

# Other Bursa Securities Compliance Information



## 1. Utilisation of Proceeds Raised from Corporate Proposal

On 8 January 2007, the Company issued RM200 million nominal amount of Medium Terms Notes ("MTN") up to a period of 5 years. The MTN is secured by a bank guarantee facility from DBS Bank Ltd, Labuan Branch ("DBS Bank") up to the maximum aggregate principal amount of the United States Dollars equivalent to RM200 million.

The proceeds from MTN were used to repay certain existing bank borrowings of the Company and its subsidiaries, to finance redemption of its existing RM120 million Serial Fixed Rate Bonds maturing on 21 August 2007, to pre-fund the debt service reserve account to be established for the purposes of the MTN and to finance working capital of the Company.

## 2. Share Buy-Back

The Company has not purchased any of its own shares during the financial year ended 31 December 2007 and the preceding financial year.

## 3. Options, Warrants or Convertible Securities

During the financial year ended 31 December 2007, there were no options, warrants or convertible securities exercised or converted by the Company.

## 4. American Depositary Receipt (ADR) or Global Depositary Receipt (GDR)

The Company has not sponsored any ADR or GDR programme for the financial year ended 31 December 2007.

## 5. Sanctions and/or Penalties

Save as disclosed below, there were no sanctions and/or penalties imposed on the Company, its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 December 2007:-

- i) Malaysian Assurance Alliance Berhad ("MAA"), a wholly owned subsidiary of the Company, paid a sum of Ringgit Malaysia Thirty and Cents Twenty Seven (RM30.27) only to Lembaga Hasil Dalam Negeri ("LHDN") for late payment of withholding tax;
- ii) MAA Corporate Advisory Sdn Bhd ("MAACA"), a wholly owned subsidiary of MAA Corporation Sdn Bhd, which is in turn a wholly owned subsidiary of MAAH, paid a sum of Ringgit Malaysia Seven Hundred and Fifty (RM750.00) only to LHDN for late payment of tax for year 2007.

## 6. Non-Audit Fees

There was no non-audit fee paid to external auditors for the financial year ended 31 December 2007.

## 7. Variation in Results

The Company has announced variation in the unaudited results for the year ended 31 December 2007 from the audited results and explanation of the difference and reconciliation thereon are as follows: -

	RM' million
Consolidated net loss for the financial year ended 31 December 2007 in the announced unaudited Fourth Quarterly Results	(55.39)
Add: Additional allowance for diminution in value of investment in unquoted corporate debt security (net of tax) (Note 1)	(13.87)
Less: Reversal of accrued interest (net of tax) (Note 2)	(0.59)
Adjusted consolidated net loss for the financial year ended 31 December 2007 (unaudited as announced on 1 April 2008)	(69.85)
<u>Other subsequent adjustments made after 1 April 2008</u>	
Add:	
Reversal of allowance made for doubtful debts	1.15
Recognition of interest in suspense	2.08
Recognition of fair value gain on investment property	0.91
Recognition of foreign exchange gain	0.31
Decrease in unearned premium reserve	0.01
Reversal of management expenses over provided	0.08
Reversal of tax over provided	0.17
	4.71
Less:	
Additional share of loss from associated company	(8.06)
Accrual for unutilised staff leave	(0.07)
	(8.13)
Consolidated net loss for the financial year ended 31 December 2007 (audited as on 30 April 2008)	(73.27)



## Other Bursa Securities Compliance Information (continued)

### 7. **Variation in Results** (continued)

(Note 1)

Additional allowance for diminution in value of investment in Intelbest Corporation Sdn Bhd ("ICSB")'s Bai Bithaman Ajil Bonds ("BAIDS") (an Islamic debt facility) by the Company's subsidiary is as a result of further rating downgrade as announced by Malaysia Rating Corporation Berhad ("MARC") subsequent to the release of the Fourth Quarterly Results. The rating downgrade was due to a missed profit payment for the BAIDS on due date.

(Note 2)

With the impairment as stated in Note 1, adjustment is also made to reverse interest income that has been accrued on the said BAIDS.

### 8. **Profit Guarantees**

During the financial year, there were no profit guarantees given by the Company.

### 9. **Material Contracts**

There was no material contracts (not being entered into in the ordinary course of business) including contracts relating to loans, entered into by the Group which involved directors and shareholders, either still subsisting at the end of the financial year ended 31 December 2007 or entered into since the end of the previous financial year.

### 10. **Revaluation Policy**

In the financial year ended 31 December 2007, the Company does not own any landed properties. The subsidiary companies that own landed properties revalued their properties in accordance with the applicable accounting standards approved by Malaysian Accounting Standards Board and requirements of the relevant regulatory authorities.

# Other Bursa Securities Compliance Information (continued)



## Recurrent Related Party Transactions of a Revenue or Trading Nature

On 28 June 2007, the Company sought approval for a shareholders' mandate for MAAH Group to enter into Recurrent Transactions (as defined in the Circular to Shareholders dated 6 June 2007) 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 transactions conducted during the financial year ended 31 December 2007 are:-

Transacting Party	Nature of Transaction	Related Party	Nature of Interest	Value of Transaction (1/1/2007-31/12/2007) RM'000
Malaysian Assurance Alliance Berhad (MAA)	Office rental income received and receivable	Trace Management Services Sdn Bhd (Trace)	A company in which TA, TI, TTY and TY* have deemed interest by virtue of their substantial interest in The Melewar Corporation Berhad, the major shareholder of Trace	110
		Melewar Group Berhad (MGB)	A company in which TA, TI and TY are directors and major shareholders	72
		Melewar Apex Sdn Bhd	A company controlled by Tunku Soraya binti Tunku Abdullah, who is the daughter of TA and sister of TI and TY	63
		Melewar Intergrated Engineering Sdn Bhd (MIE)	A subsidiary of MIG in which TA, TI and TY are directors. The substantial shareholders of MIG are MESB, Melewar Equities (BVI) Ltd and MAA, companies controlled by TY	261
		Mitra Malaysia Sdn Bhd (Mitra)	A company in which TI is a director and has deemed interest by virtue of his substantial interest in Melewar Leisure Sdn Bhd, the holding company of Mitra	22
		MAAKL Mutual Bhd (MAAKL Mutual)	A 70% subsidiary of the Company and 20% owned by Khyra Liberty Sdn Bhd, a company controlled by TY	743
		MAA Bancwell Trustee Berhad (MAA Bancwell)	An associated company and a company in which TA, TI and TY have deemed interest by virtue of their substantial shareholdings in MGB, a substantial shareholder of MAA Bancwell	44
		Mithril Berhad (Mithril)	A company in which TA, TI, TTY and TY are deemed interested in Mithril by virtue of their deemed substantial interest in MAAH who is a substantial shareholder of Mithril	158
		Melewar Industrial Group Berhad (MIG)	A company in which TA, TI, TTY and TY are directors. The substantial shareholder of MIG is MESB, a company controlled by TY	230
		Mperial Power Ltd	A subsidiary of MIG in which TA, TI, TTY and TY are directors. The substantial shareholder of MIG is MESB, a company controlled by TY	83
MAA	Office rental expenses paid and payable	Malaysian Merchant Marine Berhad (MMM)	A company in which M3nergy Berhad, a subsidiary of MIG is the major shareholder. TI is a director of M3nergy. The substantial shareholder of MIG is Khyra Legacy Berhad, a company controlled by TY	501
		Central Market Development Sdn Bhd (CMD)	A company in which TI has deemed interest by virtue of his substantial interest in Melewar Leisure Sdn Bhd, the holding company of CMD	50
		Mithril	A company in which TA, TI, TTY and TY are deemed interested in Mithril by virtue of their deemed substantial interest in MAAH who is a substantial shareholder of Mithril	6,800

## Other Bursa Securities Compliance Information (continued)

Transacting Party	Nature of Transaction	Related Party	Nature of Interest	Value of Transaction (1/1/2007-31/12/2007) RM'000
MAAH Group	Purchase of air tickets and travel package paid and payable	Mitra	A company in which TI is a director and has deemed interest by virtue of his substantial interest in Melewar Leisure Sdn Bhd, the holding company of Mitra	2,977
MAAH Group	Corporate secretarial and related services fees paid and payable	Trace	A company in which TA, TI, TYY and TY have deemed interest by virtue of their substantial interest in The Melewar Corporation Berhad, the substantial shareholder of Trace	331
MAA	Collection agent fees received and receivable	MAAKL Mutual	A 70% subsidiary of the Company and 20% owned by Khyra Liberty Sdn Bhd, a company controlled by TY	18
MAAGNET	Provision of Information Technology Services	MAAKL Mutual	A 70% subsidiary of the Company and 20% owned by Khyra Liberty Sdn Bhd, a company controlled by TY	446
MAAGNET	Software development fee	MAA Bancwell	An associated company and a company in which TA, TI and TY have deemed interest by virtue of their substantial shareholdings in MGB, a substantial shareholder of MAA Bancwell	6
MAAH	Management fee	MAAKL Mutual	A 70% subsidiary of the Company and 20% owned by Khyra Liberty Sdn Bhd, a company controlled by TY	48
		MAA Bancwell	An associated company and a company in which TA, TI and TY have deemed interest by virtue of their substantial shareholdings in MGB, a substantial shareholder of MAA Bancwell	2,849
Wira Security Services Sdn Bhd	Provision of security services	Mycron Steel Berhad (Mycron)	A company in which TI and TY are directors of Mycron. TY is deemed interest in Mycron by virtue of his substantial shareholding in MIG, the holding company of Mycron. TI is deemed interested in Mycron by virtue of his family relationship with TY	135
		Melewar Industrial Group Berhad (MIG)	A company in which TA, TI, TYY and TY are directors. TY is deemed interested in MIG by virtue of his substantial interest in Melewar Equities Sdn Bhd, who in turn is the major shareholder of MIG	144
		Mithril Clay Manufacturing Berhad (formerly known as Tajo Berhad)	A subsidiary company of Mithril, a company on which TA, TI, TYY and TY are deemed interested by virtue of their deemed substantial interest in MAAH who is a substantial shareholder of Mithril	37
		Mithril Saferay Sdn Bhd	A subsidiary company of Mithril, a company on which TA, TI, TYY and TY are deemed interested by virtue of their deemed substantial interest in MAAH who is a substantial shareholder of Mithril	79
MAAH Group	Trustee fees paid and payable	MAA Bancwell	An associated company and a company in which TA, TI and TY have deemed interest by virtue of their substantial shareholdings in MGB, a substantial shareholder of MAA Bancwell	192

Notes :-

- \* TA is Tunku Tan Sri Abdullah Ibni Almarhum Tuanku Abdul Rahman
- TI is Tunku Dato' Seri Iskandar bin Tunku Abdullah (resigned w.e.f. 12/2/2008)
- TY is Tunku Dato' Ya'acob bin Tunku Abdullah
- TYY is Tunku Yahya @ Yahya bin Tunku Abdullah