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 as set out in 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.

These unaudited Interim Reports should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017. 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 2017.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted by the Group in these Interim Reports are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2017.

The following standards, amendments to MFRSs and annual improvements to MFRSs that are effective from financial year beginning on or after on 1 January 2018 have been adopted by the Group:

- MFRS 9 'Financial Instruments'
- MFRS 15 'Revenue from Contracts with Customers'
- 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'

The adoption of the above did not have any significant financial impact to the current financial year's consolidated financial statements of the Group upon their initial application, except as mentioned below:

MFRS 9 'Financial Instruments'

MFRS 9 replaces the provision of MFRS 139 'Financial Instruments: Recognition and Measurement'. The adoption of MFRS 9 has resulted in changes in accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost ("AC"), fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at FVTPL with an irrevocable option at inception to present changes in fair value in other comprehensive income (provided the instrument is not held for trading). A debt instrument is measured at AC only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to other comprehensive income. There is no subsequent recycling to profit or loss.

- When a financial liability measured at AC is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new impairment model under MFRS 9 requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at AC, debt instruments measured at FVOCI, contract assets under MFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts.

MFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosure about its financial instruments particularly in the year of the adoption of the new standard.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

Based on the assessment conducted, the Group's financial assets as at 1 January 2018 are reclassified to the following classifications:

Group's Financial Assets	Notes	MFRS 139 Classification	MFRS 139 Carrying amount as at 31.12.2017	MFRS 9 Classification	MFRS 9 Carrying amount as at 1.1.2018
			RM'000		RM'000
Investments in Government debt securities	(a)	AFS	49,065	AC FVOCI	11,361 39,424
Investments in Corporate debt securities	(b)	AFS	49,016	AC FVOCI	46,626 3,988
Investments in Equity securities	(c)	FVTPL AFS	17,267 112,667	FVTPL FVOCI	105,981 23,953
Investments in Unit trusts	(d)	FVTPL	2,043	FVTPL	2,043
Loans and receivables, including fixed and call deposits with licensed banks with maturity of more than 3 months		LAR	105,497	AC	105,439
Reinsurance assets		LAR	34,943	AC	34,943
Insurance receivables		LAR	44,322	AC	43,921
Trade and other receivables		LAR	97,591	AC	97,591
Cash and cash equivalents, including fixed and call deposits with licensed banks with maturity of 3 months or less		LAR	141,226	AC	141,153
Total			**653,637**		**656,423**

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

(a) The Group's certain investments in government debt securities classified as AFS under MFRS 139 with carrying amount of RM9,641,000 as at 31 December 2017 that are held to collect contractual cash flows have been reclassified to AC under MFRS 9 and their fair value of RM1,732,000 were deemed to be the starting amortised cost for these investments as at 1 January 2018 with no impact to retained earnings from the reclassification. For other government debt securities with carrying amount of RM39,424,000 reclassified from AFS under MFRS 139 to FVOCI as elected under MFRS 9, the related fair value loss of RM1,110,000 was transferred from AFS reserve to FVOCI reserve on 1 January 2018.

(b) The Group's certain investments in corporate debt securities classified as AFS under MFRS 139 with carrying amount of RM45,028,000 as at 31 December 2017 that are held to collect contractual cash flows have been reclassified to AC under MFRS 9 and their fair value of RM1,998,000 were deemed to be the starting amortised cost for these investments as at 1 January 2018 with no impact to retained earnings from the reclassification. For other corporate debt securities with carrying amount of RM3,988,000 reclassified from AFS under MFRS 139 to FVOCI as elected under MFRS 9, the related fair value loss of RM84,000 was transferred from AFS reserve to FVOCI reserve on 1 January 2018.

(c) The Group's equity investments were classified as FVTPL and AFS under MFRS 139 with carrying amount of RM17,267,000 and RM112,667,000 respectively as at 31 December 2017. Equity investments previously measured at FVTPL continued to be measured on the same basis under MFRS 9. Certain equity investments with carrying amount of RM88,714,000 as at 31 December 2017 were reclassified from AFS to FVTPL under MFRS 9 and the related fair value gain of RM13,833,000 was transferred from the AFS reserve to retained earnings on 1 January 2018. For other equity investments with carrying amount of RM23,953,000 as at 31 December 2017 were reclassified from AFS under MFRS 139 to FVOCI as elected under MFRS 9, the related fair value gain of RM1,135,000 were transferred from AFS reserve to FVOCI reserve on 1 January 2018. The measurement of these equity investments classified as FVOCI are not affected; however the gains or losses realised on the sale of these equity investments will no longer be transferred to profit or loss on sale, but instead reclassified from the FVOCI reserve to retained earnings.

(d) The Group's unit trust investments classified as FVTPL under MFRS 139 continued to be measured on the same basis under MFRS 9.

There is no impact on the Group's accounting for financial liabilities as MFRS 9 requirements only affect the accounting for financial liabilities that are designated at FVTPL, the Group does not have such liabilities.

The new hedge accounting rules under MFRS 9 will not affect the Group as it does not have hedge instruments.

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

The following table reconciles the carrying amounts of the Group's financial assets under MFRS 139 to the carrying amounts under MFRS 9 on the transition to MFRS 9 on 1 January 2018:

Group's Financial Assets	MFRS 139 Carrying amount as at 31.12.2017	As at 1.1.2018 Reclassification	As at 1.1.2018 Remeasurement	MFRS 9 Carrying amount as at 1.1.2018
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Closing balance at 31.12.2017	19,310			
Reclassification from AFS financial assets		88,714		
Opening balance at 1.1.2018				108,024
Financial assets at FVOCI				
Closing balance at 31.12.2017	-			
Reclassification from AFS financial assets		67,365		
Opening balance at 1.1.2018				67,365
Financial assets at AC				
Closing balance at 31.12.2017	-			
Reclassification from AFS financial assets		58,399		
Recognition of ECL			(412)	
Opening balance at 1.1.2018				57,987
AFS financial assets				
Closing balance at 31.12.2017	210,748			
Reclassification to:				
- Financial assets at FVTPL		(88,714)		
- Financial assets at FVOCI		(67,365)		
- Financial assets at AC		(54,669)		
Opening balance at 1.1.2018				-
Loans and receivables				
Closing balance at 31.12.2017	105,497			
Recognition of ECL			(58)	
Opening balance at 1.1.2018				105,439
Reinsurance assets	34,943			34,943

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

The following table reconciles the carrying amounts of the Group's financial assets under MFRS 139 to the carrying amounts under MFRS 9 on the transition to MFRS 9 on 1 January 2018: (continued)

Group's Financial Assets	MFRS 139	As at 1.1.2018		MFRS 9
	Carrying amount as at 31.12.2017	Reclassification	Remeasurement	Carrying amount as at 1.1.2018
	RM'000	RM'000	RM'000	RM'000
Insurance receivables				
Closing balance at 31.12.2017	44,322			
Recognition of ECL			(401)	
Opening balance at 1.1.2018				43,921
Trade and other receivables	97,591			97,591
Cash and cash equivalents				
Closing balance at 31.12.2017	141,226			
Recognition of ECL			(73)	
Opening balance at 1.1.2018				141,153
Total	**653,637**	**3,730**	**(944)**	**656,423**

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

The following table reconciles:

- The closing allowance for impairment loss for financial assets in accordance with MFRS 139 as at 31 December 2017; to
- The opening allowance for impairment loss determined using ECL method in accordance with MFRS 9 as at 1 January 2018.

	MFRS 139		**MRFS 9**
	Allowance for impairment Loss as at 31.12.2017	**Remeasurement**	**Allowance for impairment Loss as at 1.1.2018**
	RM'000	RM'000	RM'000
Investments in :			
- Government debt securities at AC	-	12	12
- Government debt securities at FVOCI	-	43	43
- Corporate debt securities at AC	-	400	400
- Corporate debt securities at FVOCI	-	20	20
Fixed and call deposits with licensed banks	-	58	58
Insurance receivables	1,770	401	2,171
Cash and bank balances	-	73	73
Total	**1,770**	**1,007**	**2,777**

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 9 'Financial Instruments' (continued)

The following table shows the impact of transition to MFRS 9 on the opening fair value reserve and retained earnings.

	Effect on AFS reserves	Effect on FVOCI reserves	Effect on Retained earnings
	RM'000	RM'000	RM'000
Opening balance – MFRS 139	**10,044**	**-**	**259,140**
Reclassify financial assets at AFS to FVTPL	(13,833)	-	13,833
Reclassify financial assets at AFS to AC	3,730	-	-
Reclassify financial assets at AFS to FVOCI	59	(59)	-
Increase in allowance for impairment loss:			
- financial assets at FVOCI	-	63	(63)
- financial assets at AC	-	-	(412)
- loans and receivables	-	-	(58)
- insurance receivables	-	-	(401)
- cash and cash equivalents	-	-	(73)
	(10,044)	4	12,826
Opening balance – MFRS 9	**-**	**4**	**271,966**

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

Effective for annual periods commencing on or after 1 January 2019

- MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations
- IC Interpretation 23 'Uncertainty over Income Tax Treatments'
- Amendments to MFRS 128 'Long-term Interests in Associates and Joint Ventures'
- Amendments to MFRS 9 'Prepayment features with negative compensation'
- Annual Improvements to MFRSs 2015 – 2017 Cycle

Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 'Insurance Contracts' replaces MFRS 4 '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 period ended 31 March 2018.

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 period ended 31 March 2018.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have material effect in the current financial quarter and period ended 31 March 2018.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and period ended 31 March 2018.

A7. DIVIDEND PAID

No interim dividend was paid by the Company during the current financial quarter and period ended 31 March 2018 in respect of the financial year ending 31 December 2018.

For the previous financial period ended 31 March 2017, the Company paid a first interim dividend of 6 sen per ordinary share under the single-tier dividend system in respect of the financial year ended 31 December 2017 totaling RM16,411,065 on 31 March 2017.

A8. SEGMENTAL INFORMATION

The following summary describes the operations in each of the Group's operating segments for the current financial quarter and period ended 31 March 2018:

- 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 March 2018

	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	1,965	944	-	36,230	25	39,164
(Loss)/profit before taxation before share of profit of associates	(13,988)	39	-	2,423	(427)	(11,953)
Share of profit of associates	-	-	757	-	-	757
(Loss)/profit before taxation	(13,988)	39	757	2,423	(427)	(11,196)

3 months period ended 31 March 2017 (restated)

	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	2,612	1,401	-	-	23	4,036
Loss before taxation before share of profit of associates	(2,423)	37	-	-	(325)	(2,711)
Share of profit of associates	-	-	560	861	-	1,421
(Loss)/profit before taxation	(2,423)	37	560	861	(325)	(1,290)

A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial period ended 31 March 2018 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the current financial quarter and period ended 31 March 2018.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current financial quarter and period ended 31 March 2018. As at 31 March 2018, 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. These revalued amounts have been carried forward to the current financial period ended 31 March 2018.

A13. CONTINGENCIES

There were no contingent assets and liabilities as at the end of the financial period ended 31 March 2018.

A14. CAPITAL COMMITMENTS

There were no significant capital commitments for the purchase of property, plant and equipment as at the end of the financial period ended 31 March 2018.

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

Current financial quarter ended 31 March 2018 ("1Q-2018") against preceding year's corresponding financial quarter ended 31 March 2017 ("1Q-2017")

Group

	1Q-2018	**1Q-2017**
	RM'000	RM'000
Operating revenue	39,164	4,036
Loss before taxation	(11,196)	(1,290)

In 1Q-2018 under review, the Group recorded a higher total operating revenue of RM39.2 million (1Q-2017: RM4.0 million), mainly comprised of gross earned premiums of RM34.5 million (1Q-2017: nil) contributed by the General Insurance business held via MAAGAP.

The Group recorded a Loss before taxation ("LBT") of RM11.2 million (1Q-2017: LBT of RM1.3 million). The General Insurance business contributed a profit before taxation ("PBT") of RM2.4 million (1Q-2017: nil) while the Retail Mortgage Lending business contributed a share of profit after taxation of RM0.8 million (1Q-2017: RM0.6 million) and a small PBT of RM39,000 (1Q-2017: PBT of RM37,000) from the Education Services Segment, offset by a LBT of RM14.0 million (1Q-2017: LBT of RM2.4 million) from the Investment Holdings segment.

Investment Holdings

Key financial performance	**1Q-2018**	**1Q-2017**
	RM'000	RM'000
Operating revenue	1,965	2,612
Loss before taxation	(13,988)	(2,423)
Assets	463,267	540,819
Liabilities	9,904	10,132

Total operating revenue of Investment Holdings segment comprised mainly of interest income decreased by 26.9% to RM1.9 million (1Q-2017: RM2.6 million) in 1Q-2018, mainly due to deployment of funds from fixed deposit placements for interim dividend payments, working capital and investment in quoted equity securities to earn higher return than fixed deposit rates.

In 1Q-2018, Investment Holdings segment recorded a LBT of RM14.0 million (1Q-2017: LBT of RM2.4 million) caused by fair value loss on financial assets classified at FVTPL totaling RM10.1 million.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2018 ("1Q-2018") against preceding year's corresponding financial quarter ended 31 March 2017 ("1Q-2017") (continued)

Investment Holdings (continued)

As at 31 March 2018, Investment Holdings segment's assets were lower at RM463.3 million as compared to RM540.8 million as at 31 March 2017 due mainly to payment of second interim dividend totaling RM8.2 million for the financial year ended 31 December 2017 on 23 October 2017 and derecognition of previously held investment in associated company MAAGAP and the related amounts due therein to investment in subsidiary pursuant to the capital restructuring exercise carried out in 2017.

Education Services

Key financial performance	1Q-2018	1Q-2017
	RM'000	RM'000
Operating revenue	944	1,401
Profit before taxation	39	37
Assets	820	2,055
Liabilities	241	661

Total operating revenue of Education Services segment consists of tuition fee income recorded a 35.7% decrease to RM0.9 million (1Q-2017: RM1.4 million) in 1Q-2018 due mainly to reduction in students enrollment.

Notwithstanding the lower tuition fee income, the Education Services segment recorded a marginal increase in PBT to RM39,000 (1Q-2017: PBT of RM37,000) contributed by cost control measures undertaken.

As at 31 March 2018, Education Services segment's assets and liabilities were lower at RM820,000 and RM241,000 respectively subsequent to written off of renovation and fixtures from closure and consolidation of tuition centres together with deconsolidation of inactive subsidiaries under shareholders' voluntary winding up undertaken in 2017.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2018 ("1Q-2018") against preceding year's corresponding financial quarter ended 31 March 2017 ("1Q-2017") (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	**1Q-2018**		**1Q-2017**	
	AUD'000	RM'000	AUD'000	RM'000
Operating revenue	33,763	104,211	22,522	75,666
Profit before taxation	971	2,995	597	2,007
Group's share of profit after taxation	243	757	167	560
Currency exchange rate	1 RM = 0.32 to 0.33 AUD		1 RM = 0.29 to 0.30 AUD	

CCA's operating revenue consists of loan interest and fee income. In 1Q-2018, the operating revenue grew to RM104.2 million, a 37.6% increase compared to 1Q-2017 of RM75.7 million, on the back of higher assets under management from AUD 1.91 billion as at 31 March 2017 to AUD 2.84 billion as at 31 March 2018.

CCA recorded a higher PBT from RM2.0 million in 1Q-2017 to RM3.0 million in 1Q-2018, driven mainly by the 37.6% growth in operating revenue with a slightly higher net interest margin of 1.07% (1Q-2017: 0.95%) contributed by lower trail commission expense.

In 1Q-2018, CCA has contributed a share of profit after taxation of RM0.8 million (1Q-2017: share of profit after taxation of RM0.6 million).

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2018 ("1Q-2018") against preceding year's corresponding financial quarter ended 31 March 2017 ("1Q-2017") (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	**1Q-2018**		**1Q-2017**	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	518,892	39,598	504,346	44,758
Underwriting surplus	94,333	7,235	75,644	6,703
Investment income	22,516	1,721	15,279	1,356
Claim ratio in %	39.0%	39.0%	44.9%	44.9%
Commission ratio in %	28.4%	28.4%	24.5%	24.5%
Profit before taxation	29,856	2,423	39,955	3,347
Assets	3,806,137	281,640	3,170,412	278,921
Liabilities	2,697,128	199,578	2,223,077	195,578
Range of currency exchange rate	1 RM = 11.39 to 13.51 PHP		1 RM= 11.25 to 12.30 PHP	
MAAGAP's profit contribution to the Group				
- as an associated company till 18 April 2017	-	-	24,284	861
- as a subsidiary effective on 19 April 2017	29,856	2,423	-	-
	29,856	2,423	24,284	861

In 1Q-2018, GPW grew by 2.9% from PHP504.3 million in 1Q-2017 to PHP518.9 million, driven mainly by increase in the production of both motor and non-motor classes of business. Motor and non-motor businesses contributed 40% (1Q-2017: 40%) and 60% (1Q-2017: 60%) respectively of the total GPW in 1Q-2018.

MAAGAP registered a lower PBT of PHP29.9 million in 1Q-2018, a 25.3% decrease over PHP40.0 million in 1Q-2017. Despite of the premium growth, higher underwriting surplus and investment income, the lower profit in 1Q-2018 was caused by fair value loss of PHP42.2 million (approximately RM3.1 million) on financial assets classified at FVTPL.

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2018 ("1Q-2018") against preceding year's corresponding financial quarter ended 31 March 2017 ("1Q-2017") (continued)

General Insurance (continued)

MAAGAP's total assets grew by 20.1% from PHP3,170.4 million as at 31 March 2017 to PHP3,806.1 million as at 31 March 2018 contributed by increase in financial assets and fixed deposits. Total liabilities increased by 21.3% to PHP2,697.1 million as at 31 March 2018 (31 March 2017: PHP2,223.1 million), attributed by 15.0% increase in insurance contract liabilities to PHP1,943.5 million (31 March 2017: PHP1,690.4 million) consistent with the growth in business written.

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (1Q-2018) AGAINST THE PRECEDING FINANCIAL QUARTER (4Q-2017)

In 1Q-2018, the Group recorded a LBT of RM11.2 million (4Q-2017: LBT of RM4.0 million). The loss in 1Q-2018 arose mainly from fair value loss on financial assets classified at FVTPL totaling RM13.2 million.

B3. PROSPECTS

The Philippines is expected to sustain robust economic growth with forecast GDP of 7 % – 7.5% (2017: 6.7%) in 2018. Riding on this, the Group expects its General Insurance business in the Philippines held via subsidiary MAAGAP to continue growth momentum in 2018 with its action plans.

2018 will be a challenging year for the Retail Mortgage Lending business of the Group held via associated company CCA. Since end 2017, the Bank Bill Swap Rate ("BBSW") in Australia which is one of the reference rate for CCA's funding costs has risen. The higher BBSW reflected a tightening of domestic liquidity, increases CCA's funding costs. The increased funding cost could not be passed on to the mortgage loan borrowers given the competitive market environment with major banks in Australia re-entering the market with aggressive pricing. The rates war and the BBSW adverse movement if pro-longed will impact the profitability of CCA arising from pressure on net interest margin. On this, CCA will monitor the market conditions closely and work towards achieving the right mortgage portfolio mix to reduce the interest margin pressure while it continues with efforts to grow the loan book.

For the Group's Education Services business, 2018 will remain challenging with issue of declining student enrollment. To improve student enrollment, the Education Services has and will continue to intensify its marketing initiatives and recruit and retain quality tutors to turnaround the operating result.

In 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 foresees 2018 to be a challenging year for the Group.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. INVESTMENT INCOME

	3 months period ended		3 months period ended	
	31.3.2018	**31.3.2017**	**31.3.2018**	**31.3.2017**
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	76	-	76	-
Financial assets at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	12	-	12	-
- Equity securities quoted outside Malaysia	136	-	136	-
	148	-	148	-
Financial assets at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	316	-	316	-
Interest income				
- Government debt securities quoted outside Malaysia	551	-	551	-
- Corporate debt securities quoted outside Malaysia	50	-	50	-
	917	-	917	-
Financial assets at AC				
Interest income				
- Government debt securities quoted outside Malaysia	95	-	95	-
- Corporate debt securities quoted outside Malaysia	525	-	525	-
	620	-	620	-
Fixed and call deposit interest income	1,885	2,570	1,885	2,570
	3,646	2,570	3,646	2,570

B6. REALISED GAINS AND LOSSES – NET

	3 months period ended		3 months period ended	
	31.3.2018	**31.3.2017**	**31.3.2018**	**31.3.2017**
	RM'000	RM'000	RM'000	RM'000
Net losses from disposal of property, plant and equipment	-	(2)	-	(2)
Financial assets at FVTPL				
Net realised gains				
- Equity securities quoted in Malaysia	706	-	706	-
- Equity securities quoted outside Malaysia	1,340	-	1,340	-
	2,046	-	2,046	-
Financial assets at FVOCI				
Net realised losses				
- Government debt securities quoted outside Malaysia	(4)	-	(4)	-
	2,042	(2)	2,042	(2)

B7. FAIR VALUE GAINS AND LOSSES – NET

	3 months period ended		3 months period ended	
	31.3.2018	**31.3.2017**	**31.3.2018**	**31.3.2017**
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(1,083)	-	(1,083)	-
- Equity securities quoted outside Malaysia	(8,707)	-	(8,707)	-
- Equity securities unquoted outside Malaysia	(3,448)		(3,448)	
- Unit trusts quoted in Malaysia	21	(43)	21	(43)
- Unit trusts quoted outside Malaysia	-	1	-	1
	(13,217)	(42)	(13,217)	(42)

B8. PROFIT/(LOSS) BEFORE TAXATION FOR THE FINANCIAL QUARTER AND PERIOD

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

	3 months period ended		3 months period ended	
	31.3.2018	**31.3.2017**	**31.3.2018**	**31.3.2017**
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment loss on:				
- insurance receivables	(294)	-	(294)	-
- financial assets at AC	(28)	-	(28)	-
Bad debts recovered	-	16	-	16
Realised foreign exchange losses	(452)	(32)	(452)	(32)
Unrealised foreign exchange losses	(1,072)	(141)	(1,072)	(141)
Depreciation of property, plant and equipment	(239)	(188)	(239)	(188)
Amortisation of intangible assets	(14)	(17)	(14)	(17)

B9. TAXATION

	3 months period ended		3 months period ended	
	31.3.2018	**31.3.2017**	**31.3.2018**	
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current financial quarter/period	1,426	-	1,426	-
Deferred tax				
Current financial quarter/period	(1)	29	(1)	29
Tax expenses	1,425	29	1,425	29

Even though the Group recorded losses in 1Q-2018 and 1Q-2017, provision for taxation has been made in these financial periods. In 1Q-2018, provision for taxation was made mainly for the profit recorded by the General Insurance business held via MAAGAP as the group loss relief in Malaysia is not applicable to MAAGAP. In 1Q-2017, provision for taxation has been made due to certain non-deductible expenses and non-recognition of deferred tax assets on the losses recorded by certain subsidiaries.

B10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group classifies financial instruments which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurement:

Level 1 - The fair value is measured by reference to published quotes in an active market which are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regular occurring market transactions on an arm's length basis.

Level 2 - The fair value is measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions obtained via pricing services; where prices have not been determined in an active market fair values are based on broker quotes.

Level 3 - The fair value is determined using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category is unquoted equity securities. The unobservable inputs reflect the Group's own assumptions that market participants would use in pricing the instrument. These inputs are developed based on the best information available, which might include the Group's own data.

B10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

The following tables show the analysis of the different hierarchy of fair value for the Group's financial instruments recorded at fair value:

At 31 March 2018

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL:				
Unit trusts				
- Quoted in Malaysia	2,064	-	-	2,064
Equity securities				
- Quoted in Malaysia	9,161	-	-	9,161
- Quoted outside Malaysia	62,293	-	-	62,293
- Unquoted outside Malaysia	-	-	24,232	24,232
	73,518	-	24,232	97,750
Financial assets at FVOCI:				
Government debt securities				
- Quoted outside Malaysia	35,510	-	-	35,510
Corporate debt securities				
- Quoted outside Malaysia	3,487	-	-	3,487
Equity securities				
- Quoted outside Malaysia	21,261	296	-	21,557
	60,258	296	-	60,554
Total financial assets measured at fair value	133,776	296	24,232	158,304

B10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

The following tables show the analysis of the different hierarchy of fair value for the Group's financial instruments recorded at fair value: (continued)

At 31 December 2017

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL:				
Unit trusts				
- Quoted in Malaysia	2,043	-	-	2,043
Equity securities				
- Quoted in Malaysia	7,919	-	-	7,919
- Quoted outside Malaysia	9,348	-	-	9,348
	19,310	-	-	19,310
AFS financial assets:				
Government debt securities				
- Quoted outside Malaysia	49,065	-	-	49,065
Corporate debt securities				
- Quoted outside Malaysia	49,016	-	-	49,016
Equity securities				
- Quoted outside Malaysia	83,317	268	-	83,585
- Unquoted outside Malaysia	-	-	29,082	29,082
	181,398	268	29,082	210,748
Total financial assets measured at fair value	200,708	268	29,082	230,058

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 was no transfer among Level 1, 2 and 3 during the financial period ended 31 March 2018 and financial year ended 31 December 2017.

B10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

The following table show the movement in Level 3 financial instruments for the current financial period ended 31 March 2018:

	AFS financial assets	Financial assets at FVTPL
	RM'000	RM'000
Closing balance at 31 December 2017	29,082	-
Effects of the adoption of MFRS 9:		
Reclassification financial assets at AFS to FVTPL	(29,082)	29,082
Opening balance at 1 January 2018	-	29,082
Fair value loss recorded in profit or loss	-	(3,448)
Currency translation difference	-	(1,402)
Closing balance at 31 March 2018	-	24,232

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.

B11. CORPORATE PROPOSALS (continued)

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.

In this respect, the Company is still in the midst of formulating a regularisation plan for submission to Bursa Securities for approval. Announcement of the development will be made in due course.

(b) Pursuant to the announcements made by the Company on 3 April 2018 and 17 April 2018, the Company has proposed to vary the utilisation of proceeds received from the disposal of its entire 75% equity interest in MAA Takaful Berhad to Zurich Insurance Company Ltd that was completed on 30 June 2016.

In this regard, the Company has proposed to vary and allocate an amount of RM71.9 million from the utilisation of proceeds for future investment opportunities/prospective new business to be acquired, for working capital and share buy-back exercise and payment of dividends to shareholders.

The proposed variation to the utilisation of proceeds is subject to the approval of the Shareholders at the extraordinary general meeting to be held on 5 June 2018, and the approvals of any other relevant authorities, if required.

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 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	(N1)53,061	43,724	No limit specified	-	-
	Total	53,061	43,724		-	

(N1) sale proceed net of selling expenses.

(b) Disposal of MAA Takaful Berhad 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 93,750	56,606* -	Within 24 months from the disposal completion date Within 24 months from the receipt of the Balance Consideration	n/a as the 24 months period is not yet due 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	(N2)393,750	167,977		8,304	

(N2) Gross sale proceeds as stated in the Circular to Shareholders dated 6 June 2016.

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

(b) Disposal of MAA Takaful Berhad on 30 June 2016 (continued)

*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; and

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.

B13. CHANGES IN MATERIAL LITIGATION

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

B14. DIVIDEND PAYABLE

On 9 March 2018, the Board of Directors declared a first interim dividend of 3 sen per ordinary share under the single-tier dividend system in respect of the financial year ending 31 December 2018. This interim dividend has been paid on 25 April 2018.

Other than as stated, the Board of Director did not declare any further interim dividend for the financial year ending 31 December 2018.

The total interim dividends paid for the current financial period ended 31 March 2018 is nil per ordinary share (3 months period ended 31 March 2017: 6.0 sen).

B15. EARNINGS PER SHARE

	3 months period ended		**3 months period ended**	
	31.3.2018	**31.3.2017 (Restated)**	**31.3.2018**	**31.3.2017 (Restated)**
Attributable to the Owners of the Company:				
Net loss for the financial quarter/period (RM'000)	(12,630)	(1,319)	(12,630)	(1,319)
Weighted average number of ordinary shares in issue ('000)	273,518	273,518	273,518	273,518
Basic loss per share (sen)	(4.62)	(0.48)	(4.62)	(0.48)

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 2017 was not qualified.

By Order of the Board
Lily Yin Kam May
Company Secretary

KUALA LUMPUR
DATE: 25 May 2018