

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

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 in Malaysia, where applicable. 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 of Bursa Malaysia Securities Berhad (“Bursa Securities”).

As announced on 22 June 2021, the Company had changed its financial year end from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2021 to 30 June 2022.

These unaudited Interim Reports should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to these Interim Reports provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

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 2020, 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 2021:

- Amendment to MFRS 16 ‘Leases’ – *Covid-19-Related Rent Concessions*
- Amendments to MFRS 9 ‘Financial Instruments’, MFRS 139 ‘Financial Instruments: Recognition and Measurement’, MFRS 7 ‘Financial Instruments: Disclosures’, MFRS 4 ‘Insurance Contracts’ and MFRS 16 ‘Leases’ – *Interest Rate Benchmark Reform – Phase 2*

The adoption of the standards and amendments to standards listed above did not result in significant changes in the accounting policies of the Group and did not have any significant financial impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Effective for financial periods beginning on or after 1 April 2021

- Amendment to MFRS 16 Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for financial periods commencing on or after 1 January 2022

- Amendments to MFRS 116 ‘Property, Plant and Equipment’ – *Proceeds before Intended Use*
- Amendments to MFRS 3 ‘Business Combinations’ – *Reference to the Conceptual Framework*
- Amendments to MFRS 137 ‘Provisions, Contingent Liabilities and Contingent Assets’ – *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to MFRSs 2018 – 2020 Cycle
 - MFRS 1 ‘First-time Adoption of Malaysian Financial Reporting Standards’
 - MFRS 9 ‘Financial Instruments’
 - Illustrative Examples accompanying MFRS 16 ‘Leases’
 - MFRS 114 ‘Agriculture’

Effective for financial periods commencing on or after 1 January 2023

- MFRS 17 ‘Insurance Contracts’ and Amendments to MFRS 17 ‘Insurance Contracts’
- Amendments to MFRS 101 ‘Presentation of Financial Statements’ - *Classification of liabilities as current or non-current*
- Amendments to MFRS 101 ‘Presentation of Financial Statements’ and MFRS Practice Statement 2 – *Disclosure of Accounting Policies*
- Amendments to MFRS 108 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ - *Definition of Accounting Estimates*
- Amendments to MFRS 112 ‘Income Taxes’ – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date yet to be confirmed by MASB

- 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 standards and interpretations before the effective dates.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group’s business operations were not significantly affected by any seasonal or cyclical factors.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

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 quarter and period ended 30 September 2021.

A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect during the current quarter and period ended 30 September 2021.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 30 September 2021.

A7. DIVIDEND PAID

There was no interim dividend paid by the Company during the current quarter and period ended 30 September 2021 in respect of the financial year ending 30 June 2022.

A8. SEGMENTAL INFORMATION

The following summary describes the operations in each of the Group's operating segments:

- Investment Holdings – investment holding
- General Insurance business - underwriting of all classes of general insurance business
- Education Services – provision of education services and operation of tuition centers
- Credit Services – provision of money lending, debt factoring and other credit activities

The Group's Other segments comprise of advisory and consultancy services of hotel management, operators of hotel accommodation, food and beverage, operators of short-term property accommodation, logistics and dispatch, and the provision of property management, design and renovation 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.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A8. SEGMENTAL INFORMATION** (continued)Current quarter ended 30 September 2021 (“Q3 FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	1,136	44,705	6,643	3,072	1,490	57,046
Net earned premiums	-	28,456	-	-	-	28,456
Investment income	997	501	-	-	-	1,498
Interest income	80	2,059	27	3,072	18	5,256
Realised gains and losses – net	205	1,921	-	-	-	2,126
Fair value gains and losses - net	3,847	(1,461)	(46)	-	16	2,356
Commission income	-	854	-	-	-	854
Other operating revenue from non-insurance businesses	59	-	6,616	-	1,472	8,147
Other operating (expenses)/income – net	(522)	(82)	367	1,370	640	1,773
Net claims incurred	-	(8,364)	-	-	-	(8,364)
Commission expenses	-	(10,588)	-	-	-	(10,588)
Management expenses	(4,757)	(4,740)	(8,338)	(197)	(5,145)	(23,177)
Finance costs	(44)	(7)	(164)	-	(53)	(268)
Share of (loss)/profit of associates	(82)	-	-	-	4	(78)
(Loss)/profit before taxation	(217)	8,549	(1,538)	4,245	(3,048)	7,991
Taxation	301	(3,370)	(439)	(132)	-	(3,640)
Profit/(loss) after taxation	84	5,179	(1,977)	4,113	(3,048)	4,351

There will be no comparative financial information available for the corresponding as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A8. SEGMENTAL INFORMATION** (continued)

9 months period ended 30 September 2021 (“9M FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	3,090	133,958	18,800	7,666	7,667	171,181
Net earned premiums	-	83,436	-	-	-	83,436
Investment income	2,285	2,210	-	-	-	4,495
Interest income	627	6,255	164	7,666	43	14,755
Realised gains and losses – net	5,203	3,496	-	-	-	8,699
Fair value gains and losses - net	3,533	(3,250)	(46)	-	9	246
Commission income	-	2,499	-	-	-	2,499
Other operating revenue from non-insurance businesses	178	-	18,636	-	7,624	26,438
Other operating income/(expenses) – net	822	(172)	832	1,125	(1,863)	744
Net claims incurred	-	(19,354)	-	-	-	(19,354)
Commission expenses	-	(30,752)	-	-	-	(30,752)
Management expenses	(15,388)	(13,718)	(24,550)	(993)	(18,105)	(72,754)
Finance costs	(145)	(27)	(465)	-	(158)	(795)
Share of (loss)/profit of associates	(131)	-	-	-	3	(128)
(Loss)/profit before taxation	(3,016)	30,623	(5,429)	7,798	(12,447)	17,529
Taxation	(2,062)	(10,948)	(974)	(355)	-	(14,339)
(Loss)/profit after taxation	(5,078)	19,675	(6,403)	7,443	(12,447)	3,190

There will be no comparative financial information available for the corresponding period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A8. SEGMENTAL INFORMATION** (continued)

	Investment Holdings	General Insurance	Education Services	Credit Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Assets</u>						
At 30 September 2021	217,205	422,120	72,764	97,601	36,973	846,663
At 31 December 2020 (Audited)	276,617	434,972	80,952	59,817	28,173	880,531
<u>Segment Liabilities</u>						
At 30 September 2021	12,056	260,039	25,928	3,399	16,888	318,310
At 31 December 2020 (Audited)	15,211	286,389	31,967	890	17,056	351,513

A9. MATERIAL EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the end of the current period ended 30 September 2021 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 8 January 2021, Hospitality 360 Sdn Bhd (“H360”), a sub-subsiary of the Company acquired 140,000 ordinary shares representing 14% of the share capital of Trinidad Signature Suites Sdn Bhd (“TSSSB”) from Dato’ Indera Naresh Mohan for a total consideration of RM10. With the said acquisition, H360’s equity interest in TSSSB increased from 51% to 65%.
- (b) On 20 January 2021, H360 via its subsidiary, TSSSB acquired 100 ordinary shares representing 100% of the share capital of NS Global Management Sdn Bhd from Rajes M. Daswani and NS Global Assets Sdn Bhd respectively for a total consideration of RM100.
- (c) On 4 February 2021, MAA Credit Berhad, a wholly owned sub-subsiary of the Company acquired 11,000 ordinary shares representing 11% of the share capital of MAA Bancwell Trustee Berhad (“MAA Bancwell”) from Melewar Group Berhad for a total consideration of RM7,000. With this acquisition, the Group’s equity interest in MAA Bancwell increased from 49% to 60%, making MAA Bancwell a subsidiary of the Group.
- (d) On 23 March 2021, H360 subscribed 999,900 ordinary shares at an issue price of RM1 each in the capital of Trisend Logistic Technologies Sdn Bhd (“TLTSB”) for a total consideration of RM999,900. With the said subscription, H360’s equity interest in TLTSB increased from 55% to 99.99%.
- (e) On 1 April 2021, H360 via its subsidiary, TSSSB acquired 6,590,765 ordinary shares representing 100% of the share capital of Clear Dynamic Sdn Bhd from Nusajaya Consolidated Sdn Bhd for a total consideration of RM300,000.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

A10. CHANGES IN THE COMPOSITION OF THE GROUP (continued)

- (f) On 5 May 2021, H360 via its subsidiary, Staysuites Group Sdn Bhd subscribed for 100 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Staysuites Malaysia Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM100.
- (g) On 6 May 2021, MAA Corporation Sdn Bhd (“MAA Corp”), a wholly owned subsidiary of the Company, subscribed for 600 ordinary shares at an issue price of RM1 each, representing 60% of the share capital in 10Star Cinemas Sdn Bhd (“10Star”), a company incorporated in Malaysia, for cash purchase consideration of RM600.
- (h) On 11 May 2021, H360 acquired 1 ordinary shares representing 100% of the share capital of Global Champ Sdn Bhd from Jasmine Bin Jalmen Dullah for the total consideration of RM1.
- (i) On 5 August 2021, H360 subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Infiniti Indah Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM2.
- (j) On 6 August 2021, H360 subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Ruby Luxury Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM2.
- (k) On 6 August 2021, Staysuites Malaysia Sdn Bhd, a sub-subsiary of H360 subscribed for 51 ordinary shares at an issue price of RM1 each, representing 51% of the share capital in a new subsidiary, Vacation Rental Advisory Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM51.
- (l) On 17 August 2021, H360 acquired 50,000 ordinary shares representing 50% of the share capital of Dine 360 Sdn Bhd (“Dine 360”) (formerly known as Hugos Langkawi Sdn Bhd) from Wawasan Hakiki Sdn Bhd for a total consideration of RM1. With the said acquisition, H360’s equity interest in Dine 360 increased from 50% to 100%.
- (m) On 25 August 2021, H360 subscribed for 2 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Nova Blaze Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM2.
- (n) On 15 September 2021, MAA Corp subscribed for 100,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital in a new subsidiary, Maax Capital Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM100,000.
- (o) On 17 September 2021, H360 via its subsidiary, TSSSB subscribed for 100 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Luxe Prestige Sdn Bhd, a company incorporated in Malaysia, for cash purchase consideration of RM100.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no revaluation of property, plant and equipment during the current quarter and period ended 30 September 2021. As at 30 September 2021, 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 2020. These revalued amounts have been carried forward to the current period ended 30 September 2021.

A13. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 30 September 2021.

A14. CAPITAL COMMITMENTS

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

	As at 30.9.2021	As at 31.12.2020
	RM’000	RM’000
Property, plant and equipment		
- Furniture, fitting and equipment	812	32
- Renovation	2,295	19
- Motor vehicles	112	-
	3,219	51

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 Main Market Listing Requirements of Bursa Securities.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A16. 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 2021

	Level 1	Level 2	Level 3	Total
	RM’000	RM’000	RM’000	RM’000
Investments at FVTPL:				
Equity securities quoted in Malaysia	62,638	-	-	62,638
Equity securities quoted outside Malaysia	74,613	-	-	74,613
Equity securities unquoted outside Malaysia	-	-	25,714	25,714
Unit trusts quoted in Malaysia	4,897	-	-	4,897
Unit trusts quoted outside Malaysia	4,064	-	-	4,064
	146,212	-	25,714	171,926
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	47,354	-	-	47,354
Corporate debt securities quoted outside Malaysia	1,123	-	-	1,123
Equity securities quoted outside Malaysia	24,239	1,065	-	25,304
Equity securities unquoted in Malaysia	-	-	100	100
Equity securities unquoted outside Malaysia	-	-	43	43
	72,716	1,065	143	73,924
Total investments measured at fair value	218,928	1,065	25,857	245,850

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**A16. 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 2020 (Audited)

	Level 1	Level 2	Level 3	Total
	RM’000	RM’000	RM’000	RM’000
Investments at FVTPL:				
Equity securities quoted in Malaysia	23,411	-	-	23,411
Equity securities quoted outside Malaysia	153,610	-	-	153,610
Equity securities unquoted outside Malaysia	-	-	22,923	22,923
Unit trusts quoted in Malaysia	2,433	-	-	2,433
	179,454	-	22,923	202,377
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	45,678	-	-	45,678
Corporate debt securities quoted outside Malaysia	1,140	-	-	1,140
Equity securities quoted outside Malaysia	29,110	921	-	30,031
Equity securities unquoted in Malaysia	-	-	100	100
Equity securities unquoted outside Malaysia	-	-	43	43
	75,928	921	143	76,992
Total investments measured at fair value	255,382	921	23,066	279,369

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 current quarter and period ended 30 September 2021.

The following table shows the movement in Level 3 investments for the current period ended 30 September 2021:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM’000	RM’000
At 1 January 2021	22,923	143
Fair value gain recorded in profit or loss	1,890	-
Currency translation difference	901	-
At 30 September 2021	25,714	143

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. REVIEW OF GROUP PERFORMANCE**Group

Key financial performance	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	57,046	-	171,181	-
Profit before taxation	7,991	-	17,529	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 30 September 2021 (“Q3 FY2022”)

The Group recorded a total operating revenue of RM57.0 million in Q3 FY2022 which comprised of gross earned premiums of RM42.1 million recorded by General Insurance business, investment and interest income of RM6.8 million and other operating revenue from non-insurance businesses of RM8.1 million.

In Q3 FY2022, the Group recorded a Profit before taxation (“PBT”) of RM8.0 million. The profit was mainly contributed by PBT of RM8.5 million from General Insurance business and PBT of RM4.2 million from Credit Services segment; however these profits were offset by Loss before taxation (“LBT”) of RM0.2 million from Investment Holdings segment, LBT of RM1.5 million from Education Services segment and LBT of RM3.0 million from Other segments.

9 months period ended 30 September 2021 (“9M FY2022”)

The Group recorded a total operating revenue of RM171.2 million in 9M FY2022 which comprised of gross earned premiums of RM125.5 million recorded by General Insurance business, investment and interest income of RM19.3 million and other operating revenue from non-insurance businesses of RM26.4 million.

In 9M FY2022, the Group recorded a PBT of RM17.5 million. The profit was mainly contributed by PBT of RM30.6 million from General Insurance business and PBT of RM7.8 million from Credit Services segment; however these profits were offset by LBT of RM3.0 million from Investment Holdings segment, LBT of RM5.4 million from Education Services segment and LBT of RM12.4 million from Other segments.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B1. REVIEW OF GROUP PERFORMANCE (continued)**Investment Holdings

Key financial performance	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	1,136	-	3,090	-
Loss before taxation	(217)	-	(3,016)	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 30 September 2021 (“Q3 FY2022”)

Investment Holdings segment recorded a total operating revenue of RM1.1 million and a LBT of RM0.2 million in Q3 FY2022.

In Q3 FY2022, Investment Holdings segment recorded total interest and dividend income of RM1.1 million, net fair value gains on equities investments classified at FVTPL of RM3.8 million and realised gains from disposal of investments of RM0.2 million, offset by management expenses of RM4.8 million and other operating expenses of RM0.5 million.

9 months period ended 30 September 2021 (“9M FY2022”)

Investment Holdings segment recorded a total operating revenue of RM3.1 million and a LBT of RM3.0 million in 9M FY2022.

The operating revenue comprised mainly of interest income of RM0.6 million and dividend income of RM2.3 million. The loss of RM3.0 million recorded mainly due to management expenses of RM15.4 million, offset by operating revenue of RM3.1 million, net fair values gains on equity investments classified at FVTPL of RM3.5 million, realised gains from disposal of investments of RM5.2 million and other operating income of RM0.8 million.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B1. REVIEW OF GROUP PERFORMANCE (continued)**General Insurance

The Group’s General Insurance business in the Philippines held via subsidiary, MAA General Assurance Philippines, Inc. (“MAAGAP”) is principally engaged in underwriting general insurance businesses.

Key financial performance	3 months period ended			
	30.9.2021		30.9.2020 ^(*)	
	PHP’000	RM’000	PHP’000	RM’000
Gross premium written (“GPW”)	500,604	41,827	-	-
Underwriting surplus	124,535	10,358	-	-
Investment income	6,009	501	-	-
Interest income	24,630	2,059	-	-
Claim ratio in %	29.2%	29.2%	-	-
Commission ratio in %	34.8%	34.8%	-	-
Profit before taxation	103,297	8,549	-	-
Range of currency exchange rate	1RM = 11.86 to 12.13PHP			-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 30 September 2021 (“Q3 FY2022”)

In Q3 FY2022, MAAGAP recorded a GPW of PHP500.6 million (RM41.8 million equivalent). The motor and non-motor classes contributed PHP142.2 million (RM11.9 million equivalent) and PHP358.4 million (RM29.9 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP103.3 million (RM8.5 million equivalent) in Q3 FY2022 mainly contributed by underwriting surplus of PHP124.5 million (RM10.4 million equivalent), investment and interest income of PHP30.6 million (RM2.6 million equivalent) and realised gains from disposal of investments of PHP23.2 million (RM1.9 million equivalent); offset by net fair value losses of PHP17.2 million (RM1.5 million equivalent) on equity investments classified at FVTPL and management expenses of PHP56.7 million (RM4.7 million equivalent).

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B1. REVIEW OF GROUP PERFORMANCE (continued)**General Insurance (continued)

Key financial performance	9 months period ended			
	30.9.2021		30.9.2020 ^(*)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written (“GPW”)	1,478,676	124,533	-	-
Underwriting surplus	425,404	35,829	-	-
Investment income	26,163	2,210	-	-
Interest income	74,197	6,255	-	-
Claim ratio in %	23.2%	23.2%	-	-
Commission ratio in %	34.4%	34.4%	-	-
Profit before taxation	363,692	30,623	-	-
Range of currency exchange rate	1RM = 11.68 to 12.13PHP			-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

9 months period ended 30 September 2021 (“9M FY2022”)

In 9M FY2022, MAAGAP recorded a GPW of PHP1,478.7 million (RM124.5 million equivalent). The motor and non-motor classes contributed PHP463.1 million (RM39.0 million equivalent) and PHP1,015.6 million (RM85.5 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP363.7 million (RM30.6 million equivalent) in 9M FY2022 mainly contributed by underwriting surplus of PHP425.4 million (RM35.8 million equivalent), investment and interest income of PHP100.4 million (RM8.5 million equivalent) and realised gains from disposal of investments of PHP41.7 million (RM3.5 million equivalent), offset by net fair value losses of PHP38.8 million (RM3.3 million equivalent) on equity investments classified at FVTPL and management expenses of PHP162.6 million (RM13.7 million equivalent).

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B1. REVIEW OF GROUP PERFORMANCE (continued)**Education Services

Education Services comprised of the following business units:

- Edumaax Sdn Bhd and Kasturi Academy Sdn Bhd (“Kasturi Group”) – offers private tuition for Malaysia National secondary school 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”) – operates international school and offers primary and secondary education and private tuition for Cambridge, IGCSE O-Level and A-Level programmes; and
- Imperium Edumaax Sdn Bhd (“Imperium Edumaax’) – offers tertiary education for foundations, certificates, diplomas, bachelor degrees and professional accountancy qualifications. Imperium Edumaax is also a HRDF-registered training provider offering a suite of continuous professional development and training programmes.

Key financial performance by business units	3 months period ended				
	30.9.2021				30.9.2020 ^(*)
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	275	5,374	994	6,643	-
(Loss)/profit before taxation	(1,076)	1,584	(2,046)	(1,538)	-

Key financial performance by business units	9 months period ended				
	30.9.2021				30.9.2020 ^(*)
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	748	15,073	2,979	18,800	-
(Loss)/profit before taxation	(2,420)	3,324	(6,333)	(5,429)	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

B1. REVIEW OF GROUP PERFORMANCE (continued)

Education Services (continued)

Current quarter ended 30 September 2021 (“Q3 FY2022”)

(i) Kasturi Group

In Q3 FY2022, Kasturi Group recorded a total operating revenue of RM0.3 million and a LBT of RM1.1 million due to lower students’ enrolment. Loss of RM0.4 million was attributable to loss from tuition centres’ operations due to low students’ enrolment rate following cancellation of Form Three Assessment (“PT3”) and postponement of Sijil Pelajaran Malaysia (“SPM”) to March 2022. Meanwhile loss of RM0.5 million was professional fees incurred for a business development.

(ii) SJI Group

In Q3 FY2022, SJI Group recorded a total operating revenue of RM5.4 million with a PBT of RM1.6 million. Secondary education has contributed profit of RM1.9 million but offset with loss making in primary education of RM0.3 million, in overall SJI Group maintained profitability position in Q3 FY2022.

(iii) Imperium Edumaax

In Q3 FY2022, Imperium Edumaax recorded a total operating revenue of RM1.0 million with a LBT of RM2.0 million. Full lockdown (“FMCO”) from June 2021 onwards and restricted international travel ban continued to affect the industry with low students’ enrolment rate in Q3 FY2022. Management has reacted with new initiatives including offering of training courses to working adults, developing multiple new courses, intensifying marketing strategies as well as offering in-house loans to students in financial distress.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

B1. REVIEW OF GROUP PERFORMANCE (continued)

Education Services (continued)

9 months period ended 30 September 2021 (“9M FY2022”)

(i) Kasturi Group

In 9M FY2022, Kasturi Group recorded a total operating revenue of RM0.7 million and a LBT of RM2.4 million due to lower students’ enrolment. Loss of RM1.3 million was attributable to loss from tuition centres’ operations due to low students’ enrolment rate following cancellation of PT3 and postponement of SPM to March 2022. With this, students have low exam pressure and desire to sign up for tuition classes. Meanwhile loss of RM0.7 million was professional fees incurred for a business development.

(ii) SJI Group

In 9M FY2022, SJI Group recorded a total operating revenue of RM15.1 million with a PBT of RM3.3 million. Secondary education has contributed profit of RM4.5 million but offset with loss making in primary education and private tuition of RM1.2 million, in overall SJI Group maintained profitability position in 9M FY2022. Primary education commenced operations only in early 2020 and has gradually building presence in the market, students enrolment rate was increased by double in year 2021 despite of covid-19 pandemic.

(iii) Imperium Edumaax

In 9M FY2022, Imperium Edumaax recorded a total operating revenue of RM3.0 million with a LBT of RM6.3 million. Due to postponement of year 2020 SPM and Sijil Tinggi Persekolahan Malaysia (“STPM”) to early 2021, students’ enrolment rate in first half of the year was low. Prolonged pandemic situation continued to affect the industry with low students’ enrolment rate in Q3 FY2022 but seen improvement as compared to first half of the year. In response to this, management has developed new initiatives including offering of training courses to working adults, developing multiple new courses, intensifying marketing strategies as well as offering in-house loans to students in financial distress.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B1. REVIEW OF GROUP PERFORMANCE (continued)**Credit Services

The Group’s Credit Services segment is principally engaged in provision of money lending, debt factoring and other credit activities through MAA Credit Berhad and Maax Factor Sdn Bhd.

Key financial performance	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM’000	RM’000	RM’000	RM’000
Operating revenue	3,072	-	7,666	-
Profit before taxation	4,245	-	7,798	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

Current quarter ended 30 September 2021 (“Q3 FY2022”)

In Q3 FY2022, Credit Services segment recorded a total operating revenue of RM3.1 million which comprised mainly of income from debt factoring business of RM1.9 million and interest income of RM1.2 million from term loans and other credit activities with a PBT of RM4.2 million.

9 months period ended 30 September 2021 (“9M FY2022”)

Credit Services segment recorded a total operating revenue of RM7.7 million which comprised mainly of income from debt factoring business of RM5.7 million and interest income of RM2.0 million from term loans and other credit activities with a PBT of RM7.8 million.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAXATION FOR THE QUARTER REPORTED ON AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

For the current quarter ended 30 September 2021 (“Q3 FY2022”), the Group recorded a PBT of RM8.0 million as compared to LBT of RM5.3 million in the preceding quarter ended 30 June 2021 (“Q2 FY2022”). The profit was mainly contributed by net fair value gains of RM2.4 million (Q2 FY2022: losses of RM4.8 million) from equity investments classified at FVTPL, gains from disposal of investments of RM2.1 million (Q2 FY2022: gains of RM2.3 million), higher investment and interest income of RM6.8 million (Q2 FY2022: RM5.9 million) and lower management expenses of RM23.2 million (Q2 FY2022: RM26.8 million).

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

B3. PROSPECTS

Budget 2022 announced that the Malaysian economy is expected to strengthen between 5.5% and 6.5% in 2022. Growth is expected to continue in the second half of the year, particularly in the fourth quarter as more economic and social sectors operate at full capacity. The expected growth trajectory aligns with the successful vaccination programme under the National COVID-19 Immunisation Programme (PICK) and various stimulus and assistance packages to support the people and revitalize the economy. Moving forward, continued expansion in global demand and the broader reopening of the domestic economy will also support Malaysia’s growth momentum going into 2022.

Amidst the challenges brought by COVID-19 pandemic, the Group expects the General Insurance business in the Philippines to continue with premium growth and improved profit margins in 2021 and MAAGAP being the main revenue contributor to the Group. In spite of the challenges the insurance industry continues to face as a result of the COVID-19 pandemic and barring other unforeseen circumstances like natural disasters which Philippines is most vulnerable to and the market driven stock performance, MAAGAP remains optimistic for 2021. The Group expects MAAGAP to improve its financial performance in 2021 by capturing a wider market share in the Philippines through agencies expansion, venture to innovative digital transformation and management efficiency while preserving its prudent selection of risk and underwriting principles.

2021 will be a challenging year for the Group’s Education Services business. The Education Services’ operating units namely Kasturi Group, SJI Group and Imperium Edumaax will continue to intensify their marketing efforts to increase student enrolment, diversify program offerings and continue with cost control measures.

The Group is seeking to grow its money lending business and SME debt factoring business, given that SMEs account for approximately 95% of businesses in Malaysia, and cuts across all sizes and sectors. This translates to approximately 1 million SMEs in Malaysia, which contribute to more than 30% of GDP and are mostly under-served by the banking sector.

Although the global economic outlook for FY2021/2022 continues to be cautious with the COVID-19 pandemic, the Group will continue its efforts to implement management action plans to expanding existing business and improve profitability. The Group expects its performance for FY2021/2022 to perform in tandem with the Malaysian economy.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B5. INVESTMENT INCOME**

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	5	-	18	-
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	19	-	260	-
- Equity securities quoted outside Malaysia	200	-	2,221	-
- Equity securities unquoted outside Malaysia	778	-	778	-
	997	-	3,259	-
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	496	-	1,218	-
	1,498	-	4,495	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B6. INTEREST INCOME**

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income				
- Government debt securities quoted outside Malaysia	413	-	1,133	-
- Corporate debt securities quoted outside Malaysia	13	-	40	-
- Corporate debt securities unquoted in Malaysia	-	-	308	-
	426	-	1,481	-
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	182	-	549	-
- Corporate debt securities quoted outside Malaysia	1,434	-	4,485	-
- Private trust fund unquoted outside Malaysia	-	-	4	-
- Investment notes unquoted in Malaysia	6	-	10	-
	1,622	-	5,048	-
Interest income from:				
- staff loans	-	-	2	-
- associates	18	-	48	-
- fixed and call deposits	124	-	523	-
	142	-	573	-
Interest income from:				
- debt factoring business	1,882	-	5,627	-
- loans from money lending and other credit activities	1,184	-	2,026	-
	3,066	-	7,653	-
	5,256	-	14,755	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B7. REALISED GAINS AND LOSSES - NET**

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Net losses from disposal of property, plant and equipment	-	-	(18)	-
Investments at FVTPL				
Net realised gains				
- Equity securities quoted in Malaysia	64	-	1,370	-
- Equity securities quoted outside Malaysia	1,999	-	6,901	-
	2,063	-	8,271	-
Investments at FVOCI				
Net realised gains				
- Government debt securities quoted outside Malaysia	63	-	446	-
	2,126	-	8,699	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

B8. FAIR VALUE GAINS AND LOSSES - NET

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(2,343)	-	(5,851)	-
- Equity securities quoted outside Malaysia	3,013	-	4,244	-
- Equity securities unquoted outside Malaysia	1,716	-	1,890	-
- Unit trusts quoted in Malaysia	(30)	-	(37)	-
	2,356	-	246	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B9. PROFIT BEFORE TAXATION FOR THE QUARTER AND PERIOD**

Profit before taxation for the quarter and period is arrived at after crediting/(charging):

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/write back of impairment loss on:				
- investments at AC	-	-	127	-
- cash and cash equivalents	(25)	-	(6)	-
- insurance receivables	291	-	255	-
- trade and other receivables	(8)	-	(778)	-
- factoring receivables	71	-	(149)	-
- loans from money lending and other credit activities	(683)	-	(953)	-
Realised foreign exchange losses – net	(332)	-	(572)	-
Unrealised foreign exchange (losses)/gains - net	(352)	-	1,018	-
Allowance for impairment loss on goodwill	-	-	(3,995)	-
Reserves arising from business combination	-	-	649	-
Depreciation of property, plant and equipment	(965)	-	(2,994)	-
Amortisation of leasehold and	(1)	-	(1)	-
Depreciation of right-of-use assets	(2,511)	-	(7,469)	-
Amortisation of intangible assets	(27)	-	(76)	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B10. TAXATION**

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
	RM'000	RM'000	RM'000	RM'000
Current tax	4,155	-	11,706	-
Deferred tax	(515)	-	2,633	-
Total tax expense	3,640	-	14,339	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

The effective tax rates of the Group for the current quarter and period ended 30 September 2021 were higher than the statutory tax rates of the respective quarter and period mainly due to certain expenses being not deductible for tax purposes.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

B11. CORPORATE PROPOSALS

- (a) On the PN17 status of MAAG, the Company had, on 24 November 2020, submitted an application to Bursa Securities for a waiver from having to comply with Paragraph 8.04(3)(a) and Practice Note 17 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities had, vide its letter dated 25 March 2021, decided to grant the Company a waiver from complying with Paragraph 8.04(3)(a) of the Main Market Listing Requirements. With the waiver being granted, MAAG was uplifted from being classified as a PN17 Company effective from 26 March 2021.
- (b) On 22 June 2021, the Company entered into an unconditional share sale and purchase agreement (“SPA”) with Ithmaar Bank B.S.C. (Closed) (“Vendor” or “Ithmaar”) to acquire 132,151,497 ordinary shares in Turiya Berhad (“Turiya”) (“Turiya Shares” or “Sale Shares”), representing approximately 57.78% equity interest in Turiya, for a cash consideration of RM23,787,269.46 or RM0.18 per Turiya Shares (“Acquisition”).

Upon completion of the Acquisition, MAAG’s shareholding in Turiya increased from nil to approximately 57.78%. As a consequence, MAAG is obliged to extend a mandatory take-over offer to acquire all the remaining Turiya Shares not already held by MAAG (“Offer Shares”) at a cash offer price of RM0.18 per Offer Share pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“SC”) (“Proposed Offer”).

The Company had, on 5 July 2021, been served with a sealed copy of Writ of Summons dated 3 July 2021 from Empire Holdings Ltd (“Plaintiff”), together with the Notice of Application dated 3 July 2021 and Affidavit in Support of Sarin Sahadev Swami affirmed on 2 July 2021. Please refer to Note B14 of these Interim Reports for details on the Plaintiff’s claim against the Company and other defendants.

In view of the legal proceedings, SC had, vide its letter dated 12 July 2021, approved and further approved verbally in October 2021 MAAG’s application for an extension of time to despatch the offer document within 3 market day from the date of the Court of Appeal’s decision, or within 2 market days after the SC has notified that it has no further comments on the Offer Document, whichever is later.

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

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**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 (“MAA Takaful”) on 30 September 2016

	Purpose	Revised Utilisation ^(N1)	Actual Proceeds Received	Further Revised Utilisation ^(N4)	Deviation	Further Revised Utilisation (After Deviation)	Further Revised Timeframe For Utilisation	Actual Utilisation	Further Revised Remaining Unutilised Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
(i)	Future investment opportunity(ies)/Prospective new business(es) to be acquired ^(N3)	68,250 93,750	68,250 ^(N2) 88,623	- 70,127	- ^(N7) (14,807)	- 55,320	Within 24 months from the EGM held on 30 June 2020	^(N8) 55,320	-
(ii)	Working capital	30,854	30,854	84,435	18,615 ^{(N5), (N6), (N7)}	103,050		Within 24 months from the EGM held on 30 June 2020	103,050
(iii)	Payment of dividends to shareholders for the FYE 2017	8,207	8,207	8,207	-	8,207	Utilised	8,207	-
(iv)	Payment of dividends to shareholders	32,822	32,822	32,822	-	32,822	Within 24 months from the EGM held on 30 June 2020	16,411	16,411
(v)	Acquisition of HCAT ^(N5) , Acquisition of SIB ^(N6) and Subscription of Shares in Altech Chemicals Limited (“Altech”)	-	-	38,292	^{(N5), (N6)} (3,808)	34,484	Within 18 months from the EGM held on 30 June 2020	34,484	-
	Total	233,883	228,756	233,883	-	233,883		217,472	16,411

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

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)

(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) As disclosed in the Circular to Shareholders in relation to the disposal of MAA Takaful dated 6 June 2016, the actual proceeds of RM156.9 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.
- ^(N4) Further revised utilisation approved by shareholders during the EGM held on 30 June 2020.
- ^(N5) Pursuant to the new Share Purchase Agreement (“SPA dated 20 July 2020”) entered by Edumaax Sdn Bhd (“Edumaax”) and HELP International Corporation Berhad (“HIC”) in relation to the acquisition of HELP College of Arts and Technology Sdn Bhd (“HCAT”) (now known as Imperium Edumaax Sdn Bhd (“Imperium Edumaax”) (“Acquisition for HCAT”), the purchase consideration had reduced from RM5.5 million to RM2.0 million. HIC had refunded the excess purchase consideration of RM3.5 million to Edumaax. The excess purchase consideration of RM3.5 million was subsequently re-allocated and utilised for the working capital requirement of Imperium Edumaax.
- ^(N6) RM5.0 million of the purchase consideration for Scholastic IB International Sdn Bhd (“SIB”) and its subsidiaries was withheld by Edumaax pending fulfillment by the vendors of the aggregate profit guarantees of RM5.0 million for financial years ended 31 December 2019 and 31 December 2020. On 17 July 2020 and 22 March 2021, Edumaax had paid RM4.7 million to the vendors upon achieving profits of RM1.2 million and RM3.5 million for financial years ended 31 December 2019 and 31 December 2020 respectively. Edumaax deducted RM0.3 million from the retained purchase consideration of RM5.0 million in view of the profit shortfall. The balance purchase consideration of RM0.3 million had been re-allocated for the working capital requirement of the Company.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

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)

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

^(N7) The Company had re-allocated and utilised an amount totaling RM14.8 million for the following businesses via capital injections and advances to MAA Credit Berhad and Maax Factor Sdn Bhd:

- Money lending : RM10.5 million
- Factoring : RM4.3 million

^(N8) The Company had utilised an amount totaling RM50.2 million for the following investments:

- RM23.8 million being the purchase consideration of the acquisition of 132,151,497 ordinary shares in Turiya, as stated in note B11(b) of this report; and
- RM26.4 million being part finance the acquisition of 233,001,800 ordinary shares of KNM Group Berhad at an average price of RM0.227 per shares amounted to RM52.9 million.

In addition, RM5.1 million had been utilised to settle Zurich’s claims.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**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 (“CCA”) on 27 December 2018

	Purpose	Proposed Utilisation	Deviation	Revised Utilisation (After Deviation)	Timeframe for utilisation	Actual Utilisation	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	59,613	(22,644)	36,969	No time limit specified	^(N10) 36,969	-
(ii)	Working Capital	-	^(N9) 22,644	22,644		22,644	-
	Total	59,613	-	59,613		59,613	-

^(N9) Capital injections and advances to subsidiaries, namely Imperium Edumaax Sdn Bhd, MAA Corporation Sdn Bhd, Kasturi Academy Sdn Bhd, Hospitality 360 Sdn Bhd and Edumaax Sdn Bhd totaling RM22.6 million for working capital requirements.

^(N10) The Company had utilised an amount totaling RM37.0 million for the following investments:

- (i) Acquisition of a loan of Euro3,160,000 (equivalent to RM14.6 million) and other related professional fees incurred. This loan is secured by mortgage which was valued approximately 2.5 times above the debt;
- (ii) Investment in 35.20% interest in MicroLEAP PLT for a total consideration of RM1.25 million; and
- (iii) RM16.3 million being part finance the acquisition of 233,001,800 ordinary shares of KNM Group Berhad at an average price of RM0.227 per shares amounted to RM52.9 million.

MAA GROUP BERHAD ("MAAG" or "the Company")

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

B13. BORROWINGS AND DEBT SECURITIES

The Group has no outstanding borrowings and debt securities as at 30 September 2021.

B14. CHANGES IN MATERIAL LITIGATION

KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22NCC-295-07/2021 EMPIRE HOLDINGS LTD ("PLAINTIFF") VS ITHMAAR DEVELOPMENT COMPANY LTD ("1ST DEFENDANT"), ITHMAAR BANK B.S.C. ("2ND DEFENDANT"), MAAG ("3RD DEFENDANT"), TUNKU DATO' YAACOB KHYRA ("4TH DEFENDANT") AND TURIYA BERHAD ("5TH DEFENDANT") (COLLECTIVELY REFERRED TO AS "DEFENDANTS")

The Company had, on 5 July 2021, been served with a sealed copy of a Writ of Summons dated 3 July 2021 from the Plaintiff together with the Notice of Application dated 3 July 2021 and Affidavit in Support of Sarin Sahadev Mohan Swami affirmed on 2 July 2021. ("Injunction Application")

The Plaintiff's claim against the 1st Defendant and 2nd Defendant is inter alia for breach of contract and/or duty of care and/or good faith as lender and/or charge in respect of 132,151,497 ordinary shares in the 5th Defendant held as security and/or by way of charge by the 1st Defendant, and owned at all material times by Plaintiff ("the Shares"), pursuant to a Share Charge dated 20 April 2008 and a Charge Supplement dated 28 October 2015, arising out of and/or in connection with the 1st Defendant's and/or 2nd Defendant's sale and/or disposal of the Shares to the 3rd Defendant at below market value and/or at an undervalue, pursuant to a share sale and purchase agreement entered into between the 2nd Defendant and 3rd Defendant on 22 June 2021 ("Share Sale and Purchase Agreement") to acquire the Shares, without reasonable or any notice to the Plaintiff, and contrary to and/or in breach of the representations and/or agreement by Abdulla Taleb made for and on behalf of the 1st Defendant and/or 2nd Defendant to the Plaintiff for inter alia the redemption inter alia of the Shares by the Plaintiff ("the Agreement") and/or giving rise to an estoppel against the sale and transfer of the Shares to the 3rd Defendant.

Further to the e-review case management held on 7 July 2021, the Court issued an Ad Interim Injunctive Order (interim injunction) against the Company, and against the 1st Defendant and the 2nd Defendant.

On 27 September 2021, the decision on the inter-parties for the Plaintiff's Injunction Application was delivered by Yang Arif Tuan Ong Chee Kwan, Judicial Commissioner ("Yang Arif Judicial Commissioner"), via e-review.

Yang Arif Judicial Commissioner decided as follows:

- i) The Plaintiff's Injunction Application is dismissed;
- ii) The Ad Interim Injunctive Order against the Defendants, first granted on 7 July 2021, is set aside; and
- iii) The Plaintiff pays cost of RM35,000 each to the 1st and 2nd Defendants, the 3rd Defendant and the 4th Defendant.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**B14. CHANGES IN MATERIAL LITIGATION** (continued)

The solicitors for the Plaintiff (“Appellant” or “Empire”) filed, on 27 September 2021, the notices of appeal against the High Court’s decision to dismiss the Appellant’s Injunction Application and to set aside the Ad Interim Injunction Order (“Appeals”). On 28 September 2021, they filed the Notice of Motion for an Erinford Injunction (“Notice of Motion”). MAAG’s solicitors received the Notice of Motion and the Appeals, on 28 September 2021.

The case management, at the Court of Appeal, for the Notice of Motion was conducted on 29 September 2021.

The Hearing of the Notice of Motion for an Erinford Injunction filed by Empire, pending the disposal of the Appeals by the Court of Appeal, was conducted before the Court of Appeal on 15 October 2021.

Empire and MAAG agreed to grant each other certain undertakings, pending the disposal of the Appeals by the Court of Appeal.

In exchange for the abovementioned undertakings by MAAG to Empire, and the abovementioned cross-undertakings by Empire to MAAG, Empire agreed to withdraw its Notice of Motion against MAAG.

The hearing date for the appeals, before the Court of Appeal, is fixed for 1 December 2021.

B15. DIVIDEND PAYABLE

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 30 September 2021 in respect for the financial year ending 30 June 2022.

B16. BASIC EARNINGS PER SHARE

	3 months period ended		9 months period ended	
	30.9.2021	30.9.2020 ^(*)	30.9.2021	30.9.2020 ^(*)
<u>Attributable to the Owners of the Company:</u>				
Net profit for the financial period (RM’000)	5,838	-	9,011	-
Weighted average number of ordinary shares in issue (’000)	263,732	-	263,732	-
Basic earnings per share (sen)	2.21	-	3.42	-

^(*) There will be no comparative financial information available for the corresponding quarter and period as the Group had changed its financial year end from 31 December to 30 June.

MAA GROUP BERHAD (“MAAG” or “the Company”)

Registration No. 199801015274 (471403-A)

(Incorporated in Malaysia)

NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

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 2020 was not qualified.

By Order of the Board

Lily Yin Kam May

Company Secretary

KUALA LUMPUR

DATE: 23 NOVEMBER 2021