ANNUAL REPORT
2022

MAA GROUP BERHAD
199801015274 (471403-A)

MAA GROUP BERHAD

A Wholly Owned
Malaysian Investment
Holding Company

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www.maa.my

FINANCIAL HIGHLIGHTS

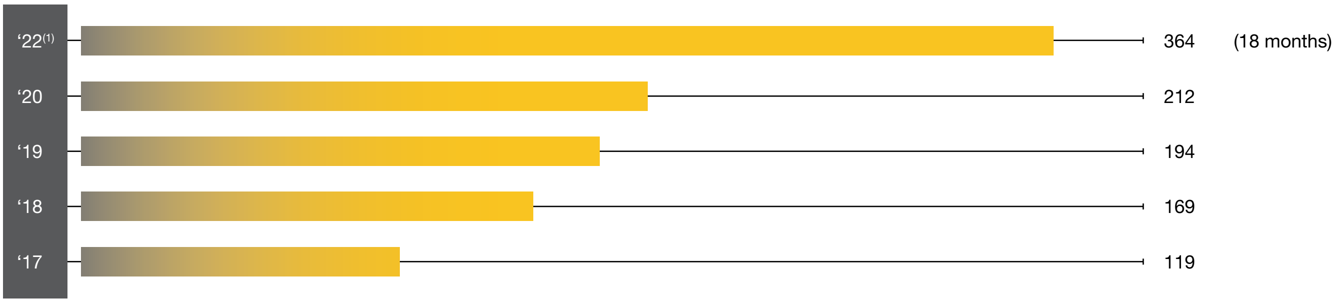
FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended	30.6.2022 [1]	31.12.2020	31.12.2019	31.12.2018	31.12.2017
	(18 months)				
Operating Revenue (RM' million)	**364**	212	194	169	119
(Loss)/Profit Before Taxation (RM' million)	**(139)**	45	(13)	(24)	29
(Loss)/Profit Attributable to the owners of the Company (RM' million)	**(134)**	40	(14)	(27)	25
Total Assets (RM' million)	**777**	881	839	757	779
Total Borrowings (RM' million)	**19**	-	-	-	-
Shareholders' Equity (RM' million)	**379**	533	505	547	559
Basic (Loss)/Earnings per Share (sen)	**(50.9)**	14.8	(5.3)	(10.0)	9.2
Net Asset per Share (RM)	**1.4**	2.0	1.8	2.0	2.0
Return on Equity (%)	**-35%**	8.4%	-2.5%	-4.5%	5.1%
Return on Total Assets (%)	**-18%**	5.1%	-1.5%	-3.2%	3.7%

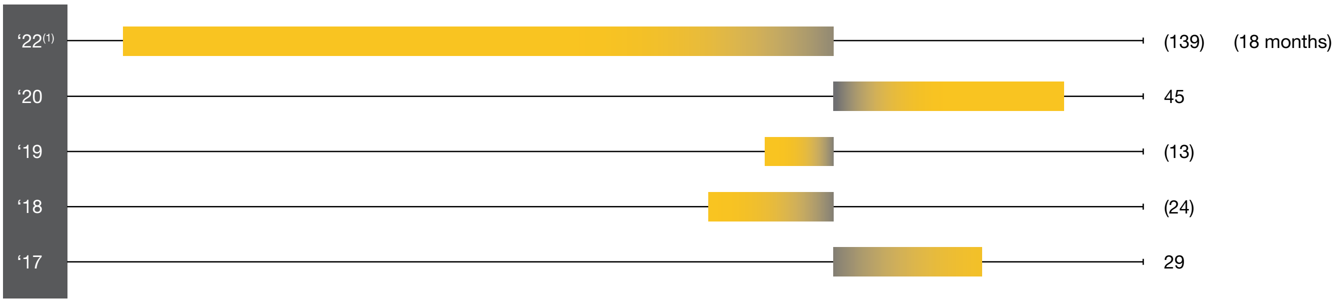
[1] MAAG had on 22 June 2021 changed its financial year-end from 31 December to 30 June. As such, the financial period ended 30 June 2022 comprised 18 months from 1 January 2021 to 30 June 2022.

FINANCIAL HIGHLIGHTS
(CONTINUED)

OPERATING REVENUE
(RM' Million)

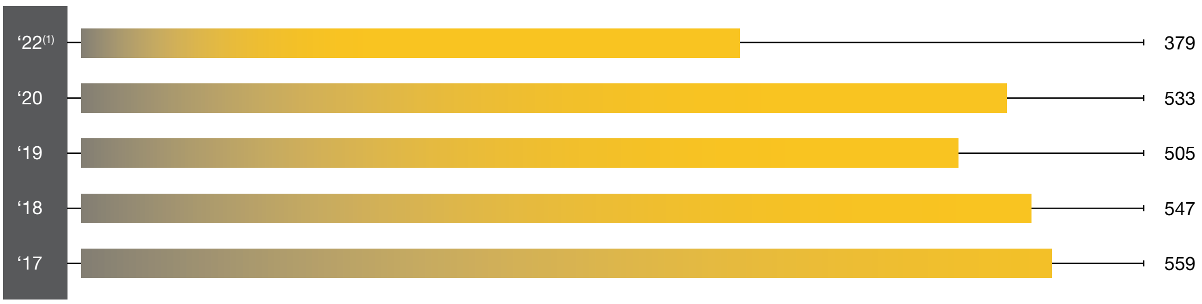


(LOSS)/PROFIT BEFORE TAXATION
(RM' Million)



TOTAL ASSETS
(RM' Million)

SHAREHOLDERS' EQUITY
(RM' Million)



[1] MAAG had on 22 June 2021 changed its financial year-end from 31 December to 30 June. As such, the financial period ended 30 June 2022 comprised 18 months from 1 January 2021 to 30 June 2022.

BOARD OF DIRECTORS

Tunku Dato' Yaacob Khyra

- Executive Chairman

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah

- Non-Independent Executive Director

Yeo Took Keat

- Independent Non-Executive Director
- Chairman of Audit & Governance Committee
- Member of Risk & Sustainability Committee
- Member of Nomination & Remuneration Committee

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan

- Senior Independent Non-Executive Director
- Chairman of Nomination & Remuneration Committee
- Chairman of Risk & Sustainability Committee
- Member of Audit & Governance Committee

Datin Seri Raihanah Begum binti Abdul Rahman

- Independent Non-Executive Director
- Member of Audit & Governance Committee
- Member of Risk & Sustainability Committee
- Member of Nomination & Remuneration Committee

BOARD OF DIRECTORS' PROFILE

Tunku Dato' Yaacob Khyra

Executive Chairman

Aged
62

Nationality
MALAYSIAN

Gender
MALE

Tunku Dato' Yaacob Khyra has been a Director since its inception in November 1998. He was re-designated as Executive Chairman of the Company on 28 August 2008. He currently holds the position of Executive Chairman of Mycron Steel Berhad ("MSB") and Melewar Industrial Group Berhad ("MIG").

Tunku Dato' Yaacob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

Tunku Dato' Yaacob started his career as an Auditor with Price Waterhouse in London from 1982 to 1985 and subsequently, employed by the same firm in Kuala Lumpur from 1986 to 1987. Tunku Dato' Yaacob joined Malaysian Assurance Alliance Berhad (now known as Zurich Life Insurance Malaysia Berhad) in 1987 until October 2006.

Currently, Tunku Dato' Yaacob is a Board Member of MIG, MSB, KNM Group Berhad, Melewar Group Berhad, Khyra Legacy Berhad, Yayasan Khyra, MAA Bancwell Trustee Berhad, Ithmaar Holding B.S.C. (listed in Bahrain), Ithmaar Bank B.S.C. (Closed), Altech Chemicals Limited (listed in Australia), Chase Perdana Sdn Bhd and several private limited companies. His shareholdings in the Company is disclosed on page 210 of the Annual Report.

Tunku Dato' Yaacob is the Chairman of the Board of Trustees of Yayasan Amal Maaedicare and The Budimas Charitable Foundation.

Tunku Dato' Yaacob does not have any personal interest in any business arrangements involving the Company.

Tunku Dato' Yaacob does not have any conflict of interest with the Company and he has had no convictions for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah

Non-Independent Executive Director

Aged
61

Nationality
MALAYSIAN

Gender
MALE

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah was appointed to the Board on 10 January 2007. He was re-designated as Non-Independent Executive Director of the Company on 1 December 2011 by virtue of his appointment as Head of E-Commerce (Vice President) of MAA Corporation Sdn Bhd, the wholly-owned subsidiary of MAA Group Berhad.

Tunku Yahaya is the brother to Tunku Dato' Yaacob Khyra, the Executive Chairman of the Company.

Tunku Yahaya graduated in 1983 with a Bachelor of Science (Hons) Degree in Economics and Accountancy from City University, London. Upon completion, he joined Peat Marwick Mitchell & Co. in London that same year. In 1986, he obtained his Master of Science in Economics from Birkbeck College, University of London.

Upon returning to Malaysia in 1986, he joined the advertising company, MZC-Saatchi & Saatchi. In 1988, he joined the management of the refurbished Central Market (KL) as Executive Director. In 1994, he was appointed to put into operation and manage the television station, Metro Vision as Managing Director. In 1997, he started the music recording label, Melewar Parallax Sdn Bhd.

He currently sits on the Boards of Melewar Industrial Group Berhad, Mithril Berhad, Melewar Group Berhad, Khyra Legacy Berhad, MAA Credit Berhad, MAA Bancwell Trustee Berhad, Jat Acres Berhad and several private limited companies.

Tunku Yahaya also sits on the Board of Trustees of Yayasan Amal Maaedicare and The Budimas Charitable Foundation.

Tunku Yahaya does not have any personal interest in any business arrangements involving the Company.

Tunku Yahaya does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Yeo Took Keat

Independent
Non-Executive Director

Chairman of Audit &
Governance Committee

Member of Risk &
Sustainability Committee

Member of Nomination &
Remuneration Committee

Aged
65

Nationality
MALAYSIAN

Gender
MALE

Mr Yeo Took Keat was appointed to the Board of Directors of the Company on 24 February 2005 and was re-designated as Independent Non-Executive Director on 2 January 2020.

Mr Yeo has vast experience in accounting and finance having served with various capacities in insurance companies and audit firms upon completing his studies in 1980. He joined Malaysian Assurance Alliance Berhad (now known as Zurich Life Insurance Malaysia Berhad) in 1986 and has held several positions, the last of which was as Senior Vice President – Finance & Administration before his transfer to MAA Group Berhad in May 2002 as the Group Chief Operating Officer.

Mr Yeo is a Fellow of The Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants.

Mr Yeo currently sits on the Board of MAA International Group Ltd, the subsidiary of the Company.

Mr Yeo does not have any personal interest in any business arrangements involving the Company.

Mr Yeo does not have any family relationship with any Director and/or major shareholders of the Company and he has had no convictions for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. His shareholdings in the Company is disclosed on page 210 of the Annual Report.

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan

Senior Independent Non-Executive Director

Chairman of Nomination & Remuneration Committee

Chairman of Risk & Sustainability Committee

Member of Audit & Governance Committee

Aged
60

Nationality
MALAYSIAN

Gender
MALE

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan was appointed to the Board on 26 May 2017 as an Independent Non-Executive Director.

Tunku Dato' Ahmad Burhanuddin is an accountant by qualification. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Malaysian Accountants.

Tunku Dato' Ahmad Burhanuddin served as the Executive Director of CIMB Bank, The Financial Controller (CFO) of Commerce Asset Holdings (now known as CIMB Bank Berhad), Executive Director of Commerce Asset Fund Managers, Group Chief Internal Auditor of the Commerce Group and chaired various committees in CIMB Bank from year 2001 to 2009, including being the Chairman of the Building Committee for the construction of Menara CIMB Bank and had under his direct purview the Bank's International Branches, the Group Customer Care and Management Support Division and The Corporate Client Solutions which covered the group's relationships with Government and Multinational Corporations.

Tunku Dato' Ahmad Burhanuddin served as the Group Managing Director and Chief Executive Officer of Themed Attractions Resorts & Hotels Sdn Bhd from April 2015 to July 2016. He also served as the Group Managing Director and Chief Executive Officer of Themed Attractions and Resorts Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad from October 2009 to April 2015.

Tunku Dato' Ahmad Burhanuddin was elected as the President of the Malaysian Association of Amusement Themeparks & Family Attractions (MAATFA) in 2013 for a two-year term. He was also elected as the President of The Malay College Old Boys' Association, continuing the legacy of his father who was the Past President and the Life President of the Association, in June 2016.

Tunku Dato' Ahmad Burhanuddin currently sits on the Boards of Bank Kerjasama Rakyat Malaysia Berhad and several private limited companies.

Tunku Dato' Ahmad Burhanuddin has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Tunku Dato' Ahmad Burhanuddin does not have any personal interest in any business arrangements involving the Company.

Tunku Dato' Ahmad Burhanuddin does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Datin Seri Raihanah Begum binti Abdul Rahman

Independent
Non-Executive Director

Member of Audit &
Governance Committee

Member of Risk &
Sustainability Committee

Member of Nomination &
Remuneration Committee

Aged
60

Nationality
MALAYSIAN

Gender
FEMALE

Datin Seri Raihanah Begum binti Abdul Rahman, was appointed to the Board of Directors of the Company on 22 February 2018. She currently sits on the Boards of Melewar Industrial Group Berhad, Mycron Steel Berhad, Tuju Setia Berhad and several other private limited companies.

Datin Seri Raihan is an Associate of the Chartered Insurance Institute (UK) and the Malaysian Insurance Institute. As a scholar of American Malaysian Insurance Sdn Bhd (later known as CIMB Bank Insurance) she started her insurance career with the company immediately after successfully completing her course in 1984 and has held various positions in the Underwriting and Marketing Departments before leaving in 1988 to join Malene Insurance Brokers Sdn Bhd ("Malene").

During her 10-year service at Malene, she was exposed to various aspects of the oil and gas industry and was involved in the Insurance programmes for Petronas, Shell, Exxon-Mobil and various other oil and gas-related companies such as Gas Malaysia Sdn Bhd and MISC Berhad. Her experience also included an attachment with a London-based Lloyds broker.

She left Malene in 1997 when she was the Acting Chief Executive Officer, to dedicate more time in bringing up her three young children. To ensure that she was in touch with the insurance industry and coupled with her experience and knowledge in insurance underwriting and broking, she made time, from 1998 to 1999, while being a homemaker, to be a part-time lecturer with the Malaysian Insurance Institute for insurance industry practitioners to obtain a more in-depth knowledge of the business.

In August 2005, Datin Seri Raihan was appointed as a Non-Executive Director to the board of a public-listed fibre-based manufacturing company called Wang Zheng Berhad ("Wang Zheng"). She served as an active board member at Wang Zheng for 8 years.

She was also appointed as a member of the Board of Trustees for the Malaysian Medical Association ("MMA") Foundation for a three-year term from 2007. MMA Foundation is a non-profit organisation which provides financial assistance for undergraduate medical students, continuing professional development, public health education and donations to charities.

Datin Seri Raihan has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Datin Seri Raihan does not have any personal interest in any business arrangements involving the Company.

Datin Seri Raihan does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE

Tunku Dato' Yaacob Khyra
Executive Chairman

Aged 62, Malaysian, Male

Tunku Dato' Yaacob Khyra has been a Director of the Company since its inception in November 1998. He was appointed as the Group Managing Director/Chief Executive Officer of the Company in 1999. Subsequently, he was re-designated as Executive Chairman of the Company on 28 August 2008. His personal profile is listed in the Board of Directors' Profile on page 5 of this Annual Report.

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
Non-Independent Executive Director

Aged 61, Malaysian, Male

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah was appointed to the Board of Directors of the Company on 10 January 2007. He was re-designated as Non-Independent Executive Director of the Company on 1 December 2011 by virtue of his appointment as Head of E-Commerce (Vice President) of MAA Corporation Sdn Bhd, the wholly-owned subsidiary of the Company. His personal profile is listed in the Board of Directors' Profile on page 6 of this Annual Report.

Daniel C. Go
President/Chief Executive Officer ("CEO")

Aged 60, Filipino, Male

Mr Daniel C. Go is the President/CEO of MAA General Assurance Philippines, Inc. ("MAAGAP") since the commencement of the company's operation in 2001. He is one of the founder and pioneer of MAAGAP.

Mr Daniel C. Go has more than 40 years of work experience in the field of Non-Life Insurance. His career in insurance started in the middle of 1982 when he joined Prudential Guarantee and Assurance Inc. (PGAI) as a claims clerk for motor car. He rose from the ranks and became Assistant Vice President – Claims for All Lines then was further promoted to become Vice President for Marketing until 2001.

Mr Go studied Bachelor of Science in Commerce, Major in Management at the University of the East.

Mr Go has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Go does not have any personal interest in any business arrangements involving the Company.

Mr Go does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Anand Kanagasingam
Group Chief Operating Officer

Aged 41, Malaysian, Male

Mr Anand Kanagasingam was appointed as the General Manager of the Company on 18 September 2017 and was subsequently redesignated as Senior Vice President – Financial Services on 1 April 2019. On 11 March 2020, he was promoted to Group Chief Operating Officer of the Company.

Mr Anand holds a Bachelor of Commerce in Corporate Finance & Marketing awarded by the University of Adelaide, Australia.

He has worked in the banking industry for over 10 years and served in various renowned banks in Malaysia and the United Arab Emirates such as Affin Bank Berhad, the National Bank of Abu Dhabi, Standard Chartered Bank and Union National Bank.

He also serves on the Boards of several private limited companies in the group.

Mr Anand has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Anand does not have any personal interest in any business arrangements involving the Company.

Mr Anand does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Choon Siew Thong
Group Chief Financial Officer

Aged 55, Malaysian, Male

Mr Choon Siew Thong was appointed as Group Chief Financial Officer of the Company on 16 March 2020.

Mr Choon holds a Bachelor of Economics awarded by Monash University, Australia in 1990. He is also a member of both CPA Australia and Malaysian Institute of Accountants ("MIA").

Mr Choon has more than 30 years of work experience since starting his career with PricewaterhouseCoopers in mid 1990 before leaving in 2003 to join the commercial world. He was formerly the Group Chief Financial Officer for Kencana Petroleum Berhad from 2007 till 2012 and the Group Chief Risk Officer for Sapurakencana Petroleum Berhad (now known as Sapura Energy Berhad) from 2012 till 2015. Prior to joining the Company, he was the Group Chief Financial Officer for a 100% foreign-owned company called MFE Formwork Technology Sdn Bhd.

Mr Choon has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Choon does not have any personal interest in any business arrangements involving the Company.

Mr Choon does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Ng Teck Sing
Head of Information Technology

Aged 58, Malaysian, Male

Mr Ng was appointed as Senior Vice President – Head of Information Technology since December 2017 when he joined the Company.

Mr Ng has 36 years of working experience in IT Management and Insurance Application Development in General Insurance. He started his career as a Computer Operator cum Junior Programmer with Pacific & Orient Insurance Co. Bhd in 1986. Subsequently, he joined Power Computer Services Sdn Bhd (now known as P & O Global Technologies Sdn Bhd ("P&O Global")) in 1989 and was posted to Hong Kong in 1990 where he successfully completed 3 turnkey General Insurance system projects for P&O Global.

In 1992, Mr Ng joined Malaysian Assurance Alliance Berhad (now known as Zurich Insurance Malaysia Berhad) as an Assistant Manager and in 2012, he resigned as Senior Manager of MAAGNET Systems Sdn Bhd, a sub-subsidiary of MAA Group Berhad. During his work tenure with Malaysian Assurance Alliance Berhad, he managed to develop a new General Insurance System that covered front and back end processes, whereas during his employment with MAAGNET Systems Sdn Bhd, he developed a Business Intelligence System to provide business insight to the Management. Mr Ng subsequently joined Tune Insurance Malaysia Bhd (now known as Tune Protect Malaysia Bhd) in 2012 as Assistant General Manager for IT Department and then in 2015, he joined MAA Takaful Berhad (now known as Zurich General Takaful Malaysia Bhd) as Assistant Vice President for IT Department.

Mr Ng holds a Postgraduate Diploma in Strategic Business IT awarded by NCC Education, UK.

Mr Ng has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Ng does not have any personal interest in any business arrangements involving the Company.

Mr Ng does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Angeline Lim Suan See
Group Chief Human Resource & Communications Officer

Aged 56, Malaysian, Female

Ms Angeline Lim joined the Company on 2 May 2000 as Manager, Communications. In 2002, she was promoted to Executive Manager and was subsequently promoted to Senior Manager in 2005 to oversee the Group Communications. In 2012, Angeline was promoted to Senior Manager – Group Human Resources, Training and Communications. She was then promoted to Vice President – Group Chief Human Resource & Communications Officer in February 2019. Subsequently in February 2021, she was promoted to Senior Vice President of the same designation, a position currently held.

Ms Angeline Lim completed her Diploma in Public Relations, Advertising and Marketing from the London Chamber of Commerce in 1992. Subsequently in 2010, she completed her master's from the University of Southern Queensland.

Ms Angeline Lim has a combined 37 years' working experience in the aviation, service and insurance industry. She has been with the Group for 22 years. Prior to joining the Group, she was attached to Malaysia Airlines, the Shangri-La Hotel, Hotel Istana, Palace of the Golden Horses and Malaysian Assurance Alliance Berhad (now known as Zurich Life Insurance Malaysia Berhad).

Ms Angeline Lim also serves as a Trustee on the Board of Trustees of MAA-Medicare Charitable Foundation and as a member of the Board of Governors for St John's International School.

Ms Angeline Lim has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Ms Angeline Lim does not have any personal interest in any business arrangements involving the Company.

Ms Angeline Lim does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Dato' Indera Naresh Mohan

Group Chief Executive Officer
Hospitality 360 Sdn Bhd

Aged 57, Singaporean, Male

Dato' Indera Naresh was appointed as the Group Chief Executive Officer of Hospitality 360 Group on 1 September 2019. He is also one of the Directors and Shareholders of the Company.

Dato' Indera Naresh is the founder of Havana Club Cigar Divans. He was one of the pioneers of lifestyle retailers in Malaysia and secured sole rights in Malaysia for importing all Cuban cigars in all aspects of the consumer market including Duty Free. He has also developed a strong presence in the hospitality business in Malaysia working with big international brands like Marriott International, Best Western Hotel Chain and Wyndham Hotel since 1995. Currently he involves in various hotel projects and managing the existing hotels and restaurants.

Dato' Indera Naresh is a member of the Malaysian Association of Hotels (MAH), Malaysia India Business Council (MIBC), an EXCO member of Kuala Lumpur Tourism Association (KLTA) and Vice-Chancelier of Chaine Des Rotisseurs.

Prior to joining the Company, he started his career in the family business representing textile mills in Europe for South East Asian markets in year 1986. In 1994, Dato' Indera Naresh formed a partnership to create a diversified trading company called Glorient Trading Sdn Bhd and the group was sold in 2001.

Dato' Indera Naresh also serves as a member of the Board of Governors of Budimas Education Charity Fund.

Dato' Indera Naresh has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Dato' Indera Naresh does not have any personal interest in any business arrangements involving the Company.

Dato' Indera Naresh does not have any conflict of interest with the Company and has no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Anne Vicknes Rajasaikaran

Chief Executive Officer
Edumaax Sdn Bhd

Aged 41, Malaysian, Female

Ms Anne Rajasaikaran was appointed as the Chief Executive Officer/President of Imperium International College in 2019. In year 2020, she was appointed as the Chief Executive Officer of Edumaax Sdn Bhd overseeing the Education Group through its subsidiaries namely Imperium Edumaax Sdn Bhd, St. John's International Edu Group Sdn Bhd and Kasturi Academy Sdn Bhd. She is also the Principal Officer of the Budimas Charitable Foundation since 2009.

Ms Anne has a combined 15 years of working experience in managing communications, events relations, and fundraising activities.

Ms Anne completed her Bachelor of Communications in Public Relations from the University Tun Razak in 2007. Subsequently in 2017, she completed her Master in Business Administrative awarded by the University of Strathclyde.

Ms Anne has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Ms Anne does not have any personal interest in any business arrangements involving the Company.

Ms Anne does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Onn Norshal Hamzah

Chief Executive Officer
10Star Cinemas Sdn. Bhd.

Aged 48, Malaysian, Male

Mr Onn Norshal Hamzah was appointed as the Chief Executive Officer of 10Star Cinemas Sdn. Bhd. ("10STAR") since the commencement of the Company's operations in 2021.

Mr Onn has more than 20 years of work experience in the cinema and film industry under some of the largest cinema chains in Malaysia, India and South Korea.

Prior to joining the Company, he was the pioneer and program head for the development of Cinema Management Education for National Occupational Skills Standards (NOSS), an official program under Department of Skills Management organised by Ministry of Human Resources Malaysia. From year 2018 to 2020, he joined the National Film Development Corporation Malaysia (FINAS) as the Board of Director, and he was also appointed as the Chairman of Mandatory Film Screening Scheme. One of his contributions during this time was the development of the new concept of "Community Cinemas" in Lahad Datu, Sabah known as MAX Cinemas with 4 halls and 281 seats which officially launched in 2019.

Mr Onn holds a Bachelor's Degree in Economics awarded by University of Malaya.

Mr Onn has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Onn does not have any personal interest in any business arrangements involving the Company.

Mr Onn does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tunku Dato' Yaacob Khyra (Chairman)

Mr Yeo Took Keat

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan

Datin Seri Raihanah Begum binti Abdul Rahman

AUDIT & GOVERNANCE COMMITTEE

Mr Yeo Took Keat (Chairman)

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan

Datin Seri Raihanah Begum binti Abdul Rahman

RISK & SUSTAINABILITY COMMITTEE

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (Chairman)

Datin Seri Raihanah Begum binti Abdul Rahman

Mr Yeo Took Keat

NOMINATION & REMUNERATION COMMITTEE

Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (Chairman)

Datin Seri Raihanah Begum binti Abdul Rahman

Mr Yeo Took Keat

SECRETARY

Ms Lily Yin Kam May
(MAICSA No. 0878038)

AUDITORS

Messrs PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

PRINCIPAL PLACE OF BUSINESS

13th Floor, No. 566, Jalan Ipoh
51200 Kuala Lumpur
Telephone No. : 03 6256 8000
Facsimile No. : 03 6251 0373

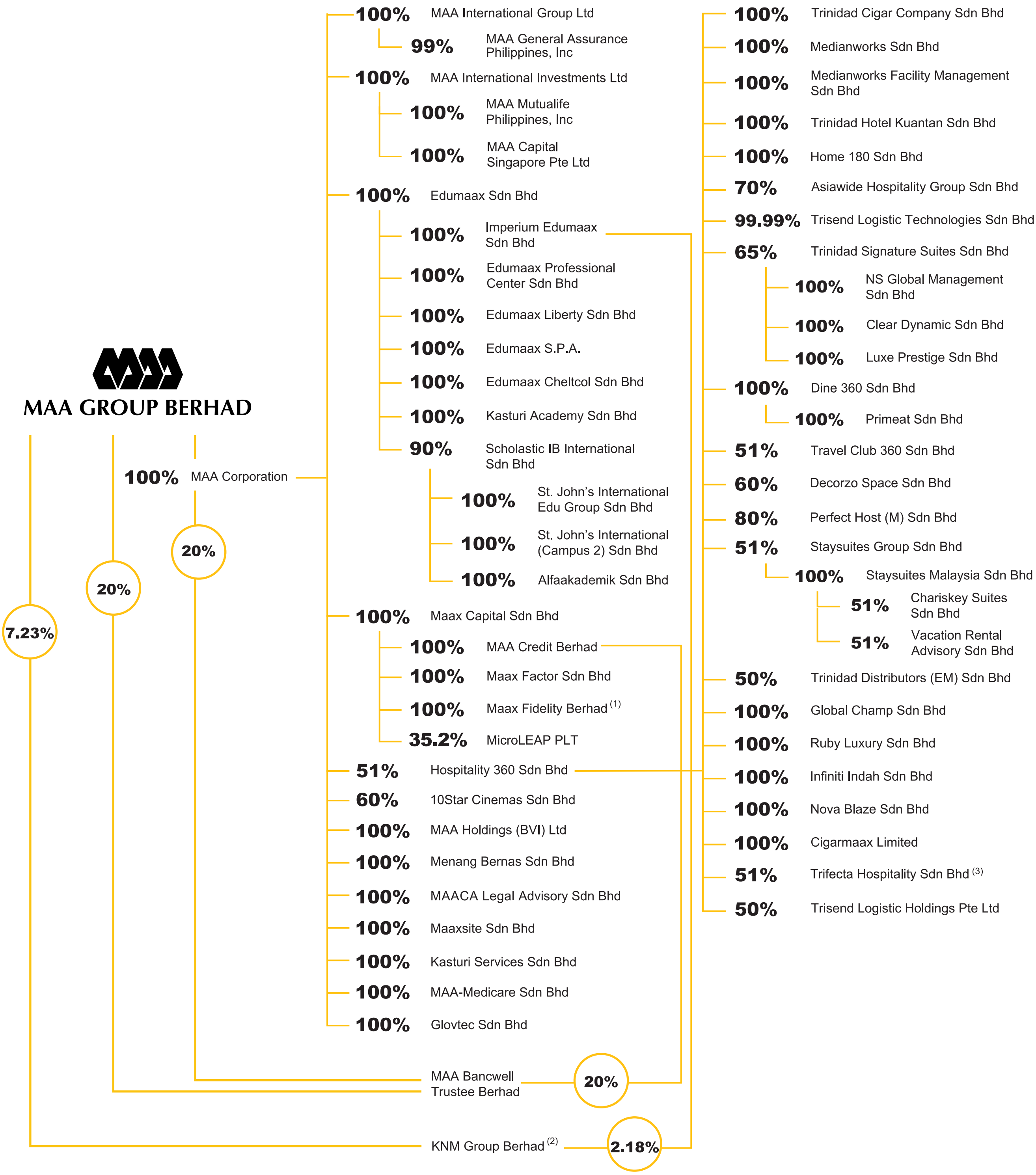
REGISTERED OFFICE

Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur
Telephone No. : 03 6252 8880
Facsimile No. : 03 6252 8080

SHARE REGISTRAR

Trace Management Services Sdn Bhd
Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur
Telephone No. : 03 6252 8880
Facsimile No. : 03 6252 8080

GROUP STRUCTURE
AS AT 13 OCTOBER 2022



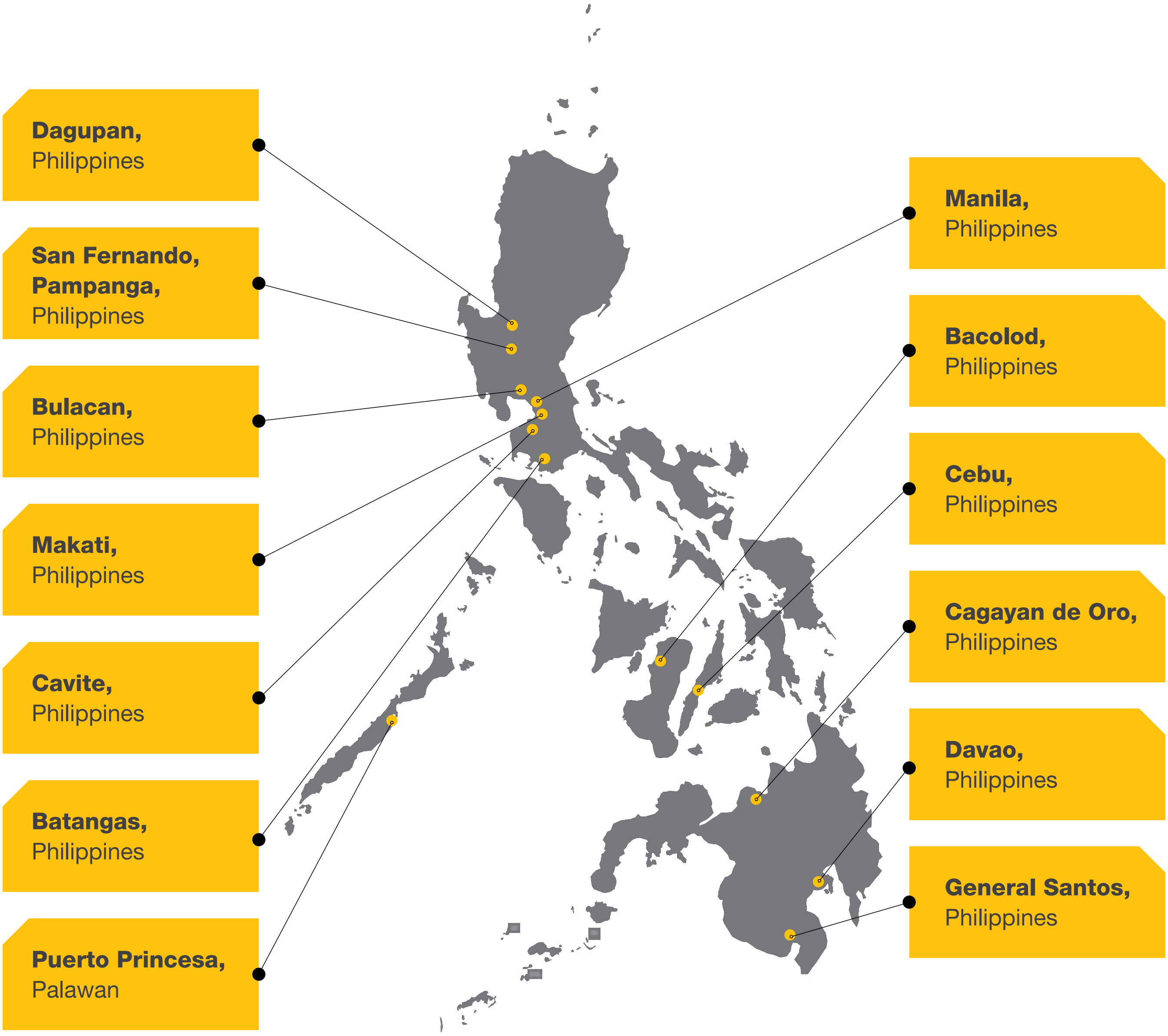
Footnote

(1) The Company was known as MAA Excel Sdn Bhd before it was converted into a public company on 26 July 2021.

(2) KNM Group Berhad is considered as an associate of the Group by virtue of its ability to exercise significant influence over KNM Group Berhad through its board representations.

(3) Formerly known as Prosper Magnum Sdn Bhd.

OVERSEAS OPERATIONS



PERUTUSAN PENGERUSI

PARA PEMEGANG SAHAM,

Bagi pihak Lembaga Pengarah, sukacita saya membentangkan Laporan Tahunan MAA Group Berhad ("MAAG" atau "Syarikat") dan anak-anak syarikatnya (secara keseluruhannya dikenali sebagai "Kumpulan") bagi tempoh kewangan 18 bulan berakhir 30 Jun 2022 ("TKB 30 Jun 2022"). Untuk makluman semua, tempoh kewangan bagi laporan ini adalah 18 bulan kerana Kumpulan telah bertukar tarikh akhir tahun kewangan dari 31 Disember kepada 30 Jun.

Persekitaran Operasi

Ekonomi Malaysia telah berkembang 3.6% dalam suku terakhir tahun 2021 dan dijangka berkembang antara 5.3% hingga 6.3% pada penghujung tahun 2022, berdasarkan jangkaan awal Bank Negara Malaysia. Dengan pembukaan semula sempadan Malaysia pada 1 April 2022, pengurangan kawalan pergerakan, pembukaan semula am ekonomi domestik, dan perkembangan berterusan permintaan global, momentum perkembangan ekonomi Malaysia bagi tahun kewangan berakhir 2023 ("TKB2023") diramalkan positif.

Perniagaan Insurans Am di Filipina, di bawah anak syarikat Kumpulan, MAA General Assurance Philippines, Inc. ("MAAGAP") adalah penyumbang hasil utama Kumpulan pada masa ini. Meskipun pelbagai cabaran telah dihadapi industri insurans akibat pandemik COVID-19, MAAGAP dijangka akan terus menikmati margin keuntungan yang lebih tinggi, sekiranya tidak terkesan oleh kejadian tak diduga seperti bencana alam yang sering berlaku di Filipina. Seperti tahun-tahun yang lalu, Kumpulan masih berniat untuk memperbesar bahagian pasarannya di Filipina melalui pengembangan agensi dan pemasaran digital, dan pada masa yang sama mengekalkan amalan pemilihan risiko dan penajajaminan yang berhemat.

PERUTUSAN PENGERUSI
(BERSAMBUNG)

TKB2023 akan tetap mencabar bagi segmen perniagaan Perkhidmatan Pendidikan Kumpulan. Unit-unit operasi di bawah Perkhidmatan Pendidikan, iaitu Kasturi Tuition, St. John's International School dan Imperium International College, akan terus mempertingkatkan usaha pemasarannya untuk meningkatkan pendaftaran pelajar, mempelbagaikan program yang ditawarkan dan terus melaksanakan langkah-langkah pengawalan kos.

Segmen Perkhidmatan Hospitaliti akan terus memperkukuh kedudukan pasarannya, yang kian berpotensi. Segmen ini juga dijangka akan menambah baik aktiviti pelancongan, dengan pelepasan sekatan pengembaraan.

Segmen Perkhidmatan Kredit Kumpulan terdiri dari aktiviti perniagaan Pemfaktoran Kredit dan Pinjaman Wang. Perniagaan Pemfaktoran Kredit akan terus mengejar peluang pertumbuhan, sejajar dengan pembukaan semua sektor ekonomi. Perniagaan Pinjaman Wang akan melaksanakan beberapa pelan tindakan pengurusan untuk melakar semula strategi pelan perniagaannya dan memperbaiki aktiviti pemungutan pinjaman.

Perkembangan Terkini Cadangan Korporat

Kumpulan amat berbesar hati mengumumkan butiran aktiviti korporat yang telah dilaksanakan dalam TKB 30 Jun 2022:

(a) Bagi status PN17 MAAG, Syarikat pada 24 November 2020 telah mengutarakan kepada Bursa Malaysia Securities Berhad ("Bursa Securities") permohonan pengecualian bagi pematuhan terhadap Perenggan 8.04(3)(a) dan Practice Note 17 dalam Syarat-Syarat Penyenaraian Pasaran Utama Bursa Securities. Bursa Securities melalui surat bertarikh 25 Mac 2021 telah bersetuju meluluskan pengecualian pematuhan terhadap Perenggan 8.04(3)(a) dalam Syarat-Syarat Penyenaraian Pasaran Utama Bursa Securities kepada Syarikat. Dengan pengecualian ini, MAAG telah terkecuali dari disenaraikan sebagai Syarikat PN17 berkuatkuasa pada 26 Mac 2021.

(b) Pada 22 Jun 2021, Syarikat telah memeterai sebuah perjanjian jualan dan belian saham ("SPA") bersama Ithmaar Bank B.S.C. (Closed) ("Ithmaar") untuk membeli 132,151,497 saham biasa Turiya Berhad ("Turiya") ("Saham Turiya"), atau kira-kira 57.78% pegangan ekuiti Turiya, dengan pertimbangan belian tunai sebanyak RM23,787,269 atau RM0.18 per Saham Turiya ("Pembelian").

    Setelah Pembelian muktamad, pegangan saham MAAG dalam Turiya telah meningkat dari sifar kepada kira-kira 57.78%. Dengan ini, MAAG telah diperlukan untuk melancarkan tawaran pengambilalihan mandatori untuk mengambil alih baki Saham Turiya yang tidak dimiliki MAAG ("Saham Tawaran") dengan harga tawaran tunai RM0.18 per Saham Tawaran, selaras dengan Perkara 218(2) Akta Pasaran Modal dan Perkhidmatan 2007 dan Perkara 4.01(a) *Rules on Take-Overs, Mergers and Compulsory Acquisitions* terbitan Suruhanjaya Sekuriti Malaysia.

    Syarikat pada 5 Julai 2021 menerima Writ Saman Bermeterai bertarikh 3 Julai 2021 dari Empire Holdings Ltd ("Plaintif"), berserta Notis Permohonan bertarikh 3 Julai 2021 dan Afidavit Sokongan oleh Sarin Sahadev Mohan Swami yang diikrarkan pada 2 Julai 2021. Sila rujuk Nota 50 penyata kewangan untuk butiran lanjut mengenai tuntutan Plaintif terhadap Syarikat dan defendan lain.

    Memandangkan Syarikat terlibat dalam beberapa prosiding perundangan, SC melalui surat bertarikh 12 Julai 2021 dan secara lisan pada Oktober 2021, telah meluluskan permohonan perlanjutan masa oleh MAAG untuk menghantar dokumen tawaran.

Tinjauan Keputusan

Bagi TKB 30 Jun 2022, Kumpulan telah mencatat agregat hasil operasi sebanyak RM364.1 juta yang merangkumi premium terperoleh kasar sebanyak RM249.0 juta oleh perniagaan Insurans Am, pendapatan pelaburan dan faedah sebanyak RM38.6 juta, dan hasil operasi lain-lain dari perniagaan bukan insurans sebanyak RM76.5 juta.

Kumpulan mencatat Rugi Sebelum Cukai ("LBT") sebanyak RM139.4 juta bagi TKB 30 Jun 2022, yang disebabkan LBT sebanyak RM36.8 juta dari segmen Pegangan Pelaburan, LBT sebanyak RM24.9 juta dari segmen Perkhidmatan Hospitaliti, LBT sebanyak RM23.7 juta dari segmen Perkhidmatan Kredit, LBT sebanyak RM17.4 juta dari segmen Perkhidmatan Pendidikan, LBT sebanyak RM7.4 juta oleh segmen lain dan perkongsian kerugian syarikat bersekutu sebanyak RM62.8 juta. Kerugian-kerugian ini telah melebihi sumbangan Keuntungan Sebelum Cukai ("PBT") sebanyak RM33.6 juta dari perniagaan Insurans Am.

Maklumat tentang prestasi perniagaan, operasi dan prestasi kewangan Kumpulan bagi TKB 30 Jun 2022 dan tinjauan Kumpulan bagi TKB2023 dibincangkan secara berasingan dalam Penyata Perbincangan dan Analisis Pengurusan dalam halaman lampiran.

Dividen

Syarikat tidak membayar, mencadangkan atau mengisytiharkan apa-apa dividen pada TKB 30 Jun 2022 memandangkan Kumpulan sedang membina sumber kewangan bagi mempergiatkan peluang perniagaan dan pertumbuhan baharu.

Tanggungjawab Sosial Korporat

Kumpulan melaksanakan tanggungjawab sosial korporatnya melalui Maaedicare Charitable Foundation ("Maaedicare") dan juga memberikan sokongan kepada The Budimas Charitable Foundation ("Budimas").

Maaedicare menguruskan 12 buah pusat dialisis buah pinggang amal yang memanfaatkan seramai 820 orang pesakit dan juga menguruskan sebuah pusat diagnostik dan rawatan jantung amal. Budimas pula mengurus projek amal yang memanfaatkan kanak-kanak miskin di Malaysia, dengan menyediakan sarapan pagi bagi 5,000 orang pelajar miskin di 151 buah sekolah desa, membiayai 42 buah rumah amal yang menempatkan lebih 2,000 kanak-kanak, dan telah membina dan mengurus sembilan buah perpustakaan di perkampungan Orang Asli.

Pengiktirafan dan Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan ribuan terima kasih kepada pasukan Pengurusan dan Kakitangan atas iltizam, dedikasi dan sumbangan mereka kepada Kumpulan.

Saya juga ingin mengambil kesempatan ini untuk merakamkan penghargaan kami kepada rakan niaga, pelanggan dan pemegang saham yang amat dihargai atas sokongan, keyakinan dan kepercayaan berterusan terhadap kami.

Akhir sekali, saya mengucapkan terima kasih kepada rakan-rakan seperjuangan saya dalam Lembaga Pengarah atas panduan dan sumbangan kepada Kumpulan.

Tunku Dato' Yaacob Khyra
Pengerusi Eksekutif

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of MAA Group Berhad ("MAAG" or "the Company") and its subsidiaries (collectively referred to as "the Group") for the 18-months financial period ended 30 June 2022 ("FPE 30 June 2022"). Its should be noted that the period of 18 months is due to the Group's change in financial year end from 31 December to 30 June.

Operating Environment

The Malaysian economy grew 3.6% in the last quarter of 2021 and is projected to expand by 5.3% to 6.3% by the end of 2022 according to Bank Negara Malaysia's earlier estimates. With the re-opening of Malaysian borders on 1 April 2022, the easing of movement control restrictions, the broader reopening of the domestic economy, and the continued expansion in global demand, it is expected that Malaysia's growth momentum for financial year 2023 ("FY2023") will be positive.

The General Insurance business in the Philippines, under the Group's subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP"), is currently the main revenue contributor to the Group. Despite the challenges the insurance industry faced as a result of the COVID-19 pandemic, MAAGAP is expected to continue with improved profit margins for FY2023, barring unforeseen circumstances, such as natural disasters, which the Philippines is vulnerable to. As in previous years, the Group expects to capture a wider market share in the Philippines, through agency expansion, and the use of digital marketing, while preserving prudent risk selection and underwriting practices.

FY2023 will continue to be challenging for the Group's Education Services segment. The Education Services' operating units namely Kasturi Tuition, St. John's International School, and Imperium International College, will continue to intensify their marketing efforts in order to improve student enrolment, diversify program offerings, and continue with cost control measures.

The Hospitality Services segment will continue to strengthen its position in the market, which looks increasingly promising. With travel restrictions being lifted, the segment is expected to improve tourism activities.

The Credit Services segment of the Group comprises of Debt Factoring and Money Lending business activities. The Debt Factoring business will continue to pursue growth opportunities in-line with the opening of all economic sectors. The Money Lending business will implement management action plans to re-strategise its business plans and improve its debt collection activities.

Updates on Corporate Proposals

The Group is pleased to provide details of corporate activities carried out during the FPE 30 June 2022:

(a) On the PN17 status of MAAG, the Company had, on 24 November 2020, submitted an application to Bursa Malaysia Securities Berhad ("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) ("Ithmaar") to acquire 132,151,497 ordinary shares in Turiya Berhad ("Turiya") ("Turiya Shares"), representing approximately 57.78% equity interest in Turiya, for a cash consideration of RM23,787,269 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.

    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 Mohan Swami affirmed on 2 July 2021. Please refer to Note 50 of the financial statements 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.

Overview of Results

For the FPE 30 June 2022, the Group recorded a total operating revenue of RM364.1 million which comprised of gross earned premiums of RM249.0 million recorded by General Insurance business, investment and interest income of RM38.6 million and other operating revenue from non-insurance businesses of RM76.5 million.

The Group recorded a Loss Before Taxation ("LBT") of RM139.4 million for the FPE 30 June 2022, caused mainly by LBT of RM36.8 million from Investment Holdings segment, LBT of RM24.9 million from Hospitality Services segment, LBT of RM23.7 million from Credit Services segment, LBT of RM17.4 million from Education Services segment, LBT of RM7.4 million from other segment and share of loss of an associate of RM62.8 million. These losses have outweighed the Profit Before Taxation ("PBT") contribution of RM33.6 million from the General Insurance business.

Details of the Group's business, operations and financial performance during the FPE 30 June 2022 and the Group's outlook for FY2023 are discussed separately in the Management Discussion and Analysis Statement in the attached pages.

Dividends

The Company did not pay, propose or declare any dividends during the FPE 30 June 2022 as it is building up its financial resources for new business opportunities and growth.

Corporate Social Responsibility

The Group discharges its corporate social responsibilities through Maaedicare Charitable Foundation ("Maaedicare") and its support for The Budimas Charitable Foundation ("Budimas").

Maaedicare operates 12 charity kidney dialysis centres keeping 820 patients alive and operates a charity heart diagnostic and treatment centre. Budimas manages projects that care for underprivileged children in Malaysia, providing breakfast for 5,000 underprivilege students at 151 rural schools, provides funding for 42 charitable homes housing over 2,000 children, and has built and operates 9 libraries in Orang Asli settlements.

Acknowledgement and Appreciation

On behalf of the Board, I would like to thank the Management team and Staff for their commitment, dedication and contributions to the Group.

I would also like to take this opportunity to extend our appreciation to our valued business associates, valued customers and the shareholders for the continued invaluable support, confidence and trust they have placed in us.

Finally, I would like to thank my fellow Board members for their stewardship and contributions to the Group.

Tunku Dato' Yaacob Khyra
Executive Chairman

OVERVIEW OF THE GROUP’S BUSINESS AND OPERATIONS

MAA Group Berhad (“MAAG” or “the Company”) is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) with market capitalisation and total assets under management of RM125.3 million and RM777.2 million respectively as at 30 June 2022.

MAAG is principally engaged in investment holdings and the provision of management services. The Company and its subsidiaries (“the Group”) are engaged in the business of the following:

- Investment Holdings;
- General Insurance Business;
- Education Services;
- Credit Services;
- Hospitality Services; and
- Other non-core businesses which include property management, advisory and consultancy services, film distribution and cinema business.

UPDATES ON THE GROUP’S ACQUISTION OF INVESTMENTS

(a) Acquisition of Turiya Berhad

On 22 June 2021, MAAG had entered into an unconditional share sale and purchase agreement (“SPA”) with Ithmaar Bank B.S.C. (Closed) (“Ithmaar”) to acquire 132,151,497 ordinary shares in Turiya Berhad (“Turiya”) (“Turiya Shares”), representing approximately 57.78% equity interest in Turiya, for a cash consideration of RM23,787,269 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.

Subsequently, this has triggered a material litigation on 5 July 2021 when MAAG was served with a sealed copy of Writ of Summons from Empire Holdings Ltd for an Injunction Application. As at the date of Annual Report, litigation is still ongoing. Please refer to the Note 50 to the financial statements for details on the status of litigations.

Due to the ongoing material litigation which restrains MAAG from exercising its rights as shareholders and the uncertainty on the likelihood of the hearing, the Company has accounted for the cash consideration paid for the Acquisition of Turiya as “Other receivables” instead of investment in subsidiary at acquisition date.

(b) Acquisition of Equity Interest in KNM Group Berhad

MAAG and Imperium Edumaax Sdn Bhd (“IESB”), a wholly owned sub-subsidiary of MAAG, had acquired to date over the period from 3 August 2021 to 6 October 2021 from the open market a total of 266,001,800 and 80,000,000 ordinary shares of KNM Group Berhad (“KNM Group”) respectively, representing approximately a total of 10.35% of the total issued and paid-up share capital of KNM Group as of 31 October 2021, for a total purchase consideration of RM63,054,926 and RM19,212,461 respectively.

From August to October 2021 where the Group acquired the ordinary shares of KNM Group in stages, the management classified the respective investments in KNM Group as fair value through profit or loss (“FVTPL”) in accordance to MFRS 9 “Financial Instruments”. However, effective 1 November 2021, the appointment of Tunku Dato’ Yaacob Khyra on KNM Group’s board of directors has indicated a significant influence. Hence, the investment in KNM Group has accounted for as an investment in an associate based on MFRS 128 “Investment in associates and joint ventures” in the Group’s financial statements and the separate financial statements of MAAG and IESB respectively.

REVIEW OF THE GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS

The Group had changed its financial year end from 31 December to 30 June. Consequently, the Group's Audited Financial Statement for the current financial period ended 30 June 2022 are for a period of 18 months from 1 January 2021 to 30 June 2022 ("FPE 30 June 2022"). The comparative information which was prepared for the 12 months period from 1 January 2020 to 31 December 2020 ("FYE 31 December 2020"), is therefore, not comparable.

The following tables are the key financial information for FPE 30 June 2022 and FYE 31 December 2020:

Statement of Profit or Loss	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
Operating Revenue	364,149	211,843
Operating (Loss)/Profit	(76,646)	44,945
(Loss)/Profit Before Taxation	(139,403)	44,901
Basic (Loss)/Earnings per Ordinary Share (sen)	(50.87)	14.82

Statement of Financial Position	As at 30.6.2022 RM'000	As at 31.12.2020 RM'000
Total Assets	777,212	880,531
Total Liabilities	417,050	351,513
Shareholders' Equity	379,016	533,007
Net Asset per Share (sen)	1.44	2.02

Operating Revenue

The Group recorded an operating revenue of RM364.1 million mainly from gross earned premiums of RM249.0 million recorded by General Insurance business held via MAA General Assurance Philippines, Inc ("MAAGAP") which contributed to 68.4% of the total operating revenue in FPE 30 June 2022.

Major composition of the Group's Operating Revenue is shown below:

	FPE 30 June 2022 (18 months)		FYE 31 December 2020 (12 months)	
	RM'000	%	RM'000	%
General insurance gross earned premiums	248,996	68.4	158,298	74.7
Education tuition fee	38,446	10.5	27,729	13.1
Revenue from Hospitality Services	34,863	9.6	2,070	1.0
Revenue from Credit Services	15,844	4.4	6,545	3.1
Interest income	14,887	4.1	12,698	6.0
Investment income	7,916	2.2	4,256	2.0
Others	3,197	0.8	247	0.1
	364,149	100.0	211,843	100.0

(Loss)/Profit Before Taxation

By Business Segments

	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
General Insurance business	33,580	31,878
Investment Holdings	(36,842)	15,543
Education Services	(17,395)	(4,716)
Credit Services	(23,678)	5,248
Hospitality Services	(24,883)	(1,539)
Other Segments	(7,428)	(1,469)
Operating (loss)/profit	(76,646)	44,945
Share of losses of associates	(62,757)	(44)
(Loss)/profit before taxation	(139,403)	44,901

During the FPE 30 June 2022 under review, the Group recorded a Loss Before Taxation ("LBT") of RM139.4 million. The General Insurance business in the Philippines has continued to contribute Profit Before taxation ("PBT") of RM33.6 million to the Group. However, this profit was offset by LBT of RM36.8 million from Investment Holdings segment, LBT of RM17.4 million from Education Services segment, LBT of RM23.7 million from Credit Services segment, LBT of RM24.9 million from Hospitality Services segment, LBT of RM7.4 million from Other Segments and share of losses of associates of RM62.8 million.

The performance of the Group's significant business segments during the FPE 30 June 2022 under review are attached in pages 30 to 35 of the Management Discussion and Analysis.

The following analysis of financial performance and condition should be read in conjunction with the Group's Audited Financial Statements for the FPE 30 June 2022.

Summary of the Group's Statements of Profit or Loss

	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
Net earned premiums	154,153	107,797
Investment income	7,916	4,256
Interest income	30,731	19,243
Realised gains or losses	9,032	7,351
Fair value gains or losses	(27,632)	22,002
Other operating revenue from non-insurance businesses	76,506	30,046
Other operating (expenses)/income – net	(21,859)	7,876
Net commission expenses	(55,519)	(36,045)
Net claims incurred	(52,928)	(37,569)
Management expenses	(192,664)	(79,283)
Finance costs	(4,382)	(729)
Operating (loss)/profit	(76,646)	44,945
Share of losses of associates	(62,757)	(44)
(Loss)/profit before taxation	(139,403)	44,901

The Group recorded a LBT of RM139.4 million in FPE 30 June 2022 mainly due to the following:

(a) net fair value loss of RM26.1 million on equity investments at fair value through profit or loss ("FVTPL");

(b) allowance for impairment loss of RM19.5 million and RM21.0 million on loans from money lending and other credit activities and factoring receivables respectively;

(c) allowance for impairment loss on goodwill acquired of RM6.5 million;

(d) allowance for impairment loss of RM2.4 million on investment in an associate;

(e) higher depreciation on right-of-use assets and the related lease interest due to the new lease agreements entered into by the Group during the FPE 30 June 2022;

(f) higher management expenses from Hospitality 360 Sdn Bhd and its subsidiaries ("H360 Group") since becoming a subsidiary in November 2020 totalling to RM51.6 million; and

(g) share of loss of RM62.7 million from an associate.

Summary of the Group's Statements of Financial Position

The table below shown the significant changes of the Group's assets and liabilities:

		As at 30.6.2022 RM'000	As at 31.12.2020 RM'000	Changes RM'000	Changes %
Assets					
Property, plant and equipment	(i)	24,718	15,868	8,850	55.8
Right-of-use assets	(ii)	37,398	13,536	23,862	176.3
Reinsurance assets	(iii)	87,761	62,873	24,888	39.6
Loans and receivables	(iv)	56,280	27,720	28,560	103.0
Trade and other receivables	(v)	77,308	62,617	14,691	23.5
Investments	(vi)	288,908	416,700	(127,792)	-30.7
Insurance receivables	(vii)	47,504	60,194	(12,690)	-21.1
Cash and cash equivalents	(viii)	53,785	110,463	(56,678)	-51.3
Other assets		103,550	110,560	(7,010)	-6.3
Total Assets		**777,212**	**880,531**	**(103,319)**	**-11.7**
Liabilities					
Insurance contract liabilities	(ix)	227,916	200,515	27,401	13.7
Lease liabilities	(x)	45,286	14,133	31,153	220.4
Borrowings	(xi)	19,159	293	18,866	>100
Insurance payables	(xii)	25,167	20,555	4,612	22.4
Trade and other payables	(xiii)	94,929	110,414	(15,485)	-14.0
Other liabilities		4,593	5,603	(1,010)	-18.0
Total Liabilities		**417,050**	**351,513**	**65,537**	**18.6**
Shareholders' Equity		379,016	533,007	(153,991)	-28.9
Non-controlling interest		(18,854)	(3,989)	(14,865)	372.6
Total Equities		**360,162**	**529,018**	**(168,856)**	**-31.9**

Total Assets

The Group's Total Assets as at 30 June 2022 has decreased by 11.7% or RM103.3 million to RM777.2 million as compared to RM880.5 million as at 31 December 2020.

Below are the commentaries on the significant changes on the Group's assets:

(i) Property, plant and equipment ("PPE")

During the FPE 30 June 2022, the Group's PPE increased by RM8.8 million to RM24.7 million from RM15.9 million as at 31 December 2020 which is mainly attributable to the set-up of our film distribution and cinema business.

(ii) Right-of uses ("ROU") assets

The ROU assets of leases of buildings and offices of the Group increased significantly by RM23.9 million to RM37.4 million from RM13.5 million as at 31 December 2020 due to the new lease agreements entered into by the Group during the FPE 30 June 2022.

(iii) Reinsurance assets

As at 30 June 2022, the reinsurers share of provision for outstanding claims and provision for unearned premium reserves (Reinsurance assets) increased by 39.6% or RM24.9 million to RM87.8 million from RM62.9 million as at 31 December 2020.

(iv) Loans and receivables

The Group's loans and receivables as at 30 June 2022 mainly comprised of loans from money lending and other credit activities, staff loans and fixed deposits placed with licenced banks with maturities above 3 months. The increase in the Group's loans and receivables to RM56.3 million from RM27.7 million as at 31 December 2020 mainly due to the increase in receivables from loans from money lending and other credit activities of RM47.8 million as compared RM15.9 million as at 31 December 2020. During the FPE 30 June 2022, the Group recognised an allowance for impairment loss of RM19.5 million on receivables from money lending and other credit activities.

(v) Trade and other receivables

As at 30 June 2020, the Group's trade and other receivables increased by 23.5% or RM14.7 million to RM77.3 million from RM62.6 million as at 31 December 2020, which included RM23.8 million cash consideration paid for the acquisition of Turiya Berhad. Factoring receivables recorded a decrease to RM12.0 million from RM27.2 million as at 31 December 2020 mainly due to allowance for impairment loss of RM21.0 million recognised during the FPE 30 June 2022.

(vi) Investments

The Group's investments comprised of:

	As at 30.6.2022		As at 31.12.2020		Changes	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Investments at fair value through profit or loss ("FVTPL")						
• Equity securities	85,868	29.7	199,944	48.0	(114,076)	-57.1
• Unit trusts	401	0.1	2,433	0.6	(2,032)	-83.5
	86,269	29.8	202,377	48.6	(116,108)	-57.4
Investments at fair value through other comprehensive income ("FVOCI")						
• Government debt securities	45,645	15.8	45,678	11.0	(33)	-0.1
• Corporate debt securities	1,350	0.5	1,140	0.3	210	18.4
• Equity securities	24,460	8.5	30,174	7.2	(5,714)	-18.9
	71,455	24.8	76,992	18.5	(5,537)	-7.2
Investments at amortised costs						
• Government debt securities	18,011	6.2	18,825	4.5	(814)	-4.3
• Corporate debt securities	110,448	38.2	118,456	28.4	(8,008)	-6.8
• Investment notes	2,725	1.0	-	-	2,725	100.0
• Private trust funds	-	-	50	-	(50)	-100.0
	131,184	45.4	137,331	32.9	(6,147)	-4.5
Total Investments	**288,908**	**100.0**	**416,700**	**100.0**	**(127,792)**	**-30.7**

As at 30 June 2022, the Group's investments decreased by 30.7% or RM127.8 million to RM288.9 million from RM416.7 million as at 31 December 2020.

During the FPE 30 June 2022, the Group recorded the following in the statement of profit or loss:

- net fair value losses of RM15.7 million on equity securities quoted in Malaysia;
- net fair values losses of RM7.9 million on equity securities quoted overseas; and
- net fair values losses of RM2.4 million on equity securities unquoted overseas.

As at 30 June 2020, the total FVOCI reserves for Investments classified at FVOCI stood at a negative RM4.2 million as compared to a positive RM2.3 million as at 31 December 2020.

(vii) Insurance receivables

The Group's insurance receivables were solely from MAAGAP, consist of amounts due from brokers, agents and ceding companies, fund held by ceding companies, reinsurance recoverable on paid losses, net of allowance for impairment loss. As at 30 June 2020, insurance receivables recorded a decrease of 21.1% or RM12.7 million to RM47.5 million from RM60.2 million as at 31 December 2020.

(viii) Cash and cash equivalents

The Group's cash and cash equivalents are made up of cash in hand and balances with banks, fixed deposits placed with licensed banks with maturities of 3 months or less. The Group's cash and cash equivalents decreased by 51.3% or RM56.7 million to RM53.8 million from RM110.5 million as at 31 December 2020. This decrease was mainly due to the utilisation of funds for the acquisition of Turiya Berhad, deployment of cash for the investment in quoted equities - KNM Group Berhad, and provision of working capital to subsidiaries for its money lending, debts factoring, education and hospitality businesses.

Total Liabilities

The Group's Total Liabilities increased by 18.6% or RM65.5 million to RM417.0 million from RM351.5 million as at 31 December 2020.

Below are the commentaries on the significant changes on the Group's liabilities:

(ix) Insurance contract liabilities

The Group's insurance contract liabilities consist of gross provision for outstanding claims and gross provision for unearned premium. Total insurance contract liabilities increased by 13.7% or RM27.4 million to RM227.9 million from RM200.5 million as at 31 December 2020.

(x) Lease liabilities

The Group's lease liabilities increased significantly by RM31.2 million to RM45.3 million from RM14.1 million as at 31 December 2020 due to the new lease agreements entered into by the Group during the FPE 30 June 2022.

(xi) Borrowings

As at 30 June 2022, the Group's borrowing increased to RM19.2 million from RM293,000 as at 31 December 2020 which included a Margin Trading Financing Facility Agreement entered with a license institution for the purpose of the purchase, sale, trading in or otherwise dealing in securities listed on the Bursa Malaysia Securities Berhad and/or any other stock exchange(s) as may be approved by the license institution from time to time.

(xii) Insurance payables

The Group's insurance payables increased by 22.4% or RM4.6 million to RM25.2 million from RM20.6 million as at 31 December 2020, mainly due to higher outstanding balance due to reinsurers and ceding companies.

(xiii) Trade and other payables

As at 30 June 2022, the Group's trade and other payables registered a decrease of 14.0% or RM15.5 million to RM94.9 million from RM110.4 million as at 31 December 2020.

Shareholders' Equity

The Group's Shareholders' Equity as at 30 June 2022 decreased by 29.1% or RM155.2 million to RM377.8 from RM533.0 million as at 31 December 2020. The decrease was mainly affected by the recorded of RM135.4 million for the FPE 30 June 2022 under review.

As at 30 June 2022, Net Assets per Share stood at RM1.43 (31 December 2020: RM2.02).

GROUP'S FINANCING, LIQUIDITY AND CAPITAL MANAGEMENT

The Group's capital management objectives are aimed to ensure there is adequate funding for meeting the following at the business segment level:

- business operations and growth;
- supervisory authorities' capital requirements for insurance companies in the Philippines; and
- preservation of capital for new investment/business opportunities and rewarding the shareholders.

As at 30 June 2022, MAAGAP's net worth and risk-based capital adequacy ratio were well above the minimum requirements set by the Philippines supervisory authority for insurance companies.

DIVIDEND POLICY

The Company did not pay, propose or declare any dividends during the FPE 30 June 2022 as it is building up its financial resources for new business opportunities and growth.

The Board will continue to evaluate the dividend policy of the Company, taking into consideration main factors like the need to conserve its cash for any contingencies due to the uncertainties of the current economic situation caused by the COVID-19 pandemic, funding requirements for sustainable operations and growth of the businesses of the Group, reserve for new investment/business opportunities of the Company and lastly, the minimum net worth requirement for insurance companies under the Insurance Code issued by the Insurance Commission of the Philippines.

ANTICIPATED OR KNOWN RISKS

The Group's activities are exposed to variety of risks, including the risk of fraud, investment risks, strategic and business risks. The Group's overall risk management objective is to ensure the Group creates value for its shareholders whilst minimising potential adverse effects on its performance and positions. The Group operates within an established risk management framework and clearly defined policies and guidelines that are approved by the Board.

The risks that most significantly affect the Group as a whole during FPE 30 June 2022, the discussion of its impact to the Group's business and performance together with the Group's strategies to mitigate the identified risks form part of the Statement of Risk Management and Internal Control of this Annual Report on pages 44 to 46.

OUTLOOK FOR FINANCIAL YEAR 2023 ("FY2023")

The Malaysian economy is projected to expand by 5.3% to 6.3% in 2022 according to Bank Negara Malaysia latest estimates. Forecast for FY2023 still pending. 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 revitalise the economy. The re-opening of Malaysian borders on 1 April 2022, continued expansion in global demand and the broader reopening of the domestic economy will also support Malaysia's growth momentum going into FY2023.

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 FY2023 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 FY2023. The Group expects MAAGAP to improve its financial performance in FY2023 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.

Moving into FY2023 will continue 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.

The Credit Services segment of the Group comprises of Money Lending and Debt Factoring business activities. The Money Lending business will implement management action plans to re-strategise its business plans and improve its debt collection activities. The Debt Factoring business will continue to pursue growth opportunities in-line with the opening of all economic sectors.

The Hospitality Services segment will continue to strengthen its efforts and position in the market which looks increasingly promising by travel restrictions being lifted and expected increase in influx of tourism activities.

Although the global economic outlook for FY2023 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.

PERFORMANCE BY OPERATING BUSINESS SEGMENTS

BUSINESS SEGMENT – INVESTMENT HOLDINGS

1) Business Operations Review

Investment Holdings comprised of the Company and subsidiaries, namely MAA Corporation Sdn Bhd, MAA International Group Ltd, MAA International Investments Ltd, MAA Capital Singapore Ltd, Scholastic IB International Sdn Bhd and Maax Capital Sdn Bhd whose principal activities are investments mainly in shares of subsidiaries and other quoted and unquoted equity securities, overseas investment properties held primarily for capital appreciation and local investment properties.

2) Financial Performance

	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
Operating Revenue	5,591	5,099
(Loss)/Profit Before Taxation	(36,842)	15,543

For FPE 30 June 2022, Investment Holdings segment recorded an operating revenue of RM5.6 million which comprised mainly of interest income of RM1.9 million, dividend income of RM3.1 million and other operating revenue from non-insurance businesses of RM0.4 million.

Investment Holdings segment recorded a LBT of RM36.8 million for FPE 30 June 2022 mainly due to management expenses of RM33.8 million, net fair value losses on equity investments classified at fair value through profit or loss ("FVTPL") of RM12.4 million and fair value loss on investment properties of RM2.5 million.

3) Sustainability and Strategic Direction

The Group will continue to be cautious with the COVID-19 pandemic albeit the easing of restrictions locally and globally. Nevertheless, the Group will continue its efforts to implement management action plans to expand existing business and improve profitability.

BUSINESS SEGMENT – GENERAL INSURANCE

1) Business Operations Review

The Group's General Insurance business in the Philippines held via subsidiary, MAA General Assurance Philippines, Inc ("MAAGAP") offers a wide range of products to both retail and corporate clients. The product offerings cover fire, motor, marine, personal accident, bond, engineering and general accident. MAAGAP distributes its products mainly via agency network, brokers and banks. MAAGAP has established a credible presence in the Philippines insurance sector.

2) Financial Performance

	FPE 30 June 2022 (18 months)		FYE 31 December 2020 (12 months)	
	PHP'000	RM'000	PHP'000	RM'000
Gross Premiums Written ("GPW")	3,082,412	256,455	1,862,504	157,304
Underwriting Surplus	545,292	45,706	401,961	34,183
Investment Income	54,340	4,530	28,186	2,284
Interest Income	149,160	12,424	108,640	9,179
Profit Before Taxation	398,815	33,580	371,633	31,878
Claim Ratio in %	34.5%	34.5%	35.1%	35.1%
Commission Ratio in %	35.4%	35.4%	35.2%	35.2%
Range of currency exchange rate	RM 1 = 11.68 to 12.24 PHP		RM 1 = 12.16 to 12.88 PHP	

For FPE 30 June 2022, MAAGAP recorded a GPW of PHP3,082.4 million (RM256.5 million equivalent). The motor and non-motor classes contributed PHP937.3 million (RM78.0 million equivalent) and PHP2,145.1 million (RM178.5 million equivalent) respectively of the total GPW.

MAAGAP recorded a PBT of PHP398.8 million (RM33.6 million equivalent) for FPE 30 June 2022. The PBT is contributed by underwriting surplus of PHP545.3 million (RM45.7 million equivalent), investment and interest income of PHP203.5 million (RM17.0 million equivalent), fair value gain of PHP11.4 million (RM0.9 million equivalent) on investment properties, realised gains from disposal of investments of PHP45.7 million (RM3.8 million equivalent) and other income of PHP54.6 million (RM4.5 million equivalent), offset by net fair value losses of PHP130.4 million (RM10.8 million equivalent) on equity investments classified at FVTPL and management expenses of PHP330.7 million (RM27.5 million equivalent).

3) Sustainability and Strategic Direction

MAAGAP is expected to continue with premium growth momentum moving into FY2023 by focusing on expanding customer base and also hasten the process of engaging more distribution channels including the use of digital marketing.

Barring unforeseen circumstances like the natural catastrophe risk in the Philippines with typhoons and earthquakes, MAAGAP would continue with claim management to actively monitor the performance of each line of business and at the same time deploy active management and monitoring of the performance of internally and outsourced investment funds in light of market uncertainties to generate positive returns.

BUSINESS SEGMENT – EDUCATION SERVICES

1) Business Operations Review

Education Services comprised of the following business units:

- Edumaax Sdn Bhd and Kasturi Academy Sdn Bhd ("Kasturi Group") – offer private tuition education for Malaysia National secondary school curriculum;
- St John's International Edu Group Sdn Bhd and Alfaakademik Sdn Bhd (collectively known as "SJI Group") – operate international schools 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 diplomas, bachelor degrees, and professional accountancy qualification. Imperium Edumaax is also a Human Resource Development Corporation ("HRD Corp") training provider offering a suite of continuous professional development and training programmes.

2) Financial Performance

	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
Operating Revenue	38,655	28,042
(Loss)/Profit Before Taxation	(17,395)	(4,716)

By Business Unit

	FPE 30 June 2022 (18 months)			
Business unit	**Kasturi Group RM'000**	**SJI Group RM'000**	**Imperium Edumaax RM'000**	**Total RM'000**
Operating Revenue	1,519	31,071	6,065	38,655
(Loss)/Profit Before Taxation	(6,707)	6,692	(17,380)	(17,395)

	FYE 31 December 2020 (12 months)			
Business unit	**Kasturi Group RM'000**	**SJI Group RM'000**	**Imperium Edumaax RM'000**	**Total RM'000**
Operating Revenue	1,366	16,507	10,169	28,042
(Loss)/Profit Before Taxation	(1,887)	787	(3,616)	(4,716)

Financial performance by business unit:

(i) Kasturi Group

For FPE 30 June 2022, Kasturi Group recorded an operating revenue of RM1.5 million and a LBT of RM6.7 million. Loss of RM2.8 million was attributable to loss from tuition centers' operations due to lower students' enrolment rate following cancellation of Pentaksiran Tingkatan Tiga ("PT3") and postponement of Sijil Pelajaran Malaysia ("SPM") and Sijil Pelajaran Tinggi Malaysia ("STPM").

(ii) SJI Group

For FPE 30 June 2022, SJI Group recorded an operating revenue of RM31.1 million with a PBT of RM6.7 million. Secondary education has contributed profit of RM8.9 million but offset with loss making in primary education and private tuition of RM2.2 million. Primary education commenced operations only in early 2020 and has gradually built presence in the market with strong growth in year 2021 and 2022 despite of the COVID-19 pandemic.

(iii) Imperium Edumaax

For FPE 30 June 2022, Imperium Edumaax recorded an operating revenue of RM6.1 million with a LBT of RM17.4 million. The impact arising from 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 exercises throughout the period.

During the challenging period, the college had supported students with financial aids and working hand in hand with The Budimas Charitable Foundation in providing scholarships to deserving students.

3) Sustainability and Strategic Direction

The sustainability and strategic direction of each business unit under Education Services are as follow:

(i) Kasturi Group

Kasturi Group is licensed by the Ministry of Education, Malaysia ("MOE") with proper set up in terms of facilities and teaching faculty to operate private tuition business for secondary national school curriculum.

In FY2023, Kasturi Group will continue to pursue the following initiatives to improve its performance:

- Identify strategic locations to open new centres or to relocate existing centres;
- Continuous rationalisation exercise including closing down non-profitable centres;
- Implement 'SPEED' marketing plan that focuses on school, people, e-marketing, educators and direct marketing;
- Target on new population to increase existing market share; and
- Introduce internal assessment as a substitution to monitor students' performance level despite abolishment of PT3 exam.

(ii) SJI Group

SJI Group complements the Education Services segment of the Group with its business of operating International primary and secondary education and private tuition for Cambridge, IGCSE O-Level and A-Level.

Moving into FY2023, the SJI Group will continue this growth momentum riding on its marketing and student recruitment drives for both its primary and secondary school.

(iii) Imperium Edumaax

Imperium Edumaax offers students the opportunity to pursue home-grown programmes (Certificate Programmes, Foundation Studies and Diplomas), globally recognised 3+0 Bachelor's degree programmes in Business, Computer Science and Engineering that are awarded by Anglia Ruskin University in the UK.

In addition, Imperium Edumaax also offering Foundation in Accountancy, the globally recognised Association of Chartered Certified Accountants (ACCA) programme, the 4+0 American Degree Programme from Fort Hays State University (FHSU) in Business and Imperium Edumaax itself is officially a HRD Corp registered training provider to offer short courses and training programmes which is beneficial to the eligible employers under the scheme.

An ongoing rationalisation exercise for Imperium Edumaax, the Group's turnaround plans among others include the following:

- Continuous cost control measures;
- Offer a wider range of courses or programmes to cater market needs;
- Focus on rebranding strategy with a series of branding awareness activities, advertising and promotional events and continuous targeted marketing initiatives;
- Focus on international students' enrolment following the opening up on international travel and student mobility post pandemic; and
- Promote synergy effort within the Group in that the Kasturi Group and SJI Group work very closely with Imperium Edumaax to provide the pool of students advancing from secondary school (after SPM, STPM, IGCSE O-level and A-Level) to tertiary education.

Moving into FY2023, Imperium Edumaax is in continuous efforts to build brand awareness and to increase student enrolment.

BUSINESS SEGMENT – CREDIT SERVICES

1) Business Operations Review

Credit Services comprised of the following business units:

- MAA Credit Berhad ("MAA Credit") – A licensed money lending company which provides term loans to businesses and individuals and short-term microfinancing loans to individuals;
- Maax Factor Sdn Bhd ("Maax Factor") – A debt factoring house that specialises in financing SMEs on a recourse basis through invoice discounting; and
- MicroLEAP PLT ("MicroLEAP") – The Group had entered into a partnership with MicroLEAP, a shariah-compliant and conventional Peer-to-Peer Fintech Platform that is regulated by the Securities Commission Malaysia.

2) Financial Performance

	FPE 30 June 2022 (18 months) RM'000	**FYE 31 December 2020 (12 months) RM'000**
Operating Revenue	16,110	6,631
(Loss)/Profit Before Taxation	(23,678)	5,248

For FPE 30 June 2022, Credit Services segment recorded an operating revenue of RM16.1 million which comprised mainly of interest income of RM6.8 million from money lending and other credit activities and income from debt factoring business of RM9.1 million.

Credit Services segment recorded a LBT of RM23.7 million for FPE 30 June 2022. The allowance for impairment loss totalling of RM40.5 million on money lending and factoring receivables has outweighed the total operating revenue of RM16.1 million.

3) Sustainability and Strategic Direction

The sustainability and strategic direction of each business unit under Credit Services are as follows:

(i) MAA Credit

To grow the business through digitalisation, by offering short term microfinancing loans online via the MAA Credit website, that is in line with regulations by the Ministry of Housing and Local Government. This would increase our financing reach to borrowers from any parts of the country, without the need to open multiple physical branches. For term loans to businesses and individuals, credit risk management practices are intensified to ensure the on-going quality of debts and loan portfolios, while also focusing on debt collection activities. Key target segments will be essential services/products and businesses that can operate adequately during the current recovery and COVID-19 endemic stage.

(ii) Maax Factor

The outlook for the alternative financial services industry remains positive despite short-term headwinds due to the COVID-19 pandemic. The sector will come under-pressure during the economic downturn but remains resilient as the SME segment is severely undeserved by the banking sector. The segment has significant room for growth noting that more than 95% of business establishments In Malaysia are SMEs, cut across all sizes and sectors.

- The key focus is to expand the portfolio and finance clientele who have debt to factor from governmental entities, public listed companies and their subsidiaries and other recognisable and reputable private entities.
- Other growth areas include strategic partnership and collaboration with other factoring houses, especially those which have e-perolehan registration with the Ministry of Finance and to increase our product offering by introducing Islamic Factoring that is Shariah Compliant to appeal to the broader market.

(iii) MicroLEAP

- To enter into Public and Private Partnership with large organisations to ensure all the Investment Notes can be fully invested in a timely manner. Key partnerships to date include Malaysian Technology Development Corporation (MTDC).
- Expansion of Islamic Product Offerings such as Collateralised Shariah-compliant Car Dealer Financing, and Shariah-compliant Invoice Financing.

BUSINESS SEGMENT – HOSPITALITY SERVICES

1) Business Operations Review

The Group's Hospitality Services segment held via Hospitality 360 Sdn Bhd and its subsidiaries ("H360 Group"). Hospitality Services is made up of the following business units:

- Hospitality industry – offer a variety of businesses and services linked to the tourism industry, including short-term and long-term accommodation, operating destination tourist attraction, food & beverage outlets, on-line travel booking platform, and ticketing of local attractions;
- Cigar Division – importer, distributor, and retailer of premium, hand-made cigars, and cigar accessories; and
- Other services include logistics, renovation, and facilities management services.

2) Financial Performance

	FPE 30 June 2022 (18 months) RM'000	FYE 31 December 2020 (12 months) RM'000
Operating Revenue	34,889	2,073[(*)]
(Loss)/Profit Before Taxation	(24,883)	(1,539)[(*)]

* *Comprised of 2 months results from November to December 2020 as H360 Group became subsidiary of the Group on 3 November 2020.*

The Hospitality industry has been one of the hardest hit by the COVID-19 pandemic. The Malaysian Government had imposed various stages of movement control order since March 2020. On 15 June 2021, the Malaysian Government announced the implementation of National Recovery Plan to ease the country out of the COVID-19 lockdown by facilitating the progressive resumption of business operations and social activities, and the lifting of inter-state and international travel restrictions from 11 October 2021 for those fully vaccinated. On 1 April 2022, Malaysia has transitioned to the endemic phase of COVID-19 with the full resumption of all business and social activities and the re-opening of international borders.

The Group's Hospitality Services segment has recorded moderate growth in revenue since the lifting of travel restrictions towards the end of 2021 and beginning of 2022. The Group's Hospitality Services segment recorded a total operating revenue of RM34.9 million and a LBT of RM24.9 million for FPE 30 June 2022.

3) Sustainability and Strategic Direction

The sustainability and strategic direction of each business unit under Hospitality Services are as follow:

(i) Hospitality Industry

In FY2023, H360 Group will continue to pursue the following initiatives to sustain and improve its performance:

- Identify strategic locations to open new short-term and long-term accommodation.
- Focus on branding strategy with a series of branding awareness activities, advertising and promotional events and continuous targeted marketing initiatives to re-capture both the local and international markets.
- Increase occupancy rate for all properties through sales and marketing campaigns, locally and abroad via participation in travel fairs and events.
- Increase room rates as demand for rooms improve across all properties.
- Continue with cost control measures to manage expenses and improve profitability.

(ii) Cigar Division

Moving into FY2023, Trinidad Cigar Company aims to increase its market share in the cigar lifestyle market by importing and promoting selected popular Cuban and non-Cuban cigars, including introducing a new house brand into the Malaysia market.

(iii) Other services - including logistics, renovation, and facilities management services

- For logistics services, identify strategic partners to increase parcel volume and to collaborate in extending reach to East Malaysia.
- For renovation services, provide an innovative idea to digitalised the entire process from Interior Design to renovation, thus providing a One-Stop-Solution to enhance renovation and Interior Design shopping experience to target customers.
- Continue to pursue cost control measures across all sectors to improve contribution to profits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company ("Board") is fully supportive of the Malaysian Code of Corporate Governance ("Code") issued on 28 April 2021. The Company has also used its best endeavours to enhance its policies and procedures in order to apply the principles of the Code. The Company's corporate governance practices and activities for the 18-months financial period ended 30 June 2022 ("FPE 30 June 2022") are set out in this Corporate Governance Overview Statement as well as the Corporate Governance Report. The Corporate Governance Report is published on our website: https://www.maa.my/maa/maagroup/index.php?corporate-governance-1.

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is aware that good governance starts from an effective and accountable Board.

Throughout the FPE 30 June 2022, the Board has continued to lead and provide direction to management directly as well as indirectly through its committees in relation to the Group's strategic direction and business. These have been further detailed under the Company's Management Discussion and Analysis section of this Annual Report.

In its exercise of oversight of the Company, the Board has met eleven (11) times in 2021 and two (2) times from January to June 2022 to monitor the Group's operational and financial performance and to deliberate on the Group's corporate and business matters which require consideration, direction and decision of the Board.

The Board will continue to focus on good governance and towards protection of all stakeholders' interest, and including the interest of the shareholders with a view to adding long term value to the Company's shares.

The Board is committed to promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour. To this end, the Board has approved and adopted the revisions and enhancements to its Board Charter and the Code of Conduct and Ethics to be in line with the principles and practices under the Code.

During the FPE 30 June 2022, the members of the Board have attended and participated in various programmes and forums to keep abreast of current trends and issues while enabling them to update and refresh their skills and knowledge necessary for the performance of their duties. The Board is satisfied with the time commitment given by the directors of the Company in discharging their duties.

Details of the meeting attendance by each of the Directors for the financial period from January to December 2021 and January to June 2022 are as follows:

Members of the Board	Meeting Attendance January - December 2021	Meeting Attendance January - June 2022
Tunku Dato' Yaacob Khyra (Chairman)	11/11	2/2
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	11/11	2/2
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	11/11	2/2
Datin Seri Raihanah Begum binti Abdul Rahman	11/11	2/2
Yeo Took Keat	11/11	2/2
Dato' Narendrakumar Jasani A/L Chunilai Rugnath (resigned on 31.12.2021)	10/11	Not Applicable

The programmes or forums attended by Directors during the FPE 30 June 2022 include the following:

Members of the Board	Trainings Attended
Tunku Dato' Yaacob Khyra (Chairman)	• Understanding Board Decision – Making Process • Corruption Risk Management • Dawn Raid: Don't Be Caught Unprepared • Raising Defenses: Section 17A, MACC Act • Becoming a Boardroom Star • Stakeholder Communications • Artificial Intelligence ("AI") for Company Directors and Executives • Trigger Finger & Carpal Tunnel Syndrome • AI for Non – AI Personnel: What Every Business Must Consider to Create Value
Tunku Yahaya @ Yahya bin Tan Sri Abdullah	• Corporate Liability Provision in the MACC Act 2009, Adequate Procedures and the ISO 37001:2016 Anti Bribery Management System • Climate Change, Reporting and Sustainability Trends: The Inter-Links Towards Addressing Sustainable Development Goals and Climate Change
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	• Corporate Liability Provision in the MACC Act 2009, Adequate Procedures and the ISO 37001:2016 Anti Bribery Management System • Securities Commission Malaysia – Audit Oversight Board Conversation with Audit Committees • Becoming a Boardroom Star • Audit Committee Dialogue & Networking – Session #1 • How to Empower Your Staff to Speak Up and Effectively Identify Misconduct • Artificial Intelligence ("AI") for Company Directors and Executives
Dato' Narendrakumar Jasani A/L Chunilai Rugnath (resigned on 31.12.2021)	• Raising Defenses: Section 17A, MACC Act • Malaysia Insolvency Conference 2021 – Flattening the Insolvency Curve through Restructuring and Rescue Reliefs • National Tax Conference 2021 • MIA – Weathering the COVID-19 Storm • Malaysia Alliance of Corporate Directors – Corporate Directors Summit 2021 Governance 4.0 • MIA Webinar Series: Interview for Approved Liquidators • CTIM – 2021 Budget Seminar • Grant Thornton – 2021 Global Conference
Datin Seri Raihanah Begum binti Abdul Rahman	• Understanding Board Decision – Making Process • Corporate Liability Provision in the MACC Act 2009, Adequate Procedures and the ISO 37001:2016 Anti Bribery Management System • Talk on "Implementing Amendments in the Malaysian Code on Corporate Governance" • Sustainability and Its Impact on Organisations: What Directors Need to Know • Audit Committee Dialogue & Networking – Session #1 • Asia Talks – '*Malaysia First', a concept he is championing as Malaysia heads to the GE15* • SC's Audit Oversight Board Conversation with Audit Committees
Yeo Took Keat	• Raising Defenses: Section 17A, MACC Act • Corporate Liability Provision in the MACC Act 2009, Adequate Procedures and the ISO 37001:2016 Anti Bribery Management System • Virtual MIA International Accountants Conference 2021 – Navigating a Sustainable Future with Agility and Resilience • Securities Commission Malaysia – Audit Oversight Board Conversation with Audit Committees • Audit Committee Dialogue & Networking – Session #1 • MIA Conference 2022 – Leading ESG, Charting Sustainability

Board Composition

The Board recognises that it is essential to have an appropriate mix of skills, knowledge, experience, diversity and independent elements in order for the Board to perform its role effectively.

The Board comprises of five (5) members as at the date of this Annual Report, of whom three (3) are Independent Non-Executive Directors. The Board Committees are also chaired by Independent Non-Executive Directors.

The Board, with the recommendation of the Audit & Governance Committee ("AGC") and the Nomination and Remuneration Committee, duly notes and fully supports the enhanced standards and requirements under the Code in relation to Board Composition.

The Company policy on the Procedure for the Appointment/Removal of Directors and the Review of the Effectiveness of the Board and Individual Directors covers identification and selection procedure, gender diversity, Independent Directors, review and assessment, procedure for appointment of Directors, documentation on appointment, announcement on appointment, undertaking to Bursa Securities, Director's training, reappointment, retirement and re-election, re-election of Independent Directors, procedure for assessment of effectiveness of the Board and procedure for removal of Director.

Remuneration

The Board is aware that fair remuneration is critical to attract, retain and motivate Directors, CEO/Group MD and key senior officers. Procedures for determining the remuneration of directors, CEO/Group MD and key senior officers has been reviewed and enhanced on 23 May 2022 to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Securities") and the Code.

The Detailed Remuneration of the Directors for the FPE 30 June 2022 is set out below:

Name	Salary RM'000	Bonus RM'000	Benefits in Kinds* RM'000	Fees RM'000	Meeting Allowance RM'000	Others** RM'000	Total RM'000
Executive Directors							
Tunku Dato' Yaacob Khyra	2,884	880	34	-	9(N1)	602	4,409
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	433	70	10	-	-	151	664
TOTAL	3,317	950	44	-	9	753	5,073
Independent Non-Executive Directors							
Yeo Took Keat	-	-	-	122(N2)	48	-	170
Dato' Narendrakumar Jasani (resigned on 31.12.2021)	-	-	-	61	32	-	93
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	-	-	-	92	47(N1)	-	139
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	-	92	41	-	133
TOTAL	-	-	-	367	168	-	535
GRAND TOTAL	**3,317**	**950**	**44**	**367**	**177**	**753**	**5,608**

* Benefits in kind included company car, petrol, driver and medical insurance benefits.
** Others include vehicle substitution and travelling allowances and EPF.
(N1) Included meeting allowances received from subsidiary company.
(N2) Included director's fees received from subsidiary company.

Audit & Governance Committee ("AGC")

Details on the AGC are in the Audit Committee Report contained in this Annual Report.

Risk & Sustainability Committee ("RSC")

Details on the RSC are contained in the Statement on Risk Management and Internal Control.

Nomination & Remuneration Committee ("NRC")

The NRC was established with clearly defined Terms of Reference, and currently comprises of three (3) Non-Executive Directors, all of whom are independent pursuant to Paragraph 15.08A(1) of the MMLR of Bursa Securities. Throughout the FPE 30 June 2022 the members of NRC are as follows:-

Name	Designation	Designation Directorship
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (appointed on 31.12.2021)	Chairman	Senior Independent Non-Executive Director
Dato' Narendrakumar Jasani A/L Chunilal Rugnath (resigned on 31.12.2021)	Past Chairman	Senior Independent Non-Executive Director
Yeo Took Keat	Member	Independent Non-Executive Director
Datin Seri Raihanah Begum binti Abdul Rahman	Member	Independent Non-Executive Director

The NRC is empowered by the Board to oversee the selection and assessment of Directors to be appointed to ensure that the Board's composition and skills meet the needs of the Company, hence, is tasked with the following duties and responsibilities:-

- To assess and recommend to the Board, candidates for directorships;
- To recommend to the Board the nominees to fill the seats on Board Committees;
- To review Board and senior management succession plans;
- To review training programmes for the Board annually and facilitate board induction and training programmes for new members of the Board;
- To assess the effectiveness of the Board and the Committees of the Board as a whole, and each individual Director;
- To review the term of office and performance of the AGC and each of its members annually to determine whether the AGC and members have carried out their duties in accordance with their terms of reference;
- To act in line with the directions of the Board;
- To consider and examine such other matters as the NRC considers appropriate; and
- To consider any other matters as defined by the Board.

Activities of the NRC

During the FPE 30 June 2022, the NRC held five (5) meetings to perform the following in the discharge of its duties and responsibilities:-

- Reviewed the contribution and performance of each individual Director, the Board as a whole and Board Committees;
- Reviewed and recommended the retention of Independent Directors to the Board for recommendation to the shareholders for approval;
- Reviewed the term of office and performance of the AGC and each its members;
- Proposed payment of Directors' fees and benefits to Non-Executive Directors to be tabled for approval at the forthcoming annual general meeting of the Company;
- Reviewed the proposed 2021 annual salary of the Executive Directors and the employees;
- Reviewed and recommended the election and appointment of Directors to the Board for recommendation to the shareholders for approval;
- Resignation of the Senior Independent Non-Executive Director and proposed appointment of new Senior Independent Non-Executive Director, Chairman of NRC and RSC;
- Refreshed guidelines on the roles and responsibilities of the NRC and RSC;
- Proposed to adopt new fit and proper policy for Directors, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer;
- Reviewed and approved the revised draft evaluation forms; and
- Approved the overall governance model documents based on the Code.

The attendance of Directors who are members of NRC during the financial period from 1 January 2021 to 30 June 2022 is set out below:-

Members of the Board	Meeting Attendance January - December 2021	Meeting Attendance January - June 2022
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (appointed as Chairman on 31.12.2021)	3/3	2/2
Yeo Took Keat	3/3	2/2
Datin Seri Raihanah Begum binti Abdul Rahman	3/3	2/2
Dato' Narendrakumar Jasani A/L Chunilai Rugnath (resigned on 31.12.2021)	3/3	Not Applicable

EFFECTIVE AUDIT AND RISK MANAGEMENT

The AGC as well as the RSC comprise of three (3) members, all of whom are Independent Non-Executive Directors. Both the AGC and the RSC's function as stipulated under the Terms of Reference has been approved by the Board. Further details on the AGC and the RSC together with their respective activities are set out in the Audit Committee Report and Statement on Risk Management and Internal Control of this Annual Report respectively.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board is aware of the importance of meaningful communication with its stakeholders including its shareholders. It is the Board's expectation that all directors are to attend the AGM and will use its best endeavours to provide meaningful response to questions addressed to them.

The Board has endorsed the adoption of the Code requirement for notice of the AGM to be given to the shareholders at least 28 days prior to the meeting.

In line with the MMLR of Bursa Securities, the Company had implemented e-voting for all the resolutions set out in the Notice of AGM at the AGM and had appointed one (1) scrutineer to validate the votes cast at the AGM.

ANTI-CORRUPTION AND WHISTLE-BLOWING

In line with the requirement under 15.29 of the MMLR of Bursa Securities, the company has established the Anti-Corruption Policy, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009; and the Whistle-Blowing Policy. Both policies can be viewed at our website: https://www.maa.my/maa/maagroup/index.php?whistle-blowing-policy, https://www.maa.my/maa/maagroup/index.php?anti-corruption-policy.

The Board has put in place a whistle-blowing policy, which is revised/updated as and when required, to encourage its employees to report genuine concerns in relation to breach of any legal obligation (including negligence, criminal activity, breach of contract and breach of the law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The whistleblowing policy of the Company provides guidance on the appropriate communication and feedback channels to facilitate whistleblowing.

SUSTAINABILITY

The Board promotes sustainability through its strategic oversight and integration of sustainability considerations on the decision-making process and operations of the Company. This entails taking a holistic view of how the Company creates value for its shareholders and other stakeholders bearing in mind Economic, Environmental, Social and Governance ("ESG") factors. Company's efforts have been taken in the past years to strengthen sustainability governance.

The Company has established a Sustainability Working Committee ("SWC"), comprising key individuals and department heads who are responsible for the day-to-day performance and progress of the sustainability initiatives. The SWC reports directly to the RSC, who is responsible for the Company's sustainability strategies, policies and initiatives. Decision made that are related to ESG matters and driving ESG topics in business considerations are escalated to the RSC for approval.

Please refer to the Sustainability Report in the Annual Report for further details.

COMPLIANCE WITH THE CODE

The Board shall use its best endeavours to continually uphold corporate governance standards and ensure corporate governance practices are implemented in the business operations of the Company.

OTHER BURSA SECURITIES COMPLIANCE INFORMATION

1. 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) RM'000	Actual Proceeds Received RM'000	Further Revised Utilisation(N4) RM'000	Deviation RM'000	Further Revised Utilisation (After Deviation) RM'000	Further Revised Timeframe For Utilisation	Actual Utilisation RM'000	Further Revised Remaining Unutilised Proceeds 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	(N5), (N6), (N7) 35,026	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)	33,484	Within 18 months from the EGM held on 30 June 2020	34,484	-
	Total	233,883	228,756	233,883	-	233,883		233,883	-

(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 from Zurich on 1 July 2019 net of Zurich's claims of RM5,126,600.

(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.

1. 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 Berhad
- 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.

(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.

2. AUDIT AND NON-AUDIT FEES

The details of audit and non-audit fees paid/payable during the financial period from 1 January 2021 to 30 June 2022 to external auditors or a firm or corporation affiliated to them are set out below:

	Group RM'000	Company RM'000
Fees paid/payable to PricewaterhouseCoopers PLT ("PWC") and its affiliates:		
• Audit services		
- PWC	553	380
- Affiliates of PWC	-	-
Total	553	380

OTHER BURSA SECURITIES COMPLIANCE INFORMATION
(CONTINUED)

3. MATERIAL CONTRACTS

On 22 June 2021, the Company had entered into an unconditional share sale and purchase agreement ("SPA") with Ithmaar Bank B.S.C. (Closed) ("Ithmaar") to acquire 132,151,497 ordinary shares in Turiya Berhad ("Turiya") ("Turiya 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, the Company's shareholding in Turiya increased from nil to approximately 57.78%. Accordingly, the Company is obliged to extend a mandatory take-over offer to acquire all the remaining Turiya Shares not already held by the Company ("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").

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

On 31 May 2021, the Company sought approval for a shareholders' mandate for the Group to enter into Recurrent Transactions (as defined in the Circular to Shareholders dated 30 April 2021) in their ordinary course of business with related parties ("Shareholders' Mandate") as defined in Chapter 10 of the Listing Requirements of Bursa Securities.

The aggregate value of Recurrent Related Party Transactions conducted during the financial period from 1 January 2021 to 30 June 2022 are:

Transacting Party	Nature of Transaction	Related Party	Nature of Interest	Value of Transaction (1/1/2021 - 30/6/2022) RM'000
The Group	Corporate secretarial and related services fees paid and payable	Trace Management Services Sdn Bhd ("Trace")	A company in which TY* and TYY* have deemed interest by virtue of their major interest in Melewar Group Berhad, the holding company of Trace.	465
MAA Corporation Sdn Bhd ("MAA Corp")	Office service fee income	Melewar Equities Sdn Bhd ("MESB")	A company in which TY is deemed interested in MESB. MESB is a subsidiary of Khyra**. TY is a beneficiary of a trust known as Khyra, being the holding company of MESB.	20
		Melewar Industrial Group Berhad ("MIG")	TY is a director of MIG. TY is deemed interested in MIG by virtue of him being a beneficiary of Khyra, which is the holding company of MEBVI***** and MKSB*** which are the major/ substantial shareholders of MIG.	30
MAA Corp	Office rental income	MESB	TY is deemed interested in MESB. MESB is a subsidiary of Khyra**. TY is a beneficiary of Khyra, being the holding company of MESB.	85
		MIG	TY is a director of MIG. TY is deemed interested in MIG by virtue of him being a beneficiary of Khyra, which is the holding company of MEBVI and MKSB which are the major/substantial shareholders of MIG.	131

Definition:
- * TY is Tunku Dato' Yaacob Khyra
- * TYY is Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
- ** Khyra is Khyra Legacy Berhad, the ultimate holding company of Melewar Acquisitions Ltd ("MAL")**** and Melewar Equities (BVI) Ltd who are the major/substantial shareholders of the Company.
- *** Melewar Khyra Sdn Bhd ("MKSB") is a wholly owned subsidiary of Khyra.
- **** MAL is a wholly owned subsidiary of Melewar Equities Sdn Bhd ("MESB") who in turn is a wholly owned subsidiary of Khyra.
- ***** MEBVI is a subsidiary of Khyra.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This statement on Risk Management and Internal Control is made pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Securities ("MMLR of Bursa Securities") which obliges the Board of Directors of a listed company to account for the state of its internal control system in the Annual Report with the principles and recommendations relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance ("Code").

Pursuant to these requirements, the Board of Directors of the Company ("Board") is pleased to present the following statement that is prepared as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). The statement below outlines the nature and scope of risk management and internal control of the Company during the financial period under review.

BOARD RESPONSIBILITY

The Board reaffirms its overall responsibility for the Group's system of internal controls, including an assurance of its adequacy, integrity, and its alignment with business objectives. The Board is also of the view that, the risk management framework and internal control system in place are designed and have the capacity to manage the Group's risks within the accepted risk appetite thresholds. The Board does not claim nor believes that the controls will totally eliminate the risks emanating from the exercise of poor judgment in decision making, human error, deliberate circumvention of control processes by employees, and unforeseeable circumstances. It can therefore only provide reasonable, rather than absolute assurance against material misstatement, fraud or loss.

Whilst the Board has the ultimate responsibility for the Group's risk management and internal control systems, it has delegated the immediate oversight and implementation of these internal controls to the Management who make regular submissions to the Audit & Governance Committee ("AGC") and Risk & Sustainability Committee ("RSC") on the status of actions taken to mitigate and/or minimise identified risks.

The risk management and internal control system is subject to the Board's regular review via the independent Internal Audit function with a view towards appraising and ascertaining the relevancy, adequacy and effectiveness of the controls in place in key operational and business areas as identified in the annual Audit Plan.

From time to time, the Board receives assurances from the Executive Chairman, Group Chief Operating Officer and Group Chief Financial Officer on the efficacy of the risk management and internal control system and that; it sufficiently safeguards the interests of the Group.

RISK & SUSTAINABILITY COMMITTEE

The RSC met four (4) times in 2021 and two (2) times during the financial period from January to December 2021 and January to June 2022. The attendance record of the members were as follows:

Name of Committee Members	Total Meetings Attended January - December 2021	Total Meetings Attended January - June 2022
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (appointed as Chairman on 31.12.2021)	4/4	2/2
Datin Seri Raihanah Begum binti Abdul Rahman	4/4	2/2
Yeo Took Keat	4/4	2/2
Dato' Narendrakumar Jasani A/L Chunilai Rugnath (Chairman) (resigned on 31.12.2021)	4/4	Not Applicable

During RSC meetings, the members were engaged in active discussions with the Financial Services Department ("FSD") and Deloitte Risk Advisory Sdn Bhd ("Deloitte") on risk management matters affecting the Group and its operations. The emphasis during the financial period was on the operations in Malaysia. Risk review was conducted by Deloitte on MAA Group Berhad ("MAAG") and its subsidiaries and presented to the RSC and the Board.

GROUP AUDIT AND RISK

The day-to-day responsibility for the risk management function lies primarily with those entrusted with risk management responsibilities in the operating units. FSD, oversees the implementation of the Enterprise Risk Management ("ERM") framework which is based on the ISO 31000 Risk Management Standard.

To ensure greater awareness of managing risks amongst the work-force so that it becomes embedded into the work culture, the Company has co-sourced the function of audit and risk management to an external provider, Deloitte. The appointment of Deloitte is to provide operational level risk assessment to leverage on the existing ERM efforts in the Group.

Adequate Procedures

Pursuant to Section 17A under the Malaysian Anti-Corruption Commission Act 2009, the Company's Anti-Corruption policy has been established in line with the Guidelines on Adequate Procedures issued by the Prime Minister Department on 4 December 2018.

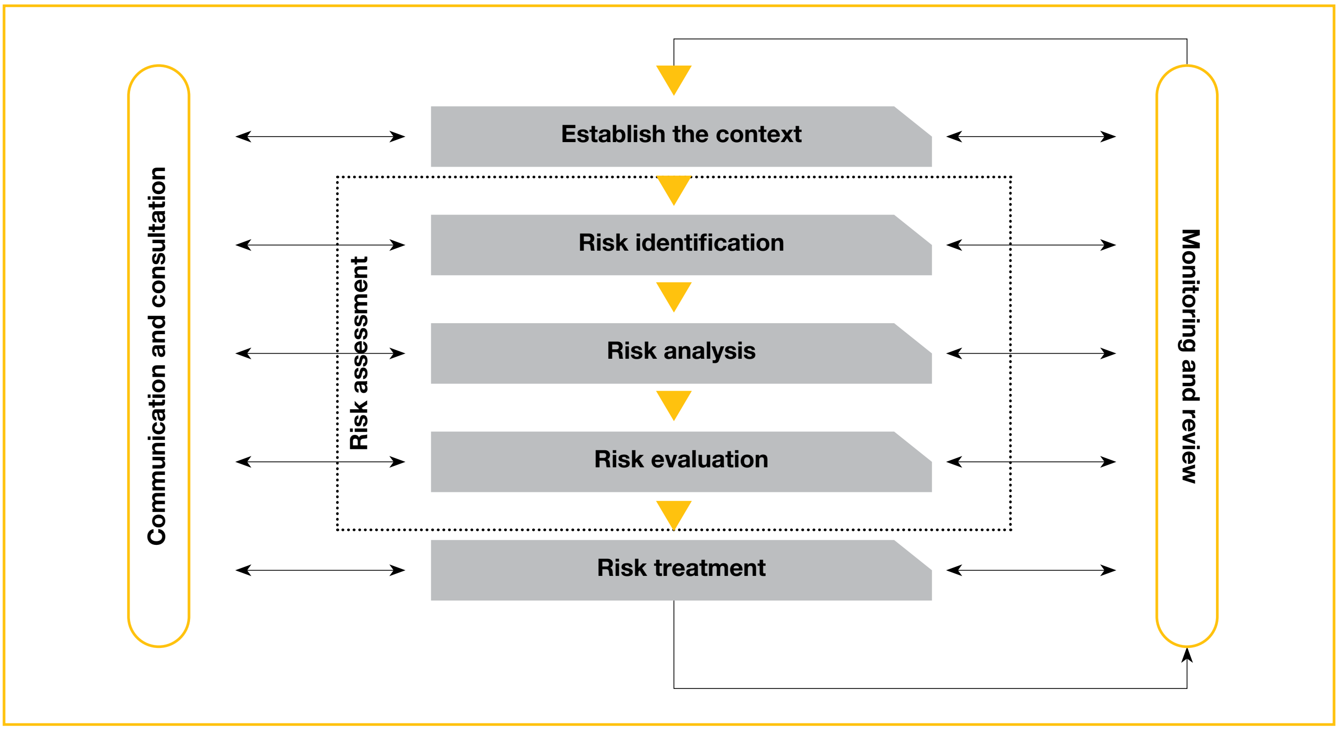
INTERNAL CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

Management acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal controls and for providing assurance to the Board that it has done so in accordance with the policies approved by the Board.

The internal control system is periodically assessed to determine its adequacy and level of effectiveness. The evaluation is performed by Deloitte using the controls rating parameter stated in the risk management framework. Further assurance is provided by FSD. The internal auditors collaborate with risk management to ensure areas with higher risks are assessed more frequently and more intensely.

Details on the work performed by the Internal audit function can be found in the Audit Committee Report of this Annual Report.

The diagram below encapsulates the Risk Management process described in the ERM Framework which serves to inform and provide guidance to Directors, senior management, and staff on managing risks in the Group:



The ERM Framework sets out:

- the fundamentals and principles of risk management that are to be applied in all situations and throughout all levels of the Group;
- the process for identifying, assessing, responding, monitoring and reporting of risks and controls;
- the roles and responsibilities of each level of management in the Group; and
- the mechanisms, tools and techniques for managing risks in the Group.

The FSD ensures that all elements of the ERM Framework are implemented throughout the Group and its subsidiaries in a consistent fashion. The process includes the systematic application of procedures and practices to the activities of risk identification, assessment, treatment, monitoring and reporting. A quarterly review of risks is undertaken to ensure that the risk profiles remains relevant. This risk management process is applied to all levels of activity in the Group, with the objective of establishing accountability and ensuring mitigation at the point of risk assumption.

The Group is exposed to various financial risks such as credit, interest rate, foreign currency exchange rates, as well as operational risks. The tolerance level for each class of these risks is expressed through the use of a risk impact and likelihood matrix.

Once the risk level is determined, the risk owner is obliged to deal with the relevant risks by adhering to the Group's risk treatment guidance on the actions to be taken and target timeline for implementation of the action plan. The Group will only accept a commercial level of risk that provides reasonable assurance on the long term profitability and survival of the Group.

OTHER KEY ELEMENTS OF INTERNAL CONTROL AND RISK MANAGEMENT

- A comprehensive and detailed set of Standard Operating Procedure ("SOP") and Internal Control Program ("ICP") encompassing every key activity in all major facets of operations which are constantly revised to reflect changing circumstances. They are also easily accessed by all staff for reference purposes through a system based portal.
- The Executive Chairman chaired the various EXCO meetings attended by Senior Management to discuss and review the financial and business performance of all operating entities, new business initiatives and other corporate issues of the Group including any policy papers to be tabled at the Board.
- Annual Budgets of all operating subsidiary and associate companies are prepared by the relevant Business/Operating units and evaluated by Head Office before being tabled for approval at the applicable Boards. The budgets which include both operational and financial parameters and longer term initiatives are monitored on a monthly basis at the EXCO meetings mentioned above.
- A formal and structured Document Sign-Off Policy where relevant Department Heads (apart from the originator) must review, comment and sign off on any proposed changes or introduction of new operational policies before it can be submitted to the Executive Chairman for endorsement and adoption.
- The Company's AGC comprise entirely of Independent Directors. The AGC is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The AGC and the Board is also entitled to seek such other third party independent professional advice deemed necessary to the discharge of its responsibilities.
- Review of all proposals for material capital investment by the Investment Committee and approval of the same by the Board prior to undertaking the said expenditure.
- Reviews by the AGC of all risk management and internal control issues identified by the external and internal auditors. Findings are communicated to the Management and the AGC with recommendations for improvements. Follow-up action to ascertain the implementation status of the recommended remedial actions is conducted by FSD and the AGC is furnished with the relevant update.
- Adoption and implementation of the annual risk-based internal audit plan after it has been approved by the AGC.
- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the AGC, RSC, Nomination and Remuneration Committee, Investment Committee and Executive Committee.
- A well-defined organisational structure with clear segregation of duties, accountabilities and responsibilities between Senior Management and Division/Department Heads including appropriately formalised and documented financial and non-financial authority limits.
- Distribution of papers at least five (5) days in advance of a scheduled Board or Board Committee meeting so as to allow sufficient time for members to digest the contents and to seek additional information so as to arrive at an informed decision. The Board maintains complete and effective control over the strategies and direction of the Group especially with regard to reserved matters.

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board is of the opinion that, there were no significant weaknesses identified during the year in the system of risk management and internal control, contingencies or uncertainties that could result in material losses and adversely affect the Company and the Group. The Company and the Group continue to take the necessary measures to strengthen their internal control structure and the management of risks.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITOR

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF ANNUAL AUDITED ACCOUNTS

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year then ended, in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

AUDIT COMMITTEE REPORT

COMPOSITION AND MEETINGS

The Audit & Governance Committee ("AGC") comprises of four members, all of whom are Independent Non-Executive Directors. This meets the requirements of paragraph 15.09(1) (a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Securities").

The details of members and their respective attendance record at meetings held during the financial period from January to December 2021 and January to June 2022 are as follows:

Name of Committee	**No. of Meetings Attended**	
	January - December 2021	**January - June 2022**
Yeo Took Keat (Chairman)	5/5	2/2
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	5/5	2/2
Datin Seri Raihanah Begum binti Abdul Rahman	5/5	2/2
Dato' Narendrakumar Jasani A/L Chunilai Rugnath (resigned 31.12.2021)	5/5	Not Applicable

The Chairman of the AGC, Mr Yeo Took Keat is a Fellow of The Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants. The AGC, therefore, meets the requirement of paragraph 15.09 (1) (c) of the MMLR of Bursa Securities which stipulates that, at least one (1) member of the AGC must be a qualified accountant.

The AGC met according to the schedule of at least once every quarter. The Group Chief Operating Officer and Group Chief Financial Officer were invited to all AGC meetings to facilitate direct communications as well as to provide clarification on audit issues and the Group's operations. The Committee members were provided with the agenda and relevant papers 5 days before each meeting. Minutes of the AGC meetings were distributed to the Board for notation and the Chairman of the AGC reported on the key issues discussed, to the Board.

TERMS OF REFERENCE

The terms of reference of the AGC can be found on the Company's website.

SUMMARY OF ACTIVITIES

During the 18-months financial period ended 30 June 2022 ("FPE 30 June 2022"), the AGC carried out its duties as set out in the terms of reference. The principal activities were as follows:

Financial Reporting and Annual Report

The AGC reviewed the following Group financial statements and made recommendations to the Board for approval of the same:

Date of AGC Meetings	**Quarterly Financial Results/Financial Statements Reviewed**
23 February 2021	Unaudited fourth quarter results for the period ended 31 December 2020
8 April 2021	Audited Financial Statements for the year ended 31 December 2020
31 May 2021	Unaudited first quarter results for the period ended 31 March 2021
24 August 2021	Unaudited second quarter results for the period ended 30 June 2021
18 November 2021	Unaudited third quarter results for the period ended 30 September 2021
21 February 2022	Unaudited fourth quarter results for the period ended 31 December 2021
23 May 2022	Unaudited fifth quarter results for the period ended 31 March 2022

The review of the unaudited quarterly financial results is to ensure the disclosures are in compliance with Malaysia Financial Reporting Standards and applicable disclosure provisions of the MMLR of Bursa Securities.

The AGC review of the audited financial statements of the Company and of the Group encompassed the financial position and performance for the year and ensured that it complied with all disclosure and regulatory requirements prior to recommending the statements to the Board for approval.

Significant matters that were highlighted by the external auditors in the financial statements and noteworthy judgments made by the Management were also reviewed and discussed during the AGC meetings. Some of the significant matters that were discussed during the financial year were in relation to PN17 status and insurance contract liabilities.

External Audit

- Reviewed the audit scope, audit strategy, audit plan and audit report issued for the financial year;
- Assessed the objectivity and independence of the external auditors for the engagement period although a written assurance was also provided by them on their independence;
- The AGC of the Company met 7 times from January 2021 to June 2022 and had its private sessions with the External Auditors i.e. on 23 February 2021, 8 April 2021, 31 May 2021, 24 August 2021, 18 November 2021, 21 February 2022 and 23 May 2022 to discuss the audit plan, audit findings, financial statements and other matters that required the Board's attention;
- Evaluated the performance and effectiveness of the external auditors and made recommendations to the Board on their appointment and audit fees. The assessment was made based on the criterion specified in the Group's assessment policy for the appointment/reappointment of an external auditor. Amongst the qualifying conditions applied during the said exercise was the level of knowledge the auditors brought to the assignment, capabilities, experience, output quality, their ability to provide constructive observations and recommendations in areas which required improvement and lastly, the effectiveness in planning and conducting the audit exercise; and
- Reviewed major audit findings raised and management's response, including the implementation status of previous audit recommendations.

Key Audit Matters ("KAM")

- The International Standards on Auditing for KAM (ISA701) comes into effect for audit reports and financial statements for financial years ending on or after 31 December 2016. This standard requires a section to be included in the Independent Auditor's Report to highlight those matters that, in the Auditor's professional judgement, were deemed most significant during the course of the audit.
- The AGC has proactively engaged in active discussions with the external auditors for a better understanding of the Group's role in providing the required information needs in order to ensure compliance and a smooth transition process. The AGC also ensured that mechanisms were put in place especially with regard to mutually agreed timelines so that full co-operation was extended by the operating entity in the Philippines (who have a different External Auditor) to assist PricewaterhouseCoopers PLT ("PwC"), the Company's external auditors in completing this assessment in a timely and effective manner. Issues under KAM are reported in the Independent Auditor's Report of this Annual Report.

Internal Audit

- Reviewed the annual audit plan for adequacy of scope and coverage of the key activities of the Group. Audit areas were discussed together with the audit procedures. Risks affecting the audit areas determined the frequency of audit coverage. The annual audit plan was approved for adoption following this review;
- Reviewed the internal audit reports, audit recommendations and management's responses to the same and actions taken to improve the system of internal controls and procedures. Internal audit reports in the financial year covered both the functions of the Company and its subsidiaries;
- Monitored the implementation of the audit recommendations to ensure all key risks and controls have been addressed; and
- Reviewed the Statement on Risk Management and Internal Control to confirm that it is consistent with their understanding of the state of internal controls of the Group and recommended the same to the Board for inclusion in the Annual Report.

AUDIT & RISK

The AGC is supported by Financial Services Department ("FSD") which collaborates with the outsourced service providers in discharging the internal audit role for the Group and its principal operating subsidiaries.

An Assistant Vice President with 22 years of internal audit experience, and also a member of The Malaysian Institute of Accountants and Institute of Internal Auditors is in charge of the collaboration with the outsourced service providers. In order to strengthen the controls within the Group, an outsourced service provider, that is Deloitte Risk Advisory Sdn Bhd ("Deloitte") has been engaged for internal audit and risk management for the Company.

Deloitte's engaging partner and his team has a total of more than 20 years of internal audit experience. He is a Certified Information Systems Security Professional, Information Systems Auditor, Practicing Accountant, Australia and ISO/IEC 27001:2005 Provisional Auditor. Deloitte via its Due Diligence Team conducted company check and assessment to ensure auditor independence.

The appointed service provider who applies the International Professional Practices Framework as adopted by the Institute of Internal Auditors assisted the Board, AGC and Senior Management by providing an independent and objective assurance/assessment on the adequacy and effectiveness of the internal control system, risk management procedures and governance processes. The audit scope covers operational, financial and compliance of the Group and the subsidiaries. A risk based audit plan which includes risk rating indicators is presented to AGC for approval. The results of the audits will be reported to the AGC on a quarterly basis to highlight control issues with risk exposures and effectiveness of the existing mitigating measures.

The total cost incurred for internal audit function for the FPE 30 June 2022 was RM329,000 compared to RM160,000 in the previous financial year ended 31 December 2020. The fees inclusive of both internal audit work performed by Deloitte Malaysia for MAAG and Deloitte Philippines for MAA General Assurance Philippines, Inc.

The following audit review was conducted throughout the FPE 30 June 2022:

Company	Audit Scope	Areas Highlighted
Kasturi Academy Sdn Bhd	Contract Management	Employment Contract, Student Attendance and Enhancement on Standard Operating Procedure.
Trinidad Cigar Company Sdn Bhd	Procurement to Payment Management	Trade Vendor Sourcing Process, Governance of Trade and Non-Trade Process.
Trinidad Signatures Suites Sdn Bhd (Ramada KLCC)	Cost of Goods Sold and Services	Purchase Requisition and Purchase Order Process, Vendor Management Process, Vendor Performance and Evaluation.
Hospitality 360 Group of Companies	Human Resource and Payroll Management	Payroll computation and recording.
Imperium Edumaax Sdn Bhd (Imperium International College)	Human Resource and Payroll Management	Recruitment Process, Insurance Coverage, Enhancement on Training and Enhancement on Standard Operating Procedure.
St John's International Edu Group Sdn Bhd	Human Resource and Payroll Management	Hiring of Staff, Termination Process, Enhancement on Standard Operating Procedure.
Trisend Logistics Technologies Sdn Bhd	Capital Expenditure Management	Third parties sourcing, evaluation and appointment process, monitoring of Business Plan, monitoring of Projects and purchasing process.
MAA General Assurance Philippines, Inc.	Review of Reinsurance Business	Compliance to Authority Limits, Completion of Reinsurance Documents, Claims Processing, and Enhancement on Policy and Procedures.

Management has taken steps to address all recommendations provided by the auditors. Follow-up audit were also conducted in November 2021.

Internal audit reports were tabled to the AGC of the Company in respect of the above mentioned entities. Management had taken note and responded on all comments made by AGC during the meeting pertaining to the issues highlighted by the auditors.

SUSTAINABILITY STATEMENT

Introduction

MAA Group Berhad ("MAAG") is pleased to present our Sustainability Report. Recognising the ever-increasing relevance of sustainability in our business value, our statement aims to make the three pillars of Economic, Environmental and Social ("EES") concerns key parts of our business operations. The disclosures include MAAG head office operations, the Education sectors which consists of Imperium International College ("IIC"), St John International School ("SJIS"), Kasturi Academy ("Kasturi"), the Hospitality sector under the H360 Group of Companies ("H360 Group") and finally, the Insurance sector involving of MAA General Assurance Philippines, Inc. ("MAAGAP").

At MAAG, we are not merely focused on our efforts to improve the financial performance of our businesses but also, to integrate sustainable practices such as environmental conservation and social welfare into the heart of our business decisions.

As a business, our commitment to continue providing favourable returns to our shareholders and investors is of great importance to MAAG. This quest for financial success however, must not take precedence over our concerns regarding any negative impact this may have on the environment, as well as our contribution to the socioeconomic welfare of the communities MAAG operate in. Our pursuit of this balance is distinctly shown through the sustainable strategies we have carefully mapped out and implemented.

Framework

This statement is prepared with reference to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Securities"), with reference to Bursa Malaysia Sustainability Reporting Guide and the Global Reporting Initiative ("GRI") Standards.

Sustainability Statement

This Sustainability Statement is structured into four (4) sections. The first section gives an overview of our reporting approach, scope and boundaries and the sustainability governance. The second section sets out the stakeholder engagement in deriving the material concerns while the third section records the process that we have undertaken to identify and prioritise the material matters. The fourth section reports on MAAG's practices and performance in managing the material sustainability matters.

Our Reporting Approach

MAAG's Sustainability Report has been prepared with reference to the latest Global Reporting Initiative ("GRI") Standards and follows the GRI Standards Reporting Principles for defining reporting content, which include:

- Stakeholder Inclusiveness; capturing our stakeholder's expectations and concerns;
- Sustainability Context; presenting our performance in the wider context of sustainability;
- Materiality; identifying and prioritising the key sustainability issues that our Group encounters; and
- Completeness; reporting all sustainability topics that are relevant to our Group and influence our stakeholders.

Scope and Boundaries

This report identifies the sustainability practices and progress of the Group, including our Malaysian and Philippines based subsidiaries, unless otherwise stated. The reporting will cover the period of January 2021 to June 2022.

References to 'MAAG', 'the Company', 'the Group', 'the Organisation', 'our' and 'we' refer to MAA Group Berhad and relevant subsidiaries.

References to 'MAAGAP' refer to our subsidiary, MAA General Assurance Philippines, Inc.

Our Sustainable Governance

The responsibility to promote sustainability in MAAG's business strategies lie with the Board of Directors. To be in line with Recommendation 1.4 of the Malaysian Code on Corporate Governance 2012, we have incorporated our sustainability agenda under the Risk & Sustainability Committee ("RSC").

The RSC is responsible for managing and reviewing the Group's sustainability strategy and communicating relevant concerns to the Board. The RSC ensures that the Group's best practices and disclosures on sustainability are made in accordance with the required standards.

MAAG's sustainability governance structure is as follows:

Risk & Sustainability Committee

- **Oversees the Company's sustainability initiatives**
- **Provides final approval on sustainability-related matters**

Sustainability Working Committee

- **Presents the annual Sustainability Statement for approval by the RSC**
- **Reviews and ensures implementation of sustainability strategies**

Senior Management/Head of Departments

- **Monitor progress and performance of sustainability initiatives**

Feedback

Our statement is incorporated in the Company's Annual Report, which can be accessed via https://www.maa.my. Should you have any input or feedback on our Sustainability Report, please direct your correspondence to:

Name : Anand Kanagasingam
Email : anand@maa.my
Telephone : +603 6256 8000
Address : MAA Group Berhad
13th Floor, No. 566, Jalan Ipoh
51200 Kuala Lumpur, Malaysia

Stakeholder Engagement

MAAG places great emphasis on understanding the needs and concerns of our stakeholders. We are committed to providing shareholders, regulators and employees with comprehensive, accurate and timely disclosure of information relating to the Group. Our stakeholders have been segmented into seven key groups, allowing us to ascertain the needs and requirements of each segment.

The table below illustrates our current methodology:-

Table 1: Stakeholder Engagement Table

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Concerns Raised
Shareholders Investors	Annual General Meeting Annual Report Quarter Financial Report Analyst Briefing Extraordinary General Meeting Shareholder Communication Announcement on Bursa Malaysia and Corporate Website	Annually Annually Quarterly As and when needed As and when needed As and when needed As and when needed	Economic Performance Corporate Governance
Employees	Annual Performance Appraisal Briefings and Trainings Event, Celebrations and Sporting Activities Management, Operational and Committee Meetings	Annually Periodic Periodic As and when needed, Monthly and periodic	Economic Performance Career Progression Fair Benefits Business Integrity
Customers	Feedback Channels such as Emails, Phone Calls and Hotlines Website and Social Media Product Launches and Roadshows Marketing and Promotional Programmes and Events	As and when needed As and when needed As and when needed As and when needed As and when needed	Product Delivery Customer Privacy, Health & Safety Environmental Performance
Government Regulators	Income Tax Filing Annual Return Official Meetings and Visits Industry Events and Seminars	Annually Annually As and when needed As and when needed	Regulatory Compliance Occupation & Customer Health & Safety
Suppliers Contractors	Product Launches and Roadshows Meetings and Site Visits Supplier Assessment System Briefings and Trainings	As and when needed As and when needed As and when needed As and when needed	Business Integrity Ethical Procurement Employment Conditions
Local Communities	Community Outreach and Development Programmes Strategic Partnerships Charitable Contributions Website and Social Media	Periodic Upon Mutual Agreement As and when needed As and when needed	Community Outreach Employment
Media	Press Releases Site Visits Interviews Events Website and Social Media	As and when needed As and when needed As and when needed As and when needed As and when needed	Regulatory Compliance CSR Initiatives

Our corporate website, www.maa.my provides reliable information on our business activities as well as financial information, including our annual report. Information in our website is updated regularly, as part of our commitment to provide current and accurate information to all our stakeholders as well as the public at large.

Materiality Matrix

Effectively identifying material sustainability concerns for our organisation is crucial to ensure that our report reflects the topics most relevant to us. With the inclusion of both the Hospitality sector and the Education Sector to MAAG, we have re-evaluated our material sustainability and a total of ten (10) material matters have been identified, of which four (4) from the previous reporting period remained equally relevant to our business operations and stakeholders.

The material topics for MAAG were determined through a stakeholder engagement workshop; during which, due consideration was given to the concerns identified from the survey responses in the Stakeholder Engagement Table 1.

The materiality matrix is determined through ranking the concerns and topics by importance on a scale of low-to-high measuring the EES impact of our business activities then marked accordingly by the weight of importance placed by our stakeholders.

The key issues prioritised and determined are as follows:

Material Sustainability Matters
1. GRI 201-1: Economic performance
2. GRI 205-2: Communication and training about anti-corruption policies and procedures
3. GRI 205-3: Confirmed incidents of corruption and actions taken
4. GRI 302-1: Energy consumption within the organisation
5. GRI 302-4: Reduction of energy consumption
6. GRI 401-1: New employee hires and employee turnover
7. GRI 404-1: Average hours of training per year per employee
8. GRI 404-2: Programs for upgrading employee skills and transition assistance program
9. GRI 404-3: Percentage of employees receiving regular performance and career development reviews
10. GRI 419-1: Non-compliance with laws and regulations in the social and economic area

Economic Performance

In 2011 the Group began taking steps to trade in major subsidiaries, and has since transitioned to a Practice Note 17/2005 or PN17 status company. A sound economic strategy is key to guaranteeing our Group's profit, operational cash flow, and dividend distribution is not only maintained but will grow sustainably. Stable economic performance is a key target for MAAG in order to display a favourable business representation, an important factor to sustain as the Group looks to acquire new businesses that align with the Group's vision, allowing us to expand our reach as well as steer ourselves back to the regularised main market listing.

The efforts that the Company has invested in to ensure positive financial and economic results has paid off when on 25 March 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") has vide its letter, decided to grant the Company a waiver from complying with Paragraph 8.04(3)(a) which require a PN17 company to submit a regularisation plan to the relevant authority. With the waiver being granted, the Company was uplifted from being classified as PN17 Company effective 26 March 2021.

In the last quarter of 2019 and 2020, the Group has strengthened its presence in the education industry by acquiring Imperium International College (formerly known as HELP College of Arts and Technology Sdn Bhd), Scholastic IB International Sdn Bhd, and in the hospitality sector, by acquiring H360 Group respectively.

In order to ensure that our Group's economic performance is optimally managed, we are guided by the Group-wide Standard Operating Procedures ("SOPs") on the Budget Process, which is managed by the Group Finance Department. We monitor our Group's financial performance on a monthly basis for all major subsidiaries and compare our budgets against the data provided on a quarterly basis. In order to best achieve the Group financial targets, we have invested heavily in our human capital through training initiatives. To further strengthen the infrastructure of the Group's financial management, we also engage external auditors for regular financial audits, undergo internal audit for business operations and engage risk management advisory for the Group.

Anti-Corruption

MAAG strives to undertake all our business operations with integrity. This is a critical issue to any successful company as we seek to ensure stakeholders' confidence in the management of the business as well as ensuring our reputation remains unblemished in the public eye. Corruption and fraudulent practices are some of the main causes of inefficiency for any business. These actions can result in serious ramifications; from criminal sanctions, to the halting of further business activities, as well as reputational damage in the areas we operate. At MAAG, we have undertaken rigorous measures in order to avoid corruption at any level. We will continue to remain vigilant in upholding any and all applicable local and international laws that apply to our business.

At MAAG, we have established an anti-fraud framework, Enterprise Risk Management ("ERM") mechanism and whistle-blowing policy that govern all our subsidiaries. Operations that cross over from Malaysian boundaries are subjected to additional international regulations which are fully complied with. To ensure that corrupt practices are discouraged, MAAG conducts training on relevant procedures dealing with corrupt practices.

In line with the requirement under 15.29 of the Listing Requirements of Bursa Securities, the company has established the Anti-Corruption Policy, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 by the Prime Minister Department on 4 December 2018, of which, management and employees must adhere to.

All employees and every level of management, including the Board of Directors have attended the compulsory training on Section 17A. Future employees will attend the same. The company's Anti-Corruption policy can be viewed here; https://www.maa.my/maa/maagroup/index.php?anti-corruption-policy.

The Compliance division manages the implementation of all internal training and reporting processes to the management and Board of Directors. Any incident related to financial corruption will be under the purview of our external auditors, while on an operational level, our internal audit processes are in place to ensure any wrongdoing is properly dealt with.

Training provided to employees on anti-corruption and bribery practices is summarised below:

Training: Corporate Liability Provision in the MACC Act 2009, Adequate Procedures and MAAG Anti-Corruption Policy	Period/No. of Participants	
	July 2020 - June 2021	July 2021 - June 2022
1) Introduction Course	101	388
2) Refresher Course	13	63

In this reporting period, no cases relating to confirmed incidents of corruption, dismissal of employees due to corruption, termination of business contracts due to corruption or public legal cases against the Company related to corruption were discovered or reported.

Energy

The hotel industry constitutes one of the most energy intensive branches of the tourist industry. Air-conditioning, ventilation and cooling systems typically account for a major, and frequently the largest, portion of the energy consumed in a hotel. Other significant end-uses include hot water production, lighting, elevators and escalators.

The Hospitality Sector under the H360 Group which manages the Ramada KLCC and Shahzan Hotel, Kuantan are pioneering the energy conservation efforts within the Group.

Below are the energy conservation measures implemented at the hotels:

1) Energy saving auto-switch in all guest rooms where electricity is only activated by the room's key card
2) Use of energy saving light bulbs in all guest rooms and common corridors
3) Deactivation of air-conditioning in common corridors throughout the day
4) All timer programmed to run intermittently to avoid power surge
5) Disconnect main power supply and appliances for closed floors
6) Exhaust fans in guest bathrooms are equipped with timer
7) Corridor lighting for guest rooms are on timer
8) Swimming pool pump controlled with timer

These efforts above have been implemented since 2019 for Ramada KLCC and 2020 for Shahzan Hotel; both properties have been utilising energy efficient solutions and practices to prevent waste and lessen the impact on the environment.

Below are the energy consumptions in comparison with the hotel revenue for Ramada KLCC and Shahzan Hotel. The cost saving initiatives is focused to emphasise energy efficiency gains in order to minimise its carbon footprint. The nationwide lockdown in 2020 due to COVID-19 had a huge impact on the hotel's revenue. On the flip side, the energy savings exercises managed to reduce the energy consumption by more than 50% during the lockdown.

Chart 1: Ramada KLCC Energy Usage and Revenue

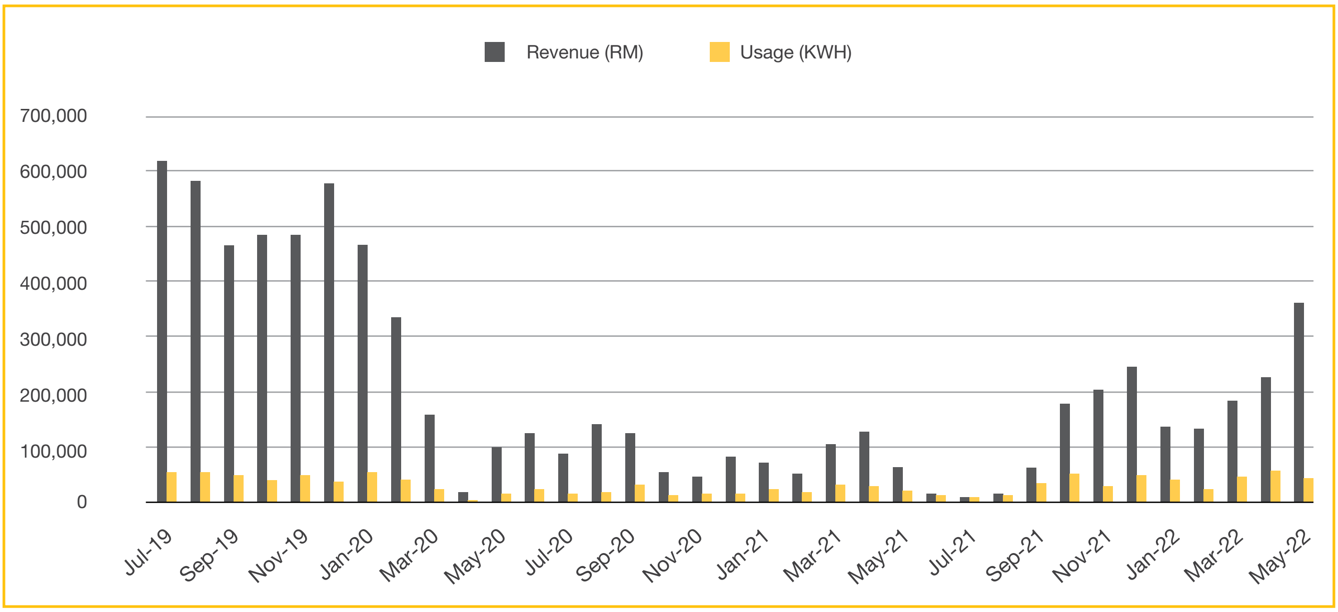
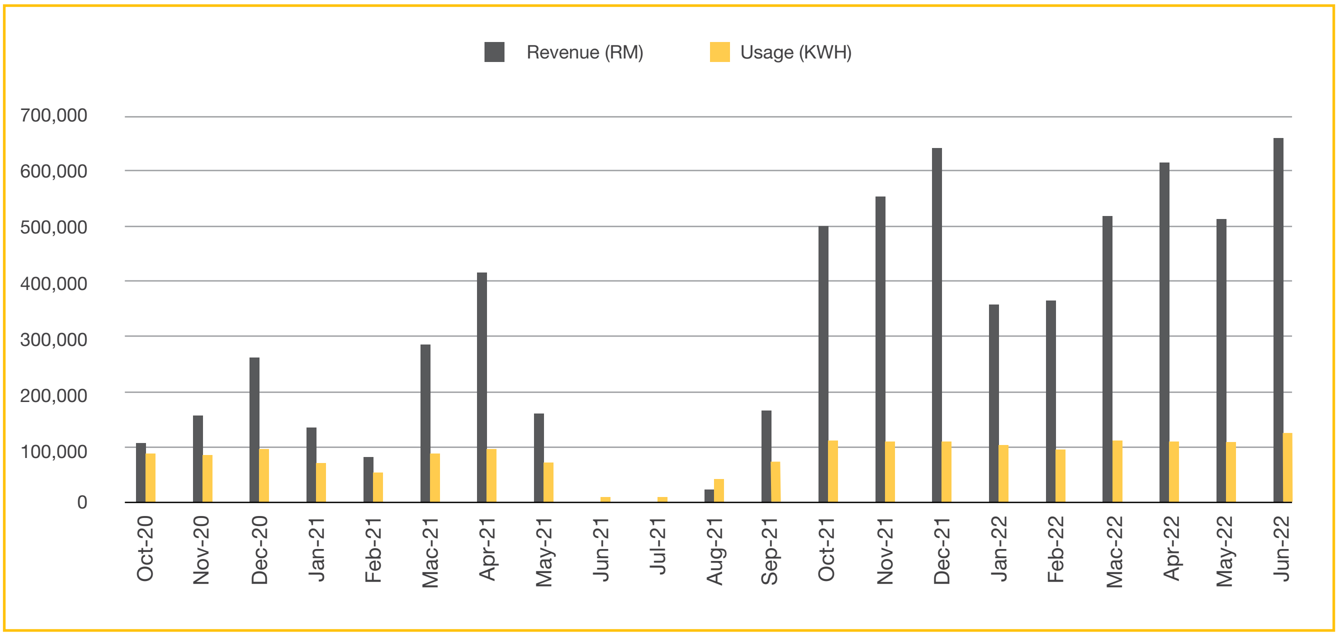


Chart 2: Shahzan Hotel Energy Usage and Revenue



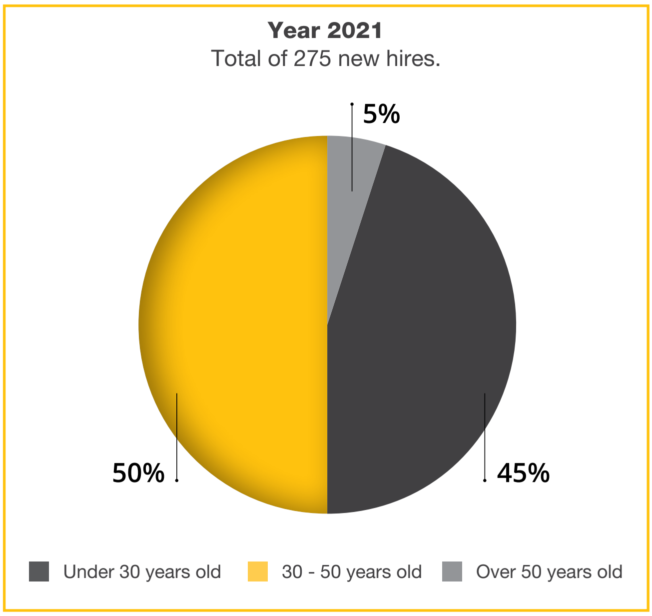
Employment

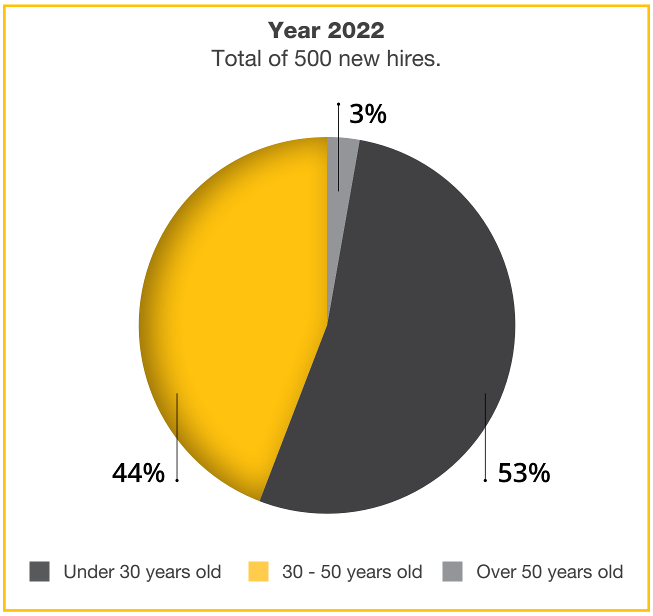
For MAAG, it is crucial that we strive to be a fair and equitable employer that genuinely cares for the growth and future of our employees. Their performance, commitment and loyalty to the job are critical not only in achieving the company's goal and objectives, but more importantly, for our long-term survival and sustainability.

The employment process at MAAG is managed by our Group Human Resources ("GHR") Department, with the Head of GHR reporting directly to the Executive Chairman. Crucial and important details are reported to the Remuneration and Nomination Committee ("RNC"); made up of members of the Board of Directors. GHR prepares a comprehensive report detailing the turnover rate for the RNC annually.

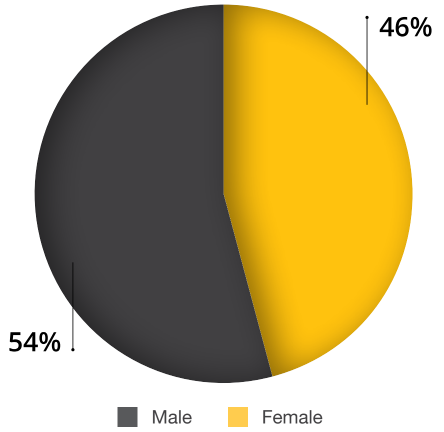
For comparison purposes, data reported below were taken from July 2020 to June 2021 ("Year 1") and July 2021 to June 2022 ("Year 2"). Within the reporting period, we have recorded a total of 329 employees, 275 new employees in Year 1 and 500 new employees for Year 2 with 120 employees turnovers reported in Year 1 and 312 employees turnover for Year 2. MAAG experienced a hiring rate of 41% and turnover rate of 18% in Year 1, and 62% hiring rate and 39% turnover rate in Year 2.

Chart 3 (below): Represents the percentage breakdown of new employee hire by Age and Gender.





Year 2021
Total of 275 new hires.



Year 2022
Total of 500 new hires.

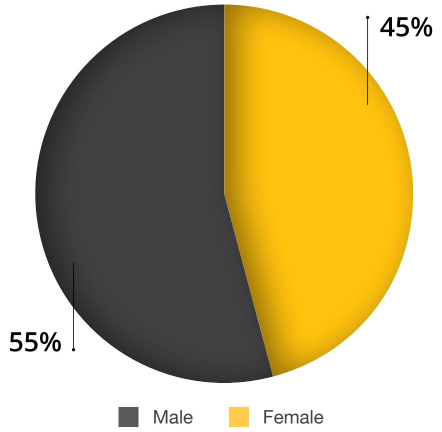
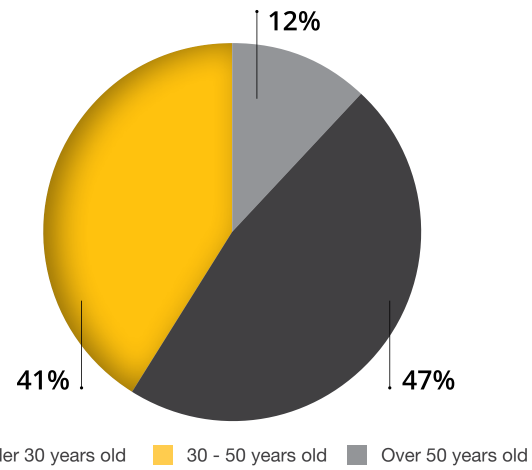
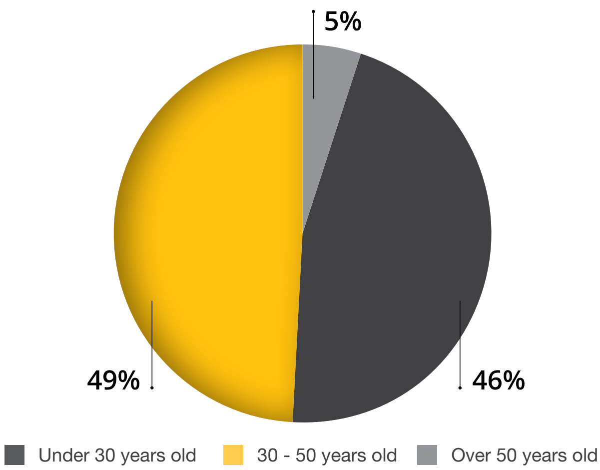


Chart 4 (below): Represents the percentage breakdown of employee turnover by Age and Gender.

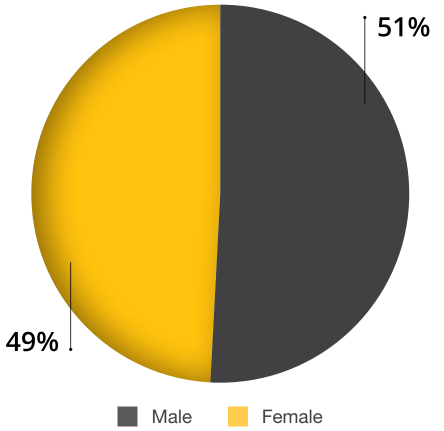
Year 2021
Total 120 employee turnover.



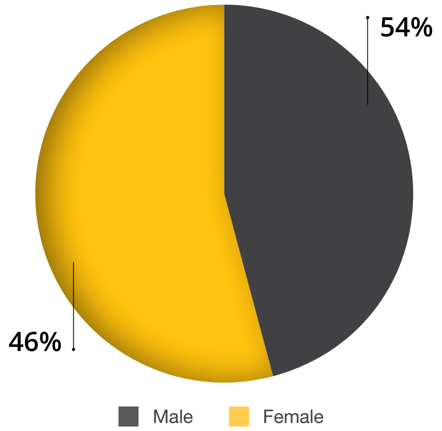
Year 2022
Total 312 employee turnover.



Year 2021
Total 120 employee turnover.



Year 2022
Total 312 employee turnover.



The total number of trainings attended by staff in Year 1 was 186 and 633 in Year 2. In order to maintain the quality management of our staff, all GHR employees attends a minimum of 4 training sessions per year to ensure they are well-informed with changes in our labour laws. GHR Policies are developed and managed at Group level through our Handbook and Internal Control Procedures ("ICPs"). Our policies are reviewed annually by GHR with the support of all departments. Individual employee performance is evaluated through their annual KPIs. We encourage all our employees to consult GHR to have a more in-depth understanding of their KPIs, GHR policies and ICPs.

In enhancing learning and retention of local talents, it is our practice to offer practical training to undergraduates who are required to fulfill their training requirements. On the job training provides opportunities for trainees to gain insight of our corporate culture, our processes and our operations.

We are constantly nurturing the skills and knowledge of our employees. Staff are encouraged to participate in in-house or external training to enhance their skills and productivities. Our Company education sector under Imperium International College, offers various training Programmes approved by Human Resources Development Fund ("HRDF") for staff participation.

Staff performance is guided by the Company's Performance Evaluation and Key Performance Indicator ("KPI"). These are carried out on yearly basis. Staff evaluation is done on two (2) parts i.e. work performance and personal attributes. The performance evaluation is performed for all staff annually. At MAAG, we believed staff performance evaluation is the key in achieving the management responsibility of guiding employees towards the success that adds to the success of the business.

Socio-Economic Compliance

Socioeconomic compliance is an important aspect of maintaining the image and reputation of MAAG. From the group level, MAAG have set in place several policies such as the Anti-Fraud Framework, Policy of Conflict of Interest, Compliance Framework and Enterprise Risk Management in place, in order to ensure that compliance to social and economic legislation is adhered.

In the Philippines Insurance industry, MAAGAP has achieved growth in the market share through an increased volume of our branch operations. We have solidified and expanded our relationship with the relevant government agencies relating to insurance companies' operations. Our commitment and performance, particularly in the settlement of claims, assists in shaping and stabilising of the local industry, resulting in a more competitive market.

The insurance business in the Philippines is one that is very competitive and strictly regulated. To transact in this competitive insurance environment and at the same time, maintain our position as a dominant player in the market, maintaining MAAGAP's operating license is vital. MAAGAP ensures adherence to the Insurance Commission's regulation via its Certificate of Authority as proof of compliance in all areas required by law.

An ISO management team, designated by the President and CEO of MAAGAP, is in place to manage our operations and policy compliance. This practice is crucial; it safeguards us alongside any audit conducted on our operations, such as the annual random audit of policies by the Insurance Commission ("IC") in the Philippines. Management of MAAGAP is responsible for reviewing the audit results and managing the improvement of MAAGAP's processes based on the ISO team's recommendations.

On a group level, GHR monitors due processes and report grievances to ensure that violations against the Company's Code of Conduct are zero in nature, or at least, kept to a minimum. Offenders of the Group's internal policies will be dealt through disciplinary measures including suspension and termination of employment. The Group considers socioeconomic compliance a priority and has made its implementation a company-wide effort. Further details on these policies are laid out in our Company quality plan.

There were no sanctions of non-compliance with the laws and regulations that resonates with anti-bribery or corruption and anti-competition law within the reporting period.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2021 to 30 June 2022.

DIRECTORS OF THE COMPANY

The Directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Tunku Dato' Yaacob Khyra
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
Yeo Took Keat
Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan
Datin Seri Raihanah Begum binti Abdul Rahman
Dato' Narendrakumar Jasani A/L Chunilal Rugnath (resigned on 31 December 2021)

DIRECTORS OF THE SUBSIDIARIES

The Directors of the subsidiaries are set out in the respective subsidiaries' directors' report and financial statements, and the said information is deemed incorporated herein by such reference and made a part thereof.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial period.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Company and its subsidiaries changed their financial year end from 31 December to 30 June. Accordingly, the financial statements of the Group and the Company for the current financial period covers a period of eighteen (18) months from 1 January 2021 to 30 June 2022.

FINANCIAL RESULTS

	GROUP	COMPANY
	RM'000	RM'000
Net loss for the financial period attributable to:		
- Owners of the Company	(134,170)	(265,067)
- Non-controlling interests	(16,402)	-
Net loss for the financial period	(150,572)	(265,067)

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year ended 31 December 2020.

The Board of Directors does not recommend any dividend in respect of the current financial period ended 30 June 2022.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial period.

RESERVES AND PROVISONS

There were no material transfers to or from reserves or provisions during the financial period under review, other than those disclosed in the financial statements.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of Companies Act 2016, none of the Directors who held office at the end of the financial period held any shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial period, except as follows:

Interest in the Company

	Number of ordinary shares			
Name of Director	**At 1.1.2021**	**Acquired**	**Disposed**	**At 30.6.2022**
Deemed indirect interest#				
Tunku Dato' Yaacob Khyra	105,777,084	4,493,400	-	110,270,484
Direct interest				
Yeo Took Keat	80,000	-	-	80,000

#Tunku Dato' Yaacob Khyra is deemed interested by virtue of him being a beneficiary of a trust known as Khyra Legacy Berhad, being the holding company of Melewar Equities (BVI) Ltd and Melewar Acquisitions Limited who are the substantial shareholders of the Company.

Interest in subsidiary – MAA Bancwell Trustee Berhad

	Number of ordinary shares			
Name of Director	**At 1.1.2021**	**Acquired**	**Disposed**	**At 30.6.2022**
Direct interest				
Tunku Dato' Yaacob Khyra	20,000	-	-	20,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those fees and other benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except fees paid to a company in which certain Directors have an interest as stated in Note 35 to the financial statements.

Neither during nor at the end of the financial period was the Company or any of its subsidiary a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 42 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

MAA Group Berhad and its subsidiaries, maintain a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016, throughout the financial period, which provides appropriate insurance cover for the Directors and Officers of the Company. The total amount of indemnity coverage for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of MAA Group Berhad and its subsidiaries was RM10,000,000. The amount of insurance premium paid was RM91,594.

The total amount of indemnity coverage for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of the overseas subsidiary was PHP50,000,000. The amount of insurance premium paid was PHP880,000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which have arisen since the end of the financial period which secures the liabilities of any other person; and

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

At the date of this report, the Directors are not aware of any circumstances dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

(i) the results of the Group's and the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period are disclosed in Note 49 to the financial statements.

SUBSIDIARIES

Details of the subsidiaries are disclosed in Note 9 to the financial statements.

AUDITORS

The auditors' remuneration of the Group and the Company for the financial period ended 30 June 2022 were RM553,000 and RM380,000 respectively.

There was no indemnity given to, or insurance effected for auditors of the Group and of the Company in respect of the liability for any act or omission in their capacity or as auditors of the Group and of the Company during the financial period.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), will not be seeking re-appointment at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 31 October 2022.

TUNKU DATO' YAACOB KHYRA
DIRECTOR

TUNKU DATO' AHMAD BURHANUDDIN BIN TUNKU DATUK SERI ADNAN
DIRECTOR

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tunku Dato' Yaacob Khyra and Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan, being two of the Directors of MAA Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 70 to 209 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and financial performance of the Group and of the Company for the financial period from 1 January 2021 to 30 June 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 31 October 2022.

TUNKU DATO' YAACOB KHYRA
DIRECTOR

TUNKU DATO' AHMAD BURHANUDDIN BIN TUNKU DATUK SERI ADNAN
DIRECTOR

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Choon Siew Thong, being the Officer primarily responsible for the financial management of MAA Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 209 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHOON SIEW THONG

Subscribed and solemnly declared by the above named at Kuala Lumpur in Malaysia on 31 October 2022.

Before me:

COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAA GROUP BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 199801015274 (471403-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MAA Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial period from 1 January 2021 to 30 June 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 209.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approaches

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>

Impairment testing of goodwill

Refer to:

- Accounting policy Notes 2.6(a) and 2.9;
- Critical accounting estimate Note 3(e); and
- Notes 8, 34 and 38 of the financial statements.

As required by MFRS 136, an impairment assessment is performed on the goodwill arising from the acquisition of Scholastic IB International Sdn Bhd ("SIB") in 2019 and KNM Group Berhad in 2021 and on the inherent goodwill of Hospitality 360 Sdn Bhd ("H360 Group"). The recoverable amount of the cash generating unit ("CGU") is computed as the higher of value in use ("VIU") or fair value less costs of disposal.

We focused on this area due to the size of the carrying amount of the goodwill.

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In this area, our audit procedures included, amongst others:

- Assessed the reasonableness of the cash flow projections;
- Assessed the reasonableness of the discount rates which reflects the specific risk related to the CGU;
- Evaluated the reasonableness of growth rates of five-years ("terminal growth rate") based on economic outlook and industry forecasts; and
- Performed sensitivity analysis over terminal growth rates and discount rates used in the determination of VIU cash flows to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of the CGU.

</td></tr>
<tr><td>

Insurance contract liabilities of subsidiary, MAA General Assurance Philippines, Inc. ("MAAGAP")

Refer to:

- Accounting policy Note 2.30;
- Critical accounting estimate Note 3(a); and
- Notes 22 and 46 of the financial statements.

The Group's insurance contract liabilities as at 30 June 2022 amounted to RM227.9 million (31 December 2020: RM200.5 million).

Significant judgement is required for valuation of general insurance claims liabilities, particularly in determining the ultimate cost of all claims incurred but not settled at the end of the reporting period, whether reported or not, together with the related claims handling costs.

Understanding of the general insurance industry and actuarial expertise is required to evaluate these judgemental methods and assumptions.

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In this area, our audit procedures included, amongst others:

- Validated the underlying data used in the claims estimation process to source documents. These included the integrity of data used in the calculation of claims liabilities;
- Evaluated whether MAAGAP's valuation methodology for estimating the insurance claims liabilities is in line with the valuation methods issued by the Philippines Insurance Commission; and
- Assessed whether MAAGAP's disclosures in relation to insurance contract liabilities are in line with relevant accounting requirements, including the sensitivities of the key actuarial assumptions.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment on loan portfolio Refer to: - Accounting policy Notes 2.8 and 2.11; - Critical accounting estimate Note 3(f); and - Notes 15 and 34 of the financial statements. MFRS 9 "Financial Instruments" introduces an expected credit loss ("ECL") impairment model, which requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. This is a complex accounting standard which has required considerable judgement and estimates in its implementation. In particular, the significant judgements in applying the accounting requirements for measuring ECL include the following: • The models are inherently complex and judgement is applied in determining the appropriate construct of the model; • Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors and data sets to be used as inputs to the models.	In this area our audit procedures included, amongst others: • Assessed the methodologies inherent within the ECL models applied against the requirements of MFRS 9; • Assessed and tested the significant modelling assumptions; • Assessed and considered reasonableness of forward-looking forecasts assumptions and checked to independent sources to determine whether the macro-economic variable is supportable and reasonable; • Checked the reasonableness of the probability weightage according to the economic scenarios; • Checked the accuracy of the data and calculation of the ECL amount and assessed the reasonableness of the overlay adjustments to the ECL; and • Where objective evidence of impairment was identified by the Group and impairment loss was individually calculated, we examined the impairment loss calculation and compared to external evidence where available.
Impairment assessment on investments in subsidiaries and associates Refer to: - Accounting policy Notes 2.2 and 2.9; - Critical accounting estimate Note 3(d); and - Notes 9, 10 and 34 to the financial statements. As required by MFRS 136, an impairment assessment is performed on the holding companies' investments in subsidiaries and associates. The recoverable amount of the investments in subsidiaries and associates is computed as the higher of VIU or fair value less costs of disposal.	In this area, our audit procedures included, amongst others: • Assessed the reasonableness of the cash flow projections; • Assessed the reasonableness of the discount rates which reflects the specific risk related to the investments in subsidiaries and associates; and • Performed sensitivity analysis over terminal growth rates and discount rates used in the determination of VIU cash flows to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of the investments in subsidiaries and associates.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Chairman's Message, Financial Highlights, Management's Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit Committee Report, Directors' Report, and other contents in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

WONG HUI CHERN
03252/05/2024 J
Chartered Accountant

Kuala Lumpur
31 October 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Property, plant and equipment	4	24,718	15,868	433	661
Right-of-use assets	5(a)	37,398	13,536	577	1,187
Investment properties	6	49,703	51,293	26,790	28,480
Intangible assets	7	1,108	1,344	35	10
Goodwill on business combinations	8	26,911	30,887	-	-
Investments in subsidiaries	9	-	-	-	100,748
Investments in associates	10	667	1,225	33,250	-
Investments		288,908	416,700	13,583	142,690
At fair value through profit or loss ("FVTPL")	11(a)	86,269	202,377	13,583	142,690
At fair value through other comprehensive income ("FVOCI")	11(b)	71,455	76,992	-	-
At amortised cost	11(c)	131,184	137,331	-	-
Deferred tax assets	12	4,828	4,583	561	-
Reinsurance assets	13	87,761	62,873	-	-
Insurance receivables	14	47,504	60,194	-	-
Loans and receivables	15	56,280	27,720	26	29
Trade and other receivables	16	77,308	62,617	45,993	73,713
Deferred acquisition costs	17	19,650	21,085	-	-
Tax recoverable		683	143	230	-
Cash and cash equivalents	18	53,785	110,463	6,467	50,401
TOTAL ASSETS		777,212	880,531	127,945	397,919
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	304,354	304,354	304,354	304,354
Retained earnings/(accumulated losses)	21	102,219	237,508	(179,834)	85,233
Reserves	21	(27,557)	(8,855)	-	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		379,016	533,007	124,520	389,587
Non-controlling interests	9	(18,854)	(3,989)	-	-
TOTAL EQUITY		360,162	529,018	124,520	389,587

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (CONTINUED)

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Insurance contract liabilities	22	227,916	200,515	-	-
Deferred tax liabilities	12	672	690	-	62
Lease liabilities	5(b)	45,286	14,133	609	1,183
Borrowings	23	19,159	293	-	-
Insurance payables	24	25,167	20,555	-	-
Deferred reinsurance commissions	17	2,534	2,062	-	-
Trade and other payables	25	94,929	110,414	2,816	5,737
Retirement benefit liability	26	694	1,219	-	-
Current tax liabilities		693	1,632	-	1,350
TOTAL LIABILITIES		417,050	351,513	3,425	8,332
TOTAL EQUITY AND LIABILITIES		777,212	880,531	127,945	397,919

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Operating revenue	27	364,149	211,843	12,070	6,775
Gross earned premiums	28	248,996	158,298	-	-
Premiums ceded to reinsurers	28	(94,843)	(50,501)	-	-
Net earned premiums		154,153	107,797	-	-
Investment income	29	7,916	4,256	1,545	1,784
Interest income	30	30,731	19,243	10,410	4,605
Realised gains and losses	31	9,032	7,351	5,211	3,974
Fair value gains and losses	32	(27,632)	22,002	(11,851)	20,066
Commission income	17	5,224	2,557	-	-
Other operating revenue from non-insurance businesses	33	76,506	30,046	115	386
Other operating (expenses)/income - net	34	(21,859)	7,876	(241,459)	(5,308)
Other revenue		79,918	93,331	(236,029)	25,507
Gross claims paid		(60,577)	(58,670)	-	-
Claims ceded to reinsurers		13,638	19,274	-	-
Gross change in contract liabilities		(29,231)	23,990	-	-
Change in contract liabilities ceded to reinsurers		23,242	(22,163)	-	-
Net claims incurred		(52,928)	(37,569)	-	-
Commission expenses	17	(60,743)	(38,602)	-	-
Management expenses	35	(192,664)	(79,283)	(28,564)	(16,448)
Finance costs	36	(4,382)	(729)	(131)	(16)
Other expenses		(257,789)	(118,614)	(28,695)	(16,464)
Operating (loss)/profit		(76,646)	44,945	(264,724)	9,043
Share of loss of associates, net of tax	10	(62,757)	(44)	-	-
(Loss)/profit before taxation		(139,403)	44,901	(264,724)	9,043
Taxation	37	(11,169)	(5,840)	(343)	(2,217)
(Loss)/profit for the financial period/year		(150,572)	39,061	(265,067)	6,826
(Loss)/profit for the financial period/year attributable to:					
- Owners of the Company		(134,170)	39,789	(265,067)	6,826
- Non-controlling interests		(16,402)	(728)	-	-
		(150,572)	39,061	(265,067)	6,826
(Loss)/earnings per share attributable to Owners of the Company (sen per share):	40				
- Basic		(50.87)	14.82		
- Diluted		-	-		

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial period/year		(150,572)	39,061	(265,067)	6,826
Other comprehensive (loss)/income:					
Items that may be subsequently reclassified to profit or loss:					
Losses on foreign currency translation	21	(5,865)	(5,318)	-	-
Net fair value (losses)/gains on debt securities at FVOCI	21	(5,799)	1,535	-	-
		(11,664)	(3,783)	-	-
Items that will not be subsequently reclassified to profit or loss:					
Net fair value losses on equity securities at FVOCI	21	(674)	(591)	-	-
Remeasurements gains/(losses) on retirement benefit plan	26	268	(434)	-	-
		(406)	(1,025)	-	-
Share of an associate's other comprehensive loss	10	(6,364)	-	-	-
Total other comprehensive loss for the financial period/year, net of tax		(18,434)	(4,808)	-	-
Total comprehensive (loss)/income for the financial period/year		(169,006)	34,253	(265,067)	6,826
Total comprehensive (loss)/income for the financial period/year attributable to:					
- Owners of the Company		(152,604)	34,981	(265,067)	6,826
- Non-controlling interests		(16,402)	(728)	-	-
		(169,006)	34,253	(265,067)	6,826

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022

		Attributable to owners of the Company								
		Issued and fully paid ordinary shares		Treasury shares						
GROUP	Note	Number of shares	Share capital	Number of shares		Retained earnings	Reserves	Total	Non-controlling interests	Total equity
		'000	RM'000	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021		263,733	304,354	-	-	237,508	(8,855)	533,007	(3,989)	529,018
Loss for the financial period		-	-	-	-	(134,170)	-	(134,170)	(16,402)	(150,572)
Other comprehensive income/ (loss) for the financial period		-	-	-	-	268	(18,702)	(18,434)	-	(18,434)
Total comprehensive income/(loss) for the financial period		263,733	304,354	-	-	(133,902)	(18,702)	(152,604)	(16,402)	(169,006)
Funds from non-controlling interests		-	-	-	-	-	-	-	98	98
Acquisition of subsidiaries		-	-	-	-	-	-	-	52	52
Transactions with non-controlling interests	38(b)	-	-	-	-	(1,387)	-	(1,387)	1,387	-
At 30 June 2022		263,733	304,354	-	-	102,219	(27,557)	379,016	(18,854)	360,162
At 1 January 2020		273,307	304,354	-	-	205,168	(4,481)	505,041	3,414	508,455
Profit for the financial year		-	-	-	-	39,789	-	39,789	(728)	39,061
Other comprehensive loss for the financial year		-	-	-	-	(434)	(4,374)	(4,808)	-	(4,808)
Total comprehensive income/(loss) for the financial year		-	-	-	-	39,355	(4,374)	34,981	(728)	34,253
Share buy-back	20	-	-	(9,574)	(7,015)	-	-	(7,015)	-	(7,015)
Cancellation of treasury shares	20	(9,574)	-	9,574	7,015	(7,015)	-	-	-	-
Acquisition of subsidiaries	38(d)	-	-	-	-	-	-	-	(6,675)	(6,675)
At 31 December 2020		263,733	304,354	-	-	237,508	(8,855)	533,007	(3,989)	529,018

The accompanying notes are an integral part of these financial statements.

		Non-distributable				Distributable	
		Issued and fully paid ordinary shares		Treasury shares			
COMPANY	**Note**	**Number of shares**	**Share capital**	**Number of shares**		**Retained earnings/ (accumulated losses)**	**Total equity**
		'000	**RM'000**	**'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2021		263,733	304,354	-	-	85,233	389,587
Total comprehensive loss for the financial period	21	-	-	-	-	(265,067)	(265,067)
At 30 June 2022		263,733	304,354	-	-	(179,834)	124,520
At 1 January 2020		273,307	304,354	-	-	85,422	389,776
Total comprehensive income for the financial year	21	-	-	-	-	6,826	6,826
Share buy-back	20	-	-	(9,574)	(7,015)	-	(7,015)
Cancellation of treasury shares	20	(9,574)	-	9,574	7,015	(7,015)	-
At 31 December 2020		263,733	304,354	-	-	85,233	389,587

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022

	Note	GROUP 1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the financial period/year		(150,572)	39,061
Adjustment for:			
Investment income	29	(7,916)	(4,256)
Interest income	30	(30,731)	(19,243)
Realised gains and losses	31	(9,032)	(7,351)
Fair value gains and losses	32	27,632	(22,002)
Property, plant and equipment written off	34	-	1
Allowance for/(write back of) impairment loss on:			
- Intangible assets	34	212	-
- investments in an associate	34	2,367	-
- investments at amortised costs	34	208	274
- loans from money lending and other credit activities	34	19,467	392
- amounts due from associates	34	29	(89)
- fixed and call deposits	34	-	1
- cash and cash equivalents	34	(4)	23
- investments at FVOCI	34	3	(13)
Realised foreign exchange losses/(gains)	34	375	(8,950)
Unrealised foreign exchange losses	34	179	2,205
Allowance for impairment loss on goodwill acquired	34	6,541	3,785
Gain on remeasurement of previously held equity interest in an associate	34	(29)	-
Reserves arising from business combinations	34	(14)	-
Loss on remeasurement of right-of-use assets	34	1,130	-
Other income arising from the excess purchase consideration	34	-	(3,500)
Depreciation of property, plant and equipment	35	6,504	3,138
Amortisation of leasehold land	35	2	1
Depreciation of right-of-use assets	35	19,404	8,565
Amortisation of intangible assets	35	428	179
Allowance for/(write back of) impairment loss on:			
- insurance receivables	35	(169)	554
- trade and other receivables	35	668	(66)
- factoring receivables	35	21,004	272
Finance costs	36	4,382	729
Share of loss of associates	10	62,757	44
Tax expense	37	11,169	5,840
Operating loss before changes in working capital		(14,006)	(406)
Changes in working capital			
(Increase)/decrease in reinsurance assets		(24,888)	14,679
Decrease/(increase) in insurance receivables		12,891	(4,062)
Increase in loans and receivables		(48,039)	(14,666)
Increase in trade and other receivables		(28,673)	(23,428)
Decrease/(increase) in deferred acquisition costs		1,435	(1,650)
Increase/(decrease) in insurance contract liabilities		27,401	(16,074)
Increase/(decrease) in insurance payables		4,612	(2,121)
Increase in deferred reinsurance commission		472	1,154
(Decrease)/increase in trade and other payables		(20,054)	12,435
Cash used in operations		(88,849)	(34,139)

STATEMENTS OF CASH FLOWS
FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)

	Note	GROUP 1.1.2021 to 30.6.2022 (18 months) RM'000	GROUP 1.1.2020 to 31.12.2020 (12 months) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Income tax paid		(13,082)	(7,688)
Income tax refund		-	210
Net cash used in operating activities		(101,931)	(41,617)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment	4	(14,997)	(6,201)
Proceeds from disposal of property, plant and equipment		51	69
Additions from subsequent expenditure of investment properties	6	(134)	(24)
Purchase of intangible assets	7	(410)	(354)
Investment in an associate	10	-	(1,250)
Purchases of investments	11	(961,138)	(844,646)
Proceeds from disposal of investments		987,218	753,307
Increase in fixed and call deposits		6,809	(7)
Net cash inflow from business combinations		1,073	3,248
Funds from non-controlling interests	9	98	-
Proceed from the excess purchase consideration		-	3,500
Interest income received		14,839	13,046
Dividend income received		7,604	3,977
Rental income received		183	149
Net cash generated from/(used in) investing activities		41,196	(75,186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of treasury shares	20	-	(7,015)
Proceeds from borrowings		19,247	246
Repayment of borrowings		(1,055)	(30)
Repayment of lease liabilities	5(b)	(13,246)	(8,126)
Lease interest paid	5(b)	(3,499)	(674)
Hire purchase interest paid	36	(27)	(3)
Interest on borrowings and other interest paid		(182)	(52)
Net cash generated from/(used in) financing activities		1,238	(15,654)
Net decrease in cash and cash equivalents		(59,497)	(132,457)
Currency translation differences		2,819	(4,325)
Cash and cash equivalents at beginning of financial period/year		110,463	247,245
Cash and cash equivalents at end of financial period/year	18	53,785	110,463

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)

	Note	COMPANY 1.1.2021 to 30.6.2022 (18 months) RM'000	1.1.2020 to 31.12.2020 (12 months) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the financial period/year		(265,067)	6,826
Adjustment for:			
Investment income	29	(1,545)	(1,784)
Interest income	30	(10,410)	(4,605)
Realised gains and losses	31	(5,211)	(3,974)
Fair value gains and losses	32	11,851	(20,066)
Property, plant and equipment written off	34	-	1
Allowance for impairment loss on:			
- investments in a subsidiary	34	100,748	-
- investments in an associate	34	21,280	-
- amounts due from subsidiaries	34	120,769	1,229
Realised foreign exchange losses	34	545	1,827
Unrealised foreign exchange (gains)/losses	34	(1,074)	2,257
Depreciation of property, plant and equipment	35	283	302
Depreciation of right-of-use assets	35	610	423
Amortisation of intangible assets	35	20	44
Finance costs	36	131	16
Tax expense	37	343	2,217
Operating loss before working capital changes		(26,727)	(15,287)
Changes in working capital			
Decrease/(increase) in loans and receivables		3	(14)
Decrease/(increase) in trade and other receivables		4,370	(7,018)
(Decrease)/increase in trade and other payables		(3,621)	2,642
Cash used in operations		(25,975)	(19,677)
Interest income received		1,762	3,612
Dividend income received		1,518	1,626
Rental income received		27	158
Income tax paid		(2,546)	(900)
Net cash used in operating activities		(25,214)	(15,181)

	Note	COMPANY 1.1.2021 to 30.6.2022 (18 months) RM'000	1.1.2020 to 31.12.2020 (12 months) RM'000
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment	4	(55)	(64)
Proceeds from disposal of property, plant and equipment		-	1
Addition from subsequent expenditure of investment properties	6	(133)	(13)
Purchase of intangible assets	7	(45)	(3)
Increase in investment in a subsidiary		-	(4,522)
Cash consideration paid for acquisition of Turiya Berhad	16	(23,787)	-
Purchase of investments	11	(149,060)	(285,951)
Proceeds from disposal of investments		220,559	213,817
Advances from subsidiary		700	45,524
Increase in amounts due from subsidiaries		(66,194)	(54,193)
Net cash used in investing activities		(18,015)	(85,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of treasury shares	20	-	(7,015)
Repayment of lease liabilities	5(b)	(574)	(440)
Lease interest paid	5(b)	(110)	(16)
Interest paid on amount due to subsidiary		(21)	-
Net cash used in financing activities		(705)	(7,471)
Net decrease in cash and cash equivalents		(43,934)	(108,056)
Cash and cash equivalents at beginning of financial period/year		50,401	158,457
Cash and cash equivalents at end of financial period/year	18	6,467	50,401

The accompanying notes are an integral part of these financial statements.

CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Company and its subsidiaries changed their financial year end from 31 December to 30 June. Accordingly, the financial statements of the Group and the Company covers a financial period of eighteen (18) months from 1 January 2021 to 30 June 2022.

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial period.

The registered office and principal place of business of the Company are as follows:

Registered office

Suite 11.05, 11th Floor
No.566, Jalan Ipoh
51200 Kuala Lumpur

Principal place of business

13th Floor, No. 566
Jalan Ipoh
51200 Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 31 October 2022.

1 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Company

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Company for the financial year beginning on 1 January 2021 and 1 July 2021 are as follows:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform – Phase 2' (effective 1 January 2021)
- Amendment to MFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021' (effective 1 April 2021)

The adoption of the above amendments to published standards did not have any impact on the current period or any prior period and is not likely to affect future periods, except Amendment to MFRS 16 ("2021 Amendments").

The 2020 amendments to MFRS 16 granted an optional exemption for entities that are lessees and have received COVID-19-related rent concessions that reduced lease payments originally due on or before 30 June 2021. The amendments, however, did not make any changes to lessor accounting.

In April 2021, Malaysian Accounting Standard Board ("MASB") issued another amendment to MFRS 16, 'COVID-19-Related Rent Concessions beyond 30 June 2021' ('2021 amendment') to extend the applicable period of the practical expedient by one year to cover rent concessions that reduce lease payments originally due on or before 30 June 2022.

The 2021 amendment requires lessees that had applied the practical expedient (pursuant to the 2020 amendment) to account for COVID-19-related rent concessions continue to apply the practical expedient for the extended time. Similarly, lessees that had not applied the 2020 optional practical expedient are not allowed to apply the 2021 amendment.

The Group and the Company previously applied the practical expedient provided by the 2020 amendment which permitted the Group and the Company as a lessee was not required to assess whether rent concessions for payments due on or before 30 June 2021 that occurred as a direct consequence of the COVID-19 pandemic and met specified conditions were lease modifications. The detailed impacts of the changes in accounting policies on COVID-19-related rent concessions are disclosed in Note 2.5 to the financial statements.

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

Standards, amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply these standards, amendments to published standards and interpretations in the following period:

Financial year beginning after 1 July 2022

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities'

  It clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

  An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The initial application of the above improvements to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Annual Improvements to MFRS 1 'Subsidiary a First-Time Adopter'

  The amendments provide subsidiaries that adopt MFRS later than the parent an optional exemption to measure the cumulative translation differences for all their foreign operations which are aligned to the carrying amounts included in the parent's consolidated financial statements (adjusted for consolidation adjustments).

  An entity shall apply the amendments retrospectively for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

  The initial application of the above improvements to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Annual Improvements to Illustrative Example accompanying MFRS 16 'Leases: Lease Incentive'

  The amendments removed the illustration on the reimbursement relating to leasehold improvements by the lessor to avoid potential confusion as the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in MFRS 16.

  The initial application of the above improvements to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Annual Improvements to MFRS 141 'Taxation in Fair Value Management'

  The amendments removed the requirement to exclude cash flows for taxation when measuring fair value to align with the requirements in MFRS 13 Fair Value Measurements.

  An entity shall apply the amendments retrospectively for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

  The initial application of the above improvements to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Amendments to MFRS 3 'Reference to Conceptual Framework'

  The amendments replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

  The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

  The amendments shall be applied prospectively.

  The initial application of the above amendments to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

1 **BASIS OF PREPARATION** (continued)

(a) **Statement of compliance** (continued)

Standards, amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective (continued)

Financial year beginning after 1 July 2022 (continued)

- Amendments to MFRS 116 'Proceeds before intended use'

  The amendments prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

  The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

  The amendments shall be applied retrospectively.

  The initial application of the above amendments to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Amendments to MFRS 137 'onerous contracts-cost of fulfilling a contract'

  The amendments clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

  The amendments shall be applied retrospectively.

  The initial application of the above amendments to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

Financial year beginning after 1 July 2023

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

  The amendments clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

  If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

  The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date.

  The amendments shall be applied retrospectively.

  The initial application of the above amendments to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

  The amendments clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

  The initial application of the above amendments to standard are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

Standards, amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective (continued)

<u>Financial year beginning after 1 July 2023</u> (continued)

- MFRS 17 'Insurance Contracts'

  MFRS 17 replaces the guidance in MFRS 4, Insurance Contracts.

  MFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 'Revenue from Contracts with Customers'.

  An entity is allowed to account financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts. Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17. Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

  MFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. The measurement is based on the building blocks of discounted, probability weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that related to financial risks either in profit or loss or in other comprehensive income.

  Alternative measurement models are provided for the different insurance coverage:

  a) Simplified Premium Allocation Approach if the insurance coverage period is a year or less;

  b) Variable Fee Approach should be applied for insurance contracts that specify a link between payments to the policyholder and the returns on the underlying items

  The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims. Insurers are required to disclose information about amounts, judgements and risks arising from insurance contracts.

  The Group is currently assessing the financial impact that may arise from the adoption of MFRS 17.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest thousand (RM'000 or '000), unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantiative process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interests ("NCI") in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCI's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets is recognised as goodwill. If the total of consideration transferred, NCI recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between the Group's companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NCI in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with NCI that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling interest and NCI to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to NCI and any consideration paid or received is recognised in equity attributable to owners of the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation (continued)

(c) Disposal of subsidiaries

When the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in OCI of the associate in OCI. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of profit or loss of an associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investment in associates are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer to Note 2.9 to the financial statements on accounting policies for impairment of non-financial assets.

On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

2.3 Property, plant and equipment

(a) Cost

Property, plant and equipment are initially stated at cost. Freehold land and buildings are subsequently shown at fair value, less subsequent depreciation and impairment losses. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to Note 2.20 to the financial statements on accounting policies for borrowings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

(b) Depreciation and residual value

Depreciation is calculated using the straight-line method to allocate the cost or the revalued amounts of the assets to their residual values over their estimated useful lives. Leasehold land is amortised in equal instalments over the period of their respective leases or earlier if the expected useful life is lower than the leasehold period.

The annual depreciation rates are as follows:

Leasehold land	Over the remaining leasehold period
Furniture, fittings and equipment	10% - 20%
Motor vehicles	10% - 20%
Renovation	10% - 20%
Office buildings	20 years

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting date. The effects of any revision of the residual values and useful lives are included in profit or loss for the period in which the changes arise.

(c) Revaluation reserve

Increases in the carrying amounts arising from revaluation of assets is recognised, net of tax, in OCI and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in OCI to the extent of the remaining surplus attributable to the asset in the revaluation surplus reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus reserve to retained earnings.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment (continued)

(d) Gains and losses on disposals

Gains and losses on disposal are determined by comparing the sale proceeds with the carrying amount and are recognised net within “Realised gains and losses” in profit or loss. When revalued assets are sold, the revaluation surplus included in equity is transferred directly to retained earnings when the asset is retired or disposed of.

(e) Impairment

At the end of each reporting period, the Group and the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the recoverable amount is less than the carrying amount. Refer to Note 2.9 to the financial statements on accounting policies for impairment of non-financial assets.

2.4 Investment properties

Investment properties carried at fair value

Investment properties, comprising principally of land and buildings, are held for long term rental yields or for capital appreciation or for both, and are not occupied by the Group and the Company.

Investment property is measured initially at its costs, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group and the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. The fair values of investment properties are reviewed annually through formal valuations by independent professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under market conditions.

Subsequent expenditure is recognised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values of investment properties are recognised in profit or loss in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits is expected from its disposal.

Where the Group and the Company disposes of a property at fair value in an arm’s length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

Gains or losses on disposal are determined by comparing net disposal proceeds with the carrying amount and are recognised in profit or loss in the period in which the property is derecognised.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long term yields and is not occupied by the Group. The initial cost of the property is the lower of the fair value of the property and the present value of the maximum lease payments. The property is carried at fair value after initial recognition.

Reclassification to/from investment property

Transfers are made to or from investment property when there is a change in use.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Investment properties (continued)

Reclassification to/from investment property (continued)

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of such a property at the date of transfer is treated in the same way as a revaluation under MFRS 116 'Property, plant and equipment'. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase credited directly to OCI in revaluation surplus reserve. Any resulting decrease in the carrying amount of the property is initially charged in OCI against any previously recognised revaluation surplus reserve, with any remaining decrease charged to profit or loss.

2.5 Leases

The Group and the Company as a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e., the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. Refer to Note 2.5(d) to the financial statements on accounting policies for reassessment of lease liabilities.

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Leases (continued)

The Group and the Company as a lessee (continued)

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(d) Reassessment of lease liabilities

A change in lease payments (including rent concession), except for COVID-19-related rent concessions, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

During the financial year, the Group and the Company applies practical expedient to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group and the Company accounts for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. Impacts of rent concessions are presented within other operating expenses/income.

(e) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment. Payments associated with short-term leases of office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.6 Intangible assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any NCI in the acquiree and the fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and carried at cost less accumulated impairment losses. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible assets (continued)

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programmes are recognised as expenses when incurred. Developments costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and the Company, and that will generate probably future economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, ranging between 5 to 10 years.

2.7 Financial assets

(a) Classification

The Group and the Company classify the financial assets in the following measurement categories:

- those to be measured at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases or sales of financial assets are recognised on the trade date, the date on which the Group and the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassifies debt investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group and the Company classifies its debt instruments:

(i) Amortised cost ("AC")

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at AC. Interest income from these financial assets is included in 'Investment income' using the effective interest rate ("EIR") method. Any gain or loss on a debt investment arising on derecognition is recognised directly in profit or loss and presented in 'Realised gains and losses' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in 'Other operating income/(expenses)' in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classifies its debt instruments: (continued)

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Realised gains and losses'. Interest income from these financial assets is included in 'Investment Income' using the EIR method. Foreign exchange gains and losses and impairment losses are presented in 'Other operating income/(expenses)' in profit or loss.

(iii) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for AC or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within 'Fair value gains and losses' in the period in which it arises.

Equity instruments

The Group and the Company measures all equity investments at fair value. For investments in equity securities that are not held for trading, this will depend on whether the Group or the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. Where the Group and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss on derecognition of the equity investments. Dividends from such equity investments continue to be recognised in profit or loss when the Group and the Company's rights to receive payments are established.

Changes in the fair value of financial assets at FVTPL are recognised in 'Fair value gains and losses' in profit or loss whereas changes in the fair value of financial assets at FVOCI are recognised in OCI. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.8 Impairment of financial assets

The Group and the Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at AC and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2 **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.8 **Impairment of financial assets** (continued)

(a) **General 3-stage approach**

At each reporting date, the Group and the Company measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Impairment will be measured on each reporting date according to a general 3-stage ECL impairment model:

(i) **Stage 1: 12-month ECL**

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. A loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.

(ii) **Stage 2: Lifetime ECL – not credit-impaired**

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. A loss allowance is recognised equal to the credit losses expected over the remaining life of the assets.

(iii) **Stage 3: Lifetime ECL – credit-impaired**

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date, a loss allowance equal to full lifetime credit losses is to be recognised.

(b) **Simplified approach**

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables and insurance receivables. The Group's provision matrix is based on its historical credit loss experience with trade receivables of similar credit risk characteristics, adjusted for forward-looking factors specific to the category of debtors and the economic environment.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

Significant increase in credit risk

The following indicators are incorporated:

- Internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

At each of the reporting period, the Group and the Company assess whether a financial asset or group of financial assets are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

2 **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.8 **Impairment of financial assets** (continued)

The Group and the Company considers a financial asset is default or credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default or credit-impaired indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company based on the following observable data:

- significant financial difficulty of the debtor
- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial assets that are credit-impaired are assessed on individual basis.

The gross carrying amount of a financial asset is written off when the Group and the Company has no reasonable expectation of recovering a financial asset in its entirely or a portion thereof. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. Subsequent recoveries of amounts previously written off will result in impairment gains.

2.9 **Impairment of non-financial assets**

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. The Group also assesses goodwill, intangible assets with indefinite useful life and other assets that are subject to amortisation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceed its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at end of each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2.10 **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.11 **Loans receivables**

Loans receivables are recognised initially at fair values and subsequently measured at amortised cost using the EIR method, less allowance for impairment. The loan receivables are subject to ECL model for impairment assessment.

ECLs are based on the difference between the contractual cash flows due in accordance with the contracts and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collaterals held or other credit enhancements that are integral to the contract terms.

At each reporting date, the Group measures ECL of loan receivables using general 3-stage approach. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that results from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of default (a lifetime ECL).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Loans receivables (continued)

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the borrowers, actual or expected changes in the operating results of the borrowers, aging of receivables, defaults and past due amounts, past experience with the borrowers, changes in the value of the collaterals supporting the debt obligations or the quality of third-party guarantees.

Where the collateral is property, the net realisable value for the property is determined by using its fair value based on open market value by independent property valuers, adjusted if necessary, for any difference in the nature, location or condition of the specific asset, while the net realisable value for shares is based on last transacted price. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets, adjusted if necessary, for any difference in the nature, location or condition of the specific asset or discounted cash flow projections.

To measure ECLs, borrowers are grouped based on shared credit risk characteristics and the days past due. The Group established a provision matrix based on historical credit loss experience of the borrowers, adjusted for forward-looking factors specific to the borrowers and the economic environment. In circumstances where there was no historical credit loss experience, the Group used prevailing market non-performing loan data as the proxy for the credit loss experience. Borrowers that are credit-impaired are assessed on individual basis for loss allowance.

Loan receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a borrower to engage in repayment plan with the Group.

2.12 Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the EIR method.

The General Insurance subsidiary applies the simplified approach to measuring ECL which uses a lifetime ECL for insurance receivables. To measure the ECL, insurance receivables have been grouped based on shared credit risk characteristics and the days past due. The General insurance subsidiary has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to Note 2.8 to the financial statements on impairment on financial assets.

Insurance receivables are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the General insurance subsidiary has transferred substantially all risks and rewards of ownership.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

The Group and the Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the EIR method less impairment allowance.

The Group and the Company applies the simplified approach to measuring ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In circumstances where there was no historical credit loss experience, the Group and the Company has used prevailing market non-performing loan data as the proxy for the credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Refer to Note 2.8 to the financial statements on accounting policies for impairment on financial assets.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Advances to subsidiaries

Advances to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Advances to subsidiaries are subsequently measured at amortised cost using the EIR method less impairment allowance.

The Company applies the general 3-stage approach to measure ECL for advances to subsidiaries. Due to lack of historical credit loss experience, the Group and the Company have used prevailing market non-performing loan data as the proxy for the credit loss experience, adjusted for forward looking factors specific to the subsidiaries and the economic environment.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of the business, less the costs of completion and the estimated costs necessary to make the sale.

2.16 Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Cash and cash equivalents comprise of cash at banks and on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Non-current assets/disposal groups held for sale

Non-current assets/disposal groups are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

2.18 Trade and other payables

Trade payables represent liabilities for good and services provided to the Group and the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are classified as current liabilities unless the payment is not due within twelve (12) months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

2.19 Insurance payables and other financial liabilities

Insurance payables and other financial liabilities are recognised when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the EIR method.

Insurance payable and other financial liability are derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially modified terms, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 Borrowings and borrowing costs

(a) Borrowings

Borrowings are initially recognised at fair values, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the EIR method.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Borrowings and borrowing costs (continued)

(a) Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is capitalised as prepayment until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the end of the reporting period.

(b) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Provisions

Provisions are recognised when the Group and the Company has a present obligation, either legal or constructive as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provision is not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

2.22 Contingent assets and liabilities

The Group and the Company does not recognise contingent assets and liabilities other than those arising from business combinations but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) Share issue expenses

Incremental costs directly attributed to the issue of the new shares are deducted against equity.

(c) Dividend distribution

Dividends on ordinary shares are recognised as liabilities and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the financial year that are approved after end of the reporting date are dealt with as an event after the date of the statement of financial position.

2.24 Treasury shares

When the Company re-purchases its own equity shares as a result of a share buy-back arrangement, the amount of the consideration paid, including directly attributable costs, is recognised in equity as treasury shares until they are cancelled, reissued or disposed of. Repurchased shares are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, reissuance or cancellation of the treasury shares.

Where such treasury shares be reissued by re-sale in the open market, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on disposal or reissue, net of any directly attributable incremental transaction cost, is shown as a movement in equity as appropriate.

Where treasury shares are distributed as share dividends, the cost of the treasury shares are applied in the reduction of the share premium reserve or distributable retained earnings or both.

2.25 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions or valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or are attributable to items that form part of the net investment in a foreign operation.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in OCI.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at FVOCI, are included in OCI.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Foreign currencies (continued)

(c) Group companies

The results and financial positions of the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income or separate statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of OCI.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investments in foreign entities are recognised in OCI.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in OCI and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.26 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables and accruals in the statement of financial position.

(b) Post-employment benefits

The Group and the Company has post-employment benefit schemes for eligible employees, which are either defined contribution or defined benefit plan.

(i) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pays fixed contributions or variable contributions as determined yearly, into a separate entity ("a fund") on a mandatory basis and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years.

The Group and the Company's contributions to defined contribution plans, including the Employees' Provident Fund, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company has no further payment obligations.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Employee benefits (continued)

(b) Post-employment benefits (continued)

The Group and the Company has post-employment benefit schemes for eligible employees, which are either defined contribution or defined benefit plan. (continued)

(ii) <u>Defined benefit plan</u>

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The net defined benefit liability or asset recognised in the statement of financial position in respect of defined benefit pension plan is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Product classification

The General Insurance subsidiary issues contracts that transfer insurance risk.

Insurance contracts are those contracts which the General Insurance subsidiary transfer significant insurance risk. An insurance contract is a contract under which the General Insurance subsidiary (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the General Insurance subsidiary determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or has expired.

2.28 Reinsurance

The General Insurance subsidiary cedes insurance risk in the normal course of business. Reinsurance assets represent amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the General Insurance subsidiary from its obligations to policyholders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets are reviewed for impairment at end of each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of a reinsurance asset that the General Insurance subsidiary may not recover all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact that the General Insurance subsidiary will receive from the reinsurer. The impairment loss is recognised in profit or loss.

The General Insurance subsidiary also assumes reinsurance risk in the normal course of business when applicable. Premiums and claims on assumed reinsurance are recognised in profit or loss as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

When the General Insurance subsidiary enters into a proportional treaty reinsurance agreement for ceding out its insurance business, the General Insurance subsidiary initially recognises a liability at transaction price. Subsequent to initial recognition, the portion of the amount initially recognised as a liability which is presented as 'Insurance payables' in the liabilities section of the statement of financial position will be withheld and recognised as funds held for reinsurers and included as part of the 'Insurance payables' in the liabilities section of the statement of financial position. The amount withheld is generally released after a year. Funds held by ceding companies are accounted for in the same manner.

2.29 General Insurance underwriting results

The General Insurance underwriting results are determined for each class of business after taking into accounts reinsurances, commissions, unearned premium reserves and claims incurred.

Gross premiums

Gross premiums on insurance contracts comprise the total premiums receivable for the whole period of cover provided by insurance contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior periods. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from past experience and are included in premiums written.

Premiums from insurance contracts are recognised as revenue over the period of the contracts using the 24th method for all classes of business. The portion of the premiums written that relate to the unexpired periods of the policies at end of the reporting period is accounted for as 'Provision for unearned premiums' and presented as part of 'Insurance contract liabilities' in the liabilities section of the statements of financial position.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 General Insurance underwriting results (continued)

Reinsurance premiums

Gross reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by insurance contracts entered into in the period and are recognised on the date which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

The related reinsurance premiums ceded that pertain to the unexpired periods at the end of reporting period are accounted for as 'Deferred reinsurance premiums' and shown as part of 'Reinsurance assets' presented in the assets section of the statements of financial position.

Commission income

Commissions earned from insurance contracts are recognised as revenue over the period of the contracts using the 24th method for all classes of business. The portion of the commissions that relate to the unexpired periods of the policies at end of the reporting period is accounted for as 'Deferred reinsurance commissions' and presented in the liabilities section of the statement of financial position.

Benefits and claims

Gross benefits and claims consist of benefits and claims paid to policyholders, which includes changes in the valuation of insurance contract liabilities, except for changes in the provision for unearned premiums which are recorded in net earned premiums. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage, recoveries and subrogation are also considered and reduced benefits and claims payable. General insurance claims are recorded on the basis of notifications received.

Commission expenses

Commission incurred from insurance contracts are recognised as expense over the period of the contracts using the 24th method for all classes of business. The portion of the commissions that relate to the unexpired periods of the policies at end of the reporting period is accounted for as 'Deferred acquisition costs' and presented in the assets section of the statement of financial position.

Deferred acquisition costs ("DAC")

Commissions and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and/or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. All other acquisition costs are recognised as expense when incurred.

Subsequent to initial recognition, these costs are amortised using the 24th method over the life of the contract. For policies with policy duration less than one year or more than one year, the DAC considers the actual DAC from the date of valuation to the date of termination of policies. Amortisation is recognised as 'Commission expenses' in profit or loss. The unamortised acquisition costs are shown as 'Deferred acquisition costs' in the assets section of the statement of financial position.

An impairment review is performed at end of each reporting period or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss.

DAC is derecognised when the related contracts are settled or disposed.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Insurance contract liabilities

Insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities comprise provision for unearned premiums and provision for outstanding claims.

Provision for unearned premiums

The proportion of written premiums, gross of commission payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired, is deferred as 'Provision for unearned premiums' in the liability section of the statements of financial position. Unearned premium reserve ("UPR") is calculated based on the 24th method for all classes of business, on a gross of reinsurance basis. For policies with policy duration less than one (1) year or more than one (1) year, the UPR considers the actual unearned premium from the date of valuation to the date of termination of the policy. 'Gross change in provision for unearned premiums' account is taken to profit or loss in the order that revenue is recognised over the period of risk.

Provision for outstanding claims

Provision for outstanding claims are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period, whether reported or not, together with related claims handling costs and a reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the end of the reporting period.

The provision for outstanding claim is not discounted for the time value of money and includes provision for claims incurred but not reported ("IBNR") and Margin for Adverse Deviation ("MfAD"). The provision for claim liability is based on the adjusters' report on the individual claims and the provision for claim IBNR is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions. Meanwhile, MfAD is calculated using a range of standard actuarial claim projection techniques and is a provision for liabilities due to inherently uncertain events. No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when the contract is discharged, cancelled or has expired.

2.31 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e., when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract or implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange of transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the mount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which they will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling price of the good or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time, The control over the goods or services is transferred over time and revenue is recognised overtime if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Revenue recognition (continued)

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Interest income

Interest income on investments measured at AC and at FVOCI is calculated using the EIR method and recognised as 'Investment Income' in profit or loss.

Interest income from fixed and call deposits is recognised on a time-proportion basis using the EIR method and recognised as 'Investment Income' in profit or loss.

Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL and at FVOCI and are recognised as 'Investment Income' in profit or loss.

Dividend that clearly represents a recovery of part of the cost of an investment is recognised in OCI if it relates to an investment in equity instruments measured at FVOCI.

Rental income

Rental income from investment properties is recognised as 'Investment Income' in profit or loss on straight-line basis over the terms of the leases.

Other revenue

Fee income from management, consultancy and advisory, educational, factoring and other services fees are measured based on the considerations specified in contracts with customers in exchange for transferring services to customers. The Group and the Company recognise these incomes when the services specified in the contracts are provided.

Revenue from hotel room revenue is accrued over time on customer-occupied rooms and the sales of food and beverage is recognised when the customer receives, the food and beverage product. Hotel room and sale of food and beverages revenue are recorded based on the published rates, net of discounts and when the Group has the present right to payment.

Revenue from ticket sales and concession sales is recognised upon delivery of services and products.

2.32 Current and deferred income tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is recognised in OCI or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using an expected value (weighted average probability) approach.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Current and deferred income tax (continued)

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

The Group and the Company presumed investment property measured at fair value will be recovered entirely through sale. Accordingly, deferred tax assets or liabilities arising on such investment property are measured at the tax rate applicable when the Group and the Company sells the property.

2.33 Earnings per share (“EPS”)

The Group presents basic for its ordinary shares.

Basic EPS is calculated by dividing the consolidated profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

No diluted EPS is disclosed in these financial statements as there are no potential dilutive ordinary shares.

2.34 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision-maker.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.35 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's liability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group or the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group or the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group or the Company recognises transfers between levels of the fair value hierarchy as of the date the event of change in circumstances that caused the transfer.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

(a) Valuation of insurance contract liabilities

For the General Insurance subsidiary, estimates have to be made for both the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of claims incurred but not yet reported ("IBNR") at the reporting date.

It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the claims provision. At each reporting date, prior year claims estimates are reassessed for adequacy and changes made are charged to provision.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as the Expected Loss Ratio method, Chain Ladder method and Bornhuetter-Ferguson method based on paid ad reported claims information.

The main assumption underlying these techniques is that the General Insurance subsidiary's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(a) Valuation of insurance contract liabilities (continued)

Historical claims development is mainly analysed by accident years but can also be further analysed by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

As at 30 June 2022, the carrying values of provision for outstanding claims and IBNR of the General Insurance subsidiary amounted to RM127,788,000 (31.12.2020: RM108,474,000) and RM23,033,000 (31.12.2020: RM19,158,000) respectively.

(b) Impairment of insurance receivables

The General Insurance subsidiary uses a simplified approach in the calculation of its ECL on its insurance receivables by using a provision matrix that specifies the fixed provision rates. It considers how the current and forward-looking information might affect the customer's historical default rates and consequently, how the information would affect the current expectations and estimates of ECLs.

Historical credit loss rate is computed using the net flow rate of the ageing of receivables based on the number of days it is past due. Whereas, forward looking rate is derived by using forecast information of macroeconomic factors such as gross domestic product and inflation rates through regression analysis.

The assessment of the correlation amongst the historical credit loss rates, forecast economic conditions and ECL is a significant estimate. Thereby, changes in circumstances and forecast on economic conditions will greatly impact the ECL calculation which later may not be a representation of the customer's actual default in the future.

As at 30 June 2022, the carrying values of insurance receivables of the General Insurance subsidiary, net of allowance for impairment losses, amounted to RM47,504,000 (31.12.2020: RM60,194,000).

(c) Estimation of retirement benefit liability

For the General Insurance subsidiary, the cost of defined retirement benefit obligation and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the long-term nature of the retirement benefit plan, such estimates are subject to significant uncertainty.

The discount rates used were determined using the market yields of Philippines government bonds with terms consistent with the expected employee benefit payout as at statement of financial position date. Future staff salary increases are based on historical annual merit, market and promotional increase and expected future inflation rates.

The key assumptions in determining the present value of the defined retirement benefit obligation of the General Insurance subsidiary is disclosed in Note 26 to the statement of financial statements.

As at 30 June 2022, the retirement benefit liability stood at RM694,000 (31.12.2020: RM1,219,000) with retirement benefit costs of RM1,127,000 (31.12.2020: RM673,000) recognised in statement of profit or loss.

(d) Impairment of investments in subsidiaries and associates

The Group performs annual assessment of the carrying value of investments in subsidiaries and associates against the recoverable amounts. The measurement of the recoverable amounts are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective subsidiaries and/or associates' on-going operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and the management's view of future performance of the subsidiaries and/or associates as disclosed in Notes 9 and 10 to the financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

(e) Impairment assessment on goodwill arising from business combinations

The Group performs annual assessment of the carrying value of goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill has arose from business combinations carried out by the Group. The measurement of the recoverable amounts of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's on-going operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and the management's view of future performance of the CGUs.

During the current financial period ended 30 June 2022, the Group accounted for goodwill arising from the acquisition of subsidiaries to RM2,565,000 as disclosed in Notes 38(a) and (c) to the financial statements. The Group had impaired the goodwill of RM2,565,000 arising from these acquisition of subsidiaries as the companies were in loss making position and net liabilities position as at the end of reporting period.

(f) Impairment assessment on loan portfolio

The Group applies the general 3-stage approach to measure ECLs on its receivables from loans from money lending and other credit activities.

A summary of the assumptions underpinning the Group's ECL model on these receivables is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cashflows	12-month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments where there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)

Based on the above, loss allowance is measured on either 12-month ECLs or lifetime ECLs, by considering the likelihood that the receivable would be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. In addition, forward-looking information such as the macroeconomic conditions has been incorporated into the determination of ECLs.

As at 30 June 2022, the carrying values of loans from money lending and other credit activities, net of allowance for impairment losses, amounted to RM47,800,000 (31.12.2020: RM15,892,000).

4 PROPERTY, PLANT AND EQUIPMENT

GROUP	Note	Leasehold land	Office buildings	Furniture, fittings and equipment	Motor vehicles	Renovation	Work-in-progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 January 2020		178	784	7,427	1,896	4,460	800	15,545
Transferred to intangible assets	7	-	-	(240)	-	-	-	(240)
Arising from business combinations	38(d)	-	-	939	148	110	1,747	2,944
Additions		-	-	2,673	314	2,324	890	6,201
Disposals		-	-	(66)	(5)	(41)	-	(112)
Written off	34	-	-	(39)	-	-	-	(39)
Reclassification		-	-	1,345	-	2,092	(3,437)	-
Currency translation differences		-	33	65	47	62	-	207
At 31 December 2020/1 January 2021		178	817	12,104	2,400	9,007	-	24,506
Arising from business combinations	38(c)	-	-	349	-	122	-	471
Additions		-	-	6,466	110	4,745	3,676	14,997
Disposals		-	-	(33)	(341)	(2)	-	(376)
Currency translation differences		-	(36)	(83)	(44)	(70)	-	(233)
At 30 June 2022		178	781	18,803	2,125	13,802	3,676	39,365

4 PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP	Note	Leasehold land	Office buildings	Furniture, fittings and equipment	Motor vehicles	Renovation	Work-in-progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation								
At 1 January 2020		11	334	2,911	796	1,506	-	5,558
Transferred to intangible assets	7	-	-	(167)	-	-	-	(167)
Disposals		-	-	(44)	(3)	-	-	(47)
Written off	34	-	-	(38)	-	-	-	(38)
Depreciation for the financial period	35	-	41	1,735	175	1,187	-	3,138
Amortisation for the financial period	35	1	-	-	-	-	-	1
Currency translation differences		-	14	40	22	61	-	137
At 31 December 2020/1 January 2021		12	389	4,437	990	2,754	-	8,582
Disposals		-	-	(18)	(294)	(2)	-	(314)
Depreciation for the financial period	35	-	61	3,765	397	2,281	-	6,504
Amortisation for the financial period	35	2	-	-	-	-	-	2
Currency translation differences		-	(19)	(66)	(28)	(70)	-	(183)
At 30 June 2022		14	431	8,118	1,065	4,963	-	14,591
Accumulated impairment loss								
At 31 December 2020/30 June 2022		56	-	-	-	-	-	56
Carrying amounts								
At 31 December 2020		110	428	7,667	1,410	6,253	-	15,868
At 30 June 2022		108	350	10,685	1,060	8,839	3,676	24,718

4 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Note	Furniture, fittings and equipment	Motor vehicles	Renovation	Total
		RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January 2020		1,560	301	831	2,692
Additions		64	-	-	64
Disposals		(8)	-	-	(8)
Written off	34	(38)	-	-	(38)
At 31 December 2020/1 January 2022		1,578	301	831	2,710
Additions		55	-	-	55
At 30 June 2022		1,633	301	831	2,765
Accumulated depreciation					
At 1 January 2020		1,130	37	623	1,790
Disposals		(6)	-	-	(6)
Written off	34	(37)	-	-	(37)
Depreciation for the financial period	35	189	30	83	302
At 31 December 2020/1 January 2022		1,276	67	706	2,049
Depreciation for the financial period	35	151	44	88	283
At 30 June 2022		1,427	111	794	2,332
Carrying amount					
At 31 December 2020		302	234	125	661
At 30 June 2022		206	190	37	433

5 RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use ("ROU") assets

	Note	GROUP 30.6.2022 RM'000	GROUP 31.12.2020 RM'000	COMPANY 30.6.2022 RM'000	COMPANY 31.12.2020 RM'000
Offices		37,281	13,492	577	1,187
Photocopiers		117	44	-	-
		37,398	13,536	577	1,187
At 1 January		13,536	13,740	1,187	389
Arising from business combinations	38(c),(d)	564	2,946	-	-
Additions		31,321	5,373	-	1,221
Derecognition		(229)	-	-	-
Adjustment arising from the remeasurement during the financial period		11,648	-	-	-
Depreciation for the financial period/year	35				
- offices		(19,402)	(8,525)	(610)	(423)
- photocopiers		(2)	(40)	-	-
Currency translation differences		(38)	42	-	-
At 30 June 2022/31 December 2020		37,398	13,536	577	1,187

The Group and the Company lease various offices and photocopiers. The leases typically made up for a period of 1 to 5 years, with options to renew the lease after that date.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(b) Lease liabilities

	GROUP 30.6.2022 RM'000	GROUP 31.12.2020 RM'000	COMPANY 30.6.2022 RM'000	COMPANY 31.12.2020 RM'000
Current	10,933	7,769	423	375
Non-current	34,353	6,364	186	808
Total lease liabilities	45,286	14,133	609	1,183

5 **RIGHT OF USE ASSETS AND LEASE LIABILITIES** (continued)

(b) **Lease liabilities** (continued)

The movement of lease liabilities during the financial period is as follows:

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
At 1 January		14,133	13,718	1,183	402
Arising from business combinations	38(c),(d)	622	3,410	-	-
Additions		31,326	5,103	-	1,221
Derecognition		(236)	-	-	-
Adjustment arising from the remeasurement during the financial period		12,778	-	-	-
Lease interests	36	3,499	674	110	16
Payments of:					
- principal		(13,246)	(8,126)	(574)	(440)
- lease interests		(3,499)	(674)	(110)	(16)
		(16,745)	(8,800)	(684)	(416)
Rebate on fixed lease payment		(67)	-	-	-
Currency translation differences		(24)	28	-	-
At 30 June 2022/31 December 2020		45,286	14,133	609	1,183

Other expenses relating to leases for the Group and the Company are as follows:

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Expense relating to short-term leases (included in office rental)	35	223	80	-	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in printing and stationery)	35	201	132	-	-

6 INVESTMENT PROPERTIES

Investment properties comprise leasehold land and buildings.

Non-current

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
At 1 January		51,293	51,373	28,480	28,480
Additions from subsequent expenditures		134	24	133	13
Net fair value losses	32	(1,511)	(112)	(1,823)	(13)
Currency translation differences		(213)	8	-	-
At 30 June 2022/31 December 2020		49,703	51,293	26,790	28,480

Investment properties are stated at fair values, which have been determined based on valuations performed by external independent professional valuers at the statement of financial position date. Valuations are performed annually based on the properties' fair market value using the direct sale comparison. The fair value gains/losses are recorded in profit or loss.

Fair value of investment properties is categorised as follows:

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Level 3 fair value	49,703	51,293	26,790	28,480

Level 3 fair value

The Level 3 unobservable input used in the valuation of investment properties is the price per square foot ("psf") which is derived from the selling price of comparable properties, adjusted for differences in location, property size, shape and terrain of land, any title restrictions, availability of infrastructure, age and condition of building, finishes and services and other relevant characteristics

The estimated fair value would increase/(decrease) if the price per square foot were higher or lower and the historical sales transaction value were higher or lower.

The Group and the Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period. There was no transfer between levels during the financial period ended 30 June 2022 (31 December 2020: no transfer).

6 INVESTMENT PROPERTIES (continued)

The following tables show the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable input used in the valuation model:

					GROUP			
			30.6.2022			31.12.2020		
Investment property	Valuation technique	Unobservable inputs	Fair value	Input	Sensitivity in average price per square feet +/-5%	Fair value	Input	Sensitivity in average price per square feet +/-5%
			RM'000	RM	RM'000	RM'000	RM	RM'000
Retail units, office suites and parking bays	Comparison method	Average price per square feet	26,790	146 to 592	+1,340 -1,340	28,480	156 to 790	+1,424 -1,424
	Comparison method	Average price per parking bay		39,294 to 45,455			39,315 to 45,936	
Apartment in London	Comparison method	Average price per square feet	8,102	5,698 to 10,133	+405 -405	8,392	6,166 to 6,964	+420 -420
Villa in Bali	Comparison method	Average price per square feet	9,088	4,396 to 4,982	+454 -454	9,395	3,790 to 4,938	+470 -470
Condominium units in Manila	Sales market approach	Average price per square feet	5,723	3,581 to 3,605	+286 -286	5,026	2,597 to 3,183	+251 -251
			49,703			51,293		

					COMPANY			
			30.6.2022			31.12.2020		
Investment property	Valuation technique	Unobservable inputs	Fair value	Input	Sensitivity in average price per square feet +/-5%	Fair value	Input	Sensitivity in average price per square feet +/-5%
			RM'000	RM	RM'000	RM'000	RM	RM'000
Retail units, office suites and parking bays	Comparison method	Average price per square feet	26,790	146 to 592	+1,340 -1,340	28,480	156 to 790	+1,424 -1,424
	Comparison method	Average price per parking bay		39,294 to 45,455			39,315 to 45,936	
			26,790			28,480		

6 INVESTMENT PROPERTIES (continued)

The income and related expenses of the investment properties are as follows:

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Rental income	29	183	149	26	158
Direct operating expenses arising from rental income generating investment properties	35	(1,570)	(1,018)	(824)	(537)
Direct operating expenses arising from non-rental income generating investment properties	35	(262)	-	-	-

7 INTANGIBLE ASSETS

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January		2,251	1,514	642	639
Transferred from property, plant and equipment	4	-	73	-	-
Arising from business combinations	38(d)	-	309	-	-
Additions		410	354	45	3
Currency translation differences		(6)	1	-	-
At 30 June 2022/31 December 2020		2,655	2,251	687	642
Accumulated amortisation					
At 1 January		907	728	632	588
Amortisation for the financial period/year	35	428	179	20	44
At 30 June 2022/31 December 2020		1,335	907	652	632
Accumulated impairment loss					
At 1 January		-	-	-	-
Impairment loss for the financial period/year	34	212	-	-	-
At 30 June 2022/31 December 2020		212	-	-	-
Carrying amount					
At 30 June 2022/31 December 2020		1,108	1,344	35	10

Intangible assets comprise computer software. Computer software consists mainly of development costs and costs that are directly associated with identifiable software systems controlled by the Group and the Company, that do not form the integral part of the hardware, and that will generate economic benefits exceeding costs beyond one year.

8 GOODWILL ON BUSINESS COMBINATIONS

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
At costs	42,233	39,668
Less: allowance for impairment loss	(15,322)	(8,781)
	26,911	30,887

A reconciliation of goodwill on business combinations is as follows:

		GROUP	
	Note	30.6.2022	31.12.2020
		RM'000	RM'000
At Costs			
At 1 January		39,668	31,907
Goodwill acquired during the financial period/year	38	2,565	7,761
At 30 June 2022/31 December 2020		42,233	39,668
Allowance for impairment loss			
At 1 January		8,781	4,996
Goodwill acquired in the previous financial years		3,976	-
Goodwill acquired during the financial period/year		2,565	3,785
	34	6,541	3,785
At 30 June 2022/31 December 2020		15,322	8,781

Refer to Note 38 for disclosure on impairment assessment of goodwill.

9 INVESTMENTS IN SUBSIDIARIES

		COMPANY	
	Note	30.6.2022	31.12.2020
		RM'000	RM'000
Unquoted shares, at cost			
At 1 January		256,246	296,498
Redemption of redeemable preference shares	(a)	-	(44,774)
Additional investment in a subsidiary	(b)	-	4,522
At 30 June 2022/31 December 2020		256,246	256,246
Allowance for impairment loss			
At 1 January		(155,498)	(155,498)
Allowance for impairment loss for the financial period	34	(100,748)	-
At 30 June 2022/31 December 2020		(256,246)	(155,498)
Net carrying amounts at 30 June 2022/31 December 2020		-	100,748

(a) On 1 September 2020, MAA Corporation Sdn Bhd ("MAA Corp"), a wholly owned subsidiary of the Company redeemed 447,740 redeemable preference shares at RM100 each totalling RM44,774,000 as part of settlement of the amounts due by the Company.

(b) On 16 November 2020, the Company subscribed additional 4,521,752 new ordinary shares at an issue price of RM1.00 each in MAA Corp, for a total cash consideration of RM4,521,752 for working capital purposes.

As at 30 June 2022, the wholly owned subsidiary of the Company has reported continuing operating losses and/or depleting shareholders' funds. These are indicators that the investment in the subsidiary may be impaired. This resulted in accumulated impairment losses on its investment in the subsidiary of RM256,246,000 (31.12.2020: RM155,498,000).

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Group's effective interest 30.6.2022	Group's effective interest 31.12.2020
			%	%
MAA Corporation Sdn Bhd	Malaysia	Providing property management services and investment holding	100	100
Subsidiaries of MAA Corporation Sdn Bhd				
MAA-Medicare Sdn Bhd	Malaysia	Investment holding and established MAA-Medicare Charitable Foundation with the trustee under a Trust Deed to provide care and treatment for kidney and heart patients	100	100
MAA International Group Ltd	Labuan, Malaysia	Investment holding	100	100
MAA International Investments Ltd	Labuan, Malaysia	Investment holding	100	100
#MAA Holdings (BVI) Ltd	British Virgin Islands	Providing insurance technical and financial consultancy services	100	100
MAACA Legal Advisory Sdn Bhd	Malaysia	Providing advisory and consultancy services	100	100
Menang Bernas Sdn Bhd	Malaysia	Property investment, development and other related services	100	100
#Maaxsite Sdn Bhd	Malaysia	E-Commerce and E-Business	100	100
#Edumaax Sdn Bhd	Malaysia	Investment holding and provision of education services and operations of education tuition centres	100	100
#Kasturi Services Sdn Bhd	Malaysia	Carry on the business of rent-to-rent and providing rental management services	100	100

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Principal activities	Group's effective interest 30.6.2022	Group's effective interest 31.12.2020
			%	%
Subsidiaries of MAA Corporation Sdn Bhd (continued)				
#Glovtec Sdn Bhd	Malaysia	Dormant	100	100
#Hospitality 360 Sdn Bhd	Malaysia	Investment holding and providing hotel management and consultancy services	51	51
MAA Bancwell Trustee Berhad *(Note a)*	Malaysia	Inactive	60[(1)]	-
10Star Cinemas Sdn Bhd *(Note b)*	Malaysia	Entertainment, film distribution and cinema business	60	-
Maax Capital Sdn Bhd *(Note b)*	Malaysia	Investment holding	100	-
MAA Credit Berhad *(Note b)*	Malaysia	Money lending, hire purchase and other credit activities	-	100
#Maax Factor Sdn Bhd *(Note b)*	Malaysia	Providing debt factoring services	-	100
#Maax Fidelity Berhad *(Note b)*	Malaysia	Dormant	-	100
Subsidiary of MAA International Group Ltd				
#MAA General Assurance Philippines, Inc.	Philippines	General insurance business	99	99
Subsidiaries of MAA International Investments Ltd				
#MAA Mutualife Philippines, Inc.	Philippines	Inactive	100	100
#MAA Capital Singapore Pte Ltd	Singapore	Investment holding	100	100

[(1)]20% equity interests are equally held by the Company, MAA Corporation Sdn Bhd and MAA Credit Berhad.

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Principal activities	Group's effective interest 30.6.2022	Group's effective interest 31.12.2020
			%	%
Subsidiaries of Edumaax Sdn Bhd				
#Kasturi Academy Sdn Bhd	Malaysia	Provision of education services and operations of education tuition centres	100	100
Scholastic IB International Sdn Bhd	Malaysia	Investment holding	90	90
Imperium Edumaax Sdn Bhd	Malaysia	Carry on the business of a commercial college for higher education	100	100
#Edumaax S.P.A.	Italy	Dormant	100	100
#Edumaax Professional Center Sdn Bhd *(Note c)*	Malaysia	Dormant	100	-
#Edumaax Liberty Sdn Bhd *(Note c)*	Malaysia	Dormant	100	-
#Edumaax Cheltcol Sdn Bhd *(Note c)*	Malaysia	Dormant	100	-
Subsidiaries of Scholastic IB International Sdn Bhd				
St. John's International Edu Group Sdn Bhd	Malaysia	Providing education and related services	90	90
St. John's International (Campus 2) Sdn Bhd	Malaysia	Dormant	90	90
Alfaakademik Sdn Bhd	Malaysia	Providing education and related services	90	90
Subsidiaries of Maax Capital Sdn Bhd				
MAA Credit Berhad *(Note b)*	Malaysia	Money lending, hire purchase and other credit activities	100	-
#Maax Factor Sdn Bhd *(Note b)*	Malaysia	Providing debt factoring services	100	-
#Maax Fidelity Berhad *(Note b)*	Malaysia	Dormant	100	-

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Principal activities	Group's effective interest 30.6.2022 %	Group's effective interest 31.12.2020 %
Subsidiaries of Hospitality 360 Sdn Bhd				
#Trinidad Signature Suites Sdn Bhd *(Note d)*	Malaysia	Hotel business	33	26
#Trinidad Cigar Company Sdn Bhd	Malaysia	Retailer in cigars	51	51
#Medianworks Sdn Bhd	Malaysia	Reseller of member loyalty program	51	51
#Medianworks Facility Management Sdn Bhd	Malaysia	Facility management	51	51
#Trisend Logistic Technologies Sdn Bhd *(Note d)*	Malaysia	Operator of logistics and dispatch services	51	28
#Asiawide Hospitality Group Sdn Bhd	Malaysia	Advisor and manager of hotel management	36	36
#Trinidad Hotel Kuantan Sdn Bhd	Malaysia	Hotel business	51	51
#Perfect Host (M) Sdn Bhd	Malaysia	Operator and manager of short-term accommodation in properties	41	41
#Travel Club 360 Sdn Bhd	Malaysia	Dormant	26	26
#Home 180 Sdn Bhd	Malaysia	Dormant	51	51
#Staysuites Group Sdn Bhd	Malaysia	Operator and manager of short-term accommodation in properties	26	26
#Decorzo Space Sdn Bhd	Malaysia	Renovation	31	31
#Global Champ Sdn Bhd *(Note d)*	Malaysia	Investment holdings	51	-
#Infiniti Indah Sdn Bhd *(Note d)*	Malaysia	Facility management	51	-
#Ruby Luxury Sdn Bhd *(Note d)*	Malaysia	Hotel operators	51	-
#Nova Blaze Sdn Bhd *(Note d)*	Malaysia	Hotel operators	51	-

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Principal activities	Group's effective interest 30.6.2022	Group's effective interest 31.12.2020
			%	%
Subsidiaries of Hospitality 360 Sdn Bhd (continued)				
#Dine 360 Sdn Bhd *(Note d)*	Malaysia	Pub and café operator	51	-
#Cigarmaax Limited *(Note d)*	United Arab Emirates	Dormant	51	-
#Prosper Magnum Sdn Bhd *(Note d)*	Malaysia	Engaged in the running of a hotel business	26	-
Subsidiaries of Trinidad Signature Suites Sdn Bhd				
#NS Global Management Sdn Bhd *(Note d)*	Malaysia	Dormant	33	-
#Clear Dynamic Sdn Bhd *(Note d)*	Malaysia	Hotel business	33	-
#Luxe Prestige Sdn Bhd *(Note d)*	Malaysia	Hotel management	33	-
Subsidiary of Staysuites Group Sdn Bhd				
#Staysuites Malaysia Sdn Bhd *(Note d)*	Malaysia	Operator and manager of short-term accommodation in properties	26	-
Subsidiaries of Staysuites Malaysia Sdn Bhd				
#Vacation Rental Advisory Sdn Bhd *(Note d)*	Malaysia	Operator and manager of short-term accommodation in properties	13	-
#Chariskey Suites Sdn Bhd *(Note d)*	Malaysia	Operator and manager of short-term accommodation in properties	13	-
Subsidiary of Dine 360 Sdn Bhd				
#Primeat Sdn Bhd *(Note d)*	Malaysia	Dormant	51	-

#Subsidiaries not audited by PricewaterhouseCoopers PLT.

9 INVESTMENTS IN SUBSIDIARIES (continued)

(a) 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.

(b) 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, 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 of Maax Capital Sdn Bhd ("Maax Capital"), a company incorporated in Malaysia, for a total consideration of RM100,000;

- on 1 December 2021, disposed the shares held in the share capital of the following companies to Maax Capital:

  (i) 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;

  (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) 200,000 ordinary shares, representing 100% of the share capital of Maax Fidelity Berhad for a total consideration of RM190,000.

(c) 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;

- 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; and

- on 21 June 2022, subscribed for 1,000 ordinary shares at an issue price of RM1 each, representing 100% of the share capital of Edumaax Cheltcol Sdn Bhd, a company incorporated in Malaysia, for total consideration of RM1,000.

(d) 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 share capital of Trisend Logistic Technologies Sdn Bhd 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;

9 INVESTMENTS IN SUBSIDIARIES (continued)

(d) Hospitality 360 Sdn Bhd ("H360"), a 51% sub-subsidiary of the Company, had: (continued)

- 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 of 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 of 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 of Ruby Luxury Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2;

- 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 of 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") 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 of Nova Blaze Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2;

- 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;

- on 14 January 2022, subscribed for 1 ordinary share at an issue price of USD1 each, representing 100% of the share capital of Cigarmaax Limited, a company incorporated in United Arab Emirates, for a total consideration of USD1;

- on 26 May 2022, Staysuites Malaysia Sdn Bhd, a sub-subsidiary of H360 acquired 51 ordinary shares representing 51% of the share capital of Chariskey Suites Sdn Bhd from Chariskey Sdn Bhd, for a total consideration of RM1; and

- on 14 June 2022, acquired 51 ordinary shares representing 51% of the share capital of Prosper Magnum Sdn Bhd from Tan Hou Ham, for a total consideration of RM51.

9 **INVESTMENTS IN SUBSIDIARIES** (continued)

Non-controlling interests ("NCI") in subsidiaries

The Group's subsidiaries that have material NCI are as follows:

GROUP	H360 Group	10star Cinemas Sdn Bhd	Other subsidiaries with immaterial NCI	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2022				
NCI percentage of ownership interest and voting interest	49%	40%		
Carrying amount of NCI	(21,775)	(1,405)	4,326	(18,854)
Net (loss)/profit allocated to NCI	(15,545)	(1,405)	548	(16,402)
31 December 2020				
NCI percentage of ownership interest and voting interest	49%	-		
Carrying amount of NCI	(7,744)	-	3,755	(3,989)
Net (loss)/profit allocated to NCI	(1,069)	-	341	(728)

A reconciliation of the carrying value of NCI is as follows:

	Note	H360 Group	10star Cinemas Sdn Bhd	Other subsidiaries with immaterial NCI	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		-	-	3,414	3,414
NCI acquired	38(d)	(6,675)	-	-	(6,675)
NCI share of (loss)/profit		(1,069)	-	341	(728)
At 31 December 2020/1 January 2021		(7,744)	-	3,755	(3,989)
NCI acquired	38(a),(c)	29	-	23	52
Funds from NCI		98	-	-	98
Transactions with NCI	38(b)	1,387	-	-	1,387
NCI share of (loss)/profit		(15,545)	(1,405)	548	(16,402)
At 30 June 2022		(21,775)	(1,405)	4,326	(18,854)

9 INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests ("NCI") in subsidiaries (continued)

Tables below are summarised financial information (before intra-group elimination) for subsidiaries that have material NCI:

Summarised statement of financial position

As at 30 June 2022	H360 Group RM'000	10Star Cinemas Sdn Bhd RM'000
Non-current assets	28,260	15,796
Current assets	14,833	1,746
Non-current liabilities	(68,446)	(4,889)
Current liabilities	(13,620)	(16,165)
Net liabilities	(38,973)	(3,512)
NCI	6,586	-
Equity attributable to owner of the company	(32,387)	(3,512)

Summarised statement of profit or loss

	H360 Group RM'000 (Note a)	10Star Cinemas Sdn Bhd RM'000 (Note b)
Revenue	34,911	2,639
Net loss for the financial period attributable to:		
- Owner of the company	(22,407)	(3,513)
- NCI	(4,566)	-

Summarised statement of cash flows

	H360 Group RM'000 (Note a)	10Star Cinemas Sdn Bhd RM'000 (Note b)
Cash flows generated from/(used in):		
Operating activities	(14,551)	(2,357)
Investing activities	(1,368)	(11,217)
Financing activities	16,860	13,741
Net increase in cash and cash equivalents	941	167

(Note a) For the 18 months financial period from 1 January 2021 to 30 June 2022
(Note b) For the 14 months financial period from 6 May 2021 (date of incorporation) to 30 June 2022

9 INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests ("NCI") in subsidiaries (continued)

Tables below are summarised financial information (before intra-group elimination) for subsidiaries that have material NCI: (continued)

Summarised statement of financial position

As at 31 December 2020	**H360 Group**
	RM'000
Non-current assets	11,538
Current assets	6,755
Non-current liabilities	(22,947)
Current liabilities	(7,473)
Net liabilities	(12,127)
NCI	3,534
Equity attributable to owner of the company	(8,593)

Summarised statement of profit or loss

For two months ended 31 December 2020 (Note c)	**H360 Group**
	RM'000
Revenue	2,073
Net loss for the financial period attributable to:	
- Owner of the company	(1,170)
- NCI	(496)

Summarised statement of cash flows

For financial period ended 31 December 2020	**H360 Group**
	RM'000
Cash flows generated from/(used in):	
Operating activities	(4,838)
Investing activities	(3,154)
Financing activities	9,573
Net increase in cash and cash equivalents	1,581

(Note c) H360 Group became subsidiary of the Group on 3 November 2020.

10 INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Quoted shares in Malaysia	70,930	-	54,530	-
Unquoted shares, at cost	1,300	1,545	100	100
Share of post-acquisition loss	(62,832)	(75)	-	-
Share of post-acquisition reserves	(6,364)	-	-	-
	3,034	1,470	54,630	100
Less: allowance for impairment loss	(2,367)	(245)	(21,380)	(100)
	667	1,225	33,250	-
Quoted shares in Malaysia at fair value	43,250	-	33,250	-

Quoted shares – KNM Group Berhad

As at 30 June 2022, the fair value of the Group's investment in quoted shares is based on Level 1 of the fair value hierarchy.

The market value of the Group's interest in quoted shares, representing its fair value as at 30 June 2022, was approximately RM43,250,000 (31 December 2020: Nil).

A reconciliation of the allowance for impairment loss on investments in associates is as follows:

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
At 1 January		245	245	100	100
Derecognition due to step acquisition		(245)	-	-	-
Allowance for impairment loss	34	2,367	-	21,280	-
At 30 June 2022/31 December 2020		2,367	245	21,380	100

Details of the associates are as follows:

			Effective interest	
Name of associates	Country of incorporation	Principal activities	30.6.2022	31.12.2020
			%	%
KNM Group Berhad *(Note a)*	Malaysia	Investment holdings and the provision of management services	9.41	-
MAA Bancwell Trustee Berhad *(Note b)*	Malaysia	Inactive	-	49
Associate of Maax Capital Sdn Bhd				
MicroLEAP PLT *(Note c)*	Malaysia	Operating of peer-to-peer ("P2P") lending platform	35.2	35.2

10 INVESTMENTS IN ASSOCIATES (continued)

Details of the associates are as follows: (continued)

Name of associates	Country of incorporation	Principal activities	Effective interest 30.6.2022	Effective interest 31.12.2020
			%	%
Associates of Hospitality 360 Sdn Bhd				
Trinidad Distributors (EM) Sdn Bhd	Malaysia	Retail and distribution of cigars and related accessories	26	26
Trisend Logistic Holdings Pte Ltd *(Note d)*	Singapore	Dormant	26	-
RS Design & Renovation (M) Sdn Bhd	Malaysia	Renovation	15	15
Dine 360 Sdn Bhd *(Note e)*	Malaysia	Pub and Café operator	-	26

(a) The Company and Imperium Edumaax Sdn Bhd ("IESB"), a wholly owned sub-subsidiary of the Company, had acquired to date over the period from 3 August 2021 to 6 October 2021 from the open market a total of 266,001,800 and 80,000,000 ordinary shares of KNM Group Berhad ("KNM Group") respectively, representing approximately a total of 10.35% of the total issued and paid-up share capital of KNM Group as of 31 October 2021, for a total purchase consideration of RM63,054,926 and RM19,212,461 respectively.

From August to October 2021 where the Group acquired the ordinary shares of KNM Group in stages, the management classified the respective investments in KNM Group as Fair value through Profit or Loss ("FVTPL") in accordance to MFRS 9 "Financial Instruments". However, effective on 1 November 2021, the appointment of Tunku Dato' Yaacob Khyra on KNM Group's board of directors signifies a significant influence and hence the investment in KNM Group is accounted for as an investment in associate based on MFRS 128 "Investment in associates and joint ventures" in the Group's financial statements and the separate financial statements of the Company and IESB respectively.

(b) As disclosed in Note 9(a) to the financial statements, MAA Bancwell Trustee Berhad became a 60% subsidiary of the Group on 4 February 2021.

(c) On 23 November 2021, MAA Corporation Sdn Bhd transferred its Partnership Interest Subscription with MicroLEAP PLT ("MicroLEAP"), of which the subscription of 35.2% interest in MicroLEAP, to Maax Capital Sdn Bhd on 23 November 2021, for a total consideration of RM1,250,000.

(d) On 14 January 2022, Hospitality 360 Sdn Bhd subscribed for 500 ordinary share at an issue price of USD0.10 each, representing 50% of the share capital in Trisend Logistic Holdings Pte Ltd, a company incorporated in Singapore, for a total consideration of USD50.

(e) As disclosed in Note 9(d) to the financial statements, Dine 360 Sdn Bhd became a subsidiary of the Group on 17 August 2021.

10 INVESTMENTS IN ASSOCIATES (continued)

A reconciliation of the summarised financial information presented to the carrying value of the Group's interest in associates is as follows:

	Note	H360 Group	MicroLEAP PLT	KNM Group Berhad	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020					
Acquisition of associates					
- cost of investments		-	1,250	-	1,250
Arising from business combination					
- cost of investments	38(d)	50	-	-	50
- share of loss		(31)	-	-	(31)
		19	-	-	19
Share of profit/(loss)		3	(47)	-	(44)
At 31 December 2020/1 January 2021		22	1,203	-	1,225
Arising from step acquisition	11	-	-	70,930	70,930
Share of profit/(loss)		12	(83)	(62,686)	(62,757)
Share of other comprehensive loss		-	-	(6,364)	(6,364)
Allowance for impairment loss	34	-	(487)	(1,880)	(2,367)
At 30 June 2022		34	633	-	667

In the opinion of the Directors, the associate that is material to the Group is as follows:

Name of associate	Description
KNM Group Berhad	KNM Group Berhad is listed on Main Market of Bursa Malaysia Securities Berhad and is principally engaged in investment holding activities and the provision of management services.

Summarised financial information of the Group's investment in KNM Group Berhad is as follows:

(a) Summarised statement of financial position

	30.6.2022
	RM'000
Non-current assets	1,197,795
Current assets	1,494,118
Non-current liabilities	(254,760)
Current liabilities	(1,604,600)
Net Assets	832,553
NCI	69,043
Equity attributable to owner of the company	901,596

10 INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information of the Group's investment in KNM Group Berhad is as follows: (continued)

(b) Summarised statement of comprehensive income

	18 months period ended 30.6.2022
	RM'000
Revenue	
- Continuing operations	478,718
- Discontinued operations	957,677
	1,436,395
Loss before tax	(925,881)
Tax expenses	(5,173)
Loss from continuing operations	(931,054)
Profit from discontinued operation, net of tax	66,394
Loss for the financial period	(864,660)
Other comprehensive loss	(163,435)
Total comprehensive loss for the financial period	(1,028,095)
Loss for the financial period attributable to:	
- Owner of the company	(819,500)
- NCI	(45,160)
	(864,660)
Total comprehensive loss for the financial period attributable to:	
- Owner of the company	(981,876)
- NCI	(46,219)
	(1,028,095)

The most recent available financial statements of the associate is used in applying equity method of accounting with appropriate adjustments for significant transactions occurring between that date and 30 June 2022.

Accumulated unrecognised share of losses of associates

	MAA Bancwell Trustee Berhad[1]		KNM Group Berhad	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Accumulated losses	-	(520)	(168,178)	-
Interest in associates	-	49%	9.41%	-
Accumulated unrecognised share of losses	-	(255)	(15,824)	-

(1) As disclosed in Note 9(a) to the financial statements, MAA Bancwell Trustee Berhad ceased to be an associate and became a subsidiary of the Group on 4 February 2021.

11 INVESTMENTS

The Group's and the Company's investments comprise of the following:

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Government debt securities	63,656	64,503	-	-
Corporate debt securities	111,798	119,596	-	-
Equity securities	110,328	230,118	13,583	142,690
Unit trusts	401	2,433	-	-
Investment notes	2,725	-	-	-
Private trust funds	-	50	-	-
	288,908	416,700	13,583	142,690

(a) Fair value through profit or loss ("FVTPL")

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
At fair value				
Equity securities				
- quoted in Malaysia	239	23,411	239	23,411
- quoted outside Malaysia	63,067	153,610	13,344	119,279
- unquoted outside Malaysia	22,562	22,923	-	-
	85,868	199,944	13,583	142,690
Unit trusts				
- quoted in Malaysia	401	2,433	-	-
	86,269	202,377	13,583	142,690

(b) Fair value through other comprehensive income ("FVOCI")

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
At fair value		
Government debt securities quoted outside Malaysia	45,645	45,678
Corporate debt securities quoted outside Malaysia	1,350	1,140
Equity securities		
- quoted outside Malaysia	24,317	30,031
- unquoted in Malaysia	100	100
- unquoted outside Malaysia	43	43
	24,460	30,174
	71,455	76,992

11 INVESTMENTS (continued)

(b) Fair value through other comprehensive income ("FVOCI") (continued)

The Group has irrevocably elected non-trading equity securities at initial recognition to present its fair value changes in other comprehensive income. The Group considers this classification to be more relevant as these equity securities investments are strategic investments of the Group and not held for trading purpose.

Equity securities at FVOCI comprise the following individual investments:

	GROUP	
	30.6.2022	**31.12.2020**
	RM'000	**RM'000**
Quoted:		
San Miguel Corporation Preferred Series 2C	-	4,573
Ayala Corporation Preferred B Series 2	4,014	4,318
San Miguel Corporation Preferred Series 2K	3,887	4,218
San Miguel Corporation Preferred Series 2H	2,916	3,184
Petron Corporation Perpetual Preferred Series 3B	2,552	2,799
Century Properties Group Preferred A	2,427	2,764
Petron Corporation Perpetual Preferred Series 3A	2,512	2,538
Phoenix Perpetual Preferred Series 4	1,490	1,602
San Miguel Corporation Preferred Series 2H	1,287	1,405
San Miguel Corporation Preferred Series 2E	-	821
Ayala Corporation Preferred B Series 1	803	871
Torre Lorenzo Development Corporation Series C-2	801	-
Alabang Country Club Series B	625	502
Sta. Elena Golf Club Shares	601	419
Jollibee Foods Corporation Preferred Shares Series B	387	-
National Reinsurance Corporation of the Philippines	14	16
SM Prime Holdings Inc.	1	1
	24,317	30,031
Unquoted:		
Hosastay Sdn Bhd	100	100
Isend-Phil Logistic Co Ltd Inc.	39	39
PLDT Inc.	2	2
Philippines Machinery Management Services Corporation	2	2
	143	143
	24,460	30,174

11 **INVESTMENTS** (continued)

(c) **Amortised cost ("AC")**

	GROUP	
	30.6.2022	**31.12.2020**
	RM'000	**RM'000**
At amortised cost		
Government debt securities quoted outside Malaysia		
Gross carrying amounts	18,025	18,846
Less: allowance for impairment loss	(14)	(21)
	18,011	18,825
Corporate debt securities quoted outside Malaysia		
Gross carrying amounts	111,814	119,663
Less: allowance for impairment loss	(1,366)	(1,207)
	110,448	118,456
Investment notes unquoted in Malaysia	2,725	-
Private trust funds unquoted outside Malaysia	-	50
	131,184	137,331

Reconciliation of the allowance for impairment loss for investments at AC using general 3 stage approach is as follows:

				Stage 1 12-month ECL
GROUP	**Note**	**Government debt securities**	**Corporate debt securities**	**Total investments at AC**
		RM'000	**RM'000**	**RM'000**
At 1 January 2020		12	908	920
Increase in allowance for impairment loss - net	34	10	264	274
Currency translation differences		(1)	35	34
At 31 December 2020/1 January 2021		21	1,207	1,228
(Decrease)/increase in allowance for impairment loss - net	34	(6)	214	208
Currency translation differences		(1)	(55)	(56)
At 30 June 2022		14	1,366	1,380

The Group's debt instruments comprise solely of quoted debt securities that are graded in the top investment category (high grade) graded by external credit rating agencies and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the loss allowance will be based on the lifetime ECL. The Group uses the ratings from external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. In addition, the Group considers that there has been a significant increase in credit when contractual payments are more than 30 days past due.

11 INVESTMENTS (continued)

Carrying values of investments

The movements in carrying values of the Group's and the Company's investments by measurement category are as follows:

GROUP	Note	FVTPL	FVOCI	AC	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		95,328	82,449	108,219	285,996
Arising from business combination	38(d)	-	100	-	100
Purchases		315,558	402,067	127,021	844,646
Disposals/maturities		(228,742)	(415,388)	(102,038)	(746,168)
Dividend income capitalised		97	-	-	97
Fair value gains recognised in:					
- profit or loss	32	22,114	-	-	22,114
- other comprehensive income		-	4,518	-	4,518
Allowance for impairment loss	34	-	-	(274)	(274)
Unrealised foreign exchange loss		(2,475)	-	-	(2,475)
Currency translation differences		497	3,246	4,403	8,146
At 31 December 2020/1 January 2021		202,377	76,992	137,331	416,700
Purchases		367,830	562,319	30,989	961,138
Disposals/maturities		(388,354)	(558,575)	(31,246)	(978,175)
Derecognition due to step acquisition	10	(70,930)	-	-	(70,930)
Dividend income capitalised		92	-	-	92
Fair value loss recognised in:					
- profit or loss	32	(26,121)	-	-	(26,121)
- other comprehensive income		-	(6,023)	-	(6,023)
Allowance for impairment loss	34	-	-	(208)	(208)
Unrealised foreign exchange gain		959	-	-	959
Currency translation differences		416	(3,258)	(5,682)	(8,524)
At 30 June 2022		86,269	71,455	131,184	288,908

COMPANY	Note	FVTPL
		RM'000
At 1 January 2020		49,095
Purchases		285,951
Disposals		(209,960)
Fair value gains recognised in profit or loss	32	20,079
Unrealised foreign exchange loss		(2,475)
At 31 December 2020/1 January 2021		142,690
Purchases		149,060
Disposals		(214,568)
Derecognition due to step acquisition	10	(54,530)
Fair value losses recognised in profit or loss	32	(10,028)
Unrealised foreign exchange loss		959
At 30 June 2022		13,583

11 INVESTMENTS (continued)

Fair values of investments

The fair values of quoted equity securities and unit trusts in and outside Malaysia are determined by reference to their quoted market bid prices at the end of the reporting period.

The fair values of government and corporate debt securities are determined by reference to the quoted market prices within the bid-offer price range, at the close of business at the end of the reporting period or the last trading day as applicable.

The fair values of unquoted equity securities are determined to approximate the net assets value of the investee at the end of the reporting period.

The following tables show the Group's investments recorded at fair value at the reporting date analysed by the various level within the fair value hierarchy:

30 June 2022

GROUP	Carrying values	Level 1	Level 2	Level 3	Total fair values
	RM'000	RM'000	RM'000	RM'000	RM'000
Investments measured at fair value					
Investments at FVTPL:					
Equity securities quoted in Malaysia	239	239	-	-	239
Equity securities quoted outside Malaysia	63,067	63,067	-	-	63,067
Equity securities unquoted outside Malaysia	22,562	-	-	22,562	22,562
Unit trusts quoted in Malaysia	401	401	-	-	401
	86,269	63,707	-	22,562	86,269
Investments measured at fair value					
Investments at FVOCI:					
Government debt securities quoted outside Malaysia	45,645	45,645	-	-	45,645
Corporate debt securities quoted outside Malaysia	1,350	1,350	-	-	1,350
Equity securities quoted outside Malaysia	24,317	23,091	1,226	-	24,317
Equity securities unquoted in Malaysia	100	-	-	100	100
Equity securities unquoted outside Malaysia	43	-	-	43	43
	71,455	70,086	1,226	143	71,455
Investments for which fair values are disclosed					
Investments at AC:					
Government debt securities quoted outside Malaysia	18,011	16,345	-	-	16,345
Corporate debt securities quoted outside Malaysia	110,448	110,298	-	-	110,298
Investment notes unquoted in Malaysia	2,725	-	-	2,725	2,725
	131,184	126,643	-	2,725	129,368

11 **INVESTMENTS** (continued)

Fair values of investments (continued)

The following tables show the Group's investments recorded at fair value at the reporting date analysed by the various level within the fair value hierarchy: (continued)

31 December 2020

GROUP	Carrying values	Level 1	Level 2	Level 3	Total fair values
	RM'000	RM'000	RM'000	RM'000	RM'000
Investments measured at fair value					
Investments at FVTPL:					
Equity securities quoted in Malaysia	23,411	23,411	-	-	23,411
Equity securities quoted outside Malaysia	153,610	153,610	-	-	153,610
Equity securities unquoted outside Malaysia	22,923	-	-	22,923	22,923
Unit trusts quoted in Malaysia	2,433	2,433	-	-	2,433
	202,377	179,454	-	22,923	202,377
Investments measured at fair value					
Investments at FVOCI:					
Government debt securities quoted outside Malaysia	45,678	45,678	-	-	45,678
Corporate debt securities quoted outside Malaysia	1,140	1,140	-	-	1,140
Equity securities quoted outside Malaysia	30,031	29,110	921	-	30,031
Equity securities unquoted in Malaysia	100	-	-	100	100
Equity securities unquoted outside Malaysia	43	-	-	43	43
	76,992	75,928	921	143	76,992
Investments for which fair values are disclosed					
Investments at AC:					
Government debt securities quoted outside Malaysia	18,825	19,476	-	-	19,476
Corporate debt securities quoted outside Malaysia	118,456	120,594	-	-	120,594
Private trust funds unquoted outside Malaysia	50	-	-	50	50
	137,331	140,070	-	50	140,120

The following tables show the Company's investments recorded at fair value at the reporting date analysed by the various level within the fair value hierarchy:

COMPANY	Level 1	
	30.6.2022	31.12.2020
	RM'000	RM'000
Investments at FVTPL:		
Equity securities quoted in Malaysia	239	23,411
Equity securities quoted outside Malaysia	13,344	119,279
	13,583	142,690

11 INVESTMENTS (continued)

Fair values of investments (continued)

The Group's and the Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers among Level 1, 2 and 3 of the fair value hierarchy during the financial period ended 30 June 2022 and 31 December 2020.

The following table shows the movements in Level 3 investments:

		Unquoted equity securities	
GROUP	**Note**	**FVTPL**	**FVOCI**
		RM'000	**RM'000**
At 1 January 2020		22,565	3
Arising from business combination	38(d)	-	100
Addition during the financial year		-	39
Fair value gain recognised in profit or loss	32	509	-
Currency translation differences		(151)	1
At 31 December 2020/1 January 2021		22,923	143
Fair value loss recognised in profit or loss	32	(2,396)	-
Currency translation differences		2,035	-
At 30 June 2022		22,562	143

The Group's investments in unquoted equity securities are classified within Level 3 investment as non-market observable inputs are used for valuation techniques. The valuation techniques used for investments in unquoted equity securities of corporation outside Malaysia which classified at FVTPL are based on quoted market prices and price per book of comparable companies in active markets. Due to the volatility of the price per book of comparable companies, the Group has assumed an average of the price per book of comparable companies and applied a 10% discount as adjustment for lack of marketability associated with a non-controlling interest for the unquoted equity securities held as a practical expedient to derive the fair values of the investments.

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Executive Committee. The finance team regularly reviews significant unobservable inputs and valuation adjustments.

The significant unobservable input for the investment in unquoted equity securities of corporation outside Malaysia is the discount adjustment for lack of marketability of the unquoted equity instruments. The higher the discount rate, the lower the estimated fair value.

12 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
Deferred tax assets		4,828	4,583	561	-
Deferred tax liabilities		(672)	(690)	-	(62)
		4,156	3,893	561	(62)
At 1 January		3,893	1,430	(62)	(95)
Arising from business combination	38(d)	-	(4)	-	-
Recognised in profit or loss:	37				
- property, plant and equipment		(31)	25	(8)	33
- right-of-use assets		311	(216)	(138)	-
- investment properties		-	1,509	-	-
- provision for IBNR		1,307	(194)	-	-
- provision for retirement benefits		(324)	96	-	-
- allowance for impairment loss		(90)	249	-	-
- lease liabilities		(317)	281	146	-
- other payables		(677)	134	217	-
- unrealised fair value loss		445	-	445	
- unrealised foreign (gain)/loss		(147)	13	(5)	-
- gain on remeasurement of previously held equity interest in an associate		(7)	-	-	-
- others		(36)	314	(34)	-
		434	2,211	623	33
Recognised in other comprehensive income:					
- provision for retirement benefits	26	(68)	165	-	-
Currency translation differences		(103)	91	-	-
At 30 June 2022/31 December 2020		4,156	3,893	561	(62)

12 DEFERRED TAX (continued)

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax assets (before and after offsetting)				
Provision for IBNR	3,344	2,132	-	-
Provision for retirement benefits	503	908	-	-
Allowance for impairment loss	565	672	-	-
Lease liabilities	236	552	146	-
Other payables	307	973	217	-
Unrealised fair value loss	446	-	446	-
Unrealised foreign exchange loss	-	28	-	-
	5,401	5,265	809	-
Offsetting	(573)	(682)	(248)	-
	4,828	4,583	561	-
Deferred tax liabilities (before and after offsetting)				
Property, plant and equipment	(304)	(273)	(70)	(62)
Right-of-use assets	(210)	(524)	(138)	-
Gain on remeasurement of previously held equity interest in an associate	(582)	(575)	-	-
Unrealised foreign exchange gain	(114)	-	(5)	-
Others	(35)	-	(35)	-
	(1,245)	(1,372)	(248)	(62)
Offsetting	573	682	248	-
	(672)	(690)	-	(62)

The amounts of unutilised tax losses, unutilised capital allowances and deductible temporary differences for which no deferred tax assets are recognised in the statement of financial position as it is not probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilised, are as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Unutilised tax losses	158,773	134,750
Unutilised capital allowances	40,382	34,111
Deductible temporary differences	7,802	(411)
	206,957	168,450

Under the Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit for the Group to carry forward its accumulated unutilised tax losses has been extended for a further 10 years. Accordingly, any accumulated unutilised tax losses brought forward from year of assessment 2018 onwards can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028 and so on).

12 DEFERRED TAX (continued)

The Group's unutilised tax losses as at 30 June 2022 for which no deferred tax assets were recognised based on the year of assessment ("YA") expiry for the Group are as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Expiring in YA 2026	-	111,791
Expiring in YA 2027	-	13,806
Expiring in YA 2028	-	9,153
Expiring in YA 2029	106,733	-
Expiring in YA 2030	13,806	-
Expiring in YA 2031	8,990	-
Expiring in YA 2032	15,892	-
Expiring in YA 2033	13,352	-
	158,773	134,750

There is no expiry date for deductible temporary difference and unutilised capital allowances where deferred tax assets were not recognised.

13 REINSURANCE ASSETS

		GROUP	
	Note	30.6.2022	31.12.2020
		RM'000	RM'000
Reinsurance of insurance contracts:			
Provision for outstanding claims	22	70,587	49,970
Provision for unearned premiums	22	17,174	12,903
		87,761	62,873

14 INSURANCE RECEIVABLES

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Current		
Due premiums from brokers and agents	45,850	58,323
Due from reinsurers and ceding companies	262	521
Funds held by ceding companies	644	643
Reinsurance recoverable on paid losses	1,444	1,604
	48,200	61,091
Less: allowance for impairment loss	(696)	(897)
	47,504	60,194

The carrying amounts disclosed above approximate the fair values at the date of the statement of financial position.

The following table contains of the credit exposure of insurance receivables for which allowance for impairment loss is recognised, based on a combination of collectible and individual assessment:

	Simplified Approach	Simplified Approach	Stage 3 Lifetime ECL	
GROUP	Due premiums from brokers and agents	Due from and funds held by ceding companies	Reinsurance recoverable on paid losses	Total
	RM'000	RM'000	RM'000	RM'000
At 30 June 2022				
Gross carrying amounts	45,850	907	1,444	48,200
Allowance for impairment loss	(214)	(90)	(392)	(696)
	45,636	817	1,051	47,504
At 31 December 2020				
Gross carrying amounts	58,323	1,164	1,604	61,091
Allowance for impairment loss	(517)	(125)	(255)	(897)
	57,806	1,039	1,349	60,194

The allowance for impairment loss for insurance receivables as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

		Simplified Approach	Simplified Approach	Stage 3 Lifetime ECL	
GROUP	Note	Due premiums from brokers and agents	Due from and funds held by ceding companies	Reinsurance recoverable on paid losses	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		271	64	1	336
Increase in allowance for impairment loss – net	35	237	59	258	554
Currency translation differences		9	2	(4)	7
At 31 December 2020/1 January 2021		517	125	255	897
(Decrease)/increase in allowance for impairment loss – net	35	(291)	(31)	153	(169)
Currency translation differences		(12)	(4)	(16)	(32)
At 30 June 2022		214	90	392	696

15 LOANS AND RECEIVABLES

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Loans from money lending and other credit activities	68,166	24,936	-	-
Less: allowance for impairment loss	(20,366)	(9,044)	-	-
	47,800	15,892	-	-
Fixed and call deposits with licensed banks with maturity more than three months	5,004	11,806	-	-
Less: allowance for impairment loss	(23)	(24)	-	-
	4,981	11,782	-	-
Staff loans				
- Housing loans	3,461	-	-	-
- Computer loans	5	6	5	3
- Personal loans	33	40	21	26
	3,499	46	26	29
	56,280	27,720	26	29

The maturity structure of the loans and receivables is as follows:

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current				
Loans from money lending and other credit activities	33,980	203	-	-
Fixed and call deposits with licensed banks	4,981	11,782	-	-
Staff loans	87	24	16	10
	39,048	12,009	16	10
Non-current				
Loans from money lending and other credit activities	13,820	15,689	-	-
Staff loans	3,412	22	10	19
	17,232	15,711	10	19
	56,280	27,720	26	29

The carrying amounts disclosed above approximate the fair values at the date of the statement of financial position.

The weighted average effective interest rate of loans from money lending and other credit activities during the financial period ranged from 2.67% to 9.91% (31.12.2020: 2.05% to 6.68%) per annum.

The weighted average effective interest rate of fixed and call deposits with licensed banks during the financial period ranged from 0.25% to 1.25% (31.12.2020: 0.25% to 3.80%) per annum.

15 LOANS AND RECEIVABLES (continued)

Reconciliation of allowance for impairment loss

(a) Loans from money lending and other credit activities using general 3-stage approach

The following table contains of the credit exposure of loans from money lending and other credit activities for which allowance for impairment loss is recognised, based on a combination of collective and individual assessment:

	Stage 1	Stage 2	Stage 3	
GROUP	**12-month ECL**	**Lifetime ECL Not credit-impaired**	**Lifetime ECL Credit-impaired**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 30 June 2022				
Gross carrying amounts	26,020	12,028	30,118	68,166
Allowance for impairment loss				
- Individual assessment	-	(674)	(18,201)	(18,875)
- Collective assessment	(1,457)	-	(34)	(1,491)
	(1,457)	(674)	(18,235)	(20,366)
Net carrying amounts	24,563	11,354	11,883	47,800
At 31 December 2020				
Gross carrying amounts	16,791	-	8,145	24,936
Allowance for impairment loss				
- Individual assessment	-	-	(8,145)	(8,145)
- Collective assessment	(899)	-	-	(899)
	(899)	-	(8,145)	(9,044)
Net carrying amounts	15,892	-	-	15,892

The allowance for impairment loss for loans from money lending and other credit activities as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

		Stage 1	Stage 2	Stage 3	
GROUP	**Note**	**12-month ECL**	**Lifetime ECL Not credit-impaired**	**Lifetime ECL Credit-impaired**	**Total**
		RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January 2020		507	-	19,793	20,300
Increase in allowance for impairment loss – net	34	392	-	-	392
Amounts written off		-	-	(11,648)	(11,648)
At 31 December 2020/1 January 2021		899	-	8,145	9,044
Increase in allowance for impairment loss - net	34	558	674	18,235	19,467
Amounts written off		-	-	(8,145)	(8,145)
At 30 June 2022		1,457	674	18,235	20,366

15 LOANS AND RECEIVABLES (continued)

Reconciliation of allowance for impairment loss (continued)

(a) Loans from money lending and other credit activities using general 3-stage approach (continued)

The total loans portfolio from money lending and other credit activities as at 30 June 2022 included non-performing loans ("NPL") amounted to RM42,200,000 (31.12.2020: RM8,145,000). The borrowers of these NPL have committed repayments on agreed fixed repayment schedules and certain NPL are collateralised by properties and/or shares. The Group has assessed the values of the collaterals and/or committed cash flows stream based on the methods prescribed in Note 2.11 to the financial statements and made allowance for impairment loss where appropriate.

The fair values of the collateralised by properties and shares held by the Group as at the date of the statement of financial position was RM62,281,663 (31.12.2020: RM55,786,579).

Upon default payment by the borrower, the terms and conditions associated with the use of the collaterals are:

(i) The Group shall notify the borrower in writing, and may sell the collaterals pledged at its discretion; and

(ii) The net proceeds of any such sale shall be applied towards discharge of the loan interests and principal due to the Group.

(b) Fixed and call deposits with licensed banks using general 3-stage approach

The allowance for impairment loss for fixed and call deposits with licensed banks with maturity more than three months as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

GROUP	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		22	-	-	22
Increase in allowance for impairment loss - net	34	1	-	-	1
Currency translation difference		1	-	-	1
At 31 December 2020/1 January 2021		24	-	-	24
Currency translation difference		(1)	-	-	(1)
At 30 June 2022		23	-	-	23

16 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
At gross	4,872	2,317	-	-
Less: allowance for impairment loss	(1,633)	(952)	-	-
	3,239	1,365	-	-
Factoring receivables				
At gross	33,628	27,803	-	-
Less: allowance for impairment loss	(21,618)	(614)	-	-
	12,010	27,189	-	-
Amounts due from subsidiaries				
At gross	-	-	143,828	68,986
Less: allowance for impairment loss	-	-	(122,293)	(1,524)
	-	-	21,535	67,462
Amounts due from associates				
At gross	521	689	-	-
Less: allowance for impairment loss	(29)	(15)	-	-
	492	674	-	-
Retained Consideration from the disposal of MAA Takaful Berhad[N1]	5,127	5,127	5,127	5,127
Less: provision for Zurich's claim	(5,127)	(5,127)	(5,127)	(5,127)
	-	-	-	-
Other receivables, deposits and prepayments				
At gross	42,638	39,020	671	6,455
Less: allowance for impairment loss	(22,836)	(22,376)	-	(204)
	19,802	16,644	671	6,251
Purchase consideration paid for the acquisition of Turiya[N2]	23,787	-	23,787	-
Purchased loan[N3]	14,543	15,606	-	-
Inventories	3,435	1,139	-	-
	77,308	62,617	45,993	73,713
Current	74,406	61,478	45,879	73,599
Non-current	2,902	1,139	114	114
	77,308	62,617	45,993	73,713

The carrying amounts of trade and other receivables disclosed above approximate their fair values at the date of the statement of financial position.

The weighted average effective interest rate of loans from factoring activities during the financial period was 13.12% (30.12.2020: 10.95%) per annum.

16 TRADE AND OTHER RECEIVABLES (continued)

The amounts due from subsidiaries and associates bear interest rate at 5.0% per annum, unsecured and are repayable on demand.

(N1)Of the RM93,750,000 balance sale consideration from the disposal of MAA Takaful Berhad ("MAA Takaful") retained by Zurich Insurance Company Ltd ("Zurich"), the Company received RM88,623,400 from Zurich on 1 July 2019 net of Zurich's claims of RM5,126,600. The claims relate to alleged breach of warranties, which mainly comprise of claims of additional taxes and penalties imposed on MAA Takaful by the Inland Revenue Board of Malaysia.

(N2)As disclosed in Note 49(b) to the financial statements, due to the ongoing material litigations which restrains the Company from exercising its rights as shareholders and the uncertainty on the likelihood of the hearing, the Company has accounted for the cash consideration paid for the investment in Turiya as "Other receivables" instead of investment in subsidiary at acquisition date.

(N3)On 27 December 2019, Edumaax purchased an impaired loan of EUR3,160,000 (equivalent to RM14,643,000) ("Loan"). This impaired Loan is secured by mortgage which is valued approximately 2.5 times above the Loan amount.

	GROUP	
	30.6.2022	**31.12.2020**
	RM'000	**RM'000**
Original loan, at gross	39,174	39,174
Less: allowance for impairment loss	(24,531)	(24,531)
Currency translation differences	(100)	963
Carrying value of purchased loan	14,543	15,606

Reconciliation of the allowance for impairment loss

(a) Trade receivables using simplified approach

The following table contains of the credit exposure of trade receivables for which allowance for impairment loss is recognised, based on collective and individual assessment:

GROUP	Current	Up to 30 days past due	31 days to 90 days past due	More than 91 days past due	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 30 June 2022					
Gross carrying amounts	1,411	622	508	2,331	4,872
Allowance for impairment loss	(54)	(32)	(46)	(1,501)	(1,633)
Net carrying amounts	1,357	590	462	830	3,239
At 31 December 2020					
Gross carrying amounts	488	40	173	1,616	2,317
Allowance for impairment loss	(19)	(22)	(98)	(813)	(952)
Net carrying amounts	469	18	75	803	1,365

16 TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of the allowance for impairment loss (continued)

(a) Trade receivables using simplified approach (continued)

The allowance for impairment loss for trade receivables as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

GROUP	Note	Not credit-impaired	Credit-impaired	Total
		RM'000	RM'000	RM'000
At 1 January 2020		-	365	365
Arising from business combinations		-	653	653
Increase/(decrease) in allowance for impairment loss – net	35	139	(205)	(66)
At 31 December 2020/1 January 2021		139	813	952
(Decrease)/increase in allowance for impairment loss - net	35	(7)	756	749
Amounts written off		-	(68)	(68)
At 30 June 2022		132	1,500	1,633

(b) Factoring receivables using general 3-stage approach

The following table contains of the credit exposure of factoring receivables for which allowance for impairment loss is recognised, based on collective and individual assessment:

GROUP	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
	RM'000	RM'000	RM'000	RM'000
At 30 June 2022				
Gross carrying amounts	4,642	242	28,744	33,628
Allowance for impairment loss				
- Individual assessment	-	-	(21,344)	(21,344)
- Collective assessment	(260)	(14)	-	(274)
	(260)	(14)	(21,344)	(21,618)
Net carrying amounts	4,382	228	7,400	12,010
At 31 December 2020				
Gross carrying amounts	27,803	-	-	27,803
Allowance for impairment loss				
- Collective assessment	(614)	-	-	(614)
Net carrying amounts	27,189	-	-	27,189

16 TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of the allowance for impairment loss (continued)

(b) Factoring receivables using general 3-stage approach (continued)

The allowance for impairment loss for factoring receivables as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

GROUP	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		342	-	-	342
Increase in allowance for impairment loss - net	35	272	-	-	272
At 31 December 2020/1 January 2021		614	-	-	614
(Decrease)/increase in allowance for impairment loss - net	35	(354)	14	21,344	21,004
At 30 June 2022		260	14	21,344	21,618

(c) Amounts due from subsidiaries using general 3-stage approach

The following table contains of the credit exposure of amounts due from subsidiaries for which allowance for impairment loss is recognised, based on individual assessment:

COMPANY	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
	RM'000	RM'000	RM'000	RM'000
At 30 June 2022				
Gross carrying amounts	-	23,062	120,766	143,828
Allowance for impairment loss	-	(1,527)	(120,766)	(122,293)
Net carrying amounts	-	21,535	-	21,535
At 31 December 2020				
Gross carrying amounts	68,986	-	-	68,986
Allowance for impairment loss	(1,524)	-	-	(1,524)
Net carrying amounts	67,462	-	-	67,462

16 TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of the allowance for impairment loss (continued)

(c) Amounts due from subsidiaries using general 3-stage approach (continued)

The allowance for impairment loss for amounts due from subsidiaries as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

COMPANY	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		295	-	-	295
Increase in allowance for impairment loss - net	34	1,229	-	-	1,229
At 31 December 2020/1 January 2021		1,524	-	-	1,524
(Decrease)/increase in allowance for impairment loss - net	34	(1,524)	1,527	120,766	120,769
At 30 June 2022		-	1,527	120,766	122,293

(d) Amounts due from associates using general 3-stage approach

The following table contains of the credit exposure of amounts due from associates for which allowance for impairment loss is recognised, based on individual assessment:

GROUP	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
	RM'000	RM'000	RM'000	RM'000
At 30 June 2022				
Gross carrying amounts	521	-	-	521
Allowance for impairment loss	(29)	-	-	(29)
Net carrying amounts	492	-	-	492
At 31 December 2020				
Gross carrying amounts	-	-	689	689
Allowance for impairment loss	-	-	(15)	(15)
Net carrying amounts	-	-	674	674

16 TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of the allowance for impairment loss (continued)

(d) Amounts due from associates using general 3-stage approach (continued)

The allowance for impairment loss for amounts due from associates as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

GROUP	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		-	-	2,998	2,998
Derecognition due to step acquisition		-	-	(2,894)	(2,894)
Decrease in allowance for impairment loss	34	-	-	(89)	(89)
At 31 December 2020/1 January 2021		-	-	15	15
Derecognition due to step acquisition		-	-	(15)	(15)
Increase in allowance for impairment loss	34	29	-	-	29
At 30 June 2022		29	-	-	29

(e) Other receivables using general 3-stage approach

The allowance for impairment loss for other receivables as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows:

GROUP	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		-	-	22,330	22,330
Arising from business combinations		158	-	-	158
Amounts written off		-	-	(112)	(112)
At 31 December 2020/1 January 2021		158	-	22,218	22,376
Arising from business combinations		-	745	-	745
(Decrease)/increase in allowance for impairment loss - net	35	(128)	47	-	(81)
Amounts written off		-	-	(204)	(204)
At 30 June 2022		30	792	22,014	22,836

16 TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of the allowance for impairment loss (continued)

(e) Other receivables using general 3-stage approach (continued)

The allowance for impairment loss for other receivables as at 30 June 2022 reconciles to the opening allowance for impairment loss as follows: (continued)

COMPANY	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020/31 December 2020/1 January 2021	-	-	204	204
Amounts written off	-	-	(204)	(204)
At 30 June 2022	-	-	-	-

17 DEFERRED ACQUISITION COSTS AND DEFERRED REINSURANCE COMMISSIONS

	GROUP 30.6.2022	GROUP 31.12.2020
	RM'000	RM'000
Deferred Acquisition Costs		
At 1 January	21,085	19,435
Costs deferred during the financial period/year	60,206	44,409
Amortisation during the financial period/year	(60,743)	(38,602)
Currency translation differences	(898)	(4,157)
At 30 June 2022/31 December 2020	19,650	21,085
Deferred Reinsurance Commissions		
At 1 January	2,062	908
Income deferred during the financial period/year	5,808	2,474
Amortisation during the financial period/year	(5,224)	(2,557)
Currency translation differences	(112)	1,237
At 30 June 2022/31 December 2020	2,534	2,062

18 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	44,006	92,134	5,427	46,754
Fixed and call deposits with licenced banks with maturity of three months or less	9,862	18,419	1,040	3,647
	53,868	110,553	6,467	50,401
Less: allowance for impairment loss	(83)	(90)	-	-
	53,785	110,463	6,467	50,401

The carrying amounts disclosed above approximate their fair values at the date of the statement of financial position.

The weighted average effective interest rate of fixed and call deposits with licensed banks during the financial period ranged from 0.35% to 1.56% (31.12.2020: 0.13% to 3.80%) per annum.

Included in the fixed deposits with licensed banks of the Group is RM5,934,000 (31.12.2020: Nil) pledged for the margin trading facility liability granted to the subsidiary of the Company, as disclosed in Note 23 to the financial statement.

Reconciliation of the allowance for impairment loss for cash and cash equivalents using general 3-stage approach is as follows:

GROUP	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit-impaired	Stage 3 Lifetime ECL Credit-impaired	Total
		RM'000	RM'000	RM'000	RM'000
At 1 January 2020		65	-	-	65
Increase in allowance for impairment loss	34	23	-	-	23
Currency translation differences		2	-	-	2
At 31 December 2020/1 January 2021		90	-	-	90
Decrease in allowance for impairment loss	34	(4)	-	-	(4)
Currency translation differences		(3)	-	-	(3)
At 30 June 2022		83	-	-	83

19 SHARE CAPITAL

GROUP and COMPANY

	30.6.2022		31.12.2020	
	Amount	Number of shares	Amount	Number of shares
	RM'000	'000	RM'000	'000
Issued and fully paid ordinary shares				
At beginning/end of financial period/year	304,354	263,732	304,354	263,732

20 TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed at the Annual General Meeting on 30 June 2020 approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buy-back plan can be applied in the best interest of the Company and its shareholders.

During the previous financial year ended 31 December 2020, the Company purchased a total 9,574,100 ordinary shares of its issued share capital from the open market at an average price RM0.73 per share. The total purchase consideration paid for the shares buy-back including transaction costs amounted to RM7,014,656 and were financed by internally generated funds. The shares purchased were held as treasury shares in accordance with the Companies Act 2016 and carried at purchase cost. On 1 December 2020, the Company cancelled the whole 9,574,100 treasury shares in accordance with the Companies Act 2016.

As at 31 December 2020, there were no treasury shares held by the Company.

Movement in the share buy-back

	Number of shares	Total purchase costs	Purchase price per share		Average price per share
			Lowest	Highest	
		RM'000	RM	RM	RM
At 1 January 2020	-	-			
January	23,100	17	0.74	0.76	0.74
February	521,100	410	0.75	0.79	0.79
March	1,039,200	776	0.60	0.79	0.75
April	1,398,200	949	0.57	0.74	0.68
May	348,100	251	0.71	0.73	0.72
June	1,538,800	1,114	0.70	0.75	0.72
July	1,569,200	1,167	0.71	0.76	0.74
August	3,136,400	2,331	0.73	0.76	0.74
Total purchased in 2020	9,574,100	7,015			0.73
Cancellation of treasury shares	(9,574,100)	(7,015)			
At 31 December 2020	-	-			

21 RETAINED EARNINGS AND RESERVES

	Note	GROUP 30.6.2022 RM'000	GROUP 31.12.2020 RM'000	COMPANY 30.6.2022 RM'000	COMPANY 31.12.2020 RM'000
Retained earnings/(accumulated losses)		102,219	237,508	(179,834)	85,233
Reserves					
- Foreign exchange reserves		(17,007)	(11,142)	-	-
- FVOCI reserves		(4,186)	2,287	-	-
- Share of associate's OCI		(6,364)	-	-	-
		(27,557)	(8,855)	-	-
		74,662	228,653	(179,834)	85,233
Retained earnings/(accumulated losses)					
At 1 January		237,508	205,168	85,233	85,422
(Loss)/profit for the financial period/year		(134,170)	39,789	(265,067)	6,826
Transactions with NCI		(1,387)	-	-	-
Remeasurement loss on retirement benefit plan	26	268	(434)	-	-
Cancellation of treasury shares	20	-	(7,015)	-	(7,015)
At 30 June 2022/31 December 2020		102,219	237,508	(179,834)	85,233
Foreign exchange reserves					
At 1 January		(11,142)	(5,824)	-	-
Currency translation differences arising during the financial period/year		(5,865)	(5,318)	-	-
At 30 June 2022/31 December 2020		(17,007)	(11,142)	-	-
FVOCI reserves					
At 1 January		2,287	1,343	-	-
Gross fair value changes	11	(6,023)	4,518	-	-
Realised gains transferred to profit or loss upon disposal of investments at FVOCI	31	(453)	(3,561)	-	-
Allowance for/(write back of) impairment loss transferred to profit or loss	34	3	(13)	-	-
Changes in fair value of investments at FVOCI		(6,473)	944	-	-
At 30 June 2022/31 December 2020		(4,186)	2,287	-	-
Share of associate's OCI					
At 1 January		-	-	-	-
Share of associate's OCI during the financial period	10	(6,364)	-	-	-
At 30 June 2022/31 December 2020		(6,364)	-	-	-

21 RETAINED EARNINGS AND RESERVES (continued)

Foreign exchange reserves are used to record exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies differ from the Group's presentation currency.

FVOCI reserves represent the cumulative fair value changes, net of tax, of investments until they are disposed or impaired.

22 INSURANCE CONTRACT LIABILITIES

The General insurance contract liabilities and its movements are further analysed as follows:

GROUP	Note	30.6.2022 Gross RM'000	30.6.2022 Reinsurance RM'000	30.6.2022 Net RM'000	31.12.2020 Gross RM'000	31.12.2020 Reinsurance RM'000	31.12.2020 Net RM'000
Provision for claims reported by policyholders		127,788	(60,929)	66,859	108,474	(37,919)	70,555
Provision for incurred but nor reported claims ("IBNR")		23,033	(9,658)	13,375	19,158	(12,051)	7,107
Provision for outstanding claims	(a)	150,821	(70,587)	80,234	127,632	(49,970)	77,662
Provision for unearned premiums	(b)	77,095	(17,174)	59,921	72,883	(12,903)	59,980
		227,916	(87,761)	140,155	200,515	(62,873)	137,642

(a) Provision for outstanding claims

	Note	30.6.2022 Gross RM'000	30.6.2022 Reinsurance RM'000	30.6.2022 Net RM'000	31.12.2020 Gross RM'000	31.12.2020 Reinsurance RM'000	31.12.2020 Net RM'000
At 1 January		127,632	(49,970)	77,662	145,590	(69,349)	76,241
Claims incurred during the financial period/year		84,871	(38,779)	46,092	50,119	(11,895)	38,224
Claims paid during the financial period/year – net of salvage and subrogation		(60,577)	13,638	(46,939)	(58,670)	19,274	(39,396)
Increase/(decrease) in IBNR		4,937	1,899	6,836	(15,439)	14,784	(655)
		29,231	(23,242)	5,989	(23,990)	22,163	(1,827)
Currency translation differences		(6,042)	2,625	(3,417)	6,032	(2,784)	3,248
At 30 June 2022/31 December 2020		150,821	(70,587)	80,234	127,632	(49,970)	77,662

(b) Provision for unearned premiums

	Note	30.6.2022 Gross RM'000	30.6.2022 Reinsurance RM'000	30.6.2022 Net RM'000	31.12.2020 Gross RM'000	31.12.2020 Reinsurance RM'000	31.12.2020 Net RM'000
At 1 January		72,883	(12,903)	59,980	70,999	(8,203)	62,796
Premiums written during the financial period/year	28	256,455	(99,818)	156,637	157,304	(54,955)	102,349
Premiums earned during the financial period/year	28	(248,996)	94,843	(154,153)	(158,298)	50,501	(107,797)
		7,459	(4,975)	2,484	(994)	(4,454)	(5,448)
Currency translation differences		(3,247)	704	(2,543)	2,878	(246)	2,632
At 30 June 2022/31 December 2020		77,095	(17,174)	59,921	72,883	(12,903)	59,980

23 BORROWINGS

	Note	GROUP 30.6.2022 RM'000	GROUP 31.12.2020 RM'000
Secured:			
Margin trading finance facility	(a)	18,943	-
Hire purchase liabilities	(b)	216	293
		19,159	293
Current			
Margin trading finance facility		18,943	-
Hire purchase liabilities		47	56
		18,990	56
Non-current			
Hire purchase liabilities		169	237
		19,159	293

(a) During the current financial period, a subsidiary of the Group entered into a margin trading finance facility agreement ("MTFL") with a licensed institution. The effective interest rates of the MTFL during the financial period ranged is 5.90% to 6.15% per annum. The fair value of the MTFL approximates the carrying amount and it bears interest at BLR+0.50% per annum as at the date of the statement of financial position.

The MTFL is secured by way of:

(a) Fixed deposit with licensed institution as disclosed in Note 16 to the financial statements.
(b) A corporate guarantee from the Company.

(b) The hire purchase liabilities of the Group bear interest rates ranging from 6.6% to 7.4% (31.12.2020: 6.6% to 10.4%) per annum.

The changes in liabilities arising from financing activities are as follows:

	MTFL RM'000	Hire purchase liabilities RM'000	Total RM'000
At 1 January 2020	-	43	43
Arising from business combination	-	34	34
Acquisition during the financial year	-	246	246
Interests for the financial year	-	3	3
Repayment during the financial year			
- principal	-	(30)	(30)
- interest	-	(3)	(3)
	-	(33)	(33)
At 31 December 2020/1 January 2021	-	293	293
Acquisition during the financial period	19,247	-	19,247
Interests for the financial period	852	27	879
Repayment during the financial period			
- principal	(978)	(77)	(1,055)
- interests	(178)	(27)	(205)
	(1,156)	(104)	(1,260)
At 30 June 2022	18,943	216	19,159

24 INSURANCE PAYABLES

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Current		
Due to reinsurers and ceding companies	25,167	20,555

The carrying amounts disclosed above approximate their fair values at the date of the statement of financial position.

25 TRADE AND OTHER PAYABLES

		GROUP		COMPANY	
	Note	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
Commissions payable		15,339	18,571	-	-
Claims payable		1,394	2,941	-	-
Value added tax payable		10,638	21,558	-	-
Withholding tax payable		2,318	2,936	-	-
Other taxes payable		2,093	1,054	-	-
Bond collaterals received from policyholders		5,678	3,718	-	-
Fees received in advance	(a)	11,176	13,078	-	-
Security deposit		6,828	5,710	-	-
Amount due to directors	(b)	6,383	5,948	-	-
Provision for liquidation fees and expenses of a deconsolidated subsidiary	(c)	4,687	4,687	-	-
Purchase consideration payable	(d)	-	3,834	-	-
Other payables due to brokers and fund managers		6	3,164	6	3,164
Provision for staff costs		797	1,294	623	487
Accrual for unutilised staff leave		380	325	221	161
Defined retirement contribution plan payable		57	33	53	30
Amount due to a subsidiary	(e)	-	-	700	-
Accrual for professional fee		297	235	297	235
Trade payables		2,784	-	-	-
Other payables and accruals		24,074	21,328	916	1,660
		94,929	110,414	2,816	5,737
Current		88,607	104,529	2,816	5,737
Non-current		6,322	5,885	-	-
		94,929	110,414	2,816	5,737

The carrying amounts disclosed above approximate their fair values at the date of the statement of financial position.

25 TRADE AND OTHER PAYABLES (continued)

(a) The fees received in advance of the Group represent contract liabilities that relates to fees received for services not yet rendered.

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	13,078	11,768	-	-
Fee received during the financial period/year	31,073	17,886	-	-
Revenue recognised in profit or loss	(32,975)	(16,576)	-	-
At 30 June 2022/31 December 2020	11,176	13,078	-	-

(b) The unsecured amount due to directors is stated at amortised costs with an effective interest rate if 5% per annum. The amount is not repayable within 12 months from the end of the reporting date, subject to an agreement with the directors. The carrying amount approximates its fair value as at the date of the statement of financial position.

(c) In the previous financial year ended 31 December 2015, the Group made a provision of RM5.66 million for the liquidation fees and expenses related to an former subsidiary, PT MAA General Assurance ("PT MAAG") which had commenced shareholders' voluntary winding up on 1 December 2015. Following the appointment of the liquidators, the Group had relinquished its control and involvement in the operation and financial matters of PT MAAG to the liquidators. Accordingly, PT MAAG had ceased to be a subsidiary of the Group and had been deconsolidated with effect from 1 December 2015. The said provision was based on the appointed liquidators' schedule of fees and expenses and an estimation of three (3) years to complete the liquidation of PT MAAG.

On 26 December 2019, the Financial Services Authority of Indonesia had approved the extension of time till 31 March 2020 for the liquidators to complete the shareholders' voluntary winding up of PT MAAG. The liquidators had completed all stages of the liquidation process and the Financial Service Authority of Indonesia has via its letter dated 5 October 2021 approved for the disbursement of the insurance guarantee fund. The Liquidator has on 2 August 2022 submitted all required documents to the relevant authorities for the dissolution of PT MAAG and pending for approval.

(d) Consists of RM5.0 million of the purchase consideration for Scholastic IB International Sdn Bhd ("SIB") and its subsidiaries was withheld by Edumaax Sdn Bhd ("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.

(e) The amounts due to a subsidiary bear interest rate at 5.0% per annum, unsecured and are repayable on demand.

26 RETIREMENT BENEFIT LIABILITY

The General insurance subsidiary has a funded, non-contributory, defined benefit pension plan covering substantially all of its regular employees. The plan provides a retirement benefit equal to one hundred percent (100%) of Plan Salary for every year of credited service plus retirement bonus, if any. The plan is administered by a local bank as trustee.

The amount of retirement benefit liability recognised in the statements of financial position is as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Fair value of defined benefit obligation	(6,828)	(6,745)
Fair value of plan assets	6,134	5,526
Retirement benefit liability	(694)	(1,219)

Changes in the present value of the defined benefit obligations recognised in the statements of financial position are as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
At 1 January	6,745	5,240
Current service cost	1,091	627
Interest cost	450	304
Benefits paid	(618)	(234)
Remeasurement losses		
Actuarial (gains)/losses arising from changes in financial assumptions	(1,977)	975
Experience adjustments	1,445	(377)
Currency translation differences	(308)	210
At 30 June 2022/31 December 2020	6,828	6,745

Changes in the fair value of plan assets are as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
At 1 January	5,526	3,882
Contributions	1,344	1,421
Interest income	414	258
Benefits paid	(618)	(234)
Return on plan assets excluding amount in net interest income/cost	(258)	49
Currency translation differences	(274)	150
At 30 June 2022/31 December 2020	6,134	5,526

The amounts of defined benefit costs that are recognised in profit or loss under 'Staff costs – defined retirement benefit plan' in Note 35 to the financial statements are as follows:

	GROUP	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000
Current service cost	1,091	627
Net interest income	36	46
	1,127	673

26 RETIREMENT BENEFIT LIABILITY (continued)

The amounts of defined benefit costs which are included in OCI related to remeasurement of retirement benefit liability are as follows:

	GROUP	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000
Actuarial gains/(losses) on present value of retirement obligation	532	(598)
Return on plan assets excluding amount in net interest income/cost	(258)	49
	274	(549)
Deferred tax effect	(68)	165
Currency translation differences	62	(50)
	268	(434)

The fair values of plan assets by each class as at 30 June 2022 and 31 December 2020 are as follows:

	GROUP	
	30.6.2022	31.12.2020
	RM'000	RM'000
Cash and cash equivalents	-	1
Investments in:		
Government debt securities	5,579	5,017
Unit trust fund	73	110
Private debt securities	453	376
Accrued trust fees	(8)	(6)
Others	37	28
Total plan assets	6,134	5,526

Cash and cash equivalents include cash in saving deposit, special savings deposit and time deposit accounts. Investments in government debt securities consist of investments in retail treasury bonds while the private debt securities consist of investment in commercial papers and interest receivables.

All government and private debt securities held, except various receivables, have quoted prices in active market. The remaining plan assets are carried at carrying amounts that approximate the fair values.

The plan assets comprise significantly of investments in government debt securities, representing 90.95% and 90.78% of total plan assets as of 30 June 2022 and 31 December 2020 respectively. Investments in government debt securities are considered "low credit risk" investments.

The principal assumptions used to determine pension benefits for the General insurance subsidiary are as follows:

	30.6.2022	31.12.2020
Discount rate	6.43%	4.05%
Expected salary rate increase	7.00%	7.00%

26 RETIREMENT BENEFIT LIABILITY (continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the fair value of defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		Impact on present value of defined benefit obligation	
	Change in variables	**Increase/(decrease)**	
		30.6.2022	**31.12.2020**
		RM'000	**RM'000**
Discount rate	+100 bps	(609)	(686)
	-100 bps	733	842
Salary increase rate	+100 bps	721	808
	-100 bps	(611)	(674)

The General insurance subsidiary does not expect any contribution to the plan in next financial year.

In the financial period ended 30 June 2022 and 31 December 2020, the weighted average duration of the retirement benefit obligation is 10.0 years and 11.3 years respectively.

Maturity profile of the expected undiscounted benefit payments are as follows:

Financial Year	**30.6.2022**	**31.12.2020**
	RM'000	**RM'000**
Year 1	2,525	1,018
Year 2	206	1,361
Year 3	60	87
Year 4	373	197
Year 5	161	317
Year 6 to 10	3,180	1,226

27 OPERATING REVENUE

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Gross earned premiums	28	248,996	158,298	-	-
Investment income	29	7,916	4,256	1,545	1,784
Interest income	30	30,731	19,243	10,410	4,605
Other operating revenue from non-insurance businesses	33	76,506	30,046	115	386
		364,149	211,843	12,070	6,775

28 NET EARNED PREMIUMS

	GROUP	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000
Gross earned premiums		
Gross written premiums	256,455	157,304
Change in unearned premium reserves	(7,459)	994
	248,996	158,298
Premiums ceded to reinsurers		
Gross written premiums ceded to reinsurers	(99,818)	(54,955)
Change in unearned premium reserves	4,975	4,454
	(94,843)	(50,501)
Net earned premiums	154,153	107,797

29 INVESTMENT INCOME

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Rental income from investment properties	6	183	149	26	158
Investments at FVTPL					
Dividend income from:					
Equity securities					
- quoted in Malaysia		269	195	269	195
- quoted outside Malaysia		3,406	2,168	1,250	1,431
- unquoted outside Malaysia		1,592	-	-	-
Unit trusts					
- quoted in Malaysia		92	97	-	-
		5,359	2,460	1,519	1,626
Investments at FVOCI					
Dividend income from:					
Equity securities quoted outside Malaysia					
- related to those derecognised during the financial period/year		292	134	-	-
- related to those held as at the end of the financial period/year		2,082	1,513	-	-
		2,374	1,647	-	-
		7,916	4,256	1,545	1,784

30 INTEREST INCOME

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI				
Interest income from:				
- Government debt securities quoted outside Malaysia	2,487	2,024	-	-
- Corporate debt securities quoted outside Malaysia	78	85	-	-
- Corporate debt securities unquoted in Malaysia	1,331	622	1,331	622
	3,896	2,731	1,331	622
Investments at AC				
Interest income from:				
- Government debt securities quoted outside Malaysia	1,087	703	-	-
- Corporate debt securities quoted outside Malaysia	8,676	6,229	-	-
- Private trust fund unquoted in Malaysia	-	25	-	-
- Private trust fund unquoted outside Malaysia	4	8	-	-
- Investment notes unquoted in Malaysia	263	-	-	-
	10,030	6,965	-	-
Interest income from:				
- Staff loans	131	3	7	3
- Subsidiaries	-	-	8,648	2,079
- Associates	66	278	-	-
	197	281	8,655	2,082
Interest income from fixed and call deposits	764	2,721	424	1,901
Interest income from:				
- debt factoring business	9,055	5,407	-	-
- loans from money lending and other credit activities	6,789	1,138	-	-
	15,844	6,545	-	-
	30,731	19,243	10,410	4,605

31 REALISED GAINS AND LOSSES

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Net (losses)/gains	(11)	4	-	(1)
Investments at FVTPL				
Net realised gains/(losses)				
- Equity securities quoted in Malaysia	1,329	555	1,329	555
- Equity securities quoted outside Malaysia	7,315	3,231	3,882	3,420
- Unit trusts quoted outside Malaysia	(54)	-	-	-
	8,590	3,786	5,211	3,975
Investments at FVOCI				
Net realised gains/(losses)				
- Government debt securities quoted outside Malaysia	453	3,569	-	-
- Corporate debt securities quoted outside Malaysia	-	(8)	-	-
	453	3,561	-	-
	9,032	7,351	5,211	3,974

32 FAIR VALUE GAINS AND LOSSES

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Net fair value losses on investment properties	6	(1,511)	(112)	(1,823)	(13)
Investments at FVTPL					
Net fair value gains/(losses)					
Equity securities					
- Equity securities quoted in Malaysia		(15,742)	(335)	(12,930)	(335)
- Equity securities quoted outside Malaysia		(7,861)	21,912	2,902	20,414
- Equity securities unquoted outside Malaysia		(2,396)	509	-	-
- Unit trusts quoted in Malaysia		(122)	28	-	-
		(26,121)	22,114	(10,028)	20,079
		(27,632)	22,002	(11,851)	20,066

33 OTHER OPERATING REVENUE FROM NON-INSURANCE BUSINESSES

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Fee income from education services	38,446	27,729	-	-
Revenue from hotel room and hotel related services	25,726	1,327	-	-
Sale of cigar and accessories	3,634	362	-	-
Revenue from sale of cinema tickets and concessions	2,639	-	-	-
Advisory and management fee	1,065	204	115	386
Others	4,996	424	-	-
	76,506	30,046	115	386

Revenue of the education segment represents course fees of RM4.4 million (31.12.2020: RM9.3 million), school fees of RM30.9 million (31.12.2020: RM16.2 million), tuition fees of RM1.5 million (31.12.2020: RM1.4 million) and other fees of RM1.6 million (31.12.2020: RM0.9 million).

Revenue from course fees, school fees, tuition fees and other fees will be recognised over time throughout the semester or school period and others are recognised at a point in time upon delivery of services. The credit term to customers is on cash term to 14 days from the date of invoice.

34 OTHER OPERATING (EXPENSES)/INCOME – NET

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Property, plant and equipment written off	4	-	(1)	-	(1)
Bad debts recovered		435	238	-	-
(Allowance for)/write back of impairment loss on:					
- intangible assets	7	(212)	-	-	-
- investments in subsidiaries	9	-	-	(100,748)	-
- investments in an associate	10	(2,367)	-	(21,280)	-
- investments at AC	11(c)	(208)	(274)	-	-
- loans from money lending and other credit activities	15(a)	(19,467)	(392)	-	-
- fixed and call deposits with licensed banks	15(b)	-	(1)	-	-
- amounts due from subsidiaries	16(c)	-	-	(120,769)	(1,229)
- amounts due from associates	16(d)	(29)	89	-	-
- cash and cash equivalents	18	4	(23)	-	-
- investments at FVOCI	21	(3)	13	-	-
Realised foreign exchange (losses)/gains – net		(375)	8,950	(545)	(1,827)
Unrealised foreign exchange (losses)/gains - net		(179)	(2,205)	1,074	(2,257)
Allowance for impairment loss on goodwill acquired	8	(6,541)	(3,785)	-	-
Gain on remeasurement of previously held equity interest in an associate	38(a)	29	-	-	-
Reserve arising from a business combination	38(c)	14	-	-	-
Other income arising from the excess purchase consideration[N1]		-	3,500	-	-
Loss on remeasurement of ROU assets		(1,130)	-	-	-
Rebate on lease payment		391	613	-	-
Commission income		2,000	-	-	-
Others		5,779	1,154	809	6
		(21,859)	7,876	(241,459)	(5,308)

[N1]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 and recognised the said refund as other income in profit or loss.

35 MANAGEMENT EXPENSES

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Staff costs	35(a)	68,393	26,007	15,003	6,865
Non-executive Directors' remuneration	42	1,276	576	500	370
Fees paid to a company in which certain Directors have an interest	42	465	253	321	217
Auditors' remuneration	35(b)	1,406	596	380	259
Depreciation of property, plant and equipment	4	6,504	3,138	283	302
Amortisation of leasehold land	4	2	1	-	-
Depreciation of ROU assets	5	19,404	8,565	610	423
Direct operating expenses of investment properties	6	1,832	1,018	824	537
Amortisation of intangible assets	7	428	179	20	44
(Write back of)/allowance for impairment loss on:					
- insurance receivables	14	(169)	554	-	-
- trade and other receivables	16(a), (c)	668	(66)	-	-
- factoring receivables	16(b)	21,004	272	-	-
Tutors' fees for education services		8,065	9,601	-	-
Cost of sales for hospitality		23,379	1,448	-	-
Film rental costs		750	-	-	-
Concession & beverage expenses		364	-	-	-
Professional fees		7,875	3,506	2,726	1,118
Investment management expenses		3,317	3,969	3,317	3,969
Computer and data processing expenses		1,745	1,047	352	262
Advertising, promotional and entertainment expenses		5,024	2,293	269	466
Motor vehicle, accommodation and travelling expenses		1,628	1,376	274	118
Staff medical, amenities and training expenses		1,984	1,333	391	300
Rental of third-party premises		374	181	-	-
Printing and stationery		1,009	976	113	105
Postage, telephone and fax		1,032	748	51	54
Electricity and water		1,354	920	39	27
Security charges		632	461	-	-
Repair and maintenance		1,811	974	44	45
Underwriting and agency training expenses		2,897	2,864	-	-
Sponsorship		-	-	1,559	-
Withholding tax		2,054	-	-	-
Others		6,157	6,493	1,488	967
		192,664	79,283	28,564	16,448

35 **MANAGEMENT EXPENSES** (continued)

(a) **Staff costs**

		GROUP		COMPANY	
	Note	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
		RM'000	RM'000	RM'000	RM'000
Wages and salaries		55,214	20,283	10,993	5,137
Bonus		4,189	2,004	1,468	620
Contributions to defined contribution plan		5,024	1,678	1,252	550
Contributions to retirement benefit plans	26	1,127	673	-	-
Accrual for unutilised leaves		55	44	60	17
Executive Director's fees		76	17	-	-
Other staff benefits		2,708	1,308	1,230	541
		68,393	26,007	15,003	6,865

Included in staff costs of the Group and of the Company are the remuneration expenses for the Executive Directors' remunerations of RM9,434,000 (31.12.2020: RM3,927,000) and RM4,366,000 (31.12.2020: RM2,109,000) respectively as disclosed in Note 42 to the financial statements.

(b) **Auditors' remuneration**

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Auditors of the Company				
- statutory audit				
- Current period	553	354	380	251
- under provision in prior financial periods	-	34	-	8
	553	388	380	259
Auditors' remuneration payable/paid to other audit firms				
- statutory audit				
- Current period	844	202	-	-
- under provision in prior financial periods	9	6	-	-
	853	208	-	-
	1,406	596	380	259

36 FINANCE COSTS

	Note	GROUP 1.1.2021 to 30.6.2022 (18 months) RM'000	GROUP 1.1.2020 to 31.12.2020 (12 months) RM'000	COMPANY 1.1.2021 to 30.6.2022 (18 months) RM'000	COMPANY 1.1.2020 to 31.12.2020 (12 months) RM'000
Hire purchase interest		27	3	-	-
Lease interests	5(b)	3,499	674	110	16
Interest on borrowing		852	-	-	-
Interest on amounts due to a subsidiary		-	-	21	-
Other interest		4	52	-	-
		4,382	729	131	16

37 TAXATION

	Note	GROUP 1.1.2021 to 30.6.2022 (18 months) RM'000	GROUP 1.1.2020 to 31.12.2020 (12 months) RM'000	COMPANY 1.1.2021 to 30.6.2022 (18 months) RM'000	COMPANY 1.1.2020 to 31.12.2020 (12 months) RM'000
Current tax					
Malaysia					
- Current financial period/year		3,617	3,407	1,053	2,250
- Under/(over) provision in prior financial years		195	(127)	(87)	-
Overseas					
- Current financial period/year		7,791	4,771	-	-
Total current tax expenses recognised in profit or loss		11,603	8,051	966	2,250
Deferred tax	12				
Malaysia					
- Origination and reversal of temporary differences		(579)	(145)	(623)	(33)
Overseas					
- Origination and reversal of temporary differences		145	(2,066)	-	-
Total deferred tax expenses recognised in profit or loss		(434)	(2,211)	(623)	(33)
Total tax expenses		11,169	5,840	343	2,217

37 TAXATION (continued)

Reconciliation of tax expense of the Group and of the Company are as follows:

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before taxation	(139,403)	44,901	(264,724)	9,043
Taxation at Malaysia statutory tax rate of 24% (31.12.2020: 24%)	(33,457)	10,776	(63,534)	2,170
Non-deductible expenses	24,325	1,077	62,200	1,763
Income not subject to tax	(5,971)	(8,707)	(1,033)	(597)
Effect of share of results of associates	15,065	-	-	-
Temporary differences previously not recognised	2,592	(1,048)	2,592	(1,048)
Utilisation of previously unrecognised temporary differences	(76)	-	-	-
Tax exemption income	-	(15)	-	-
Effect of tax rates in foreign jurisdictions	317	537	-	-
Tax losses not recognised	9,242	3,412	260	150
Utilisation of tax losses and capital allowances	(1,063)	(65)	(55)	(30)
Under/(over) provision in prior financial years	195	(127)	(87)	-
Losses claimed under group relief	-	-	-	(191)
Total tax expenses	11,169	5,840	343	2,217

38 BUSINESS COMBINATIONS AND TRANSACTIONS WITH NCI

(a) Step up acquisition of MAA Bancwell Trustee Berhad ("MAA Bancwell")

On 4 February 2021, MAA Credit Berhad, a wholly owned sub-subsidiary of the Company acquired 11,000 ordinary shares representing 11% of the share capital of 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.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(i) Purchase consideration

	RM'000
Cash paid/Total purchase consideration	7

(ii) Fair value of identifiable assets acquired and liabilities assumed

The following table summarised the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	RM'000
Trade and other receivables	102
Cash and cash equivalents	13
Trade and other payables	(57)
Total fair value of net identifiable assets acquired	58

(iii) Assets and liabilities of MAA Bancwell were measured at their respective fair value at the acquisition date as follows:

	Note	RM'000
Total purchase consideration		7
Fair value of previously held equity interest		29
Fair value of non-controlling interest		23
		59
Less: total fair value of net identifiable assets acquired		(58)
Goodwill arising from business combination	8	1

The Group had impaired the goodwill of RM1,000 arising from the step acquisition of MAA Bancwell as the company is in a loss-making position.

(iv) Gain on remeasurement of previously held equity investments

	Note	RM'000
Fair value of previously held equity interest		29
Less: carrying value immediately before the acquisition date		-
Gain on remeasurement	34	29
Deferred tax liabilities	12	(7)
		22

(v) Net cash flow to the Group

	RM'000
Total purchase consideration	(7)
Cash and cash equivalent acquired	13
Net cash inflow from business combination	6

38 BUSINESS COMBINATIONS AND TRANSACTIONS WITH NCI (continued)

(b) Transactions with NCI

On 8 January 2021, Hospitality 360 Sdn Bhd ("H360") 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%; and

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%.

The effects of the changes in the equity interests in TSSSB and TLTSB on the equity attributable to the owners of the Group were as follows:

	RM'000
Carrying amount of NCI acquired	(1,387)
Cash consideration paid to NCI	-*
Decrease in equity attributable to owner of the Group	(1,387)

*Denote RM10.00

(c) Acquisition of subsidiaries by Hospitality 360 Sdn Bhd ("H360")

On 20 January 2021, Trinidad Signatures Suites Sdn Bhd ("TSSSB"), a subsidiary of H360 acquired 100 ordinary shares representing 100% of the share capital of NS Global Management Sdn Bhd ("NS Global") from Rajes M. Daswani and NS Global Assets Sdn Bhd respectively for a total consideration of RM100;

On 1 April 2021, TSSSB acquired 6,590,765 ordinary shares representing 100% of the share capital of Clear Dynamic Sdn Bhd ("Clear Dynamic") from Nusajaya Consolidated Sdn Bhd for a total consideration of RM300,000;

On 6 August 2021, Staysuites Malaysia Sdn Bhd ("Staysuites"), 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, H360 acquired 50,000 ordinary shares representing 50% of the share capital of Dine 360 Sdn Bhd ("Dine 360") 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%; and

On 26 May 2022, Staysuites acquired 51 ordinary shares representing 51% of the share capital from Chariskey Suites Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM1.

Details of the purchase considerations, the net liabilities acquired and goodwill are as follows:

	RM'000
(i) Purchase considerations	
Cash paid/Total purchase considerations	300

38 BUSINESS COMBINATIONS AND TRANSACTIONS WITH NCI (continued)

(c) Acquisition of subsidiaries by Hospitality 360 Sdn Bhd ("H360") (continued)

Details of the purchase considerations, the net liabilities acquired and goodwill are as follows: (continued)

(ii) Fair value of identifiable assets acquired and liabilities assumed

The following table summarised the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Note	RM'000
Property, plant and equipment	4	471
ROU assets	5(a)	564
Trade and other receivables		513
Cash and cash equivalents		1,367
Lease liabilities	5(b)	(622)
Trade and other payables		(4,512)
Current tax liabilities		(2)
Total fair value of net identifiable liabilities acquired		(2,221)
Non-controlling interests		(29)
Goodwill arising from business combinations	8	2,564
Reserve arising from a business combination	34	(14)
Net assets acquired		300

The goodwill was attributable mainly to the skill of acquired subsidiaries' workforce and the synergies expected to be achieved from the expansion of the H360's existing hospitality, leisure and cigar business segments. The goodwill was not deductible for tax purposes.

The key assumptions for the computation of value-in-use include discount rate, probability weighted cash flow projection, growth rates and occupancy rate which are applied as follows:

(a) Discount rate

The discount rate of 7.0% is based on the pre-tax weighted average cost of capital plus an appropriate risk premium, that reflect risks relating to H360. The pre-tax weighted average cost of capital is derived from an appropriate capital asset pricing model, which itself depends on inputs reflecting a number of financial and economic variables including the risk-free rate in Malaysia.

(b) Probability weighted cash flow projections and growth rate

Probability weighted cash flow projections are based on a five-year financial budgets and projections approved by the Board of Directors. Terminal growth rate are forecasted based on growth rate of 3.0%. Cash flows are extrapolated in perpetuity due to the long-term perspective of the business.

H360 had impaired the goodwill of RM2,564,000 arising from the acquisition of subsidiaries.

38 BUSINESS COMBINATIONS AND TRANSACTIONS WITH NCI (continued)

(c) Acquisition of subsidiaries by Hospitality 360 Sdn Bhd ("H360") (continued)

Details of the purchase considerations, the net liabilities acquired and goodwill are as follows: (continued)

(iii) Net cashflows to the Group

	RM'000
Total purchase consideration	(300)
Cash and cash equivalents acquired	1,367
Net cash inflow from business combination	1,067

After acquisition, the subsidiaries contributed operating revenue of RM7,700,000 with a loss after taxation of RM4,558,000 to the Group for the financial period from 21 January 2021 to 30 June 2022.

If the acquisition of the subsidiaries had occurred on 1 January 2021, the Group would have shown consolidated pro-forma operating revenue of RM8,448,000 and loss after taxation of RM5,583,000 for the financial period ended 30 June 2022.

(d) Acquisition of Hospitality 360 Sdn Bhd ("H360")

On 3 November 2020, the Company via its wholly owned subsidiary, MAA Corporation Sdn Bhd ("MAA Corp") acquired 2 ordinary shares of RM1 each in H360, representing 2% of the issued and paid-up share capital of H360, from Charming Vanguard Sdn Bhd for a total cash purchase consideration of RM2. With this acquisition, MAA Corp's equity interest in H360 increased from 49% to 51%, making H360 a subsidiary of the Group.

Details of the purchase consideration, the net liabilities acquired and goodwill were as follows:

(i) Purchase consideration

	RM'000
Cash paid	-*
Total purchase consideration	-*

*Denote RM2.00

(ii) Fair value of identifiable assets acquired and liabilities assumed

The following table summarised the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Note	RM'000
Property, plant and equipment	4	2,944
ROU assets	5(a)	2,946
Intangible assets	7	309
Associates	10	19
Tax recoverable		70
Investments at FVOCI	11	100
Trade and other receivables		2,994
Cash and cash equivalents		3,248
Deferred tax liabilities	12	(4)
Lease liabilities	5(b)	(3,410)
Trade and other payables		(23,642)
Current tax liabilities		(10)
Total fair value of net identifiable liabilities acquired		(14,436)
Non-controlling interests		6,675
Goodwill arising from business combination	8	7,761
Net assets acquired		-*

*Denote RM2.00

38 BUSINESS COMBINATIONS AND TRANSACTIONS WITH NCI (continued)

(d) Acquisition of Hospitality 360 Sdn Bhd ("H360") (continued)

Details of the purchase consideration, the net liabilities acquired and goodwill were as follows: (continued)

(ii) Fair value of identifiable assets acquired and liabilities assumed (continued)

The goodwill in H360 was attributable mainly to the skill of acquired subsidiaries' workforce and the synergies expected to be achieved from the expansion of the H360's existing hospitality, operator of logistic and dispatch services, provision of renovation services business segments. The goodwill was not deductible for tax purposes.

The key assumptions for the computation of value-in-use include discount rate, probability weighted cash flow projection, growth rates and occupancy rate which are applied as follows:

(a) Discount rate

The discount rate of 7.0% was based on the pre-tax weighted average cost of capital plus an appropriate risk premium, that reflect risks relating to H360. The pre-tax weighted average cost of capital is derived from an appropriate capital asset pricing model, which itself depends on inputs reflecting a number of financial and economic variables including the risk-free rate in Malaysia.

(b) Probability weighted cash flow projections and growth rate

Probability weighted cash flow projections are based on a five-year financial budgets and projections approved by the Board of Directors. Terminal growth rate was forecasted based on growth rate of 3.0%. Cash flows are extrapolated in perpetuity due to the long-term perspective of the business.

(c) Occupancy rate

The occupancy rate was projected at the range of 48% to 68% based on industry forecast in a five-year financial budgets and projections approved by the Board of Directors.

The Group had impaired the goodwill of RM3,785,000 arising from the acquisition of H360.

(iii) Net cashflows to the Group

	RM'000
Total purchase consideration	-*
Cash and cash equivalents acquired	3,248
Net cash inflow from business combination	3,248

*Denote RM2.00

After acquisition, H360 contributed operating revenue of RM2,073,000 with a loss after taxation of RM1,666,000 to the Group for the financial period from 3 November 2020 to 31 December 2020.

If the acquisition of H360 had occurred on 1 January 2020, the Group would have shown consolidated pro-forma operating revenue of RM216,734,000 and profit after taxation of RM33,050,000 for the financial year ended 31 December 2020.

39 DIVIDENDS

There was no dividend paid by the Company during the financial period ended 30 June 2022 in respect of the financial period ended 30 June 2022.

40 (LOSS)/EARNINGS PER SHARE ("(LPS)/EPS")

(a) Basic (LPS)/EPS

Basic (LPS)/EPS is calculated by dividing the profit attributable to the owners of the Company of by the weighted average number of ordinary shares in issue during the financial period.

	GROUP	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
(Loss)/profit attributable to owners of the Company (RM'000)	(134,170)	39,789
Weighted average number of ordinary shares in issue ('000)	263,732	268,488
Basic (LPS)/EPS (sen)	(50.87)	14.82

(b) Diluted earnings per ordinary share

The Company has no dilution in its earnings per share per ordinary shares as there are no dilutive potential ordinary shares as at 30 June 2022 and 31 December 2020.

41 CAPITAL AND OTHER COMMITMENTS

Significant capital expenditure contracted but not provided for at the date of the statement of financial position is as follows:

	GROUP		COMPANY	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
- Computer and software	500	-	-	-
- Furniture, fitting and equipment	1,000	32	-	-
- Renovation	13,850	19	-	-
	15,350	51	-	-

42 SIGNIFICANT RELATED PARTY DISCLOSURES

Related parties and relationships

The subsidiaries and associates of the Company are disclosed in Notes 9 and 10 to the financial statements respectively. The other related parties of, and their relationships with the Group and the Company are as follows:

Related party	Relationship
Melewar Equities Sdn Bhd	Indirect substantial shareholder of the Company
Trace Management Services Sdn Bhd	Company controlled by certain Directors of the Company
Melewar Industrial Group Berhad	Company controlled by certain Directors of the Company
Melewar Integrated Engineering Sdn Bhd	Company controlled by certain Directors of the Company
Mycron Steel CRC Sdn Bhd	Company controlled by certain Directors of the Company

Significant related party transactions

During the financial period, the Group and the Company undertook various transactions based on agreed terms and conditions with its subsidiaries, associates and other companies deemed related parties as disclosed above.

The significant related party transactions during the financial period are as follows:

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries				
Interest income from advances to subsidiaries	-	-	8,648	2,079
Management fee income from subsidiaries	-	-	115	345
Office support fee income from subsidiaries	-	-	-	41
Rental income from a subsidiary	-	-	-	132
Staff secondment fee income from a subsidiary	-	-	131	-
Transactions with related parties				
Rental income from:				
Melewar Industrial Group Berhad	131	87	-	-
Melewar Equities Sdn Bhd	85	56	-	-
Office service fee income from:				
Melewar Industrial Group Berhad	30	20	-	-
Melewar Equities Sdn Bhd	20	13	-	-
Company secretarial and related fees to Trace Management Services Sdn Bhd	(465)	(253)	(321)	(217)
Factoring facility and ancillary fees income from Mycron Steel CRC Sdn Bhd	-	4,561	-	-
Staff secondment fee to Melewar Integrated Engineering Sdn Bhd	-	(25)	-	(25)

Related party receivables/payables

The balances with related parties at the end of the financial period are disclosed in Notes 16 and 25 to the financial statements respectively.

42 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly, including any Director (whether executive or otherwise). The key management personnel of the Group and of the Company comprised the Chief Executive Officers, all the Directors and certain members of senior management. Key management personnel received remuneration for services rendered during the financial period.

Remuneration and other emoluments received by Directors, Chief Executive Officers and other key management personnel of the Group and of the Company during the financial period are as follows:

	GROUP		COMPANY	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Executive Directors				
- salaries	6,548	2,785	2,884	1,678
- bonus	1,702	638	880	140
- defined retirement contribution plan	836	335	602	291
- fees	76	17	-	-
- allowances	270	152	-	-
- other emoluments	2	-	-	-
	9,434	3,927	4,366	2,109
- estimated monetary value of benefits-in-kind	44	29	34	22
	9,478	3,956	4,400	2,131
Non-executive Directors				
- fees	1,076	432	337	245
- allowances	200	144	163	125
	1,276	576	500	370
	10,754	4,532	4,900	2,501
Chief Executive Officers				
- salaries	2,684	1,005	-	-
- bonus	828	506	-	-
- defined retirement contribution plan	115	28	-	-
- fees	25	17	-	-
- allowances	130	200	-	-
	3,782	1,756	-	-
Other key management personnel				
- short term employee benefits	4,317	1,970	3,457	1,436

43 SEGMENTAL INFORMATION

The Group has five reporting segments, as describes below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they employ different technology and marketing strategies.

The Group's Executive Committee comprising key functional heads and Executive Directors monitors the operating results of the strategic business units as well as relying on the segmental information as disclosed below for purposes such as resource allocation and performance assessment.

The Executive Committee evaluates reporting segments' performance on the basis of revenue and profit. Expenses directly associated with each reporting segment are included in determining their respective profits. All inter segment transactions are entered into in the normal course of business and are established on arm's length terms and conditions agreed between the related parties. The total reporting segment assets and liabilities are measured based on all assets and liabilities of each reporting segment.

The following summary describes the operations in each of the Group's reporting 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

The Group's Other segments comprise property management, advisory and consultancy services, film distribution and cinema businesses none of which has met the requirements of MFRS 8 'Operating Segment' to be separately presented as an operating segment.

43 SEGMENTAL INFORMATION (continued)

18 months period ended 30 June 2022

	Note	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								
External revenue		5,591	265,950	38,655	16,110	34,889	2,954	364,149
Inter-segment revenue		29,973	-	5,432	1,719	48	1,038	38,210
Total revenue		35,564	265,950	44,087	17,829	34,937	3,992	402,359
Net earned premiums	28	-	154,153	-	-	-	-	154,153
Investment income	29	3,294	4,530	-	-	-	92	7,916
Interest income	30	1,941	12,424	209	16,110	26	21	30,731
Realised gains	31	5,211	3,821	-	-	-	-	9,032
Fair value losses	32	(14,879)	(9,819)	(2,851)	-	-	(83)	(27,632)
Other operating revenue from non-insurance businesses	33	356	-	38,446	-	34,863	2,841	76,506
Allowance for impairment loss on loans from money lending and other credit facilities	34	-	-	-	(19,467)	-	-	(19,467)
Allowance for impairment loss on goodwill acquired	34	-	-	-	-	(6,541)	-	(6,541)
Other (expense)/income - net		1,317	(292)	140	2,444	564	(24)	4,149
Net claims incurred		-	(52,928)	-	-	-	-	(52,928)
Commission expenses - net		-	(55,519)	-	-	-	-	(55,519)
Write back of impairment loss on insurance receivables	35	-	169	-	-	-	-	169
Allowance for impairment loss on trade and other receivables	35	-	-	(97)	-	(378)	(193)	(668)
Allowance for impairment loss on factoring receivables	35	-	-	-	(21,004)	-	-	(21,004)
Depreciation of property, plant and equipment	35	(660)	(479)	(3,040)	(9)	(1,811)	(505)	(6,504)
Depreciation of ROU assets	35	(1,423)	(1,869)	(8,892)	-	(667)	(6,553)	(19,404)
Amortisation of intangible assets	35	(22)	(18)	(128)	(6)	-	(254)	(428)
Other management expenses		(31,724)	(20,551)	(39,450)	(1,746)	(48,780)	(2,574)	(144,825)
Finance costs	36	(253)	(42)	(1,732)	-	(2,159)	(196)	(4,382)
(Loss)/profit before taxation before share of loss of associates		(36,842)	33,580	(17,395)	(23,678)	(24,883)	(7,428)	(76,646)
Share of loss of associates	10	-	-	-	-	-	-	(62,757)
Segment (loss)/profit before taxation		(36,842)	33,580	(17,395)	(23,678)	(24,883)	(7,428)	(139,403)

43 **SEGMENTAL INFORMATION** (continued)

12 months period 31 December 2020

	Note	Investment Holdings RM'000	General Insurance RM'000	Education Services RM'000	Credit Services RM'000	Hospitality Services RM'000	Other segments RM'000	Group RM'000
Operating revenue								
External revenue		5,099	169,861	28,042	6,631	2,073	137	211,843
Inter-segment revenue		4,164	-	2,148	203	-	1,447	7,962
Total revenue		9,263	169,861	30,190	6,834	2,073	1,584	219,805
Net earned premiums	28	-	107,797	-	-	-	-	107,797
Investment income	29	1,775	2,384	-	-	-	97	4,256
Interest income	30	3,087	9,179	313	6,631	3	30	19,243
Realised gains	31	3,974	3,371	5	-	1	-	7,351
Fair value gains	32	20,476	1,498	-	-	-	28	22,002
Other operating revenue from non-insurance businesses	33	237	-	27,729	-	2,070	10	30,046
Allowance for impairment loss on loans from money lending and other credit facilities	34	-	-	-	(392)	-	-	(392)
Allowance for impairment loss on goodwill acquired	34	(3,785)	-	-	-	-	-	(3,785)
Other income arising from the excess purchase consideration	34	3,500	-	-	-	-	-	3,500
Other income/(expenses) - net		5,877	131	2,018	234	310	(17)	8,553
Net claims incurred		-	(37,569)	-	-	-	-	(37,569)
Commission expenses - net		-	(36,045)	-	-	-	-	(36,045)
Allowance for impairment loss on insurance receivables	35	-	(554)	-	-	-	-	(554)
Write back of/(allowance for) impairment loss on trade and other receivables	35	-	-	88	-	(22)	-	66
Allowance for impairment loss on factoring receivables	35	-	-	-	(272)	-	-	(272)
Depreciation of property, plant and equipment	35	(608)	(354)	(2,036)	(3)	(123)	(14)	(3,138)
Depreciation of ROU assets	35	(866)	(1,265)	(5,936)	-	(321)	(177)	(8,565)
Amortisation of intangible assets	35	(46)	(40)	(87)	(6)	-	-	(179)
Other management expenses		(18,042)	(16,620)	(26,255)	(944)	(3,367)	(1,413)	(66,641)
Finance costs	36	(36)	(35)	(555)	-	(90)	(13)	(729)
Profit/(loss) before taxation before share of loss of associates		15,543	31,878	(4,716)	5,248	(1,539)	(1,469)	44,945
Share of loss of associates	10	-	-	-	-	-	-	(44)
Segment profit/(loss) before taxation		15,543	31,878	(4,716)	5,248	(1,539)	(1,469)	44,901

43 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
30 June 2022							
Segment assets	119,555	450,439	56,677	67,166	43,059	39,649	776,545
Associates	-	-	-	-	-	-	667
Total assets	119,555	450,439	56,677	67,166	43,059	39,649	777,212
Segment liabilities/Total liabilities	7,852	303,704	50,571	1,748	45,551	7,624	417,050
31 December 2020							
Segment assets	275,414	434,972	80,952	59,819	18,270	9,879	879,306
Associates	-	-	-	-	-	-	1,225
Total assets	275,414	434,972	80,952	59,819	18,270	9,879	880,531
Segment liabilities/Total liabilities	15,210	286,389	31,971	890	15,462	1,591	351,513

43 SEGMENTAL INFORMATION (continued)

Geographical segments

The Group operates mainly in Malaysia and Philippines. In determining the geographical segments of the Group, revenues and non-current assets are based on the geographical location of assets.

	External revenue		Non-current assets	
	1.1.2021 to 30.6.2022 (18 months)	1.1.2020 to 31.12.2020 (12 months)	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	98,042	41,859	115,777	87,634
Philippines	265,950	169,861	7,538	8,732
Indonesia	157	27	9,088	9,395
London	-	96	8,102	8,392
	364,149	211,843	140,505	114,153

44 CAPITAL RISK MANAGEMENT

The Group's capital management underlying objectives are to manage capital and to allocate funds efficiently for business units' operations and to sustain future development of the business, taking into account the associated business risks, meeting regulatory capital requirements and obligations to policyholders, preservation of capital for new investments/business opportunities and the expectation of stakeholders.

The Company manages the capital of the Group to ensure sources of capital and the related costs meet the overall objectives of the capital plan. Excess capital generated from profits at the subsidiary level exceeding planned requirements is returned to the Company in the form of dividends or capital reduction under the Group's capital management plan.

The Group and the Company's capital comprised of initial ordinary share capital and retained earnings as stated on the statement of financial position.

45 RISK MANAGEMENT FRAMEWORK

Risk Governance Structure

The Group's risk governance structure and risk reporting requirements are incorporated in the Group's Enterprise Risk Management ("ERM") Framework. The Framework explains the underlying approach and defines an on-going and consistent process for identifying, analysing, evaluating, monitoring, reporting and managing significant risks faced by the business units in the Group. It also outlines the key aspects of the risks management process and identifies the main reporting procedures.

The Board through the Risk and Sustainability Committee ("RSC") is ultimately responsible for effective risk oversight and the framework within the Group. The RSC determines the remit, roles, resources and structure for risk management functions to operate effectively and efficiently and is supported by the Group Financial Services Department ("GFSD") and the outsource internal audit provider, Deloitte Risk Advisory Sdn Bhd. As for the operation in Philippines, the risk management function is supported by their own internal team who report directly to their respective Risk Management Committees, and indirectly to the RSC.

The Group ERM Framework is premised with three lines of defence that serves as the guiding principles within the Group:

1. The first line of defence is the Business Units who are primarily responsible for identifying, evaluating and managing risks within their Units. The Head of Business Units are responsible to implement and execute appropriate risk mitigation action plan on a timely manner. The Business Units are responsible to ensure the execution of appropriate risk reduction action plans on a timely manner. Priority is accorded to mitigate high and significant risks in order to ensure that their day-to-day business activities are carried out within acceptable risk level.

2. The second line of defence is the GFSD that provides independent oversight of the risk management activities of the first line of defence. The responsibilities of the second line functions typically include participating in risk management meetings, reviewing risk reports and validating compliance to the risk management framework requirements, with the objective of ensuring that risks are actively and appropriately managed.

3. The third line of defence is the internal auditors who report independently to the Audit & Governance Committee ("AGC") and the RSC of the Board. The internal auditors review the first and second line of defence activities and results to ensure that the ERM arrangements and structures are appropriate and are discharging their roles and responsibilities completely and accurately.

The Group has also established management committees to act as a platform for two-way communication between the Management and the Board. These committees are responsible for overseeing the development and assessing the effectiveness of risk management policies, reviewing risk exposure and portfolio compositions and ensuring that infrastructure, resources and systems are put in place for effective risk management activities.

46 INSURANCE RISK

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount of any resulting claim. The principal risk the General insurance subsidiary faces under such contracts is that the actual claims and benefits payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, when actual benefits paid are greater than originally estimated and subsequent development of long-term claims.

The General insurance subsidiary principally issues the following types of General insurance contracts: fire, motor, health and accident, aviation/hull, marine, engineering, professional indemnity, bonds, fidelity guarantee and surety. Risks under general insurance policies usually cover twelve-month duration.

For General insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities.

These risks vary significantly in relation to the location of the risk insured by the General insurance subsidiary, type of risk insured and by industry. Undue concentration by amounts can have a further impact on the severity of benefit payments on a portfolio basis.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the General insurance subsidiary. The General insurance subsidiary further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the company.

The General insurance subsidiary has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events, for example, hurricanes, earthquakes and flood damages.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes to a pre-determined maximum amount based on the General insurance subsidiary's risk appetite as decided by management.

The table below sets out the concentration of the General insurance subsidiary's claims liabilities (excluding provision for IBNR) by the type of contract:

			30.6.2022			**31.12.2020**
	Gross claims liabilities	**Reinsurers' share of claims liabilities**	**Net claims liabilities**	**Gross claims liabilities**	**Reinsurers' share of claims liabilities**	**Net claims liabilities**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Fire	58,060	(41,936)	16,124	44,426	(24,567)	19,859
Motor	30,751	(1,344)	29,407	35,496	(1,560)	33,936
Marine	6,489	(3,246)	3,243	4,730	(2,166)	2,564
General accounts	2,980	(308)	2,672	3,846	(53)	3,793
Bonds	13,428	(2,428)	11,000	7,503	(876)	6,627
Personal accident	201	-	201	884	(70)	814
Engineering	15,879	(11,667)	4,212	11,589	(8,627)	2,962
	127,788	(60,929)	66,859	108,474	(37,919)	70,555

46 INSURANCE RISK (continued)

Terms and Conditions

The major classes of general insurance written by the General insurance subsidiary include fire and motor insurance.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and IBNR) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at end of each reporting period.

The provisions are refined quarterly as part of a regular ongoing process as claims experience developed, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Claims provisions are separately analysed by class of business. In addition, larger claims are usually separately assessed by loss adjusters. The claims projection assumptions are generally intended to provide a best estimate of the most likely or expected outcome.

Assumptions

The principal assumption underlying the estimation of liabilities is that the General insurance subsidiary's past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as portfolio mix, policy conditions and claims handling procedures.

Judgement is further used to assess the extent to which external factors may affect the estimates, such as judicial decisions, government legislation and the impact of COVID-19 pandemic. Other key assumptions include variation in interest rate, delays in settlement and changes in foreign currency rates.

Sensitivities

The general insurance claims liabilities are sensitive to the key assumptions shown below. The sensitivity of certain assumptions, such as legislative changes, uncertainty in the estimation process, etc. is not possible to quantify.

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit after tax and equity.

GROUP	Change in assumptions	Impact on gross liabilities	Impact on net liabilities	Impact on profit after tax	Impact on equity
	%	RM'000	RM'000	RM'000	RM'000
30 June 2022					
Average claim cost	+15%	19,168	10,029	(7,020)	(7,522)
Average number of claims	+10%	12,779	6,686	(4,680)	(5,014)
31 December 2020					
Average claim cost	+15%	16,271	10,583	(7,408)	(7,408)
Average number of claims	+10%	10,847	7,055	(4,939)	(4,939)

46 **INSURANCE RISK** (continued)

Claims Development Table

The following tables show the General insurance subsidiary's development of claims over a period of time on gross and net reinsurance basis. The tables reflect the cumulative incurred claims for each successive year at end of each reporting period with cumulative payments to-date.

Gross General Insurance Contract Liabilities for 30 June 2022

Accident Year/Development year	1	2	3	4	5	6	7	8	9	10	11	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012 and prior	266,438	272,579	280,827	281,680	279,527	278,809	277,941	277,939	278,024	277,846	276,198	276,198
2013	65,590	56,274	52,775	52,027	51,708	50,636	50,524	50,536	54,961	54,965	-	54,965
2014	34,749	31,153	29,429	26,857	26,992	26,426	26,392	26,676	26,635	-	-	26,635
2015	41,914	38,518	34,682	33,113	32,643	32,556	32,388	32,385	-	-	-	32,385
2016	47,742	48,568	45,780	49,901	49,953	47,078	47,078	-	-	-	-	47,078
2017	64,847	54,777	53,217	51,329	49,580	49,431	-	-	-	-	-	49,431
2018	64,123	58,065	57,391	54,788	54,379	-	-	-	-	-	-	54,379
2019	100,803	93,703	86,936	85,861	-	-	-	-	-	-	-	85,861
2020	57,505	48,818	44,808	-	-	-	-	-	-	-	-	44,808
2021	79,314	79,070	-	-	-	-	-	-	-	-	-	79,070
2022	25,751	-	-	-	-	-	-	-	-	-	-	25,751
Current estimate of cumulative claims incurred	25,751	79,070	44,808	85,861	54,379	49,431	47,078	32,385	26,635	54,965	276,198	776,561
Cumulative payments to date	(4,538)	(21,248)	(32,293)	(68,940)	(51,098)	(44,849)	(45,613)	(32,112)	(25,976)	(49,566)	(272,540)	(648,773)
Gross insurance contract liabilities (excluded provision for IBNR)	21,213	57,822	12,515	16,921	3,281	4,582	1,465	273	659	5,399	3,658	127,788

46 INSURANCE RISK (continued)

Claims Development Table (continued)

Net General Insurance Contract Liabilities for 30 June 2022

Accident Year/Development year	1	2	3	4	5	6	7	8	9	10	11	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012 and prior	130,475	144,601	152,645	154,594	155,434	155,117	154,750	154,780	154,800	154,794	154,761	154,761
2013	23,209	22,298	19,272	19,908	19,859	19,765	19,675	19,740	19,748	19,750	-	19,750
2014	23,445	22,505	21,454	20,267	20,222	20,120	20,077	20,284	20,265	-	-	20,265
2015	35,010	31,609	29,306	27,783	27,313	27,226	27,059	27,068	-	-	-	27,068
2016	41,642	40,643	37,369	40,143	40,330	38,126	38,126	-	-	-	-	38,126
2017	53,102	47,407	45,722	45,015	43,309	43,159	-	-	-	-	-	43,159
2018	52,192	48,177	45,839	43,838	43,429	-	-	-	-	-	-	43,429
2019	62,444	60,291	56,018	54,984	-	-	-	-	-	-	-	54,984
2020	41,591	38,521	37,026	-	-	-	-	-	-	-	-	37,026
2021	38,866	36,804	-	-	-	-	-	-	-	-	-	36,804
2022	24,155	-	-	-	-	-	-	-	-	-	-	24,155
Current estimate of cumulative claims incurred	24,155	36,804	37,026	54,984	43,429	43,159	38,126	27,068	20,265	19,750	154,761	499,527
Cumulative payments to date	(3,342)	(19,456)	(26,456)	(44,718)	(40,533)	(40,556)	(36,687)	(26,856)	(19,816)	(19,665)	(154,583)	(432,668)
Net insurance contract liabilities (excluded provision for IBNR)	20,813	17,348	10,570	10,266	2,896	2,603	1,439	212	449	85	178	66,859

46 INSURANCE RISK (continued)

Claims Development Table (continued)

Gross General Insurance Contract Liabilities for 31 December 2020

Accident Year/Development year	1	2	3	4	5	6	7	8	9	10	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2011 and prior	243,613	253,046	264,041	265,236	263,154	262,488	261,741	261,793	261,890	259,996	259,996
2012	34,950	31,936	29,566	29,262	29,093	29,008	28,848	28,794	28,786	-	28,786
2013	68,575	58,835	55,177	54,394	54,061	52,940	52,823	52,836	-	-	52,836
2014	36,331	32,571	30,768	28,080	28,220	27,628	27,593	-	-	-	27,593
2015	43,821	40,271	36,261	34,620	34,129	34,038	-	-	-	-	34,038
2016	49,915	50,778	47,863	52,172	52,226	-	-	-	-	-	52,226
2017	67,798	57,270	55,639	53,665	-	-	-	-	-	-	53,665
2018	67,041	60,707	60,002	-	-	-	-	-	-	-	60,002
2019	105,391	97,968	-	-	-	-	-	-	-	-	97,968
2020	58,838	-	-	-	-	-	-	-	-	-	58,838
Current estimate of cumulative claims incurred	58,838	97,968	60,002	53,665	52,226	34,038	27,593	52,836	28,786	259,996	725,948
Cumulative payments to date	(16,158)	(59,148)	(51,867)	(46,876)	(46,114)	(33,546)	(27,054)	(51,772)	(28,780)	(256,159)	(617,474)
Gross insurance contract liabilities (excluded provision for IBNR)	42,680	38,820	8,135	6,789	6,112	492	539	1,064	6	3,837	108,474

46 **INSURANCE RISK** (continued)

Claims Development Table (continued)

Net General Insurance Contract Liabilities for 31 December 2020

Accident Year/Development year	1	2	3	4	5	6	7	8	9	10	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2011 and prior	119,394	133,521	143,065	145,097	145,987	145,685	145,415	145,457	145,484	145,443	145,443
2012	17,018	17,660	16,526	16,532	16,520	16,490	16,377	16,366	16,360	-	16,360
2013	24,266	23,312	20,149	20,814	20,762	20,664	20,570	20,638	-	-	20,638
2014	24,512	23,529	22,430	21,189	21,142	21,036	20,990	-	-	-	20,990
2015	36,603	33,047	30,640	29,047	28,556	28,465	-	-	-	-	28,465
2016	43,537	42,493	39,069	41,970	42,165	-	-	-	-	-	42,165
2017	55,519	49,564	47,802	47,063	-	-	-	-	-	-	47,063
2018	54,567	50,370	47,925	-	-	-	-	-	-	-	47,925
2019	65,429	63,035	-	-	-	-	-	-	-	-	63,035
2020	43,627	-	-	-	-	-	-	-	-	-	43,627
Current estimate of cumulative claims incurred	43,627	63,035	47,925	47,063	42,165	28,465	20,990	20,638	16,360	145,443	475,711
Cumulative payments to date	(11,941)	(41,760)	(40,971)	(42,422)	(37,282)	(28,051)	(20,623)	(20,492)	(16,359)	(145,255)	(405,156)
Net insurance contract liabilities (excluded provision for IBNR)	31,686	21,275	6,954	4,641	4,883	414	367	146	1	188	70,555

47 FINANCIAL RISK

The Group is exposed to a variety of financial risks that includes credit risk, liquidity risk, market risk (which comprise of foreign currency risk, interest rate risk and equity price risk) and operational risk.

The Group's overall financial risk management objectives are to ensure that the Group create value for its shareholders whilst minimising potential exposure to adverse effects on the financial performance and positions.

The Group is guided by risk management policies which set out the overall business strategies and the general risk management philosophy. The Board of Directors has overall responsibility for the oversight of financial risk management which include risk identification, operational or strategic, and the subsequent action plans to manage these risks. Management is responsible for identifying, monitoring and managing the Group's risk exposures.

The note below explains how financial risks are managed by the Group. In particular, the risk management policies require the management of interest rate risk, price risk and liquidity risk at the portfolio level. Credit risk is managed on a business unit basis. The following notes are in relation to the Group's management disclosure with respect to credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of a customer, an intermediary or counterparty to settle its financial and contractual obligations to the Group and the Company as and when they fall due.

The Group's exposure to credit risk arises primarily from investments in fixed income securities, loans and receivables, insurance receivables, trade and other receivables, reinsurance assets and cash and bank balances. The Company's exposure to credit risk arises mainly from loans and advances to subsidiaries.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurance operator. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the insurers. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any reinsurance contracts.

Debtor recoverability and risk concentration monitoring are part of credit risk management which is reviewed regularly. The management assesses the credit risks of borrowers based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the borrowers, actual or expected changes in the operating results of the borrowers, aging of debts, repayment patterns, changes in the value of the collaterals or the quality of third-party guarantees. Allowance for impairment loss is made based on forward looking expected credit loss basis.

47 FINANCIAL RISK (continued)

Credit Risk (continued)

Credit Risk Exposure by Credit Rating

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the Group's credit rating of counterparties. AAA is the highest possible rating. Financial assets that all outside the range of AAA to BBB are classified as non-investment grade. Financial assets which are not rated by rating agencies are classified as non-rated.

30 June 2022

GROUP	Government Guaranteed	AAA	AA	BB	Not rated	Not subject to credit risk	Impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI								
Government debt securities	45,645	-	-	-	-	-	-	45,645
Corporate debt securities	-	1,350	-	-	-	-	11,110	12,460
Investments at AC								
Government debt securities	18,011	-	-	-	-	-	14	18,025
Corporate debt securities	-	110,448	-	-	-	-	1,366	111,814
Investment notes	-	-	-	-	2,725	-	-	2,725
Loans and receivables								
Staff loans	-	-	-	-	3,499	-	-	3,499
Loans from money lending and other credit facilities	-	-	-	-	47,800	-	20,366	68,166
Fixed and call deposits	-	4,981	-	-	-	-	23	5,004
Insurance receivables	-	-	-	-	47,504	-	696	48,200
Trade and other receivables	560	709	-	-	73,736	2,303	51,243	128,551
Cash and cash equivalents	-	38,793	12,196	2,585	118	93	83	53,868
Allowance for impairment loss	-	-	-	-	-	-	(84,901)	(84,901)
	64,216	156,281	12,196	2,585	175,382	2,396	-	413,056

47 **FINANCIAL RISK** (continued)

Credit Risk (continued)

Credit Risk Exposure by Credit Rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the Group's credit rating of counterparties. AAA is the highest possible rating. Financial assets that all outside the range of AAA to BBB are classified as non-investment grade. Financial assets which are not rated by rating agencies are classified as non-rated. (continued)

31 December 2020

GROUP	Government Guaranteed	AAA	AA	BB	Not rated	Not subject to credit risk	Impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investments at FVOCI								
Government debt securities	45,678	-	-	-	-	-	-	45,678
Corporate debt securities	-	1,140	-	-	-	-	11,110	12,250
Investments at AC								
Government debt securities	18,825	-	-	-	-	-	21	18,846
Corporate debt securities	-	118,456	-	-	-	-	1,207	119,663
Private trust funds	-	-	-	-	50	-	-	50
Loans and receivables								
Staff loans	-	-	-	-	46	-	-	46
Loans from money lending and other credit facilities	-	-	-	-	15,892	-	9,044	24,936
Fixed and call deposits	-	11,782	-	-	-	-	24	11,806
Insurance receivables	-	-	-	-	60,194	-	897	61,091
Trade and other receivables	521	531	-	-	58,073	3,492	29,084	91,701
Cash and cash equivalents	-	52,112	56,986	1,145	148	72	90	110,553
Allowance for impairment loss	-	-	-	-	-	-	(51,477)	(51,477)
	65,024	184,021	56,986	1,145	134,403	3,564	-	445,143

47 FINANCIAL RISK (continued)

Credit Risk (continued)

Credit Risk Exposure by Credit Rating (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying financial assets according to the Company's credit rating of counterparties. AAA is the highest possible rating. Financial assets that all outside the range of AAA to BBB are classified as non-investment grade. Financial assets which are not rated by rating agencies are classified as non-rated.

COMPANY	AAA	AA	Not rated	Not subject to credit risk	Impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2022						
Investments at FVOCI						
Corporate debt securities	-	-	-	-	11,110	11,110
Loan and receivables						
Staff loans	-	-	26	-	-	26
Trade and other receivables	-	-	45,849	144	127,420	173,413
Cash and cash equivalents	1,601	4,858	-	8	-	6,467
Allowance for impairment loss	-	-	-	-	(138,530)	(138,530)
	1,601	4,858	45,875	152	-	52,486
31 December 2020						
Investments at FVOCI						
Corporate debt securities	-	-	-	-	11,110	11,110
Loan and receivables						
Staff loans	-	-	29	-	-	29
Trade and other receivables	-	-	73,451	262	6,855	80,568
Cash and cash equivalents	16,370	34,026	-	5	-	50,401
Allowance for impairment loss	-	-	-	-	(17,965)	(17,965)
	16,370	34,026	73,480	267	-	124,143

Liquidity Risk

Liquidity risk is the risk that the Group and the Company may not have sufficient liquid financial resources to meet their financial obligations when they fall due. This situation arises when the Group is unable to convert its financial assets into cash when needed. Demands for funds are usually met through on-going normal operations, premiums received, sale of assets or borrowings through committed credit facilities from bankers. Unexpected demands for liquidity may be triggered by negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, unexpected high levels of policies lapses/surrenders, or other unexpected cash demands from policyholders.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored regularly and an adequate cushion in the form of cash and very liquid investments are maintained at all times.

47 **FINANCIAL RISK** (continued)

Liquidity Risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table below are based on undiscounted contractual cash flow basis except for insurance contract liabilities, the maturity profiles of which are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities.

GROUP	Carrying value	Up to a year	2 – 3 years	4 – 5 years	Over 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2022						
Insurance contract liabilities – provision for outstanding claims	150,821	150,821	-	-	-	150,821
Lease liabilities	45,286	13,213	18,884	15,376	5,060	52,533
Borrowings	19,159	19,005	106	72	18	19,201
Insurance payables	25,167	25,167	-	-	-	25,167
Trade and other payables	94,929	94,929	-	-	-	94,929
	335,362	303,135	18,990	15,448	5,078	342,651
31 December 2020						
Insurance contract liabilities – provision for outstanding claims	127,632	127,632	-	-	-	127,632
Lease liabilities	14,133	8,335	6,834	62	-	15,231
Borrowings	293	75	123	100	62	360
Insurance payables	20,555	20,555	-	-	-	20,555
Trade and other payables	110,414	110,414	-	-	-	110,414
	273,027	267,011	6,957	162	62	274,192

The table below summarises the maturity profile of the Company's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table below are based on undiscounted contractual cashflows basis.

COMPANY	Carrying value	Up to a year	2 - 3 years	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2022				
Lease liabilities	609	456	190	646
Trade and other payables	2,816	2,816	-	2,816
	3,425	3,272	190	3,462
31 December 2020				
Lease liabilities	1,183	456	874	1,330
Trade and other payables	5,737	5,737	-	5,737
	6,920	6,193	874	7,067

47 FINANCIAL RISK (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three (3) types of risk i.e., foreign exchange rate (foreign currency risk), market interest rate (interest rate risk) and market price (price risk).

The Group manages market risks through setting of investment policy and asset allocation, approving portfolio limit structure and risk management methodologies, approving hedging if needed and alternative risk transfer strategies. Investment limits monitoring is in place at various levels to ensure that all investment activities are aligned with the Group's risk management principles and philosophies. Compliance with established financial risk limits forms an integral part of the risk governance and financial reporting framework.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's and the Company's primary transactions are carried out in RM. The Group has an overseas subsidiary that operates in Philippines whose revenue and expenses are denominated in Philippine Peso ("Peso"). Some of the Group's and the Company's financial assets are held in United States Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Thai Baht ("THB"), Indonesia Rupiah ("IDR"), Philippine Peso ("PHP"), Euro ("EUR") and Japanese Yen ("JPY"). Consequently, the Group and the Company are exposed to risks that the exchange rate relative to other foreign currencies may affect the value of the Group's and the Company's financial assets denominated in currencies other than the functional currency of the Group entities.

Foreign currency risk impacting the Group's and the Company's profit or loss arises both from external investing activities and intra-company operating activities. Foreign currency risk relating to investing and operating activities in the normal course of business are generally not hedged.

The tables below show the Group's and the Company's exposure to foreign currency risk, based on carrying value amounts as at the end of the reporting period was:

GROUP	USD	AUD	SGD	HKD	THB	IDR	PHP	EUR	JPY	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2022										
Investments at FVTPL										
Equity securities	-	12,700	266	260	49	69	-	-	-	13,344
Insurance receivables	1,722	-	-	-	-	-	-	-	-	1,722
Trade and other receivables	-	-	-	-	-	-	-	14,543	-	14,543
Cash and cash equivalents	2,735	-	39	66	-	-	-	2,585	-	5,425
	4,457	12,700	305	326	49	69	-	17,128	-	35,034
31 December 2020										
Investments at FVTPL										
Equity securities	7,310	10,181	36,257	40,603	1,036	10,372	6,563	5,722	1,235	119,279
Insurance receivables	2,964	-	-	-	-	-	-	-	-	2,964
Trade and other receivables	-	-	-	-	-	-	-	15,606	-	15,606
Cash and cash equivalents	5,675	-	7,754	14,192	-	-	-	1,145	1,186	29,952
	15,949	10,181	44,011	54,795	1,036	10,372	6,563	22,473	2,421	167,801

47 FINANCIAL RISK (continued)

Market Risk (continued)

Foreign Currency Risk (continued)

The tables below show the Group's and the Company's exposure to foreign currency risk, based on carrying value amounts as at the end of the reporting period was: (continued)

COMPANY	USD	AUD	SGD	HKD	THB	IDR	PHP	EUR	JPY	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2022										
Investments at FVTPL										
Equity securities	-	12,700	266	260	49	69	-	-	-	13,344
Cash and cash equivalents	59	-	39	66	-	-	-	-	-	164
	59	12,700	305	326	49	69	-	-	-	13,508
31 December 2020										
Investments at FVTPL										
Equity securities	7,310	10,181	36,257	40,603	1,036	10,372	6,563	5,722	1,235	119,279
Cash and cash equivalents	2,798	-	7,754	14,192	-	-	-	-	1,186	25,930
	10,108	10,181	44,011	54,795	1,036	10,372	6,563	5,722	2,421	145,209

The analysis below is performed for reasonably possible movements in foreign exchange rate with all other variables held constant, showing the impact to profit after tax and equity.

	Changes in variables	USD	AUD	SGD	HKD	THB	IDR	PHP	EUR	JPY
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP										
30 June 2022	+5%	169	483	12	12	2	3	-	651	-
	-5%	(169)	(483)	(12)	(12)	(2)	(3)	-	(651)	-
31 December 2020	+5%	606	387	1,672	2,082	39	394	249	854	92
	-5%	(606)	(387)	(1,672)	(2,082)	(39)	(394)	(249)	(854)	(92)
COMPANY										
30 June 2022	+5%	2	483	12	12	2	3	-	-	-
	-5%	(2)	(483)	(12)	(12)	(2)	(3)	-	-	-
31 December 2020	+5%	384	387	1,672	2,082	39	394	249	217	92
	-5%	(384)	(387)	(1,672)	(2,082)	(39)	(394)	(249)	(217)	(92)

47 FINANCIAL RISK (continued)

Market Risk (continued)

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and the Company are exposed to interest rate risk primarily through their investments in fixed income securities and deposit placements. Interest rate risk is managed by the Group and the Company on an ongoing basis.

The analysis below is performed for reasonably possible movements in interest rates with all other variables held constant, showing the impact to profit after tax and equity.

	Changes in variables	30.6.2022	31.12.2020
		RM'000	RM'000
GROUP			
Interest rate	+ 100 basis points	113	229
Interest rate	- 100 basis points	(113)	(229)
COMPANY			
Interest rate	+ 100 basis points	8	28
Interest rate	- 100 basis points	(8)	(28)

The method used for deriving sensitivity information and significant variables did not change from previous period.

Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The equity investment portfolio of the Group and the Company are exposed to movements in equity markets. The Group and the Company monitor and manage the equity exposure against policies set and as agreed by the Investment Committees of the Company and the subsidiary. These policies include monitoring the equity exposure against benchmark set, single security exposure of the portfolio against the limits set and using duration and convexity measurements.

The Group and the Company are exposed to price risk arising from investments held by the Group and the Company and classified in the statement of financial position as FVTPL and FVOCI investments that comprise quoted equities and unit trusts.

47 FINANCIAL RISK (continued)

Market Risk (continued)

Equity Price Risk (continued)

The analysis below is performed for reasonably possible movements in market price with all other variables held constant, showing on statement of profit or loss and other comprehensive and changes in equity (due to changes in fair value of FVOCI and FVTPL investments):

		Impact to profit after tax			
			GROUP		COMPANY
	Changes in variables	30.6.2022	31.12.2020	30.6.2022	31.12.2020
		RM'000	RM'000	RM'000	RM'000
FTSE Bursa Malaysia					
FBM KLCI	+15%	96	3,877	36	3,512
FBM KLCI	-15%	(96)	(3,877)	(36)	(3,512)
HKEX Hang Seng					
HSI	+15%	39	6,090	39	6,090
HSI	-15%	(39)	(6,090)	(39)	(6,090)
SGX Singapore Securities Market					
STI	+15%	40	5,922	40	5,922
STI	-15%	(40)	(5,922)	(40)	(5,922)
IDX Indonesia Stock Market					
JCI	+15%	10	1,556	10	1,556
JCI	-15%	(10)	(1,556)	(10)	(1,556)
SET Stock Exchange of Thailand					
SET	+15%	7	155	7	155
SET	-15%	(7)	(155)	(7)	(155)
PSE Philippines Stock Exchange					
PSEi	+15%	7,458	6,134	-	984
PSEi	-15%	(7,458)	(6,134)	-	(984)
ASX Australian Securities Exchange					
S&P/ASX 200	+15%	1,905	1,527	1,905	1,527
S&P/ASX 200	-15%	(1,905)	(1,527)	(1,905)	(1,527)
NYSE New York Stock Exchange					
NYA	+15%	-	613	-	613
NYA	-15%	-	(613)	-	(613)
ENX European Stock Exchange					
CAC 40	+15%	-	502	-	502
CAC 40	-15%	-	(502)	-	(502)

47 FINANCIAL RISK (continued)

Market Risk (continued)

Equity Price Risk (continued)

The analysis below is performed for reasonably possible movements in market price with all other variables held constant, showing on statement of profit or loss and other comprehensive and changes in equity (due to changes in fair value of FVOCI and FVTPL investments): (continued)

		Impact to profit after tax			
			GROUP		COMPANY
	Changes in variables	**30.6.2022**	**31.12.2020**	**30.6.2022**	**31.12.2020**
		RM'000	**RM'000**	**RM'000**	**RM'000**
FRA Frankfurt Stock Exchange					
DAX	+15%	-	356	-	356
DAX	-15%	-	(356)	-	(356)
JPX Tokyo Stock Exchange					
NIKKEI 225	+15%	-	185	-	185
NIKKEI 225	-15%	-	(185)	-	(185)

		Impact on equity			
			GROUP		COMPANY
	Changes in variables	**30.6.2022**	**31.12.2020**	**30.6.2022**	**31.12.2020**
		RM'000	**RM'000**	**RM'000**	**RM'000**
PSE Philippines Stock Exchange					
PSEi	+15%	3,648	4,505	-	-
PSEi	-15%	(3,648)	(4,505)	-	-

The method used for deriving sensitivity information and significant variables did not change from previous period.

Operation Risk

Operation risk arises from inadequate or failed performance of business functions or internal processes. Exposure to this risk can cause deficiencies or breakdowns in internal controls or processes, technology and external events such as interruption of business operations due to a breakdown of IT systems, landslide or flood.

The Group has developed comprehensive operating policies and procedures manuals for all business units to implement, measure, monitor and control the risks in order to avoid or reduce losses. Furthermore, the Group Financial Services Department facilitates regular internal audit and risk review be conducted by appointed advisors on business units to ensure the current procedures adhere to all rules and regulations.

48 COMPLIANCE RISK

Compliance risk is the risk arising from violations of, or non-conformance with business principles, internal policies and procedures, related laws, rules and regulations governing the Group's products and activities.

Consequently, the exposure to this risk can damage the Group's reputation, and lead to legal or regulatory sanctions and/or financial loss.

The Group has established a Compliance Framework to ensure that the companies within the Group are in compliance with all laws and regulatory requirements. The Audit & Governance Committee and the Board have oversight of the Group's compliance matters through the Compliance Framework implemented by the Compliance officers in the Group. In addition, the core regulated subsidiaries in the Group have their respective dedicated compliance and/or governance teams to manage the compliance functions to ensure its process, internal policies and procedures comply with the applicable laws and guidelines issued by the regulatory authorities.

49 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(a) On the PN17 status of MAAG, the Company had, on 24 November 2020, submitted an application to Bursa Malaysia Securities Berhad ("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) ("Ithmaar") to acquire 132,151,497 ordinary shares in Turiya Berhad ("Turiya") ("Turiya 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, the Company's shareholding in Turiya increased from nil to approximately 57.78%. Accordingly, the Company 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 50 of the financial statements for details on the status of litigations.

In view of the legal proceedings, SC had, vide its letter dated 12 July 2021, approved and further approved verbally in October 2021 the Company's application for an extension of time to despatch the offer document.

50 MATERIAL LITIGATIONS

(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 ("Writ") 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 ("YA OCK"), via e-review.

YA OCK 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 Injunction Order ("Appeals"). On 28 September 2021, they filed the Notice of Motion for an Erinford Injunction ("Notice of Motion").

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 YA OCK, at the High Court of Malaya ("High Court") 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 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").

50 MATERIAL LITIGATIONS (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)

On 6 January 2022, the High Court 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 High Court 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 High Court, with no order as to costs.

Empire's solicitors had on 3 March 2022 filed a notice of appeal with the Court of Appeal against the High Court's decision to dismiss the Order 14A Application ("Order 14A Appeal"). The Court of Appeal fixed a new hearing date for the Order 14A Appeal on 30 March 2023.

The Trial for the Writ was conducted in person at the High Court before YA OCK, on 15 June 2022, 16 June 2022, 28 September 2022, 29 September 2022 and 30 September 2022.

As the Trial for the Writ was part heard, YA OCK fixed additional trial dates for the Writ to be concluded, on 28 November 2022, 29 November 2022 and 30 November 2022.

(b) KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO. WA-24NCC-658-05/2022 TURIYA BERHAD ("TURITA" OR "PLAINTIFF") VS MAA GROUP BERHAD ("MAAG" OR "1ST DEFENDANT") AND EMPIRE HOLDINGS LIMITED ("EMPIRE" OR "2ND DEFENDANT")

The Company, on 13 May 2022, had 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 ("ROD Determination").

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".

On 2 June 2022, solicitors for MAAG were served by the solicitors for Empire, with a notice of application dated 1 June 2022, filed by Empire on 1 June 2022 ("Stay Application"). The Stay application was for an order for stay of proceedings of the ROD Determination, pending the disposal of the judicial review application filed by Turiya on 13 May 2022 at the High Court, against the Securities Commission Malaysia, MAAG and Empire, in judicial review application no. WA-25-369-05/2022.

The hearing at the High Court, for the ROD Determination and the Stay Application, was held on 2 June 2022. During the hearing, Turiya withdrew the ROD Determination and Empire withdrew the Stay Application.

50 MATERIAL LITIGATIONS (continued)

(c) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) ("HIGH COURT") APPLICATION FOR JUDICIAL REVIEW NO. WA-25-369-05/2022 ("JUDICIAL REVIEW APPLICATION") TURIYA BERHAD ("APPLICANT" OR "TURIYA") VS SECURITIES COMMISSION MALAYSIA ("1ST RESPONDENT" OR "SC"), MAA GROUP BERHAD ("2ND RESPONDENT" OR "MAAG") AND EMPIRE HOLDINGS LIMITED ("3RD RESPONDENT" OR "EMPIRE")

The Company, on 1 June 2022, had been served with cause papers relating to the Judicial Review Application, including, a sealed copy of an ex parte application for leave to commence judicial review dated 13 May 2022 from the Applicant (Turiya), an Affidavit in Support affirmed on 13 May 2022, by Jayapalasingam a/l Kandiah, the Senior Independent Non-Executive Director of the Applicant (Turiya), and a sealed copy order of the Kuala Lumpur High Court dated 23 May 2022.

In the Judicial Review Application, the Applicant (Turiya) applied for:

(i) leave of the High Court to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by 3rd Respondent (Empire) regarding contraventions of securities laws and Listing Requirements in respect of a Notice of Unconditional Mandatory Take-Over Offer by the 2nd Respondent (MAAG) for all remaining ordinary shares in Turiya which is not already held by the 2nd Respondent (MAAG) ("Notice");

(ii) an order that the whole of the 2nd Respondent's unconditional mandatory take-over offer ("Offer") process be stayed pending the disposal of the Judicial Review Application and if leave is granted, pending the disposal of the substantive Judicial Review Application;

(iii) costs in the cause; and

(iv) such further reliefs as the High Court deems fit and suitable.

On 23 May 2022, the High Court granted the following orders:

(i) that the Applicant (Turiya) be granted leave to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by the 3rd Respondent (Empire) regarding contraventions of securities laws and Listing Requirements in respect of the Notice; and

(ii) an interim stay order that the whole Offer process be stayed with liberty to the Respondents to set it aside ("Interim Stay Order").

In this regard, the High Court provided the following directions:

(i) Turiya to file and serve a Notice of Application to withdraw the Judicial Review Application ("Withdrawal Application"), on or before 13 June 2022;

(ii) MAAG to file and serve a Notice of Application to set aside the interim stay order granted by the High Court on 23 May 2022 ("Setting Aside Application"), on or before 17 June 2022; and

(iii) The Hearing date for both the Withdrawal Application and the Setting Aside Application is fixed before the High Court Judge, Yang Arif Hakim Dato' Wan Ahmad Farid bin Wan Salleh ("YA WAF"), on 27 June 2022.

On 13 June 2022, solicitors for Turiya filed with the High Court and served on the solicitors for MAAG, the Withdrawal Application.

On 17 June 2022, solicitors for MAAG filed with the High Court and served on the solicitors for Turiya, the Setting Aside Application.

The online Hearing for both the Withdrawal Application and the Setting Aside Application was conducted on 27 June 2022 before YA WAF.

The Securities Commission Malaysia did not object to the Withdrawal Application.

Upon hearing all parties present, YA WAF granted an order in terms of the Withdrawal Application, with no order as to costs. As a consequential order to the Withdrawal Application being granted by the High Court, the Interim Stay Order, granted by High Court on 23 May 2022, is set aside with no order as to costs. Both orders are effective from 27 June 2022.

50 MATERIAL LITIGATIONS (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) ("HIGH COURT") APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 ("EMPIRE'S JUDICIAL REVIEW APPLICATION") EMPIRE HOLDINGS LTD ("APPLICANT" OR "EMPIRE") VS SECURITIES COMMISSION MALAYSIA ("1ST RESPONDENT" OR "SC"), MAA GROUP BERHAD ("2ND RESPONDENT" OR "MAAG") AND TURIYA BERHAD ("3RD RESPONDENT" OR "TURIYA")

The Company, on 22 June 2022, had been served with cause papers relating to the Judicial Review Application, including, a sealed copy of an ex parte application for leave to commence judicial review dated 7 June 2022 from the Applicant (Empire) , an Affidavit in Support affirmed on 7 June 2022, by Tan Seow Wan, the General Manager of the Applicant (Empire), and a sealed copy order of the High Court dated 13 June 2022.

In the Empire's Judicial Review Application, the Applicant (Empire) applied, ex-parte for:

(i) leave of the High Court to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by 3rd Respondent (Turiya), in a thorough and complete manner, regarding contraventions of securities laws and Listing Requirements in respect of a Notice of Unconditional Mandatory Take-Over Offer by the 2nd Respondent (MAAG) for all remaining ordinary shares in Turiya which is not already held by the 2nd Respondent (MAAG) ("Notice");

(ii) an order that the whole of the 2nd Respondent's (MAAG) unconditional mandatory take-over offer ("Offer") process be stayed pending the disposal of the Empire's Judicial Review Application and if leave is granted, pending the disposal of the substantive Empire's Judicial Review Application;

(iii) costs in the cause; and

(iv) such further reliefs as the High Court deems fit and suitable.

On 13 June 2022, the High Court granted the following orders, ex-parte:

(i) that the Applicant (Empire) be granted leave to apply for a mandamus order to compel the 1st Respondent (SC) to investigate the allegations made by the 3rd Respondent (Empire), in a thorough and complete manner, regarding contraventions of securities laws and Listing Requirements in respect of the Notice; and

(ii) a stay order that the whole Offer process be stayed pending the disposal of the substantive application of the Empire's Judicial Review Application.

On 4 July 2022, the Solicitors of MAAG filed with the High Court and served on Empire, MAAG's notice of application for security for costs against Empire ("Application for Security for Costs") and MAAG's Certificate of Urgency.

On 8 August 2022, solicitors for SC filed a Notice of Application for security for costs against Empire ("SC Application for Security for Costs") and an affidavit in support of the SC Application for Security for Costs, affirmed by Ahmad Zulkharnain bin Musa, General Manager of the Take-overs & Mergers Department of the SC, on 8 August 2022.

On 11 August 2022, the following matters were conducted at the High Court (Special Powers Court 1), before Tang Arif Hakim Dato' Ahmad Kamal bi Md. Shahid ("YA Dato' Ahmad Kamal"):

1. Case Management for the substantive Hearing of Empire's Judicial Review Application;
2. Hearing for the Application for Security for Costs; and
3. Hearing for the SC Application for Security for Costs.

During the Hearing for the SC Application for Security for Costs, YA Dato' Ahmad Kamal provided the following directions:

1. Empire to file and serve on the SC, the affidavit in reply of the SC Application for Security for Costs by 25 August 2022;
2. The SC to file and serve on Empire, a reply to Empire's affidavit in reply by 8 September 2022;
3. Both Empire and the SC to file written submissions by 22 September 2022;
4. Both Empire and the SC to file written submissions in reply, if any, by 29 September 2022; and
5. The Hearing for the SC Application for Security for Costs is fixed on 17 October 2022, in open court, at 9am, before YA Dato' Ahmad Kamal.

50 MATERIAL LITIGATIONS (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) ("HIGH COURT") APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 ("EMPIRE'S JUDICIAL REVIEW APPLICATION") EMPIRE HOLDINGS LTD ("APPLICANT" OR "EMPIRE") VS SECURITIES COMMISSION MALAYSIA ("1ST RESPONDENT" OR "SC"), MAA GROUP BERHAD ("2ND RESPONDENT" OR "MAAG") AND TURIYA BERHAD ("3RD RESPONDENT" OR "TURIYA") (continued)

All parties, and YA Dato' Ahmad Kamal, agreed that the Application for Security for Costs and the SC Application for Security for Costs should be heard together on 17 October 2022.

YA Dato' Ahmad Kamal also fixed a new Case Management date for the substantive Hearing for Empire's Judicial Review Application (Enclosure 13) on 17 October 2022, after the Hearing for the Application for Security for Costs (Enclosure 16) and the SC Application for Security for Costs.

The Case Management at the High Court, for Empire's Judicial Review Application, was held on 6 September 2022 ("Case Management").

During the Case Management, the High Court provided the following directions:

1. The Hearing date fixed on 17 October 2022 is vacated;

2. Written submission (in English) for Enclosure 33 to be filed and served simultaneously on or before 2 November 2022;

3. Written submission in reply (in English) for Enclosure 33 to be filed and served simultaneously on or before 9 November 2022;

4. The SC to file the reply to Empire's Affidavit in Reply in Enclosure 33 on or before 27 September 2022;

5. A new Hearing date, for the Application for Security for Costs (Enclosure 16) and the SC Application for Security for Costs (Enclosure 33) is fixed on 16 November 2022;

6. A Case Management for the substantive hearing of Empire's Judicial Review Application (Enclosure 13) is fixed on 16 November 2022, after the Hearing is concluded.

On 9 September 2022, Solicitors for MAAG filed the following cause papers with the High Court:

1. Notice of Application to the High Court for, among others, the following orders:

   (i) a variation of the Stay Order dated 13 June 2022, to allow MAAG to submit an application to the Securities Commission Malaysia ("SC") under Paragraph 15.01 of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("TOM Rules") for the SC's consent for MAAG:

      a. to nominate its proxy for appointment to the board of directors of Turiya; and
      b. to vote at Turiya's 42nd Annual General Meeting ("AGM"), scheduled to be held on 20 September 2022;

   (ii) as a consequence of Order (i) above, the rights of MAAG to vote at Turiya's 42nd AGM and all subsequent AGMs, extraordinary general meetings and other meetings of shareholders of Turiya, be restored;

   (iii) as an alternative, an Order for Turiya's 42nd AGM to be postponed pending MAAG obtaining the consent of the SC in accordance with the TOM Rules; and

   (iv) as an alternative, an Order for Resolutions 2, 3, 5 and 6, as set out in Turiya's 42nd AGM Notice, not be tabled.

("Variation Application").

2. Affidavit in Support of the Variation Application, affirmed by Anand Kanagasingam, Group Chief Operating Officer of MAAG, on 9 September 2022;

3. Certificate of Urgency; and

4. A letter from the Solicitors for MAAG to the High Court dated 9 September 2022.

The Hearing for the Variation Application was fixed on 16 November 2022.

50 MATERIAL LITIGATIONS (continued)

(d) HIGH COURT OF MALAYA AT KUALA LUMPUR (SPECIAL POWERS DIVISION) ("HIGH COURT") APPLICATION FOR JUDICIAL REVIEW NO. WA-25-391-06/2022 ("EMPIRE'S JUDICIAL REVIEW APPLICATION") EMPIRE HOLDINGS LTD ("APPLICANT" OR "EMPIRE") VS SECURITIES COMMISSION MALAYSIA ("1ST RESPONDENT" OR "SC"), MAA GROUP BERHAD ("2ND RESPONDENT" OR "MAAG") AND TURIYA BERHAD ("3RD RESPONDENT" OR "TURIYA") (continued)

On 14 September 2022, the High Court heard submissions on MAAG's request for an Order to postpone Turiya's AGM.

On 15 September 2022, the High Court refused MAAG's request for an Order to postpone Turiya's AGM.

51 COMPARATIVES

The Group and the Company changed its financial year end from 31 December during the financial period. As such, the comparatives for statements of profit or loss ("SOPL"), statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period as well as the comparatives in the notes to the financial statements relating to SOPL for the financial period from 1 January 2020 to 31 December 2020 are not comparable to the financial period from 1 January 2021 to 30 June 2022.

LIST OF SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

Name	No. of Shares Held	% of Shares [a]
Tunku Dato' Yaacob Khyra ("TY") *Indirect Interest*	110,270,484	41.81 [1]
Khyra Legacy Berhad ("KLB") *Indirect Interest*	110,270,484	41.81 [2]
Melewar Equities Sdn Bhd ("MESB") *Indirect Interest*	78,839,140	29.89 [3]
Melewar Acquisitions Limited ("MAL") *Direct Interest*	78,839,140	29.89
Melewar Equities (BVI) Ltd ("MEL") *Direct Interest*	31,431,344	11.92

LIST OF DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Name	No. of Shares Held	% of Shares [a]
TY *Indirect Interest*	110,270,484	41.81 [1]
Yeo Took Keat *Direct Interest*	80,000	0.03

Notes:

[a] *The percentages of substantial shareholders and Directors' shareholdings are calculated by dividing the shares held by the respective substantial shareholders and Directors with the total number of issued shares.*

[1] *TY is deemed interested by virtue of him being a trustee and one of the beneficiaries of KLB.*

[2] *KLB, a family trust founded by TY, is deemed interested by virtue of its 100% equity interest in MAL through MESB and 100% equity interest in MEL pursuant to Section 8 of the Companies Act, 2016.*

[3] *MESB is a wholly-owned subsidiary of KLB and is deemed interested by virtue of its 100% equity interest in MAL and by virtue of it being a related corporation pursuant to Section 8(5)(a) of the Companies Act, 2016.*

STATISTICS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2022

Share Capital	RM304,353,752
Class of Shares	Ordinary Shares
Total Number of Issued Shares	263,732,252
Number of Shareholders	4,930

No. Of Size Of Holdings	No. Of Holders	% Of Holders	No. Of Shares	% Of Shares
Less than 100	434	8.80	11,155	0.00
100 to 1,000	752	15.25	504,418	0.20
1,001 to 10,000	2,478	50.26	12,145,666	4.60
10,001 to 100,000	1,071	21.73	34,560,025	13.10
100,001 and below 5% of issued shares	193	3.92	106,271,848	40.30
5% and above of issued shares	2	0.04	110,239,140	41.80
TOTAL	**4,930**	**100.00**	**263,732,252**	**100.00**

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022

No.	Name	No. Of Shares Held	% Of Shares
1	MELEWAR ACQUISITIONS LIMITED	78,839,140	29.89
2	RHB NOMINEES (ASING) SDN BHD OSK CAPITAL SDN BHD FOR MELEWAR EQUITIES (BVI) LTD	31,400,000	11.91
3	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	7,298,696	2.77
4	ONG HUNG HOCK	6,150,000	2.33
5	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	6,113,700	2.32
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD FUA KIA PHA	5,136,788	1.95
7	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	4,296,666	1.63
8	LEE KEK MING	3,600,000	1.36
9	LIM KHUAN ENG	3,080,000	1.17
10	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR KEGANI PACIFIC LTCFUND L.P.	2,402,100	0.91
11	LAM CHEE CHIANG	2,063,000	0.78
12	ARTHUR VARKEY SAMUEL	2,000,000	0.76
13	MICHEAL OOI CHUNG GHEE	1,919,900	0.73
14	LEE KERWYN	1,659,500	0.63
15	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,636,332	0.62
16	SANJEEV CHADHA	1,623,600	0.62
17	LEE CHEE BENG	1,597,000	0.60
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH TAI SIANG	1,576,800	0.60

No.	Name	No. Of Shares Held	% Of Shares
19	TAN WAI HENG	1,500,000	0.57
20	NIRMALA NAVINCHANDRA SHAH	1,297,000	0.49
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	1,200,000	0.46
22	GOH TECK YIEW	1,147,200	0.43
23	GOH TAI SIANG	1,145,600	0.43
24	GOH TAI SIANG	1,140,000	0.43
25	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	1,115,328	0.42
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SUI YUING (E-BTL)	1,099,200	0.42
27	LOW CHU MOOI	1,050,000	0.40
28	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	920,000	0.35
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	901,000	0.34
30	CHEAH SOOK PINN	900,000	0.34
TOTAL SHAREHOLDINGS		**175,808,550**	**66.66**

NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 24TH ANNUAL GENERAL MEETING ("AGM") of the Company will be held electronically in its entirety via Remote Participation and Voting facilities at the broadcast venue at Astana Meeting Room, 15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on Thursday, 1 December 2022 at 2.30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS	**Resolution**
(1) To receive the Audited Financial Statements for the year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon. ***[Please refer to Explanatory Note A]***	
(2) To approve the payment of Directors' fees of RM430,000.00 for the period from 1 July 2022 to 31 December 2023 to be payable quarterly in arrears to the Non-Executive Directors of the Company and its subsidiary.	**1**
(3) To approve an amount of up to RM330,000.00 as benefits payable to the Non-Executive Directors of the Company and its subsidiary for the period from 1 July 2022 to 31 December 2023. ***[Please refer to Explanatory Note B]***	**2**
(4) To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:	
(i) Tunku Dato' Yaacob Khyra	**3**
(ii) Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	**4**

AS SPECIAL BUSINESS

(5) To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-

(a) Change of Auditors **5**

That it be noted Messrs. PricewaterhouseCoopers PLT, the retiring Auditors have indicated that they do not wish to seek for re-appointment as Auditors of the Company for the financial year ending 30 June 2023.

Notice of Nomination pursuant to Section 271(4) of the Companies Act 2016 ("the Act") (a copy of which is annexed and marked as "*Appendix I*" in the Annual Report 2022) has been received by the Company for the nomination of Messrs. KPMG PLT as Auditors in place of the retiring Auditors, Messrs. PricewaterhouseCoopers PLT.

"THAT Messrs. KPMG PLT of Level 10, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor be and are hereby appointed as the new Auditors of the Company for the financial year ending 30 June 2023, in place of the retiring Auditors, Messrs. PricewaterhouseCoopers PLT to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

(b) Proposed Renewal of Share Buy-Back Authority **6**

"THAT subject to compliance with Section 127 of the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, the Company be and is hereby unconditionally and generally authorised to purchase and hold such amount of shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time-to-time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and the maximum funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company available at the time of the intended purchase.

AND THAT such authority shall commence immediately upon passing of this Ordinary Resolution and will expire at the conclusion of the next AGM of the Company unless earlier revoked or varied by Ordinary Resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next AGM is required by law to be held whichever is earlier but not so as to prejudice the completion of purchase(s) made by the Company before the aforesaid expiry date.

AND THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and further THAT authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the shares so purchased as treasury shares or cancel them or both."

(c) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd **7**

"THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 31 May 2021 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and/or its subsidiaries to enter into the recurrent related party transaction ("RRPT") of a revenue or trading nature as set out in Section 3.3(A) of Part B of the Circular to Shareholders dated 31 October 2022 ("the Circular"), with Trace Management Services Sdn Bhd ("the Related Party") mentioned therein which are necessary, for the Company and/or its subsidiaries' for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(d) Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **8**

"THAT the mandate granted by the shareholders of the Company on 31 May 2021 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries ("MAAG Group") to enter into the RRPTs which are necessary for MAAG Group's day-to-day operations as set out in Section 3.3(B) of Part B of the Circular with the related parties mentioned therein, be and are hereby renewed, AND THAT mandate be and is hereby granted by the shareholders of the Company to apply to the new RRPT as set out in Section 3.3(C) of Part B of the Circular with the related party mentioned therein, provided that:

(i) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and

(ii) the transactions are made at arm's length and on normal commercial terms.

AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting), until:

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earliest.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(e) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act **9**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

BY ORDER OF THE BOARD

LILY YIN KAM MAY (MAICSA NO. 0878038)
Company Secretary

Kuala Lumpur
31 October 2022

NOTES:-

1. *The 24th AGM will be conducted electronically in its entirety via Remote Participation and Voting ("RPV") facilities which are available on website at www.tracemanagement.com.my. Please follow the procedures provided in the Administrative Details of 24th AGM in order to register, participate and vote remotely via the RPV facilities.*

2. *The Broadcast Venue of the 24th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be at the main venue of the meeting. No shareholders/proxies from the public should be physically present at the Broadcast Venue on the day of the 24th AGM.*

3. *Members may submit questions to the Board of Directors prior to the 24th AGM to the Investor Relations at AngelineLim@maa.my or lily@crestcorp.com.my no later than 2.30 p.m. on Tuesday, 29 November 2022 or to use the Question and Answer platform to transmit questions to Board of Directors via RPV facilities during live streaming.*

4. *Since the 24th AGM will be conducted electronically in its entirety via RPV facilities, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Proxy Form.*

5. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

6. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

7. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*

8. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

9. *Any alteration in the form of proxy must be initialled.*

10. Form of Proxy sent through facsimile transmission shall not be accepted.

11. For the purpose of determining a member who shall be entitled to attend this 24th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 23 November 2022. Only a depositor whose name appears on the Record of Depositors as at 23 November 2022 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

12. Explanatory Notes to Ordinary Business:

(A) Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.

(B) Benefits Payable to Non-Executive Directors (Ordinary Resolution 2)

Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 2 is to seek shareholders' approval for payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors for the period from 1 July 2022 until 31 December 2023.

The benefits comprise the meeting allowances, benefits in kind and other emoluments payable to the Non-Executive Directors of the Company and its subsidiary, namely MAA International Group Ltd ("MAAIG").

In determining the estimated total amount of remuneration (excluding Directors' fees) for the Non-Executive Directors of the Company and its subsidiary, MAAIG, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the directors' remuneration (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiary throughout the relevant period.

13. Explanatory Notes to Special Business of Agenda 5:

(C) Change of Auditors (Ordinary Resolution 5)

Notice of Nomination pursuant to Section 271(4) of the Act (a copy of which is annexed and marked as "Appendix I" in the Annual Report 2022) has been received by the Company for the nomination of Messrs. KPMG PLT as Auditors in place of the retiring Auditors, Messrs. PricewaterhouseCoopers PLT.

(D) Proposed Renewal of Share Buy-Back Authority (Ordinary Resolution 6)

The Proposed Ordinary Resolution 6, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares ("the Proposal") by utilising its financial resources not immediately required. The Proposal may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(E) Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolutions 7 and 8)

The Proposed Ordinary Resolutions 7 and 8, if passed, will empower the Company to conduct recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

(F) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 9)

The Ordinary Resolution proposed under Resolution 9 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.

The Proposed Ordinary Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 23rd AGM held on 31 May 2021 and which will lapse at the conclusion of the 24th AGM to be held on 1 December 2022.

14. Poll Voting

All the Resolutions mentioned above will be put to vote by Poll.

The detailed information on Special Business of Agenda 5 except for Ordinary Resolutions 5 and 9 as mentioned above is set out in the Circular to Shareholders of the Company dated 31 October 2022 which is dispatched together with the Company's 2022 Annual Report.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities, the details of the Directors who are seeking for re-election or reappointment in Agenda 4 of the Notice of the 24th AGM of the Company are set out in the Directors' Profile on pages 5 and 8 of this Annual Report.

The detailed information relating to general mandate for issue of securities pursuant to Paragraph 6.03(3) of the Listing Requirements of Bursa Securities are set out under Note F of the Notice of the 24th AGM of the Company.

MELEWAR ACQUISITIONS LIMITED
(BVI Company No. 1959962)

15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, Malaysia.
Tel: 603-6250 7000 Fax: 603-6257 1222

Date: 6 October 2022

The Board of Directors
MAA Group Berhad
13th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Attention: Ms. Lily Yin Kam May, the Company Secretary of MAA Group Berhad

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS. KPMG PLT AS AUDITORS

We, being the major shareholder of MAA Group Berhad (Registration No.: 199801015274 (471403-A)), hereby give notice pursuant to Section 271(4) of the Companies Act 2016 of our nomination of Messrs. KPMG PLT (LLP0010081-LCA & AF 0758) as auditors of the Company in place of Messrs. PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), who has indicated its intention not to seek re-appointment at the forthcoming Annual General Meeting of the Company to be held in 2022.

Therefore, we propose that the following resolution be considered at the forthcoming Annual General Meeting of the Company:-

"THAT Messrs. KPMG PLT of Level 10, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor be and are hereby appointed as the new Auditors of the Company for the financial year ending 30 June 2023, in place of the retiring Auditors, Messrs. PricewaterhouseCoopers PLT to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Thank you.

Yours faithfully,
For and on behalf of
Melewar Acquisitions Limited

Tunku Dato' Yaacob Khyra
Director

NOTICE There will be no distribution of e-vouchers

FORM OF PROXY

(please refer to the notes behind)

No. of shares held	CDS Account No.

MAA GROUP BERHAD

Reg. No. 199801015274 (471403-A)
(Incorporated In Malaysia)

I/We ______________________________ NRIC No./Passport No./Reg. No./CDS No.: ______________
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

of ____
(Full Address and Contact No.)

being a member/members of **MAA GROUP BERHAD** hereby appoint * **Chairman of the meeting** or

Name of Proxy:		Full Address:	
NRIC No./ Passport No. of Proxy:		Contact No. & Email Address:	

or failing him/her

Name of Proxy:		Full Address:	
NRIC No./ Passport No. of Proxy:		Contact No. & Email Address:	

as ***my/our proxy** to vote for ***me/us** and on ***my/our behalf** at the **24th Annual General Meeting ("AGM")** of the Company to be conducted electronically in its entirety via Remote Participation and Voting ("RPV") facilities at the Broadcast Venue at Astana Meeting Room, 15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on **Thursday, 1 December 2022 at 2.30 p.m.** or at any adjournment thereof on the following resolutions referred to in the Notice of 24th AGM. My/our proxy is to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
		For	**Against**	**For**	**Against**
Resolution	**Ordinary Business**				
1	To approve the payment of Directors' fees of RM430,000.00 for the period from 1 July 2022 31 December 2023 to be payable quarterly in arrears to the Non-Executive Directors of the Company and its subsidiary.				
2	To approve an amount of up to RM330,000.00 as benefits payable to the Non-Executive Directors of the Company and its subsidiary for the period from 1 July 2022 to 31 December 2023.				
	To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:				
3	(i) Tunku Dato' Yaacob Khyra				
4	(ii) Tunku Dato' Ahmad Burhanuddin bin Tunku Datuk Seri Adnan				
	Special Business				
5	To appoint Messrs. KPMG PLT as Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers PLT, and to authorise the Directors to determine their remuneration.				
6	To approve the Proposed Renewal of Share Buy-Back Authority.				
7	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction with Trace Management Services Sdn Bhd.				
8	To approve the Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions.				
9	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.				

[Please indicate with a "✓" or "x" in the spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy/ Proxies will vote or abstain at his/her discretion]

The proportion of my holdings to be represented by my ***proxy/proxies** are as follows:

	Number of Shares	Percentage
First Proxy		%
Second Proxy		%
Total		**100%**

Dated this ____________ day of ____________ 2022

____
[Signature of Shareholder(s)/Common Seal]

NOTES:-

1. *The 24th AGM will be conducted electronically in its entirety via RPV facilities which are available on the website at www.tracemanagement.com.my. Please follow the procedures provided in the Administrative Details of 24th AGM in order to register, participate and vote remotely via the RPV facilities.*
2. *The Broadcast Venue of the 24th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be at the main venue of the meeting. No shareholders/proxies from the public should be physically present at the Broadcast Venue on the day of the 24th AGM.*
3. *Members may submit questions to the Board of Directors prior to the 24th AGM to the Investor Relations at AngelineLim@maa.my or lily@crestcorp.com.my no later than 2.30 p.m. on Tuesday, 29 November 2022 or to use the Question and Answer platform to transmit questions to Board of Directors via RPV facilities during live streaming.*
4. *Since the 24th AGM will be conducted electronically in its entirety via RPV facilities, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Proxy Form.*
5. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
6. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.*
8. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
9. *Any alteration in the form of proxy must be initialled.*
10. *Form of Proxy sent through facsimile transmission shall not be accepted.*
11. *For the purpose of determining a member who shall be entitled to attend this 24th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 23 November 2022. Only a depositor whose name appears on the Record of Depositors as at 23 November 2022 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

Please strike out whichever is not desired.

Fold Here

STAMP

The Secretary
MAA GROUP BERHAD
Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur

Fold Here

NOTICE
There will be no distribution of e-vouchers

www.maa.my

MAA GROUP BERHAD 199801015274 (471403-A)
13th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, Malaysia

Tel : 03-6256 8000 Fax : 03-6251 0373