

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

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**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 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 at 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.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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		MFRS 9	
		Classification	Carrying amount as at 31.12.2017	Classification	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
<b>Total</b>			<b>653,637</b>		<b>656,423</b>

**A2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**MFRS 9 'Financial Instruments'** (continued)

- (a) The Group's certain investments in government debt securities classified at 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 at 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 has equity investments classified at 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 reclassified at AFS under MFRS 139, these were reclassified to FVOCI as elected under MFRS 9 with the related fair value gain of RM1,135,000 transferred from AFS reserve to FVOCI reserve on 1 January 2018. The measurement of these equity investments classified at FVOCI are not affected; however the gains or losses realised from the sale of these equity investments will no longer be transferred to profit or loss on sale, but instead will be reclassified from the FVOCI reserve to retained earnings.
- (d) The Group's unit trust investments classified at 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.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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	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
<b>Financial assets at FVTPL</b>				
Closing balance at 31.12.2017	19,310			
Reclassification from AFS financial assets		88,714		
Opening balance at 1.1.2018				108,024
<b>Financial assets at FVOCI</b>				
Closing balance at 31.12.2017	-			
Reclassification from AFS financial assets		67,365		
Opening balance at 1.1.2018				67,365
<b>Financial assets at AC</b>				
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
<b>AFS financial assets</b>				
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				-
<b>Loans and receivables</b>				
Closing balance at 31.12.2017	105,497			
Recognition of ECL			(58)	
Opening balance at 1.1.2018				105,439
<b>Reinsurance assets</b>	34,943			34,943

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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
<b>Insurance receivables</b>				
Closing balance at 31.12.2017	44,322			
Recognition of ECL			(401)	
Opening balance at 1.1.2018				43,921
<b>Trade and other receivables</b>	97,591			97,591
<b>Cash and cash equivalents</b>				
Closing balance at 31.12.2017	141,226			
Recognition of ECL			(73)	
Opening balance at 1.1.2018				141,153
<b>Total</b>	<b>653,637</b>	<b>3,730</b>	<b>(944)</b>	<b>656,423</b>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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.

	<b>MFRS 139</b>	<b>Remeasurement</b>	<b>MRFS 9</b>
	<b>Allowance for impairment Loss as at 31.12.2017</b>		<b>Allowance for impairment Loss as at 1.1.2018</b>
	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
<b>Total</b>	<b>1,770</b>	<b>1,007</b>	<b>2,777</b>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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:

	<b>Effect on AFS reserves</b>	<b>Effect on FVOCI reserves</b>	<b>Effect on Retained earnings</b>
	RM'000	RM'000	RM'000
<b>Opening balance – MFRS 139</b>	<b>10,044</b>	-	<b>259,140</b>
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
<b>Opening balance – MFRS 9</b>	<b>-</b>	<b>4</b>	<b>271,966</b>

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.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

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**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 30 June 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 30 June 2018.

**A5. CHANGES IN ESTIMATES**

There were no changes in estimates that have material effect in the current financial quarter and period ended 30 June 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 30 June 2018.

**A7. DIVIDEND PAID**

For the current financial period ended 30 June 2018, the Company paid 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 totaling RM8,205,533 on 25 April 2018.

For the previous financial period ended 30 June 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.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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 30 June 2018:

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

The Group's other segments comprise of hire purchase, leasing and other credit facilities, property management and consultancy services.

3 months period ended 30 June 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	2,454	1,022	-	37,329	22	40,827
Net earned premiums	-	-	-	24,643	-	24,643
Investment income	2,394	-	-	1,780	16	4,190
Realised gains and losses – net	(570)	-	-	(15)	-	(585)
Fair value gains and losses – net	1,741	-	-	(3,462)	13	(1,708)
Commission income	-	-	-	654	-	654
Other operating revenue from non-insurance businesses	60	1,022	-	-	6	1,088
Other operating income/(expenses)-net	2,046	3	-	122	(17)	2,154
Net claims incurred	-	-	-	(10,563)	-	(10,563)
Commission expenses	-	-	-	(8,948)	-	(8,948)
Management expenses	(5,832)	(991)	-	(4,016)	(637)	(11,476)
Finance costs	-	-	-	(2)	-	(2)
(Loss)/profit before taxation before share of profit of associates	(161)	34	-	193	(619)	(553)
Share of profit of associates	-	-	-	-	-	923
(Loss)/profit before taxation	(161)	34	-	193	(619)	370

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**A8. SEGMENTAL INFORMATION** (continued)

6 months period ended 30 June 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	4,419	1,966	-	73,559	47	79,991
Net earned premiums	-	-	-	50,060	-	50,060
Investment income	4,300	-	-	3,501	35	7,836
Realised gains and losses – net	507	-	-	950	-	1,457
Fair value gains and losses – net	(8,374)	-	-	(6,585)	34	(14,925)
Commission income	-	-	-	1,134	-	1,134
Other operating revenue from non-insurance businesses	119	1,966	-	-	12	2,097
Other operating income -net	921	4	-	45	(7)	963
Net claims incurred	-	-	-	(20,467)	-	(20,467)
Commission expenses	-	-	-	(17,706)	-	(17,706)
Management expenses	(11,622)	(1,897)	-	(8,311)	(1,120)	(22,950)
Finance costs	-	-	-	(5)	-	(5)
(Loss)/profit before taxation before share of profit of associates	(14,149)	73	-	2,616	(1,046)	(12,506)
Share of profit of associates	-	-	1,680	-	-	1,680
(Loss)/profit before taxation	(14,149)	73	1,680	2,616	(1,046)	(10,826)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**A8. SEGMENTAL INFORMATION** (continued)

3 months period ended 30 June 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	3,398	1,450	-	25,121	29	29,998
Net earned premiums	-	-	-	17,162	-	17,162
Investment income	3,344	-	-	1,081	14	4,439
Realised gains and losses – net	-	-	-	845	1	846
Fair value gains and losses – net	(7,925)	-	-	-	30	(7,895)
Commission income	-	-	-	504	-	504
Other operating revenue from non-insurance businesses	54	1,450	-	-	15	1,519
Other operating income - net	31,592	3	-	358	42	31,995
Net claims incurred	-	-	-	(10,323)	-	(10,323)
Commission expenses	-	-	-	(5,866)	-	(5,866)
Management expenses	(5,501)	(1,331)	-	(2,803)	(293)	(9,928)
Finance costs	-	-	-	(2)	-	(2)
Profit/(loss) before taxation before share of profit of associates	21,564	122	-	956	(191)	22,451
Share of profit of associates	-	-	1,309	625	-	1,934
Profit/(loss) before taxation	21,564	122	1,309	1,581	(191)	24,385

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**A8. SEGMENTAL INFORMATION** (continued)

6 months period ended 30 June 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	6,010	2,851	-	25,121	52	34,034
Net earned premiums	-	-	-	17,162	-	17,162
Investment income	5,901	-	-	1,081	27	7,009
Realised gains and losses – net	(2)	-	-	845	1	844
Fair value gains and losses – net	(7,925)	-	-	-	(12)	(7,937)
Commission income	-	-	-	504	-	504
Other operating revenue from non-insurance businesses	109	2,851	-	-	25	2,985
Other operating income - net	31,609	5	-	358	62	32,034
Net claims incurred	-	-	-	(10,323)	-	(10,323)
Commission expenses	-	-	-	(5,866)	-	(5,866)
Management expenses	(10,551)	(2,697)	-	(2,803)	(619)	(16,670)
Finance costs	-	-	-	(2)	-	(2)
Profit/(loss) before taxation before share of profit of associates	19,141	159	-	956	(516)	19,740
Share of profit of associates	-	-	1,869	1,486	-	3,355
Profit/(loss) before taxation	19,141	159	1,869	2,442	(516)	23,095

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

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**A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD**

There were no material events subsequent to the end of the current financial period ended 30 June 2018 that have not been reflected in these Interim Reports.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial quarter and period ended 30 June 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 30 June 2018. As at 30 June 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 30 June 2018.

**A13. CONTINGENCIES**

There were no contingent assets and liabilities as at the end of the financial period ended 30 June 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 30 June 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 5 June 2018 under Chapter 10 of the MMLR of Bursa Securities and were carried out on normal commercial terms.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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 30 June 2018 (“2Q-2018”) against preceding year’s corresponding financial quarter ended 30 June 2017 (“2Q-2017”)**

Group

	<b>2Q-2018</b>	<b>2Q-2017 (Restated)</b>
	RM’000	RM’000
Operating revenue	40,827	29,998
Profit before taxation	370	24,385

In 2Q-2018 under review, the Group recorded a higher total operating revenue of RM40.8 million (2Q-2017: RM30.0 million), mainly comprised of gross earned premiums of RM35.5 million (2Q-2017: RM24.0 million) contributed by the General Insurance business held via subsidiary, MAA General Assurance Philippines, Inc (“MAAGAP”).

The Group recorded a lower Profit before taxation (“PBT”) of RM370,000 (2Q-2017: PBT of RM24.4 million) in 2Q-2018. The lower profit was mainly caused by the net realised loss of RM0.6 million and net fair value loss of RM0.5 million on financial assets classified at FVTPL coupled with the fair value loss of RM1.2 million on investment properties. The profit in 2Q-2017 was mainly contributed by an other income of RM20.0 million from settlement with other receivables and a reserve of RM10.0 million from business combination related to MAAGAP.

Investment Holdings

<b>Key financial performance</b>	<b>2Q-2018</b>	<b>2Q-2017 (Restated)</b>
	RM’000	RM’000
Operating revenue	2,454	3,398
(Loss)/profit before taxation	(161)	21,564

Total operating revenue of the Investment Holdings segment decreased by 27.8% to RM2.5 million (2Q-2017: RM3.4 million) due mainly to lower dividend income of RM0.2 million (2Q-2017: RM1.1 million) recorded in 2Q-2018.

In 2Q-2018, the Investment Holdings segment recorded a Loss before taxation (“LBT”) of RM161,000 (2Q-2017: PBT of RM21.6 million) mainly caused by the net realised loss of RM0.6 million on financial assets classified at FVTPL and the fair value loss of RM1.2 million on investment properties, offset by the net fair value gain of RM3.0 million on financial assets classified at FVTPL. The profit in 2Q-2017 was mainly contributed by an other income of RM20.0 million from settlement with other receivables and a reserve of RM10.0 million from business combination related to MAAGAP.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial quarter ended 30 June 2018 ("2Q-2018") against preceding year's corresponding financial quarter ended 30 June 2017 ("2Q-2017")** (continued)

Education Services

<b>Key financial performance</b>	<b>2Q-2018</b>	<b>2Q-2017</b>
	RM'000	RM'000
Operating revenue	1,022	1,450
Profit before taxation	34	122

Total operating revenue of the Education Services segment consists of tuition fee income recorded a 29.5% decrease to RM1.0 million (2Q-2017: RM1.4 million) in 2Q-2018 due mainly to reduction in students enrollment.

Corresponding to the lower tuition fee income, the Education Services segment has recorded a lower PBT of RM34,000 (2Q-2017: PBT of RM122,000).

Retail Mortgage Lending

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

<b>Key financial performance</b>	<b>2Q-2018</b>		<b>2Q-2017</b>	
	AUD'000	RM'000	AUD'000	RM'000
Operating revenue	37,454	111,833	24,350	79,399
Profit before taxation	924	2,757	1,200	3,904
Group's share of profit after taxation	310	923	402	1,309
Range of currency exchange rate	1 RM = 0.3349 to 0.3359 AUD		1 RM = 0.3067 to 0.3074 AUD	

CCA's operating revenue consists of loan interest and fee income. In 2Q-2018, the operating revenue grew to AUD37.5 million, a 53.8% increase compared to 2Q-2017 of AUD24.4 million, on the back of higher assets under management from AUD2.07 billion as at 30 June 2017 to AUD3.07 billion as at 30 June 2018.

Nevertheless, CCA recorded a lower PBT from AUD1.2 million in 2Q-2017 to AUD0.9 million in 2Q-2018 affected mainly by higher funding costs and operating expenses particularly staff costs due to the increase in staff levels that commensurate with the growth in business volume.

In 2Q-2018, CCA has contributed a share of profit after taxation of AUD310,000 (2Q-2017: share of profit after taxation of AUD402,000).

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial quarter ended 30 June 2018 ("2Q-2018") against preceding year's corresponding financial quarter ended 30 June 2017 ("2Q-2017")** (continued)

General Insurance

Key financial performance	2Q-2018		2Q-2017 (Restated)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	465,029	35,066	420,451	36,307
Underwriting surplus	77,146	5,786	49,395	4,289
Investment income	23,608	1,780	19,803	1,711
Claim ratio in %	42.9%	42.9%	52.2%	52.2%
Commission ratio in %	37.1%	37.1%	29.7%	29.7%
Profit before taxation	2,992	193	34,066	2,966
Range of currency exchange rate	1 RM = 13.17 to 13.52 PHP		1 RM = 11.37 to 11.78 PHP	
MAAGAP's profit contribution to the Group in 2017				
- as an associated company from 1 January 2017 to 18 April 2017			7,167	625
- as a subsidiary effective from 19 April 2017 till quarter end			11,090	956
			<u>18,257</u>	<u>1,581</u>

GPW grew by 10.6% from PHP420.5 million in 2Q-2017 to PHP465.0 million in 2Q-2018, driven mainly by 25.4% increase in the production of non-motor classes of business. Motor and non-motor businesses contributed 39% (2Q-2017: 46%) and 61% (2Q-2017: 54%) respectively of the total GPW in 2Q-2018.

MAAGAP registered a lower PBT of PHP3.0 million in 2Q-2018 compared to PHP34.1 million in 2Q-2017. Despite of the premium growth, higher underwriting surplus and investment income, the lower profit in 2Q-2018 was mainly caused by the net fair value loss of PHP45.9 million (approximately RM3.5 million) on financial assets classified at FVTPL due to the recent decline in the Philippines stock market.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial period ended 30 June 2018 ("FPE2018") against preceding year's corresponding financial period ended 30 June 2017 ("FPE2017")**

Group

	<b>FPE2018</b>	<b>FPE2017 (Restated)</b>
	RM'000	RM'000
Operating revenue	79,991	34,034
(Loss)/profit before taxation	(10,826)	23,095

In FPE2018 under review, the Group recorded a higher total operating revenue of RM80.0 million (FPE2017: RM34.0 million), mainly comprised of gross earned premiums of RM70.1 million (FPE2017: RM24.0 million) contributed by the General Insurance business.

The Group recorded a LBT of RM10.8 million (FPE2017: PBT of RM23.1 million) in FPE2018. The loss was mainly caused by the net fair value loss of RM13.7 million on financial assets classified at FVTPL and the fair value loss of RM1.2 million on investment properties, offset by the net realised gain of RM1.5 million on financial assets classified at FVTPL. The profit in FPE2017 was mainly contributed by an other income of RM20.0 million from settlement with other receivables and a reserve of RM10.0 million from business combination related to MAAGAP.

Investment Holdings

<b>Key financial performance</b>	<b>FPE2018</b>	<b>FPE2017 (Restated)</b>
	RM'000	RM'000
Operating revenue	4,419	6,010
(Loss)/profit before taxation	(14,149)	19,141
Assets	457,989	489,534
Liabilities	11,628	10,694

Total operating revenue of the Investment Holdings segment decreased by 26.5% to RM4.4 million (FPE2017: RM6.0 million) due mainly to lower interest income and dividend income of RM4.0 million (FPE2017: RM4.7 million) and RM0.2 million (FPE2017: RM1.1 million) respectively in FPE2018.

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial period ended 30 June 2018 ("FPE2018") against preceding year's corresponding financial period ended 30 June 2017 ("FPE2017")** (continued)

Investment Holdings (continued)

In FPE2018, the Investment Holdings segment recorded a LBT of RM14.1 million (FPE2017: PBT of RM19.1 million) mainly caused by the net fair value loss of RM7.1 million on financial assets classified at FVTPL and the fair value loss of RM1.2 million on investment properties, offset by the net realised gain of RM0.5 million on financial assets classified at FVTPL. The profit in FPE2017 was mainly contributed by an other income of RM20.0 million from settlement with other receivables and a reserve of RM10.0 million from business combination related to MAAGAP.

As at 30 June 2018, the Investment Holdings segment's assets were lower at RM458.0 million compared to RM489.5 million as at 30 June 2017 due mainly to interim dividends totaling RM16.4 million paid on 23 October 2017 and 25 April 2018 and the recorded net fair value loss of RM7.1 million on financial assets classified at FVTPL and the fair value loss of RM1.2 million on investment properties during FPE2018.

Education Services

<b>Key financial performance</b>	<b>FPE2018</b>	<b>FPE2017</b>
	RM'000	RM'000
Operating revenue	1,966	2,851
Profit before taxation	73	159
Assets	749	2,184
Liabilities	212	365

Total operating revenue of the Education Services segment consists of tuition fee income recorded a 31.0% decrease to RM2.0 million (FPE2017: RM2.9 million) in FPE2018 due mainly to the reduction in students enrollment.

Corresponding to the lower tuition fee income, the Education Services segment has recorded a lower PBT of RM73,000 (FPE2017: PBT of RM159,000).

As at 30 June 2018, the Education Services segment's assets and liabilities were lower at RM749,000 and RM212,000 respectively, subsequent to the writing off of renovation and fixtures from the closure and consolidation of tuition centres together with the deconsolidation of inactive subsidiaries under shareholders' voluntary winding up undertaken in August 2017.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial period ended 30 June 2018 ("FPE2018") against preceding year's corresponding financial period ended 30 June 2017 ("FPE2017")** (continued)

Retail Mortgage Lending

Key financial performance	FPE2018		FPE2017	
	AUD'000	RM'000	AUD'000	RM'000
Operating revenue	71,218	216,044	46,872	155,065
Profit before taxation	1,895	5,752	1,797	5,911
Group's share of profit after taxation	553	1,680	568	1,869
Currency exchange rate	1 RM = 0.3292 to 0.3296 AUD		1 RM = 0.3023 to 0.3040 AUD	

CCA's operating revenue consists of loan interest and fee income. In FPE2018, the operating revenue grew to AUD71.2 million, a 51.9% increase compared to FPE2017 of AUD46.9 million, on the back of higher assets under management from AUD2.07 billion as at 30 June 2017 to AUD3.07 billion as at 30 June 2018.

CCA recorded a slightly higher PBT from AUD1.8 million in FPE2017 to AUD1.9 million in FPE2018, driven mainly by the 51.9% growth in operating revenue with a slightly lower net interest margin of 0.96% (FPE2017: 1.0%).

In FPE2018, CCA has contributed a share of profit after taxation of AUD553,000 (FPE2017: share of profit after taxation of AUD568,000).

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial period ended 30 June 2018 ("FPE2018") against preceding year's corresponding financial period ended 30 June 2017 ("FPE2017")** (continued)

General Insurance

Key financial performance	FPE2018		FPE2017 (Restated)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	983,922	74,664	924,797	81,065
Underwriting surplus	171,479	13,020	125,039	10,992
Investment income	46,124	3,501	35,082	3,067
Claim ratio in %	40.9%	40.9%	48.6%	48.6%
Commission ratio in %	32.2%	32.2%	26.9%	26.9%
Profit before taxation	32,848	2,616	71,830	6,313
Assets	3,754,889	283,636	3,272,712	277,925
Liabilities	2,671,441	201,795	2,287,048	194,221
Range of currency exchange rate	1 RM = 12.32 to 13.52 PHP		1 RM= 11.07 to 11.78 PHP	
MAAGAP's profit contribution to the Group in 2017				
- as an associated company from 1 January 2017 to 18 April 2017			16,881	1,486
- as a subsidiary effective from 19 April 2017 till period end			11,090	956
			<u>27,971</u>	<u>2,442</u>

In FPE2018, GPW grew 6.4% from PHP924.8 million in FPE2017 to PHP983.9 million. Motor classes recorded a decrease of 1.9% to PHP387.0 million (FPE2017: PHP394.5 million) in GPW; whilst non-motor classes registered a 12.6% increase to PHP596.9 million (FPE2017: PHP530.3 million). Motor and non-motor businesses contributed 39% (FPE2017: 43%) and 61% (FPE2017: 57%) respectively of the total GPW in FPE2018.

MAAGAP registered a lower PBT of PHP32.8 million in FPE2018, a 54.3% decrease over PHP71.8 million in FPE2017. Despite of the premium growth, higher underwriting surplus and investment income, the lower profit in FPE2018 was mainly caused by the net fair value loss of PHP88.0 million (approximately RM6.6 million) on financial assets classified at FVTPL due to the recent decline in the Philippines stock market.

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Current financial period ended 30 June 2018 ("FPE2018") against preceding year's corresponding financial period ended 30 June 2017 ("FPE2017")** (continued)

General Insurance (continued)

MAAGAP's total assets grew by 14.7% from PHP3,272.7 million as at 30 June 2017 to PHP3,754.9 million as at 30 June 2018 mainly contributed by 11.6% increase in financial investments to PHP2,085.5 million (30 June 2017: PHP1,869.4 million). Total liabilities increased by 16.8% to PHP2,671.4 million as at 30 June 2018 from PHP2,287.0 million as at 30 June 2017 with a 10.5% increase in insurance contract liabilities to PHP1,928.2 million (30 June 2017: PHP1,745.0 million) which was in line with the company's premium growth.

**B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (2Q-2018) AGAINST THE PRECEDING FINANCIAL QUARTER (1Q-2018)**

In 2Q-2018, the Group recorded a PBT of RM370,000 (1Q-2018: LBT of RM11.2 million). The loss in 1Q-2018 arose mainly from the net fair value loss on financial assets classified at FVTPL totaling RM13.2 million.

**B3. PROSPECTS**

The Group's General Insurance business in the Philippines continues its growth momentum with 6.4% and 37.1% increase in gross written premiums and underwriting surplus respectively during the first half year of 2018 over last year corresponding period. However fair value losses on financial assets classified at FVTPL has affected the profit of the General Insurance business. The sharp fall in the Philippines stock market in recent months due to heavy foreign selling was caused partly by external factors like the potential trade war between the US and China and the possible Fed's interest hikes in US. The heightened volatility in global markets coupled with certain domestic factors like Peso depreciation, political risks and others are expected to continue weighing down the Philippines stock market for the remaining of 2018. The performance of the General Insurance business for the remaining of 2018 will continue to be affected by the uncertain stock market in the Philippines. On this note, the General Insurance business will trade cautiously and will deploy appropriate investment strategy to accumulate stocks in preferred sectors with attractive valuation during this period.

Despite the growth in the mortgage assets under management and higher recorded net profit during the first half of 2018, the Retail Mortgage Lending business of the Group continues to experience net interest margin pressure. Major banks in Australia has recently re-entered the market together with other non-bank financial institutions with rates war for certain mortgage segments to grab market share. These competitions coupled with higher funding cost have affected the net interest margin of certain mortgage segments of the Retail Mortgage Lending business. Towards this, the Retail Mortgage Lending business will continue its efforts to balance and achieve the right mortgage portfolio mix to reduce the interest margin pressure while proceeding with action plans to maintain sales momentum to grow the loan book.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

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**B3. PROSPECTS (continued)**

The Group's Education Services business has recorded lower profit during the first half of 2018. The lower tuition fee income due to the declining student enrollment compared to previous year corresponding period has out-weighted the lower operating costs benefited from the cost cutting exercise undertaken during the financial year. Nevertheless, the Group's Education Services business will intensify its marketing initiatives to improve student enrollment for intensive revision courses in the second half of 2018 to improve its tuition fee income and profit.

On the Investment Holdings side, the Company will continue exploring 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 31 October 2018 by Bursa Securities for the Company to submit a regularisation plan.

In light of the prospects of the operating segments of the Group mentioned above, the Board foresees the remaining of 2018 to be challenging for the Group.

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B5. INVESTMENT INCOME**

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	58	67	134	67
Financial assets at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	32	-	44	-
- Equity securities quoted outside Malaysia	653	-	789	-
	685	-	833	-
Financial assets at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	202	-	518	-
Interest income				
- Government debt securities quoted outside Malaysia	260	-	811	-
- Corporate debt securities quoted outside Malaysia	40	-	90	-
- Corporate debt securities unquoted inside Malaysia	309	-	309	-
	811	-	1,728	-
Financial assets at AC				
Interest income				
- Government debt securities quoted outside Malaysia	93	-	188	-
- Corporate debt securities quoted outside Malaysia	553	-	1,078	-
	646	-	1,266	-
AFS financial assets				
Dividend income				
- Equity securities quoted outside Malaysia	-	357	-	357
- Equity securities unquoted outside Malaysia	-	1,087	-	1,087
Interest income				
- Government debt securities quoted outside Malaysia	-	343	-	343
- Corporate debt securities unquoted inside Malaysia	-	119	-	119
- Corporate debt securities quoted outside Malaysia	-	340	-	340
	-	2,246	-	2,246

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B5. INVESTMENT INCOME** (continued)

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Loans and receivables				
Interest income				
- Other loans	1	-	1	-
Fixed and call deposit interest income	1,989	2,126	3,874	4,696
	4,190	4,439	7,836	7,009

**B6. REALISED GAINS AND LOSSES – NET**

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Net gains from disposal of property, plant and equipment	-	55	-	53
Financial assets at FVTPL				
Net realised (losses)/gains				
- Equity securities quoted in Malaysia	(394)	-	312	-
- Equity securities quoted outside Malaysia	(191)	-	1,149	-
	(585)	-	1,461	-
Financial assets at FVOCI				
Net realised losses				
- Government debt securities quoted outside Malaysia	-	-	(4)	-
AFS financial assets				
Net realised gains/(losses)				
- Government debt securities quoted outside Malaysia	-	(256)	-	(256)
- Equity securities quoted outside Malaysia	-	1,047	-	1,047
	-	791	-	791
	(585)	846	1,457	844

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B7. FAIR VALUE GAINS AND LOSSES – NET**

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Fair value losses on investment properties	(1,210)	(7,925)	(1,210)	(7,925)
Financial assets at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(927)	-	(2,010)	-
- Equity securities quoted outside Malaysia	573	-	(8,134)	-
- Equity securities unquoted outside Malaysia	(156)	-	(3,604)	-
- Unit trusts quoted in Malaysia	12	26	33	(17)
- Unit trusts quoted outside Malaysia	-	4	-	5
	(498)	30	(13,715)	(12)
	(1,708)	(7,895)	(14,925)	(7,937)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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		6 months period ended	
	30.6.2018	30.6.2017 (Restated)	30.6.2018	30.6.2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Write back of/(allowance for) impairment loss on:				
- loans from money lending, hire purchase and others credit activities	-	1	-	1
- insurance receivables	278	(41)	(16)	(41)
- other receivables	-	34	-	34
- financial assets at AC	34	-	6	-
- AFS financial assets	-	189	-	189
Bad debts recovered	-	38	-	54
Realised foreign exchange gains/(losses)	139	(43)	(313)	(75)
Unrealised foreign exchange gains/(losses)	226	(180)	(846)	(321)
Present value adjustment of Retained Consideration	1,735	-	1,735	-
Other income from settlement agreement with other receivables	-	20,000	-	20,000
Reserve from business combination	-	10,025	-	10,025
Gain on remeasurement of previously held equity interest in an associate	-	1,666	-	1,666
Depreciation of property, plant and equipment	(245)	(238)	(484)	(426)
Property, plant and equipment written off	-	-	(1)	-
Amortisation of intangible assets	(16)	(17)	(30)	(34)
Amortisation of leasehold land	(1)	(1)	(1)	(1)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**B9. TAXATION**

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017 (Restated)	30.6.2018	30.6.2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
<u>Current tax</u>				
Current financial quarter/period	1,554	(72)	2,980	(72)
<u>Deferred tax</u>				
Current financial quarter/period	(7)	566	(8)	595
Tax expenses	1,547	494	2,972	523

Provision for taxation has been made in the current financial quarter and period under review even though the Group has recorded a loss, this is due mainly to certain expenses including fair value losses on financial assets that are not deductible for tax purposes.

For the financial quarter and period in the previous year, the Group's effective tax rate was lower than the statutory tax rate due mainly to certain income/gains not subject to tax.

**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.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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 30 June 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	2,077	-	-	2,077
Equity securities				
- Quoted in Malaysia	10,221	-	-	10,221
- Quoted outside Malaysia	69,147	-	-	69,147
- Unquoted outside Malaysia	-	-	25,126	25,126
	<u>81,445</u>	<u>-</u>	<u>25,126</u>	<u>106,571</u>
Financial assets at FVOCI:				
Government debt securities				
- Quoted outside Malaysia	37,477	-	-	37,477
Corporate debt securities				
- Quoted outside Malaysia	3,544	-	-	3,544
Equity securities				
- Quoted outside Malaysia	21,667	378	-	22,045
	<u>62,688</u>	<u>378</u>	<u>-</u>	<u>63,066</u>
Total financial assets measured at fair value	<u>144,133</u>	<u>378</u>	<u>25,126</u>	<u>169,637</u>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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
	<u>19,310</u>	<u>-</u>	<u>-</u>	<u>19,310</u>
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
	<u>181,398</u>	<u>268</u>	<u>29,082</u>	<u>210,748</u>
Total financial assets measured at fair value	<u>200,708</u>	<u>268</u>	<u>29,082</u>	<u>230,058</u>

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 30 June 2018 and financial year ended 31 December 2017.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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 30 June 2018:

	AFS financial assets RM'000	Financial assets at FVTPL 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	-	(3,604)
Currency translation difference	-	(352)
Closing balance at 30 June 2018	-	25,126

**B11. CORPORATE PROPOSALS**

- (a) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the Main Market Listing Requirements (“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 31 October 2018 via Bursa Securities’ letters dated 27 June 2018, 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 31 October 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 31 October 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 6<sup>th</sup> 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) The Company had on 3 April 2018 and 17 April 2018 announced the proposed variations to utilisation of balance proceeds from the disposal of its entire 75% equity interest in MAA Takaful Berhad where an amount of RM71.9 million will be allocated from the initial utilisation for future investment opportunities/prospective new business to be acquired to revised utilisation for working capital, share buy-back exercise and payment of dividends to shareholders.

The proposed variations to the said utilisation of balance proceeds were approved by the Shareholders at the extraordinary general meeting ("EGM") of the Company held on 5 June 2018.

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

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

**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	<sup>(N1)</sup> 53,061	53,061	No limit specified	-	-
	Total	53,061	53,061		-	

<sup>(N1)</sup> sale proceed net of selling expenses.

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

	Purpose	Revised Utilisation	Actual Utilisation	Revised timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000		RM'000	
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	68,250	-	Within 24 months from the EGM held on 5 June 2018	-	-
		93,750	-	Within 24 months from the receipt of the Retained Consideration	-	-
(ii)	Working capital and share buy-back exercise	30,854	1,703	Within 24 months from the EGM held on 5 June 2018	-	-
(iii)	Payment of dividends to shareholders for the FYE 2017	8,207	8,207	Utilised	-	-
(iv)	Payment of dividends to shareholders	32,822	-	Within 24 months from the EGM held on 5 June 2018	-	-
	Total	<sup>(N2)</sup> 233,883	9,910		-	-

<sup>(N2)</sup> Revised utilisation of balance proceeds from the disposal of MAA Takaful Berhad as approved by the Shareholders during the EGM held on 5 June 2018.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 JUNE 2018**

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**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 30 June 2018 is 3 sen per ordinary share (6 months period ended 30 June 2017: 6 sen).

**B15. EARNINGS PER SHARE**

	3 months period ended		6 months period ended	
	30.6.2018	30.6.2017 (Restated)	30.6.2018	30.6.2017 (Restated)
<u>Attributable to the Owners of the Company:</u>				
Net (loss)/profit for the financial quarter/period (RM'000)	(1,158)	23,653	(13,788)	22,334
Weighted average number of ordinary shares in issue ('000)	273,518	273,518	273,518	273,518
Basic (loss)/earning per share (sen)	(0.42)	8.65	(5.04)	8.17

**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: 29 August 2018