

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2017

	31 December 2017	31 December 2016 (Restated)	1 January 2016 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	4,612	3,686	14,575
Investment properties	49,981	19,824	19,356
Intangible assets	590	494	3,571
Associates	52,460	66,339	63,618
Deferred tax assets	667	-	2,334
Tax recoverable	172	252	340
Reinsurance/retakaful assets	34,943	-	270,408
Investments	335,555	179,405	587,382
Financial assets at fair value through profit or loss	19,310	2,086	354,855
Available-for-sale financial assets	210,748	36,779	144,710
Held-to-maturity financial assets	-	-	40,632
Loans and receivables	105,497	140,540	47,185
Insurance/takaful receivables	44,322	-	81,041
Deferred acquisition costs	16,475	-	-
Trade and other receivables ^(N1)	97,592	131,705	40,338
Cash and cash equivalents	141,228	157,074	357,245
Assets classified as held for sales	-	-	6,393
TOTAL ASSETS	778,597	558,779	1,446,601
EQUITY AND LIABILITIES			
LIABILITIES			
Insurance/takaful contract liabilities	150,968	-	846,792
Deferred tax liabilities	770	185	1,289
Insurance/takaful payables	8,656	-	88,321
Trade and other payables	53,285	12,116	71,079
Current tax liabilities	2,213	-	4,334
Liabilities directly associated with assets held for sales	-	-	1,281
TOTAL LIABILITIES	215,892	12,301	1,013,096
EQUITY			
Share capital	304,354	273,518	292,693
Treasury shares	-	-	(444)
Retained earnings	259,221	234,811	108,307
Reserves	(4,170)	38,149	5,160
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	559,405	546,478	405,716
Non-controlling interests	3,300	-	27,789
TOTAL EQUITY	562,705	546,478	433,505
TOTAL EQUITY AND LIABILITIES	778,597	558,779	1,446,601
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.05	2.00	1.39

^(N1) Included the balance sale consideration of RM93.75 million ("Retained Consideration") from the disposal of MAA Takaful Berhad which is payable to the Company on the third anniversary of the sale completion date, 30 June 2016 with a charge of RM5.8 million for present value adjustment ("PV Charge") to account for time value of money as at 31 December 2017.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017

	3 months ended		12 months ended	
	31 December 2017	31 December 2016 (Restated)	31 December 2017	31 December 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing Operations	43,744	3,951	119,024	18,059
- Discontinued Operations	-	-	-	279,379
	<u>43,744</u>	<u>3,951</u>	<u>119,024</u>	<u>297,438</u>
CONTINUING OPERATIONS				
Gross earned premiums	39,128	-	98,573	-
Premiums ceded to reinsurers	(13,486)	-	(28,389)	-
Net earned premiums	<u>25,642</u>	<u>-</u>	<u>70,184</u>	<u>-</u>
Investment income	3,919	3,274	15,190	11,199
Realised gains and losses - net	1,511	200	2,831	225
Fair value gains and losses - net	(231)	1,982	(8,309)	2,090
Commission income	653	-	1,861	-
Other operating revenue from non-insurance businesses	697	677	5,261	6,860
Other operating (expenses)/income - net	(7,239)	(3,187)	31,823	(7,227)
Other (expense)/revenue	<u>(690)</u>	<u>2,946</u>	<u>48,657</u>	<u>13,147</u>
Total revenue	<u>24,952</u>	<u>2,946</u>	<u>118,841</u>	<u>13,147</u>
Gross claims paid	(6,764)	-	(23,450)	-
Claims ceded to reinsurers	301	-	2,116	-
Gross change to contract liabilities	(3,674)	-	(20,772)	-
Change in contract liabilities ceded to reinsurers	(415)	-	8,754	-
Net claims incurred	<u>(10,552)</u>	<u>-</u>	<u>(33,352)</u>	<u>-</u>
Commission expense	(8,891)	-	(23,678)	-
Management expenses	(11,049)	(9,150)	(40,812)	(37,191)
Finance costs	(3)	-	(9)	-
Other expenses	<u>(19,943)</u>	<u>(9,150)</u>	<u>(64,499)</u>	<u>(37,191)</u>
Operating (loss)/profit	<u>(5,543)</u>	<u>(6,204)</u>	<u>20,990</u>	<u>(24,044)</u>
Share of profit/(loss) of associates, net of tax	1,582	(872)	7,636	3,711
(Loss)/profit before taxation	<u>(3,961)</u>	<u>(7,076)</u>	<u>28,626</u>	<u>(20,333)</u>
Taxation	(1,418)	58	(2,282)	(66)
(Loss)/profit for the financial quarter/year from continuing operations	<u>(5,379)</u>	<u>(7,018)</u>	<u>26,344</u>	<u>(20,399)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017
(continued)

	3 months ended		12 months ended	
	31 December 2017	31 December 2016 (Restated)	31 December 2017	31 December 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
<u>DISCONTINUED OPERATIONS</u>				
(Loss)/profit before taxation	-	(14,351)	-	286,870
Taxation	-	-	-	(3,729)
(Loss)/profit for the financial quarter/year from discontinued operations	-	(14,351)	-	283,141
(Loss)/profit for the financial quarter/year	(5,379)	(21,369)	26,344	262,742
(Loss)/profit for the financial quarter/year attributable to:				
Owners of the Company	(5,479)	(21,369)	25,136	262,290
Non-controlling interests	100	-	1,208	452
	(5,379)	(21,369)	26,344	262,742
Basic (loss)/earnings per ordinary share (sen) attributable to owners of the Company				
- Continuing Operations	(2.00)	(2.43)	9.19	(7.18)
- Discontinued Operations	-	(4.97)	-	99.44
	(2.00)	(7.40)	9.19	92.26

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017**

	3 months ended		12 months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial quarter/year	(5,379)	(21,369)	26,344	262,742
Other comprehensive income/(loss), net of tax :				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Foreign currency translation differences	(1,198)	9,722	(17,696)	10,275
Fair value changes of available-for-sale financial assets, net of tax	4,731	3,113	7,324	4,529
Share of fair value changes of available-for-sale financial assets of associates	-	(1,931)	526	(990)
Transferred to profit or loss arising from deemed disposal of an associate	-	-	728	-
Other comprehensive income/(loss) for the financial quarter/year, net of tax	3,533	10,904	(9,118)	13,814
Total comprehensive (loss)/income for the financial quarter/year	(1,846)	(10,465)	17,226	276,556
Total comprehensive (loss)/income for the financial quarter/year attributable to:				
Owners of the Company	(1,946)	(10,465)	16,018	276,104
Non-controlling interests	100	-	1,208	452
	(1,846)	(10,465)	17,226	276,556

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Attributable to owners of the Company								
	Share capital	Capital redemption reserves	Foreign exchange reserves	Reserves		Retained earnings	Total	Non-controlling interests	Total Equity
				Available - for-sale reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2017									
As at 1 January 2017									
- as previously stated	273,518	30,836	4,029	3,284	38,149	240,164	551,831	-	551,831
- change in accounting policy	-	-	-	-	-	(5,353)	(5,353)	-	(5,353)
- restated	273,518	30,836	4,029	3,284	38,149	234,811	546,478	-	546,478
Transfer pursuant to S618 (2) of New Act ^(Note 1)	30,836	(30,836)	-	-	(30,836)	-	-	-	-
Profit for the financial year	-	-	-	-	-	25,136	25,136	1,208	26,344
Other comprehensive (loss)/income	-	-	(17,696)	8,578	(9,118)	-	(9,118)	-	(9,118)
Total comprehensive (loss)/income for the financial year	-	-	(17,696)	8,578	(9,118)	25,136	16,018	1,208	17,226
Interim dividend paid	-	-	-	-	-	(24,617)	(24,617)	-	(24,617)
Acquisition of subsidiary with non-controlling interests	-	-	(546)	(1,819)	(2,365)	-	(2,365)	26,502	24,137
Realised foreign currency translation differences	-	-	-	-	-	10,233	10,233	-	10,233
Transactions with non-controlling interests	-	-	-	-	-	13,658	13,658	(24,410)	(10,752)
As at 31 December 2017	304,354	-	(14,213)	10,043	(4,170)	259,221	559,405	3,300	562,705

^(Note 1) The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the Company transferred the amounts standing to the credit of the capital redemption reserve account of RM30,836,000 to share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(continued)

	Attributable to owners of the Company									
	Share capital	Treasury share	Capital redemption reserves	Foreign exchange reserves	Reserves		Retained earnings	Total	Non-controlling interests	Total Equity
					Available - for-sale reserves	Total				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016										
As at 1 January 2016										
- as previously stated	292,693	(444)	11,661	(6,246)	(255)	5,160	112,643	410,052	27,789	437,841
- change in accounting policy	-	-	-	-	-	-	(4,336)	(4,336)	-	(4,336)
- restated	292,693	(444)	11,661	(6,246)	(255)	5,160	108,307	405,716	27,789	433,505
Profit for the financial year										
- as previously stated	-	-	-	-	-	-	263,307	263,307	452	263,759
- change in accounting policy	-	-	-	-	-	-	(1,017)	(1,017)	-	(1,017)
- restated	-	-	-	-	-	-	262,290	262,290	452	262,742
Other comprehensive income	-	-	-	10,275	3,539	13,814	-	13,814	-	13,814
Total comprehensive income for the financial year	-	-	-	10,275	3,539	13,814	262,290	276,104	452	276,556
Interim dividend paid	-	-	-	-	-	-	(117,725)	(117,725)	-	(117,725)
Share buy-back	-	(17,617)	-	-	-	-	-	(17,617)	-	(17,617)
Cancellation of treasury shares	(19,175)	18,061	-	-	-	19,175	(18,061)	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	(28,241)	(28,241)
As at 31 December 2016	273,518	-	11,661	4,029	3,284	38,149	234,811	546,478	-	546,478

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 2016.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	12 months ended	
	31 December 2017	31 December 2016 (Restated)
	RM'000	RM'000
Profit/(loss) for the financial year from continuing operations	26,344	(20,399)
Investment income	(15,190)	(11,199)
Realised gains and losses - net	(2,831)	(225)
Fair value gains and losses - net	8,309	(2,090)
Other income arising from settlement with other receivable	(20,000)	-
Reserve arising from business combination	(10,025)	-
Gain on remeasurement of previously held equity interest in an associate	(1,666)	-
Adjustment to reduce PV Charge to Retained Consideration	(1,841)	5,800
Share of profit of associates	(7,636)	(3,711)
Tax expenses	2,282	66
Non-cash items:		
(Write back of)/allowance for impairment loss on:		
- loans from leasing, hire purchase and other receivables	(2)	(6)
- trade and other receivables	45	1,407
- insurance receivables	(95)	-
Depreciation of property, plant and equipment	954	828
Property, plant and equipment written off	195	61
Allowance for impairment loss on property, plant and equipment	-	12
Amortisation of leases	1	2
Amortisation of intangible assets	69	86
Intangible assets written off	-	1
Unrealised foreign exchange loss	313	598
Changes in working capital:		
(Increase)/decrease in loans and receivables	(223)	181
Increase in reinsurance assets	(3,389)	-
Decrease in insurance receivables	3,536	-
Increase in deferred acquisition costs	(154)	-
Increase in trade and other receivables	(10,248)	(15,672)
Increase in insurance contract liabilities	8,317	-
Decrease in insurance payables	(25)	-
Increase/(decrease) in trade and other payables	344	(6,840)
Cash used in operating activities	(22,616)	(51,100)
Investment income received	15,920	10,765
Income tax paid	(33)	(74)
Income tax refund	24	153
Net cash used in operating activities (continuing operations)	(6,705)	(40,256)
Net cash generated from operating activities (discontinued operations)	-	71,501

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(continued)

	12 months ended	
	31 December 2017	31 December 2016
	RM'000	RM'000
Investing activities:		
Purchase of property, plant and equipment	(746)	(969)
Proceeds from disposal of property, plant and equipment	135	335
Addition from subsequent expenditure of investment properties	(245)	(267)
Purchase of intangible assets	(97)	(392)
Purchases of financial assets	(34,174)	(3,070)
Proceeds from disposal of financial assets	5,981	1,763
Increase/(decrease) in fixed and call deposits	31,909	(114,000)
Net cash inflow from disposal of discontinued operations	-	11,919
Net cash inflow from business combination	17,630	-
Net cash generated from/(used in) investing activities (continuing operations)	20,393	(104,681)
Net cash used in investing activities (discontinued operations)	-	(499)
Financing activities:		
Purchase of treasury shares	-	(17,617)
Dividend paid	(24,617)	(117,725)
Net cash used in financing activities (continuing operations)	(24,617)	(135,342)
Net decrease in cash and cash equivalents	(10,929)	(280,279)
Net increase in cash and cash equivalents - discontinued operations	-	71,002
Currency translation difference	(4,917)	9,106
Cash and cash equivalents at beginning of financial year	157,074	357,245
Cash and cash equivalents at end of financial year	141,228	157,074
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	109,052	153,886
Cash and bank balance	32,176	3,188
	141,228	157,074

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.