

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

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 MFRS 134 '*Interim Financial Reporting*' issued by the Malaysian Accounting Standards Board ("MASB"), the International Accounting Standard ("IAS") 34 '*Interim Financial Reporting*' and the requirements of Companies Act 2016. These Interim Reports have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

These Interim Reports have also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

These unaudited Interim Reports should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018. 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 2018.

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 2018, except for the adoption of the following standards and amendments to standards that became effective from financial year beginning on or after 1 January 2019:

- MFRS 16 '*Leases*'
- IC Interpretation 23 '*Uncertainty over Income Tax Treatments*'
- Amendments to MFRS 9 '*Financial Instruments*' - *Prepayment features with negative compensation*
- Amendments to MFRS 128 '*Investments in Associates and Joint Ventures*' - *Long-term Interests in Associates and Joint Ventures*
- Annual Improvements to MFRSs 2015 – 2017 Cycle
 - Amendments to MFRS 3 '*Business Combinations*'
 - Amendments to MFRS 112 '*Income Taxes*'
 - Amendments to MFRS 123 '*Borrowing Costs*'
 - Amendments to MFRS 11 '*Joint Arrangement*'

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

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MFRS 16 'Leases'

MFRS 16 'Leases' supersedes MFRS 117 'Leases', IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 using the modified retrospective approach which measured the right-of-use assets equals to the lease liabilities at 1 January 2019 with no restatement of comparative information. The Group has recognised right-of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

On transition to MFRS 16, the Group has recognised an amount of RM 6,520,000 of right-of-use assets and lease liabilities. When measuring the lease liabilities, the Group has discounted the operating lease commitments using the incremental borrowing rates at 1 January 2019.

The following standards, amendments to published standards and interpretations to existing standards that have been issued by MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2020

- Amendments to MFRS 3 'Business Combinations' – Definition of a Business
- Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Material
- Amendments to MFRS 101 'Presentation of Financial Statements' – Definition of Material
- Amendments to MFRS 9 'Financial Instruments', MFRS 139 'Financial Instruments : Recognition and Measurement' and MFRS 7 'Financial Instruments : Disclosures' – Interest Rate Benchmark Reform

Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 'Insurance Contracts'

The International Accounting Standards Board has proposed to amend the effective date of IFRS 17 'Insurance Contracts' to reporting periods beginning on or after 1 January 2022.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following standards, amendments to published standards and interpretations to existing standards that have been issued by MASB but are not yet effective to the Group: (continued)

Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 '*Consolidated Financial Statements*' and MFRS 128 '*Investments in Associates and Joint Ventures*' - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will assess the application of adopting the above standards, amendments to published standards and interpretations to exiting standards before the effective dates.

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 September 2019.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and period ended 30 September 2019.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have any material effect during the current financial quarter and period ended 30 September 2019.

A6. DEBT AND EQUITY SECURITIES

During the current financial quarter and period ended 30 September 2019, the Company has purchased a total 157,500 ordinary shares from the open market at an average price of RM0.84 per share. The total purchase consideration paid for the share buy-back including transaction costs during the current financial quarter and period ended 30 September 2019 amounted to RM132,239 and were financed by internally generated funds. The shares so purchased are held as treasury shares in accordance with the Companies Act 2016 and carried at purchase cost.

As at 30 September 2019, the total number of treasury shares held was 157,500 ordinary shares.

Other than above, there were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and period ended 30 September 2019.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A7. DIVIDEND PAID

For the current financial period ended 30 September 2019, 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 ending 31 December 2019 totaling RM16,411,065 on 20 August 2019.

For the previous financial period ended 30 September 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 ended 31 December 2018 totaling RM8,205,533 on 25 April 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 September 2019:

- Investment holdings
- General insurance business
- Education services

The Group's other segments comprise of hire purchase, leasing and other credit facilities, property management, IT consultancy and business debt factoring services, none of which has met the requirements of MFRS 8 '*Operating Segment*' to be separately presented as an operating segment.

There have been no material changes in total assets, the basis of segmentation and the basis of measurement of segment profit or loss from the last annual financial statements, except that the retail mortgage lending business held via associated company, Columbus Capital Pty Limited ("CCA") has ceased to be the Group's operating segment subsequent to the disposal of CCA on 27 December 2018.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 30 September 2019

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,388	44,630	1,045	42	48,105
Net earned premiums	-	28,227	-	-	28,227
Investment income	2,329	2,810	5	98	5,242
Realised gains and losses – net	214	14	-	-	228
Fair value gains and losses – net	2,253	(616)	-	56	1,693
Commission income	-	563	-	-	563
Other operating revenue from non- insurance businesses	59	-	1,040	^(N1) (56)	1,043
Other operating (expenses)/income – net	(1,584)	254	6	(13)	(1,337)
Net claims incurred	-	(16,058)	-	-	(16,058)
Commission expense	-	(10,250)	-	-	(10,250)
Management expenses	(5,663)	(5,121)	(1,046)	(789)	(12,619)
Finance costs	(24)	(15)	^(N2) 15	(2)	(26)
(Loss)/profit before taxation	(2,416)	(192)	20	(706)	(3,294)

^(N1) Recognition of suspense interest income from money lending, hire purchase and other credit activities

^(N2) Reversal of lease interest over recognised

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A8. SEGMENTAL INFORMATION (continued)

9 months period ended 30 September 2019

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	7,438	129,729	2,818	276	140,261
Net earned premiums	-	81,267	-	-	81,267
Investment income	7,260	7,567	5	276	15,108
Realised gains and losses – net	472	2,354	-	-	2,826
Fair value gains and losses – net	4,031	(1,530)	-	151	2,652
Commission income	-	1,698	-	-	1,698
Other operating revenue from non- insurance businesses	178	-	2,813	-	2,991
Other operating (expenses)/income – net	(2,154)	(477)	10	(33)	(2,654)
Net claims incurred	-	(40,107)	-	-	(40,107)
Commission expense	-	(29,955)	-	-	(29,955)
Management expenses	(16,150)	(14,386)	(2,943)	(2,217)	(35,696)
Finance costs	(85)	(71)	(9)	(11)	(176)
(Loss)/profit before taxation	(6,448)	6,360	(124)	(1,834)	(2,046)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A8. SEGMENTAL INFORMATION (continued)

3 months period ended 30 September 2018

	Investment holdings	General insurance	Education services	Retail mortgage lending	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,737	41,332	1,170	-	32	45,271
Net earned premiums	-	27,729	-	-	-	27,729
Investment income	2,678	1,902	-	-	28	4,608
Realised gains and losses – net	438	273	-	-	-	711
Fair value gains and losses – net	(6,535)	191	-	-	33	(6,311)
Commission income	-	695	-	-	-	695
Other operating revenue from non-insurance businesses	59	-	1,170	-	4	1,233
Other operating income - net	1,211	16	133	-	741	2,101
Net claims incurred	-	(12,445)	-	-	-	(12,445)
Commission expense	-	(9,892)	-	-	-	(9,892)
Management expenses	(5,133)	(4,730)	(1,019)	-	(650)	(11,532)
Finance costs	-	(2)	-	-	-	(2)
(Loss)/profit before taxation before share of profit of associate	(7,282)	3,737	284	-	156	(3,105)
Share of profit of an associate	-	-	-	1,242	-	1,242
(Loss)/profit before taxation	(7,282)	3,737	284	1,242	156	(1,863)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A8. SEGMENTAL INFORMATION (continued)

9 months period ended 30 September 2018

	Investment holdings	General insurance	Education services	Retail mortgage lending	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	7,156	114,891	3,136	-	79	125,262
Net earned premiums	-	77,789	-	-	-	77,789
Investment income	6,978	5,403	-	-	63	12,444
Realised gains and losses – net	945	1,223	-	-	-	2,168
Fair value gains and losses – net	(14,909)	(6,394)	-	-	67	(21,236)
Commission income	-	1,829	-	-	-	1,829
Other operating revenue from non-insurance businesses	178	-	3,136	-	16	3,330
Other operating income - net	2,132	61	137	-	734	3,064
Net claims incurred	-	(32,912)	-	-	-	(32,912)
Commission expense	-	(27,598)	-	-	-	(27,598)
Management expenses	(16,755)	(13,041)	(2,916)	-	(1,770)	(34,482)
Finance costs	-	(7)	-	-	-	(7)
(Loss)/profit before taxation before share of profit of associate	(21,431)	6,353	357	-	(890)	(15,611)
Share of profit of an associate	-	-	-	2,922	-	2,922
(Loss)/profit before taxation	(21,431)	6,353	357	2,922	(890)	(12,689)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

A9. MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial period ended 30 September 2019 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 25 July 2019, Kasturi Services Sdn Bhd became a wholly-owned subsidiary of the Group as stated in note B11(d) of this report; and
- (b) On 10 September 2019, Hospitality 360 Sdn Bhd became a 49% associate company of the Group as stated in note B11(e) of this report.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current financial quarter and period ended 30 September 2019. As at 30 September 2019, 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 2018. These revalued amounts have been carried forward to the current financial period ended 30 September 2019.

A13. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at the end of the financial period ended 30 September 2019.

A14. CAPITAL COMMITMENTS

Significant capital commitments contracted but not provided for the purchase of property, plant and equipment as at the end of the financial period are as follows:

	As at 30.9.2019	As at 31.12.2018
	RM'000	RM'000
Property, plant and equipment		
- Renovation	-	416

A15. RELATED PARTY DISCLOSURES

All related party transactions and balances within the Group had been entered in the normal course of business and were carried out on normal commercial terms. The Company will monitor related party transactions and comply with the requirements under Chapter 10 of the MMLR of Bursa Securities.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

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 September 2019 ("3Q-2019") against preceding year's corresponding financial quarter ended 30 September 2018 ("3Q-2018")

Group

Key financial performance	3Q-2019	3Q-2018
	RM'000	RM'000
Operating revenue	48,105	45,271
Loss before taxation	(3,294)	(1,863)

In 3Q-2019 under review, the Group recorded a higher total operating revenue of RM48.1 million (3Q-2018: RM45.3 million), mainly contributed by the higher gross earned premiums of RM41.8 million (3Q-2018: RM39.4 million) recorded by the General Insurance business held via subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP") and higher investment income of RM5.2 million (3Q-2018: RM4.6 million).

The Group recorded a higher Loss before taxation ("LBT") of RM3.3 million (3Q-2018: LBT of RM1.9 million) in 3Q-2019, mainly affected by a LBT of RM2.4 million (3Q-2018: LBT of RM7.3 million) from the Investment Holdings segment, a LBT of RM192,000 (3Q-2018: Profit before taxation ("PBT") of RM3.7 million) from the General insurance business and a LBT of RM706,000 (3Q-2018: PBT of RM156,000) from Other segments.

Investment Holdings

Key financial performance	3Q-2019	3Q-2018
	RM'000	RM'000
Operating revenue	2,388	2,737
Loss before taxation	(2,416)	(7,282)

The Investment Holdings segment recorded a 12.8% decrease in total operating revenue to RM2.4 million (3Q-2018: RM2.7 million) which mainly comprised of interest income of RM2.1 million (3Q-2018: RM1.6 million), dividend income of RM0.2 million (3Q-2018: RM0.9 million) and rental income from investment properties of RM56,000 (3Q-2018: RM122,000).

In 3Q-2019, the Investment Holdings segment recorded a lower LBT of RM2.4 million (3Q-2018: RM7.3 million) mainly due to net fair value gains of RM2.3 million (3Q-2018: losses of RM6.5 million) on investments classified at FVTPL.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 30 September 2019 ("3Q-2019") against preceding year's corresponding financial quarter ended 30 September 2018 ("3Q-2018") (continued)

General Insurance

Key financial performance	3Q-2019		3Q-2018	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	580,476	46,893	520,650	39,768
Underwriting surplus	30,711	2,482	79,796	6,087
Investment income	34,793	2,810	24,897	1,902
Claim ratio in %	56.9%	56.9%	44.8%	44.8%
Commission ratio in %	28.3%	28.3%	32.6%	32.6%
(Loss)/profit before taxation	(2,384)	(192)	49,268	3,737
Range of currency exchange rate	1 RM = 12.36 to 12.39 PHP		1 RM = 13.05 to 13.17 PHP	

Total GPW grew by 11.5% to PHP580.5 million (3Q-2018: PHP520.7 million) in 3Q-2019, driven mainly by increase in the production of both motor and non-motor classes of business. Motor classes recorded an increase in GPW of 11.3% to PHP212.7 million (3Q-2018: PHP191.1 million), whilst non-motor classes registered a 11.6% increase in GPW to PHP367.8 million (3Q-2018: PHP329.6 million). The motor and non-motor businesses contributed 37% (3Q-2018: 37%) and 63% (3Q-2018: 63%) respectively of the total GPW in 3Q-2019.

In 3Q-2019, MAAGAP recorded a lower underwriting surplus of PHP30.7 million compared to PHP79.8 million) in 3Q-2018 affected by higher claim ratio of 56.9% (Q3-2018: 44.8%). The claim ratio for motor class was higher at 66.7% (3Q-2018: 60.2%), mainly due to the 29.7% increase in net claim incurred to PHP127.6 million (3Q-2018: PHP98.4 million). The motor class has reported 4% increase in the number of registered claims in 3Q-2019 from private car and commercial vehicles compared to 3Q-2018. For non-motor class, the claim ratio has increased to 45.0% (3Q-2018: 32.3%) mainly due to higher net claims incurred of PHP49.1 million (3Q-2018: PHP38.7 million) and PHP12.5 million (3Q-2018: PHP2.1 million) recorded by fire and personal accident classes respectively.

MAAGAP has registered a LBT of PHP2.4 million (Q3-2018: PBT of PHP49.3 million) in 3Q-2019. Despite of the premium growth, the LBT in 3Q-2019 was mainly affected by higher claim ratio, 4.6% increase in management expenses to PHP64.4 million (Q3-2018: PHP61.6 million) and net fair value losses of PHP7.6 million (3Q-2018: gains of PHP2.7 million) on investments classified at FVTPL.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 30 September 2019 ("3Q-2019") against preceding year's corresponding financial quarter ended 30 September 2018 ("3Q-2018") (continued)

Education Services

Key financial performance	3Q-2019	3Q-2018
	RM'000	RM'000
Operating revenue	1,045	1,170
Profit before taxation	20	284

Total operating revenue of the Education Services segment which mainly consists of tuition fee income recorded a 11.7% decrease to RM1.0 million (3Q-2018: RM1.2 million) in 3Q-2019 affected by the reduction in students enrollment.

Corresponding to the lower tuition fee income, the Education Services segment has recorded a lower PBT of RM20,000 (3Q-2018: RM284,000).

Current financial period ended 30 September 2019 ("FPE 30.9.2019") against preceding year's corresponding financial period ended 30 September 2018 ("FPE 30.9.2018")

Group

Key financial performance	FPE 30.9.2019	FPE 30.9.2018
	RM'000	RM'000
Operating revenue	140,261	125,262
Loss before taxation	(2,046)	(12,689)

In FPE 30.9.2019 under review, the Group recorded a higher total operating revenue of RM140.3 million (FPE 30.9.2018: RM125.3 million), mainly contributed by the higher gross earned premiums of RM122.2 million (FPE 30.9.2018: RM109.5 million) recorded by MAAGAP and higher investment income of RM15.1 million (FPE 30.9.2018: RM12.4 million).

The Group recorded a lower LBT of RM2.0 million (FPE 30.9.2018: RM12.7 million) in FPE 30.9.2019. The General Insurance business contributed a PBT of RM6.4 million (FPE 30.9.2018: PBT of RM6.4 million). However this profit was offset by a LBT of RM6.4 million (FPE 30.9.2018: LBT of RM21.4 million) from the Investment Holdings segment, a LBT of RM124,000 (FPE 30.9.2018: PBT of RM357,000) from the Education Services segment and a LBT of RM1.8 million (FPE 30.9.2018: LBT of RM0.9 million) from the Other segments.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial period ended 30 September 2019 (“FPE 30.9.2019”) against preceding year’s corresponding financial period ended 30 September 2018 (“FPE 30.9.2018”) (continued)

Investment Holdings

Key financial performance	FPE 30.9.2019	FPE 30.9.2018
	RM’000	RM’000
Operating revenue	7,438	7,156
Loss before taxation	(6,448)	(21,431)
Assets	401,196	446,226
Liabilities	11,407	9,463

The Investment Holdings segment recorded a 3.9% increase in total operating revenue to RM7.4 million (FPE 30.9.2018: RM7.2 million) which mainly comprised of interest income of RM5.5 million (FPE 30.9.2018: RM5.6 million), dividend income of RM1.5 million (FPE 30.9.2018: RM1.1 million) and rental income from investment properties of RM197,000 (FPE 30.9.2018: RM256,000).

In FPE 30.9.2019, the Investment Holdings segment recorded a lower LBT of RM6.4 million (FPE 30.9.2018: RM21.4 million). The lower loss was mainly contributed by net fair value gains of RM4.4 million (FPE 30.9.2018: losses of RM13.7 million) on investments classified at FVTPL, lower fair value losses of RM0.4 million (FPE 30.9.2018: RM1.2 million) on investment properties and lower management expenses of RM16.2 million (FPE 30.9.2018: RM16.8 million).

As at 30 September 2019, the Investment Holdings segment’s assets were lower at RM401.2 million compared to RM446.2 million as at 30 September 2018. The decrease was due mainly to interim dividends totaling RM16.4 million paid on 20 August 2019, the recorded net fair value losses on investments classified at FVTPL of RM6.4 million and the net fair value losses of RM2.0 million on investment properties during the period from October 2018 to 30 September 2019. As at 30 September 2018, the Investment Holdings segment’s assets of RM446.2 million included the carrying value of RM55.4 million for investment in a former associated company, CCA.

As at 30 September 2019, total liabilities of the Investment Holdings segment increased to RM11.4 million from RM9.5 million as at 30 September 2018. The increase was mainly attributed by the recognition of lease liabilities of RM3.6 million from the adoption of MFRS 16 on 1 January 2019.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial period ended 30 September 2019 ("FPE 30.9.2019") against preceding year's corresponding financial period ended 30 September 2018 ("FPE 30.9.2018") (continued)

General Insurance

Key financial performance	FPE 30.9.2019		FPE 30.9.2018	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	1,680,702	133,809	1,504,572	114,432
Underwriting surplus	162,418	12,903	251,274	19,108
Investment income	95,006	7,567	71,021	5,403
Claim ratio in %	49.3%	49.3%	42.3%	42.3%
Commission ratio in %	31.0%	31.0%	32.3%	32.3%
Profit before taxation	80,433	6,360	82,115	6,353
Assets	4,636,204	374,248	3,898,991	298,257
Liabilities	3,317,985	267,837	2,798,391	214,065
Range of currency exchange rate	1 RM = 12.36 to 12.83 PHP		1 RM= 12.75 to 13.38 PHP	

Total GPW grew by 11.7% from PHP1,504.6 million in FPE 30.9.2018 to PHP1,680.7 million in FPE 30.9.2019, driven mainly by increase in the production of both motor and non-motor classes of business. Motor classes recorded an increase in GPW of 3.1% to PHP596.1 million (FPE 30.9.2018: PHP578.1 million), whilst non-motor classes registered a 17.1% increase in GPW to PHP1,084.6 million (FPE 30.9.2018: PHP926.5 million). Motor and non-motor businesses contributed 35% (FPE 30.9.2018: 38%) and 65% (FPE 30.9.2018: 62%) respectively of the total GPW in FPE 30.9.2019.

In FPE 30.9.2019, MAAGAP recorded a lower underwriting surplus of PHP162.4 million compared to PHP251.3 million in FPE 30.9.2018 affected by higher claim ratio of 49.3% (FPE 30.9.2018 : 42.3%). The claim ratio for motor classes was higher at 52.5% (FPE 30.9.2018: 50.2%), mainly due to higher net claim incurred of PHP271.3 million (FPE 30.9.2018: PHP252.2 million). Non-motor classes, the claim ratio has increased to 46.0% (FPE 30.9.2018: 34.6%) mainly due to higher net claims incurred from fire, personal accident and bond classes.

The lower underwriting surplus in FPE 30.9.2019 has resulted MAAGAP registered a lower PBT of PHP80.4 million (FPE 30.9.2018: PHP82.1 million). Nevertheless, in FPE 30.9.2019 MAAGAP recorded higher investment income of PHP95.0 million (FPE 30.9.2018: PHP71.0 million), higher realised gains from disposal of investments of PHP29.7 million (FPE 30.9.2018: PHP15.9 million) and lower net fair value losses of PHP19.4 million (FPE 30.9.2018: PHP85.3 million) on investments classified at FVTPL.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial period ended 30 September 2019 (“FPE 30.9.2019”) against preceding year’s corresponding financial period ended 30 September 2018 (“FPE 30.9.2018”) (continued)

General Insurance (continued)

As at 30 September 2019, MAAGAP’s total assets increased by 18.9% to PHP4,636.2 million from PHP3,899.0 million as at 30 September 2018. The increase was mainly attributed by higher investments, reinsurance assets and insurance receivables positions which were in line with the company’s business growth.

Total liabilities increased by 18.6% to PHP3,318.0 million as at 30 September 2019 from PHP2,798.4 million as at 30 September 2018. The increase was mainly due to higher insurance contract liabilities, insurance and other payables positions which were in line with the company’s business growth.

Education Services

Key financial performance	FPE 30.9.2019	FPE 30.9.2018
	RM’000	RM’000
Operating revenue	2,818	3,136
(Loss)/profit before taxation	(124)	357
Assets	7,168	736
Liabilities	1,192	172

Total operating revenue of the Education Services segment which mainly consists of tuition fee income recorded a 10.3% decrease to RM2.8 million (FPE 30.9.2018: RM3.1 million) in FPE 30.9.2019 affected by the reduction in students enrollment.

Corresponding to the lower tuition fee income, the Education Services segment has recorded a LBT of RM124,000 (FPE 30.9.2018: PBT of RM357,000).

As at 30 September 2019, the Education Services segment’s total assets were higher at RM7.2 million (30 September 2018: RM0.7 million). The increase was due mainly to recognition of right-of-use assets of RM0.9 million from the adoption of new MFRS 16 on 1 January 2019 coupled with a call deposit of RM5.0 million from the capital injection to fund the impending acquisition of Help College of Art and Technology Sdn Bhd as stated in note B11(f) of this report.

As at 30 September 2019, total liabilities increased to RM1.2 million from RM0.2 million as at 30 September 2018. The increase was mainly attributed by the recognition of lease liabilities of RM0.9 million from the adoption of new MFRS 16 on 1 January 2019.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (3Q-2019) AGAINST THE PRECEDING FINANCIAL QUARTER (2Q-2019)

In 3Q-2019, the Group recorded a LBT of RM3.3 million (2Q-2019: LBT of RM6.5 million). The lower loss in 3Q-2019 arose mainly from the recorded net fair value gains of RM1.7 million (2Q-2019: losses of RM5.2 million) on investments classified at FVTPL.

B3. PROSPECTS

During the nine (9) months ended 30 September 2019, though the Group's General Insurance business in the Philippines continues its growth momentum with 11.7% increase in gross premium written, it has recorded a lower underwriting surplus due to higher claims experience. Notwithstanding this, the General Insurance business managed to maintain its profit level vis-à-vis last year corresponding period largely contributed by the increase in net investment income with the restructuring of the investment portfolio from equities towards more fixed income securities. The Group foresees the performance of the General Insurance business for the remaining of 2019 may continue to be affected by the negative claims experience.

The Group's Education Services business continues to be affected by declining student enrollment and lower tuition fee income to record loss during the nine (9) months ended 30 September 2019. The Group foresees the Group's Education Services business to continue to suffer loss given that the last quarter of 2019 is low season for tuition business with the national school year ending in November. In its efforts to restructuring the Education Services business, the Group has commenced action plans to identify new strategic locations to relocate the tuition centers to improve students count.

In light of the prospects of the operating segments of the Group mentioned above, the Board foresees the remaining of 2019 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 SEPTEMBER 2019

B5. INVESTMENT INCOME

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	56	122	197	256
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	59	89	170	133
- Equity securities quoted outside Malaysia	425	337	1,399	1,126
- Equity securities unquoted outside Malaysia	-	624	703	624
	484	1,050	2,272	1,883
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	449	427	1,149	945
Interest income				
- Government debt securities quoted outside Malaysia	1,271	484	3,027	1,295
- Corporate debt securities quoted outside Malaysia	53	45	155	135
- Corporate debt securities unquoted in Malaysia	-	-	304	309
	1,773	956	4,635	2,684
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	101	96	297	284
- Corporate debt securities quoted outside Malaysia	588	654	1,653	1,732
	689	750	1,950	2,016
Interest income from:				
- staff loans	1	-	2	1
- fixed and call deposits	2,239	1,730	6,052	5,604
	2,240	1,730	6,054	5,605
	5,242	4,608	15,108	12,444

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B6. REALISED GAINS AND LOSSES – NET

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) from disposal of property, plant and equipment	27	-	(146)	-
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	49	198	514	457
- Equity securities quoted outside Malaysia	105	656	2,408	1,804
- Unit trusts quoted outside Malaysia	-	7	(80)	7
- Derivatives quoted in Malaysia	-	-	39	54
	154	861	2,881	2,322
Investments at FVOCI				
Net realised gains/(losses)				
- Government debt securities quoted outside Malaysia	47	(150)	91	(154)
	228	711	2,826	2,168

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B7. FAIR VALUE GAINS AND LOSSES – NET

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Net fair value losses on investment properties	(8)	-	(357)	(1,210)
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	486	610	1,864	(871)
- Equity securities quoted outside Malaysia	1,390	(6,477)	3,278	(14,611)
- Equity securities unquoted outside Malaysia	(231)	(507)	(2,513)	(4,111)
- Unit trusts quoted in Malaysia	56	35	151	68
- Unit trusts quoted outside Malaysia	-	(13)	162	(13)
- Derivatives quoted in Malaysia	-	41	67	(488)
	1,701	(6,311)	3,009	(20,026)
	1,693	(6,311)	2,652	(21,236)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

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):

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Write back of/(allowance for) impairment loss on:				
- investments at AC	107	(5)	(245)	(11)
- insurance receivables	135	(25)	212	(41)
- loans and receivables	-	(20)	-	(22)
- cash and cash equivalents	(31)	(1)	(3)	13
Bad debts recovered	-	-	-	8
Realised foreign exchange (losses)/gains – net	203	378	(68)	65
Unrealised foreign exchange (losses)/gains - net	(1,615)	594	(2,204)	(252)
Present value adjustment of Retained Consideration	-	648	-	2,383
Property, plant and equipment written off	(8)	-	(12)	(1)
Depreciation of property, plant and equipment	(292)	(247)	(760)	(731)
Depreciation of right-of-use assets	(875)	-	(1,788)	-
Amortisation of leasehold land	-	-	(1)	(1)
Amortisation of intangible assets	(18)	(16)	(54)	(46)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B9. TAXATION

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
<u>Current tax</u>				
Current financial quarter/period	8	599	1,723	3,260
Over provision in prior quarter/period	(582)	-	(602)	-
	(574)	599	1,121	3,260
<u>Deferred tax</u>				
Current financial quarter/period	584	141	1,762	452
Tax expenses	10	740	2,883	3,712

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

Provision for taxation had been made in the previous year's financial quarter and period mainly for the profit recorded by MAAGAP and certain expenses including the fair value losses on investments that are not deductible for tax purposes.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B10. FAIR VALUE MEASUREMENT OF INVESTMENTS

The Group classifies investments 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.
- 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 investment. These inputs are developed based on the best information available, which might include the Group's own data.

The following tables show the Group's investments which are measured at fair value analysed by the various level within the fair value hierarchy:

At 30 September 2019

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	9,305	-	-	9,305
Equity securities quoted outside Malaysia	60,457	-	-	60,457
Equity securities unquoted outside Malaysia	-	-	21,830	21,830
Unit trusts quoted in Malaysia	2,284	-	-	2,284
	72,046	-	21,830	93,876
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	49,095	-	-	49,095
Corporate debt securities quoted outside Malaysia	4,190	-	-	4,190
Equity securities quoted outside Malaysia	28,056	1,041	-	29,097
Equity securities unquoted outside Malaysia	-	-	4	4
	81,341	1,041	4	82,386
Total investments measured at fair value	153,387	1,041	21,834	176,262

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B10. FAIR VALUE MEASUREMENT OF INVESTMENTS (continued)

The following tables show the Group's investments which are measured at fair value analysed by the various level within the fair value hierarchy: (continued)

At 31 December 2018 (Audited)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	7,982	-	-	7,982
Equity securities quoted outside Malaysia	69,248	-	-	69,248
Equity securities unquoted outside Malaysia	-	-	24,079	24,079
Unit trusts quoted in Malaysia	2,133	-	-	2,133
Unit trusts quoted outside Malaysia	1,719	-	-	1,719
Derivatives quoted in Malaysia	112	-	-	112
	81,194	-	24,079	105,273
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	38,669	-	-	38,669
Corporate debt securities quoted outside Malaysia	3,728	-	-	3,728
Equity securities quoted outside Malaysia	21,892	448	-	22,340
Equity securities unquoted outside Malaysia	-	-	3	3
	64,289	448	3	64,740
Total investments measured at fair value	145,483	448	24,082	170,013

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 September 2019.

The following table shows the movement in Level 3 investments for the current financial period ended 30 September 2019:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM'000	RM'000
At 1 January 2019	24,079	3
Fair value loss recorded in profit or loss	(2,513)	-
Currency translation difference	264	1
At 30 September 2019	21,830	4

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 to 30 April 2020 via Bursa Securities’ letters dated 20 November 2019, 17 May 2019, 30 October 2018, 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 30 April 2020 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 April 2020;
- (ii) The Company fails to obtain approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and
- (iii) The Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

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

B11. CORPORATE PROPOSALS (continued)

- (b) On 27 February 2019, the Board of Directors of the Company (“Board”) received a letter from Melewar Acquisitions Limited and Melewar Equities (BVI) Ltd (collectively “Non-Entitled Shareholders”), in their capacity as major shareholders of the Company, requesting the Company to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 (“Proposed SCR”).

The Proposed SCR entailed a proposed cash amount of RM1.10 for each ordinary share in the Company (“Share”) held by all the shareholders (other than the Non-Entitled Shareholders) whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board (“Entitled Shareholders”).

The Entitled Shareholders collectively hold 167,740,668 Shares, representing approximately 61.33% of the total issued shares of the Company. Pursuant to the Proposed SCR, the issued share capital of the Company will be reduced by up to RM184,514,735 and the Entitled Shareholders will receive an aggregate capital repayment of RM184,514,735, which represents a cash repayment of RM1.10 for each Share held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, the Non-Entitled Shareholders will not be entitled to the capital repayment pursuant to the Proposed SCR.

In this regard, the Board has appointed Affin Hwang Investment Bank Berhad as the Principal Adviser in relation to the Proposed SCR on 27 February 2019, and on 14 March 2019 has further appointed Mercury Securities Sdn Bhd as the Independent Adviser to provide comments, opinions, information and recommendations to the Board (except for the Interested Directors) and to the Entitled Shareholders in respect of the Proposed SCR.

On 29 March 2019, the Company announced the Board (save for Tunku Dato’ Yaacob Khyra and Tunku Yahaya @ Yahya Bin Tunku Tan Sri Abdullah who are deemed interested in the Proposed SCR) has deliberated on the Proposed SCR and has resolved to table the Proposed SCR to the Entitled Shareholders of the Company for their consideration and approval at an extraordinary general meeting to be held at a later date.

Subsequently on 1 April 2019, the Board announced the application in relation to the Proposed SCR has been submitted to the Securities Commission Malaysia pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions.

On 2 May 2019, the Company announced that an extraordinary general meeting (“EGM”) will be held on 29 May 2019 for the Entitled Shareholders to vote for the special resolution on the Proposed SCR. The Company announced on 29 May 2019 that the special resolution for the Proposed SCR was not carried by way of poll at the EGM held on the same day.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B11. CORPORATE PROPOSALS (continued)

- (c) On 1 July 2019, the Company announced that the balance sale consideration of RM88,623,399.52 from the disposal of MAA Takaful Berhad (“MAA Takaful”) has been released to and received by the Company and a balance of RM5,126,600.48 is still being retained by Zurich Insurance Company Ltd (“Zurich”) until the Pending Purchaser Claims are resolved.

The Pending Purchase Claims relate to alleged breach of warranties, and mainly comprise of claims of RM6,668,792.30 additional taxes and penalties imposed on MAA Takaful by the Inland Revenue Board of Malaysia. The Company has engaged its advisers and attorneys to verify and assess the accuracy and validity of these claims. The Company will make necessary announcements on further developments as and when necessary.

- (d) On 25 July 2019, MAA Corporation Sdn Bhd (“MAA Corp”), the wholly-owned subsidiary of the Company incorporated a company by the name of Kasturi Services Sdn Bhd (“Kasturi Services”) with paid-up capital of RM1.00 consist of one (1) ordinary share with issue price of RM1.00 each. The intended principal activity of Kasturi Services is to carry on the business of rent-to-rent and providing rental management services for immovable properties.
- (e) On 10 September 2019, MAA Corp acquired 49 ordinary shares, representing 49% of the issued and paid-up share capital of Hospitality H360 Sdn Bhd (“H360”), a company incorporated in Malaysia, for a total cash purchase consideration of RM49. The principal activities of H360 are investment holding and the provision of advisory and management of hotels.
- (f) On 13 September 2019, Edumaax Sdn Bhd (“Edumaax”) (formerly known as Indopelanggi Sdn Bhd), a wholly-owned subsidiary of MAA Corp, had entered into a Share Purchase Agreement (“SPA”) with HELP International Corporation Sdn Bhd, for the acquisition of 30,259,564 ordinary shares representing 100% equity interest in HELP College of Arts and Technology Sdn Bhd (formerly known as HELP ICT Sdn Bhd) (“HCAT”) for a total cash purchase consideration of RM5,500,000 subject to further terms and conditions stipulated in SPA (“Proposed Acquisition of HCAT”).

On 31 October 2019, the Proposed Acquisition of HCAT has been completed in accordance with terms and conditions of the SPA.

- (g) On 20 September 2019, the Company announced that Edumaax had entered into a Share Acquisition Agreement (“SAA”) with Scholastic Ventures Sdn Bhd and PAC Edu KL Sdn Bhd, for the acquisition of 1,147,059 ordinary shares representing 90% equity interest in Scholastic IB International Sdn Bhd (“SIB”) for a total cash purchase consideration of RM27,000,000 subject to further terms and conditions stipulated in the SAA (“Proposed Acquisition of SIB”).

SIB is principally involved in investment holding and its wholly-owned subsidiary companies are principally involved in:

- (i) St John’s International Edu Sdn Bhd (“SJIS”) – offering Cambridge lower secondary and upper secondary, IGCSE O-Level;
- (ii) St John’s International (Campus 2) Sdn Bhd – dormant; and
- (iii) Alfaakedemik Sdn Bhd – offering tuition/tutorial classes for Cambridge lower secondary and IGCSE O-Level.

On 31 October 2019, the Proposed Acquisition of SIB has been completed in accordance with terms and conditions of the SAA.

B11. CORPORATE PROPOSALS (continued)

The Proposed Acquisition of SIB and HCAT will enable the Group to expand and accelerate growth in the existing Education Services business segment by providing a wide range of education services from the existing tuition center education for national schools to secondary education for Cambridge, IGCSE O-Level, A-Level and tertiary education for certificate, diplomas, professional and post graduate degrees.

- (h) On 23 October 2019, the Company announced that its sub-subsidiary, MAA International Corporation Ltd (“MAAIC”), which was placed under Members’ Voluntary Winding Up was dissolved on 23 October 2019 after the expiration of three months from the date of the lodgement of the Return by Liquidators relating to the final meeting with the Labuan Financial Services Authority and the Official Receiver on 25 July 2019, pursuant to Section 459(5) of the Companies Act 2016.

The dissolution of MAAIC has no financial effect for the financial year ending 31 December 2019 as MAAIC has been deconsolidated from the Group on 30 August 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 SEPTEMBER 2019

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 MAA Takaful Berhad on 30 September 2016

	Purpose	Revised Utilisation	Actual Proceeds received	Actual Utilisation	Revised timeframe for utilisation	Deviation	Explanations (if the deviation is 5% or more)
		RM'000	RM'000	RM'000		RM'000	
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired	68,250	68,250	-	Within 24 months from the EGM held on 5 June 2018	-	-
		93,750	^(N2) 88,623	^(N3) 550	Within 24 months from the receipt of the Retained Consideration on 1 July 2019	-	-
(ii)	Working capital and share buy-back exercise	30,854	30,854	26,374	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	8,207	Utilised	-	-
(iv)	Payment of dividends to shareholders	32,822	32,822	16,411	Within 24 months from the EGM held on 5 June 2018	-	-
	Total	^(N1) 233,883	228,756	51,542		-	-

^(N1) 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.

^(N2) On 1 July 2019, the Company received RM88,623,399.52 from the balance sale consideration of RM93,750,000. Further details on this are stated in Note B11(c) of these Interim Reports.

^(N3) Payment of 10% of the purchase consideration for the Proposed Acquisition of HCAT as deposit and part payment thereof on 19 September 2019.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

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

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

(b) Disposal of Columbus Capital Pty Limited on 27 December 2018

	Purpose	Proposed 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	^(N3) 55,404	-	No limit specified	-	-
	Total	55,404	-		-	-

^(N3) Computed based on the initial consideration of AUD19,459,010 received on 27 December 2018 using the exchange rate of AUD 1 : RM2.8472 on 30 September 2019.

B13. BORROWINGS AND DEBT SECURITIES

The Group has no outstanding borrowings and debt securities as at the end of the financial period ended 30 September 2019.

B14. CHANGES IN MATERIAL LITIGATION

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

B15. DIVIDEND PAYABLE

The total interim dividends paid for the current financial period ended 30 September 2019 is 6 sen (9 months period ended 30 September 2018: 3 sen).

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

B16. BASIC LOSS PER ORDINARY SHARE

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
<u>Attributable to the Owners of the Company:</u>				
Net loss for the financial quarter/period (RM'000)	(3,299)	(2,633)	(4,959)	(16,421)
Weighted average number of ordinary shares in issue ('000)	273,469	273,518	273,469	273,518
Basic loss per ordinary share (sen)	(1.21)	(0.96)	(1.81)	(6.00)

B17. 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 2018 was not qualified.

By Order of the Board

Lily Yin Kam May
Company Secretary

KUALA LUMPUR
DATE: 27 November 2019