATING REVENUE FROM NON-INSURANCE BUSINESSES**

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Fee income from education services	7,658	-	7,658	-
Revenue from hotel room and hotel related services	8,026	-	8,026	-
Sale of cigar and accessories	991	-	991	-
Revenue from sale of cinema tickets and concessions	1,761	-	1,761	-
Others	1,689	-	1,689	-
	20,125	-	20,125	-

^(*) 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.

B8. PROFIT BEFORE TAXATION FOR THE QUARTER AND PERIOD

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

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/write back of impairment loss on:				
- investments at amortised costs	(320)	-	(320)	-
- loans from money lending and other credit activities	(53)	-	(53)	-
- insurance receivables	(398)	-	(398)	-
- trade receivables	243	-	243	-
- factoring receivables	(316)	-	(316)	-
Realised foreign exchange gains – net	601	-	601	-
Unrealised foreign exchange losses – net	(257)	-	(257)	-
Depreciation of property, plant and equipment	(1,394)	-	(1,394)	-
Depreciation of right-of-use assets	(3,435)	-	(3,435)	-
Amortisation of intangible assets	(60)	-	(60)	-
Hire purchase interests	(4)	-	(4)	-
Lease interests	(659)	-	(659)	-
Interests on borrowings	(280)	-	(280)	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**B9. TAXATION**

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysia	556	-	556	-
- Philippines	1,557	-	1,557	-
	2,113	-	2,113	-
Deferred tax				
- Malaysia	410	-	410	-
- Philippines	947	-	947	-
	1,357	-	1,357	-
Total tax expense	3,470	-	3,470	-

^(*) 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 Group's effective tax rate for the current financial quarter and period ended 30 September 2022 was higher than the statutory tax rate mainly due to the effects of certain expenses being not deductible for tax purposes.

B10. BORROWINGS

	As at 30.9.2022	As at 30.6.2022
	RM'000	RM'000
Secured:		
<u>Current</u>		
Margin trading financial liability	16,003	18,943
Hire purchase liabilities	48	47
	16,051	18,990
<u>Non-current</u>		
Hire purchase liabilities	157	169
	16,208	19,159

The Group's borrowings are denominated in Ringgit Malaysia (RM).

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B11. PROSPECTS

The Malaysian economy is projected to expand by 5.3% to 6.3% in 2022 according to Bank Negara Malaysia latest estimates. Forecast for 2023 still pending. 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. The re-opening of Malaysian borders on 1 April 2022, continued expansion in global demand and the broader reopening of the domestic economy will also support Malaysia’s growth momentum going into financial year 2023.

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 financial year 2023 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 financial year 2023. The Group expects MAAGAP to improve its financial performance in financial year 2023 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.

Moving into financial year 2023 will continue 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 in view of the easing of movement controls in order to increase student enrolment, diversify program offerings and continue with cost control measures.

The Credit Services segment of the Group comprises of Money Lending and Debt Factoring business activities. The Money Lending business will implement management action plans to re-strategise its business plans and improve its debt collection activities. The Debt Factoring business will continue to pursue growth opportunities in-line with the opening of all economic sectors.

The Hospitality Services segment of the Group will continue to strengthen its efforts and position in the market which looks increasingly promising by travel restrictions being lifted and expected increase in influx of tourism activities.

Although the global economic outlook for financial year 2023 continues to be cautious with the COVID-19 pandemic albeit the easing of restrictions globally, the Group will continue its efforts to implement management action plans to expand existing business and improve profitability.

B12. PROFIT FORECAST OR PROFIT GUARANTEE

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

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B13. CORPORATE PROPOSALS

- (a) On 22 June 2021, the Company had entered into an unconditional share sale and purchase agreement (“SPA”) with Ithmaar Bank B.S.C. (Closed) (“Ithmaar”) to acquire 132,151,497 ordinary shares in Turiya Berhad (“Turiya”) (“Turiya 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%. Accordingly, 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 status of litigations.

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.

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B14. CHANGES IN MATERIAL LITIGATION

- (a) 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 (“Writ”) 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 (“YA OCK”), via e-review.

YA OCK 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 Injunctive Order (“Appeals”). On 28 September 2021, they filed the Notice of Motion for an Erinford Injunction (“Notice of Motion”).

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B14. CHANGES IN MATERIAL LITIGATION (continued)

- (a) 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”) (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 YA OCK, at the High Court of Malaya (“High Court”) at Kuala Lumpur dated 27 September 2021, was upheld.
- (iii) The Court of Appeal awarded costs of RM20,000 to the 3rd Respondent.

Empire’s solicitors had 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 in respect of the Acquisition (“Litigation”), filed against MAAG.

Empire through its solicitors, filed a Notice of Application dated 29 December 2021, applying to the High Court 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”) (“Second Injunction Application”).

On 6 January 2022, the High Court fixed the Order 14A Application for hearing on 18 February 2022 and the trial dates for the Litigation be rescheduled to 15 June 2022, 16 June 2022 and 17 June 2022.

The Order 14A Application filed by Empire was heard by the High Court 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 Second Injunction Application filed by Empire pending the disposal of the Order 14A Application was struck out by the High Court, with no order as to costs.

Empire’s solicitors had on 3 March 2022 filed a notice of appeal with the Court of Appeal against the High Court’s decision to dismiss the Order 14A Application (“Order 14A Appeal”). The Court of Appeal fixed a new hearing date for the Order 14A Appeal on 30 March 2023.

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B14. CHANGES IN MATERIAL LITIGATION (continued)

- (a) 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”) (continued)

The Trial for the Writ was conducted in person at the High Court before YA OCK, on 15 June 2022, 16 June 2022, 28 September 2022, 29 September 2022 and 30 September 2022.

As the Trial for the Writ was part heard, YA OCK fixed additional trial dates for the Writ to be concluded, on 28 November 2022, 29 November 2022 and 30 November 2022.

On 22 November 2022, solicitors for MAAG were served by the solicitors for Empire with the following documents:

1. sealed Notice of Application to the High Court dated 17 November 2022 (“Postponement Application”); and
2. the Affidavit in Support affirmed by Tan Seow Wan on 21 November 2022, in support of the Postponement Application.

Under the Postponement Application, Empire is applying to the High Court for the following orders:

1. that Empire’s Suit, including the Trial dates fixed on 28, 29 and 30 November 2022, is stayed (suspended) pending the disposal of Empire’s appeal to the Court of Appeal against the High Court’s decision to dismiss Empire’s application under Order 14A of the Rules of Court 2012 to dispose of Empire’s Suit on points of law; and
2. in addition to or in the alternative, Empire is granted leave to reopen its case, which closed on 28 September 2022, and Empire is granted to leave to call further witnesses, including but not limited to Tan Sri Mohan Swami, before the Defendants commence their case at the Trial.

The Case Management for the Postponement Application is fixed on 28 November 2022, at 10am before YA OCK, who is presiding over the Trial.

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B14. CHANGES IN MATERIAL LITIGATION (continued)

(b) KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO.WA-24NCC-658-05/2022 TURIYA BERHAD (“TURIYA” OR “PLAINTIFF”) VS MAA GROUP BERHAD (“MAAG” OR “1ST DEFENDANT”) AND EMPIRE HOLDINGS LIMITED (“EMPIRE” OR “2ND DEFENDANT”)

The Company, on 13 May 2022, had been served with a sealed copy of an Originating Summons dated 12 May 2022 from the Plaintiff (“OS”), and an Affidavit in Support affirmed on 12 May 2022 by Jayapalasingam a/l Kandiah, the Senior Independent Non-Executive Director of the Plaintiff (“ROD Determination”).

The Plaintiff is seeking the determination of and directions from the High Court of Malaya at Kuala Lumpur (“High Court”), for the following question:

“Whether the Plaintiff and/or the board of directors of the Plaintiff and/or the officers of the Plaintiff, including the share registrar of the Plaintiff, is obliged to provide the record of depositors of the Plaintiff as at 10 May 2022, to MAAG, to enable MAAG to despatch the offer document for the take-over offer by MAAG to acquire all the remaining ordinary shares in the Plaintiff not already held by MAAG and its persons acting in concert, in compliance with paragraph 11.02 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, as requested by MAAG vide its letter dated 6 May 2022”.

On 2 June 2022, solicitors for MAAG were served by the solicitors for Empire, with a notice of application dated 1 June 2022, filed by Empire on 1 June 2022 (“Stay Application”). The Stay application was for an order for stay of proceedings of the ROD Determination, pending the disposal of the judicial review application filed by Turiya on 13 May 2022 at the High Court, against the Securities Commission Malaysia, MAAG and Empire, in judicial review application no. WA-25-369-05/2022.

The hearing at the High Court, for the ROD Determination and the Stay Application, was held on 2 June 2022. During the hearing, Turiya withdrew the ROD Determination and Empire withdrew the Stay Application.

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B14. CHANGES IN MATERIAL LITIGATION (continued)

- (c) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-369-05/2022 (“JUDICIAL REVIEW APPLICATION”) TURIYA BERHAD (“APPLICANT” OR “TURIYA”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND EMPIRE HOLDINGS LIMITED (“3RD RESPONDENT” OR “EMPIRE”)

The Company, on 1 June 2022, had been served with cause papers relating to the Judicial Review Application, including, a sealed copy of an ex parte application for leave to commence judicial review dated 13 May 2022 from the Applicant (Turiya), an Affidavit in Support affirmed on 13 May 2022, by Jayapalasingam a/l Kandiah, the Senior Independent Non-Executive Director of the Applicant (Turiya), and a sealed copy order of the Kuala Lumpur High Court dated 23 May 2022.

In the Judicial Review Application, the Applicant (Turiya) applied for:

- (i) leave of the High Court to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by 3rd Respondent (Empire) regarding contraventions of securities laws and Listing Requirements in respect of a Notice of Unconditional Mandatory Take-Over Offer by the 2nd Respondent (MAAG) for all remaining ordinary shares in Turiya which is not already held by the 2nd Respondent (MAAG) (“Notice”);
- (ii) an order that the whole of the 2nd Respondent’s unconditional mandatory take-over offer (“Offer”) process be stayed pending the disposal of the Judicial Review Application and if leave is granted, pending the disposal of the substantive Judicial Review Application;
- (iii) costs in the cause; and
- (iv) such further reliefs as the High Court deems fit and suitable.

On 23 May 2022, the High Court granted the following orders:

- (i) that the Applicant (Turiya) be granted leave to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by the 3rd Respondent (Empire) regarding contraventions of securities laws and Listing Requirements in respect of the Notice; and
- (ii) an interim stay order that the whole Offer process be stayed with liberty to the Respondents to set it aside (“Interim Stay Order”).

In this regard, the High Court provided the following directions:

- (i) Turiya to file and serve a Notice of Application to withdraw the Judicial Review Application (“Withdrawal Application”), on or before 13 June 2022;
- (ii) MAAG to file and serve a Notice of Application to set aside the interim stay order granted by the High Court on 23 May 2022 (“Setting Aside Application”), on or before 17 June 2022; and

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B14. CHANGES IN MATERIAL LITIGATION (continued)

(c) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-369-05/2022 (“JUDICIAL REVIEW APPLICATION”) TURIYA BERHAD (“APPLICANT” OR “TURIYA”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND EMPIRE HOLDINGS LIMITED (“3RD RESPONDENT” OR “EMPIRE”) (continued)

(iii) The Hearing date for both the Withdrawal Application and the Setting Aside Application is fixed before the High Court Judge, Yang Arif Hakim Dato’ Wan Ahmad Farid bin Wan Salleh (“YA WAF”), on 27 June 2022.

On 13 June 2022, solicitors for Turiya filed with the High Court and served on the solicitors for MAAG, the Withdrawal Application.

On 17 June 2022, solicitors for MAAG filed with the High Court and served on the solicitors for Turiya, the Setting Aside Application.

The online Hearing for both the Withdrawal Application and the Setting Aside Application was conducted on 27 June 2022 before YA WAF.

The Securities Commission Malaysia did not object to the Withdrawal Application.

Upon hearing all parties present, YA WAF granted an order in terms of the Withdrawal Application, with no order as to costs. As a consequential order to the Withdrawal Application being granted by the High Court, the Interim Stay Order, granted by High Court on 23 May 2022, is set aside with no order as to costs. Both orders are effective from 27 June 2022.

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 (“EMPIRE’S JUDICIAL REVIEW APPLICATION”) EMPIRE HOLDINGS LTD (“APPLICANT” OR “EMPIRE”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND TURIYA BERHAD (“3RD RESPONDENT” OR “TURIYA”)

The Company, on 22 June 2022, had been served with cause papers relating to the Judicial Review Application, including, a sealed copy of an ex parte application for leave to commence judicial review dated 7 June 2022 from the Applicant (Empire) , an Affidavit in Support affirmed on 7 June 2022, by Tan Seow Wan, the General Manager of the Applicant (Empire), and a sealed copy order of the High Court dated 13 June 2022.

In the Empire’s Judicial Review Application, the Applicant (Empire) applied, ex-parte for:

(i) leave of the High Court to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by 3rd Respondent (Turiya), in a thorough and complete manner, regarding contraventions of securities laws and Listing Requirements in respect of a Notice of Unconditional Mandatory Take-Over Offer by the 2nd Respondent (MAAG) for all remaining ordinary shares in Turiya which is not already held by the 2nd Respondent (MAAG) (“Notice”);

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B14. CHANGES IN MATERIAL LITIGATION (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 (“EMPIRE’S JUDICIAL REVIEW APPLICATION”) EMPIRE HOLDINGS LTD (“APPLICANT” OR “EMPIRE”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND TURIYA BERHAD (“3RD RESPONDENT” OR “TURIYA”) (continued)

- (ii) an order that the whole of the 2nd Respondent’s (MAAG) unconditional mandatory take-over offer (“Offer”) process be stayed pending the disposal of the Empire’s Judicial Review Application and if leave is granted, pending the disposal of the substantive Empire’s Judicial Review Application;
- (iii) costs in the cause; and
- (iv) such further reliefs as the High Court deems fit and suitable.

On 13 June 2022, the High Court granted the following orders, ex-parte:

- (i) that the Applicant (Empire) be granted leave to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by the 3rd Respondent (Empire), in a thorough and complete manner, regarding contraventions of securities laws and Listing Requirements in respect of the Notice; and
- (ii) a stay order that the whole Offer process be stayed pending the disposal of the substantive application of the Empire’s Judicial Review Application.

On 4 July 2022, the Solicitors of MAAG filed with the High Court and served on Empire, MAAG’s notice of application for security for costs against Empire (“Application for Security for Costs”) and MAAG’s Certificate of Urgency.

On 8 August 2022, solicitors for SC filed a Notice of Application for security for costs against Empire (“SC Application for Security for Costs”) and an affidavit in support of the SC Application for Security for Costs, affirmed by Ahmad Zulkharnain bin Musa, General Manager of the Take-overs & Mergers Department of the SC, on 8 August 2022.

On 11 August 2022, the following matters were conducted at the High Court (Special Powers Court 1), before Tang Arif Hakim Dato’ Ahmad Kamal bi Md. Shahid (“YA Dato’ Ahmad Kamal”):

1. Case Management for the substantive Hearing of Empire’s Judicial Review Application;
2. Hearing for the Application for Security for Costs; and
3. Hearing for the SC Application for Security for Costs.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022

B14. CHANGES IN MATERIAL LITIGATION (continued)

- (d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 (“EMPIRE’S JUDICIAL REVIEW APPLICATION”) EMPIRE HOLDINGS LTD (“APPLICANT” OR “EMPIRE”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND TURIYA BERHAD (“3RD RESPONDENT” OR “TURIYA”) (continued)

During the Hearing for the SC Application for Security for Costs, YA Dato’ Ahmad Kamal provided the following directions:

1. Empire to file and serve on the SC, the affidavit in reply of the SC Application for Security for Costs by 25 August 2022;
2. The SC to file and serve on Empire, a reply to Empire’s affidavit in reply by 8 September 2022;
3. Both Empire and the SC to file written submissions by 22 September 2022;
4. Both Empire and the SC to file written submissions in reply, if any, by 29 September 2022; and
5. The Hearing for the SC Application for Security for Costs is fixed on 17 October 2022, in open court, at 9am, before YA Dato’ Ahmad Kamal.

All parties, and YA Dato’ Ahmad Kamal, agreed that the Application for Security for Costs and the SC Application for Security for Costs should be heard together on 17 October 2022.

YA Dato’ Ahmad Kamal also fixed a new Case Management date for the substantive Hearing for Empire’s Judicial Review Application (Enclosure 13) on 17 October 2022, after the Hearing for the Application for Security for Costs (Enclosure 16) and the SC Application for Security for Costs.

The Case Management at the High Court, for Empire’s Judicial Review Application, was held on 6 September 2022 (“Case Management”).

During the Case Management, the High Court provided the following directions:

1. The Hearing date fixed on 17 October 2022 is vacated;
2. Written submission (in English) for Enclosure 33 to be filed and served simultaneously on or before 2 November 2022;
3. Written submission in reply (in English) for Enclosure 33 to be filed and served simultaneously on or before 9 November 2022;
4. The SC to file the reply to Empire’s Affidavit in Reply in Enclosure 33 on or before 27 September 2022;

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022

B14. CHANGES IN MATERIAL LITIGATION (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 (“EMPIRE’S JUDICIAL REVIEW APPLICATION”) EMPIRE HOLDINGS LTD (“APPLICANT” OR “EMPIRE”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND TURIYA BERHAD (“3RD RESPONDENT” OR “TURIYA”) (continued)

5. A new Hearing date, for the Application for Security for Costs (Enclosure 16) and the SC Application for Security for Costs (Enclosure 33) is fixed on 16 November 2022;
6. A Case Management for the substantive hearing of Empire’s Judicial Review Application (Enclosure 13) is fixed on 16 November 2022, after the Hearing is concluded.

On 9 September 2022, Solicitors for MAAG filed the following cause papers with the High Court:

1. Notice of Application to the High Court for, among others, the following orders (Enclosure 42):
 - (i) a variation of the Stay Order dated 13 June 2022, to allow MAAG to submit an application to the Securities Commission Malaysia (“SC”) under Paragraph 15.01 of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“TOM Rules”) for the SC’s consent for MAAG:
 - a. to nominate its proxy for appointment to the board of directors of Turiya; and
 - b. to vote at Turiya’s 42nd Annual General Meeting (“AGM”), scheduled to be held on 20 September 2022;
 - (ii) as a consequence of Order (i) above, the rights of MAAG to vote at Turiya’s 42nd AGM and all subsequent AGMs, extraordinary general meetings and other meetings of shareholders of Turiya, be restored;
 - (iii) as an alternative, an Order for Turiya’s 42nd AGM to be postponed pending MAAG obtaining the consent of the SC in accordance with the TOM Rules; and
 - (iv) as an alternative, an Order for Resolutions 2, 3, 5 and 6, as set out in Turiya’s 42nd AGM Notice, not be tabled.

(“Variation Application”).

2. Affidavit in Support of the Variation Application, affirmed by Anand Kanagasingam, Group Chief Operating Officer of MAAG, on 9 September 2022;
3. Certificate of Urgency; and
4. A letter from the Solicitors for MAAG to the High Court dated 9 September 2022.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**B14. CHANGES IN MATERIAL LITIGATION** (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) (“HIGH COURT”) APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 (“EMPIRE’S JUDICIAL REVIEW APPLICATION”) EMPIRE HOLDINGS LTD (“APPLICANT” OR “EMPIRE”) VS SECURITIES COMMISSION MALAYSIA (“1ST RESPONDENT” OR “SC”), MAA GROUP BERHAD (“2ND RESPONDENT” OR “MAAG”) AND TURIYA BERHAD (“3RD RESPONDENT” OR “TURIYA”) (continued)

On 14 September 2022, the High Court heard submissions on MAAG’s request for an Order to postpone Turiya’s AGM.

On 15 September 2022, the High Court refused MAAG’s request for an Order to postpone Turiya’s AGM.

The Hearing for the following matters were conducted before YA Dato’ Ahmad Kamal at the High Court on 24 November 2022:

1. Hearing for the Application for Security for Costs (Enclosure 16);
2. Hearing for the SC Application for Security for Costs (Enclosure 33); and
3. Hearing for the Variation Application (Enclosure 42).

Having heard the submission from all parties present, YA Dato’ Ahmad Kamal reserved his decision on all the matters set out above to be delivered on 9 January 2023, at 3.30pm.

YA Dato’ Ahmad Kamal also fixed the Case Management for the substantive Hearing of Empire’s Judicial Review Application (Enclosure 13) on 9 January 2023, at 3.30pm.

B15. DIVIDEND PAYABLE

The Board of Directors does not recommend any dividend in respect of the current financial period ending 30 June 2023.

B16. BASIC EARNINGS PER SHARE

	3 months period ended		3 months period ended	
	30.9.2022	30.9.2021 ^(*)	30.9.2022	30.9.2021 ^(*)
<u>Attributable to the Owners of the Company:</u>				
Net profit for the quarter/period (RM’000)	3,006	-	3,006	-
Weighted average number of ordinary shares in issue (‘000)	263,732	-	263,732	-
Basic earnings per share (sen)	1.14	-	1.14	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022

B17. AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the audited financial statements for the 18 months period ended 30 June 2022 was not qualified.

By Order of the Board

Lily Yin Kam May

Company Secretary

KUALA LUMPUR

DATE: 25 NOVEMBER 2022