

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 31 MARCH 2022

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”).

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.

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

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.

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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 3 ‘Business Combinations’ – *Reference to the Conceptual Framework*
- Amendments to MFRS 116 ‘Property, Plant and Equipment’ – *Proceeds before Intended Use*
- 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.

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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 31 March 2022.

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 31 March 2022.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 31 March 2022.

A7. DIVIDEND PAID

There was no interim dividend paid by the Company during the current quarter and period ended 31 March 2022 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 holdings
- General Insurance - 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
- Hospitality Services - provision of hospitality services, food and beverage, retailer of Cigars, and other services including logistics, renovation, facilities management service, entertainment, film distribution and cinema business

The Group's Other segments comprise property management, advisory and consultancy 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**A8. SEGMENTAL INFORMATION** (continued)Current quarter ended 31 March 2022 (“Q5 FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	243	43,264	7,057	2,896	9,359	1	62,820
Net earned premiums	-	25,457	-	-	-	-	25,457
Investment income	45	778	-	-	-	-	823
Interest income	138	2,014	5	2,896	-	-	5,053
Realised gains and losses – net	6	7	-	-	-	-	13
Fair value gains and losses - net	(9,109)	(1,081)	14	-	-	(1)	(10,177)
Commission income	-	823	-	-	-	-	823
Other operating revenue from non-insurance businesses	60	-	7,052	-	9,359	1	16,472
Other operating income/(expenses) – net	864	(248)	(343)	(900)	529	(11)	(109)
Net claims incurred	-	(7,520)	-	-	-	-	(7,520)
Commission expenses	-	(9,761)	-	-	-	-	(9,761)
Management expenses	(3,848)	(4,982)	(9,151)	(12,758)	(13,065)	(910)	(44,714)
Finance costs	(35)	(5)	(433)	-	(64)	(4)	(541)
(Loss)/profit before taxation by segments	(11,879)	5,482	(2,856)	(10,762)	(3,241)	(925)	(24,181)
Share of loss of associates not included in reportable segments	-	-	-	-	-	-	(59,024)
(Loss)/profit before taxation	(11,879)	5,482	(2,856)	(10,762)	(3,241)	(925)	(83,205)
Taxation	345	(2,130)	(200)	(143)	-	-	(2,128)
(Loss)/profit after taxation	(11,534)	3,352	(3,056)	(10,905)	(3,241)	(925)	(85,333)

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

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**A8. SEGMENTAL INFORMATION** (continued)15 months period ended 31 March 2022 (“15M FY2022”)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	3,792	220,802	31,975	13,230	25,365	313	295,477
Net earned premiums	-	128,698	-	-	-	-	128,698
Investment income	2,352	3,675	-	-	-	92	6,119
Interest income	1,143	10,357	177	13,230	26	20	24,953
Realised gains and losses – net	5,213	3,760	-	-	-	-	8,973
Fair value gains and losses - net	932	(2,389)	(2,841)	-	-	(78)	(4,376)
Commission income	-	4,308	-	-	-	-	4,308
Other operating revenue from non-insurance businesses	297	-	31,798	-	25,339	201	57,635
Other operating income/(expenses) – net	1,831	4,614	146	930	(865)	(41)	6,615
Net claims incurred	-	(34,644)	-	-	-	-	(34,644)
Commission expenses	-	(50,759)	-	-	-	-	(50,759)
Management expenses	(26,593)	(22,156)	(42,243)	(13,962)	(39,115)	(3,791)	(147,860)
Finance costs	(222)	(38)	(1,318)	-	(266)	(23)	(1,867)
(Loss)/profit before taxation by segments	(15,047)	45,426	(14,281)	198	(14,881)	(3,620)	(2,205)
Share of loss of associates not included in reportable segments	-	-	-	-	-	-	(59,160)
(Loss)/profit before taxation	(15,047)	45,426	(14,281)	198	(14,881)	(3,620)	(61,365)
Taxation	(925)	(9,943)	(1,328)	(642)	-	(1)	(12,839)
(Loss)/profit after taxation	(15,972)	35,483	(15,609)	(444)	(14,881)	(3,621)	(74,204)

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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**A8. SEGMENTAL INFORMATION** (continued)

	Investment Holdings	General Insurance	Education Services	Credit Services	Hospitality Services	Other segments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At 31 March 2022</u>							
Segment Assets	139,922	491,745	75,191	88,881	36,508	7,891	840,138
Associates							12,995
Total Assets							853,133
Segment Liabilities	8,316	319,138	55,182	1,612	21,959	743	406,950
<u>At 31 December 2020 (Audited)</u>							
Segment Assets	275,414	434,972	80,952	59,817	18,200	9,951	879,306
Associates							1,225
Total Assets							880,531
Segment Liabilities	15,211	286,389	31,967	890	15,463	1,593	351,513

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A9. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There were no significant events subsequent to the end of the current period ended 31 March 2022 that have not been reflected in these Interim Reports.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

(a) During the current period ended 31 March 2022, Hospitality 360 Sdn Bhd (“H360”), a 51% sub-subsidiary of the Company, had:

- on 8 January 2021, 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%;
- on 20 January 2021, 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;
- on 23 March 2021, 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%;
- on 1 April 2021, 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;
- on 5 May 2021, 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 a total consideration of RM100;
- on 11 May 2021, acquired 1 ordinary share representing 100% of the share capital of Global Champ Sdn Bhd from Jasmine Bin Jalmen Dullah for the total consideration of RM1;
- on 5 August 2021, 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 a total consideration of RM2;
- on 6 August 2021, 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 a total consideration of RM2;

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

- (a) During the current period ended 31 March 2022, Hospitality 360 Sdn Bhd (“H360”), a 51% sub-subsidiary of the Company, had: (continued)
- on 6 August 2021, Staysuites Malaysia Sdn Bhd, a sub-subsidiary 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 a total consideration of RM51;
 - on 17 August 2021, 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%;
 - on 25 August 2021, 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 a total consideration of RM2; and
 - on 17 September 2021, 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 a total consideration of RM100.
- (b) On 4 February 2021, MAA Credit Berhad (“MAA Credit”), a wholly owned sub-subsidiary 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.
- (c) During the current period ended 31 March 2022, MAA Corporation Sdn Bhd (“MAA Corp”), a wholly owned subsidiary of the Company, had:
- on 6 May 2021, 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 a total consideration of RM600;
 - on 15 September 2021, 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 (“Maax Capital”), a company incorporated in Malaysia, for a total consideration of RM100,000;
 - on 23 November 2021, transferred its Partnership Interest Subscription with MicroLEAP PLT (“MicroLEAP”), of which the subscription of 35.2% interest in MicroLEAP, to Maax Capital, for a total consideration of RM1,250,000;

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

- (c) During the current period ended 31 March 2022, MAA Corporation Sdn Bhd (“MAA Corp”), a wholly owned subsidiary of the Company, had: (continued)
- on 1 December 2021, disposed the shares held in the share capital of the following companies to Maax Capital:
 - (i) 200,000 ordinary shares, representing 100% of the share capital of Maax Fidelity Berhad (formerly known as MAA Excel Berhad) (formerly known as MAA Excel Sdn Bhd) for a total consideration of RM190,000;
 - (ii) 933,252 ordinary shares, representing 100% of the share capital of Maax Factor Sdn Bhd for a total consideration of RM5,366,199; and
 - (iii) 86,200,000 ordinary shares and 211,600 preference shares, representing 100% of the share capital of MAA Credit for a total consideration of RM6,896,000 and RM16,928 respectively.
- (d) During the current period ended 31 March 2022, Edumaax Sdn Bhd (“Edumaax”), a wholly owned subsidiary of MAA Corp, had:
- on 10 December 2021, subscribed for 1,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Edumaax Professional Center Sdn Bhd, a company incorporated in Malaysia, for total consideration of RM1,000; and
 - on 4 March 2022, subscribed for 1,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Edumaax Liberty Sdn Bhd, a company incorporated in Malaysia, for total consideration of RM1,000.
- (e) The Company and Imperium Edumaax Sdn Bhd, a wholly owned sub-subsiary of the Company had, from 3 August 2021 to 6 October 2021, acquired from the open market a total of 266,001,800 and 80,000,000 ordinary shares of KNM Group Berhad (“KNM”) respectively, representing approximately total 10.35% of the total issued and paid-up share capital of KNM as of 31 October 2021, for a total purchase consideration of RM63,054,926 and RM19,212,461 respectively, making KNM an associate of the Group.

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The Group’s property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. There was no valuation of property, plant and equipment during the current quarter and period ended 31 March 2022.

A12. VALUATION OF INVESTMENT PROPERTIES

Investment properties of the Group were carried at revalued amount at the period ended 31 March 2022 based on valuations carried out by professional valuers during the financial period and the fair value changes therein were recognised in the profit or loss.

A13. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as of 31 March 2022.

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 31.3.2022	As at 31.12.2020
	RM’000	RM’000
Property, plant and equipment		
- Furniture, fitting and equipment	345	32
- Renovation	5,176	19
- Computers and software	130	-
	5,651	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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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 31 March 2022

	Level 1	Level 2	Level 3	Total
	RM’000	RM’000	RM’000	RM’000
Investments at FVTPL:				
Equity securities quoted in Malaysia	406	-	-	406
Equity securities quoted outside Malaysia	82,296	-	-	82,296
Equity securities unquoted outside Malaysia	-	-	23,230	23,230
Unit trusts quoted in Malaysia	2,859	-	-	2,859
	85,561	-	23,230	108,791
Investments at FVOCI:				
Government debt securities quoted outside Malaysia	49,657	-	-	49,657
Corporate debt securities quoted outside Malaysia	1,331	-	-	1,331
Equity securities quoted outside Malaysia	23,824	1,174	-	24,998
Equity securities unquoted in Malaysia	-	-	100	100
Equity securities unquoted outside Malaysia	-	-	43	43
	74,812	1,174	143	76,129
Total investments measured at fair value	160,373	1,174	23,373	184,920

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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 31 March 2022.

The following table shows the movement in Level 3 investments for the current period ended 31 March 2022:

	Unquoted equity securities	
	FVTPL	FVOCI
	RM’000	RM’000
At 1 January 2021	22,923	143
Fair value loss recorded in profit or loss	(666)	-
Currency translation difference	973	-
At 31 March 2022	23,230	143

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Key financial performance	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	62,820	-	295,477	-
Loss before taxation	(83,205)	-	(61,365)	-

^(*) 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 31 March 2022 (“Q5 FY2022”)

For Q5 FY2022, the Group recorded a total operating revenue of RM62.8 million which comprised of gross earned premiums of RM40.5 million recorded by General Insurance business, investment and interest income of RM5.9 million and other operating revenue from non-insurance businesses of RM16.5 million.

The Group recorded a Loss before taxation (“LBT”) of RM83.2 million for Q5 FY2022. The LBT mainly caused by share of loss of an associate of RM59.0 million, LBT of RM11.9 million from Investment Holdings segment, LBT of RM10.8 million from Credit Services segment, LBT of RM3.2 million from Hospitality Services segment and LBT of RM2.9 million from Education Services segment. The General Insurance business has continued contributed profit to the Group. For Q5 FY2022, it recorded a Profit before taxation (“PBT”) of RM5.5 million.

15 months period ended 31 March 2022 (“15M FY2022”)

For 15M FY2022, the Group recorded a total operating revenue of RM295.5 million which comprised of gross earned premiums of RM206.8 million recorded by General Insurance business, investment and interest income of RM31.1 million and other operating revenue from non-insurance businesses of RM57.6 million.

The Group recorded a LBT of RM61.4 million for 15M FY2022. The LBT mainly caused by share of loss of an associate of RM59.0 million recognised during Q5 FY2022, LBT of RM15.0 million from Investment Holdings segment, LBT of RM14.9 million from Hospitality Services segment, LBT of RM14.3 million from Education Services segment and LBT of RM3.6 million from other segment. These losses have outweighed the PBT contribution of RM45.4 million from the General Insurance business.

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Key financial performance	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	243	-	3,792	-
Loss before taxation	(11,879)	-	(15,047)	-

^(*) 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 31 March 2022 (“Q5 FY2022”)

For Q5 FY2022, Investment Holdings segment recorded a total operating revenue of RM0.2 million which comprised mainly of interest and dividend income of RM0.2 million.

Investment Holdings segment recorded a LBT of RM11.9 million for Q5 FY2022 mainly due to fair value losses on equities investments classified at FVTPL of RM9.1 million.

15 months period ended 31 March 2022 (“15M FY2022”)

For 15M FY2022, Investment Holdings segment recorded a total operating revenue of RM3.8 million which comprised mainly of interest income of RM1.1 million, dividend income of RM2.4 million and other operating revenue from non-insurance businesses of RM0.3 million.

Investment Holdings segment recorded a LBT of RM15.0 million for 15M FY2022 mainly due to management expenses of RM26.6 million, set off by operating revenue of RM3.8 million, net fair value gains on equity investments classified at FVTPL of RM0.9 million, realised gains from disposal of investments of RM5.2 million and other operating income of RM1.8 million.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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			
	31.3.2022		31.3.2021 ^(*)	
	PHP’000	RM’000	PHP’000	RM’000
Gross premium written (“GPW”)	600,608	49,191	-	-
Underwriting surplus	109,975	8,999	-	-
Investment income	9,482	778	-	-
Interest income	24,582	2,014	-	-
Claim ratio in %	29.5%	29.5%	-	-
Commission ratio in %	27.8%	27.8%	-	-
Profit before taxation	67,077	5,482	-	-
Range of currency exchange rate	1RM = 12.18 to 12.24PHP			-

^(*) 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 31 March 2022 (“Q5 FY2022”)

For Q5 FY2022, MAAGAP recorded a GPW of PHP600.6 million (RM49.2 million equivalent). The motor and non-motor classes contributed PHP175.7 million (RM14.4 million equivalent) and PHP424.9 million (RM34.8 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP67.1 million (RM5.5 million equivalent) for Q5 FY2022. The PBT contributed by underwriting surplus of PHP110.0 million (RM9.0 million equivalent), investment and interest income of PHP34.1 million (RM2.8 million equivalent), offset by net fair value losses of PHP13.2 million (RM1.1 million equivalent) on equity investments classified at FVTPL and management expenses of PHP60.8 million (RM5.0 million equivalent).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B1. REVIEW OF GROUP PERFORMANCE (continued)**General Insurance (continued)

Key financial performance	15 months period ended			
	31.3.2022		31.3.2021 ^(*)	
	PHP'000	RM'000	PHP'000	RM'000
Gross premium written (“GPW”)	2,616,377	218,022	-	-
Underwriting surplus	569,023	47,603	-	-
Investment income	43,975	3,675	-	-
Interest income	124,100	10,357	-	-
Claim ratio in %	27.0%	27.0%	-	-
Commission ratio in %	34.9%	34.9%	-	-
Profit before taxation	543,819	45,426	-	-
Range of currency exchange rate	1RM = 11.68 to 12.24PHP			-

^(*) 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.

15 months period ended 31 March 2022 (“15M FY2022”)

For 15M FY2022, MAAGAP recorded a GPW of PHP2,616.4 million (RM218.0 million equivalent). The motor and non-motor classes contributed PHP793.7 million (RM66.2 million equivalent) and PHP1,822.7 million (RM151.8 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP543.8 million (RM45.4 million equivalent) for 15M FY2022. The PBT contributed by underwriting surplus of PHP569.0 million (RM47.6 million equivalent), investment and interest income of PHP168.1 million (RM14.0 million equivalent), fair value gain of PHP11.4 million (RM0.9 million equivalent) on investment properties and realised gains from disposal of investments of PHP44.9 million (RM3.8 million equivalent), offset by net fair value losses of PHP39.8 million (RM3.3 million equivalent) on equity investments classified at FVTPL and management expenses of PHP265.3 million (RM22.2 million equivalent).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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				
	31.3.2022				31.3.2021 ^(*)
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	251	5,764	1,042	7,057	-
(Loss)/profit before taxation	(1,349)	1,170	(2,677)	(2,856)	-

Key financial performance by business units	15 months period ended				
	31.3.2022				31.3.2021 ^(*)
	Kasturi Group	SJI Group	Imperium Edumaax	Total	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Operating revenue	1,219	25,568	5,188	31,975	-
(Loss)/profit before taxation	(5,265)	5,256	(14,272)	(14,281)	-

^(*) 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.

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B1. REVIEW OF GROUP PERFORMANCE (continued)

Education Services (continued)

Current quarter ended 31 March 2022 (“Q5 FY2022”)

(i) Kasturi Group

For Q5 FY2022, Kasturi Group recorded a total operating revenue of RM0.3 million and a LBT of RM1.3 million. During this quarter, higher revenue generation from seminars organised for Sijil Pelajaran Malaysia (“SPM”) students but offset by lower revenue contribution from lower secondary students due to school holiday in March 2022.

(ii) SJI Group

For Q5 FY2022, SJI Group recorded a total operating revenue of RM5.8 million with a PBT of RM1.2 million. Secondary education has contributed profit of RM1.5 million but offset by loss making in primary education and private tuition of RM0.3 million.

(iii) Imperium Edumaax

For Q5 FY2022, Imperium Edumaax recorded a total operating revenue of RM1.0 million with a LBT of RM2.7 million. Postponement of SPM had greatly affected tertiary education providers across the industry. Students’ enrolment rate in Q5 FY2022 was low as expected and management foresees students’ enrolment rate will improve in second half of year 2022 after SPM results release in June 2022. Meanwhile, the college’s key focus includes ongoing intense marketing activities, branding exercise and continuous improvement initiatives.

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B1. REVIEW OF GROUP PERFORMANCE (continued)

Education Services (continued)

15 months period ended 31 March 2022 (“15M FY2022”)

(i) Kasturi Group

For 15M FY2022, Kasturi Group recorded a total operating revenue of RM1.2 million and a LBT of RM5.3 million. Loss of RM2.3 million was attributable to loss from tuition centers’ operations due to low students’ enrolment rate following cancellation of PT3 (“Pentaksiran Tingkatan Tiga”) and postponement of SPM and Sijil Pelajaran Tinggi Malaysia (“STPM”). With this, students had low examination pressure and desire to sign up for tuition classes.

(ii) SJI Group

For 15M FY2022, SJI Group recorded a total operating revenue of RM25.6 million with a PBT of RM5.3 million. Secondary education has contributed profit of RM7.2 million but offset with loss making in primary education and private tuition of RM1.9 million. Primary education commenced operations only in early 2020 and has gradually built presence in the market with students enrolment rate doubled in year 2021 despite the COVID-19 pandemic.

(iii) Imperium Edumaax

For 15M FY2022, Imperium Edumaax recorded a total operating revenue of RM5.2 million with a LBT of RM14.3 million. Impact arising from prolonged COVID-19 pandemic i.e., movement control order, restricted international travel, postponement of SPM in both year 2020 and 2021 had significantly affected the industry. In response to this, management had introduced new initiatives including offering of training courses to working adults, developing new programmes, continuous intensive marketing efforts and branding exercise as well as offering in-house loans to students in financial distress during this period. Further to this, management is also uplifting students’ wellbeing constantly with wide array of students’ supports and focusing on students’ social and emotional development during this challenging time so to provide a pleasure learning experience with the college.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B1. REVIEW OF GROUP PERFORMANCE (continued)**Credit Services

Key financial performance	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,896	-	13,230	-
(Loss)/profit before taxation	(10,762)	-	198	-

^(*) 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 31 March 2022 (“Q5 FY2022”)

For Q5 FY2022, Credit Services segment recorded a total operating revenue of RM2.9 million which comprised mainly of income from debt factoring business of RM1.0 million and interest income of RM1.8 million from term loans and other credit activities.

Credit Services segment recorded a LBT of RM10.8 million for Q5 FY2022. The LBT mainly caused by allowance for impairment loss of RM12.4 million and RM0.9 million on factoring receivables and term loan receivables respectively.

15 months period ended 31 March 2022 (“15M FY2022”)

For 15M FY2022, Credit Services segment recorded a total operating revenue of RM13.2 million which comprised mainly of income from debt factoring business of RM7.8 million and interest income of RM5.3 million from term loans and other credit activities.

Credit Services segment recorded a small PBT of RM198,000 for 15M FY2022. The allowance for impairment loss totaling of RM13.3 million on factoring and term loan receivables made in Q5 FY2022 has outweighed the total operating revenue of RM13.2 million.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B1. REVIEW OF GROUP PERFORMANCE (continued)**Hospitality Services

Key financial performance	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Operating revenue	9,359	-	25,365	-
Loss before taxation	(3,241)	-	(14,881)	-

^(*) 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 31 March 2022 (“Q5 FY2022”)

For Q5 FY2022, Hospitality Services segment recorded a total operating revenue of RM9.4 million with a LBT of RM3.2 million. The LBT mainly due to higher management expenses of RM13.1 million.

15 months period ended 31 March 2022 (“15M FY2022”)

The Hospitality services segment recorded total operating revenue of RM25.4 million and a LBT of RM14.9 million for 15M FY2022. The LBT mainly due to lower revenue recorded as this segment temporarily closed its operations in June 2021 in compliance with a government directive of a nationwide total lockdown amidst the outbreak of the COVID-19 pandemic. Following by the government announcement of the lifted movement control restrictions, interstate travel being allowed and third vaccination shot in October 2021, the business of Hospitality Services segment recovered slightly in Q5 FY2022.

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B2. MATERIAL CHANGE IN PERFORMANCE OF THE CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Quarter ended	
	31.3.2022	31.12.2021
	RM'000	RM'000
Operating revenue	62,820	61,476
(Loss)/profit before taxation	(83,205)	4,311

For the current quarter ended 31 March 2022 (“Q5 FY2022”) under review, the Group’s operating revenue increased by 2.2% as compared to the immediate preceding quarter ended 31 December 2021 (“Q4 FY2022”). The increase mainly from higher revenue from Education services of RM7.1 million (Q4 FY2022: RM6.1 million) and Hospitality services of RM9.4 million (Q4 FY2022: RM8.6 million).

The Group recorded a LBT of RM83.2 million in Q5 FY2022 as compared to PBT of RM4.3 million in Q4 FY2022. The loss mainly due to share of loss of associates of RM59.0 million, net fair value losses of RM10.0 million (Q4 FY2022: gains of RM4.6 million) from equity investments classified at FVTPL and higher management expenses of RM44.7 million (Q4 FY2022: RM30.4 million).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

B3. PROSPECTS

The Malaysian economy is projected to expand by 5.3% to 6.3% in 2022 according to Bank Negara Malaysia latest estimates. 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. The ongoing easing of movement control restrictions for vaccinated people, 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 2022 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 2022. The Group expects MAAGAP to improve its financial performance in 2022 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.

2022 continues to 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 in view of the easing of movement controls in order to increase student enrolment, diversify program offerings and continue with cost control measures.

Similarly, the Group’s is seeking to grow its other operating segments namely (1) Investment holdings , (2) Credit Services i.e. hire purchase, leasing, money lending business and SME debt factoring business and (3) Hospitality Services i.e. advisory and consultancy services of hotel management, operations of hotel accommodation, food and beverage, operators of short-term property accommodation, logistics and dispatch and provision of property management , design and renovation services and running of cinema operations.

Although the global economic outlook for FY2022 continues to be cautious with the COVID-19 pandemic albeit the easing of restrictions globally, the Group will continue its efforts to implement management action plans to expand existing business and improve profitability.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B5. INVESTMENT INCOME**

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	34	-	64	-
Investments at FVTPL				
Dividend income				
- Equity securities quoted in Malaysia	4	-	268	-
- Equity securities quoted outside Malaysia	435	-	2,894	-
- Equity securities unquoted outside Malaysia	-	-	778	-
- Unit trusts quoted in Malaysia	-	-	92	-
	439	-	4,032	-
Investments at FVOCI				
Dividend income				
- Equity securities quoted outside Malaysia	350	-	2,023	-
	823	-	6,119	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B6. INTEREST INCOME**

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income				
- Government debt securities quoted outside Malaysia	437	-	2,018	-
- Corporate debt securities quoted outside Malaysia	13	-	62	-
- Corporate debt securities unquoted in Malaysia	-	-	621	-
	450	-	2,701	-
Investments at AC				
Interest income				
- Government debt securities quoted outside Malaysia	178	-	909	-
- Corporate debt securities quoted outside Malaysia	1,365	-	7,288	-
- Private trust fund unquoted outside Malaysia	-	-	4	-
- Investment notes unquoted in Malaysia	87	-	133	-
	1,630	-	8,334	-
Interest income from:				
- staff loans	83	-	94	-
- associates	6	-	60	-
- fixed and call deposits	76	-	670	-
	165	-	824	-
Interest income from:				
- debt factoring business	1,032	-	7,812	-
- loans from money lending and other credit activities	1,776	-	5,282	-
	2,808	-	13,094	-
	5,053	-	24,953	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B7. REALISED GAINS AND LOSSES - NET**

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) from disposal of property, plant and equipment	7	-	(11)	-
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	(2)	-	1,330	-
- Equity securities quoted outside Malaysia	8	-	7,262	-
- Unit trusts quoted outside Malaysia	-	-	(54)	-
	6	-	8,538	-
Investments at FVOCI				
Net realised gains				
- Government debt securities quoted outside Malaysia	-	-	446	-
	13	-	8,973	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B8. FAIR VALUE GAINS AND LOSSES - NET**

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Fair value (losses)/gains on investment properties	(132)	-	816	-
Investments at FVTPL				
Net fair value gains/(losses)				
- Equity securities quoted in Malaysia	(93)	-	(15,680)	-
- Equity securities quoted outside Malaysia	(9,965)	-	11,260	-
- Equity securities unquoted outside Malaysia	-	-	(666)	-
- Unit trusts quoted in Malaysia	13	-	(106)	-
	(10,045)	-	(5,192)	-
	(10,177)	-	(4,376)	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B9. PROFIT/(LOSS) BEFORE TAXATION FOR THE QUARTER AND PERIOD**

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

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/write back of impairment loss on:				
- investments at AC	(130)	-	94	-
- cash and cash equivalents	19	-	(64)	-
- insurance receivables	(46)	-	202	-
- trade and other receivables	(214)	-	(583)	-
- factoring receivables	(12,448)	-	(12,575)	-
- loans from money lending and other credit activities	(900)	-	(1,515)	-
Realised foreign exchange losses – net	(329)	-	(957)	-
Unrealised foreign exchange gains – net	788	-	976	-
Allowance for impairment loss on goodwill acquired	-	-	(3,995)	-
Reserves arising from business combination	-	-	649	-
Depreciation of property, plant and equipment	(1,045)	-	(5,095)	-
Amortisation of leasehold land	(2)	-	(2)	-
Depreciation of right-of-use assets	(2,666)	-	(12,716)	-
Amortisation of intangible assets	(47)	-	(151)	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B10. TAXATION**

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysia	121	-	3,495	-
- Philippines	1,358	-	7,669	-
	1,479	-	11,164	-
Deferred tax				
- Malaysia	(123)	-	(599)	-
- Philippines	772	-	2,274	-
	649	-	1,675	-
Total tax expense	2,128	-	12,839	-

^(*) 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.

Even though the Group recorded loss in the current quarter and period ended 31 March 2022, provision for taxation has been made mainly for the profit recorded by General Insurance business held via MAAGAP as the group loss relief in Malaysia is not applicable to MAAGAP and certain expenses that are not deductible for tax purposes.

B11. BORROWING

The Group's borrowing includes:

	As at 31.3.2022	As at 31.12.2020
	RM'000	RM'000
<u>Short term</u>		
Term loan – secured	19,802	-
Total Group's borrowing	19,802	-

The Group's borrowing is denominated in Ringgit Malaysia (RM).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

B12. 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 had 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%. Accordingly, 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.

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

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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 ^(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	35,026 ^{(N5), (N6), (N7)}	119,461		Within 24 months from the EGM held on 30 June 2020	119,461
(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	^(N7) (16,411)	16,411	Within 24 months from the EGM held on 30 June 2020	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		233,883	-

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

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) 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.

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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)

^(N7) The Company had re-allocated and utilised an amount totaling RM31.2 million for the following:

- RM3.2 million for its working capital requirements; and
- RM28.0 million for the following businesses via capital injections and advances to MAA Credit Berhad, Maax Factor Sdn Bhd, Hospitality 360 Sdn Bhd and 10star Cinemas Sdn Bhd:
 - Money lending: RM16.8 million
 - Factoring: RM4.3 million
 - Hospitality business: RM6.9 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 B12(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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**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	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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

B14. CHANGES IN MATERIAL LITIGATION

- (a) 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.

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 Injunctive Order (“Appeals”). On 28 September 2021, they filed the Notice of Motion for an Erinford Injunction (“Notice of Motion”).

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

B14. CHANGES IN MATERIAL LITIGATION (continued)

- (a) 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”) (continued)

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 Appeals were heard by the Court of Appeal on 1 December 2021, and the Court of Appeal delivered their unanimous decision as follows:

- i) The Appeals were dismissed.
- ii) The decision by Yang Arif Tuan Ong Chee Kwan, Judicial Commissioner, the High Court of Malaya at Kuala Lumpur dated 27 September 2021, was upheld.
- iii) The Court of Appeal awarded costs of RM20,000 to the 3rd Respondent.

Empire’s solicitors had filed a Notice of Application dated 27 December 2021, pursuant to Order 14A of the Rules of Court 2012 (“Order 14A Application”) and Affidavit in Support of Tan Seow Wan, affirmed on 27 December 2021 (“Affidavit in Support”), to dispose of the civil suite action No. WA-22NCC-295-07/2001 in respect of the Acquisition (“Litigation”), filed against MAAG.

Empire through its solicitors, filed a Notice of Application dated 29 December 2021, applying to the High Court of Malaya (“HC”) for an injunction against MAAG, pending the disposal of the Order 14A Application and, an affidavit in support of Tan Seow Wan, affirmed on 31 December 2021 (“Injunction Affidavit in Support”) (“Second Injunction Application”).

On 6 January 2022, the HC fixed the Order 14A Application for hearing on 18 February 2022 and the trial dates for the Litigation be rescheduled to 15 June 2022, 16 June 2022 and 17 June 2022.

The Order 14A Application filed by Empire was heard by the HC on 18 February 2022. The Order 14A Application was dismissed; and costs of RM30,000 each is awarded to the 1st & 2nd Defendants, the 3rd Defendant and the 4th Defendant. Following the dismissal of the Order 14A Application, the Second Injunction Application filed by Empire pending the disposal of the Order 14A Application was struck out by the HC, with no order as to costs.

Empire Holdings had filed, on 3 March 2022, a notice of appeal with the Court of Appeal against the HC’s decision to dismiss the Order 14A Application (“Order 14A Appeal”). The Court of Appeal fixed the hearing date for the Order 14A Appeal on 14 September 2022.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022**B14. CHANGES IN MATERIAL LITIGATION** (continued)**(b) KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO.WA-24NCC-658-05/2022 TURIYA BERHAD (“PLAINTIFF”) VS MAA GROUP BERHAD (“MAAG” OR “1ST DEFENDANT”) AND EMPIRE HOLDINGS LIMITED (“2ND DEFENDANT”)**

The Company had, on 13 May 2022, been served with a sealed copy of an Originating Summons dated 12 May 2022 from the Plaintiff (“OS”), and an Affidavit in Support affirmed on 12 May 2022 by Jayapalasingam a/l Kandiah, the Senior Independent Non-Executive Director of the Plaintiff.

The Plaintiff is seeking the determination of and directions from the High Court of Malaya at Kuala Lumpur (“High Court”), for the following question:

“Whether the Plaintiff and/or the board of directors of the Plaintiff and/or the officers of the Plaintiff, including the share registrar of the Plaintiff, is obliged to provide the record of depositors of the Plaintiff as at 10 May 2022, to MAAG, to enable MAAG to despatch the offer document for the take-over offer by MAAG to acquire all the remaining ordinary shares in the Plaintiff not already held by MAAG and its persons acting in concert, in compliance with paragraph 11.02 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, as requested by MAAG vide its letter dated 6 May 2022”.

The OS is fixed for Case Management on 24 May 2022, by way of e-review.

B15. DIVIDEND PAYABLE

The Board of Directors does not recommend the payment of any interim dividend for the current period ended 31 March 2022 in respect for the financial year ending 30 June 2022.

B16. BASIC LOSS PER SHARE

	3 months period ended		15 months period ended	
	31.3.2022	31.3.2021 ^(*)	31.3.2022	31.3.2021 ^(*)
<u>Attributable to the Owners of the Company:</u>				
Net loss for the quarter/period (RM'000)	(83,365)	-	(65,791)	-
Weighted average number of ordinary shares in issue ('000)	263,732	-	263,732	-
Basic loss per share (sen)	(31.61)	-	(24.95)	-

^(*) 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.

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NOTES TO THE REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2022

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 MAY 2022