NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017

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

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements ("Interim Reports") are unaudited and have been prepared in accordance with the requirements of MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of Companies Act, 2016.

<u>Companies Act 2016</u>

Companies Act 2016 ("New Act") was enacted to replace Companies Act, 1965. The New Act becomes effective on 31 January 2017.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Company are:

(i) removal of the authorised share capital;
(ii) shares of the Company will cease to have par value or nominal value; and
(iii) the Company's capital redemption reserves will become part of the Company's share capital.

The adoption of the above did not have financial impact to the consolidated financial statements of the Group in the financial year ended 31 December 2017.

These unaudited Interim Reports should be read in conjunction with the Group's consolidated audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to these Interim Reports provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

A2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Group in these Interim Reports are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2016, except the Group has adopted the new valuation standards for premium liabilities implemented by the Insurance Commission of the Philippines to be consistent with its General Insurance subsidiary, MAA General Assurance Philippines, Inc ("MAAGAP").

The new valuation standards required unearned premium reserve ("UPR") to be calculated based on the 24^{th} method for all business, on a gross of reinsurance basis and for policies with policy duration less than one (1) year or more than one (1) year, the UPR shall consider the actual unearned premium from the date of valuation to the date of termination of the policy.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The adopted of the new valuation standards for UPR resulted in a change in accounting policy for marine cargo business where previously 25% of premiums are reserved and the date of valuation changes to policy inception date for all classes of business.

The following tables disclose the prior year adjustment ("PYA") effects of the change in accounting policy to each of the line items on the Group's statements of financial position at 1 January 2016 and 31 December 2016:

			1.1.2016
	As previously stated	Effects of change in accounting policy	Restated balance
	RM'000	RM'000	RM'000
Assets			
Associates	67,954	(4,336)	63,618
Equity			
Retained earnings	112,643	(4,336)	108,307

			31.12.2016
	As previously stated	Effects of change in accounting policy	Restated balance
	RM'000	RM'000	RM'000
Assets			
Associates	71,692	(5,353)	66,339
Equity			
Retained earnings	240,164	(5,353)	234,811

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following tables disclose the PYA effects of the change in accounting policy to each of the line items in the Group's statement of profit or loss for the financial years ended 31 December 2016 and 31 December 2017:

	Effects to the financial year ended 31 December 2016		
	As previously stated	Effects of change in accounting policy	Restated balance
	RM'000	RM'000	RM'000
Continuing Operations			
Share of profit of associates, net of tax	4,728	(1,017)	3,711
Loss before taxation	(19,316)	(1,017)	(20,333)

	Increase/(decrease) to profit before taxation for the financial year ended 31 December 2017		
	Before change in accounting policy	Effects of change in accounting policy	After change in accounting policy
	RM'000	RM'000	RM'000
Continuing Operations			
Net earned premiums	73,097	(2,913)	70,184
Commission income	1,838	23	1,861
Commission expenses	(23,776)	98	(23,678)
Share of profit of associates, net of tax	8,471	(835)	7,636
Profit before taxation	32,253	(3,627)	28,626

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following amendments to MFRSs and annual improvements to MFRSs that are effective from financial year beginning on or after on 1 January 2017 have been adopted by the Group and do not have material financial impact to the current financial year's consolidated financial statements of the Group:

- Amendments to MFRS 107 "Statements of Cash Flows – Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"
- Annual Improvements to MFRS 12 "Disclosures of Interests in Other Entities"

The following MFRSs, amendments to MFRSs and annual improvements to MFRSs have been issued by MASB and are not yet effective for adoption by the Group:

Effective from financial year beginning on or after 1 January 2018

- Annual Improvements to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"
- Amendments to MFRS 2 "Share-based Payment – Classification and Measurement of Share-based Payment Transactions"
- Amendments to MFRS 4 "Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts"
- Annual Improvements to MFRS 128 "Investment in Associates and Joint Ventures"
- Amendments to MFRS 140 "Clarification on 'Change in Use' Assets transferred to, or from, Investment Properties"
- IC interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"

Effective from financial year beginning on or after 1 January 2019

- Annual Improvements to MFRS 2015 – 2017 Cycle
- Amendments to MFRS 9 "Prepayment features with negative compensation"
- Amendments to MFRS 128 "Long-term interests in associates and joint ventures"
- MFRS 16 "Leases"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"

Effective from financial year beginning on or after 1 January 2021

- MFRS 17 "Insurance Contracts"

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group will adopt the above MFRSs, amendments to MFRSs and annual improvements to MFRSs when they become effective in the respective financial periods. These MFRSs, amendments to MFRSs and annual improvements to MFRSs are not expected to have material financial impact to the consolidated financial statements of the Group upon their first adoption, except as mentioned below:

MFRS 9 "Financial Instruments"

MFRS 9 was issued by MASB on 17 November 2017, to replace MFRS 139 – Financial Instruments: Recognition and Measurement. MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held.

MFRS 9 contains three (3) principal classification categories for financial assets:

- Amortised Cost ("AC")
- Fair Value Through Other Comprehensive Income ("FVOCI")
- Fair Value Through Profit or Loss ("FVTPL")

MFRS 9 has resulted in:

- Elimination of Held to Maturity ("HTM") category
- Elimination of Available-for-sale ("AFS") category
- Elimination of the requirement to separately account for embedded derivatives in financial assets except for financial liabilities and non-financial assets
- Changes in the fair value of financial liabilities measured at fair value through profit or loss attributable to changes in the entity's own credit status, are presented in other comprehensive income ("OCI") rather than profit or loss
- Elimination of the limited exemption to measure unquoted equity investments at cost rather than at fair value, unless in very rare circumstances the range of reasonable fair value measurement is significant and the probabilities of the various estimates cannot be reasonably be assessed

Under MFRS 9:

- For financial assets designated to be measured at FVTPL, all fair value gains and losses will be reported in profit or loss
- For financial assets to be measured at FVOCI, all fair value gains and loss will be reported in OCI, no impairment loss will be recognised in profit or loss and no gains and losses will be reclassified to profit or loss on the disposal for these financial assets
- Replaces the "incurred loss" model in MFRS 139 with a forward-looking "expected credit loss" ("ECL") model. ECL requires consideration of economic factors and is determined on a probability-weighted basis. ECL model will be applied to financial assets measured at AC or FVOCI, except for investments in equity securities.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 "Financial Instruments" (continued)

Classification and Measurement

Based on the assessment conducted, the financial assets held by the Group as at 31 December 2017 will be reclassified to the following classifications:

	MFRS 139		MFRS 9	
	Classification	Value	Classification	Value
		RM'000		RM'000
Financial Assets				
Investments in Government debt securities	AFS	49,065	AC	11,373
			FVOCI	39,424
Investments in Corporate debt securities	AFS	49,016	AC	47,026
			FVOCI	3,988
Investments in Equity securities	FVTPL	17,267	FVTPL	105,981
	AFS	112,667	FVOCI	23,953
Investments in Unit trusts	FVTPL	2,043	FVTPL	2,043
Fixed and call deposits with licensed banks	Loans and receivables ("LAR")	214,451	AC	214,451
Insurance receivables	LAR	44,322	AC	44,322
Trade and other receivables	LAR	97,592	AC	97,592
Cash and bank balances	LAR	31,276	AC	31,276
	Total	617,699		621,429

For financial liabilities like insurance payables and trade payables, there are no changes to the classification and measurement of these financial liabilities between MFRS 139 and MFRS 9 to the Group as these items continued to be classified under amortised cost.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 "Financial Instruments" (continued)

Impairment of Financial Assets

The Group has estimated that the application of MFRS 9 impairment requirements at 1 January 2018 as follows:

	MFRS 139	MRFS 9	
	Provision for Impairment Loss as at 31 December 2017	Expected Credit Loss as at 1 January 2018	Additional impairment loss to be recognised from the adoption of MFRS 9
	RM'000	RM'000	RM'000
Financial Assets			
Investments in Government debt securities	-	55	55
Investments in Corporate debt securities	-	420	420
Fixed and call deposits with licensed banks	-	58	58
Insurance receivables	1,770	2,171	401
Cash and bank balances	-	73	73
	1,770	2,777	1,007

Estimated impact of the adoption of MFRS 9

The estimated impact of the adoption of MFRS 9 on the Group's equity as at 1 January 2018 disclosed below is based on the assessment undertaken to date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group:

	As reported as at 31 December 2017	Estimated adjustments due to the adoption of MFRS 9	Estimated adjusted opening balance as at 1 January 2018
	RM'000	RM'000	RM'000
Equity			
Retained earnings	259,221	12,825	272,046
Reserves			
Fair value reserves	10,043	(10,039)	4
	269,264	2,786	272,050

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 16 “Leases” and MFRS 7 “Insurance Contracts”

The Group will assess the application of MFRS 16 and MFRS 17 before the effective date and will make disclosure of the estimated significant financial effect if any.

A3. SEASONAL OR CYCLICAL FACTORS

The Group’s business operations were not significantly affected by any seasonal or cyclical factors in the current financial quarter and year ended 31 December 2017.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the current financial quarter and year ended 31 December 2017.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have material effect in the current financial quarter and year ended 31 December 2017.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and year ended 31 December 2017.

A7. DIVIDEND PAID

In respect of the financial year ended 31 December 2017, the following dividend payments were made:

(a) a first interim dividend of 6 sen per ordinary share under the single-tier dividend system totaling RM16,411,065 on 31 March 2017; and

(b) a second interim dividend of 3 sen per ordinary share under the single-tier dividend system totalling RM8,205,533 was paid on 23 October 2017.

In respect of the financial year ended 31 December 2016, the following dividend payments were made:

(a) a first interim dividend of 3 sen per ordinary share under the single-tier dividend system totaling RM8,712,698 was paid on 31 March 2016;

(b) an interim special dividend of 35 sen per ordinary share under the single-tier dividend system totalling RM100,760,468 was paid on 5 August 2016; and

(c) a second interim dividend of 3 sen per ordinary share under the single-tier dividend system totalling RM8,251,667 was paid on 10 October 2016.

A8. SEGMENTAL INFORMATION

The following summary describes the operations in each of the Group's operating segments for the current financial quarter and year ended 31 December 2017:

- Investment holdings
- Education services
- Retail mortgage lending business
- General insurance business

Other segments comprise hire purchase, leasing and other credit facilities, property management and consultancy services.

3 months period ended 31 December 2017

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,290	635	-	40,717	102	43,744
(Loss)/profit before taxation before share of profit of associates	(10,910)	(497)	-	6,065	(201)	(5,543)
Share of profit/(loss) of associates	-	-	2,417	(835)	-	1,582
(Loss)/profit before taxation	(10,910)	(497)	2,417	5,230	(201)	(3,961)

12 months period ended 31 December 2017

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	10,900	5,005	-	102,944	175	119,024
Profit/(loss) before taxation before share of profit of associates	11,811	(420)	-	10,637	(1,038)	20,990
Share of profit of associates	-	-	6,150	1,486	-	7,636
Profit/(loss) before taxation	11,811	(420)	6,150	12,123	(1,038)	28,626

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 31 December 2016 (Restated)

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,250	614	-	-	87	3,951
Loss before taxation before share of profit of associates	(4,798)	(777)	-	-	(629)	(6,204)
Share of profit/(loss) of associates	-	-	848	(1,720)	-	(872)
(Loss)/profit before taxation(*)	(4,798)	(777)	848	(1,720)	(629)	(7,076)

Discontinued Operations

	Investment holdings	Takaful	Other segments	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	-	-	-	-
Loss before taxation	(14,351)	-	-	(14,351)
Tax expenses attributable to participants	-	-	-	-
Loss before taxation(*)	(14,351)	-	-	(14,351)

(*) Loss before taxation from:	RM'000
- Continuing Operations	(7,076)
- Discontinued Operations	(14,351)
Consolidated	(21,427)

A8. SEGMENTAL INFORMATION (continued)

12 months period ended 31 December 2016 (Restated)

Continuing Operations

	Investment holdings	Education services	Retail mortgage lending	General insurance	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	11,366	6,536	-	-	157	18,059
Loss before taxation before share of profit of associates	(21,924)	(55)	-	-	(2,065)	(24,044)
Share of profit of associates	-		1,519	2,192	-	3,711
(Loss)/profit before taxation(*)	(21,924)	(55)	1,519	2,192	(2,065)	(20,333)

Discontinued Operations

	Investment holdings	Takaful	Other segments	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	-	279,237	142	279,379
Profit/(loss) before taxation	281,375	7,080	(205)	288,250
Tax expenses attributable to participants	-	(1,380)	-	(1,380)
Profit/(loss) before taxation(*)	281,375	5,700	(205)	286,870

(*) (Loss)/profit before taxation from:	RM'000
- Continuing Operations	(20,333)
- Discontinued Operations	286,870
Consolidated	266,537

A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial year ended 31 December 2017 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

(a) As stated in note B11(b) of these Interim Reports, MAAGAP became a 70% subsidiary of the Group on 19 April 2017.

On 31 May 2017, MAAGAP settled fully the amounts due to its immediate holding company, MAA International Group Ltd ("MAAIG") in full, via issue of new shares, where the Group's equity interest in MAAGAP increased further from 70% to 74%.

On 11 December 2017, MAAIG's equity interest in MAAGAP increased to 99% via shares purchase from other shareholders of MAAGAP.

(b) Keris Murni Sdn Bhd, Jaguh Suria Sdn Bhd, Genting Mutiara Sdn Bhd and Pelangi Tegas Sdn Bhd ceased to be subsidiaries of the Group as stated in note B11(e) of these Interim Reports.

(c) MAA Corporate & Compliance Phils. Inc ceased to be subsidiary of the Group on 22 November 2017 as stated in note B11(f) of these Interim Reports.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current financial quarter and year ended 31 December 2017. As at 31 December 2017, the Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

A12. VALUATION OF INVESTMENT PROPERTIES

Investment properties of the Group were carried at revalued amount at the financial year ended 31 December 2017 based on valuation carried out by professional valuers during the financial year and the changes in fair values therein have been recognised in the income statement.

A13. CONTINGENCIES

There were no contingent assets and liabilities as at the end of the financial year ended 31 December 2017.

A14. CAPITAL COMMITMENTS

There were no significant capital commitment for the purchase of property, plant and equipment as at the end of the financial year ended 31 December 2017.

A15 RELATED PARTY DISCLOSURES

All related party transactions within the Group had been entered in the normal course of business in accordance with the Shareholders' mandate procured on 25 May 2017 under Chapter 10 of the MMLR of Bursa Securities and were carried out on normal commercial terms.

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

B1. REVIEW OF GROUP PERFORMANCE

In these Interim Reports under review, the Discontinued Operations for the previous financial year ended 31 December 2016 represent MAA Takaful Berhad ("MAA Takaful") and MAA Cards Sdn Bhd ("MAA Cards"), subsidiaries disposed during that year. There are no Discontinued Operations in the current financial year ended 31 December 2017.

As stated in note A10(a) and B11(b) of these Interim Reports, MAAGAP became a subsidiary of the Group with effect from 19 April 2017. Arising from this business combination, the results of MAAGAP are consolidated in the Group's interim financial results effective from May 2017.

Current financial quarter ended 31 December 2017 ("4Q-2017") against preceding year's corresponding financial quarter ended 31 December 2016 ("4Q-2016")

	4Q-2017	4Q-2016 (Restated)
	RM'000	RM'000
Group		
Operating revenue		
- Continuing Operations	43,744	3,951
- Discontinued Operations	-	-
	43,744	3,951
Loss before taxation		
- Continuing Operations	(3,961)	(7,076)
- Discontinued Operations	-	(14,351)
	(3,961)	(21,427)

In 4Q-2017 under review, the Group recorded a higher total operating revenue of RM43.7 million (4Q-2016: RM4.0 million) wholly from the Continuing Operations, mainly comprised of gross earned premiums of RM39.1 million (4Q-2016: nil) contributed by the General Insurance business held via MAAGAP.

The Group recorded a lower Loss before taxation ("LBT") of RM4.0 million (4Q-2016: LBT of RM21.4 million). The General Insurance business contributed a profit before taxation ("PBT") of RM6.1 million (4Q-2016: nil) while the Retail Mortgage Lending business contributed a share of profit after taxation of RM2.4 million (4Q-2016: RM0.8 million), offset by a LBT of RM10.9 million (4Q-2016: RM19.1 million) from the Investment Holdings segment. The LBT of RM14.4 million recorded by the Discontinued Operations in 4Q-2016 consist of a downward adjustment to the Company's initial disposal consideration of RM300 million from the disposal of MAA Takaful.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 December 2017 ("4Q-2017") against preceding year's corresponding financial quarter ended 31 December 2016 ("4Q-2016") (continued)

Investment Holdings

Key financial performance	4Q-2017	4Q-2016 (Restated)
	RM'000	RM'000
Operating revenue		
- Continuing Operations	2,290	3,250
Loss before taxation		
- Continuing Operations	(10,910)	(4,798)
- Discontinued Operations	-	(14,351)
	(10,910)	(19,149)

Total operating revenue of Investment Holdings segment that comprised mainly of interest income decreased by 29.5% to RM2.3 million (4Q-2016: 3.2 million) in 4Q-2017, mainly due to deployment of funds from fixed deposit placements for interim dividend payments.

In 4Q-2017, Investment Holdings segment recorded a LBT of RM10.9 million (4Q-2016: LBT of RM19.1 million). The LBT recorded by the Continuing Operations in 4Q-2017 arose mainly from a downward adjustment of RM5.4 million to the reserve arising from business combination related to MAAGAP as a result of the PYA impact. The LBT recorded by the Discontinued Operations in 4Q-2016 consist of a downward adjustment to the Company's initial disposal consideration of RM300 million from the disposal of MAA Takaful.

Education Services

Key financial performance	4Q-2017	4Q-2016 (Restated)
	RM'000	RM'000
Operating revenue	635	614
Loss before taxation	(497)	(777)

Total operating revenue of Education Services segment consists of tuition fee income recorded a marginal increase of 3.4% to RM635,000 (4Q-2016: RM614,000) in 4Q-2017.

In 4Q-2017, Education Services segment recorded a lower LBT of RM497,000 (4Q-2016: LBT of RM777,000) due mainly to lower operating costs brought by stringent cost control.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 December 2017 ("4Q-2017") against preceding year's corresponding financial quarter ended 31 December 2016 ("4Q-2016") (continued)

Retail Mortgage Lending

The Group's Retail Mortgage Lending business operating in Australia is held via 48% associated company Columbus Capital Pty Limited ("CCA").

Key financial performance	**4Q-2017**		**4Q-2016 (Restated)**	
	AUD'000	RM'000	AUD'000	RM'000
Operating revenue	34,302	109,470	21,461	69,483
Profit before taxation	2,257	7,167	784	2,537
Group's share of profit after taxation	758	2,417	263	848
Currency exchange rate	1 RM = 0.3134 AUD		1 RM = 0.3095 AUD	

CCA's operating revenue consists of loan interest and fee income. In 4Q-2017, the operating revenue grew to RM109.5 million, a 57.5% increase compared to 4Q-2016 of RM69.5 million, on the back of higher assets under management from AUD 1.8 billion as at 31 December 2016 to AUD 2.63 billion as at 31 December 2017.

CCA recorded a higher PBT from RM2.5 million in 4Q-2016 to RM7.2 million in 4Q-2017, driven mainly by higher operating revenue and increase in gross operating profit margin from 15.7% in 4Q-2016 to 19.4% in 4Q-2017, and an income of RM11.0 million from the gain on the termination of arrangement with mortgage manager.

In 4Q-2017, CCA has contributed a higher share of profit after taxation of RM2.4 million (4Q-2016: RM0.8 million) to the Group.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 December 2017 ("4Q-2017") against preceding year's corresponding financial quarter ended 31 December 2016 ("4Q-2016") (continued)

General Insurance

The Group's General Insurance business in the Philippines is held via MAAGAP that became a subsidiary on 19 April 2017 from earlier an associated company.

Key financial performance	**4Q-2017**		**4Q-2016 (Restated)**	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	389,969	32,581	354,430	31,120
Underwriting surplus/(deficit)	61,269	4,747	(10,040)	(832)
Investment income	35,541	2,903	4,426	386
Claim ratio in %	44%	44%	68%	68%
Commission ratio in %	31%	31%	29%	29%
Profit/(loss) before taxation	51,558	3,961	(55,395)	(4,552)
Currency exchange rate	1 RM= 12.25 Php		1 RM= 11.37 Php	
MAAGAP's profit/(loss) contribution to the Group				
- as an associated company till 18 April 2017	(9,492)	(835)	(20,676)	(1,720)
- as a subsidiary effective on 19 April 2017	75,288	6,065	-	-
	65,796	5,230	(20,676)	(1,720)

In 4Q-2017, GPW grew by 5.0% from RM31.1 million in 4Q-2016 to RM32.6 million, driven mainly by growth in the production of both motor and non-motor classes of business. Motor and non-motor businesses contributed 44% (4Q-2016: 45%) and 56% (4Q-2016: 55%) respectively of the total GPW in 4Q-2017.

MAAGAP registered a PBT of RM4.0 million in 4Q-2017 (4Q-2016: LBT of RM4.6 million). The profit was contributed mainly by higher underwriting surplus of RM4.7 million (4Q-2016: underwriting deficit of RM0.8 million) with improved claim ratio and higher investment income of RM2.9 million (4Q-2016: RM0.39 million).

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016")

	FYE2017	**FYE2016 (Restated)**
	RM'000	RM'000
Group		
Operating revenue		
- Continuing Operations	119,024	18,059
- Discontinued Operations	-	279,379
	119,024	297,438
Profit/(loss) before taxation		
- Continuing Operations	28,626	(20,333)
- Discontinued Operations	-	286,870
	28,626	266,537

The Group recorded total operating revenue of RM119.0 million for FYE2017 under review (FYE2016: RM297.4 million). The Continuing Operations recorded a higher operating revenue of RM119.0 million (FYE2016: RM18.1 million) mainly comprised of gross earned premiums of RM98.6 million (FYE2016: nil) contributed by the General Insurance business held via MAAGAP and higher investment income of RM15.2 million (FYE2016: RM11.2 million). The Discontinued Operations recorded a total operating revenue of RM279.4 million in FYE2016 mainly from MAA Takaful with total operating revenue of RM279.2 million.

The Group recorded a PBT of RM28.6 million (FYE2016: PBT of RM266.5 million). The Continuing Operations recorded a PBT of RM28.6 million (FYE2016: LBT of RM20.3 million) mainly attributed by other income arising from settlement with other receivable of RM20.0 million, reserve arising from business combination of RM10.0 million related to MAAGAP, an adjustment of RM1.8 million to reduce the PV Charge to the Retained Consideration and profit contribution of RM12.1 million (FYE2016: RM2.2 million) contributed by the General Insurance business.

The Discontinued Operations recorded a PBT of RM286.9 million in FYE2016 contributed mainly by a gain of RM280.4 million from the disposal of MAA Takaful and a gain of RM1.0 million from the disposal of MAA Cards.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016") (continued)

Investment Holdings

Key financial performance	**FYE2017**	**FYE2016 (Restated)**
	RM'000	RM'000
Operating revenue		
- Continuing Operations	10,900	11,366
Profit/(loss) before taxation		
- Continuing Operations	11,811	(21,924)
- Discontinued Operations	-	281,375
	11,811	259,451
Assets	479,124	557,224
Liabilities	11,239	10,703

Total operating revenue of Investment Holdings segment comprised mainly of interest income recorded a decrease of 10.6% to RM10.9 million (FYE2016: 11.4 million) in FYE2017, mainly due to deployment of funds from fixed deposit placements for interim dividend payments.

In FYE2017, the Continuing Operations of Investment Holdings segment recorded a PBT of RM11.8 million (FYE2016: LBT of RM21.9 million) mainly attributed by other income arising from settlement with other receivable of RM20.0 million, reserve arising from business combination of RM10.0 million related to MAAGAP and an adjustment of RM1.8 million to reduce the PV Charge to the Retained Consideration. The profit recorded in FPE2016 by Discontinued Operations comprised mainly by a gain of RM280.4 million from the disposal of MAA Takaful and a gain of RM1.0 million from the disposal of MAA Cards.

As at 31 December 2017, Investment Holdings segment's assets were lower at RM479.1 million due mainly to interim dividend payments totalling RM24.6 million made during the current financial year and a final downward price adjustment payment of RM29.4 million in relation to the Company's initial disposal consideration of RM300 million from the disposal of MAA Takaful.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016") (continued)

Education Services

Key financial performance	**FYE2017**	**FYE2016 (Restated)**
	RM'000	RM'000
Operating revenue	5,005	6,536
Loss before taxation	(420)	(55)
Assets	758	1,564
Liabilities	214	633

Total operating revenue of Education Services segment consists of tuition fee income recorded a 23.4% decrease to RM5.0 million (FYE2016: RM6.5 million) in FYE2017 due mainly to reduction in students enrollment.

In FYE2017, Education Services segment recorded a higher LBT of RM420,000 (FYE2016: LBT of RM55,000) caused by reduction in tuition fee income.

As at 31 December 2017, Education Services segment's assets and liabilities were lower at RM0.8 million and RM0.2 million respectively due mainly to deconsolidation of subsidiaries which have commenced shareholders' voluntary winding up as stated in note B11(e) of these Interim Reports.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016") (continued)

Retail Mortgage Lending

The Group's Retail Mortgage Lending business operating in Australia is held via 48% associated company CCA.

Key financial performance	**FYE2017**		**FYE2016 (Restated)**	
	AUD'000	RM'000	AUD'000	RM'000
Operating revenue	109,589	360,386	83,787	258,133
Profit before taxation	5,697	18,619	1,810	5,639
Group's share of profit after taxation	1,877	6,150	493	1,519
Currency exchange rate	1 RM = 0.2981 AUD		1 RM = 0.3263 AUD	

CCA's operating revenue consists of loan interest and fee income. In FYE2017, the operating revenue grew to RM360.4 million, a 39.6% increase compared to FYE2016 of RM258.1 million, on the back of higher assets under management from AUD 1.8 billion as at 31 December 2016 to AUD 2.63 billion as at 31 December 2017.

CCA recorded a higher PBT from RM5.6 million in FYE2016 to RM18.6 million in FYE2017, driven mainly by higher operating revenue and increase in gross operating profit margin from 14.8% in FYE2016 to 17.1% in FYE2017, and an income of RM11.0 million from the gain on the termination of arrangement with mortgage manager.

In FYE2017, CCA has contributed a higher share of profit after taxation of RM6.2 million (FYE2016: RM1.5 million) to the Group.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016") (continued)

General Insurance

The Group's General Insurance business in the Philippines is held via MAAGAP that became a subsidiary on 19 April 2017 from earlier an associated company.

Key financial performance	FYE2017		FYE2016 (Restated)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	1,796,138	153,266	1,580,745	137,094
Underwriting surplus	290,120	24,530	217,172	19,069
Investment income	106,483	8,992	65,341	5,590
Claim ratio in %	46%	46%	48%	48%
Commission ratio in %	29%	29%	27%	27%
Profit before taxation	192,091	16,118	84,335	7,442
Assets	3,600,389	292,491	2,923,335	263,839
Liabilities	2,506,463	203,622	1,984,152	179,075
Currency exchange rate	1 RM = 11.79 Php		1 RM = 11.53 Php	
MAAGAP's profit contribution to the Group				
- as an associated company till 18 April 2017	16,880	1,486	24,975	2,192
- as a subsidiary effective on 19 April 2017	129,872	10,637	-	-
	146,752	12,123	24,975	2,192

In FYE2017, GPW grew by 12.0% from RM137.1 million in FYE2016 to RM153.3 million, driven mainly by growth in the production of both motor and non-motor classes of business. Motor and non-motor businesses contributed 42% (FYE2016: 41%) and 58% (FYE2016: 59%) respectively of the total GPW in FYE2017.

MAAGAP registered a higher PBT of RM16.1 million in FYE2017 over RM7.4 million in FYE2016. The higher profit was driven mainly by the increase in earned premiums, higher underwriting surplus with improved claim ratio and also higher investment income of RM9.0 million (FYE 2016: RM5.6 million).

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial year ended 31 December 2017 ("FYE2017") against preceding year's corresponding financial year ended 31 December 2016 ("FYE2016") (continued)

General Insurance (continued)

MAAGAP's total assets grew by 10.9% from RM263.8 million as at 31 December 2017 to RM292.5 million as at 31 December 2017 contributed by increase in financial investments held. Total liabilities increased by 13.7% to RM203.6 million as at 31 December 2017 (31 December 2016: RM179.1 million), attributed by 10.8% increase in insurance contract liabilities to RM151.0 million (31 December 2016: RM136.3 million) consistent with the growth in business written.

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (4Q-2017) AGAINST THE PRECEDING FINANCIAL QUARTER (3Q-2017)

In 4Q-2017, the Group recorded a LBT of RM4.0 million (3Q-2017: PBT of RM1.2 million) wholly from Continuing Operations. The loss in 4Q-2017 arose mainly from a downward adjustment of RM5.4 million to the reserve arising from business combination related to MAAGAP as a result of the PYA impact.

B3. PROSPECTS

The Group's General Insurance business in the Philippines held via subsidiary MAAGAP continued its commendable growth in gross written premium (+14.0%) and higher profit before taxation (+82.0%) for the financial year ended 31 December 2017. As one of the fastest growing economies in Asia, the Philippines' Gross Domestic Product ("GDP") grew by 6.7% in 2017. The Philippines is expected to sustain robust economic growth with forecast GDP of 7 % – 7.5% in 2018. On the back of the favorable economy conditions couple with continuous efforts to enhancing products offering, expanding distribution channels and customer service levels, active monitoring of performance by line of business and investment return, the Group expects MAAGAP to continue its growth momentum in 2018.

The Reserve Bank of Australia ("RBA") has maintained its official cash rate at the historical low of 1.5% at the conclusion of its monetary policy meeting held in early February 2018. The low interest regime together with strong labor market conditions and low inflation expectations provide favorable economy conditions for the Retail Mortgage Lending business of the Group held via associated company CCA, to maintain steady funding costs to support its profit margin while focusing its efforts to grow its loan book through core residential and non-resident products in 2018.

2018 will remain challenging for the Group's Education Services business that experienced decline in student enrollment during 2017. To improve its performance, the Education Services will continue to intensify its marketing initiatives and recruitment and retention of quality tutors to improve enrolled student number to achieve a turnaround outcome.

Moving into 2018, the Company via its Investment Holdings business will continue its efforts to explore other investment opportunities with reasonable pricing and long-term sustainable profits to address the PN17 status. Further announcement on the development will be made in due course taking into consideration the extension of time up to 30 June 2018 as approved by Bursa Securities to submit a regularisation plan.

In light of the prospects of the operating segments of the Group mentioned above, the Board expects the Group to perform satisfactorily in 2018.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. DISCONTINUED OPERATIONS

Statement of Profit of Loss
For the financial year ended 31 December 2016

	RM'000
Operating revenue	279,379
Gross earned contributions	269,430
Contributions ceded to retakaful operators	(100,165)
Net earned contributions	169,265
Investment income	9,845
Realised gains and losses – net	282,885
Fair value gains and losses - net	(16,785)
Fee and commission income	19,730
Other operating revenue from non-insurance businesses	104
Other operating income - net	6,684
Other revenue	302,463
Total revenue	471,728
Gross benefits and claims paid	(141,756)
Claims ceded to retakaful operators	46,860
Gross change to contract liabilities	(11,212)
Change in contract liabilities ceded to retakaful operators	13,108
Net takaful benefits and claims	(93,000)
Fee and commission expense	(46,143)
Management expenses	(44,005)
Expenses liabilities	(330)
Other expenses	(90,478)
Profit before taxation	288,250
Tax expenses attributable to participants	(1,380)
Profit before taxation	286,870
Taxation	(5,109)
Tax expenses attributable to participants	1,380
Tax expenses attributable to Shareholders' fund	(3,729)
Profit for the financial year	283,141

B6. INVESTMENT INCOME

	4Q-2017	4Q-2016 (Restated)	FYE2017	FYE2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Interest income	3,282	3,177	12,395	10,884
Dividend income	523	67	2,494	67
Rental income	114	30	301	248
	3,919	3,274	15,190	11,199
Discontinued Operations				
Interest income	-	-	-	9,069
Dividend income	-	-	-	867
Amortisation of premium	-	-	-	(91)
	-	-	-	9,845

B7. REALISED GAINS AND LOSSES – NET

	4Q-2017	4Q-2016 (Restated)	FYE2017	FYE2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Gains on disposal of:				
- investments	1,510	-	2,785	7
- property, plant and equipment	1	200	46	218
	1,511	200	2,831	225
Discontinued Operations				
Gains on disposal of:				
- investments	-	-	-	1,510
- subsidiaries	-	-	-	281,375
	-	-	-	282,885

B8. FAIR VALUE GAINS AND LOSSES – NET

	4Q-2017	**4Q-2016 (Restated)**	**FYE2017**	**FYE2016 (Restated)**
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Net fair value gains/(losses) on:				
- investments	(231)	(29)	(220)	79
- investment properties	-	2,011	(8,089)	2,011
	(231)	1,982	(8,309)	2,090
Discontinued Operations				
Net fair value losses on:				
- investments	-	-	-	(16,785)

B9. PROFIT/(LOSS) BEFORE TAXATION FOR THE FINANCIAL QUARTER AND YEAR

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

	4Q-2017	4Q-2016 (Restated)	FYE2017	FYE2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
(Allowance for)/write back of impairment loss on:				
- other receivables	-	831	(45)	(1,407)
- loans from leasing, hire purchase and others receivables	1	-	2	6
- insurance receivables	771	-	95	-
- investments	(157)	-	32	-
Disposal costs of MAA Takaful	-	-	-	(1,780)
Property, plant and equipment				
- written off	(161)	(1)	(195)	(61)
- impairment loss	-	(12)	-	(12)
Intangible assets written off	-	-	-	(1)
Bad debts recovered	2	14	58	63
Realised foreign exchange (losses)/gains	(991)	(1)	(1,702)	17
Unrealised foreign exchange gains/(losses)	159	1,531	129	(632)
Other income arising from settlement with other receivable	-	-	20,000	-
Reserve arising from business combination	(5,388)	-	10,025	-
Gain on remeasurement of previously held equity interest in an associate	(830)	-	1,666	-
Loss on deconsolidation of subsidiaries	-	-	(668)	-
Adjustment to reduce PV Charge to Retained Consideration	-	(5,800)	1,841	(5,800)
Depreciation of property, plant and equipment	(271)	(223)	(954)	(828)
Amortisation of intangible assets	(15)	(29)	(69)	(86)
Amortisation of leases	-	-	(1)	(2)
Discontinued Operations				
(Allowance for)/write back of impairment loss on:				
- other receivables	-	-	-	(27)
- takaful receivables	-	-	-	827
Property, plant and equipment written off	-	-	-	(16)
Intangible assets written off	-	-	-	(383)
Write back of takaful payables	-	-	-	6,666
Depreciation of property, plant and equipment	-	-	-	(1,287)
Amortisation of intangible assets	-	-	-	(637)

B10. TAXATION

	4Q-2017	4Q-2016 (Restated)	FYE2017	FYE2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Current tax				
Current financial quarter/year	1,466	(105)	1,269	1
Under/(over) provision in prior financial quarter/year	-	-	17	(13)
	1,466	(105)	1,286	(12)
Deferred tax				
Current financial quarter/year	(48)	47	996	78
Tax expense/(income)	1,418	(58)	2,282	66
Discontinued Operations				
Current tax				
Current financial quarter/year	-	-	-	3,705
Deferred tax				
Current financial quarter/year	-	-	-	24
Tax expense	-	-	-	3,729

Even though the Group recorded a loss, provision for taxation has been made in the current financial quarter under review mainly for the profit recorded by General Insurance business held via MAAGAP as the group loss relief in Malaysia is not applicable to MAAGAP.

The Group's effective tax rate for the current and previous financial year was lower than the statutory tax rate due mainly to certain income/gains not subject to tax.

B11. CORPORATE PROPOSALS

(a) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the MMLR of Bursa Securities whereby a listed issuer has suspended or ceased its major business, i.e. in this case the disposal of Malaysian Assurance Alliance Berhad (now known as Zurich Insurance Malaysia Berhad).

Nonetheless, the Company did not trigger any of the other prescribed criteria under PN17 of MMLR, such as consolidated shareholders’ equity of 25% or less of the issued and paid up share capital, a default in payment by the Group, the auditors having expressed an adverse or disclaimer opinion on the Company’s latest audited accounts, etc.

Pursuant to Paragraph 8.04(3) of the MMLR, the Company is required to regularise its condition by undertaking a regularisation plan. The regularisation plan was required to be submitted to Bursa Securities on 30 September 2012, and was subsequently extended until to 30 June 2018 via Bursa Securities’ letters dated 12 January 2018, 18 July 2017, 16 February 2017, 21 July 2016, 18 February 2016, 4 August 2015, 23 March 2015, 21 October 2014, 11 March 2014, 1 August 2013 and 20 December 2012.

The extension of time of up to 30 June 2018 for the Company to submit a regularisation plan is without prejudice to Bursa Securities’ right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the event:

(i) The Company fails to submit a regularisation plan to the regulatory authorities on or before 30 June 2018;

(ii) The Company fails to obtain approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and

(iii) The Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iii) above, Bursa Securities shall suspend the trading of the listed securities of the Company on the next market day on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

B11. CORPORATE PROPOSALS (continued)

(b) On 6 December 2016, the Company announced that MAAIG, a wholly owned subsidiary of MAA Corporation Sdn Bhd, had on the same date remitted a sum of PHP300 million to subscribe for additional 300,000 new shares with par value of PHP1,000.00 per share ("Proposed Subscription") of MAAGAP, a licensed general insurance company operating in the Republic of Philippines. The Proposed Subscription is subject to the approval of regulatory authority in the Philippines.

On 21 April 2017, the Company announced that MAAGAP has received approval from Securities & Exchange Commission of Philippines vide its letter dated 19 April 2017 for the increase in the authorised and paid-up share capital of MAAGAP via the capital injection of PHP300 million by MAAIG, MAAGAP will now be a 70% subsidiary of MAAIG.

(c) On 6 December 2016, MAAIG applied to Labuan Financial Services Authority ("LFSA") to surrender its Labuan composite insurance license premised that since the second half of 2014 it had ceased all the previous offshore reinsurance and investment-linked businesses and also taking into consideration the high compliance cost. Presently the principal activity of MAAIG is investment holding and it does not have plan to re-active its insurance business.

On 5 January 2017, the Company announced that LFSA had vide its letter dated 3 January 2017 granted approval to MAAIG to surrender the Labuan composite insurance license effective 31 January 2017.

(d) On 11 April 2017, the Company announced that it has on the same day entered into the following agreements for the Acquisition of Properties:

(i) supplemental sale and purchase agreement with PIMA Pembangunaan Sdn Bhd ("PIMA") to complete the purchase of 783 car parking bays situated at a commercial development known as Prima Klang Avenue ("Development") for a purchase price of RM3.5 million;

(ii) sale and purchase agreement with PIMA to purchase 38 office suits and retail units in Block B of the Development for a purchase price of RM23.0 million;

(iii) sale and purchase agreement with PIMA to purchase the land, together with the platform built thereon, comprised in Block C of the Development for a purchase price of RM11.0 million, and

(iv) settlement agreement with PIMA wherein the purchase considerations for the Properties will settle the amount owing by PIMA to the Company under the joint venture agreement entered into in 2013 with the balance purchase considerations totalling RM6.0 million payable to PIMA upon delivery of vacant possession of the Properties.

B11. CORPORATE PROPOSALS (continued)

(e) On 30 August 2017, the Company announced that the following in-active subsidiaries of the Group have commenced members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:

(i) Keris Murni Sdn Bhd;
(ii) Jaguh Suria Sdn Bhd;
(iii) Genting Mutiara Sdn Bhd; and
(iv) Pelangi Tegas Sdn Bhd.

Pursuant to the above, Mr. Ong Hock An, Dato's Feizal Mustapha and Mr Bernad Tan Chek Hean of BDO Consulting Sdn Bhd have been appointed as the Liquidators of these subsidiaries.

Following the appointment of the liquidators, the Group has relinquished its control and involvement over these subsidiaries to the liquidators. Accordingly, these companies ceased to be subsidiaries of the Group with effect from 30 August 2017 and were deconsolidated from group consolidated accounts on that date.

(f) On 24 November 2017, the Company announced that MAA Corporate & Compliance Phils. Inc ("MAACC"), a wholly-owned subsidiary of the Group obtained approval from the Securities and Exchange Commission of Philippines for the dissolution of the company vide the Certificate of Dissolution dated on 22 November 2017. With this, MAACC ceased to be subsidiary of the Group with effect from 22 November 2017 and was deconsolidated from group consolidated accounts on that date.

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

B12. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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

(a) Disposal of Malaysian Assurance Alliance Berhad and other subsidiaries on 30 September 2011

	Purpose	Proposed Utilisation	Actual Utilisation	Intended timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	Repayment of Medium-Term Notes	140,000	140,000	Immediately upon the receipt of the proceeds from the proposed disposal	-	-
(ii)	Repayment of borrowings and the payment of related interest cost	36,400	36,416	Immediately upon the receipt of the proceeds from the proposed disposal	16	-
(iii)	Payment of borrowings restructuring fees	3,800	3,800	Immediately upon the receipt of the proceeds from the proposed disposal	-	-
(iv)	General working capital requirements	191,096	121,651	Within 24 months from the date of receipt of the proceeds from the proposed disposal	-	-
(v)	Payment of dividends to shareholders during FY 2014, 2015, 2016 and 2017	-	69,429	-	69,429	Dividend payment to shareholders
	Total	371,296*	371,296		69,445	

* consist of headline consideration of RM344.0 million as stated in the Circular to Shareholders dated 29 August 2011 and additional proceeds received from price adjustments, net of settlement of agreed claims with the purchaser, Zurich Insurance Company Ltd ("Zurich").

B12. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)

(b) Disposal of MAAKL Mutual Bhd on 30 December 2013

	Purpose	Proposed Utilisation	Actual Utilisation	Intended timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	General working capital requirements	53,061	20,331	No limit specified	-	-
	Total	53,061	20,331		-	

(c) Disposal of MAA Takaful on 30 June 2016

	Purpose	Proposed Utilisation	Actual Utilisation	Intended timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	Proposed Special Dividend	100,761	100,761	Within 6 months from the disposal completion date	-	-
(ii)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	196,739	106,606*	Within 24 months from the disposal completion date	n/a as the 24 months period is not yet due	-
		93,750	-	Within 24 months from the receipt of the Balance Consideration	n/a as the Balance Consideration has not been received yet	-
(iii)	Estimated expenses relating to the disposal	2,500	2,403	Within 1 month from the disposal completion date	97	-
(iv)	Payment of dividends to shareholders during FY 2017	-	8,207	-	8,207	Dividend payment to shareholders
	Total	393,750	217,977		8,304	

*consist of:

a) an amount of RM29.351 million being the downward price adjustment in accordance with the terms of the sale and purchase agreement paid on 27 December 2016 to the purchaser, Zurich from the initial consideration of RM300.0 million received from Zurich on 30 June 2016, the sale completion date;

B12. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (continued)

(c) Disposal of MAA Takaful on 30 June 2016 (continued)

b) an amount of RM27.255 million being the consideration paid to subscribe for additional 300,000 new shares with par value of PHP1,000 per share of MAAGAP that increased the Group's equity interest from 40% to 70%, making it a subsidiary as stated in note B11(b) of these Interim Reports; and

c) an amount of RM50.0 million managed by professional investment manager for investment in equities quoted in Malaysia and Asia Pacific region.

B13. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group and the Company as at the reporting date.

B14. DIVIDEND PAYABLE

The Board of Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2017.

The total interim dividends paid for the current financial year ended 31 December 2017 is 9.0 sen per ordinary share (2016: 41.0 sen).

The Board of Directors has approved the payment of a first interim dividend of 3 sen per share under the single-tier dividend system in respect of the financial year ending 31 December 2018. The interim dividend payment date will be announced later.

B15. EARNINGS PER SHARE

	4Q-2017	**4Q-2016 (Restated)**	**FYE2017**	**FYE2016 (Restated)**
Attributable to the Owners of the Company:				
Net (loss)/profit for the financial quarter/year (RM'000)				
- Continuing Operations	(5,479)	(7,018)	25,136	(20,399)
- Discontinued Operations	-	(14,351)	-	282,689
	(5,479)	(21,369)	25,136	262,290
Weighted average number of ordinary shares in issue ('000)	273,518	288,880	273,518	284,268
Basic (loss)/earnings per share (sen)				
- Continuing Operations	(2.00)	(2.43)	9.19	(7.18)
- Discontinued Operations	-	(4.97)	-	99.44
	(2.00)	(7.40)	9.19	92.26

B16. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

By Order of the Board
Lily Yin Kam May
Company Secretary

KUALA LUMPUR
DATE: 28 February 2018