

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

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 Financial Report”) 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.

This Interim Financial Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This unaudited Interim Financial Report should be read in conjunction with the Group’s audited consolidated financial statements as at and for the financial year ended 30 June 2023. They do not include all of the information required for a complete set of financial statements prepared in accordance with MFRSs. However, selected explanatory notes attached to this Interim Financial Report provide 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 preceding financial year ended 30 June 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of standards, interpretations and amendments to MFRSs

The accounting standards adopted in the preparation of this Interim Financial Report are consistent with those adopted in the Group’s audited consolidated financial statements as at and for the financial year ended 30 June 2023, except for the following which were adopted at the beginning of the current financial year:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparable Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosures 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 and International Tax Reform – Pillar Two Model Rules*

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of standards, interpretations and amendments to MFRSs (continued)

The initial application of the amendments listed above did not have any material financial impact to the current and prior periods financial statements upon their first adoption, except as mentioned below:

MFRS 17, Insurance Contracts

This standard brings significant changes to the accounting for insurance and reinsurance contracts held and is expected to have a material impact to the Group’s financial statements in the period of initial application.

Although the International Financial Reporting Standard (“IFRS”) 17, *Insurance Contracts* has a global effective date of 1 January 2023, the Insurance Commission of the Philippines has deferred the implementation date of Philippine Financial Reporting Standards PFRS 17, *Insurance Contracts* in the Philippines to 1 January 2025.

Overview of MFRS 17

MFRS 17 requires liabilities for insurance contracts to be measured as the total of:

- fulfilment cash flows, comprising the best estimate of the present value of future cash flows within the contract boundary that are expected to arise and an explicit risk adjustment for non-financial risk; and
- a contractual service margin (“CSM”) that is representing the deferral of any day-one gains arising on initial recognition.

A simplified measurement model called the premium allocation approach (“PAA”) is available for insurance and reinsurance contracts that meet the eligibility criteria. When using the PAA, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided.

The Group has applied the PAA to its insurance contracts issued and reinsurance contracts held as they mostly have a coverage period of one year or less and for those insurance contracts with coverage period longer than one year, are most likely to be able to pass the eligibility test, thereby meeting the eligibility criteria for PAA application. Using the PAA, the measurement for the liabilities for remaining coverage (“LRC”) and liabilities for incurred claims (“LIC”) is similar to the Group’s previous accounting treatment. The Group has not adopted the simplifications allowed by PAA such as recognising acquisition costs in the profit or loss as and when they are incurred and not including the time value of money in the provision for reported claims as they are expected to be settled within a year from its incurred date. The same applies to the assets for remaining coverage and assets for incurred claims relating to reinsurance contracts held.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of standards, interpretations and amendments to MFRSs (continued)

MFRS 17, Insurance Contracts (continued)

Overview of MFRS 17 (continued)

The Group also does not recognise onerous insurance contracts as there are no facts and circumstances indicating the insurance contracts are onerous on initial recognition.

Transition approach

Transition refers to the determination of the opening balance sheet for the first year of comparative information presented under MFRS 17 (i.e. at 1 July 2022).

The standard requires MFRS 17 to be applied retrospectively (the “full retrospective approach”) unless impracticable. If a full retrospective approach is impracticable there is an option to choose either a modified retrospective approach or a fair value approach. If reasonable and supportable information necessary to apply the modified retrospective approach is not available, the fair value approach must be applied. The Group has assessed that the modified retrospective approach (“MRA”) can be applied on the basis that it achieves a similar outcome to the full retrospective approach, while using reasonable and supportable information without undue cost or effort. Given that majority of the contracts have shorter term coverage (i.e. one year or less), premium data can be excluded for cohorts from 2018 and prior, while claims data for cohorts from 2018 and prior have been aggregated into a single cohort. These modifications have been assessed to result in immaterial financial impact.

Estimated impact on transition date of 1 July 2022

The Group has estimated the MFRS 17 liabilities for remaining coverage on transition date would be similar to the provision for unearned premiums on an undiscounted basis plus other cash flow components such as due premiums recognised under the previous accounting policy for measuring insurance contracts. For reinsurance contracts held, the assets for remaining coverage would be similar to deferred reinsurance premiums plus other cash flow components such as reinsurance premiums payable. The estimation requires the following assumptions to be made:

- a) The insurance contracts have a coverage period of 1 year or less, therefore the PAA applies.
- b) Where insurance contracts have a coverage period exceeding 1 year, there is no significant variability in the fulfilment cash flows for those contracts and are assumed to have passed the PAA eligibility test to apply the PAA.
- c) There is no onerous group of insurance contracts.
- d) The liability for remaining coverage does not accrete interest.
- e) The premium earning rate under MFRS 17 remains the same as that applied in the previous accounting policy.
- f) Risks associated with the magnitude of the cash flows is purely based on the accumulated amount, instead of contingent on any risk event.
- g) Acquisition costs are amortised based on passage of time.
- h) Time value of money is included in the provision for reported claims.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of standards, interpretations and amendments to MFRSs (continued)

MFRS 17, *Insurance Contracts* (continued)

Applying the above to both issued insurance contracts and reinsurance contracts held, the estimated impact on transition as at 1 July 2022 relates to the adjustments made to amortise acquisition costs and to discount liabilities for incurred claims by adjusting the retained earnings.

The liability for incurred claims recognised on transition comprise of the provision for claims reported by policyholders and provision for claims incurred but not yet reported (“IBNR”) on an discounted basis, which is lower than the carrying amount of these provisions as measured using the previous accounting policy. This is estimated based on actuarial assumptions on when claims reported are expected to be settled in the future, and prevailing yield curve prescribed by the local regulator.

MFRS 17 will also significantly change how insurance and reinsurance contracts held are presented and disclosed in the Group’s financial statements.

Under MFRS 17, portfolio of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts held that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables will no longer be presented separately. Any assets or liabilities for cash flows arising before the recognition of the related group of contracts will also be presented in the same line item as the related portfolios of contracts.

Under MFRS 17, amounts recognised in the statement of profit or loss and other comprehensive income are disaggregated into insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses. Amounts from reinsurance contracts held will be presented separately.

The Group is adopting MFRS 17 retrospectively to the presented comparative financial periods as required by the standard.

The actual impacts of adopting MFRS 17 on 1 July 2022 are subject to change prior to the finalisation of the Group’s financial statements for the financial year ending 30 June 2024 as the insurance subsidiary continues to refine the new system, processes and controls relating to MFRS 17 implementation. It is possible that adjustments to the initial assumptions and impacts are necessary during the year as the results are subject to audit validation.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Standards, interpretations and amendments to MFRSs issued but not yet effective

As at the date of authorisation of this Interim Financial Report, the following accounting standards, interpretations and amendments to MFRSs that have been issued by the MASB, but are not effective to the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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 initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

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 31 March 2024.

A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

The preparation of this Interim Financial Report in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates that have had any material effect during the current quarter and period ended 31 March 2024.

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 March 2024.

A7. DIVIDEND PAID

No dividend was paid by the Company during the current quarter and period ended 31 March 2024.

A8. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There was no significant event subsequent to the end of the current quarter and period ended 31 March 2024.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A9. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 7 August 2023, MAA Capital Singapore Pte Ltd (“MAACS”), a wholly owned sub-subsidiary of the Company had obtained approval from Accounting and Corporate Regulatory Authority (“ACRA”) of Singapore for the dissolution of the company via the letter from ACRA dated on even date. With this, MAACS ceased to be subsidiary of the Group with effect from 7 August 2023 and was deconsolidated from the Group on that date.
- (b) Companies Commissions of Malaysia (“CCM” or “The Register”) had issued the date of Gazette (2) 308(4)/Gazette 551(3) dated 10 August 2023 with the Gazette No.19325 for Glovtec Sdn Bhd (“Glovtec”), a wholly owned subsidiary of the Company pertaining to the deregistration of the company.

CCM has struck off the name of Glovtec from the Register pursuant to Section 550 of the Companies Act 2016. With this, Glovtec ceased to be subsidiary of the Group with effect from 10 August 2023 and was deconsolidated from the Group on that date.

- (c) During the current financial period, Hospitality 360 Sdn Bhd (“H360”), a 51% sub-subsidiary of the Company, had:
- on 22 September 2023, via its subsidiary, Ruby Luxury Sdn Bhd (“RLSB”) issued 98 new ordinary shares at an issue price of RM1 each for cash. H360 and Wawasan Hakiki Sdn Bhd had subscribed an additional 58 and 40 ordinary shares respectively. With this additional subscription of 58 ordinary shares in RLSB, H360’s equity interest in RLSB diluted from 100% to 60%; and
 - on 2 January 2024, via its sub-subsidiary, Staysuites Malaysia Sdn Bhd (“SMSB”) disposed 51 ordinary shares, representing 51% of the share capital of Chariskey Suites Sdn Bhd (“CSSB”) to Perfect Host (M) Sdn Bhd (“PHSB”) for a total consideration of RM1. With the said disposal, H360’s equity interest in CSSB increased from 26% to 40%.
- (d) On 6 December 2023, MAAX Capital Sdn Bhd, a wholly-owned sub-subsidiary of the Company had subscribed for 100 ordinary shares at an issue price of RM1.00 each, representing 100% of the share capital in a new subsidiary, MAAX Invotrade Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM100.

- (e) As disclosed in Note B6 (b) of this Interim Report, MAA International Group Ltd (“MAAIG”) had on 26 January 2024 completed the Tranche 1 Sale Shares which disposed of 123,464 ordinary shares of MAA General Assurance Philippines, Inc. (“MAAGAP”), representing 18.1% of the issued share capital of MAAGAP to Triple P Philippines Pte Ltd (“Triple P”) for a total cash consideration of USD10,498,136 or RM49,685,273 (based on exchange rate of USD1: RM4.73).

With this completion of Tranche 1 Sale Shares, MAAIG’s equity interest in MAAGAP diluted from 100% to 81.9% and the Group recognised an increase in non-controlling interest of RM33,135,614 and an increase in retained earnings of RM14,549,659 for the current financial period ended 31 March 2024.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**A9. CHANGES IN THE COMPOSITION OF THE GROUP (continued)**

- (f) On 8 February 2024, the Company had additional acquired 91,000,000 ordinary shares of KNM Group Berhad (“KNM Group”), representing approximately 2.25% of the total issued and paid-up share capital of KNM Group as of 29 February 2024, for a total purchase consideration of RM15,015,000 or RM0.165 per ordinary share.

Hence resulting in the increase of effective ownership interest and voting interest of the Group’s investment in KNM Group from 8.56% as of 30 June 2023 to 10.81% as at the end of the reporting period.

- (g) On 21 February 2024, MAA Corporation Sdn Bhd, a wholly owned subsidiary of the Company had acquired 10,200,000 ordinary shares of Nilam Timur Sdn Bhd (“Nilam”), representing 100% of the share capital of Nilam from Himpunan Sentiasa Sdn Bhd, for a total consideration of RM7,416,026. With the said acquisition, the Group recognised gain on bargain purchase of RM1,365,590 as per detailed below:

| | RM’000 |
|---|---------------|
| Purchase consideration | |
| - Cash paid | 65 |
| - Purchase consideration payable | 7,351 |
| | <u>7,416</u> |
| Fair value of identifiable assets acquired and liabilities: | |
| - Office Equipment | 1 |
| - Land held for property development | 7,600 |
| - Property development cost | 2,961 |
| - Cash and cash equivalents | 5 |
| - Trade and other payables | (1,785) |
| | <u>8,782</u> |
| Gain on bargain purchase | <u>1,366</u> |

The net cash outflow arising from business combination as follows:

| | RM’000 |
|--|---------------|
| Cash paid | (65) |
| Less: Cash and cash equivalents acquired | 5 |
| Net cash outflow from business combination | <u>(60)</u> |

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS

The Group has six reporting segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services and are managed separately because they employ different technology and marketing strategies. The Group’s Executive Committee comprising key functional heads and Executive Directors monitors the operating results of the strategic business units as well as relying on the segmental information as disclosed below for purposes such as resource allocation and performance assessment.

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

- Investment Holdings - investment holdings
- 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
- Cinema Services - provision of film distribution and cinema businesses
- General Insurance - underwriting of all classes of general insurance business (*Note a*)

The Group’s other non-reportable segments comprise property management, advisory and consultancy services.

(*Note a*) The Group classified General Insurance segment as disposal group held for sale or Discontinued operations during the current financial period, as disclosed in A21 and B6(b) of this Interim Financial Report respectively.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS (continued)

3 months period ended 31 March 2024 (“3Q FY2024”)

CONTINUING OPERATIONS

| | Reportable segments | | | | | Total reportable segments | Other non-reportable segments | Consolidated total |
|---|---------------------|--------------------|-----------------|----------------------|-----------------|---------------------------|-------------------------------|--------------------|
| | Investment Holdings | Education Services | Credit Services | Hospitality Services | Cinema Services | | | |
| | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| REVENUE | | | | | | | | |
| External revenue | 582 | 6,910 | 2,817 | 15,932 | 1,312 | 27,553 | 4 | 27,557 |
| Inter-segment revenue | 4,326 | 830 | 193 | 19 | - | 5,368 | 967 | 6,335 |
| Total revenue | 4,908 | 7,740 | 3,010 | 15,951 | 1,312 | 32,921 | 971 | 33,892 |
| RESULTS | | | | | | | | |
| Investment income | 321 | - | - | - | - | 321 | - | 321 |
| Interest income | 183 | - | 120 | - | - | 303 | - | 303 |
| Realised (losses)/gains | (1) | - | - | 83 | - | 82 | - | 82 |
| Fair value gains/(losses) | 581 | (4) | - | - | - | 577 | - | 577 |
| Other operating revenue from non-insurance businesses | 78 | 6,910 | 2,697 | 15,932 | 1,312 | 26,929 | 4 | 26,933 |
| Other (expenses)/income - net | (14,437) | 711 | - | 698 | 3 | (13,025) | (4) | (13,029) |
| Management expenses | (9,242) | (9,347) | (329) | (18,253) | (2,711) | (39,882) | (857) | (40,739) |
| Impairment loss on financial instruments | (1,194) | (220) | (1,816) | (374) | - | (3,604) | (1) | (3,605) |
| Finance costs | (826) | (171) | - | (354) | (218) | (1,569) | (402) | (1,971) |
| Segment operating (loss)/profit | (24,537) | (2,121) | 672 | (2,268) | (1,614) | (29,868) | (1,260) | (31,128) |
| Share of profit of equity accounted associates | 70 | - | - | 10 | - | 80 | - | 80 |
| (Loss)/Profit before tax | (24,467) | (2,121) | 672 | (2,258) | (1,614) | (29,788) | (1,260) | (31,048) |
| Tax (expense)/income | (48) | (424) | 3 | (139) | - | (608) | (208) | (816) |
| (Loss)/Profit for the quarter | (24,515) | (2,545) | 675 | (2,397) | (1,614) | (30,396) | (1,468) | (31,864) |

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS (continued)

9 months period ended 31 March 2024 (“9M FY2024”)

CONTINUING OPERATIONS

| | Reportable segments | | | | | Total reportable segments | Other non-reportable segments | Consolidated total |
|---|---------------------|--------------------|-----------------|----------------------|-----------------|---------------------------|-------------------------------|--------------------|
| | Investment Holdings | Education Services | Credit Services | Hospitality Services | Cinema Services | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | | | | | |
| External revenue | 1,903 | 20,774 | 8,487 | 43,146 | 4,167 | 78,477 | 18 | 78,495 |
| Inter-segment revenue | 13,049 | 2,230 | 571 | 52 | - | 15,902 | 2,333 | 18,235 |
| Total revenue | 14,952 | 23,004 | 9,058 | 43,198 | 4,167 | 94,379 | 2,351 | 96,730 |
| RESULTS | | | | | | | | |
| Investment income | 709 | - | - | - | - | 709 | - | 709 |
| Interest income | 991 | - | 421 | - | - | 1,412 | 2 | 1,414 |
| Realised (losses)/gains | - | (1) | - | 83 | - | 82 | - | 82 |
| Fair value losses | (2,375) | (11) | - | - | - | (2,386) | - | (2,386) |
| Other operating revenue from non-insurance businesses | 203 | 20,774 | 8,066 | 43,146 | 4,167 | 76,356 | 16 | 76,372 |
| Other (expenses)/income - net | (13,843) | 762 | 18 | 1,766 | 6 | (11,291) | (8) | (11,299) |
| Management expenses | (18,646) | (29,419) | (912) | (50,886) | (7,387) | (107,250) | (2,209) | (109,459) |
| Impairment loss on financial instruments | (1,194) | (72) | (5,634) | (852) | - | (7,752) | (1) | (7,753) |
| Finance costs | (2,370) | (486) | (20) | (1,059) | (844) | (4,779) | (814) | (5,593) |
| Segment operating (loss)/profit | (36,525) | (8,453) | 1,939 | (7,802) | (4,058) | (54,899) | (3,014) | (57,913) |
| Share of profit of equity accounted associates | 238 | - | - | 18 | - | 256 | - | 256 |
| (Loss)/Profit before tax | (36,287) | (8,453) | 1,939 | (7,784) | (4,058) | (54,643) | (3,014) | (57,657) |
| Tax income/(expense) | 703 | (1,324) | (7) | (194) | - | (822) | (295) | (1,117) |
| (Loss)/Profit for the period | (35,584) | (9,777) | 1,932 | (7,978) | (4,058) | (55,465) | (3,309) | (58,774) |

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**A10. OPERATING SEGMENTS (continued)**

3 months period ended 31 March 2023 (“3Q FY2023”)

CONTINUING OPERATIONS

| | Reportable segments | | | | | Total reportable segments | Other non-reportable segments | Consolidated total |
|--|---------------------|--------------------|-----------------|----------------------|-----------------|---------------------------|-------------------------------|--------------------|
| | Investment Holdings | Education Services | Credit Services | Hospitality Services | Cinema Services | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | | | | | |
| External revenue | 278 | 7,502 | 2,677 | 11,782 | 1,137 | 23,376 | 4 | 23,380 |
| Inter-segment revenue | 4,499 | 551 | 233 | 17 | - | 5,300 | 518 | 5,818 |
| Total revenue | 4,777 | 8,053 | 2,910 | 11,799 | 1,137 | 28,676 | 522 | 29,918 |
| RESULTS | | | | | | | | |
| Investment income | 176 | - | - | - | - | 176 | - | 176 |
| Interest income | 43 | 23 | (80) | - | - | (14) | - | (14) |
| Realised losses | (159) | - | - | - | - | (159) | - | (159) |
| Fair value gains | 3,165 | 14,108 | - | - | - | 17,273 | - | 17,273 |
| Other operating revenue from non-insurance businesses | 59 | 7,479 | 2,757 | 11,782 | 1,137 | 23,214 | 4 | 23,218 |
| Other (expenses)/income - net | (57) | 390 | (447) | 342 | 9 | 237 | (3) | 234 |
| Management expenses | (5,244) | (11,025) | (389) | (14,524) | (2,379) | (33,561) | (684) | (34,245) |
| Reversal of impairment loss/(Impairment loss) on financial instruments | - | 17 | (755) | 36 | - | (702) | - | (702) |
| Finance costs | (777) | (180) | - | (347) | (160) | (1,464) | (120) | (1,584) |
| Segment operating (loss)/profit | (2,794) | 10,812 | 1,086 | (2,711) | (1,393) | 5,000 | (803) | 4,197 |
| Share of profit of equity accounted associates | 20 | - | - | - | - | 20 | - | 20 |
| (Loss)/Profit before tax | (2,774) | 10,812 | 1,086 | (2,711) | (1,393) | 5,020 | (803) | 4,217 |
| Tax expense | (139) | (2,528) | (354) | (45) | - | (3,066) | (62) | (3,128) |
| (Loss)/Profit for the quarter | (2,913) | 8,284 | 732 | (2,756) | (1,393) | 1,954 | (865) | 1,089 |

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**A10. OPERATING SEGMENTS (continued)**

9 months period ended 31 March 2023 (“9M FY2023”)

CONTINUING OPERATIONS

| | Reportable segments | | | | | Total reportable segments | Other non-reportable segments | Consolidated total |
|--|---------------------|--------------------|-----------------|----------------------|-----------------|---------------------------|-------------------------------|--------------------|
| | Investment Holdings | Education Services | Credit Services | Hospitality Services | Cinema Services | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | | | | | |
| External revenue | 1,499 | 21,643 | 8,555 | 33,797 | 4,304 | 69,798 | 9 | 69,807 |
| Inter-segment revenue | 12,570 | 3,963 | 712 | 53 | - | 17,298 | 1,117 | 18,415 |
| Total revenue | 14,069 | 25,606 | 9,267 | 33,850 | 4,304 | 87,096 | 1,126 | 88,222 |
| RESULTS | | | | | | | | |
| Investment income | 437 | - | - | - | - | 437 | - | 437 |
| Interest income | 884 | 57 | 348 | - | - | 1,289 | 2 | 1,291 |
| Realised losses | (456) | - | - | - | - | (456) | - | (456) |
| Fair value gains | 12,388 | 14,111 | - | - | - | 26,499 | - | 26,499 |
| Other operating revenue from non-insurance businesses | 178 | 21,586 | 8,207 | 33,797 | 4,304 | 68,072 | 7 | 68,079 |
| Other income/(expenses) - net | 2,409 | 883 | (447) | 1,183 | 12 | 4,040 | (9) | 4,031 |
| Management expenses | (15,650) | (29,121) | (919) | (42,010) | (7,160) | (94,860) | (1,235) | (96,095) |
| (Impairment loss)/Reversal of impairment loss on financial instruments | - | (38) | (2,761) | 8 | - | (2,791) | - | (2,791) |
| Finance costs | (1,502) | (738) | - | (1,084) | (430) | (3,754) | (188) | (3,942) |
| Segment operating (loss)/profit | (1,312) | 6,740 | 4,428 | (8,106) | (3,274) | (1,524) | (1,423) | (2,947) |
| Share of profit of equity accounted associates | 83 | - | - | 9 | - | 92 | - | 92 |
| (Loss)/Profit before tax | (1,229) | 6,740 | 4,428 | (8,097) | (3,274) | (1,432) | (1,423) | (2,855) |
| Tax expense | (610) | (3,370) | (469) | (45) | - | (4,494) | (62) | (4,556) |
| (Loss)/Profit for the period | (1,839) | 3,370 | 3,959 | (8,142) | (3,274) | (5,926) | (1,485) | (7,411) |

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS (continued)

| | Reportable segments | | | | | | Total reportable segments | Other non-reportable segments | Consolidated total |
|--|---------------------|-------------------|--------------------|-----------------|----------------------|-----------------|---------------------------|-------------------------------|--------------------|
| | Investment Holdings | General Insurance | Education Services | Credit Services | Hospitality Services | Cinema Services | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 31 March 2024 | | | | | | | | | |
| ASSETS | | | | | | | | | |
| Other assets | 130,520 | - | 85,925 | 65,008 | 42,795 | 31,902 | 356,150 | 13,950 | 370,100 |
| Goodwill on business combinations | - | - | 26,911 | - | - | - | 26,911 | - | 26,911 |
| Investments in associates | 1,002 | - | - | - | 66 | - | 1,068 | - | 1,068 |
| Assets classified as held for sale | - | 370,170 | - | - | - | - | 370,170 | - | 370,170 |
| Segment assets / Consolidated total assets | 131,522 | 370,170 | 112,836 | 65,008 | 42,861 | 31,902 | 754,299 | 13,950 | 768,249 |
| LIABILITIES | | | | | | | | | |
| Other liabilities | 15,228 | - | 44,004 | 2,026 | 53,332 | 15,982 | 130,572 | 2,588 | 133,160 |
| Borrowings | 42,475 | - | - | - | 134 | - | 42,609 | 28,472 | 71,081 |
| Liabilities classified as held for sale | - | 180,763 | - | - | - | - | 180,763 | - | 180,763 |
| Segment liabilities / Consolidated total liabilities | 57,703 | 180,763 | 44,004 | 2,026 | 53,446 | 15,982 | 353,944 | 31,060 | 385,004 |
| 30 June 2023 (Restated) | | | | | | | | | |
| ASSETS | | | | | | | | | |
| Other assets | 126,319 | 371,684 | 80,722 | 63,570 | 38,337 | 26,196 | 706,828 | 2,180 | 709,008 |
| Goodwill on business combinations | - | - | 26,911 | - | - | - | 26,911 | - | 26,911 |
| Investments in associates | 765 | - | - | - | 48 | - | 813 | - | 813 |
| Segment assets / Consolidated total assets | 127,084 | 371,684 | 107,633 | 63,570 | 38,385 | 26,196 | 734,552 | 2,180 | 736,732 |
| LIABILITIES | | | | | | | | | |
| Other liabilities | 5,337 | 203,125 | 37,219 | 1,271 | 48,895 | 11,993 | 307,840 | 229 | 308,069 |
| Borrowings | 40,187 | - | - | - | 169 | - | 40,356 | 15,481 | 55,837 |
| Segment liabilities / Consolidated total liabilities | 45,524 | 203,125 | 37,219 | 1,271 | 49,064 | 11,993 | 348,196 | 15,710 | 363,906 |

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS (continued)

Reconciliation of reportable segment operating profit/(loss), revenue, interest income and finance costs

CONTINUING OPERATIONS

| | Operating profit/(loss) | | External revenue | | Other operating revenue from non-insurance businesses | | Interest income | | Finance costs | |
|---|-------------------------|-----------|------------------|-----------|---|-----------|-----------------|-----------|---------------|-----------|
| | 3Q FY2024 | 3Q FY2023 | 3Q FY2024 | 3Q FY2023 | 3Q FY2024 | 3Q FY2023 | 3Q FY2024 | 3Q FY2023 | 3Q FY2024 | 3Q FY2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Total reportable segments | 43,338 | (8,710) | 32,921 | 28,676 | 27,215 | 23,745 | 5,385 | 4,756 | (8,320) | (6,589) |
| Other non-reportable segments | 2,996 | (291) | 971 | 522 | 334 | 186 | 639 | 337 | 407 | (120) |
| Elimination of inter-segment transactions | 129 | (275) | (6,335) | (5,818) | (616) | (713) | (5,721) | (5,107) | 5,942 | 5,125 |
| Consolidation adjustments | (77,591) | 13,473 | - | - | - | - | - | - | - | - |
| Consolidated total | (31,128) | 4,197 | 27,557 | 23,380 | 26,933 | 23,218 | 303 | (14) | (1,971) | (1,584) |

| | Operating profit/(loss) | | External revenue | | Other operating revenue from non-insurance businesses | | Interest income | | Finance costs | |
|---|-------------------------|-----------|------------------|-----------|---|-----------|-----------------|-----------|---------------|-----------|
| | 9M FY2024 | 9M FY2023 | 9M FY2024 | 9M FY2023 | 9M FY2024 | 9M FY2023 | 9M FY2024 | 9M FY2023 | 9M FY2024 | 9M FY2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Total reportable segments | 12,187 | (54,373) | 94,379 | 87,096 | 77,408 | 69,693 | 16,263 | 14,557 | (22,650) | (17,613) |
| Other non-reportable segments | (1,525) | (592) | 2,351 | 1,126 | 810 | 572 | 1,541 | 554 | (8) | (188) |
| Elimination of inter-segment transactions | 55 | (860) | (18,235) | (18,415) | (1,846) | (2,186) | (16,390) | (13,820) | 17,065 | 13,859 |
| Consolidation adjustments | (68,630) | 52,878 | - | - | - | - | - | - | - | - |
| Consolidated total | (57,913) | (2,947) | 78,495 | 69,807 | 76,372 | 68,079 | 1,414 | 1,291 | (5,593) | (3,942) |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A10. OPERATING SEGMENTS (continued)

Reconciliation of reportable segment assets and liabilities

| | Segment assets | | Segment liabilities | |
|---------------------------------------|----------------|-----------------------|---------------------|-----------------------|
| | 31.3.2024 | Restated 30.6.2023 | 31.3.2024 | Restated 30.6.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Total reportable segments | 973,739 | 979,950 | (739,187) | (742,540) |
| Other non-reportable segments | 46,228 | 49,137 | (31,550) | (51,442) |
| Assets/(liabilities) held for sale | 370,170 | - | (180,763) | - |
| Elimination of inter-segment balances | (566,849) | (430,619) | 566,849 | 430,619 |
| Consolidation adjustments | (55,039) | 138,264 | (353) | (543) |
| Consolidated total | 768,249 | 736,732 | (385,004) | (363,906) |

A11. OPERATING REVENUE

| | Individual Period | | Cumulative Period | |
|---|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Investment income | 321 | 176 | 709 | 437 |
| Interest income | 303 | (14) | 1,414 | 1,291 |
| Other operating revenue from non- insurance businesses | 26,933 | 23,218 | 76,372 | 68,079 |
| | 27,557 | 23,380 | 78,495 | 69,807 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A12. INVESTMENT INCOME

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Rental income from investment properties | 316 | 174 | 690 | 422 |
| Investments at fair value through profit or loss (“FVTPL”) | | | | |
| Dividend income | | | | |
| Equity securities | | | | |
| - quoted in Malaysia | 2 | 1 | 8 | 5 |
| - quoted outside Malaysia | 3 | 1 | 10 | 10 |
| Unit trusts quoted outside Malaysia | - | - | 1 | - |
| | 5 | 2 | 19 | 15 |
| | 321 | 176 | 709 | 437 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A13. INTEREST INCOME

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Investments at fair value through other comprehensive income ("FVOCI") Interest income Corporate debt securities unquoted in Malaysia | - | - | 725 | 718 |
| Investments at amortised cost ("AC") Interest income Investment notes unquoted in Malaysia | 120 | (80) | 421 | 348 |
| Interest income from: | | | | |
| - staff loans | 25 | 26 | 79 | 79 |
| - associates | 18 | 6 | 35 | 19 |
| - fixed and call deposits | 140 | 34 | 154 | 127 |
| | 183 | 66 | 268 | 225 |
| | 303 | (14) | 1,414 | 1,291 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A14. REALISED GAINS AND LOSSES

| | Individual Period | | Cumulative Period | |
|---|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Property, plant and equipment Net gains/(losses) | 83 | (6) | 83 | (6) |
| Investments at FVTPL Net realised (losses)/gains | | | | |
| Equity securities | | | | |
| - quoted in Malaysia | - | (5) | (1) | (17) |
| - quoted outside Malaysia | (1) | (148) | - | (433) |
| | (1) | (153) | (1) | (450) |
| | 82 | (159) | 82 | (456) |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A15. FAIR VALUE GAINS AND LOSSES

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Fair value (losses)/gains on investment properties | (32) | 14,237 | (32) | 14,237 |
| Investments at FVTPL | | | | |
| Net fair value gains/(losses) | | | | |
| Equity securities | | | | |
| - quoted in Malaysia | 8 | 7 | 6 | 16 |
| - quoted outside Malaysia | 111 | 2,940 | (2,626) | 13,409 |
| - unquoted outside Malaysia | 491 | 86 | 275 | (1,166) |
| Unit trusts | | | | |
| - unquoted in Malaysia | (4) | 2 | (11) | 5 |
| - quoted outside Malaysia | 3 | 1 | 2 | (2) |
| | 609 | 3,036 | (2,354) | 12,262 |
| | 577 | 17,273 | (2,386) | 26,499 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A16. OTHER OPERATING REVENUE FROM NON-INSURANCE BUSINESSES

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Revenue from Hospitality Services | | | | |
| - hotel room and hotel related services | 8,912 | 7,554 | 25,566 | 21,511 |
| - sale of cigar and accessories | 1,256 | 1,016 | 3,493 | 3,021 |
| - food and beverage | 1,948 | 1,211 | 6,784 | 3,802 |
| - others | 3,816 | 2,001 | 7,303 | 5,463 |
| | 15,932 | 11,782 | 43,146 | 33,797 |
| Revenue from Credit Services from: | | | | |
| - loans from money lending and other credit activities | 2,287 | 1,663 | 6,802 | 4,752 |
| - debt factoring business | 410 | 1,094 | 1,264 | 3,455 |
| | 2,697 | 2,757 | 8,066 | 8,207 |
| Fee income from Education Services | 6,910 | 7,479 | 20,774 | 21,586 |
| Revenue from Cinema Services | 1,312 | 1,137 | 4,167 | 4,304 |
| Management and other service fee income | 82 | 63 | 219 | 185 |
| | 26,933 | 23,218 | 76,372 | 68,079 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A17. NET IMPAIRMENT LOSS ON FINANCIAL INSTRUMENTS

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| (Impairment loss)/Reversal of impairment loss on: | | | | |
| - loans from money lending and other credit activities | (1,467) | (850) | (4,563) | (1,051) |
| - factoring receivables | (308) | 47 | (1,102) | (1,340) |
| - trade and other receivables | (622) | 53 | (926) | (30) |
| - interest receivables from investment notes | 24 | 66 | (28) | (23) |
| - investments at amortised cost | (39) | (18) | 60 | (347) |
| - amounts due from associate | (1,194) | - | (1,194) | - |
| - cash and cash equivalents | 1 | - | - | - |
| | (3,605) | (702) | (7,753) | (2,791) |

A18. FINANCE COSTS

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Interests on: | | | | |
| - lease liabilities | (796) | (637) | (2,449) | (1,929) |
| - loans from substantial shareholder | (773) | (760) | (2,305) | (1,437) |
| - margin trading finance liability | - | (65) | - | (383) |
| - hire purchase liabilities | (2) | (4) | (8) | (12) |
| - investment notes | - | - | (20) | - |
| Dividends on redeemable preferences shares | (400) | (118) | (811) | (181) |
| | (1,971) | (1,584) | (5,593) | (3,942) |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A19. (LOSS)/PROFIT BEFORE TAX FOR THE QUARTER AND PERIOD

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

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| CONTINUING OPERATIONS | | | | |
| Property, plant and equipment written off | - | (17) | (3) | (17) |
| Impairment loss on investments in associate | (15,015) | - | (15,015) | - |
| Bad debts written off | (5) | (448) | (63) | (448) |
| Realised foreign exchange losses – net | (27) | (3,628) | (250) | (3,867) |
| Unrealised foreign exchange (losses)/gains – net | (792) | 269 | (658) | 115 |
| Gain on bargain purchase ^(N1) | 1,366 | - | 1,366 | - |
| Depreciation of property, plant and equipment | (1,320) | (1,604) | (3,610) | (4,185) |
| Depreciation of right-of-use assets | (3,627) | (2,878) | (11,648) | (8,927) |
| Amortisation of intangible assets | (57) | (60) | (160) | (179) |

^(N1) Arising from the acquisition of Nilam Timur Sdn Bhd as disclosed in Note A9(g) of this Interim Financial Report.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A20. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

| | 31.3.2024 | Restated 30.6.2023 |
|---|------------------|-------------------------------|
| | RM'000 | RM'000 |
| <u>Assets</u> | | |
| Financial assets at FVTPL | | |
| Investments in equity securities | 35,300 | 83,677 |
| Investments in unit trusts | 444 | 452 |
| | 35,744 | 84,129 |
| Financial assets at FVOCI | | |
| Investments in government debt securities | - | 66,835 |
| Investments in corporate debt securities | - | 1,385 |
| Investments in equity securities | 139 | 18,736 |
| | 139 | 86,956 |
| Financial assets at AC | | |
| Investments in government debt securities | - | 29,424 |
| Investments in corporate debt securities | - | 118,628 |
| Investments in investment notes | 2,645 | 3,480 |
| Loans and receivables | 53,606 | 56,674 |
| Trade and other receivables | 79,666 | 76,819 |
| Cash and cash equivalents | 25,829 | 32,993 |
| | 161,746 | 318,018 |
| Total financial assets | 197,629 | 489,103 |
| <u>Liabilities</u> | | |
| Financial liabilities at AC | | |
| Borrowings | 71,081 | 55,837 |
| Trade and other payables | 76,479 | 94,223 |
| Total financial liabilities | 147,560 | 150,060 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A20. FINANCIAL INSTRUMENTS (continued)

(b) Net gains and losses arising from financial instruments

| | Individual Period | | Cumulative Period | |
|---|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Net gains/(losses) on: | | | | |
| Financial assets at FVTPL | 613 | 2,885 | (2,336) | 11,827 |
| Debt instruments at FVOCI - recognised in profit or loss | - | - | 725 | 718 |
| Financial assets at AC | (3,779) | (716) | (7,031) | (2,218) |
| Financial liabilities at AC | (1,175) | (947) | (3,144) | (2,013) |
| | (4,341) | 1,222 | (11,786) | 8,314 |

(c) Fair values of investments

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A20. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of investments (continued)

The following table shows the Group’s investments recorded at fair value at the reporting date analysed by the various level within the fair value hierarchy:

31 March 2024

| | Carrying values RM’000 | Level 1 RM’000 | Level 2 RM’000 | Level 3 RM’000 | Total fair values RM’000 |
|--|------------------------------|-------------------|-------------------|-------------------|--------------------------------|
| Investments measured at fair value | | | | | |
| Investments at FVTPL | | | | | |
| Equity securities | | | | | |
| - Quoted in Malaysia | 353 | 353 | - | - | 353 |
| - Quoted outside Malaysia | 9,208 | 9,208 | - | - | 9,208 |
| - Unquoted outside Malaysia | 25,739 | - | - | 25,739 | 25,739 |
| Unit trusts | | | | | |
| - Unquoted in Malaysia | 398 | - | 398 | - | 398 |
| - Quoted outside Malaysia | 46 | 46 | - | - | 46 |
| | 35,744 | 9,607 | 398 | 25,739 | 35,744 |
| Investments at FVOCI | | | | | |
| Equity securities | | | | | |
| - Unquoted in Malaysia | 100 | - | - | 100 | 100 |
| - Unquoted outside Malaysia | 39 | - | - | 39 | 39 |
| | 139 | - | - | 139 | 139 |
| Investments for which fair values are disclosed | | | | | |
| Investments at AC | | | | | |
| Investment notes unquoted in Malaysia | 2,645 | - | - | 2,645 | 2,645 |
| | 2,645 | - | - | 2,645 | 2,645 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A20. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of investments (continued)

The following table shows the Group’s investments recorded at fair value at the reporting date analysed by the various level within the fair value hierarchy: (continued)

30 June 2023 (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 | 135 | 135 | - | - | 135 |
| - Quoted outside Malaysia | 58,337 | 58,337 | - | - | 58,337 |
| - Unquoted outside Malaysia | 25,205 | - | - | 25,205 | 25,205 |
| Unit trusts | | | | | |
| - Unquoted in Malaysia | 409 | - | 409 | - | 409 |
| - Quoted outside Malaysia | 43 | 43 | - | - | 43 |
| | 84,129 | 58,515 | 409 | 25,205 | 84,129 |
| Investments measured at fair value | | | | | |
| Investments at FVOCI | | | | | |
| Government debt securities | | | | | |
| quoted outside Malaysia | 66,835 | 66,835 | - | - | 66,835 |
| Corporate debt securities | | | | | |
| quoted outside Malaysia | 1,385 | 1,385 | - | - | 1,385 |
| Equity securities | | | | | |
| - Quoted outside Malaysia | 17,751 | 17,751 | - | - | 17,751 |
| - Unquoted in Malaysia | 100 | - | - | 100 | 100 |
| - Unquoted outside Malaysia | 885 | - | - | 885 | 885 |
| | 86,956 | 85,971 | - | 985 | 86,956 |
| Investments for which fair values are disclosed | | | | | |
| Investments at AC | | | | | |
| Government debt securities | | | | | |
| quoted outside Malaysia | 29,424 | 28,295 | - | - | 28,295 |
| Corporate debt securities | | | | | |
| quoted outside Malaysia | 118,628 | 115,379 | - | - | 115,379 |
| Investment notes unquoted in Malaysia | | | | | |
| | 3,480 | - | - | 3,480 | 3,480 |
| | 151,532 | 143,674 | - | 3,480 | 147,154 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A20. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of investments (continued)

The fair values of quoted equity securities and unit trusts in and outside Malaysia are determined by reference to their quoted market bid prices at the end of the reporting period.

The fair values of government and corporate debt securities are determined by reference to the quoted market prices within the bid-offer price range, at the close of business at the end of the reporting period or the last trading day as applicable.

The fair values of unquoted equity securities are determined to approximate the net assets value of the investee at the end of the reporting period.

The carrying amounts of investment notes approximate its fair value at the end of reporting period.

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 period ended 31 March 2024.

Level 3 fair value

The following table show a reconciliation from the opening balances to the closing balances for Level 3 investments unquoted securities investments:

| | Unquoted equity securities | |
|--|-----------------------------------|---------------|
| | FVTPL | FVOCI |
| | RM’000 | RM’000 |
| At 1 July 2022 | 22,562 | 942 |
| Fair value gains recognised in profit or loss | 1,286 | - |
| Effect of movement in exchange rates | 1,357 | 43 |
| At 30 June 2023 / 1 July 2023 | 25,205 | 985 |
| Fair value gain recognised in profit or loss | 275 | - |
| Transferred to assets classified held for sale | - | (846) |
| Effect of movement in exchange rates | 259 | - |
| At 31 March 2024 | 25,739 | 139 |

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**A21. ASSET (OR DISPOSAL GROUP) AS HELD FOR SALE AND DISCONTINUED OPERATIONS**

On 15 November 2023, the company had entered into a conditional share and purchase agreement for the proposed disposal of MAA General Assurance Philippines, Inc. (“MAAGAP”) as disclosed in Note B6(b) to this Interim Financial Report.

Accordingly, the assets and liabilities of MAAGAP have been presented in the consolidated statement of financial position as “Assets classified as held for sale” and “Liabilities classified as held for sale”, and its results have also been presented separately on the consolidated statement of profit or loss under Discontinued operations.

At 31 March 2024, the assets and liabilities of MAAGAP are as follows:

| | GROUP |
|---|----------------|
| | RM'000 |
| <u>Assets classified as held for sale</u> | |
| Property, plant and equipment | 1,541 |
| Right-of-use assets | 932 |
| Investment properties | 8,809 |
| Investments | 284,645 |
| - Fair value through profit or loss | 31,392 |
| - Fair value through other comprehensive income | 132,516 |
| - Amortised cost | 120,737 |
| Deferred tax assets | 2,256 |
| Reinsurance contract assets | 41,098 |
| Loans and receivables | 5,317 |
| Trade and other receivables | 7,613 |
| Cash and cash equivalents | 17,959 |
| | 370,170 |
| <u>Liabilities classified as held for sale</u> | |
| Insurance contract liabilities | 128,896 |
| Lease liabilities | 703 |
| Trade and other payables | 49,339 |
| Retirement benefit liability | 1,520 |
| Current tax liabilities | 305 |
| | 180,763 |

The carrying amounts of the non-current assets are the same as its carrying value before they were reclassified as held for sale.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A21. ASSET (OR DISPOSAL GROUP) AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

DISCONTINUED OPERATIONS

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating revenue | 44,235 | 34,824 | 128,548 | 114,183 |
| Insurance revenue | 38,282 | 31,976 | 115,705 | 100,691 |
| Insurance service expenses | (14,454) | (26,460) | (37,883) | (52,467) |
| Net expenses from reinsurance contracts | (21,184) | (7,117) | (66,944) | (45,738) |
| Insurance service results | 2,644 | (1,601) | 10,878 | 2,486 |
| Net investment return | 5,953 | 2,848 | 12,843 | 13,492 |
| Other (expenses)/income – net | (4) | 613 | 716 | 5,088 |
| Profit before tax | 8,593 | 1,860 | 24,437 | 21,066 |
| Tax expense | (1,707) | (1,622) | (2,519) | (3,380) |
| Profit for the financial quarter/period | 6,886 | 238 | 21,918 | 17,686 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

A22. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 31 March 2024.

A23. CAPITAL COMMITMENTS

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

| | 31.3.2024 | <u>Audited</u> 30.6.2023 |
|------------------------------------|------------------|---|
| | RM'000 | RM'000 |
| Property, plant and equipment | | |
| - Computer and software | 510 | 510 |
| - Furniture, fitting and equipment | 1,360 | 2,751 |
| - Renovation | 15,432 | 14,686 |
| | 17,302 | 17,947 |

A24. 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.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

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

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE

In this Interim Financial Report under review, the Discontinued operations for the current financial quarter and period ended 31 December 2023 represent General Insurance business via MAAGAP where the Group had entered into a conditional share sale and purchase agreement for the proposed disposal of the company as disclosed in note B6(b) of this Interim Financial Report.

To conform to the current financial period’s presentation of financial statements, the preceding financial period’s results of MAAGAP have been reclassified from Continuing operations to Discontinued operations for comparative purposes.

Group

| | Individual Period | | Cumulative Period | |
|---------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM’000 | Restated RM’000 | RM’000 | Restated RM’000 |
| Operating revenue | | | | |
| - Continuing operations | 27,557 | 23,380 | 78,495 | 69,807 |
| - Discontinued operations | 44,235 | 34,824 | 128,548 | 114,183 |
| | 71,792 | 58,204 | 207,043 | 183,990 |
| (Loss)/Profit before tax | | | | |
| - Continuing operations | (31,048) | 4,217 | (57,657) | (2,855) |
| - Discontinued operations | 8,593 | 1,860 | 24,437 | 21,066 |
| | (22,455) | 6,077 | (33,220) | 18,211 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Group

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

The Group’s operating revenue for 3Q FY2024 has increased by 23.3% to RM71.8 million as compared to RM58.2 million in 3Q FY2023, of which Continuing operations recorded an increase of 17.9% to RM27.6 million (3Q FY2023: RM23.4 million) and Discontinued operations recorded an increase of 27.0% to RM44.2 million (3Q FY2023: RM34.8 million).

The Group recorded a Loss Before Tax (“LBT”) of RM22.5 million in 3Q FY2024 as compared to Profit Before Tax (“PBT”) of RM6.1 million in 3Q FY2023, of which Continuing operations recorded a higher LBT of RM31.0 million (3Q FY2023: PBT of RM4.2 million) and Discontinued operations recorded a higher PBT of RM8.6 million (3Q FY2023: PBT of RM1.9 million).

For Continuing operations, Credit Services segment contributed PBT of RM0.7 million (3Q FY2023: PBT of RM1.1 million). However, this profit was offset by LBT of RM24.5 million (3Q FY2023: LBT of RM2.8 million) from Investment Holdings segment, LBT of RM2.1 million (3Q FY2023: PBT of RM10.8 million) from Education Services segment, LBT of RM2.3 million (3Q FY2023: LBT of RM2.7 million) from Hospitality Services segment, LBT of RM1.6 million (3Q FY2023: LBT of RM1.4 million) from Cinema Services segment and LBT of RM1.3 million (3Q FY2023: LBT of RM0.8 million) from Other segment.

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

The Group’s operating revenue for 9M FY2024 has increased by 12.5% to RM207.0 million as compared to RM184.0 million in 9M FY2023, of which Continuing operations recorded an increase of 12.4% to RM78.5 million (9M FY2023: RM69.8 million) and Discontinued operations recorded an increase of 12.6% to RM128.5 million (9M FY2023: RM114.2 million).

The Group recorded a LBT of RM33.2 million for 9M FY2024 as compared to PBT of RM18.2 million in 9M FY2023, of which Continuing operations recorded a higher LBT of RM57.7 million (9M FY2023: LBT of RM2.9 million) and Discontinued operations recorded a higher PBT of RM24.4 million (9M FY2023: PBT of RM21.1 million).

For Continuing operations, Credit Services segment contributed PBT of RM1.9 million (9M FY2023: PBT of RM4.4 million). However, this profit was offset by LBT of RM36.3 million (9M FY2023: LBT of RM1.2 million) from Investment Holdings segment, LBT of RM8.5 million (9M FY2023: PBT of RM6.7 million) from Education Services segment, LBT of RM7.8 million (9M FY2023: LBT of RM8.1 million) from Hospitality Services segment, LBT of RM4.1 million (9M FY2023: LBT of RM3.3 million) from Cinema Services segment and LBT of RM3.0 million (9M FY2023: LBT of RM1.4 million) from Other segment.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Investment Holdings

| | Individual Period | | Cumulative Period | |
|------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Operating revenue | 582 | 278 | 1,903 | 1,499 |
| Loss before tax | (24,467) | (2,774) | (36,287) | (1,229) |

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

Investment Holdings segment recorded operating revenue of RM0.6 million in 3Q FY2024 as compared to RM0.3 million in 3Q FY2023, which comprised mainly from interest, dividend and rental income.

Investment Holdings segment recorded a LBT of RM24.5 million in 3Q FY2024 as compared to LBT of RM2.8 million in 3Q FY2023. The higher loss in 3Q FY2024 was mainly due to impairment loss on investment in an associate of RM15.0 million, higher management expenses of RM9.2 million (3Q FY2023: RM5.2 million) and lower fair value gains of RM0.6 million (3Q FY2023: gains of RM3.2 million) on equities investments at FVTPL.

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

Investment Holdings segment recorded operating revenue of RM1.9 million in 9M FY2024 as compared to RM1.5 million in 9M FY2023, which comprised mainly of interest income of RM1.0 million (9M FY2023: RM0.9 million), investment income of RM0.7 million (9M FY2023: RM0.4 million) and other operating revenue from non-insurance businesses of RM0.2 million (9M FY2023: RM0.2 million).

Investment Holdings segment recorded a LBT of RM36.3 million in 9M FY2024 as compared to LBT of RM1.2 million in 9M FY2023. The higher loss in 9M FY2024 was mainly due to impairment loss on investment in an associate of RM15.0 million, fair value losses of RM2.4 million (9M FY2023: gains of RM12.4 million) on equities investments at FVTPL and higher management expenses of RM18.6 million (9M FY2023: RM15.7 million).

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Education Services

Education Services comprised of the following business units:

- Kasturi Academy Sdn Bhd (“Kasturi”) – 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;
- Imperium Edumaax Sdn Bhd (“Imperium Edumaax”) – offers tertiary education for certificates, foundations, 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; and
- Edumaax Sdn Bhd and other dormant subsidiaries (“Others unit”) – investment holding and other business units on development.

| | Individual Period | | Cumulative Period | |
|------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM’000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM’000 | Current Year Period Ended 31.3.2024 RM’000 | Preceding year Corresponding Period Ended 31.3.2023 RM’000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Operating revenue | 6,910 | 7,502 | 20,774 | 21,643 |
| (Loss)/Profit before tax | (2,121) | 10,812 | (8,453) | 6,740 |
| | | | | |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Education Services (continued)

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

| | 3Q FY2024 | | | | |
|------------------------------|-----------|-----------|---------------------|----------------|---------|
| | Kasturi | SJI Group | Imperium Edumaax | Others unit | Total |
| | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| <u>CONTINUING OPERATIONS</u> | | | | | |
| Operating revenue | 228 | 6,450 | 232 | - | 6,910 |
| (Loss)/Profit before tax | (398) | 1,462 | (1,881) | (1,304) | (2,121) |
| | 3Q FY2023 | | | | |
| | Kasturi | SJI Group | Imperium Edumaax | Others unit | Total |
| | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| <u>CONTINUING OPERATIONS</u> | | | | | |
| Operating revenue | 302 | 6,605 | 595 | - | 7,502 |
| (Loss)/Profit before tax | (560) | 1,369 | (2,296) | 12,299 | 10,812 |

(i) Kasturi

For 3Q FY2024, Kasturi recorded operating revenue of RM0.2 million with a LBT of RM0.4 million. This was mainly attributable to loss from tuition centres, as students’ enrolment dropped tremendously during the end of school year holidays.

As compared to 3Q FY2023, there has been RM0.07 million drop in revenue but a reduction in LBT of RM0.2 million. The drop in revenue mainly due to poor enrolment of students.

(ii) SJI Group

For Q3 FY2024, SJI Group recorded operating revenue of RM6.5 million with a PBT of RM1.5 million primarily from its Secondary education.

As compared to Q3 FY2023, there has been RM0.2 million drop in revenue but an increase in PBT amounting to RM0.1 million as result of improved efficiency.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Education Services (continued)

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”) (continued)

(iii) Imperium Edumaax

For 3Q FY2024, Imperium Edumaax recorded operating revenue of RM0.2 million with a LBT of RM1.9 million.

As compared to 3Q FY2023, there has been a RM0.4 million decrease in revenue but RM0.4 million decrease in LBT. The decrease in revenue was a direct result of the poor student intake.

(iv) Others unit

For 3Q FY2024, Others unit recorded a LBT of RM1.3 million as compared to a PBT of RM12.3 million mainly due to expenses incurred by other business units on development.

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

| | 9M FY2024 | | | | |
|------------------------------|-----------|-----------|------------------|-------------|---------|
| | Kasturi | SJI Group | Imperium Edumaax | Others unit | Total |
| | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| <u>CONTINUING OPERATIONS</u> | | | | | |
| Operating revenue | 1,004 | 18,898 | 872 | - | 20,774 |
| (Loss)/Profit before tax | (1,281) | 4,375 | (7,531) | (4,016) | (8,453) |
| | 9M FY2023 | | | | |
| | Kasturi | SJI Group | Imperium Edumaax | Others unit | Total |
| | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| <u>CONTINUING OPERATIONS</u> | | | | | |
| Operating revenue | 922 | 18,548 | 2,173 | - | 21,643 |
| (Loss)/Profit before tax | (1,754) | 3,966 | (6,806) | 11,334 | 6,740 |

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Education Services (continued)

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”) (continued)

(i) Kasturi

For 9M FY2024, Kasturi recorded operating revenue of RM1.0 million with a LBT of RM1.3 million. This was primarily attributable to decrease in student enrolment rates.

As compared to 9M FY2023, Kasturi has recorded a RM0.1 million increase in revenue and reduction of RM0.5 million in LBT.

(ii) SJI Group

For 9M FY2024, SJI Group recorded operating revenue of RM18.9 million and a PBT of RM4.4 million which mainly contributed from the secondary education sector.

As compared to 9M FY2023, SJI Group recorded RM0.4 million improvement in revenue, accompanied by an increase in PBT amounting to RM0.41 million.

(iii) Imperium Edumaax

For 9M FY2024, Imperium Edumaax reported operating revenue of RM0.9 million and a LBT of RM7.5 million.

As compared to 9M FY2023, Imperium Edumaax recorded a decrease in revenue by RM1.3 million and an increase in LBT by RM0.7 million which mainly contributed by decrease in student numbers.

(iv) Others unit

For 9M FY2024, Others unit reported a LBT amounting to RM4.0 million as compared to a PBT of RM11.3 million in 9M FY2023. This was mainly due to business development expenditures associated with various other business units operating within the education segment.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Credit Services

| | Individual Period | | Cumulative Period | |
|------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Operating revenue | 2,817 | 2,677 | 8,487 | 8,555 |
| Profit before tax | 672 | 1,086 | 1,939 | 4,428 |

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

Credit Services segment recorded a 5.2% increase in operating revenue of RM2.8 million in 3Q FY2024 as compared to RM2.7 million in 3Q FY2023, which comprised mainly income of RM2.3 million (3Q FY2023: RM1.7 million) from money lending and other credit activities and RM0.4 million (3Q FY2023: RM1.1 million) from debt factoring business.

Credit Services segment recorded a lower PBT of RM0.7 million in 3Q FY2024 as compared to PBT of RM1.1 million in 3Q FY2023. This was mainly due to higher total impairment loss on receivables of RM1.8 million (3Q FY2023: RM0.8 million) which comprised of RM1.5 million (3Q FY2023: RM0.9 million) on loans from money lending and other credit facilities and RM0.3 million (3Q FY2023: reversal of impairment loss of RM0.05 million) on factoring receivables.

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

Credit Services segment recorded a 0.8% decrease in operating revenue of RM8.5 million in 6M FY2024 as compared to RM8.6 million in 6M FY2023, which comprised mainly of income of RM6.8 million (9M FY2023: RM4.8 million) from money lending and other credit activities and income of RM1.3 million (9M FY2023: RM3.5 million) from debt factoring business.

Credit Services segment recorded a lower PBT of RM1.9 million in 9M FY2024 as compared to RM4.4 million in 9M FY2023. The lower profit was mainly due to higher total impairment loss on receivables of RM5.7 million (9M FY2023: RM2.4 million) which comprised of RM4.6 million (9M FY2023: RM1.1 million) on loans from money lending and other credit facilities and RM1.1 million (9M FY2023: RM1.3 million) on factoring receivables.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Hospitality Services

| | Individual Period | | Cumulative Period | |
|------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Operating revenue | 15,932 | 11,782 | 43,146 | 33,797 |
| Loss before tax | (2,258) | (2,711) | (7,784) | (8,097) |

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

Hospitality services segment recorded an increase in operating revenue of RM15.9 million (3Q FY2023: RM11.8 million) which mainly contributed of RM8.9 million (3Q FY2023: RM7.6 million) from the hospitality industry, RM1.3 million (3Q FY2023: RM1.0 million) from cigar division, RM1.9 million (3Q FY2023: RM1.2 million) and RM3.8 million (3Q FY2023: RM2.0 million) from other services.

In 3Q FY2024, the Hospitality services segment recorded a LBT of RM2.3 million (3Q FY2023: LBT of RM2.7 million) was mainly caused by LBT of RM2.8 million (3Q FY2023: LBT of RM2.9 million) from hospitality industry and RM0.01 million (3Q FY2023: PBT of RM0.1 million) from cigar division and RM0.1 million (3Q FY2023: LBT of RM0.2 million) from other services.

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

For 9M FY2024, the Hospitality services segment recorded an increase in operating revenue of RM43.1 million (9M FY2023: RM33.8 million) which mainly contributed of RM25.6 million (9M FY2023: RM21.5 million) from the hospitality industry, RM3.5 million (9M FY2023: RM3.0 million) from cigar division, RM6.8 million (9M FY2023: RM3.8 million) and RM7.3 million (9M FY2023: RM5.5 million) from other services.

For 9M FY2024, the Hospitality services segment recorded a LBT of RM7.8 million (9M FY2023: LBT of RM8.1 million) was mainly caused by LBT of RM6.9 million (9M FY2023: LBT of RM5.7 million) from hospitality industry, RM0.1 million (9M FY2023: PBT of RM0.01 million) from cigar division and RM0.2 million (9M FY2023: LBT of RM0.7 million) from other services.

The increase in operating revenue of RM43.1 million and decrease in LBT of RM7.8 million in 9M FY2024 as compared to 9M FY2023 was mainly due to the additional short-term accommodation operating in Malaysia.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

Cinema Services

| | Individual Period | | Cumulative Period | |
|------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| Operating revenue | 1,312 | 1,137 | 4,167 | 4,304 |
| Loss before tax | (1,614) | (1,393) | (4,058) | (3,274) |

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

Cinema Services segment recorded a 15.4% increase in operating revenue of RM1.3 million in 3Q FY2024 as compared to RM1.1 million in 3Q FY2023.

Cinema Services segment recorded a higher LBT of RM1.6 million in 3Q FY2024 as compared to LBT of RM1.4 million in 3Q FY2023 due to higher management expenses of RM2.7 million (3Q FY2023: RM2.4 million).

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

Cinema Services segment recorded a 3.2% decrease in operating revenue of RM4.2 million in 9M FY2024 as compared to RM4.3 million in 9M FY2023.

Cinema Services segment recorded a higher LBT of RM4.1 million in 9M FY2024 as compared to LBT of RM3.3 million in 9M FY2023 due to higher management expenses of RM7.4 million (9M FY2023: RM7.2 million) and higher finance costs of RM0.8 million (9M FY2023: RM0.4 million).

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B1. REVIEW OF THE OPERATING SEGMENTS PERFORMANCE (continued)

General Insurance

| | Individual Period | | Cumulative Period | |
|--------------------------------|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| | RM'000 | Restated RM'000 | RM'000 | Restated RM'000 |
| <u>DISCONTINUED OPERATIONS</u> | | | | |
| Operating revenue | 44,235 | 34,824 | 128,548 | 114,183 |
| Profit before tax | 8,593 | 1,860 | 24,437 | 21,066 |

Current financial quarter ended 31 March 2024 (“3Q FY2024”) against preceding financial year’s corresponding quarter ended 31 March 2023 (“3Q FY2023”)

For 3Q FY2024, the General Insurance segment’s operating revenue increased to RM44.2 million from RM34.8 million recorded in 3Q FY2023. The increase was mainly contributed by higher insurance revenue of RM38.3 million (3Q FY2023: RM32.0 million) and higher net investment return of RM6.0 million (3Q FY2023: RM2.8 million).

The General Insurance segment recorded a higher PBT of RM8.6 million in 3Q FY2024 as compared to RM1.9 million in 3Q FY2023. This was primarily due to a higher net investment return of RM6.0 million (3Q FY2023: RM2.8 million) and higher insurance service results of RM2.6 million (3Q FY2023: loss of RM1.6 million).

Current financial period ended 31 March 2024 (“9M FY2024”) against preceding financial year’s corresponding period ended 31 March 2023 (“9M FY2023”)

For 9M FY2024, the General Insurance segment’s operating revenue increased to RM128.5 million from RM114.2 million in 9M FY2023. The increase was mainly contributed by higher insurance revenue of RM115.7 million in 9M FY2024 as compared to RM100.7 million in 9M FY2023.

The General Insurance segment recorded a higher PBT of RM24.4 million as compared to RM21.1 million in 9M FY2023. This was mainly due to a higher insurance service results of RM10.9 million in 9M FY2024 as compared to RM2.5 million in 9M FY2023.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B2. MATERIAL CHANGE IN PERFORMANCE OF THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

| | Quarter ended | |
|------------------------------|---------------|------------|
| | 31.3.2024 | 31.12.2023 |
| | RM'000 | RM'000 |
| <u>CONTINUING OPERATIONS</u> | | |
| Operating revenue | 27,557 | 25,115 |
| Loss before tax | (31,048) | (12,441) |

The Group’s Continuing operations recorded higher operating revenue of RM27.6 million in the current quarter ended 31 March 2024 (“3Q FY2024”) as compared to RM25.1 million in the immediate preceding quarter ended 31 December 2023 (“2Q FY2024”). In 3Q FY2024, the Group recorded higher other operating revenue from non-insurance businesses of RM26.9 million (2Q FY2024: RM24.0 million), offset with lower investment and interest income of RM0.6 million (2Q FY2024: RM1.1 million).

The Group recorded a higher LBT of RM31.0 million in 3Q FY2024 as compared to RM12.4 million in 2Q FY2024. Despite of the higher operating revenue recorded in 3Q FY2024, the higher LBT was mainly due to impairment loss on investment in an associate of RM15.0 million, higher management expense of RM40.7 million (2Q FY2024: RM34.7 million) and higher impairment loss on financial instruments of RM3.6 million (2Q FY2024: RM2.1 million).

B3. COMMENTARY ON PROSPECTS

Following from the proposed disposal of MAAGAP as disclosed in Note B6(b), the Group aims to divest its interest in general insurance business in Philippines towards cultivating the growth of its other existing business segments. This strategic shift aims to establish more diverse revenue stream and concentrate efforts on the Malaysian market, which exhibits comparatively better economic prospect than the global conditions.

The Group has allocated the proceeds for future investment opportunities, encompassing the expansion of existing businesses within the Group’s education, money lending and/or debt factoring, cinema and hospitality segments, as well as for potential acquisitions of new business and/or assets.

The Group aims to enhance its presence in its rapidly growing hospitality and leisure business segment, with a focus on strategic collaboration. This including concentrating on hotel and serviced apartment management portfolios and expanding Airbnb and homestay property management in central business districts.

Similarly, the Group plans to expand its film distribution and cinema business in Sabah as well as its education segment to establish private international schools.

In growing and enhancing its financing segment, the Group will continuously pursue growth opportunities in terms of building its loan and debt factoring portfolio.

Despite the challenging economic outlook, the Group remains optimistic of its future prospects and to improve its profitability.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. TAX EXPENSE

| | Individual Period | | Cumulative Period | |
|--|---|---|--|--|
| | Current Year Quarter Ended 31.3.2024 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2023 RM'000 | Current Year Period Ended 31.3.2024 RM'000 | Preceding year Corresponding Period Ended 31.3.2023 RM'000 |
| <u>CONTINUING OPERATIONS</u> | | | | |
| <u>Current tax expense</u> | | | | |
| Malaysia | | | | |
| - current quarter/period | 781 | 3,101 | 1,863 | 4,148 |
| - under/(over) in prior periods | - | (77) | 26 | (77) |
| | 781 | 3,024 | 1,889 | 4,071 |
| <u>Deferred tax expense/(income)</u> | | | | |
| Malaysia | | | | |
| - origination and reversal of temporary differences | 35 | 104 | (772) | 485 |
| Total tax expense | 816 | 3,128 | 1,117 | 4,556 |

The effective tax rates of the Group’s Continuing operations for the current quarter and period ended 31 March 2024 and previous year corresponding quarter and period ended 31 March 2023 were lower than the statutory tax rate of 24% mainly due to non-recognition of deferred tax assets on the losses recorded by certain subsidiaries.

B6. CORPORATE PROPOSALS

- (a) On 22 June 2021, MAAG had entered into an unconditional share sale and purchase agreement with Ithmaar Bank B.S.C. (Closed) (“Ithmaar Bank”) for the acquisition of 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”). The Acquisition was completed on the same day.

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 (“CMSA”) and paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“Rules”) issued by the Securities Commission Malaysia (“SC”) (“Offer”).

Following thereto, on 22 June 2021, Mercury Securities Sdn Bhd (“Mercury Securities”) had, on behalf of MAAG, served a take-over notice to the Board of Directors of Turiya informing them of the Offer (“Notice”). Pursuant to paragraph 11.02(1) of the Rules, the Offer document is to be dispatched to the holders of the Offer Shares (“Holders”) by 13 July 2021, i.e. within 21 days from the date of the Notice.

However, MAAG has not despatched the Offer document to the Holders due to the various litigation initiated by Empire Holdings Ltd (“Empire”), the previous holder of the Turiya Shares, against MAAG (“Litigation”). The prolonged Litigation between Empire and MAAG over the past approximately 3 years had hindered the ability of MAAG to initiate the Offer.

The SC had, *vide* its letter dated 15 April 2024:

- (i) given its consent for MAAG to dispose its existing holdings of 132,151,497 Turiya Shares (i.e. the Sale Shares) pursuant to paragraph 19.02 of the Rules;
- (ii) given its consent for MAAG to withdraw the Offer pursuant to paragraph 9.11 of the Rules; and
- (iii) exempted MAAG from having to undertake the Offer pursuant to Section 219 of the CMSA.

On 26 April 2024, MAAG had entered into a share sale and purchase agreement with Khidmat Kejora Sdn Bhd and Neo Pixel Sdn Bhd (collectively, the “Purchasers”) for the disposal of MAAG’s entire holding of 132,151,497 Turiya Shares (“Sale Shares”), representing 57.78% shareholding in Turiya, to the Purchasers for a total cash consideration of RM52,860,598.80 or RM0.40 per Sale Share (“Disposal of Turiya”).

Given the above as well as the Disposal of Turiya being entered into on 26 April 2024, the Offer was withdrawn on the same date and that the Purchasers assumed the obligation to undertake a separate take-over offer and they served the holders of the Offer Shares with a separate take-over offer in compliance with the Rules.

MAAG had also on 26 April 2024 served the Board of Directors of Turiya a notice conveying its withdrawal of the Offer notice.

The Disposal of Turiya had completed via direct business transaction on 26 April 2024.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B6. CORPORATE PROPOSALS (continued)

- (b) On 15 November 2023, the Company announced that MAA International Group Ltd ("MAAIG" or the "Seller"), a wholly-owned subsidiary of MAA Corporation Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company had on the same date entered into a conditional share sale and purchase agreement ("SSPA") with Triple P Philippines Pte Ltd ("Triple P" or the "Purchaser") for the proposed disposal of 579,805 common shares in MAA General Assurance Philippines Inc ("MAAGAP") ("Sale Shares"), representing 85% equity interest in MAAGAP, by MAAIG to the Purchaser for a disposal consideration of USD49.30 million to be wholly satisfied in cash, with an option granted by MAAIG to Triple P for the sale of the remaining 102,318 MAAGAP Shares ("Option Shares") ("Option"), representing 15% equity interest in MAAGAP, on the terms and conditions contained in the SSPA ("Proposed Disposal of MAAGAP").

Subject to the terms and conditions set out in the SSPA dated 15 November 2023, MAAIG has agreed to sell 123,464 common shares of MAAGAP, representing approximately 18.1% of the issued share capital of MAAGAP ("Tranche 1 Sale Shares") and 456,341 common shares of MAAGAP, representing approximately 66.9% of the issued share capital of MAAGAP ("Tranche 2 Sale Shares") to the Purchaser, and grant to the Purchaser an option to purchase 102,318 common shares of MAAGAP, representing approximately 15% of the issued share capital of MAAGAP ("Tranche 3 Sale Shares") and the Purchaser has agreed to purchase the Tranche 1 Sale Shares and the Tranche 2 Sale Shares from MAAIG, and acquire the option to purchase the Tranche 3 Sale Shares.

The Proposed Disposal of MAAGAP was approved by the shareholders at the Extraordinary General Meeting held on 5 January 2024.

On 26 January 2024, the conditions precedent for Tranche 1 Sale Shares under the SSPA have been fulfilled and that the purchase consideration of USD10,498,136 or RM49,685,273 (based on exchange rate of USD1: RM4.73) in accordance with the terms of the SSPA has been satisfied.

On 3 May 2024, the conditions precedent for Tranche 2 Sale Shares under the SSPA had been fulfilled and that the purchase consideration of USD38,802,675 or RM184,535,435 (based on exchange rate of USD1: RM4.76) in accordance with the terms of the SSPA had been satisfied.

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS**

The status of utilisation of proceeds raised from Proposed Disposal of MAAGAP as at the end of reporting period are as follow:

| | Purpose | Proposed utilisation | Actual proceeds received | Actual utilisation | Expected timeframe for utilisation | Deviation | Explanation (if the deviation is 5% or more) | Remaining unutilised proceeds |
|-------|---|-----------------------------|---------------------------------|---------------------------|---|------------------|---|--------------------------------------|
| | | RM'000 | RM'000 | RM'000 | | RM'000 | | RM'000 |
| (i) | Tranche 1 and Tranche 2 Future investment opportunity(ies) including existing business expansion and/or prospective new business(es) and/or asset(s) to be acquired | 140,020 | 43,473 | 29,789 ^(N2) | Within 24 months from receipt of proceeds | - | - | 13,684 ^(N3) |
| (ii) | Working capital | 32,180 | 5,000 | 5,000 | Within 24 months from receipt of proceeds | - | - | - |
| (iii) | Repayment of a shareholder's loan | 43,995 | - | - | Within 12 months from receipt of proceeds | - | - | - |
| (iv) | Repayment of intercompany loans from MAAGAP | 13,406 | - | - | Within 11 months from the date of share sale and purchase agreement | - | - | - |
| (v) | Estimated expenses for the Proposed Disposal | 1,200 | 1,212 | 1,430 | Within 3 months from the date of share sale and purchase agreement | 218 | ^(N4) | - |
| | Total for Tranche 1 and Tranche 2 | 230,801 | 49,685 ^(N1) | 36,219 | | 218 | | 13,684 |

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

Registration No. 199801015274 (471403-A)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024**B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)**

The status of utilisation of proceeds raised from Proposed Disposal of MAAGAP as at the end of reporting period are as follow: (continued)

| | Purpose | Proposed utilisation | Actual proceeds received | Actual utilisation | Expected timeframe for utilisation | Deviation | Explanation (if the deviation is 5% or more) | Remaining unutilised proceeds |
|------|---|-----------------------------|---------------------------------|---------------------------|---|------------------|---|--------------------------------------|
| | | RM'000 | RM'000 | RM'000 | | RM'000 | | RM'000 |
| (vi) | Tranche 3 Future investment opportunity(ies) including existing business expansion and/or prospective new business(es) and/or asset(s) to be acquired | 40,730 | - | - | Within 24 months from receipt of proceeds | - | - | - |
| | Total | 271,531 | 49,685 (N1) | 36,219 | | 218 | - | 13,684 |

(N1) Actual proceeds for Tranche 1 amounting to USD10,498,136 or RM49,685,273 (based on exchange rate of USD1: RM4.73) was received on 26 January 2024.

(N2) RM29.8 million has been utilised for the following:

| No. | | RM'000 |
|-----|---|---------------|
| 1 | Education Services | 8,574 |
| 2 | Money lending and/or debt factoring Services | 200 |
| 3 | Hospitality Services | 3,000 |
| 4 | Cinema Services | 3,000 |
| 5 | Acquiring prospective new businesses and/or assets ^{N2a} | 15,015 |
| | Total | 29,789 |

(N2a) Acquisition of 91,000,000 ordinary shares of KNM Group as disclosed in Note A9(f) to this Interim Financial Report.

(N3) The remaining unutilised proceeds received have been placed as deposit with banks.

(N4) The deviation is mainly due to the additional professional fees incurred for the Proposed Disposal of MAAGAP.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B8. BORROWINGS

The Group’s borrowings as at the end of the reporting period are as follows:

| | 31.3.2024 | <u>Audited</u> 30.6.2023 |
|--------------------------------------|------------------|-------------------------------------|
| | RM’000 | RM’000 |
| <u>Non-current</u> | | |
| Unsecured: | | |
| - Loans from substantial shareholder | 42,475 | 40,187 |
| - Redeemable preference shares | 15,794 | 3,180 |
| | 58,269 | 43,367 |
| Secured: | | |
| - Hire purchase liabilities | 93 | 124 |
| | 58,362 | 43,491 |
| <u>Current</u> | | |
| Unsecured: | | |
| - Redeemable preference shares | 12,677 | 12,301 |
| Secured: | | |
| - Hire purchase liabilities | 42 | 45 |
| | 12,719 | 12,346 |
| | 71,081 | 55,837 |

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

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION

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

On 5 July 2021, MAAG had served with a sealed copy of a Writ of Summons dated 3 July 2021 (“Writ”) from the Plaintiff (Empire) 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”).

Empire’s claim against the 1st Defendant (IDC) and 2nd Defendant (IB) 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 (Turiya) held as security and/or by way of charge by IDC, and owned at all material times by Empire (“the Turiya 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 IDC’s and/or IB’s sale and/or disposal of the Turiya Shares to the MAAG at below market value and/or at an undervalue, pursuant to a share sale and purchase agreement entered into between the IB and MAAG on 22 June 2021 (“Share Sale and Purchase Agreement”) to acquire the Turiya Shares, without reasonable or any notice to Empire, and contrary to and/or in breach of the representations and/or agreement by Abdulla Taleb made for and on behalf of the IDC and/or IB to Empire for inter alia the redemption inter alia of the Turiya Shares by Empire (“the Agreement”) and/or giving rise to an estoppel against the sale and transfer of the Turiya Shares to MAAG.

Further to the e-review case management held on 7 July 2021, the Court issued an Ad Interim Injunctive Order (interim injunction) against MAAG, IDC and the IB.

On 27 September 2021, the decision on the inter-parties for Empire’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) Empire’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) Empire to pay cost of RM35,000 each to IDC and IB, MAAG and TY.

The solicitors for Empire filed, on 27 September 2021, the notices of appeal against the High Court’s decision to dismiss the Empire’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”).

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (a) KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22NCC-295-07/2021 EMPIRE HOLDINGS LTD (“PLAINTIFF” or “EMPIRE”) VS ITHMAAR DEVELOPMENT COMPANY LTD (“1ST DEFENDANT” or “IDC”), ITHMAAR BANK B.S.C. (“2ND DEFENDANT” OR “IB”), MAA GROUP BERHAD (“3RD DEFENDANT” or “MAAG”), TUNKU DATO' YAACOB KHYRA (“4TH DEFENDANT” OR “TY”) AND TURIYA BERHAD (“5TH DEFENDANT” OR “TURIYA”) (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 MAAG.

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, to dispose of the civil suite action No. WA-22NCC-295-07/2021 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 (“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 was awarded to IDC, IB, MAAG and TY. 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 KL High Court’s decision to dismiss the Order 14A Application (“Order 14A Appeal”). The Court of Appeal fixed the hearing date for the Order 14A Appeal on 30 March 2023.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

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

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

On 22 November 2022, MAAG’s solicitor was served with a sealed Notice of Application and Supporting Affidavit (“Postponement Application”) by Empire’s solicitor. The Case Management for the Postponement Application was fixed on 28 November 2022 which was later vacated to 30 November 2022.

On 30 November 2022, YA OCK heard the Postponement Application and dismissed the Postponement Application and further awarded costs of RM30,000 to the IDC, IB, MAAG and TY. The High Court also fixed 27 February 2023 to hear the submission of ‘no case to answer’ by parties who elected to submit a ‘no case to answer’.

On 3 February 2023, MAAG’s solicitor was served by Empire’s solicitor, a notice of motion seeking an order that the entire proceedings at the High Court is stayed until the disposal of the Appeal and that all proceedings at the High Court be postponed and/or stayed pending the full and final disposal of the Appeal (“Notice of Motion”). The Case Management for the said Notice of Motion was conducted on 9 February 2023 and concluded on 10 February 2023. The Court fixed 30 March 2023 to hear the Notice of Motion.

On 24 March 2023, the High Court heard the oral submission of ‘No Case to Answer’ by solicitors of the Defendants (IDC, IB, MAAG and TY). After hearing the oral submission, YA OCK decided in favour of the Defendants and awarded costs of RM80,000 each to the IDC, IB, MAAG and TY. Later, MAAG’s solicitor was served with an unsealed notice of appeal from Empire’s solicitors (“295 Appeal”).

On 30 March 2023, the Court of Appeal struck off the Notice of Motion and allowed Empire’s solicitor to file a formal application to allow Order 14A Appeal and 295 Appeal to be heard together.

On 13 April 2023, a Case Management was conducted where the Court of Appeal gave its directions in terms of Empire’s application to consolidate Order 14A Appeal and 295 Appeal.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

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

On 17 May 2023, MAAG's solicitor was served with an unsealed copy of a notice of motion filed by Empire's solicitor to apply to the Court of Appeal to have the Order 14A Appeal and 295 Appeal heard together ("Consolidation Application"). The Case Management for the Consolidation Application was conducted on 18 May 2023 where Court of Appeal gave directions in terms of filing of cause paper.

On 22 June 2023, the Case Management for 295 Appeal was conducted wherein the solicitors for the 1st, 2nd, 3rd, and 4th Respondent raised objections regarding the filing of certain documents by Empire in the Record of Appeal. The Court of Appeal has further fixed 25 July 2023 for a Case Management.

The hearing for the Consolidation Application was conducted on 15 September 2023 where the Court of Appeal allowed Empire's Consolidation Application. The Order 14A Appeal will be heard first followed by the 295 Appeal.

During a Case Management conducted on 27 September 2023, the Court of Appeal fixed the Hearing date for both the Order 14A Appeal and the 295 Appeal on 26 July 2024.

During the Case Management which commenced on 18 March 2024 and concluded on 21 March 2024, the Court of Appeal fixed a hearing on 18 April 2024, 9 a.m. at the Court of Appeal, Putrajaya for parties to record the Consent Judgment for the 295 Appeal and Order 14A Appeal.

On 18 April 2024, the Consent Judgment was entered between parties to record the following:

- (i) withdrawal by Empire of the Main Suit Appeal and of the Order 14A Appeal against MAAG, TY and Turiya, without liberty to file afresh; and
- (ii) no order as to costs against Empire in the 295 Appeal and in the Order 14A Appeal.

Accordingly, the Court of Appeal dismissed the 295 Appeal and the Order 14A Appeal against MAAG, TY and Turiya.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (b) 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”)

MAAG, 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 Empire, and a sealed order of the High Court dated 13 June 2022.

In the Empire’s Judicial Review Application, 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 the Listing Requirements in respect of a Notice of Unconditional Mandatory Take-Over Offer by the 2nd Respondent (MAAG) for all the remaining shares in Turiya which is not already held by the 2nd Respondent (MAAG) (“Notice”);
- (ii) an order that the whole of MAAG’s 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 Empire be granted leave to apply for a Mandamus order to compel the SC to investigate the Empire’s allegations, in a thorough and complete manner, regarding contraventions of securities laws and the 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 (“MAAG Application for Security for Costs”), MAAG’s Supporting Affidavit and MAAG’s Certificate of Urgency.

On 8 August 2022, 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.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

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

- (i) Case Management for the substantive Hearing of Empire’s Judicial Review Application;
- (ii) Hearing for the Application for Security for Costs; and
- (iii) Hearing for the SC Application for Security for Costs.

During the Hearing for the SC Application for Security for Costs, YA Dato’ Ahmad Kamal provided directions for submissions of cause paper and fixed the hearing of SC Application for Security for Costs on 17 October 2022.

All parties, and YA Dato’ Ahmad Kamal, agreed that the MAAG 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 MAAG Application for Security for Costs (Enclosure 16) and the SC Application for Security for Costs (Enclosure 33).

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 directions for the submission of cause paper and fixed the hearing for the MAAG Application for Security for Costs and the SC Application for Security for Costs and the case management for the substantive Hearing for Empire’s Judicial Review Application on 16 November 2022.

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:
 - (i) a variation of the Stay Order dated 13 June 2022, to allow MAAG to submit an application to the 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;

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

(b) 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) 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.

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.

On 16 November 2022, YA Dato’ Ahmad Kamal adjourned the Variation Application hearing as the counsel for Empire was taken ill. YA Dato’ Ahmad Kamal had fixed 24 November 2022 to hear the following matters:

- 1. Hearing for the Application in Enclosure 16;
- 2. Hearing for the Application in Enclosure 33;
- 3. Hearing for the Variation Application; and
- 4. Case Management for the substantive Hearing of Empire’s Judicial Review Application.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (b) 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 24 November 2022, the following matters were heard before YA Dato’ Ahmad Kamal

1. Hearing for the Application in Enclosure 16;
2. Hearing for the Application in Enclosure 33; and
3. Hearing for the Variation Application.

and YA Dato’ Ahmad Kamal had reserved his decision on all the matters set out above to be delivered on 9 January 2023. The Case Management for the substantive Hearing of Empire’s Judicial Review Application was also fixed on 9 January 2023.

On 10 January 2023, YA Dato’ Ahmad Kamal delivered his decisions for the following matter:

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

The High Court decided in favour of MAAG in MAAG Application for Security for Costs and ordered Empire to pay MAAG’s solicitor, RM20,000 to be held as Security for Costs. The High Court also decided in favour of SC in SC Application for Security for Costs and ordered Empire to pay SC’s solicitor, RM20,000 to be held as Security for Costs. The High Court also allowed MAAG’s Variation Application and awarded costs of RM5,000 to MAAG for the Variation Application. Further to that, the High Court also fixed a Case Management for Empire’s Judicial Review on 26 January 2023.

On 19 January 2023, MAAG’s solicitor was served with an unsealed copy of a notice of appeal by Empire’s solicitor appealing against the decision of the Variation Application. (“Variation Appeal”)

Case Management for the substantive Hearing of Empire’s Judicial Review Application was held on 26 January 2023 where the High Court gave directions in terms of submission of cause paper and fixed 17 July 2023 as the substantive Hearing of Empire’s Judicial Review Application.

On 3 May 2023, MAAG solicitors was served with an unsealed copy of a Notice of Application filed by Empire’s solicitor at the High Court seeking the following:

- (i) a stay of execution of the decision of YA Dato’ Ahmad Kamal approving the Variation Application; and

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

(b) 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) a stay of proceedings of the substantive Hearing for Empire’s Judicial Review Application, pending the disposal of Empire’s appeal to the Court of Appeal against YA Dato’ Ahmad Kamal’s decision delivered on 10 January 2023, approving the Variation Application (“Notice of Application for Stay”). The High Court has fixed the Hearing for the Notice of Application for Stay on 9 May 2023.

On 9 May 2023, the High Court heard Empire’s Notice of Application for Stay and gave directions on the submission of the cause paper. The hearing for the Notice of Application for Stay was fixed on 17 July 2023. Further thereto, Empire’s solicitor also orally applied to the High Court for an ad interim which was later dismissed by YA Dato’ Ahmad Kamal.

On 10 May 2023, MAAG’s solicitor was served with an unsealed notice of motion filed by the solicitors for Empire at the Court of Appeal. Empire has applied for an ad interim order for stay of execution of YA Dato’ Ahmad Kamal decision in allowing the Variation Application (“Court of Appeal Ad Interim Stay Application”). The Case Management for the Court of Appeal Ad Interim Stay Application was held on 11 May 2023 wherein the court gave directions on submission of cause. Another Case Management was fixed on 12 May 2023.

On 22 May 2023, MAAG’s solicitor was served with an unsealed Notice of Motion seeking directions from the Court of Appeal regarding MAAG’s nomination of Tunku Dato’ Yaacob Khyra as a director of Turiya (“Turiya Notice of Motion”). The Case Management for Turiya Notice of Motion was held on 23 May 2023 and the Court fixed 23 June 2023 for the Turiya Notice of Motion hearing.

On 23 June 2023, the hearing for the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion was adjourned as a member of the Court of Appeal panel was ill and was unable to proceed with the hearing. A new hearing date was fixed during the Case Management on 26 June 2023 wherein the Court of Appeal fixed 11 September to hear the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion.

On 4 July 2023, another Case Management was held wherein the Court of Appeal fixed 3 August 2023 to hear the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion.

On 17 July 2023, the hearing for the Substantive Hearing for Empire’s Judicial Review Application and the Notice of Application for Stay was converted to a Case Management as the Applicant’s solicitor was taken ill and the Court had rescheduled the aforementioned matters to be heard on 16 August 2023.

On 3 August 2023, the Court of Appeal had adjourned the hearing of the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion as the solicitors for the Applicant was taken ill. The Court of Appeal fixed 14 August to hear the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (b) 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 of the Court of Appeal Ad Interim Stay Application and Turiya Notice of Motion on 14 August 2023, the Court of Appeal struck of the Turiya Notice of Motion and dismissed the Court of Appeal Ad Interim Stay Application.

On 16 August 2023, the High Court heard the submissions from the Applicant, 1st Respondent and 2nd Respondent in respect to the Substantive Hearing for Empire Judicial Review’s Application. The High Court has fixed 12 September 2023 to further hear parties submission on the Notice of Application for Stay.

On 17 August, a Case Management was held wherein the Court of Appeal has fixed the dates for the submission of cause papers as well as the hearing date for the Variation Appeal. The Variation Appeal was fixed on 11 October 2023.

On 12 September 2023, the High Court heard submissions in respect of the Substantive Hearing for Empire’s Judicial Review Application and the Notice of Application for Stay and reserved its decision for the Notice of Application for Stay on 21 September 2023 and the Substantive Hearing for Empire’s Judicial Review Application on 31 October 2023.

On 21 September 2023, the High Court delivered its decision in respect of the Notice of Application for Stay and dismissed the said Notice of Application and awarded costs of RM5,000 to MAAG.

On 11 October 2023, the Court of Appeal heard the Variation Appeal and dismissed the appeal and awarded costs of RM10,000 to the MAAG.

The decision of the High Court for Empire’s Judicial Review Application (Enclosure 13) was delivered by YA Dato’ Ahmad Kamal on 31 October 2023, at 9am, by way of Zoom Hearing.

YA Dato’ Ahmad Kamal dismissed Empire’s Judicial Review Application, and awarded costs of RM10,000 to MAAG.

YA Dato’ Ahmad Kamal granted a consequential order to set aside the Stay Order, which was granted on 13 June 2022. The Stay Order suspended MAAG’s unconditional mandatory take-over offer for all the remaining shares in Turiya.

Solicitors for Empire made an oral application for an interim stay of today’s High Court’s decision, pending Empire’s appeal to the Court of Appeal. Empire’s application was dismissed by YA Dato’ Ahmad Kamal.

On 2 November 2023, MAAG’s solicitors, Deol & Gill, received a letter from Zailan & Co., solicitors for Empire, together with the sealed copy of Empire’s Notice of Appeal dated 31 October 2023 (“JR Appeal” and “JR Stay Appeal”).

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

(b) 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)

Being dissatisfied with the decisions of YA Dato’ Ahmad Kamal, delivered on 31 October 2023, Empire appealed to the Court of Appeal, appealing against:

1. the dismissal of Empire’s Judicial Review Application (Enclosure 13); and the setting aside of the Stay Order granted on 13 June 2022.

MAAG has instructed its solicitors to defend MAAG’s position at this appeal.

On 6 November 2023, MAAG’s solicitors, Deol & Gill, received an e-mail from Zailan & Co., solicitors for Empire, together with the following documents:

1. Zailan & Co.’s letter dated 6 November 2023;
2. the unsealed and undated notice of application to the High Court, for a stay of execution of the High Court’s decision delivered on 31 October 2023, to dismiss Empire’s Judicial Review Application, and to set aside the Stay Order granted on 13 June 2022 (“High Court Decision”), pending Empire’s appeal to the Court of Appeal against the High Court Decision (“Stay of Execution Application”);
3. the affidavit in support affirmed on 6 November 2023, by Muhammad Yahya bin Abdullah @ Ayyah, a director of Empire; and
4. a certificate of urgency dated 6 November 2023.

MAAG has instructed its solicitors to oppose the Stay of Execution Application.

The Hearing for the Stay of Execution Application was conducted at the High Court, on 15 November 2023, before Yang Arif Hakim Dato’ Ahmad Kamal. During the Hearing, YA Dato’ Ahmad Kamal provided the following directions:

1. The SC (1st Respondent) is to file their affidavit in reply on or before 29 November 2023;
2. Empire to file their further reply to the SC’s and MAAG’s affidavit in reply on or before 13 December 2023;
3. Parties to file written submissions on or before 15 January 2024;
4. Parties to file written submissions in reply (if any) on or before 29 January 2024; and
5. The Hearing for the Stay of Execution Application is fixed on 20 February 2024, at 11am, by way of Zoom Hearing.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (b) 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)

Solicitors for Empire made an oral application for an interim stay of the High Court Decision, pending the disposal of the Stay of Execution Application. Empire’s application was dismissed by YA Dato’ Ahmad Kamal.

The Case Management for JR Appeal and JR Stay Appeal was conducted on 29 January 2024 at the Court of Appeal via E-review.

During the Case Management, the Court directed all the parties to file their written submissions on 22 April 2024 and their submissions in reply on 6 May 2024 by 12.00 noon for both the JR Appeal and JR Stay Appeal.

The Court fixed a Case Management for both the JR Appeal and JR Stay Appeal on 6 May 2024 via E-Review at 9.00 a.m. to update the Court on the status of filing of the submissions.

The Court fixed both the JR Appeal and the JR Stay Appeal to be heard together on 20 May 2024 at 9.00 a.m. via Zoom.

The hearing for the Stay of Execution Application (“Enclosure 175”) was heard before YA Dato’ Ahmad Kamal at the High Court of Malaya at Kuala Lumpur on 20 February 2024.

During the hearing, solicitors for Empire, Messrs Zailan & Co, had informed the Judge of the withdrawal of Enclosure 175, and that the only party seeking costs is the SC (1st Respondent).

Upon hearing submissions from all parties, the Judge made the following orders:

1. Enclosure 175 is withdrawn;
2. No order as to costs for the MAAG (2nd Respondent) and the Turiya (3rd Respondent); and
3. Costs of RM 3,000 to be awarded to the SC (1st Respondent).

On 29 February 2024, the solicitors for Empire, Messrs. Zailan & Co, filed a letter to the Court of Appeal for the JR Appeal, to notify the Court of Appeal that the parties reached a settlement, and that they intend to record a Consent Judgment for the JR Appeal to effect the same.

The Court of Appeal fixed a Case Management on 1 March 2024 via e-Review before Puan Mariam Hasanah binti Othman to address parties on the recording of the Consent Judgment for the JR Appeal before the panel of Judges of the Court of Appeal.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B9. CHANGES IN MATERIAL LITIGATION (continued)

- (b) 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 Case Management on 1 March 2024, the Court of Appeal fixed a hearing on 4 April 2024 at the Court of Appeal, Putrajaya, for parties to record the Consent Judgment for the JR Appeal between the parties.

On 28 February 2024, the solicitors for Empire, Messrs. Zailan & Co, filed a letter to the Court of Appeal for the JR Stay Appeal, to notify the Court of Appeal that the parties reached a settlement, and that they intend to record a Consent Judgment for the JR Stay Appeal to effect the same.

The Court of Appeal fixed a Case Management on 7 March 2024 via e-Review before Puan Mariam Hasanah binti Othman to address parties on the recording of the Consent Judgment for the JR Stay Appeal before the panel of Judges of the Court of Appeal.

During the Case Management on 7 March 2024, the Court of Appeal fixed a hearing on 4 April 2024 at the Court of Appeal, Putrajaya, for parties to record the Consent Judgment for the JR Stay Appeal between the parties.

The hearing at the Court of Appeal for the JR Appeal and JR Stay Appeal was held on 4 April 2024, wherein parties had appeared before the panel of the Court of Appeal to record the Consent Judgement between parties.

The Consent Judgment was entered between parties to record the following:

1. withdrawal by Empire in the JR Appeal and the JR Stay Appeal;
2. no order as to costs towards all the Respondents in the JR Stay Appeal; and
3. no order as to costs towards the MAAG (2nd Respondent) and the Turiya (3rd Respondent) in the JR Appeal, and costs of RM3,000 to be paid by Empire to the SC (1st Respondent).

B10. DIVIDEND PAYABLE

The Board of Directors does not recommend any dividend in respect of the current financial year ending 30 June 2024.

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2024

B11. BASIC (LOSS)/EARNINGS PER SHARE (“(LPS)/EPS”)

| | Individual Period | | Cumulative Period | |
|--|---|--|--|---|
| | Current Year Quarter Ended 31.3.2024 | Preceding Year Corresponding Quarter Ended 31.3.2023 | Current Year Period Ended 31.3.2024 | Preceding year Corresponding Period Ended 31.3.2023 |
| (Loss)/Profit attributable to the owners of the Company (RM'000) | | | | |
| - Continuing operations | (29,418) | 3,592 | (51,414) | (695) |
| - Discontinued operations | 5,991 | 238 | 21,023 | 17,703 |
| | (23,427) | 3,830 | (30,391) | 17,008 |
| Weighted average number of ordinary shares in issue ('000) | 263,732 | 263,732 | 263,732 | 263,732 |
| Basic (LPS)/EPS from (sen) | | | | |
| - Continuing operations | (11.15) | 1.36 | (19.49) | (0.26) |
| - Discontinued operations | 2.27 | 0.09 | 7.97 | 6.71 |
| Basic (LPS)/EPS | (8.88) | 1.45 | (11.52) | 6.45 |

B12. AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the audited financial statements for the financial year ended 30 June 2023 was not qualified.

B13. AUTHORISED FOR ISSUE

The Interim Financial Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 May 2024.