

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2019

	As At	(Audited)
	31 December 2019	As At
	RM'000	31 December 2018
		RM'000
ASSETS		
Property, plant and equipment	9,931	4,105
Right-of-use assets	13,740	-
Investment properties	51,373	46,234
Intangible assets	786	658
Goodwill on consolidation	26,911	-
Deferred tax assets	2,261	2,045
Tax recoverable	227	177
Investments	285,996	239,473
At fair value through profit or loss ("FVTPL")	95,328	105,273
At fair value through other comprehensive income ("FVOCI")	82,449	64,740
At amortised costs ("AC")	108,219	69,460
Loans and receivables	12,328	4,528
Reinsurance assets	77,552	40,023
Insurance receivables	56,693	47,608
Deferred acquisition costs	19,435	17,447
Trade and other receivables ^(N1)	34,726	103,369
Retirement benefit asset	-	101
Cash and cash equivalents	247,245	251,132
TOTAL ASSETS	839,204	756,900
EQUITY AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	216,589	149,233
Deferred tax liabilities	831	748
Insurance payables	22,676	13,580
Deferred reinsurance commissions	908	833
Trade and other payables	91,186	56,436
Lease liabilities	13,718	-
Retirement benefit liability	1,358	-
Current tax liabilities	255	2,552
TOTAL LIABILITIES	347,521	223,382
EQUITY		
Share capital	304,354	304,354
Retained earnings	188,396	236,931
Reserves	(4,481)	(11,186)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	488,269	530,099
Non-controlling interests ("NCI")	3,414	3,419
TOTAL EQUITY	491,683	533,518
TOTAL EQUITY AND LIABILITIES	839,204	756,900
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.79	1.94

^(N1) As at 31 December 2018, the Trade and other receivables included the balance sale consideration of RM93.75 million ("Retained Consideration") from the disposal of MAA Takaful Berhad. Further details on this are stated in Note B11(c) of the Interim Reports.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019

	Individual Period		Cumulative Period	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	To Date
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Operating revenue	54,139	43,979	194,400	169,241
Gross earned premiums	43,959	38,973	166,121	148,461
Premiums ceded to reinsurers	(18,298)	(12,741)	(59,193)	(44,440)
Net earned premiums	25,661	26,232	106,928	104,021
Investment income	5,267	4,090	20,375	16,534
Realised gains and losses - net	372	(5,505)	3,198	(3,337)
Fair value gains and losses - net	(3,050)	(11,143)	(398)	(32,379)
Commission income	586	619	2,284	2,448
Other operating revenue from non-insurance businesses	4,913	916	7,904	4,246
Other operating (expenses)/income - net	(14,006)	(141)	(16,660)	2,923
Other income/(expenses) - net	(5,918)	(11,164)	16,703	(9,565)
Total revenue	19,743	15,068	123,631	94,456
Gross claims paid	(14,584)	(13,550)	(54,430)	(48,972)
Claims ceded to reinsurers	6,622	1,675	14,318	6,040
Gross change to contract liabilities	(42,116)	943	(65,496)	(2,020)
Change in contract liabilities ceded to reinsurers	31,591	3,496	47,014	4,604
Net claims incurred	(18,487)	(7,436)	(58,594)	(40,348)
Commission expense	(10,599)	(9,701)	(40,554)	(37,299)
Management expenses	(18,049)	(11,387)	(53,745)	(45,869)
Finance costs	(87)	(2)	(263)	(9)
Other expenses	(28,735)	(21,090)	(94,562)	(83,177)
Operating loss	(27,479)	(13,458)	(29,525)	(29,069)
Share of profit of an associate, net of tax	-	1,774	-	4,696
Loss before taxation	(27,479)	(11,684)	(29,525)	(24,373)
Taxation	1,146	747	(1,737)	(2,965)
Loss for the financial quarter/year	(26,333)	(10,937)	(31,262)	(27,338)
(Loss)/profit for the financial quarter/year attributable to:				
Owners of the Company	(26,258)	(11,036)	(31,217)	(27,457)
NCI	(75)	99	(45)	119
	(26,333)	(10,937)	(31,262)	(27,338)
Basic loss per ordinary share (sen) attributable to owners of the Company	(9.60)	(4.03)	(11.42)	(10.04)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019

	Individual Period		Cumulative Period	
	Current Year Quarter 31 December 2019 RM'000	Preceding Year Corresponding Quarter 31 December 2018 RM'000	Current Year To Date 31 December 2019 RM'000	Preceding Year To Date 31 December 2018 RM'000
Loss for the financial quarter/year	(26,333)	(10,937)	(31,262)	(27,338)
<u>Other comprehensive income/(loss)</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	(2,431)	11,542	1,413	6,975
Net fair value gains/(losses) on debt securities at FVOCI	687	204	4,758	(2,876)
	(1,744)	11,746	6,171	4,099
<i>Items that will not be reclassified to profit or loss:</i>				
Net fair value (losses)/gains on equity securities at FVOCI	(166)	(290)	534	(1,077)
Remeasurement (loss)/gain on retirement benefit plan	(732)	346	(732)	346
	(898)	56	(198)	(731)
Other comprehensive (loss)/income for the financial quarter/year	(2,642)	11,802	5,973	3,368
Total comprehensive (loss)/income for the financial quarter/year	(28,975)	865	(25,289)	(23,970)
Total comprehensive (loss)/income for the financial quarter/year attributable to:				
Owners of the Company	(28,900)	766	(25,244)	(24,089)
NCI	(75)	99	(45)	119
	(28,975)	865	(25,289)	(23,970)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the Company								
	Share capital	Treasury shares	Foreign exchange reserves	FVOCI reserves	Reserves Total	Retained earnings	Total	NCI	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 Months Ended 31 December 2019									
At 1 January 2019	304,354	-	(7,237)	(3,949)	(11,186)	236,931	530,099	3,419	533,518
Loss for the financial year	-	-	-	-	-	(31,217)	(31,217)	(45)	(31,262)
Other comprehensive income	-	-	1,413	5,292	6,705	(732)	5,973	-	5,973
Total comprehensive income/(loss) for the financial year	-	-	1,413	5,292	6,705	(31,949)	(25,244)	(45)	(25,289)
Shares buy-back	-	(175)	-	-	-	-	(175)	-	(175)
Cancellation of treasury shares	-	175	-	-	-	(175)	-	-	-
Interim dividends paid	-	-	-	-	-	(16,411)	(16,411)	-	(16,411)
Transaction with NCI	-	-	-	-	-	-	-	40	40
At 31 December 2019	304,354	-	(5,824)	1,343	(4,481)	188,396	488,269	3,414	491,683

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019
(continued)

	Attributable to owners of the Company								
	Share capital	Treasury shares	Foreign exchange reserves	FVOCI reserves	Reserves Total	Retained earnings	Total	NCI	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 Months Ended 31 December 2018									
(Audited)									
At 1 January 2018	304,354	-	(14,212)	4	(14,208)	272,248	562,394	3,300	565,694
Loss for the financial year	-	-	-	-	-	(27,457)	(27,457)	119	(27,338)
Other comprehensive income/(loss)	-	-	6,975	(3,953)	3,022	346	3,368	-	3,368
Total comprehensive loss for the financial year	-	-	6,975	(3,953)	3,022	(27,111)	(24,089)	119	(23,970)
Interim dividends paid	-	-	-	-	-	(8,206)	(8,206)	-	(8,206)
At 31 December 2018	304,354	-	(7,237)	(3,949)	(11,186)	236,931	530,099	3,419	533,518

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Current Year To Date 31 December 2019 <u>RM'000</u>	Preceding Year To Date 31 December 2018 <u>RM'000</u>
Loss for the financial year	(31,262)	(27,338)
Adjustment for:		
Investment income	(20,375)	(16,534)
Realised gains and losses - net	(3,198)	3,337
Fair value gains and losses - net	398	32,379
Allowance for/(write back of) impairment loss on:		
- investments at AC	403	105
- investments at FVOCI	5	5
- loans from money lending, hire purchase and other credit activities	506	-
- amounts due from associate company	2,998	-
- fixed and call deposits	-	1
- cash and cash equivalents	(31)	(14)
- insurance receivables	(734)	91
- trade receivables	385	-
Allowance for impairment on goodwill acquired	4,996	-
Provision for Zurich's claims	5,127	-
Present value adjustment on Retained Consideration	-	(3,959)
Loss on deconsolidation of subsidiaries	-	757
Realised foreign exchange losses/(gains) - net	127	(129)
Unrealised foreign exchange losses - net	1,799	2,122
Property, plant and equipment written off	1,036	1
Depreciation of property, plant and equipment	2,242	959
Depreciation of right-of-use assets	3,500	-
Amortisation of leasehold lands	1	1
Amortisation of intangible assets	83	84
Finance costs	263	9
Share of profit of an associate	-	(4,696)
Tax expenses	1,737	2,965
Changes in working capital:		
Increase in loans and receivables	(1,002)	(19)
Increase in reinsurance assets	(37,529)	(5,080)
Increase in insurance receivables	(8,410)	(3,709)
Increase in deferred acquisition costs	(1,988)	(972)
Decrease in trade and other receivables	66,761	2,641
Increase/(decrease) in insurance contract liabilities	67,356	(1,735)
Increase in insurance payables	9,096	4,924
Increase in deferred reinsurance commission	75	132
Increase in trade and other payables	18,742	4,357
Cash generated from/(used in) operating activities	<u>83,107</u>	<u>(9,315)</u>
Income tax paid	(4,221)	(3,938)
Income tax refund	20	1
Net cash generated from/(used in) operating activities	<u>78,906</u>	<u>(13,252)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019
(continued)

	Current Year To Date 31 December 2019 RM'000	Preceding Year To Date 31 December 2018 RM'000
Investing activities:		
Purchase of property, plant and equipment	(3,400)	(534)
Proceeds from disposal of property, plant and equipment	423	43
Acquisition of investment properties	(4,829)	-
Addition from subsequent expenditure of investment properties	(470)	(609)
Purchase of intangible assets	(170)	(156)
Purchase of investments	(208,508)	(118,967)
Proceeds from disposal of investments	174,488	75,124
Net cash outflow from acquisition of subsidiaries	(31,316)	-
Net cash outflow from deconsolidation of subsidiaries	-	(29)
Proceeds from disposal of an associate company	-	56,713
(Increase)/decrease in fixed and call deposits	(7,303)	99,978
Interest income received	16,742	13,672
Dividend income received	4,176	3,418
Rental income received	267	346
Net cash (used in)/generated from investing activities	(59,900)	128,999
Financing activities:		
Purchase of treasury shares	(175)	-
Dividends paid	(16,411)	(8,206)
Repayment of lease liabilities	(3,186)	-
Finance costs paid	(263)	(9)
Net cash used in financing activities	(20,035)	(8,215)
Net (decrease)/increase in cash and cash equivalents	(1,029)	107,532
Currency translation difference	(2,858)	2,374
Cash and cash equivalents at beginning of financial year	251,132	141,226
Cash and cash equivalents at end of financial year	247,245	251,132
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	27,259	78,457
Cash and bank balance	219,986	172,675
	247,245	251,132

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.