

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2015

	30 June 2015	31 December 2014 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	16,646	17,297
Investment properties	15,842	14,846
Intangible assets	3,388	3,584
Associates	65,587	64,866
Deferred tax assets	3,174	3,820
Tax recoverable	1,055	1,258
Reinsurance/retakaful assets	310,927	301,426
Investments	654,840	600,248
Financial assets at fair value through profit or loss	359,685	321,005
Available-for-sale financial assets	227,324	210,714
Held-to-maturity financial assets	40,996	41,002
Loans and receivables	26,835	27,527
Insurance/takaful receivables	150,258	156,895
Trade and other receivables	59,987	52,798
Cash and cash equivalents	313,270	342,268
TOTAL ASSETS	1,594,974	1,559,306
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance/takaful contract liabilities	889,514	847,128
Deferred tax liabilities	1,175	911
Insurance/takaful payables	207,131	209,677
Trade and other payables	59,856	57,543
Current tax liabilities	5,033	50
TOTAL LIABILITIES	1,162,709	1,115,309
EQUITY		
Share capital	304,354	304,354
Treasury shares	(2,870)	(1,312)
Retained earnings	105,423	113,845
Reserves	4,791	7,024
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	411,698	423,911
Non-controlling interests	20,567	20,086
TOTAL EQUITY	432,265	443,997
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,594,974	1,559,306
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.35	1.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2015

	3 months ended		6 months ended	
	30 June 2015	30 June 2014 (restated)	30 June 2015	30 June 2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	146,162	160,961	290,222	336,294
- Discontinued operations	-	2	-	2
	<u>146,162</u>	<u>160,963</u>	<u>290,222</u>	<u>336,296</u>
Gross earned premiums/contributions	136,271	150,471	270,206	316,448
Premiums/contributions ceded to reinsurers/retakaful operators	(43,755)	(42,588)	(96,430)	(100,801)
Net earned premiums/contributions	<u>92,516</u>	<u>107,883</u>	<u>173,776</u>	<u>215,647</u>
Investment income	7,640	8,384	15,752	15,878
Realised gains and losses - net	1,154	3,523	6,750	9,955
Fair value gains and losses - net	(3,346)	5,418	6,002	4,217
Fee and commission income	8,018	10,159	20,675	23,082
Other operating revenue from non-insurance businesses	2,251	2,106	4,264	3,968
Other operating income - net	1,299	5,829	6,096	17,042
Other revenue	<u>17,016</u>	<u>35,419</u>	<u>59,539</u>	<u>74,142</u>
Gross benefits and claims paid	(82,655)	(85,989)	(140,811)	(147,019)
Claims ceded to reinsurers/retakaful operators	16,968	33,753	41,754	56,007
Gross change to contract liabilities	(4,560)	(37,808)	(30,744)	(90,330)
Change in contract liabilities ceded to reinsurers/retakaful operators	10,133	(2,051)	6,451	3,794
Net insurance/takaful benefits and claims	<u>(60,114)</u>	<u>(92,095)</u>	<u>(123,350)</u>	<u>(177,548)</u>
Fee and commission expense	(20,991)	(25,171)	(49,130)	(50,724)
Management expenses	(26,187)	(28,131)	(54,554)	(54,816)
Expenses liabilities	(174)	(333)	(214)	(942)
Finance costs	-	(111)	-	(218)
Other expenses	<u>(47,352)</u>	<u>(53,746)</u>	<u>(103,898)</u>	<u>(106,700)</u>
Share of profit of associates, net of tax	562	1,905	741	340
Profit/(loss) before taxation	<u>2,628</u>	<u>(634)</u>	<u>6,808</u>	<u>5,881</u>
Tax expenses attributable to participants	(2,428)	(1,757)	(4,082)	(2,986)
Profit/(loss) before taxation for Shareholders' fund and General fund	<u>200</u>	<u>(2,391)</u>	<u>2,726</u>	<u>2,895</u>
Taxation	(3,387)	(1,755)	(5,741)	(3,991)
Tax expenses attributable to participants	2,428	1,757	4,082	2,986
Tax (expenses)/income attributable to Shareholders' fund	(959)	2	(1,659)	(1,005)
(Loss)/profit for the financial quarter/period	<u>(759)</u>	<u>(2,389)</u>	<u>1,067</u>	<u>1,890</u>
DISCONTINUED OPERATIONS				
Loss before taxation	(8)	(1)	(8)	(1)
Taxation	-	-	-	-
Loss from discontinued operations	<u>(8)</u>	<u>(1)</u>	<u>(8)</u>	<u>(1)</u>
(Loss)/profit for the financial quarter/period	<u>(767)</u>	<u>(2,390)</u>	<u>1,059</u>	<u>1,889</u>
(Loss)/profit for the financial quarter/period attributable to:				
Owners of the Company	(243)	(1,226)	578	1,362
Non-controlling interests	(524)	(1,164)	481	527
	<u>(767)</u>	<u>(2,390)</u>	<u>1,059</u>	<u>1,889</u>
Basic (loss)/earnings per ordinary share (sen) attributable to owners of the Company	(0.07)	(0.40)	0.20	0.45

With effect from 1 January 2015, surplus/deficit from the Life Insurance/Family Takaful Funds is transferred to the Shareholders' fund over the financial year. Accordingly quarterly financial results for the previous financial year have been restated to apply the same recognition.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2015**

	3 months ended		6 months ended	
	30 June 2015	30 June 2014 (restated)	30 June 2015	30 June 2014 (restated)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial quarter/period	(767)	(2,390)	1,059	1,889
Other comprehensive income/(loss), net of tax :				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	(1,606)	5,659	(2,628)	226
Fair value changes of available-for-sale financial assets, net of tax	(112)	168	415	(792)
Share of fair value changes of available-for-sale financial assets of associate	(427)	2,457	(20)	2,325
Other comprehensive (loss)/income for the financial quarter/period, net of tax	(2,145)	8,284	(2,233)	1,759
Total comprehensive (loss)/income for the financial quarter/period	(2,912)	5,894	(1,174)	3,648
Total comprehensive (loss)/income for the financial quarter/period attributable to:				
Owners of the Company	(2,388)	7,058	(1,655)	3,121
Non-controlling interests	(524)	(1,164)	481	527
	(2,912)	5,894	(1,174)	3,648

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2015

	Attributable to owners of the Company										
	Issued and fully paid ordinary shares		Treasury shares		Reserves			Retained earnings	Total	Non-controlling interests	Total equity
	Number of shares	Nominal value	Number of shares		Foreign exchange reserves	Available-for-sale reserves	Revaluation reserves				
000	RM'000	000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2015											
As at 1 January 2015	304354	304,354	(2,025)	(1,312)	4,360	2,664	-	113,845	423,911	20,086	443,997
Profit for the financial period	-	-	-	-	-	-	-	578	578	481	1,059
Other comprehensive income/(loss)	-	-	-	-	(2,628)	395	-	-	(2,233)	-	(2,233)
Total comprehensive income/(loss) for the financial period	-	-	-	-	(2,628)	395	-	578	(1,655)	481	(1,174)
Interim dividend paid during the financial period	-	-	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Purchase of treasury shares	-	-	(2,319)	(1,558)	-	-	-	-	(1,558)	-	(1,558)
As at 30 June 2015	304,354	304,354	(4,344)	(2,870)	1,732	3,059	-	105,423	411,698	20,567	432,265
2014											
As at 1 January 2014	304,354	304,354	-	-	8,389	1,844	215	116,594	431,396	19,220	450,616
Profit for the financial period	-	-	-	-	-	-	-	1,362	1,362	527	1,889
Other comprehensive income	-	-	-	-	226	1,533	-	-	1,759	-	1,759
Total comprehensive income for the financial period	-	-	-	-	226	1,533	-	1,362	3,121	527	3,648
Interim dividend paid during the financial period	-	-	-	-	-	-	-	(9,131)	(9,131)	-	(9,131)
Transactions with non-controlling interests	-	-	-	-	-	-	-	(1,444)	(1,444)	(156)	(1,600)
As at 31 June 2014	304,354	304,354	-	-	8,615	3,377	215	107,381	423,942	19,591	443,533

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2015

	6 months ended	
	30 June 2015 RM'000	30 June 2014 RM'000
Profit for the financial period from continuing operations	1,067	1,890
Investment income	(15,752)	(15,878)
Realised gains and losses - net	(6,750)	(9,955)
Fair value gains and losses - net	(6,002)	(4,217)
Write back of impairment loss on loans and receivables	(84)	(2,268)
Finance costs	-	218
Purchases of investments	(373,571)	(109,923)
Proceeds from disposal of investments	334,606	76,150
Non-cash items:		
Depreciation of property, plant and equipment	1,726	1,720
Amortisation of intangible assets	688	641
Amortisation of leases	1	15
(Write back of)/allowance for impairment loss on insurance/takaful receivables	(1,913)	1,519
Allowance for/(write back of) impairment loss on trade and other receivables	27	(98)
Net foreign exchange gain	(853)	(2,186)
Share of profit of associates	(741)	(340)
Tax expenses	5,741	3,991
Changes in working capital:		
(Increase)/decrease in loans and receivables	(248)	81,013
Increase in reinsurance/retakaful assets	(9,501)	(19,796)
Decrease/(increase) in insurance/takaful receivables	8,550	(50,486)
Increase in trade and other receivables	(3,998)	(501)
Increase in insurance/contract liabilities	41,205	125,562
Decrease in investment contract liabilities	-	(3,890)
(Decrease)/increase in insurance/takaful payables	(2,546)	38,445
Increase in trade and other payables	2,313	18,395
Cash (utilised from)/generated from operating activities	<u>(26,035)</u>	<u>130,021</u>
Investment income received	13,772	15,380
Finance costs paid	-	(218)
Income tax paid	(3,006)	(2,083)
Income tax refund	-	1,795
Dividend paid	(9,000)	(9,131)
Net cash (outflow)/inflow from operating activities	<u>(24,269)</u>	<u>135,764</u>
Net cash outflow from operating activities - discontinued operations	<u>(8)</u>	<u>(1)</u>
Investing activities:		
Purchase of property, plant and equipments	(1,208)	(1,119)
Proceeds from disposal of property, plant and equipments	66	130
Purchase of intangible assets	(492)	(358)
Decrease in fixed and call deposits	1,099	1,138
Net cash outflow from investing activities	<u>(535)</u>	<u>(209)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2015

(continued)

	6 months ended	
	30 June 2015 RM'000	30 June 2014 RM'000
Financing activities:		
Purchase of treasury shares	(1,558)	-
Net cash outflow from financing activities	<u>(1,558)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(26,362)	135,555
Net decrease in cash and cash equivalents - discontinued operations	(8)	(1)
Currency translation difference	(2,628)	226
Cash and cash equivalents at beginning of financial year	342,268	177,125
Cash and cash equivalents at end of financial period	<u>313,270</u>	<u>312,905</u>
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	296,546	278,650
Cash and bank balance	<u>16,724</u>	<u>39,220</u>
	313,270	317,870
Bank overdrafts	-	<u>(4,965)</u>
	<u>313,270</u>	<u>312,905</u>

The Condensed Consolidated Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.