

MAA GROUP BERHAD

(Registration No. 199801015274 (471403-A))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2021**

MAA GROUP BERHAD

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2021**

	Individual Period		Cumulative Period	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter Ended	Corresponding	Date Ended	Corresponding
	31 March 2021	Quarter Ended	31 March 2021	Period Ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Operating revenue *	58,255	53,710	58,255	53,710
Gross earned premiums	42,422	40,485	42,422	40,485
Premiums ceded to reinsurers	(14,513)	(11,535)	(14,513)	(11,535)
Net earned premiums	27,909	28,950	27,909	28,950
Investment income	1,292	898	1,292	898
Interest income	5,291	4,688	5,291	4,688
Realised gains and losses - net	4,224	(3,902)	4,224	(3,902)
Fair value gains and losses - net	2,733	(21,249)	2,733	(21,249)
Commission income	696	442	696	442
Other operating revenue from non-insurance businesses	9,250	7,639	9,250	7,639
Other operating income/(expenses) - net	2,618	(3,615)	2,618	(3,615)
Other income/(expenses) - net	26,104	(15,099)	26,104	(15,099)
Gross claims paid	(14,203)	(19,381)	(14,203)	(19,381)
Claims ceded to reinsurers	6,885	7,052	6,885	7,052
Gross change to contract liabilities	11,299	3,656	11,299	3,656
Change in contract liabilities ceded to reinsurers	(10,177)	(4,399)	(10,177)	(4,399)
Net claims incurred	(6,196)	(13,072)	(6,196)	(13,072)
Commission expenses	(9,936)	(9,655)	(9,936)	(9,655)
Management expenses	(22,798)	(19,476)	(22,798)	(19,476)
Finance costs	(236)	(212)	(236)	(212)
Other expenses	(32,970)	(29,343)	(32,970)	(29,343)
Operating profit/(loss)	14,847	(28,564)	14,847	(28,564)
Share of loss of associates, net of tax	(29)	-	(29)	-
Profit/(loss) before taxation	14,818	(28,564)	14,818	(28,564)
Taxation	(7,076)	(1,944)	(7,076)	(1,944)
Profit/(loss) for the financial quarter/period	7,742	(30,508)	7,742	(30,508)
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	9,021	(30,497)	9,021	(30,497)
Non-controlling interest	(1,279)	(11)	(1,279)	(11)
	7,742	(30,508)	7,742	(30,508)
Basic earning/(loss) per ordinary share attributable to owners of the Company (sen)	3.36	(11.16)	3.36	(11.16)

* Operating revenue consists of gross earned premiums, investment income, interest income and other operating revenue from non-insurance businesses.

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 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL QUARTER AND PERIOD ENDED 31 MARCH 2021**

	Individual Period		Cumulative Period	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year Corresponding Period Ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial quarter/period	7,742	(30,508)	7,742	(30,508)
<u>Other comprehensive income/(loss)</u>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation differences	3,849	8,805	3,849	8,805
Net fair value losses on debt securities at fair value through other comprehensive income ("FVOCI")	(1,455)	(1,068)	(1,455)	(1,068)
	2,394	7,737	2,394	7,737
<i>Items that will not be reclassified to profit or loss:</i>				
Net fair value gains/(losses) on equity securities at FVOCI	327	(328)	327	(328)
	327	(328)	327	(328)
Other comprehensive income for the financial quarter/period	2,721	7,409	2,721	7,409
Total comprehensive income/(loss) for the financial quarter/period	10,463	(23,099)	10,463	(23,099)
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	11,742	(23,088)	11,742	(23,088)
Non-controlling interest	(1,279)	(11)	(1,279)	(11)
	10,463	(23,099)	10,463	(23,099)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2021**

	As At 31 March 2021	(Audited) As At 31 December 2020
	RM'000	RM'000
ASSETS		
Property, plant and equipment	15,147	15,868
Right-of-use assets	18,080	13,536
Investment properties	51,640	51,293
Intangible assets	1,341	1,344
Goodwill on consolidation	30,887	30,887
Associates	1,196	1,225
Deferred tax assets	3,533	4,583
Tax recoverable	343	143
Investments	417,985	416,700
At fair value through profit or loss ("FVTPL")	191,622	202,377
At fair value through other comprehensive income ("FVOCI")	92,660	76,992
At amortised cost ("AC")	133,703	137,331
Reinsurance assets	53,789	62,873
Loans and receivables	23,540	27,720
Insurance receivables	61,788	60,194
Deferred acquisition costs	22,065	21,085
Trade and other receivables	67,008	62,617
Cash and cash equivalents	128,306	110,463
TOTAL ASSETS	896,648	880,531
EQUITY AND LIABILITIES		
EQUITY		
Share capital	304,354	304,354
Retained earnings	245,142	237,508
Reserves	(6,134)	(8,855)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	543,362	533,007
Non-controlling interests ("NCI")	(3,868)	(3,989)
TOTAL EQUITY	539,494	529,018
LIABILITIES		
Insurance contract liabilities	196,170	200,515
Deferred tax liabilities	2,586	690
Lease liabilities	18,730	14,133
Insurance payables	17,037	20,555
Deferred reinsurance commissions	2,328	2,062
Trade and other payables	114,225	110,707
Retirement benefit liability	1,435	1,219
Current tax liabilities	4,643	1,632
TOTAL LIABILITIES	357,154	351,513
TOTAL EQUITY AND LIABILITIES	896,648	880,531
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.06	2.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Attributable to owners of the Company								
	Share capital	Treasury shares	Reserves			Retained earnings	Total	NCI	Total equity
			Foreign exchange reserves	FVOCI reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>3 Months Ended 31 March 2021</u>									
At 1 January 2021	304,354	-	(11,142)	2,287	(8,855)	237,508	533,007	(3,989)	529,018
Profit for the financial period	-	-	-	-	-	9,021	9,021	(1,279)	7,742
Other comprehensive income/(loss)	-	-	3,849	(1,128)	2,721	-	2,721	-	2,721
Total comprehensive income/(loss) for the financial period	-	-	3,849	(1,128)	2,721	9,021	11,742	(1,279)	10,463
Transactions with NCI	-	-	-	-	-	(1,387)	(1,387)	1,400	13
At 31 March 2021	<u>304,354</u>	<u>-</u>	<u>(7,293)</u>	<u>1,159</u>	<u>(6,134)</u>	<u>245,142</u>	<u>543,362</u>	<u>(3,868)</u>	<u>539,494</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

(continued)

	Attributable to owners of the Company								
	Share capital	Treasury shares	Reserves			Retained earnings	Total	NCI	Total equity
			Foreign exchange reserves	FVOCI reserves	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
3 Months Ended 31 March 2020									
At 1 January 2020									
- as previously stated	304,354	-	(5,824)	1,343	(4,481)	188,396	488,269	3,414	491,683
- prior year adjustment ^(N1)	-	-	-	-	-	16,772	16,772	-	16,772
- restated	304,354	-	(5,824)	1,343	(4,481)	205,168	505,041	3,414	508,455
Loss for the financial period	-	-	-	-	-	(30,497)	(30,497)	(11)	(30,508)
Other comprehensive income/(loss)	-	-	8,805	(1,396)	7,409	-	7,409	-	7,409
Total comprehensive income/(loss) for the financial period	-	-	8,805	(1,396)	7,409	(30,497)	(23,088)	(11)	(23,099)
Shares buy-back	-	(1,203)	-	-	-	-	(1,203)	-	(1,203)
At 31 March 2020	304,354	(1,203)	2,981	(53)	2,928	174,671	480,750	3,403	484,153

^(N1) During the previous financial year ended 31 December 2020, MAA General Assurance Philippines, Inc., a general insurance subsidiary of the Group restated value added tax liabilities ("VAT"), resulting in a decrease in trade and other payables and an increase in retained earnings amounting to PHP208 million (equivalent to RM16.8 million) as at 31 December 2019. The restatement of prior period financial statements relates to derecognition of VAT collected from certain policy holders which were included in the trade and other payable balance as at 31 December 2019. It was determined that the Group did not have further liabilities to the tax authorities upon conclusion of a tax audit conducted by the Bureau of Inland of Revenue in Philippines in 2019 in respect of year of assessment 2018 and prior. The Directors have also assessed that the Group does not have any obligation to refund the liabilities to any other parties including the policy holders in respect of this excess VAT liabilities. Consequently, these VAT liabilities as at 31 December 2019 were reversed accordingly.

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 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Current Year To Date Ended 31 March 2021	Preceding Year Corresponding Period Ended 31 March 2020
	RM'000	RM'000
Profit/(loss) for the financial period	7,742	(30,508)
Adjustment for:		
Investment income	(1,292)	(898)
Interest income	(5,291)	(4,688)
Realised gains and losses	(4,224)	3,902
Fair value gains and losses	(2,733)	21,249
Allowance for/(write back of) impairment loss on:		
- investments at AC	(134)	10
- loans from money lending and other credit activities	51	2,162
- amounts due from associates	-	1,846
- cash and cash equivalents	19	17
- trade and factoring receivables	337	1,055
- insurance receivables	(13)	166
Realised foreign exchange gains - net	(349)	(601)
Unrealised foreign exchange (gains)/losses - net	(1,200)	201
Depreciation of property, plant and equipment	1,035	676
Depreciation of right-of-use assets	2,495	2,049
Amortisation of intangible assets	37	38
Share of loss of associates	29	-
Finance costs	236	212
Tax expenses	7,076	1,944
Operating profit/(loss) before changes in working capital	3,821	(1,168)
Changes in working capital:		
Increase in loans and receivables	(2,042)	(15,810)
Decrease in reinsurance assets	9,084	1,175
Increase in insurance receivables	(1,598)	(2,766)
Increase in deferred acquisition costs	(980)	(4)
Increase in trade and other receivables	(2,453)	(5,527)
(Decrease)/increase in insurance contract liabilities	(4,345)	4,161
Decrease in insurance payables	(3,518)	(5,254)
Increase in deferred reinsurance commission	266	205
Increase in trade and other payables	3,490	13,782
Cash generated from/(used in) operating activities	1,725	(11,206)
Income tax paid	(1,252)	(599)
Net cash generated from/(used in) operating activities	473	(11,805)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

(continued)

	Current Year To Date Ended 31 March 2021	Preceding Year Corresponding Period Ended 31 March 2020
	RM'000	RM'000
Investing activities:		
Purchase of property, plant and equipment	(330)	(1,332)
Proceeds from disposal of property, plant and equipment	24	9
Addition from subsequent expenditure of investment properties	(2)	-
Purchase of intangible assets	(33)	(57)
Purchase of investments	(175,128)	(182,470)
Proceeds from disposal of investments	186,590	165,617
Decrease in fixed and call deposits	6,475	6,848
Interest income received	2,650	3,789
Dividend income received	1,156	1,215
Rental income received	6	106
Net cash generated from/(used in) investing activities	21,408	(6,275)
Financing activities:		
Purchase of treasury shares	-	(1,203)
Repayment of lease liabilities	(2,440)	(1,999)
Lease interest paid	(227)	(209)
Hire purchase interest paid	(4)	(1)
Other interest paid	(5)	-
Net cash used in financing activities	(2,676)	(3,412)
Net increase/(decrease) in cash and cash equivalents	19,205	(21,492)
Currency translation difference	(1,362)	(3,557)
Cash and cash equivalents at beginning of financial year	110,463	247,245
Cash and cash equivalents at end of financial year	128,306	222,196
	-	-
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	36,427	178,859
Cash and bank balance	91,879	43,337
	128,306	222,196

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.