

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

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 2019. 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 2019.

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 2019, except for the adoption of the following standards, amendments to standards and interpretations that became effective from financial year beginning on or after 1 January 2020:

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

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRS 101 '*Classification of liabilities as current or non-current*'

The International Accounting Standards Board has proposed to defer by one year the effective date of the amendments to MFRS 101 '*Classification of liabilities as current or non-current*' to 1 January 2023.

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 '*Insurance Contracts*'

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

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

A3. SEASONAL OR CYCLICAL FACTORS

The Group's business operations were not significantly affected by any seasonal or cyclical factors in the current financial period ended 31 March 2020.

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 period ended 31 March 2020.

A5. CHANGES IN ESTIMATES

There were no changes in estimates that have any material effect during the current financial period ended 31 March 2020.

A6. DEBT AND EQUITY SECURITIES

During the current financial quarter and period ended 31 March 2020, the Company has purchased 1,583,400 ordinary shares from the open market at an average price of RM0.76 per share. The total purchase consideration paid for the shares buy-back including transaction costs during the current financial quarter and period ended 31 March 2020 amounted to RM1,203,016 and were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with the Companies Act 2016 and carried at purchase cost.

Other than above, there were no issuances, repurchases and repayments of debt and equity securities during the current financial period ended 31 March 2020.

A7. DIVIDEND PAID

No interim dividend was paid by the Company during the current financial period ended 31 March 2020 in respect of the financial year ending 31 December 2020.

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**A8. SEGMENTAL INFORMATION**

The following summary describes the operations in each of the Group's operating segments for the current financial quarter and period ended 31 March 2020:

- 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 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.

The table below shows the segment information for the reportable segments:

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 months period ended 31 March 2020</u>					
Operating revenue	1,739	43,344	8,310	939	54,332
Net earned premiums	-	28,950	-	-	28,950
Investment income	264	634	-	-	898
Interest income	1,416	2,225	109	39	3,789
Realised gains and losses	(4,290)	379	9	-	(3,902)
Fair value gains and losses	(15,617)	(5,683)	-	51	(21,249)
Commission income	-	442	-	-	442
Other operating revenue from non-insurance businesses	59	-	8,201	900	9,160
Other operating (expenses)/income – net	(1,955)	(7)	542	(2,195)	(3,615)
Net claims incurred	-	(13,072)	-	-	(13,072)
Commission expenses	-	(9,655)	-	-	(9,655)
Management expenses	(4,085)	(4,448)	(9,906)	(1,659)	(20,098)
Finance costs	(15)	(15)	(177)	(5)	(212)
Loss before taxation	(24,223)	(250)	(1,222)	(2,869)	(28,564)

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**A8. SEGMENTAL INFORMATION** (continued)

The table below shows the segment information for the reportable segments (continued):

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 March 2019					
Operating revenue	2,012	41,296	850	85	44,243
Net earned premiums	-	26,374	-	-	26,374
Investment income	293	412	-	-	705
Interest income	1,660	1,636	-	73	3,369
Realised gains and losses	225	2,010	-	-	2,235
Fair value gains and losses	6,906	(537)	-	34	6,403
Commission income	-	505	-	-	505
Other operating revenue from non- insurance businesses	59	-	850	12	921
Other operating (expenses)/income – net	(161)	(175)	1	(6)	(341)
Net claims incurred	-	(12,090)	-	-	(12,090)
Commission expenses	-	(9,589)	-	-	(9,589)
Management expenses	(4,978)	(4,224)	(889)	(539)	(10,630)
Finance costs	(32)	(31)	(13)	(4)	(80)
Profit/(loss) before taxation	3,972	4,291	(51)	(430)	7,782

	Investment holdings	General insurance	Education services	Other segments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segmental Assets					
At 31 March 2020	302,105	413,668	76,135	34,888	826,796
At 31 December 2019 (Audited)	338,796	399,404	76,407	24,597	839,204
Segmental Liabilities					
At 31 March 2020	10,029	313,160	35,478	748	359,415
At 31 December 2019 (Audited)	9,883	300,307	36,622	709	347,251

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

A9. MATERIAL EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the end of the current financial period ended 31 March 2020 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 period ended 31 March 2020.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current financial period ended 31 March 2020. As at 31 March 2020, 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 2019. These revalued amounts have been carried forward to the current financial period ended 31 March 2020.

A13. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at the end of the financial period ended 31 March 2020.

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 31.3.2020	As at 31.12.2019
	RM'000	RM'000
Property, plant and equipment		
- Renovation	468	401

A15. RELATED PARTY DISCLOSURES

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

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. REVIEW OF GROUP PERFORMANCE****Current financial quarter ended 31 March 2020 ("1Q-2020") against preceding year's corresponding financial quarter ended 31 March 2019 ("1Q-2019")**Group

Key financial performance	1Q-2020	1Q-2019
	RM'000	RM'000
Operating revenue	54,332	44,243
(Loss)/profit before taxation	(28,564)	7,782

In 1Q-2020 under review, the Group recorded a total operating revenue of RM54.3 million (1Q-2019: RM44.2 million), mainly contributed by the higher gross earned premiums of RM40.5 million (1Q-2019: RM39.2 million) recorded by the General Insurance business held via subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP") and higher other operating revenue from non-insurance businesses of RM9.2 million (1Q-2019: RM0.9 million).

The Group recorded a Loss before taxation ("LBT") of RM28.6 million (1Q-2019: Profit before taxation ("PBT") of RM7.8 million) in 1Q-2020. The loss in 1Q-2020 was mainly attributed by LBT of RM24.2 million (1Q-2019: PBT of RM4.0 million) from the Investment Holdings segment, LBT of RM250,000 (1Q-2019: PBT of RM4.3 million) from the General Insurance business, LBT of RM1.2 million (1Q-2019: LBT of RM51,000) from the Education Services segment and LBT of RM2.9 million (1Q-2019: LBT of RM430,000) from other segments.

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

B1. REVIEW OF GROUP PERFORMANCE (continued)**Current financial quarter ended 31 March 2020 ("1Q-2020") against preceding year's corresponding financial quarter ended 31 March 2019 ("1Q-2019")** (continued)Investment Holdings

Key financial performance	1Q-2020	1Q-2019
	RM'000	RM'000
Operating revenue	1,739	2,012
(Loss)/profit before taxation	(24,223)	3,972

Investment Holdings segment recorded a decrease in total operating revenue to RM1.7 million (1Q-2019: RM2.0 million) which mainly comprised of interest income of RM1.4 million (1Q-2019: RM1.7 million), dividend income of RM158,000 (1Q-2019: RM221,000) and rental income from investment properties of RM106,000 (1Q-2019: RM72,000).

In 1Q-2020, the Investment Holdings segment recorded a LBT of RM24.2 million (1Q-2019: PBT of RM4.0 million) arose mainly from net fair value losses of RM15.6 million (1Q-2019: gains of RM7.1 million) on equity investments classified at fair value through profit or loss ("FVTPL") due to Covid-19 pandemic's adverse effects which resulted in a significant downturn in the financial markets both globally and in Malaysia.

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B1. REVIEW OF GROUP PERFORMANCE** (continued)**Current financial quarter ended 31 March 2020 ("1Q-2020") against preceding year's corresponding financial quarter ended 31 March 2019 ("1Q-2019")** (continued)General Insurance

Key financial performance	1Q-2020		1Q-2019	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written ("GPW")	456,254	37,113	543,672	42,566
Underwriting surplus	80,675	6,665	66,307	5,200
Investment income	7,698	634	5,268	412
Interest income	27,212	2,225	20,905	1,636
Claim ratio in %	45.2%	45.2%	45.9%	45.9%
Commission ratio in %	35.0%	35.0%	32.1%	32.1%
(Loss)/profit before taxation	(3,495)	(250)	54,654	4,291
Range of currency exchange rate	1RM = 11.81 to 12.48PHP		1 RM = 12.68 to 12.93PHP	

GPW decrease by 16.1% from PHP543.7 million in 1Q-2019 to PHP456.3 million in 1Q-2020, affected mainly by 24.5% decrease in the production of non-motor classes of business. Motor and non-motor businesses contributed 41% (1Q-2019: 35%) and 59% (1Q-2019: 65%) respectively of the total GPW in 1Q-2020.

Despite higher underwriting surplus of PHP80.7 million (1Q-2019: PHP66.3 million), investment and interest income, MAAGAP registered a LBT of PHP3.5 million in 1Q-2020 as compared to PBT of PHP54.7 million in 1Q-2019. The loss suffered was mainly attributed by lower realised gains from disposal of investments of PHP4.7 million (1Q-2019: PHP25.7 million) and higher net fair value losses of PHP69.0 million (1Q-2019: PHP6.9 million) on equity investments classified at FVTPL due to negative sentiments on capital markets impacted by Covid-19 pandemic.

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B1. REVIEW OF GROUP PERFORMANCE** (continued)**Current financial quarter ended 31 March 2020 ("1Q-2020") against preceding year's corresponding financial quarter ended 31 March 2019 ("1Q-2019")** (continued)Education Services

Education Services comprised of the following business units:

- Edumaax Sdn Bhd and Kasturi Academy Sdn Bhd ("Kasturi Group") – offer private tuition education for Malaysia National secondary school curriculum and Sijil Tinggi Persekolahan Malaysia ("STPM") curriculum;
- St John's International Edu Group Sdn Bhd, St John's International (Campus 2) Sdn Bhd and Alfaakademik Sdn Bhd (collectively known as "SJI Group") – offer International school secondary education and private tuition for Cambridge, IGCSE O-Level and A-Level program; and
- HELP College of Arts and Technology Sdn Bhd ("HCAT") (now known as Imperium Edumaax Sdn Bhd ("Imperium Edumaax")) – offers tertiary education for certificates, diplomas, professional and post graduate degrees.

Key financial performance	1Q-2020	1Q-2019
	RM'000	RM'000
Operating revenue	8,310	850
Loss before taxation	(1,222)	(51)

Key financial performance by business units

	1Q-2020				1Q-2019
	Kasturi Group	SJI Group*	Imperium Edumaax*	Total	Kasturi Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	601	5,258	2,451	8,310	850
Profit/(loss) before taxation	54	182	(1,458)	(1,222)	(51)

*SJI Group and Imperium Edumaax became subsidiaries of the Group on 31 October 2019.

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

B1. REVIEW OF GROUP PERFORMANCE (continued)

Current financial quarter ended 31 March 2020 ("1Q-2020") against preceding year's corresponding financial quarter ended 31 March 2019 ("1Q-2019") (continued)

Education Services (continued)

In 1Q-2020, Kasturi Group's total operating revenue recorded a 29.3% decrease to RM601,000 (1Q-2019: RM850,000), affected by the reduction in the number of students enrolment. Notwithstanding the lower tuition fee income and profit margin, Kasturi Group has recorded a marginal PBT of RM54,000 (1Q-2019: LBT of RM51,000) contributed by cost control measures undertaken.

SJI Group recorded a total operating revenue of RM5.3 million with a small PBT of RM182,000 in 1Q-2020. For HCAT (now known as Imperium Edumaax), it recorded a total operating revenue of RM2.5 million with a LBT of RM1.5 million. The loss was mainly affected by the reduction in the number of students enrolment.

B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (1Q-2020) AGAINST THE PRECEDING FINANCIAL QUARTER (4Q-2019)

In 1Q-2020, the Group recorded a higher LBT of RM28.6 million (4Q-2019: LBT of RM27.5 million), mainly caused by a higher net fair value losses of RM21.2 million (4Q-2019: losses of RM3.0 million) on equity investments classified at FVTPL and realised losses of RM3.9 million (4Q-2019: gains of RM0.3 million) from disposal of investments.

B3. PROSPECTS

The Covid-19 pandemic has caused major disruption to the global economies including Malaysia. Businesses worldwide are currently facing a very challenging time and having to manage uncertainties that have arisen resulting from the outbreak of the Covid-19 situation.

As at the date of this announcement, there are on-going proactive measures introduced by each company in the Group. The Group will also continue to improve its management efficiency and intensifying costs optimization efforts to ensure business sustainability.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B5. INVESTMENT INCOME**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	106	72	106	72
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	60	48	60	48
- Equity securities quoted outside Malaysia	328	237	328	237
	388	285	388	285
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	404	348	404	348
	898	705	898	705

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B6. INTEREST INCOME**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income				
- Government debt securities quoted outside Malaysia	520	787	520	787
- Corporate debt securities quoted outside Malaysia	37	51	37	51
	557	838	557	838
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	144	98	144	98
- Corporate debt securities quoted outside Malaysia	1,477	476	1,477	476
- Private trust fund unquoted in Malaysia	7	-	7	-
- Private trust fund unquoted outside Malaysia	2	-	2	-
	1,630	574	1,630	574
Interest income from:				
- staff loans	1	-	1	-
- advances to associate companies	49	-	49	-
- fixed and call deposits	1,552	1,957	1,552	1,957
	1,602	1,957	1,602	1,957
	3,789	3,369	3,789	3,369

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B7. REALISED GAINS AND LOSSES**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) from disposal of property, plant and equipment	9	(190)	9	(190)
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	(394)	262	(394)	262
- Equity securities quoted outside Malaysia	(4,122)	2,204	(4,122)	2,204
- Unit trusts quoted outside Malaysia	-	(11)	-	(11)
- Derivatives quoted in Malaysia	-	15	-	15
	(4,516)	2,470	(4,516)	2,470
Investments at FVOCI				
Net realised gains/(losses)				
- Government debt securities quoted outside Malaysia	613	(45)	613	(45)
- Corporate debt securities quoted outside Malaysia	(8)	-	(8)	-
	605	(45)	605	(45)
	(3,902)	2,235	(3,902)	2,235

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B8. FAIR VALUE GAINS AND LOSSES**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Net fair value losses on investment properties	-	(159)	-	(159)
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(2,506)	1,349	(2,506)	1,349
- Equity securities quoted outside Malaysia	(15,688)	6,101	(15,688)	6,101
- Equity securities unquoted outside Malaysia	(3,106)	(1,144)	(3,106)	(1,144)
- Unit trusts quoted in Malaysia	51	34	51	34
- Unit trusts quoted outside Malaysia	-	131	-	131
- Derivatives quoted in Malaysia	-	91	-	91
	(21,249)	6,562	(21,249)	6,562
	(21,249)	6,403	(21,249)	6,403

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B9. 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 To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/write back of impairment loss on:				
- investments at AC	(10)	(6)	(10)	(6)
- loans from money lending, hire purchase and other credit activities	(2,162)	-	(2,162)	-
- amounts due from associate company	(1,846)	-	(1,846)	-
- cash and cash equivalents	(17)	(71)	(17)	(71)
- insurance receivables	(166)	44	(166)	44
- trade receivables	49	-	49	-
- factoring receivables	(1,104)	-	(1,104)	-
Realised foreign exchange gains/(losses) – net	601	(181)	601	(181)
Unrealised foreign exchange (losses) /gains - net	(201)	44	(201)	44
Property, plant and equipment written off	-	(4)	-	(4)
Depreciation of property, plant and equipment	(676)	(220)	(676)	(220)
Depreciation of right-of-use assets	(2,049)	(455)	(2,049)	(455)
Amortisation of intangible assets	(38)	(17)	(38)	(17)

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Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B10. TAXATION**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
<u>Current tax</u>				
Current financial quarter/period	1,417	638	1,417	638
Over provision in prior quarter/period	-	(20)	-	(20)
	1,417	618	1,417	618
<u>Deferred tax</u>				
Origination and reversal of temporary differences	527	567	527	567
Tax expense	1,944	1,185	1,944	1,185

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

For the previous financial year's corresponding quarter and period under review, the Group's effective tax rate was lower than the statutory tax rate due mainly to fair value gains on investments that are not subject to tax.

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B11. 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 31 March 2020

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	6,472	-	-	6,472
Equity securities quoted outside Malaysia	56,146	-	-	56,146
Equity securities unquoted outside Malaysia	-	-	20,680	20,680
Unit trusts quoted in Malaysia	2,359	-	-	2,359
	64,977	-	20,680	85,657
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	46,051	-	-	46,051
Corporate debt securities quoted outside Malaysia	1,401	-	-	1,401
Equity securities quoted outside Malaysia	24,356	1,059	-	25,415
Equity securities unquoted outside Malaysia	-	-	4	4
	71,808	1,059	4	72,871
Total investments measured at fair value	136,785	1,059	20,684	158,528

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B11. 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 2019 (Audited)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL:				
Equity securities quoted in Malaysia	10,572	-	-	10,572
Equity securities quoted outside Malaysia	59,883	-	-	59,883
Equity securities unquoted outside Malaysia	-	-	22,565	22,565
Unit trusts quoted in Malaysia	2,308	-	-	2,308
	<u>72,763</u>	<u>-</u>	<u>22,565</u>	<u>95,328</u>
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	52,150	-	-	52,150
Corporate debt securities quoted outside Malaysia	4,193	-	-	4,193
Equity securities quoted outside Malaysia	25,073	1,030	-	26,103
Equity securities unquoted outside Malaysia	-	-	3	3
	<u>81,416</u>	<u>1,030</u>	<u>3</u>	<u>82,449</u>
Total investments measured at fair value	<u>154,179</u>	<u>1,030</u>	<u>22,568</u>	<u>177,777</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 31 March 2020.

The following table shows the movement in Level 3 investments for the current financial period ended 31 March 2020:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM'000	RM'000
At 1 January 2020	22,565	3
Fair value loss recorded in profit or loss	(3,106)	-
Currency translation difference	1,221	1
At 31 March 2020	<u>20,680</u>	<u>4</u>

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

B12. 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 31 October 2020 via Bursa Securities’ letters dated 5 May 2020, 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 31 October 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 31 October 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.

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

MAA GROUP BERHAD (471403-A)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B13. 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 ("MAA Takaful") on 30 September 2016

	Purpose	Revised Utilisation	Actual Proceeds Received	Revised Timeframe For Utilisation	Deviation	Explanations (if the deviation is 5% or more)	Actual Utilisation	Revised Remaining Unutilised Proceeds
		RM'000	RM'000		RM'000		RM'000	RM'000
(i)	Future investment opportunity(ies)/ Prospective new business(es) to be acquired ^(N4)	68,250	68,250	Within 24 months from the EGM held on 5 June 2018	(66,073)	Refer to Note A	-	2,177
		93,750	^(N2) 88,623	Within 24 months from the receipt of the Retained Consideration on 1 July 2019	-	-	-	88,623
(ii)	Working capital and share buy-back exercise	30,854	30,854	Within 24 months from the EGM held on 5 June 2018	27,781	Refer to Note A	58,635	-
(iii)	Payment of dividends to shareholders for the FYE 2017	8,207	8,207	Utilised	-	-	8,207	-
(iv)	Payment of dividends to shareholders	32,822	32,822	Within 24 months from the EGM held on 5 June 2018	-	-	16,411	16,411
(v)	Acquisition of new businesses/investments	-	-	By mid-June 2021	38,292	Refer to Note A	33,292	5,000 ^(N3)
	Total	^(N1) 233,883	228,756		-	-	116,545	112,211

MAA GROUP BERHAD (471403-A)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

B13. 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)

(a) Disposal of MAA Takaful Berhad (“MAA Takaful”) on 30 September 2016 (continued)

^(N1) Revised utilisation approved by shareholders during the EGM held on 5 June 2018.

^(N2) Of the RM93,750,000 balance sale consideration of MAA Takaful retained by Zurich Insurance Company Ltd (“Zurich”), the Company received RM88,623,399.52 from Zurich on 1 July 2019 net of Zurich’s claims of RM5,126,600.48.

^(N3) RM5.0 million of the purchase consideration for SIB and its subsidiaries has been withheld by the Company pending fulfillment of RM5.0 million profit guarantees for financial years ended 31 December 2019 and ending 31 December 2020 cumulatively by the sellers.

^(N4) As disclosed in the Circular to Shareholders in relation to the disposal of MAA Takaful dated 6 June 2016, the actual proceeds of RM156.8 million is allocated for the Company to acquire future investment opportunity(ies)/prospective new business(es) to enhance its earning profile, regulate its financial conditions and address the PN17 status.

MAA GROUP BERHAD (471403-A)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B13. 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 MAA Takaful Berhad (“MAA Takaful”) on 30 September 2016 (continued)Note A

Deviations from the utilisation of MAA Takaful Disposal Proceed as at 31 March 2020 consist of:

Utilisation	Amount	% of deviation	Explanations (if the deviation is 5% or more)
	RM'000		
(i) Payment of purchase consideration of HCAT (now known as Imperium Edumaax) to appointed lawyers of the Company and Seller as stakeholders pending approval from Ministry of Education	5,500	1.51%	The purchase of HCAT (now known as Imperium Edumaax) and SIB and its subsidiaries will enable the Group to expand the existing education business segment from tuition centre education to secondary and tertiary education
(ii) Payment of purchase consideration of SIB and its subsidiaries	27,000	7.41%	
(iii) Subscription of additional shares in Altech Chemicals Ltd (“Altech”)	5,792	1.59%	Opportunity to participate in the future growth of Altech’s high purity alumina (“HPA”) plant project in Malaysia as well as to enjoy potential capital appreciation in the investment value upon operation of the HPA plant
(iv) Working capital for:			
(a) New factoring business	10,581	2.90%	Working capital allocated to commence new factoring business
(b) Money lending business	13,000	3.57%	General working capital
(c) Others	4,200	1.15%	General working capital
Total	66,073	18.13%	

MAA GROUP BERHAD (471403-A)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020**B13. 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 ("CCA") on 27 December 2018

	Purpose	Proposed Utilisation	Actual Utilisation	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	63,727	^(N5) 15,307	No time limit specified	-	-
	Total	63,727	15,307		-	-

^(N5) Acquisition of a loan secured by mortgage which was valued approximately 2.5 times above the debt.

NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2020

B14. BORROWINGS AND DEBT SECURITIES

The Group has no outstanding borrowings and debt securities as at the end of the financial period ended 31 March 2020.

B15. CHANGES IN MATERIAL LITIGATION

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

B16. DIVIDEND PAYABLE

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 31 March 2020 (31 March 2019: Nil) in respect for the financial year ending 31 December 2020.

B17. BASIC (LOSS)/EARNING PER ORDINARY SHARE

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To date
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
<u>Attributable to the Owners of the Company:</u>				
Net (loss)/profit for the financial quarter/period (RM'000)	(30,497)	6,566	(30,497)	6,566
Weighted average number of ordinary shares in issue ('000)	273,362	273,518	273,362	273,518
Basic (loss)/earning per ordinary share (sen)	(11.16)	2.40	(11.16)	2.40

B18. 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 2019 was not qualified.

By Order of the Board
Lily Yin Kam May
Company Secretary

KUALA LUMPUR
DATE: 30 JUNE 2020