



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 31 MARCH 2010

	Current Quarter Ended 31.03.2010 RM'000	Corresponding Quarter Ended 31.03.2009 RM'000	Current Year To Date 31.03.2010 RM'000	Corresponding Year To Date 31.03.2009 RM'000
Operating revenue	293,029	187,667	771,549	679,439
Transfer from Revenue Accounts				
- Family Takaful	15,578	4,581	54,314	33,164
- General Takaful	29,216	1,561	76,513	44,748
Wakalah fee income	17,321	8,829	50,181	24,034
Investment income	3,497	2,274	8,718	5,960
Other operating expenses (net)	(5,609)	(2,353)	(10,942)	(6,484)
Management expenses	(39,093)	(26,352)	(112,282)	(101,619)
Profit/ (loss) before zakat and taxation	20,910	(11,460)	66,502	(197)
Zakat	(261)	606	(1,127)	(1,388)
Taxation	(5,203)	747	(16,918)	897
Profit /(loss) for the year	15,446	(10,107)	48,457	(688)
Attributable to:				
Shareholders of the Company	15,348	(7,710)	46,975	(142)
Minority Interest	98	(2,397)	1,482	(546)
Profit /(loss) for the year	15,446	(10,107)	48,457	(688)
Earnings per share (sen) (Note 25)				
Basic	9.43	(4.74)	28.85	(0.09)
Diluted	9.43	(4.74)	28.85	(0.09)

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010

	As at End of Current Quarter 31.03.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Shareholders' Assets		
Property and equipment	29,525	32,456
Prepaid lease payment	3,110	3,291
Investment properties	11,168	11,156
Investments	325,691	267,984
Financing receivables	17,590	14,018
Deferred tax assets	6,278	8,185
Qardh Hasan - receivables	4,370	31,722
Assets held for sale	1,467	1,471
Receivables	53,834	46,741
Cash and bank balances	13,710	7,596
Total Shareholders' Assets	466,743	424,620
Total Family Takaful Assets	3,505,776	3,364,426
Total General Takaful Assets	665,110	640,607
Less Interfund balances	(53,562)	(57,418)
TOTAL ASSETS	4,584,067	4,372,235
LIABILITIES		
Shareholders' Liabilities		
Payables	34,901	46,476
Provision for taxation	14,833	699
Total Shareholders' Liabilities	49,734	47,175
Total Family Takaful Liabilities	223,295	249,052
Total General Takaful Liabilities	267,194	303,640
Less Interfund balances	(53,562)	(57,418)
	486,661	542,449
Family Takaful Fund	3,282,481	3,115,374
General Takaful Fund	397,916	336,967
TOTAL LIABILITIES	4,167,058	3,994,790
SHAREHOLDERS' EQUITY		
Share capital	162,817	162,817
Reserves	224,806	186,677
	387,623	349,494
Minority interests	29,386	27,951
	417,009	377,445
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,584,067	4,372,235
Net assets per share (RM)	2.38	2.15

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2010

	Share Capital RM '000	Share Premium RM '000	Translation Reserves RM '000	Retained Profits RM '000	Minority Interest RM '000	Total Equity RM '000
AT 1 JULY 2008	161,576	3,849	(5,684)	144,624	31,670	336,035
Exchange differences	-	-	2,042	-	1,698	3,740
Net gain not recognised in the income statements	-	-	2,042	-	1,698	3,740
Issue of shares - cash	1,241	249	-	-	-	1,490
Acquisition of additional interest in subsidiary	-	-	-	6,477	(6,477)	-
Profit for the year	-	-	-	39,394	1,060	40,454
Dividend 2008 - Interim	-	-	-	(4,274)	-	(4,274)
AS AT 31 MARCH 2010	162,817	4,098	(3,642)	186,221	27,951	377,445
AS AT 1 JULY 2009	162,817	4,098	(3,642)	186,221	27,951	377,445
Exchange differences	-	-	(551)	559	(47)	(39)
Net gain not recognised in the income statements	-	-	(551)	559	(47)	(39)
Dividend 2009 - Final	-	-	-	(8,854)	-	(8,854)
Profit for the year	-	-	-	46,975	1,482	48,457
AS AT 31 MARCH 2010	162,817	4,098	(4,193)	224,901	29,386	417,009

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED FAMILY TAKAFUL REVENUE ACCOUNT
FOR THE THIRD QUARTER ENDED 31 MARCH 2010

	Current Quarter Ended 31.03.2010 RM'000	Corresponding Quarter Ended 31.03.2009 RM'000	Current Year To Date 31.03.2010 RM'000	Corresponding Year To Date 31.03.2009 RM'000
Gross contribution	132,903	58,846	330,515	305,663
Retakaful	(6,043)	(3,339)	(15,713)	(8,009)
(Increase)/ decrease in actuarial reserves	(8,648)	(7,068)	19,895	(20,004)
Net contribution	118,212	48,439	334,697	277,650
Benefits paid and payables	(93,284)	(91,220)	(255,200)	(194,987)
Wakalah fee	(12,009)	(4,875)	(33,585)	(11,091)
Net admin fee	6,356	(4,574)	9,662	(11,189)
Write back allowance for doubtful debts	1,849	-	3,065	-
	21,124	(52,230)	58,639	60,383
Underwriting profit /(loss)- Individual Family	18,807	(59,462)	47,616	30,859
Underwriting profit - Group Family	2,557	5,954	10,055	29,255
Underwriting (loss) /profit - Group Family ILB	(240)	1,278	968	269
	21,124	(52,230)	58,639	60,383
Underwriting profit -Group Family and ILB	2,317	7,232	11,023	29,524
Investment income	45,144	32,948	122,376	104,746
Other operating income/(expenses) (net)	23,727	(35,982)	81,624	(69,600)
Total profit for the period	71,188	4,198	215,023	64,670
Less: Allocation to special reserves	(1,251)	(915)	(3,969)	(1,777)
Profit attributable to the Company and participants for the period	69,937	3,283	211,054	62,893
Profit attributable to the Company transferred to income statement	(15,578)	(4,581)	(54,314)	(33,164)
	54,359	(1,298)	156,740	29,729
Reversal of provision for profit/ (profit payable) to participants	7,293	(3,331)	6,881	(3,331)
Profit attributable to the participants for the period	61,652	(4,629)	163,621	26,398
Family Takaful Fund at beginning of the period	3,228,390	3,029,834	3,115,374	2,911,267
Underwriting profit /(loss) - Individual Family	18,807	(59,462)	47,616	30,859
Profit attributable to the participants for the period	61,652	(4,629)	163,621	26,398
Movement for the period				
- Actuarial reserves	8,648	7,068	(19,895)	20,004
- Excess pay in	-	(16,766)	1,864	-
- Unrealised gain in investment	(4,158)	12,870	(7,813)	-
Special Reserve	-	(3,486)	-	(3,254)
Qardh Hasan	(28,266)	(69,629)	(29,207)	(80,861)
Others	(28)	(2,669)	13,485	(11,282)
Family Takaful Fund at end of the period	3,285,045	2,893,131	3,285,045	2,893,131

The Unaudited Condensed Consolidated Family Takaful Revenue Account should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
FAMILY TAKAFUL BALANCE SHEET
AS AT 31 MARCH 2010

	As at End of Current Quarter 31.03.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	205,489	204,983
Investment-linked Takaful assets	205,878	193,606
Investments	3,019,066	2,785,629
Financing receivables	5,338	9,382
Receivables	65,215	116,768
Assets held for sale	-	800
Cash and bank balances	4,790	53,258
TOTAL FAMILY TAKAFUL ASSETS	3,505,776	3,364,426
LIABILITIES		
Payables	174,943	186,322
Provision for outstanding claims	34,711	48,130
Investment-linked Takaful liabilities	13,641	14,600
TOTAL FAMILY TAKAFUL LIABILITIES	223,295	249,052
PARTICIPANTS' FUND		
Family Takaful Fund	3,282,481	3,115,374
TOTAL FAMILY TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	3,505,776	3,364,426

The Unaudited Condensed Consolidated Family Takaful Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED GENERAL TAKAFUL REVENUE ACCOUNT
FOR THE THIRD QUARTER ENDED 31 MARCH 2010

	Current Quarter Ended 31.03.2010 RM'000	Corresponding Quarter Ended 31.03.2009 RM'000	Current Year To Date 31.03.2010 RM'000	Corresponding Year To Date 31.03.2009 RM'000
Gross contribution	105,673	99,544	292,537	269,362
Retakaful	(25,358)	(31,571)	(85,314)	(98,220)
Net contribution	80,315	67,973	207,223	171,142
Increase in unearned contribution reserve	(13,223)	(33,477)	(12,459)	(23,167)
Earned contribution	67,092	34,496	194,764	147,975
Net claims incurred	(31,528)	(25,399)	(89,305)	(57,812)
Wakalah fee	(5,312)	(3,955)	(16,596)	(12,944)
Net admin fee	(3,435)	(1,072)	(6,085)	(4,879)
Underwriting surplus	26,817	4,070	82,778	72,340
Investment Income	5,812	3,568	17,403	14,719
Other operating income/(expense)	12,092	(2,424)	22,225	(8,405)
Total profit for the period	44,721	5,214	122,406	78,654
Transfer to Income Statement	(29,216)	(1,561)	(76,513)	(44,748)
Participants' share of profit	15,505	3,653	45,893	33,906
Profit payable to participants	6,788	(8,632)	(1,028)	(22,547)
Profit attributable to participants for the period	22,293	(4,979)	44,865	11,359
Profit attributable to participants at beginning of the period	84,222	56,977	61,650	40,639
Profit attributable to participants as at end of the period	106,515	51,998	106,515	51,998
Unearned contribution reserves	242,885	214,830	242,885	214,830
Special Reserve	23,061	23,061	23,061	23,061
Qardh Hasan	20,168	16,404	20,168	16,404
Others	5,287	2,792	5,287	2,792
General Takaful fund at end of the period	397,916	309,085	397,916	309,085

The Unaudited Condensed Consolidated General Takaful Revenue Account should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
GENERAL TAKAFUL BALANCE SHEET
AS AT 31 MARCH 2010

	As at End of Current Quarter 31.03.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	28,954	28,954
Investments	561,003	525,028
Financing receivables	3,299	3,478
Receivables	66,451	74,221
Cash and bank balances	5,403	8,926
TOTAL GENERAL TAKAFUL ASSETS	665,110	640,607
LIABILITIES		
Payables	88,221	132,235
Provision for outstanding claims	178,973	171,405
TOTAL GENERAL TAKAFUL LIABILITIES	267,194	303,640
PARTICIPANTS' FUND		
General Takaful Fund	397,916	336,967
TOTAL GENERAL TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	665,110	640,607

The Unaudited Condensed Consolidated General Takaful Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.



SYARIKAT TAKAFUL MALAYSIA BERHAD
GROUP CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Period Ended 31.03.2010 RM'000	Corresponding Period Ended 31.03.2009 RM'000
Cash flows from operating activities		
Profit /(loss) before zakat and taxation	66,502	(197)
Adjustments for :		
Depreciation	6,692	7,787
Income from financing receivables	(926)	-
(Gain)/ loss on disposal of of quoted shares and unit trusts	(42,122)	1,640
(Gain)/loss on foreign exchange	(16,486)	4,248
Accretion on investments	(5,360)	(941)
(Reversal) /allowance for diminution in value of investments	(21,707)	42,917
Profit from Malaysian Government Investment Certificates	(16,629)	-
Property and equipment written off / transfer	(6)	-
Allowance for non-performing financing	-	7,113
Increase in General, Family Takaful Funds & Investment Linked Funds	228,057	4,420
Increase in investments	(271,776)	(344,983)
Gain on disposal of property and equipment	(30)	-
(Decrease)/increase in payables (including claim admitted but not paid)	(52,080)	225,539
Decrease/(increase) in other receivables	93,154	(56,245)
	(32,717)	(108,702)
Zakat paid	(3,113)	(4,214)
Income taxes paid	(595)	(2,447)
Net cash used in operating activities	(36,425)	(115,363)
Cash flows from investing activities		
Purchase of property and equipment	(3,660)	(4,390)
Transfer of investment properties from property and equipment	(506)	-
Proceeds from sale of Investments and investment properties	800	-
Proceeds from sale of property and equipment	417	-
Net cash used in investing activities	(2,949)	(4,390)
Cash flows from financing activities		
Proceeds from the issuance of new share capital	-	1,489
Dividend paid to shareholders of the Company	(8,854)	(4,274)
Net cash generated from financing activities	(8,854)	(2,785)
Net decrease in cash and cash equivalents	(48,228)	(122,538)
Cash and cash equivalents at the beginning of period	77,059	167,321
Cash and cash equivalents at the end of period	28,831	44,783
Cash and bank balances		
- Shareholders' Fund	13,710	7,656
- Family Takaful Fund	4,790	713
- Investment Link Takaful Fund	4,927	6,102
- General Takaful Fund	5,403	29,216
- Assets held for sale	-	1,096
	28,831	44,783

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 March 2010

1 Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provision of the Main Market Listing Requirements (Chapter 9 Part K) of the Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using consistent accounting policies with the audited financial statements for the financial year ended 30 June 2009 and should be read in conjunction with the aforementioned audited financial statements.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective to the Group and Company:

FRSs / Interpretations	Effective date
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
Amendments to FRS 2, <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation- Separation of Compound Instruments</i> and FRS 101, <i>Presentation of Financial Statements- Puttable Financial Instruments and Obligations Arising on Liquidation</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i> and IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
Amendments to FRS 139, <i>Financial Instruments: Recognition and Measurement</i> - <i>Reclassification of Financial Assets</i> - <i>Collective Assessment of Impairment for Banking Institutions</i>	1 January 2010
Improvements to FRSs (2009)	1 January 2010
FRS 4, <i>Insurance Contracts</i>	1 January 2010
Amendments to FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 101, <i>Presentation of Financial Statements (revised)</i>	1 January 2010
FRS 123, <i>Borrowing Costs (revised)</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11, <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
IC Interpretation 13, <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14, <i>FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction</i>	1 January 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation- Classification of Rights Issues</i>	1 March 2010
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards (revised)</i>	1 July 2010
FRS 3, <i>Business Combinations (revised)</i>	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements (revised)</i>	1 July 2010
Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 March 2010

FRSs / Interpretations	Effective date
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 12, <i>Service Concession Agreements</i>	1 July 2010
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distribution of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards- Limited Exemptions from comparative FRS 7, Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 7, <i>Financial Instruments: Disclosures- Improving Disclosures about Financial Instruments</i>	1 January 2011

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations from the annual period beginning on 1 January 2011 following the Company's decision to change its financial year to end on 31 December, except for IC Interpretations 13 and 14 which are not applicable.

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in the respective FRSs. The initial application of the other standards, amendments and interpretations is not expected to have any material impact on the financial statements or any material change in accounting policy except as follows:

IC Interpretation 10, Interim Financial Reporting and Impairment

IC Interpretation 10 will become effective for the financial statements of the Group and the Company for the financial year ending 31 December 2011. IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. In accordance with the transitional provisions, the Group and the Company will apply IC Interpretation 10 to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group and the Company first applied the measurement criteria of FRS 136, Impairment of Assets and FRS 139, Financial Instruments: Recognition and Measurement respectively.

2 Auditors' Report

The auditors' report on the audited financial statements of the preceding year ended 30 June 2009 did not contain any qualification.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 March 2010

3 Seasonality of operations

The Group's operations are not materially affected by seasonal or cyclical factors.

4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial quarter ended 31 March 2010.

5 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these activities.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2009.

6 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial quarter under review.

7 Dividends

The shareholders at the Annual General Meeting held on 12 November 2009 approved a final dividend of 7.25% less 25% income tax in respect of the financial year ended 30 June 2009 as proposed by the Directors. The final dividend was paid on 11 December 2009.

No dividend was declared for the financial quarter under review.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 March 2010

8 Segmental Reporting

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
9 months ended 31.03.2010			
Revenue from external participants	634,035	137,514	771,549
Profit before zakat and tax	62,180	4,322	66,502
As at 31.03.2010			
Segments assets by location of assets	4,277,364	306,703	4,584,067

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
9 months ended 31.03.2009			
Revenue from external participants	563,969	115,470	679,439
Profit/(loss) before zakat and tax	392	(589)	(197)
As at 31.03.2009			
Segments assets by location of assets	4,017,400	213,182	4,230,582

9 Investment Properties

The valuation of investment properties has been brought forward without amendment from the annual audited financial statements for the year ended 30 June 2009.

10 Material Events Subsequent to the End of the Period

On 8 April 2010 RAM Ratings has downgraded Bai Bithaman Ajil Islamic Debt Securities (BaIDS) issued by Senai Desaru Expressway Berhad (SDEB) from AA3 to C1. Takaful Malaysia holds RM15.4 million of this BaIDS (0.38% of the total investment assets of RM4,098 million) as investment. Takaful Malaysia has yet to ascertain the financial impact pending the detailed information to be made available by SDEB and/or its appointed advisors.

11 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended 30 June 2009.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 March 2010

12 Changes in Composition of the Company/Group

There is no change in the composition of the Group for the current financial quarter under review.

13 Contingent Liabilities

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), capital allowances had been claimed by way of deduction from tax adjusted income in both General and Family Takaful Funds whilst the Shareholders Fund is not entitled to claim capital allowances. The amended Section 60AA stipulates that the tax adjusted income of the Shareholders' Fund shall be ascertained by taking into account the amount of income distributed or credited from Family and General Takaful Funds and as a result both General and Family Takaful Funds would have nil tax adjusted income. As such, capital allowances claimable for the years of assessment from 1997 to 2010 would be carried forward indefinitely as the operator's share of profits from the Family and General Fund will be taxed in the Shareholders Fund.

The Company has presented the issue on non-deductibility of capital allowances to the Ministry of Finance (MOF) on 30 March 2009. The MOF has agreed to review the tax issue and thereafter, will advise the Company accordingly. No provision has been made by the Company for the potential tax liabilities of the previous and current years pending the outcome of the said discussion and future appeals. The potential tax exposure to the Company assuming that the deduction of capital allowances in Shareholders' Fund is rejected by the MOF is approximately RM24.6 million.

14 Review of Performance

For the 3rd quarter ended 31 March 2010, the Group generated Operating Revenue of RM293.0million, an increase of 56.1% compared to RM187.7 million in the corresponding quarter of the preceding year. The 9 months period ended 31 March 2010, Operating Revenue increased by 13.6% to RM771.5 million from RM679.4 million in the same period of preceding year mainly due to higher investment income and higher contributions generated by Family Takaful and General Takaful business.

For the quarter under review, Family Takaful recorded Gross Contribution of RM132.9 million, against RM58.8 million for the same period last year and for the 9 months' period, RM330.5 million compared to RM305.7 million in the corresponding period last year. The growth of 8.1% for the 9 months period is mainly from the mortgage business.

General Takaful business generated Gross Contribution of RM105.7 million for the quarter under review compared to RM99.5 million in the corresponding quarter of the preceding year and RM292.5 million for the 9 months period compared to RM269.4 million last year. The General Takaful business recorded contribution growth of 8.6% for the 9 months period, mainly from Motor and Fire classes of business.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 March 2010

The surplus transfer in the quarter under review from Family Takaful revenue account was RM15.6 million, while the surplus transfer from General Takaful was RM29.2 million. For the 9 months period under review, the surplus transfer from Family Takaful revenue account increased by RM21.1 million to RM54.3 million as compared to the same period last year while General Takaful recorded RM76.5 million compared to RM 44.7 million last year. The higher surplus transfer from Family Takaful revenue account is mainly due to better investment results arising from higher realized gains on disposal of investments and write back of allowance for diminution in value of investments as oppose to an allowance been made in the preceding year. The General Takaful also reported higher surplus mainly due to contribution growth, coupled with write back of both allowance for doubtful debts and allowance for diminution in value of investments and higher realized gains on disposal of investments.

For the 9 months' period, the Profit Before Tax and Zakat of the Group has increased by RM66.7 million to RM66.5 million from a loss of RM0.2 million in the same period last year. Besides the higher surplus transfer as explained in the preceding paragraph, the higher profit is also attributable to higher wakalah fees and better investment results.

15 Material Changes in the Quarterly Results Compared to the Results of the Preceding Financial Quarter

For the quarter under review, the Operating Revenue registered RM 293.0 million as compared to preceding quarter of RM 235.2 million. This was mainly attributable to better investment results and contributions growth in Family Takaful and General Takaful business.

16 Current Year Prospects

The Group and Company are gearing for growth in the current financial year with the introduction of new products and new retail distribution network. The Company continues to improve on its operational efficiency and customer service. However, the Company would remain prudent in its investment strategy considering the uncertainty in the pace of the economic recovery.

17 Variance of actual profit from profit forecast or profit guarantee

The Group did not issue any profit forecast nor profit guarantee during the financial year under review.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS QUARTER ENDED 31 March 2010

18 Taxation

The effective rate of taxation is lower than the statutory tax rate mainly because of certain income of the Company is non-taxable in accordance with the Income Tax Act 1967.

	3 months ended		9 months ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Current tax:-				
- Current financial year	8,476	85	14,907	85
- Overprovision in prior years	-	2,405	-	-
	<u>8,476</u>	<u>2,490</u>	<u>14,907</u>	<u>85</u>
Deferred tax (benefit)/ expense:-				
- Current financial year	(3,273)	(3,237)	2,011	(982)
	<u>5,203</u>	<u>(747)</u>	<u>16,918</u>	<u>(897)</u>

19 Unquoted investments and properties

There was no sale of unquoted investments and/ or properties for the quarter under review and financial period to date.

20 Status of Corporate Proposal

There has been no new corporate proposal since the date of the last quarterly report.

21 Quoted investments

This disclosure is not applicable to insurance/takaful companies.

22 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 31 March 2010.

23 Off Balance Sheet Financial Instruments

As at the date of this report, the Group has not entered into any off-balance sheet financial instruments.

24 Material Litigation

There were no material litigations pending as at the date of this announcement.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 31 March 2010

25 Earnings per Share

(a) Basic earnings per share ("Basic EPS")

Basic EPS of the Group is calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period.

		3 months ended		9 months ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Net profit attributable to shareholders	(RM'000)	15,348	(7,710)	46,975	(142)
Weighted average number of ordinary shares in issue	('000)	162,817	162,683	162,817	162,683
Basic earnings per share	(sen)	9.43	(4.74)	28.85	(0.09)

(b) Diluted earnings per share ("Diluted EPS")

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue adjusted for potential dilutive ordinary shares arising from share options granted to employees.

		3 months ended		9 months ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Net profit attributable to shareholders	(RM'000)	15,348	(7,710)	46,975	(142)
Weighted average number of ordinary shares in issue	('000)	162,817	162,683	162,817	162,683
Diluted earnings per share	(sen)	9.43	(4.74)	28.85	(0.09)

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 31 March 2010

By Order of the Board

MOHAMAD ASRI BIN HAJI YUSOFF
Company Secretary (MIA 14171)
Kuala Lumpur, 20 May 2010