

Company No.

738090	M
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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

Company No.

738090 M

HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31.12.2013					30.06.2013				
		Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000		
ASSETS											
Property and equipment		2,071	-	-	2,071	1,080	-	-	1,080		
Intangible assets		1,241	-	-	1,241	1,316	-	-	1,316		
Financial assets – available-for-sale	4	80,328	30,468	75,670	181,655	72,990	24,193	52,520	144,950		
Financial assets – fair value through profit or loss	4	-	-	10,998	10,998	-	-	35,003	35,003		
Loan and receivables		-	377	6,323	6,700	-	671	18,570	19,241		
Qardh receivable		1,779	-	-	-	5,460	-	-	-		
Retakaful assets	5	-	68,561	17,784	86,345	-	69,242	15,526	84,768		
Deferred tax assets		1,143	-	-	854	1,204	-	-	977		
Current tax recoverable		-	-	-	-	-	443	-	443		
Takaful receivables		-	8,743	6,047	14,790	-	4,215	5,257	9,472		
Other receivables		5,299	1,522	1,088	3,242	9,093	1,013	767	2,077		
Cash and bank balances		12,994	13,295	38,250	64,539	15,601	25,238	34,948	75,787		
Total assets		104,855	122,966	156,160	372,435	106,744	125,015	162,591	375,114		
EQUITY AND LIABILITIES											
Share capital		100,000	-	-	100,000	100,000	-	-	100,000		
Accumulated losses		(12,594)	(1,779)	-	(14,373)	(11,476)	(5,460)	-	(16,936)		
Fair value reserve		1,967	-	-	1,967	2,746	-	-	2,746		
Total Equity		89,373	(1,779)	-	87,594	91,270	(5,460)	-	85,810		
LIABILITIES											
Takaful contract liabilities	6	-	114,774	149,395	259,358	-	113,278	153,534	262,059		
Takaful payables		-	2,784	2,649	5,433	-	5,769	2,366	8,135		
Expense liabilities		8,747	-	-	8,747	7,784	-	-	7,784		
Qardh payable		-	1,779	-	-	-	5,460	-	-		
Other payables		6,301	4,669	2,731	9,034	6,970	5,934	5,526	9,634		
Due to related companies		252	-	-	252	212	-	-	212		
Deferred tax liabilities		-	102	187	-	-	34	193	-		
Current tax liabilities		182	637	1,198	2,017	508	-	972	1,480		
Total liabilities		15,482	124,745	156,160	284,841	15,474	130,475	162,591	289,304		
Total equity, participants' fund and liabilities		104,855	122,966	156,160	372,435	106,744	125,015	162,591	375,114		

The accompanying notes form an integral part of the interim financial statements.

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	6 months ended 31.12.2013			6 months ended 31.12.2012		
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000
Operating revenue	1,810	24,787	28,324	2,000	31,642	27,052
Gross contributions	-	24,064	26,451	-	31,166	24,028
Contributions ceded to retakaful	-	(9,954)	(6,114)	-	(17,023)	(4,774)
Net contributions	-	14,110	20,337	-	14,143	19,254
Change in unearned contribution reserve	-	1,711	-	-	(1,407)	-
Net earned contributions	-	15,821	20,337	-	12,736	19,254
Share of investment profit from:						
Family takaful	219	-	-	149	-	-
General takaful	69	-	-	54	-	-
Wakalah fee income	13,255	-	-	15,080	-	-
Commission income	-	2,086	-	-	4,162	-
Investment income	1,810	723	1,873	2,000	476	3,024
Realised gains	326	259	1,541	221	11	(16)
Fair value (losses)/gains	-	(37)	(37)	-	-	523
Other operating income	428	447	1,599	759	-	17
Other income	16,107	3,478	4,976	18,263	4,649	3,548
Gross benefits and claims paid	-	(9,738)	(30,350)	-	(3,053)	(9,971)
Claims ceded to retakaful	-	6,027	6,018	-	1,584	5,313
Gross change to certificate liabilities	-	(9,050)	3,584	-	(28,703)	(11,888)
Change to certificate liabilities ceded to retakaful	-	5,363	2,258	-	21,202	(376)
Net benefits and claims	-	(7,398)	(18,490)	-	(8,970)	(16,922)
Wakalah fee expenses	-	(7,133)	(6,122)	-	(8,865)	(6,215)
Commission expenses	(6,874)	-	-	(8,139)	-	-
Management expenses	(9,067)	-	-	(11,873)	-	-
Other operating expenses	-	(1,088)	(278)	-	(1,401)	(421)
Tax expense for Takaful funds	(963)	-	(423)	-	(816)	(241)
Other expenses	(16,904)	(8,221)	(6,823)	(20,012)	(11,082)	(6,877)
			(18,285)			(22,523)
			(40,088)			(13,024)
			12,045			6,897
			(5,466)			(40,491)
			7,621			20,826
			(25,888)			(25,792)
			(6,874)			(8,139)
			(9,067)			(11,873)
			(1,366)			(1,454)
			(978)			(1,057)

The accompanying notes form an integral part of the interim financial statements.

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)

	6 months ended 31.12.2013			6 months ended 31.12.2012				
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
(Loss)/profit before zakat and taxation	(797)	3,680	-	2,883	(1,749)	(2,667)	(997)	(5,413)
Zakat	-	-	-	-	-	-	-	-
Taxation	(321)	-	-	(321)	123	-	-	123
(Loss)/profit after zakat and taxation	(1,118)	3,680	-	2,562	(1,626)	(2,667)	(997)	(5,290)
Other comprehensive (loss)/income for the financial period								
Fair value change of available-for-sale financial assets:								
- Gross fair value change	(1,039)	267	(604)	(1,318)	63	64	143	319
- Deferred taxation	260	(67)	48	241	(16)	(16)	(11)	(43)
- Changes in Takaful contract liabilities	-	(200)	556	298	-	(48)	(132)	(229)
Total other comprehensive (loss)/income for the financial period	(779)	-	-	(779)	47	-	-	47
Total comprehensive (loss)/income for the financial period	(1,897)	3,680	-	1,783	(1,579)	(2,667)	(997)	(5,243)

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HONG LEONG MSIG TAKAFUL BERHAD
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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

	Issued and fully paid ordinary shares of RM 1 each		Non- distributable AFS Reserve RM'000	Accumulated Losses RM'000	Total RM'000
	Number of Shares	Nominal Value RM'000			
At 1 July 2013	100,000	100,000	2,746	(16,936)	85,810
Total comprehensive (loss)/income for the financial period At 31 December 2013	- 100,000	- 100,000	(779) 1,967	2,562 (14,374)	1,783 87,593
At 1 July 2012	100,000	100,000	2,020	(20,135)	81,885
Total comprehensive income/(loss) for the financial period At 31 December 2012	- 100,000	- 100,000	47 2,067	(5,290) (25,425)	(5,243) 76,642

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HONG LEONG MSIG TAKAFUL BERHAD
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	6 months ended 31.12.2013 RM'000	6 months ended 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net gain/(loss) for the financial period	2,562	(5,290)
Adjustments for:		
Write back of takaful receivables	(1,299)	(1,384)
(Write back)/write off of retakaful payable	(1,390)	101
Depreciation of property and equipment	129	76
Amortisation of intangible assets	161	147
Loss on disposal of property and equipment	-	(117)
Gain on disposal of investments	(2,126)	(523)
Foreign exchange	210	-
Amortisation of discounts – net	14	14
Profits and dividend income	(4,854)	(5,717)
Allowance for diminution in value of investment	74	-
Tax expense for Takaful funds	1,366	1,058
Tax expense	321	(123)
Profit from operations before changes in operating assets and liabilities	(4,832)	(11,758)
Proceeds from disposal of investments	48,894	17,027
Maturity of investments	28,777	-
Purchase of investments	(90,057)	(53,798)
Increase/(decrease) in deferred wakalah fee	963	(75)
Increase/(decrease) in Family Takaful certificate liabilities	(3,583)	11,525
Increase in General Takaful certificate liabilities	1,298	44,205
Increase in loan and receivables	12,671	5,129
Increase in retakaful assets	(1,578)	(32,270)
Decrease/(increase) in takaful receivables	(4,017)	3,540
Increase in other receivables	(1,311)	(12,331)
(Decrease)/increase in takaful payables	(1,313)	(9,763)
Increase in other payables	(600)	7,028
Increase/(decrease) in amount due to related companies	43	439
	(14,645)	(31,102)
Tax paid	(322)	-
Profit received	4,608	5,207
Dividends received	318	342
Net cash generated from operating activities	(10,041)	(25,553)

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HONG LEONG MSIG TAKAFUL BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)

	6 months ended 31.12.2013 RM'000	6 months ended 31.12.2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(87)	(21)
Purchase of property and equipment	(1,120)	(53)
Net cash used in investing activities	<u>(1,207)</u>	<u>(74)</u>
Net increase in cash and cash equivalents	(11,248)	(25,627)
Cash and cash equivalents at beginning of the financial period	<u>75,787</u>	<u>86,886</u>
Cash and cash equivalents at the end of the financial period	<u>64,539</u>	<u>61,259</u>
Cash and cash equivalents comprise:		
Takaful Operator	12,994	22,124
General Takaful fund	13,295	14,397
Family Takaful fund	38,250	24,738
	<u>64,539</u>	<u>61,259</u>

The accompanying notes form an integral part of the interim financial statements.

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HONG LEONG MSIG TAKAFUL BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013

1. Basis of preparation

The unaudited financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by International Accounting Standards Board and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim statements have been prepared under the historical cost except for certain financial assets and financial liabilities that are stated at fair value.

The statements of financial position and the statements of comprehensive income of the Operator, Family Fund and General Fund are supplementary financial information presented in accordance with the requirement of BNM. In accordance with Islamic Financial Services Act, 2013 the Company is required to segregate assets, liabilities, income and expenses of the Takaful funds from its own. The statements of financial position and comprehensive income of the Operator include only assets, liabilities, income and expenses of the Company excluding the Takaful funds managed by it.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 June 2013. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 30 June 2013.

2. Summary of Significant Accounting Policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 30 June 2013, except for the adoption of the following:

<u>MFRS / Interpretations</u>	<u>Effective date</u>
• MFRS 10 "Consolidated Financial Statements"	1 January 2013
• MFRS 11 "Joint Arrangements"	1 January 2013
• MFRS 12 "Disclosures of Interests in Other Entities"	1 January 2013
• MFRS 13 "Fair Value Measurement"	1 January 2013
• Amendments to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards – Government Loans"	1 January 2013
• Amendment to MFRS 7 "Financial Instruments Disclosures"	1 January 2013
• Amendment to MFRS 119 "Employee Benefits"	1 January 2013
• Revised MFRS 127 "Separate Financial Statements"	1 January 2013
• Revised MFRS 128 "Investments in Associates and Joint Ventures"	1 January 2013
• Annual Improvements 2009-2011 Cycle	1 January 2013

The adoption of the above revised standards, amendments and interpretations issued by MASB which are effective in the current year do not have any significant financial impact to the financial statements of the Company.

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

3. Capital Commitments

Capital expenditure approved by Directors but not provided for in the financial statements are as follows:

	31.12.2013 RM'000	30.06.2013 RM'000
Authorised but not contracted for: Intangible assets	<u>4,905</u>	<u>5,843</u>

4. Financial assets

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2013</u>				
Government Investment Issues	2,577	4,012	13,748	20,337
Islamic bonds	65,839	18,742	56,964	141,545
Equity securities	6,401	7,555	11,370	25,326
Unit Trusts	181	-	-	181
Investments in investment-linked funds	4,811	-	-	-
Structured investments	-	-	3,925	3,925
Accrued profit	519	159	661	1,339
Total	<u>80,328</u>	<u>30,468</u>	<u>86,668</u>	<u>192,653</u>
<u>30 June 2013</u>				
Government Investment Issues	-	1,513	13,619	15,132
Islamic bonds	61,755	17,869	38,540	118,164
Equity securities	5,690	4,663	6,457	16,810
Unit Trusts	211	-	-	211
Investments in investment-linked funds	4,753	-	-	-
Structured investments	-	-	28,215	28,215
Accrued profit	581	148	692	1,421
Total	<u>72,990</u>	<u>24,193</u>	<u>87,523</u>	<u>179,953</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

4. Financial assets (Continued)

The Company's financial assets are summarised as follows:

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2013</u>				
AFS	80,328	30,468	75,670	181,655
FVTPL	-	-	10,998	10,998
Total	<u>80,328</u>	<u>30,468</u>	<u>86,668</u>	<u>192,653</u>
Current	15,575	1,763	38,380	55,718
Non-current	<u>64,753</u>	<u>28,705</u>	<u>48,288</u>	<u>136,935</u>
	<u>80,328</u>	<u>30,468</u>	<u>86,668</u>	<u>192,653</u>
i) AFS				
Government Investment Issues	2,577	4,012	12,717	19,306
Islamic bonds	65,839	18,742	52,408	136,989
Equity securities quoted in Malaysia	6,401	7,555	9,922	23,878
Unit Trusts	181	-	-	181
Investments in investment-linked funds	4,811	-	-	-
Accrued profit	519	159	623	1,301
Total	<u>80,328</u>	<u>30,468</u>	<u>75,670</u>	<u>181,655</u>
ii) FVTPL				
Government Investment Issues	-	-	1,031	1,031
Islamic bonds	-	-	4,556	4,556
Equity securities quoted in Malaysia	-	-	1,448	1,448
Structured investments	-	-	3,925	3,925
Accrued profit	-	-	38	38
Total	<u>-</u>	<u>-</u>	<u>10,998</u>	<u>10,998</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

4. Financial assets (Continued)

The Company's financial assets are summarised as follows:

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>30 June 2013</u>				
AFS	72,990	24,193	52,520	144,950
FVTPL	-	-	35,003	35,003
Total	<u>72,990</u>	<u>24,193</u>	<u>87,523</u>	<u>179,953</u>
Current	12,199	664	26,465	39,328
Non-current	<u>60,791</u>	<u>23,529</u>	<u>61,058</u>	<u>140,625</u>
	<u>72,990</u>	<u>24,193</u>	<u>87,523</u>	<u>179,953</u>
i) AFS				
Government Investment Issues	-	1,513	13,115	14,628
Islamic bonds	61,755	17,869	33,327	112,951
Equity securities quoted in Malaysia	5,690	4,663	5,429	15,782
Unit Trusts	211	-	-	211
Investments in investment-linked funds	4,753	-	-	-
Accrued profit	<u>581</u>	<u>148</u>	<u>649</u>	<u>1,378</u>
Total	<u>72,990</u>	<u>24,193</u>	<u>52,520</u>	<u>144,950</u>
ii) FVTPL				
Government Investment Issues	-	-	504	504
Islamic bonds	-	-	5,213	5,213
Equity securities quoted in Malaysia	-	-	1,028	1,028
Structured investments	-	-	28,215	28,215
Accrued profit	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
Total	<u>-</u>	<u>-</u>	<u>35,003</u>	<u>35,003</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

4. Financial assets (Continued)

(c) Carrying values of financial investments

				AFS	FVTPL
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund/ Company RM'000
At 1 July 2012	67,146	8,530	32,054	103,163	57,248
Purchases	19,457	19,574	27,119	65,150	4,221
Maturities	(3,000)	(600)	(1,000)	(4,600)	(24,153)
Disposals, at carrying value	(11,938)	(4,054)	(6,735)	(21,727)	(1,708)
Fair value (losses)/gains recorded in:					
Profit or loss	161	55	86	202	799
Other comprehensive income	968	-	-	882	-
Takaful contract liabilities	-	608	768	1,376	-
Accretion/(amortisation) – net	(11)	(10)	-	(21)	-
Movement in accrued profit	207	90	228	525	20
Foreign exchange	-	-	-	-	(1,424)
At 30 June 2013/ 1 July 2013	<u>72,990</u>	<u>24,193</u>	<u>52,520</u>	<u>144,950</u>	<u>35,003</u>
Purchases	22,631	12,016	53,776	88,423	1,634
Maturities	(2,536)	(412)	-	(2,948)	(25,829)
Disposals, at carrying value	(11,983)	(5,824)	(30,316)	(48,123)	(771)
Fair value (losses)/gains recorded in:					
Profit or loss	326	222	329	877	1,175
Other comprehensive income	(1,039)	-	-	(1,097)	-
Takaful contract liabilities	-	267	(604)	(337)	-
Accretion/(amortisation) – net	-	(5)	(9)	(14)	-
Movement in accrued profit	(61)	11	(26)	(76)	(4)
Foreign exchange	-	-	-	-	(210)
At 31 December 2013	<u>80,328</u>	<u>30,468</u>	<u>75,670</u>	<u>181,655</u>	<u>10,998</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

4. Financial assets (Continued)

(d) Fair value hierarchy

The table below shows the financial assets recorded at fair value by their valuation method.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	AFS Company RM'000	FVTPL Family Takaful Fund/ Company RM'000
<u>31 December 2013</u>					
Level 1	11,394	7,555	9,922	24,059	1,448
Level 2	68,934	22,913	65,748	157,596	9,550
Level 3	-	-	-	-	-
	80,328	30,468	75,670	181,655	10,998
<u>30 June 2013</u>					
Level 1	10,654	4,663	5,429	15,993	1,028
Level 2	62,336	19,530	47,091	128,957	33,975
Level 3	-	-	-	-	-
	72,990	24,193	52,520	144,950	35,003

5. Retakaful assets

	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2013</u>			
Retakaful of Takaful contracts	68,561	17,784	86,345
<u>30 June 2013</u>			
Retakaful of Takaful contracts	69,242	15,526	84,768

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

6. Takaful contract liabilities

<u>Note</u>	31.12.2013			30.06.2013		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
6(a) Family Takaful	149,395	(17,784)	131,611	153,534	(15,526)	138,008
6(b) General Takaful	114,774	(68,561)	46,213	113,278	(69,242)	44,036
Total	264,169	(86,345)	177,824	266,812	(84,768)	182,044
Elimination of investment in investment-linked funds	(4,811)	-	(4,811)	(4,753)	-	(4,753)
Total Company	259,358	(86,345)	173,013	262,059	(84,768)	177,291

(a) Family Takaful contract liabilities

The Family Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2013			30.06.2013		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Net asset value attributable to certificateholders	13,506	-	13,506	33,567	-	33,567
Actuarial liabilities (i)	141,128	(14,270)	126,858	146,111	(12,766)	133,345
Claims liabilities	4,198	(3,514)	684	3,098	(2,760)	338
Unallocated surplus (ii)	3,311	-	3,311	3,012	-	3,012
AFS fair value adjustment (iii)	758	-	758	1,313	-	1,313
	149,395	(17,784)	131,611	153,534	(15,526)	138,008

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6. Takaful contract liabilities (Continued)

(a) Family Takaful contract liabilities(continued)

(i) Actuarial liabilities

	Gross RM'000	Re-takaful RM'000	Net RM'000
At 1 July 2012	143,313	(14,231)	129,082
Change in certificate liabilities	26,233	1,465	27,698
Movement in net asset value attributable to certificateholders	<u>(23,435)</u>	<u>-</u>	<u>(23,435)</u>
At 30 June 2013/1 July 2013	146,111	(12,766)	133,345
Change in certificate liabilities	15,080	(1,504)	13,576
Movement in net asset value attributable to certificateholders	<u>(20,063)</u>	<u>-</u>	<u>(20,063)</u>
At 31December 2013	<u>141,128</u>	<u>(14,270)</u>	<u>126,858</u>

	Gross/Net	
	31.12.2013 RM'000	30.06.2013 RM'000
(ii) Unallocated surplus		
At 1 July	3,012	-
Surplus during the financial period/year	<u>299</u>	<u>3,012</u>
At 31 December/30 June	<u>3,311</u>	<u>3,012</u>
(iii) AFS fair value adjustment		
At 1 July	1,313	606
Net fair value change during the financial period/year	<u>(555)</u>	<u>707</u>
At 31 December/30 June	<u>758</u>	<u>1,313</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

6. Takaful contract liabilities (Continued)

(b) General Takaful contract liabilities

The General Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2013			30.06.2013		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Provision for claims reported by certificateholders	37,096	(25,272)	11,824	40,716	(28,106)	12,610
Provision for IBNR	47,564	(27,988)	19,576	35,262	(19,791)	15,471
Provision for outstanding claims (i)	84,660	(53,260)	31,400	75,978	(47,897)	28,081
Unearned contribution reserve (ii)	27,044	(15,301)	11,743	34,798	(21,345)	13,453
AFS fair value adjustment (iii)	727	-	727	527	-	527
Participants' account (iv)	2,343	-	2,343	1,975	-	1,975
	114,774	(68,561)	46,213	113,278	(69,242)	44,036

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

6. Takaful contract liabilities (Continued)

(b) General Takaful contract liabilities (continued)

The General Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2013			30.06.2013		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
(i) Provision for outstanding claims						
At 1 July	75,978	(47,897)	28,081	45,059	(27,330)	17,729
Claims incurred in the current accident period/year	46,842	(28,040)	18,802	46,842	(28,040)	18,802
Other movements in claims incurred in prior accident period/year	(28,423)	16,650	(11,773)	(3,761)	834	(2,927)
Claims paid during the financial period/year	(9,737)	6,027	(3,710)	(12,162)	6,639	(5,523)
At 31 December/30 June	<u>84,660</u>	<u>(53,260)</u>	<u>31,400</u>	<u>75,978</u>	<u>(47,897)</u>	<u>28,081</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

6. Takaful contract liabilities (Continued)

(b) General Takaful contract liabilities (continued)

	31.12.2013	Gross/Net 30.06.2013
	RM'000	RM'000
(iii) Available-for-sale fair value adjustment		
At 1 July	527	71
Net fair value change during the financial period/year	200	456
At 31 December/30 June	<u>727</u>	<u>527</u>
(iv) Participants' accounts	1,975	1,087
Surplus arising during the financial period/year	368	888
At 31 December/30 June	<u>2,343</u>	<u>1,975</u>
Comprising:		
Participants' investment fund	2,343	1,975
Participants' special account	-	-
	<u>2,343</u>	<u>1,975</u>

7. Total Capital Available

The capital structure of the Company as at the date of the statement of financial position, consisting of all funds as prescribed under the RBC Framework is provided below:

	31.12.2013	30.06.2013
	RM'000	RM'000
Eligible Tier 1 capital		
- Share capital	100,000	100,000
- Reserves, including retained earnings	(11,062)	(13,924)
Eligible Tier 2 capital		
- Eligible reserves	4,533	10,046
	<u>93,471</u>	<u>96,122</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013 (CONTINUED)**

8. Items of An Unusual Nature

The result of the Company for the financial period under review were not substantially affected by any item

9. Changes in Estimate

There were no material changes in the basis used for accounting estimates for the financial period ended 31 December 2013

10. Seasonal or Cyclical Factors

The operations of the Company for the financial period under review were not significantly affected by seasonality or cyclical factors

11. Changes in Contingent Liabilities

There were no material contingent liabilities as at the date of the Report

12. Debts and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the financial period ended 31 December 2013

13. Subsequent Events

There were no material events subsequent to the end of the financial period under review that have not been reported in the Report.