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MAA to pay another round of dividend

> Group cuts allocation for future investments from disposal proceeds in favour of working capital and dividend requirements

PETALING JAYA: Practice Note 17 (PN17) company MAA Group Bhd is paying out another round of dividends with RM32.82 million and allocating RM28 million for a potential investment in an independent oil producer in Kaliningrad, Russia.

"A due diligence exercise will be undertaken on the relevant oil fields prior to the investment and the company will make the necessary announcements upon any material developments in respect of the above in accordance with the listing requirements," it said in a filing with the stock exchange vesterday.

stock exchange yesterday.

MAA was classified a PN17 company in 2011, following the sale of its conventional insurance arm Malaysian Assurance Alliance Bhd to Switzerland-based Zurich Insurance Co Ltd. Last January, it was granted an extension of time of up to June 30 to submit its

restructuring plan.

MAA had said it was assessing and evaluating companies engaged in manufacturing, oil and gas, education, assisted reproductive technologies industries.

Worth noting is that the actual disposal proceeds from the MAA Takaful sale only amounted to RM364.4 million against RM393.75 million as announced earlier due to certain downward adjustments in accordance with the terms and conditions of the sale and purchase agreement.

Of the proceeds, RM100.76 million was paid out as a special dividend in August 2016, while another RM8.2 million in dividends is being held for payment on April 25. With its planned venture into the

With its planned venture into the Russian oil and gas industry, MAA Group said it is reducing the amount of monies from the remaining RM233.88 million disposal proceeds from the sale of Zurich Insurance Company Ltd allocated for future investments, to RM68.25 million. Another RM40 million will be for investments to be identified later.

MAA will use RM30.85 million and RM32.82 million for working capital/share buy back and another round of dividend payments, respectively. All the proceeds are to be used within 24 months.

MAA noted that the variation to the utilisation of proceeds is to reward the shareholders, while the amount to be used for working capital is to maintain sufficient level of capital for the group's day-to-day operations.

It added that the share buy-back exercise is expected to provide support to the share price and consequently preserve the group's fundamental value.

A sum of RM93.75 million from the sale will only be received in 2019, on the third anniversary of the sale of Zurich Insurance.

Its shares closed unchanged at 69.5 sen yesterday on some 36,800 shares done.