

935955-M

AIA PUBLIC TAKAFUL BHD.
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014**

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AIA PUBLIC TAKAFUL BHD.
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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2014

	Note	31.05.2014			30.11.2013		
		Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
ASSETS							
Property, plant and equipment		1,324	-	1,324	1,361	-	1,361
Intangible assets		3,023	-	3,023	3,787	-	3,787
Financial assets - AFS	12(a).	81,660	49,051	130,711	75,764	49,628	125,392
Financial assets - FVTPL	12(b).	-	151,713	151,713	-	39,555	39,555
Loan and receivables	13.	8,601	40,032	48,633	9,015	3,912	12,927
Qard receivable		3,932	-	-	3,932	-	-
Tax recoverable		17	-	17	-	-	-
Deferred tax assets		-	13	13	-	-	-
Retakaful assets		-	713	713	-	854	854
Other receivables	14.	14,638	472	1,252	4,947	41	197
Takaful certificate receivables	15.	-	28,237	28,237	-	21,900	21,900
Cash and cash equivalents	16.	2,453	19,245	21,698	1,360	3,312	4,672
Total assets		115,648	289,476	387,334	100,166	119,202	210,645

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

AIA PUBLIC TAKAFUL BHD.
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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2014 (CONT'D)

	Note	31.05.2014			30.11.2013		
		Shareholders'	Family	Company	Shareholders'	Family	Company
		fund	Takaful		fund	Takaful	
		RM'000	fund	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES							
LIABILITIES							
Takaful contract liabilities	17.	-	258,829	258,829	-	106,593	106,593
Takaful certificate payables		-	5,591	5,591	-	4,774	4,774
Deferred tax liabilities		-	-	-	-	38	38
Qard payables		-	3,932	-	-	3,932	-
Current tax liabilities		-	374	374	-	33	33
Sundry creditors and other liabilities	18.	39,384	24,682	50,208	16,289	7,764	19,262
Total liabilities		39,384	293,408	315,002	16,289	123,134	130,700
SHAREHOLDERS' EQUITY							
Share capital		133,333	-	133,333	100,000	-	100,000
General reserves		(33,333)	-	(33,333)	-	-	-
Available for sale reserve		(35)	(250)	(285)	(37)	(250)	(287)
Accumulated loss		(23,701)	(3,682)	(27,383)	(16,086)	(3,682)	(19,768)
Total Shareholders' equity		76,264	(3,932)	72,332	83,877	(3,932)	79,945
Total equity and liabilities		115,648	289,476	387,334	100,166	119,202	210,645

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

AIA PUBLIC TAKAFUL BHD.
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014**

	6 months ended 31.05.2014			6 months ended 30.06.2013		
	Shareholders'	Family	Company	Shareholders'	Family	Company
	fund	Takaful		fund	Takaful	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross earned contributions	-	77,816	77,816	-	45,321	45,321
Contributions ceded to retakaful operator	-	(3,018)	(3,018)	-	(539)	(539)
Net earned contributions	-	74,798	74,798	-	44,782	44,782
Wakalah fee income	23,212	-	-	11,175	-	-
Investment income	1,501	3,011	4,512	1,532	1,303	2,835
Fair value gain	-	73	73	-	260	260
Realised gain	-	587	587	-	141	141
Other operating revenue	493	-	493	56	35	91
Total income	25,206	78,469	80,463	12,763	46,521	48,109
Gross benefit and claims paid	-	(28,425)	(28,425)	-	(12,751)	(12,751)
Retakaful recoveries	-	4,206	4,206	-	423	423
Changes in net Takaful contract liabilities	-	(30,295)	(30,295)	(1,568)	(20,997)	(22,565)
Net benefits and claims	-	(54,514)	(54,514)	(1,568)	(33,325)	(34,893)

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014 (CONT'D)**

	6 months ended 31.05.2014			6 months ended 30.06.2013		
	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
Wakalah fee expenses	-	(23,212)	-	-	(11,175)	-
Fee and commission expenses	(11,177)	-	(11,177)	(4,969)	-	(4,969)
Management expenses	(18,243)	-	(18,243)	(7,262)	-	(7,262)
Other operating expenses	(3,401)	(678)	(4,079)	-	(92)	(92)
Total expenses	(32,821)	(23,890)	(33,499)	(12,231)	(11,267)	(12,323)
(Loss)/profit before taxation	(7,615)	65	(7,550)	(1,036)	1,929	893
Tax credit attributable to participants		(65)	(65)		-	-
(Loss)/profit before taxation attributable to Shareholders	(7,615)	-	(7,615)	(1,036)	1,929	893
Taxation	-	(65)	(65)	-	-	-
Tax credit attributable to participants		65	65		-	-
Net (loss)/profit for the financial period	(7,615)	-	(7,615)	(1,036)	1,929	893
Basic (loss)/profit per share (sen)	-	-	(0.06)	-	-	0.01

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014 (CONT'D)**

	6 months ended 31.05.2014			6 months ended 30.06.2013		
	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
Net profit/(loss) for the financial period	(7,615)	-	(7,615)	(1,036)	1,929	893
<u>Other comprehensive income for the financial period</u>						
<u>Items that may be subsequently reclassified to profit or loss</u>						
Fair value change on available-for-sale financial assets						
- Fair value change	2	(9)	(7)	(570)	344	(226)
- Deferred taxation	-	-	-	142	(28)	114
- Change in Takaful contract liabilities arising from AFS fair value adjustment	-	9	9	-	(316)	(316)
Total other comprehensive income/(loss) for the financial period	2	-	2	(428)	-	(428)
Total comprehensive (loss)/income for the financial period	(7,613)	-	(7,613)	(1,464)	1,929	465

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

AIA PUBLIC TAKAFUL BHD.

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014**

	<u>Share capital</u>	<u>General reserves</u>	<u>Available- for-sale fair value reserves</u>	<u>Share- based payment reserves</u>	<u>Accumulated loss</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2013	100,000	-	(287)	-	(19,768)	79,945
Issuance of shares during the financial period	33,333	(33,333)	-	-	-	-
Total comprehensive loss for the financial period	-	-	2	-	(7,615)	(7,613)
At 31 May 2014	<u>133,333</u>	<u>(33,333)</u>	<u>(285)</u>	<u>-</u>	<u>(27,383)</u>	<u>72,332</u>
At 1 December 2012	100,000	-	1,168	-	(15,297)	85,871
Total comprehensive loss for the financial period	-	-	(428)	-	893	465
At 30 June 2013	<u>100,000</u>	<u>-</u>	<u>740</u>	<u>-</u>	<u>(14,404)</u>	<u>86,336</u>

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

AIA PUBLIC TAKAFUL BHD.**(Incorporated in Malaysia)****UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014**

	6 months ended <u>31.05.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
Cash flows from operating activities		
Loss before tax for the financial period	(7,550)	893
Adjustments:		-
Investment income	(4,512)	(2,835)
Realised gain	(587)	-
Fair value gain	(73)	(260)
Net accretion of discounts on financial assets	-	79
Depreciation of property, plant and equipment	300	293
Amortisation of intangible assets	898	793
Changes in Takaful contract liabilities	152,236	26,112
	<u>140,712</u>	<u>25,075</u>
Changes in working capital		
Increase in financial investment	(115,649)	(8,277)
Increase in other receivables	(36,752)	(4,052)
Increase in Takaful receivables	(6,337)	(5,635)
Increase/(decrease) in Takaful payable	817	(1,236)
Net change in balance with related companies	9,905	(831)
Increase/(decrease) in sundry creditors and other liabilities	21,279	(8,816)
	<u>13,975</u>	<u>(3,772)</u>
Income tax paid	102	-
Profit income received	3,169	2,836
Dividend received	177	-
Net cash inflows from operating activities	<u>17,423</u>	<u>(936)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(318)	(943)
Purchase of intangible assets	(79)	(1,767)
Net cash outflows from investing activities	<u>(397)</u>	<u>(2,710)</u>
NET INCREASE IN CASH AND CASH EQUIVALENT	<u>17,026</u>	<u>(3,646)</u>

AIA PUBLIC TAKAFUL BHD.

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 MAY 2014 (CONT'D)**

	6 months ended <u>31.05.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
Cash and cash equivalents at the beginning of the period	4,672	20,617
Cash and cash equivalents at the end of the period	<u>21,698</u>	<u>16,971</u>
CASH AND CASH EQUIVALENTS COMPRISE :		
Shareholders' fund	2,453	10,314
Family Takaful Fund	19,245	6,657
	<u>21,698</u>	<u>16,971</u>

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 November 2013 and the accompanying notes attached to the interim financial statements.

AIA PUBLIC TAKAFUL BHD.
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

1. CORPORATE INFORMATION

The Company is principally engaged in managing Family takaful business including investment linked business. There has been no significant change in the principal activity during the financial period.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and Islamic Financial Services Act 2013 and domiciled in Malaysia. The address of principal place of business and registered office of the Company are as follows:

Principal place of business

Level 14, Menara AIA
99 Jalan Ampang
50450 Kuala Lumpur

Registered office

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
50200 Kuala Lumpur

The ultimate holding company of the Company is AIA Group Limited, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION

The unaudited interim financial statements of the Company have been prepared in accordance with the MFRS 134, "Interim Financial Reporting" which do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 30 November 2013.

The unaudited interim financial statements have been prepared under the historical basis, except as disclosed in the accounting policies. The preparation of unaudited interim 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 judgement in the process of applying 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.

3. SIGNIFICANT CHANGE IN ACCOUNTING POLICIES

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

3.1 Standards effective for financial year beginning on or after 1 December 2013

- MFRS 10 "Consolidated financial statements"
- MFRS 13 "Fair value measurement"
- The revised MFRS 127 "Separate financial statements"
- Amendment to MFRS 119 "Employee benefits"
- Amendment to MFRS 7 "Financial Instruments: Disclosures"

The adoption of the above revised standards, amendments and interpretations issued by Malaysia Accounting Standards Board ("MASB") which are effective in the current financial year did not have any significant impact to the interim financial statements of the Company.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

4. SEASONALITY OF OPERATIONS

The business and operations of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the interim financial period ended 31 May 2014.

6. CHANGES IN ESTIMATES

There were no change in estimates of amounts reported in prior interim period or financial year that has a material effects in the interim financial period.

7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

8. DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the interim reporting period that have not been reflected in the interim financial statements.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY

In March 2014, the Company issued 33,333,333 new ordinary shares of RM1 each at an issue price of RM1.00 each ordinary shares to Green Health Certification Bhd ("AATB", formerly known as AIA AFG Takaful Bhd.) to satisfy the Family takaful business transfer from AATB to the Company, pursuant to the order of High Court of Malaya in Kuala Lumpur dated 25 February 2014 ("the Order") confirming the Scheme, AATB transferred certain assets and liabilities as a going concern to the Company on 1 March 2014, the date from which the Scheme became effective as provided in the Order. At the date of the Statement of Financial Position, the Company was jointly owned by AIA Group (via Orange Policy Sdn. Bhd. and Green Health Certification Bhd.), Public Bank Berhad and Public Islamic Bank Berhad with an equity participation of 70%, 15% and 15% respectively for the total ordinary shares of 133,333,333.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

11. SIGNIFICANT EVENTS

Business transfer from Green Health Certification Bhd. ("AATB", formerly known as AIA AFG Takaful Bhd.) to AIA PUBLIC Takaful Bhd. ("AIA PUBLIC")

On 5 June 2013, an application was submitted to Bank Negara Malaysia for approval to transfer the assets, liabilities and business of AATB to the Company as a going concern of AIAB to achieve single takaful operator license with a 70% shareholding, subject to regulatory approvals required for the Scheme of Transfer and fulfillment of necessary court order.

Pursuant to the order of High Court of Malaya in Kuala Lumpur dated 25 February 2014 ("the Order") confirming the scheme of transfer of the Family takaful business of AATB, AATB transferred certain assets and liabilities as a going concern to the Company on 1 March 2014, the date on which the Scheme became effective as provided in the Order.

The business transfer meets the definition of business combination under common control and are accounted for using the predecessor method of accounting. The assets and liabilities of AATB being transferred at carrying amount as follow:

	<u>Shareholders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000
Assets			
Fair value through profit or loss financial assets	-	104,115	104,115
Tax recoverable	-	7	7
Sundry debtors and other receivables	6,314	236	6,550
Cash and cash equivalents	-	34,445	34,445
Total assets	<u>6,314</u>	<u>138,803</u>	<u>145,117</u>
Liabilities			
Takaful contract liabilities	-	123,053	123,053
Deferred tax liability	-	141	141
Current tax liability	-	307	307
Takaful payable	-	1,728	1,728
Interfund payable	-	10,449	10,449
Sundry creditors and other liabilities	6,314	3,125	9,439
Total liabilities	<u>6,314</u>	<u>138,803</u>	<u>145,117</u>

The Family takaful business transfer are satisfied by the issuance of 33,333,333 new ordinary shares of RM1 each at an issue price of RM1.00 each ordinary shares, amounted to RM33,333,333.

The issuance of 33,333,333 new ordinary shares amounting to RM33,333,333 was accounted for as shown below:

	RM'000
Issuance of shares	
Represented by:	
Share Capital	33,333
Reserves arising from business transfer	<u>33,333</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

12. FINANCIAL ASSETS

	As at 31 May 2014			As at 30 November 2013		
	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000
(a) AFS financial assets:						
Government investment issues	80,325	38,546	118,871	75,497	38,558	114,055
Unquoted corporate sukus	1,008	10,196	11,204	-	10,770	10,770
Investment income due and accrued	327	309	636	267	300	567
	<u>81,660</u>	<u>49,051</u>	<u>130,711</u>	<u>75,764</u>	<u>49,628</u>	<u>125,392</u>
Current	327	309	636	267	300	567
Non-current	81,333	48,742	130,075	75,497	49,328	124,825
	<u>81,660</u>	<u>49,051</u>	<u>130,711</u>	<u>75,764</u>	<u>49,628</u>	<u>125,392</u>
<u>Movement in carrying values</u>						
AFS financial assets:						
At 1 December/1 January	75,764	49,628	125,392	77,302	53,246	130,548
Purchase	5,890	-	5,890	-	-	-
Disposals @ amortised cost	-	(500)	(500)	-	(2,503)	(2,503)
Fair value gain/(loss):						
Other comprehensive income	2	(9)	(7)	(1,205)	(913)	(2,118)
Amortisation of premium - net	(56)	(77)	(133)	(88)	(80)	(168)
Movement of investment income due and accrued						
	60	9	69	(245)	(122)	(367)
At 31 May/30 November	<u>81,660</u>	<u>49,051</u>	<u>130,711</u>	<u>75,764</u>	<u>49,628</u>	<u>125,392</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

12. FINANCIAL ASSETS (CONT'D)

	As at 31 May 2014			As at 30 November 2013		
	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000
(b) Financial assets at FVTPL:						
Government investment issues	-	45,761	45,761	-	18,889	18,889
Unquoted corporate sukuks	-	74,334	74,334	-	16,852	16,852
Unit trust	-	1,119	1,119	-	-	-
Shariah-approved shares	-	29,134	29,134	-	3,533	3,533
Investment income due and accrued	-	1,365	1,365	-	281	281
	-	151,713	151,713	-	39,555	39,555
Current	-	1,365	1,365	-	281	281
Non-current	-	150,348	150,348	-	39,274	39,274
	-	151,713	151,713	-	39,555	39,555
<u>Movement in carrying values</u>						
Financial assets at FVTPL:						
At 1 December	-	39,555	39,555	-	6,303	6,303
Purchase	-	13,244	13,244	-	41,435	41,435
Disposals @ Proceeds	-	(6,903)	(6,903)	-	(8,245)	(8,245)
Fair value gain/(loss):						
Income statement	-	660	660	-	(259)	(259)
Amortisation of premium - net	-	(42)	(42)	-	40	40
Movement of investment income due and accrued	-	1,084	1,084	-	281	281
Business transferred to						
AIA PUBLIC Takaful Bhd.		104,115	104,115	-	-	-
At 31 May/30 November	-	151,713	151,713	-	39,555	39,555

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

12. FINANCIAL ASSETS (CONT'D)

- (c) The following table shows financial investments recorded at fair value analysed by the different basis of fair values as follows:

	As at 31 May 2014			As at 30 November 2013		
	Share- holders' fund	Family Takaful fund	Company	Share- holders' fund	Family Takaful fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>AFS</u>						
Quoted market price (Level 1)	-	-	-	-	-	-
Valuation techniques- market observable inputs (Level 2)	81,660	49,051	130,711	75,764	49,628	125,392
	<u>81,660</u>	<u>49,051</u>	<u>130,711</u>	<u>75,764</u>	<u>49,628</u>	<u>125,392</u>
<u>FVTPL</u>						
Quoted market price (Level 1)	-	30,253	30,253	-	3,533	3,533
Valuation techniques- market observable inputs (Level 2)	-	121,460	121,460	-	36,022	36,022
	<u>-</u>	<u>151,713</u>	<u>151,713</u>	<u>-</u>	<u>39,555</u>	<u>39,555</u>

Fair value hierarchy

A level is assigned to each fair value measurement based on the significant of the input to the fair value measurement in its entity. The three-level hierarchy is defined as follows:

Level 1:

Financial instruments measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services. However, where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Company's own models where majority of assumptions are market observable.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONT'D)**

12. FINANCIAL ASSETS (CONT'D)

- (c) The following table shows financial investments recorded at fair value analysed by the different basis of fair values as follows: (cont'd)

Fair value hierarchy (cont'd)

Level 3:

Financial instruments measured in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category is unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Company. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Company's own data.

13. LOAN AND RECEIVABLES

	As at 31 May 2014			As at 30 November 2013		
	Share-holders' fund	Family Takaful fund	Company	Share-holders' fund	Family Takaful fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans and receivables:						
Islamic investment accounts	8,600	40,020	48,620	9,003	3,911	12,914
Accrued profit	1	12	13	12	1	13
	<u>8,601</u>	<u>40,032</u>	<u>48,633</u>	<u>9,015</u>	<u>3,912</u>	<u>12,927</u>

14. OTHER RECEIVABLES

	As at 31 May 2014			As at 30 November 2013		
	Share-holders' fund	Family Takaful fund	Company	Share-holders' fund	Family Takaful fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Amount due from Family Fund	13,858	-	-	4,791	-	-
Other receivables	780	472	1,252	156	41	197
	<u>14,638</u>	<u>472</u>	<u>1,252</u>	<u>4,947</u>	<u>41</u>	<u>197</u>

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15. TAKAFUL CERTIFICATES RECEIVABLES

	<u>31.05.2014</u>	<u>30.11.2013</u>
	RM'000	RM'000
<u>Family Takaful fund/Company</u>		
Outstanding contribution	25,854	20,617
Amount due from retakaful operator	2,383	1,283
	<u>28,237</u>	<u>21,900</u>

16. CASH AND CASH EQUIVALENTS

	<u>As at 31 May 2014</u>			<u>As at 30 November 2013</u>		
	<u>Share- holders' fund</u>	<u>Family Takaful fund</u>	<u>Company</u>	<u>Share- holders' fund</u>	<u>Family Takaful fund</u>	<u>Company</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,453	19,245	21,698	1,360	3,312	4,672
	<u>2,453</u>	<u>19,245</u>	<u>21,698</u>	<u>1,360</u>	<u>3,312</u>	<u>4,672</u>

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17. FAMILY TAKAFUL CONTRACT LIABILITIES

The Family Takaful contract liabilities are further analysed as follows:

Family Takaful fund/Company

	As at 31 May 2014			As at 30 November 2013		
	Gross	Re-takaful	Total	Gross	Re-takaful	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Participants' Risk Fund						
Claim liabilities	9,274	-	9,274	3,009	(854)	2,155
Actuarial liabilities	105,314	-	105,314	93,997	-	93,997
Net asset value attributable to participants under the participants' fund	114,886	-	114,886	6,375	-	6,375
AFS fair value adjustment	(614)		(614)	(605)	-	(605)
Investment/underwriting profit distributable to participants	-	-	-	308	-	308
Unallocated surplus	29,969		29,969	3,509		3,509
	<u>258,829</u>	<u>-</u>	<u>258,829</u>	<u>106,593</u>	<u>(854)</u>	<u>105,739</u>

Movement of Family Takaful Contract Liabilities

At 1 December/1 Jan	106,593	(854)	105,739	65,615	-	65,615
Increase in claims liabilities	6,265	854	7,119	2,123	(854)	1,269
Certificate movement	11,317	-	11,317	36,314	-	36,314
Increase in net asset value attributable to participants under participants' fund	108,511	-	108,511	(613)	-	(613)
(Decrease)/increase in AFS fair value adjustment	(9)	-	(9)	(663)	-	(663)
(Decrease)/increase investment profit distributable to participants	(308)	-	(308)	308	-	308
(Decrease)/increase in unallocated surplus	26,460	-	26,460	3,509	-	3,509
	<u>258,829</u>	<u>-</u>	<u>258,829</u>	<u>106,593</u>	<u>(854)</u>	<u>105,739</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
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18. SUNDRY CREDITORS AND OTHER LIABILITIES

	As at 31 May 2014			As at 30 November 2013		
	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000
Amount due to related company	-	-	-	4,529	2,281	6,810
Amount due to Shareholders' Fund	-	13,858	-	-	4,791	-
Expense liability	17,074	-	17,074	7,358	-	7,358
Other payables and trade accruals	22,310	10,824	33,134	4,402	692	5,094
	<u>39,384</u>	<u>24,682</u>	<u>50,208</u>	<u>16,289</u>	<u>7,764</u>	<u>19,262</u>

19. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 31 May 2014, as prescribed under the RBC Framework is provided below:

Company	<u>31.5.2014</u> RM'000	<u>30.11.2013</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	133,333	100,000
Reserves of the Company:		
- Retained earnings	(7,424)	(19,768)
Reserves included within the insurance contract liabilities	12,144	3,509
	<u>138,053</u>	<u>83,741</u>
<u>Tier 2 Capital</u>		
Amounts added to capital	(30,293)	(892)
Total capital available	<u>107,760</u>	<u>82,849</u>

20. COMMITMENTS AND CONTINGENCIES

There is no capital commitments and contingencies liabilities as at the end of the financial period.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONT'D)

21. INVESTMENT-LINKED TAKAFUL BUSINESS

**(a) Unaudited Statement of Financial Position
as at 31 May 2014**

	<u>31.05.2014</u>	<u>30.11.2013</u>
	RM'000	RM'000
Assets		
Fair value through profit or loss		
financial assets	36,823	6,036
Receivables	353	555
Cash and cash equivalents	2,178	36
Total assets	<u>39,354</u>	<u>6,627</u>
Liabilities		
Payables	337	195
Deferred tax liabilities	245	38
Current tax liabilities	190	33
Total liabilities	<u>772</u>	<u>266</u>
Represented by:		
Net asset value funds	<u>38,582</u>	<u>6,361</u>
Value of units	37,209	5,702
Undistributed income carried forward	1,373	659
Net asset value of funds	<u>38,582</u>	<u>6,361</u>

**(b) Unaudited Income Statement for Investment-linked Takaful Funds
for the six months period ended 31 May 2014**

	6 months ended 31.05.2014	6 months ended 30.06.2013
	RM'000	RM'000
Investment income	339	-
Realised gain	615	141
Fair value gain	157	260
	<u>1,111</u>	<u>401</u>
Other expenses	(332)	(275)
Profit before taxation	<u>779</u>	<u>126</u>
Taxation	(65)	(36)
Profit after taxation	<u>714</u>	<u>90</u>
Undistributed income brought forward	659	1
Undistributed income carried forward	<u>1,373</u>	<u>91</u>