

**ACR ReTakaful Berhad**

(Company No. 814887-A)

(Incorporated in Malaysia)

**Unaudited interim  
financial statements for the period  
ended 30 June 2014**

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**ACR RETAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2014**

Note	30.06.2014			31.12.2013		
	Shareholder's	General	Company	Shareholder's	General	Company
	Fund	Retakaful Fund		Fund	Retakaful Fund	
	RM	RM	RM	RM	RM	RM
<b>Assets</b>						
Property and equipment	135,160	-	135,160	206,963	-	206,963
Financial assets	323,839,435	136,730,030	292,496,780	275,217,838	205,623,144	301,387,125
HTM investments	16,345,942	93,276,549	109,622,491	13,113,238	83,339,989	96,453,227
AFS financial assets	68,569,450	39,136,850	107,706,300	65,346,750	49,283,350	114,630,100
Financing and receivables	238,924,043	4,316,631	75,167,989	196,757,850	72,999,805	90,303,798
Retakaful assets	-	106,461,339	106,461,339	-	83,186,180	83,186,180
Takaful receivables	-	23,050,626	23,050,626	-	13,315,829	13,315,829
Deferred tax assets	-	5,359,993	5,359,993	-	5,359,993	5,359,993
Tax recoverable	-	-	-	2,420,230	-	2,420,230
Cash and cash equivalents	53,840,628	91,895,690	145,736,318	99,950,889	77,623,178	177,574,067
<b>Total assets</b>	<b>377,815,223</b>	<b>363,497,678</b>	<b>573,240,216</b>	<b>377,795,920</b>	<b>385,108,324</b>	<b>583,450,387</b>
<b>Liabilities</b>						
Takaful contract liabilities	-	338,449,251	338,449,251	-	329,603,677	329,603,677
Takaful payables	-	19,157,025	19,157,025	-	26,043,102	26,043,102
Other payables and provisions	1,632,441	6,489,915	8,122,354	1,003,078	29,901,207	4,713,803
Expense liabilities	1,574,945	-	1,574,945	1,544,247	-	1,544,247
<b>Total liabilities</b>	<b>3,207,386</b>	<b>364,096,191</b>	<b>367,303,575</b>	<b>2,547,325</b>	<b>385,547,986</b>	<b>361,904,829</b>
<b>Participants' Fund</b>						
General retakaful fund	-	-	-	-	-	-
<b>Equity</b>						
Share capital	325,000,000	-	325,000,000	325,000,000	-	325,000,000
Retained profits attributable to shareholders	50,316,279	-	50,316,279	50,520,482	-	50,520,482
AFS reserves	(708,442)	(598,513)	(1,306,955)	(271,887)	(439,662)	(711,549)
General Retakaful Fund deficit	-	-	(168,072,683)	-	-	(153,263,375)
<b>Total</b>	<b>374,607,837</b>	<b>(598,513)</b>	<b>205,936,641</b>	<b>375,248,595</b>	<b>(439,662)</b>	<b>221,545,558</b>
<b>Total Liabilities, Participants' Fund and Equity</b>	<b>377,815,223</b>	<b>363,497,678</b>	<b>573,240,216</b>	<b>377,795,920</b>	<b>385,108,324</b>	<b>583,450,387</b>

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

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**ACR RETAKAFUL BERHAD**  
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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	30.06.2014			30.06.2013		
		Shareholder's Fund RM	General Retakaful Fund RM	Company RM	Shareholder's Fund RM	General Retakaful Fund RM	Company RM
Operating revenue	14	6,273,065	21,410,521	26,404,804	9,092,422	49,430,846	54,917,429
Gross earned contributions	15	-	20,060,537	20,060,537	-	50,249,388	50,249,388
Contributions ceded to retakaful operators	15	-	(7,392,016)	(7,392,016)	-	(5,726,631)	(5,726,631)
<b>Net earned contributions</b>		-	12,668,521	12,668,521	-	44,522,757	44,522,757
Investment income		3,451,650	3,909,491	7,361,141	3,977,456	3,772,817	7,750,273
Fee and commission income		1,278,782	2,276,219	2,276,219	3,605,839	1,935,884	1,935,884
Other operating income		1,593,412	817,813	2,411,225	1,559,906	622,206	2,182,112
<b>Income</b>		6,323,844	7,003,523	12,048,585	9,143,201	6,330,907	11,868,269
Gross claims paid		-	(43,242,719)	(43,242,719)	-	(78,799,059)	(78,799,059)
Claims ceded to retakaful operators		-	6,873,505	6,873,505	-	17,417,412	17,417,412
Gross change to contract liabilities		-	(12,200,262)	(12,200,262)	-	25,887,033	25,887,033
Change in contract liabilities ceded to retakaful operators		-	25,520,413	25,520,413	-	(19,412,532)	(19,412,532)
<b>Net claims</b>		-	(23,049,063)	(23,049,063)	-	(54,907,146)	(54,907,146)
Fee and commission expense		-	(9,230,874)	(9,494,725)	-	(17,212,514)	(15,115,802)
Management expenses		(6,522,545)	-	(6,522,545)	(6,508,014)	-	(6,508,014)
Changes in expense liabilities		(5,502)	-	(5,502)	52,929	-	52,929
Other operating expenses		-	(2,201,415)	(658,782)	-	(3,589,591)	(2,080,464)
<b>Expenses</b>		(6,528,047)	(11,432,289)	(16,681,554)	(6,455,085)	(20,802,105)	(23,651,351)
Profit/(loss) before taxation		(204,203)	(14,809,308)	(15,013,511)	2,688,116	(24,855,587)	(22,167,471)
Taxation		-	-	-	-	-	-
Net profit/(loss) for the year		(204,203)	(14,809,308)	(15,013,511)	2,688,116	(24,855,587)	(22,167,471)
Earnings per share (sen)	16	(0.06)			0.83		

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

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UNAUDITED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014

	30.06.2014			30.06.2013		
	Shareholder's Fund RM	General Retakaful Fund RM	Company RM	Shareholder's Fund RM	General Retakaful Fund RM	Company RM
<b>Net profit/(loss) for the year</b>	(204,203)	(14,809,308)	(15,013,511)	2,688,116	(24,855,587)	(22,167,471)
<b>Other comprehensive income:</b>						
Net gain/(loss) on AFS financial assets	(436,555)	(158,851)	(595,406)	(128,622)	(268,187)	(396,809)
<b>Other comprehensive income for the year, net of tax</b>	<u>(436,555)</u>	<u>(158,851)</u>	<u>(595,406)</u>	<u>(128,622)</u>	<u>(268,187)</u>	<u>(396,809)</u>
<b>Total comprehensive income/(loss) for the year, net of tax</b>	<u>(640,758)</u>	<u>(14,968,159)</u>	<u>(15,608,918)</u>	<u>2,559,494</u>	<u>(25,123,774)</u>	<u>(22,564,280)</u>

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

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**ACR RETAKAFUL BERHAD**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Attributable to Equity Holder of the Company				General Retakaful Fund Deficit RM	Non-distributable Available-For-Sale reserves RM	Company Total RM
	Share Capital RM	Non-distributable Available-For-Sale reserves RM	Distributable Retained Profits RM	Total RM			
<b>At 1 January 2013</b>	325,000,000	48,069	44,845,823	369,893,892	(173,152,753)	-	196,741,139
Profit for the year			2,688,116	2,688,116	(24,855,587)		(22,167,471)
Total comprehensive income/(loss) for the year	-	(128,622)		(128,622)		(268,187)	(396,809)
<b>At 30 June 2013</b>	<u>325,000,000</u>	<u>(80,553)</u>	<u>47,533,939</u>	<u>372,453,386</u>	<u>(198,008,340)</u>	<u>(268,187)</u>	<u>174,176,859</u>
<b>At 1 January 2014</b>	325,000,000	(271,887)	50,520,482	375,248,595	(153,263,375)	(439,662)	221,545,558
Profit for the year			(204,203)	(204,203)	(14,809,308)		(15,013,511)
Total comprehensive income/(loss) for the year	-	(436,555)		(436,555)		(158,851)	(595,406)
<b>At 30 June 2014</b>	<u>325,000,000</u>	<u>(708,442)</u>	<u>50,316,279</u>	<u>374,607,837</u>	<u>(168,072,683)</u>	<u>(598,513)</u>	<u>205,936,641</u>

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

**ACR RETAKAFUL BERHAD**  
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**UNAUDITED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

	<b>30.06.2014</b>	<b>30.06.2013</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(204,203)	2,688,116
Adjustments for:		
Depreciation of property and equipment	71,803	3,372
Property and equipment written off	-	-
Net accretion of discounts on investments	(145,497)	(120,132)
Profit on investment accounts	(7,361,141)	(7,750,273)
Impairment of takaful receivables	561,005	561,005
Unrealised foreign exchange adjustment	3,096,037	3,903,843
Increase/(decrease) in contribution liabilities	(6,585,326)	(6,944,750)
Deficit in general retakaful fund	(14,809,310)	(24,855,587)
Operating loss before working capital changes	(25,376,633)	(32,514,406)
Purchase of investments	134,851,819	58,323,985
Increase in trade receivables	(1,047,267)	(1,047,267)
Increase in other receivables	(137,777,876)	(112,193,055)
Increase in outstanding claims	(12,218,480)	(6,474,499)
Increase in payables	(50,680)	47,011,207
	(41,619,117)	(46,894,035)
Investments income received	7,361,141	7,750,273
Taxes paid	2,420,230	(291,200)
Net cash generated from operating activities	<u>(31,837,746)</u>	<u>(39,434,962)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Net cash generated from financing activity	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS:</b>		
Net increase	(31,837,746)	(39,434,962)
At 1 January	177,574,067	277,039,327
At 30 June	<u>145,736,321</u>	<u>237,604,365</u>
<b>Cash and cash equivalents comprise:</b>		
Shareholder's fund	53,840,628	77,653,443
General retakaful fund	91,895,690	159,950,922
	<u>145,736,318</u>	<u>237,604,365</u>

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

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company is principally involved in the underwriting of general retakaful business. There has been no significant change in the nature of the principal activity of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 18th Floor, The Garden North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The holding and ultimate holding company is ACR Retakaful Holdings Limited, a company incorporated in Dubai UAE and a joint venture between Khazanah Nasional Berhad, Dubai Islamic Investment Group LLC and ACR Capital Holdings Pte Ltd.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 August 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Islamic Financial Services Act 2013 and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

In preparing the Company-level financial statements, the balances and transactions of the shareholder's fund are amalgamated and combined with those of the general retakaful funds. Interfund balances, transactions and unrealised gains or losses are eliminated in full during amalgamation. The accounting policies adopted for the shareholder's and general retakaful funds are uniform for like transactions and events in similar circumstances.

The takaful funds are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases which will occur when the Company's licence to manage retakaful business is withdrawn or surrendered.

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On January 2013, the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013 that are considered relevant to the company.

##### **Effective for financial periods beginning on or after 1 January 2013**

- Amendments to MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards- Government Loans
- Amendments to MFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- MFRS 10 Consolidated Financial Statements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement

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- Amendments to MFRS 101 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
- Annual Improvements 2009-2011 Cycle

Adoption of the above standards and interpretations did not have any material impact on the financial performance or position of the Company except for those discussed below:

***MFRS 13 Fair Value Measurement***

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Company re-assessed its policies for measuring fair values. MFRS 13 also requires additional disclosures.

***Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income***

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Company's financial position or performance.

The following are standards and interpretations issued by the Malaysian Accounting Standards Board ("MASB"). The Company intends to adopt these standards and interpretations, if applicable, when they become effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9 <i>Financial Instruments</i> (IFRS 9 issued by IASB in November 2009)	To be announced by MASB
MFRS 9 <i>Financial Instruments</i> (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9 <i>Financial Instruments</i> (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB
MFRS 132 <i>Financial Instruments: Presentation</i> - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)	1 January 2014
MFRS 136 <i>Impairment of Assets</i> - Recoverable Amount Disclosures for Non-financial Assets (Amendments to MFRS 136)	1 January 2014
MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to MFRS 139)	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRS 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011 - 2013 Cycle	1 July 2014



**MFRS 9 Financial Instruments**

MFRS 9 reflects the work on the replacement of MFRS 139 and the first phase applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The first phase of the standard was initially effective for annual periods beginning on or after 1 January 2013 but Amendments to MFRS 9: *Mandatory Effective Date of MFRS 9 and Transitional Disclosures*, issued in March 2012, moved the mandatory effective date to 1 January 2015 (see below for the latest amendment on the mandatory effective date). The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have impact on classification and measurement of the Company's financial liabilities.

The new hedge accounting model under phase three of the standard, together with corresponding disclosures about risk management activity under MFRS 7 were developed in response to concerns raised by preparers of financial statements about the difficulty of appropriately reflecting their risk management activities. The new model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The MFRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the Amendments issued in February 2014, an entity is now allowed to change the accounting for liabilities that it has to measure at fair value, before applying any of the other requirements in MFRS 9. This change in accounting would mean that gains or loss caused by a change in the entity's own credit risk on such liabilities are no longer recognised in profit or loss. The Company currently do not have any financial liabilities measured at fair value other than derivatives.

**3. COMMENTS ON SEASONALITY OR CYCLICALITY**

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

**4. UNUSUAL ITEM AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current interim period ended 30 June 2014.

**5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in the basis used for accounting estimates for the current financial period ended 30 June 2014.

**6. DIVIDEND PAID**

No dividend has been paid by the Company in the current interim period ended 30 June 2014.

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**7. EVENTS AFTER THE INTERIM PERIOD**

There were no material events after the interim period that have not been reflected in the financial statements for the interim period.

**8. EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY**

There were no changes in the composition of the Company during the period under review.

**9. FINANCIAL ASSETS**

	30.06.2014			31.12.2013		
	Shareholder's Fund RM	General Fund RM	Company Total RM	Shareholder's Fund RM	General Fund RM	Company Total RM
<b>At amortised cost</b>						
HTM investments	16,345,942	93,276,549	109,622,491	13,113,238	83,339,989	96,453,227
AFS financial assets	68,569,450	39,136,850	107,706,300	65,346,750	49,283,350	114,630,100
Financing and receivables	238,924,043	4,316,631	75,167,989	196,757,850	72,999,805	90,303,798
	<u>323,839,435</u>	<u>136,730,030</u>	<u>292,496,780</u>	<u>275,217,838</u>	<u>205,623,144</u>	<u>301,387,125</u>
	-	-	-	-	-	-
Corporate sukuk	81,413,578	-	81,413,578	71,465,588	37,364,750	108,830,338
Government Investment Issue	-	83,237,438	83,237,438	6,994,400	95,258,589	102,252,989
Deposit and placements	59,974,032	49,175,961	109,149,993	12,623,000	70,501,717	83,124,717
Qard to General retakaful fund*	168,072,685	-	-	153,263,375	-	-
Income due and accrued	1,129,161	4,316,631	5,445,792	1,116,303	2,498,088	3,614,391
Due from related companies**	4,283,595	-	4,283,595	3,425,134	-	3,425,134
Due from general retakaful fund**	8,594,178	-	8,594,178	26,190,482	-	-
Due from shareholders' fund**	-	-	-	-	-	-
Other receivables and deposits	372,206	-	372,206	139,556	-	139,556
	<u>323,839,435</u>	<u>136,730,030</u>	<u>292,496,780</u>	<u>275,217,838</u>	<u>205,623,144</u>	<u>301,387,125</u>

\*Qard represents a financing to the general retakaful fund to make good any underwriting deficit experienced during the financial period. The amount is unsecured, not subject to any profit elements and has no fixed terms of repayment. The management expects to recover the balance from future profits of general retakaful fund.

\*\*This amounts are non-trade in nature, are unsecured, not subject to any profit elements and are repayable on demand.

**10. RETAKAFUL ASSETS**

	30.06.2014 RM	31.12.2013 RM
<b>General retakaful fund</b>		
Retrotakaful of takaful contracts	106,461,339	83,186,180

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**11. RETAKAFUL CONTRACT LIABILITIES**

**a) Shareholder's fund**

	<b>30.06.2014</b>	<b>31.12.2013</b>
	<b>Gross / Net</b>	<b>Gross / Net</b>
	<b>RM</b>	<b>RM</b>
<b>Expense liability</b>		
At beginning of the year, previously stated		
Effects of adoption of FRS 4		
At beginning of the year, restated	1,544,247	1,622,372
- Wakalah fee received during the year	1,284,284	6,706,771
- Wakalah fee earned during the year	(1,253,586)	(6,784,896)
At end of year	<u>1,574,945</u>	<u>1,544,247</u>

**b) General retakaful fund/Company**

	<b>30.06.2014</b>			<b>31.12.2013</b>		
<b>General retakaful fund</b>	<b>Gross</b>	<b>Retakaful</b>	<b>Net</b>	<b>Gross</b>	<b>Retakaful</b>	<b>Net</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Provision for claims reported						
by beneficiaries	188,765,550	(57,037,467)	131,728,083	189,233,605	(46,553,431)	142,680,174
Provision for incurred but						
not reported claims ("IBNR")	123,982,194	(42,150,817)	81,831,377	112,801,050	(31,223,674)	81,577,376
Claim liabilities	312,747,744	(99,188,284)	213,559,460	302,034,655	(77,777,105)	224,257,550
Provision of risk margin for adverse						
deviation (PRAD)	22,593,120	(7,182,469)	15,410,651	21,901,127	(5,668,748)	16,232,379
Total claim liabilities	335,340,864	(106,370,753)	228,970,111	323,935,782	(83,445,853)	240,489,929
Contribution liabilities	3,108,387	(90,586)	3,017,802	5,667,895	259,673	5,927,568
	<u>338,449,251</u>	<u>(106,461,339)</u>	<u>231,987,913</u>	<u>329,603,677</u>	<u>(83,186,180)</u>	<u>246,417,497</u>

## 11. RETAKAFUL CONTRACT LIABILITIES (CONT'D)

## (i) Claims liabilities

General retakaful fund/Company	30.06.2014			31.12.2013		
	Gross RM	Retakaful RM	Net RM	Gross RM	Retakaful RM	Net RM
<b>At 1 January</b>	323,935,782	(83,445,853)	240,489,929	370,058,194	(72,115,382)	297,942,812
Claim incurred in the current year	43,569,845	(19,953,054)	23,616,791	129,958,469	(45,131,161)	84,827,308
Movement of IBNR provision	11,181,143	(12,440,864)	(1,259,721)	(51,259,579)	8,046,640	(43,212,939)
Claim paid during the year	(43,242,719)	6,873,505	(36,369,215)	(130,777,870)	25,940,066	(104,837,804)
Foreign exchange adjustments	(103,187)	2,595,513	2,492,326	5,956,568	(186,016)	5,770,552
<b>At 30 June/31 December</b>	<b>335,340,864</b>	<b>(106,370,753)</b>	<b>228,970,110</b>	<b>323,935,782</b>	<b>(83,445,853)</b>	<b>240,489,929</b>

## (ii) Contribution liabilities

General retakaful fund	30.06.2014			31.12.2013		
	Gross RM	Retakaful RM	Net RM	Gross RM	Retakaful RM	Net RM
<b>At 1 January</b>	5,667,895	259,673	5,927,568	12,509,672	278,980	12,788,652
Contribution written in the year	15,255,537	(5,611,690)	9,643,847	97,365,522	(15,996,199)	81,369,323
Contribution earned during the year	(20,060,537)	7,392,016	(12,668,521)	(104,640,801)	15,984,792	(88,656,009)
Foreign exchange adjustments	2,245,493	(2,130,586)	114,907	433,502	(7,900)	425,602
<b>At 30 June/31 December</b>	<b>3,108,387</b>	<b>(90,587)</b>	<b>3,017,801</b>	<b>5,667,895</b>	<b>259,673</b>	<b>5,927,568</b>

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**12. GENERAL RETAKAFUL FUND**

	<b>30.06.2014</b>	<b>31.12.2013</b>
	<b>RM</b>	<b>RM</b>
<b>Accumulated deficit</b>		
At beginning of the year	(153,263,375)	(173,152,753)
Net deficit of the general retakaful fund	(14,809,308)	19,889,378
At end of the period	<u>(168,072,683)</u>	<u>(153,263,375)</u>
<b>Qard</b>		
At beginning of the year	153,263,375	173,152,753
Increase in Qard	14,809,308	(19,889,378)
At end of the period	<u>168,072,683</u>	<u>153,263,375</u>
General retakaful fund at end of the period		
Accumulated deficit	(168,072,683)	(153,263,375)
Qard	168,072,683	153,263,375
	<u>-</u>	<u>-</u>

**13. SHARE CAPITAL**

	<b>30.06.2014</b>		<b>31.12.2013</b>	
	<b>No. of</b>	<b>RM</b>	<b>No. of</b>	<b>RM</b>
	<b>shares</b>		<b>shares</b>	
<b>Authorised</b>				
Ordinary shares of RM1 each				
At the beginning and end of period	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>

	<b>30.06.2014</b>		<b>31.12.2013</b>	
	<b>No. of</b>	<b>RM</b>	<b>No. of</b>	<b>RM</b>
	<b>shares</b>		<b>shares</b>	
<b>Issued and paid-up</b>				
Ordinary shares of RM1 each				
At the beginning and end of period	<u>325,000,000</u>	<u>325,000,000</u>	<u>325,000,000</u>	<u>325,000,000</u>

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**14. OPERATING REVENUE**

	Shareholder's fund RM	General retakaful fund RM	Company RM
<b>30.06.2014</b>			
Gross contribution	-	17,501,030	17,501,030
Wakalah fees	1,278,782	-	-
Investment income	4,994,283	3,909,491	8,903,774
	<u>6,273,065</u>	<u>21,410,521</u>	<u>26,404,804</u>
<b>30.06.2013</b>			
Gross contribution	-	45,658,029	45,658,029
Wakalah fees	3,605,839	-	-
Investment income	5,486,583	3,772,817	9,259,400
	<u>9,092,422</u>	<u>49,430,846</u>	<u>54,917,429</u>

**15. NET EARNED CONTRIBUTION**

	30.06.2014 RM	30.06.2013 RM
<b>(a) Gross earned contribution</b>		
Retakaful contracts	17,501,030	45,658,029
Change in contribution liability	2,559,507	4,591,359
	<u>20,060,537</u>	<u>50,249,388</u>
<b>(b) Contribution ceded</b>		
Ceded retakaful contracts	7,744,694	7,751,738
Ceded change in contribution liability	(352,678)	(2,025,107)
	<u>7,392,016</u>	<u>5,726,631</u>
<b>Net earned contribution</b>	<u>12,668,521</u>	<u>44,522,757</u>

**ACR RETAKAFUL BERHAD**  
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Earnings per ordinary share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period, as follows:

	<b>30.06.2014</b>	<b>30.06.2013</b>
	<b>RM</b>	<b>RM</b>
Net profit for the period	(204,203)	2,688,115
Weighted average number/number of shares in issue during the period	325,000,000	325,000,000
Basic earnings per share (sen)	<u>(0.06)</u>	<u>0.83</u>