



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2010

	Current Quarter Ended 30.06.2010 RM'000	Corresponding Quarter Ended 30.06.2009 RM'000	Current Year To Date 30.06.2010 RM'000	Corresponding Year To Date 30.06.2009 RM'000
Operating revenue	294,191	348,684	1,065,740	1,049,134
Transfer from Revenue Accounts				
- Family Takaful	15,211	32,985	69,525	66,149
- General Takaful	16,684	36,835	93,197	81,583
Wakalah fee income	19,670	14,684	69,851	36,718
Investment income	2,777	3,329	11,496	9,289
Other operating expenses (net)	(11,710)	8,880	(22,651)	2,396
Management expenses	(42,243)	(46,801)	(154,526)	(148,420)
Profit before zakat and taxation	389	49,912	66,892	49,715
Zakat	171	526	(956)	-862
Taxation	105	(9,296)	(16,813)	(8,399)
Profit for the year	665	41,142	49,123	40,454
Attributable to:				
Shareholders of the Company	(457)	39,536	46,519	39,394
Minority Interest	1,122	1,606	2,604	1,060
Profit for the year	665	41,142	49,123	40,454
Earnings per share (sen) (Note 25)				
Basic	-0.28	24.28	28.57	24.20
Diluted	-0.28	24.28	28.57	24.20

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 30 JUNE 2010

	As at End of Current Quarter 30.06.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Shareholders' Assets		
Property and equipment	28,703	32,456
Prepaid lease payment	3,088	3,291
Investment properties	11,167	11,156
Investments	348,533	267,984
Financing receivables	17,785	14,018
Deferred tax assets	9,000	8,185
Qardh Hasan - receivables	1,422	31,722
Assets held for sale	1,467	1,471
Receivables	42,020	46,741
Cash and bank balances	10,894	7,596
Total Shareholders' Assets	474,079	424,620
Total Family Takaful Assets	3,575,698	3,364,426
Total General Takaful Assets	667,909	640,607
Less Interfund balances	(40,432)	(57,418)
TOTAL ASSETS	4,677,254	4,372,235
LIABILITIES		
Shareholders' Liabilities		
Payables	40,087	46,476
Provision for taxation	17,228	699
Total Shareholders' Liabilities	57,315	47,175
Total Family Takaful Liabilities	222,478	249,052
Total General Takaful Liabilities	257,669	303,640
Less Interfund balances	(40,432)	(57,418)
	497,030	542,449
Family Takaful Fund	3,353,220	3,115,374
General Takaful Fund	410,240	336,967
TOTAL LIABILITIES	4,260,490	3,994,790
SHAREHOLDERS' EQUITY		
Share capital	162,817	162,817
Reserves	223,647	186,677
	386,464	349,494
Minority interests	30,300	27,951
	416,764	377,445
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,677,254	4,372,235
Net assets per share (RM)	2.37	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 FOURTH QUARTER ENDED 30 JUNE 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 30 JUNE 2009	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	-	-	(695)	-	(255)	(950)
Net loss not recognised in the income statements	-	-	(695)	-	(255)	(950)
Dividend 2009 - Final	-	-	-	(8,854)	-	(8,854)
Profit for the year	-	-	-	46,519	2,604	49,123
AS AT 30 JUNE 2010	162,817	4,098	(4,337)	223,886	30,300	416,764

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 FOURTH QUARTER ENDED 30 JUNE 2010

	Current Quarter Ended 30.06.2010 RM'000	Corresponding Quarter Ended 30.06.2009 RM'000	Current Year To Date 30.06.2010 RM'000	Corresponding Year To Date 30.06.2009 RM'000
Gross contribution	160,178	219,204	490,693	524,867
Retakaful	(7,773)	(4,021)	(23,486)	(12,030)
(Increase)/ decrease in actuarial reserves	(10,133)	11,734	9,762	(8,270)
Net contribution	142,272	226,917	476,969	504,567
Benefits paid and payables	(94,084)	(83,653)	(349,284)	(278,640)
Wakalah fee	(14,156)	(11,338)	(47,741)	(22,429)
Net admin fee	46	(4,018)	9,708	(15,207)
Write back allowance for doubtful debts	130	-	3,195	-
	34,208	127,908	92,847	188,291
Underwriting profit- Individual Family	34,712	72,430	82,328	103,289
Underwriting (loss)/profit - Group Family	(776)	55,434	9,279	84,689
Underwriting profit - Group Family ILB	272	44	1,240	313
	34,208	127,908	92,847	188,291
Underwriting (loss)/ profit -Group Family and ILB	(504)	55,478	10,519	85,002
Investment income	41,001	34,104	163,377	138,850
Other operating income/(expenses) (net)	1,914	49,468	83,538	(20,132)
Total profit for the period	42,411	139,050	257,434	203,720
Less: Allocation to special reserves	(719)	(1,848)	(4,888)	(3,625)
Profit attributable to the Company and participants for the period	41,692	137,202	252,746	200,095
Profit attributable to the Company transferred to income statement	(15,211)	(32,985)	(69,525)	(66,149)
	26,481	104,217	183,221	133,946
Reversal of provision for (profit payable)/ profit to participants	(36)	422	6,845	(2,909)
Profit attributable to the participants for the period	26,445	104,639	190,066	131,037
Family Takaful Fund at beginning of the period	3,285,045	2,893,131	3,115,374	2,911,266
Underwriting profit - Individual Family	34,712	72,430	82,328	103,289
Profit attributable to the participants for the period	26,445	104,639	190,066	131,037
Movement for the period				
- Actuarial reserves	10,133	(11,734)	(9,762)	8,270
- Unrealised gain in investment	(2,625)	-	(10,438)	-
Special Reserve	-	6,879	-	3,625
Seed Capital	-	18,766	-	18,766
Qardh Hasan	14	25,021	(29,193)	(55,840)
Others	(504)	6,242	14,845	(5,039)
Family Takaful Fund at end of the period	3,353,220	3,115,374	3,353,220	3,115,374

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 30 JUNE 2010

	As at End of Current Quarter 30.06.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	205,436	204,983
Investment-linked Takaful assets	207,539	193,606
Investments	3,028,534	2,785,629
Financing receivables	55,808	9,382
Receivables	72,694	116,768
Assets held for sale	-	800
Cash and bank balances	5,687	53,258
TOTAL FAMILY TAKAFUL ASSETS	3,575,698	3,364,426
LIABILITIES		
Payables	168,043	186,322
Provision for outstanding claims	38,537	48,130
Investment-linked Takaful liabilities	15,898	14,600
TOTAL FAMILY TAKAFUL LIABILITIES	222,478	249,052
PARTICIPANTS' FUND		
Family Takaful Fund	3,353,220	3,115,374
TOTAL FAMILY TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	3,575,698	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 FOURTH QUARTER ENDED 30 JUNE 2010

	Current Quarter Ended 30.06.2010 RM'000	Corresponding Quarter Ended 30.06.2009 RM'000	Current Year To Date 30.06.2010 RM'000	Corresponding Year To Date 30.06.2009 RM'000
Gross contribution	84,056	83,489	376,593	352,851
Retakaful	(16,164)	(15,095)	(101,478)	(113,315)
Net contribution	67,892	68,394	275,115	239,536
Increase in unearned contribution reserve	(7,815)	(12,634)	(20,274)	(35,801)
Earned contribution	60,077	55,760	254,841	203,735
Net claims incurred	(39,023)	(18,995)	(128,328)	(76,807)
Wakalah fee	(6,515)	(3,345)	(22,111)	(16,289)
Net admin fee	(3,240)	(4,754)	(9,325)	(9,633)
Underwriting surplus	12,299	28,666	95,077	101,006
Investment Income	6,179	8,558	23,582	23,277
Other operating Income	9,421	10,210	31,646	1,805
Total profit for the period	27,899	47,434	150,305	126,088
Transfer to Income Statement	(16,684)	(36,835)	(93,197)	(81,583)
Participants' share of profit	11,215	10,599	57,108	44,505
Profit payable to participants	(6,813)	(947)	(7,841)	(23,494)
Profit attributable to participants for the period	4,402	9,652	49,267	21,011
Profit attributable to participants at beginning of the period	397,916	309,085	61,650	40,639
Profit attributable to participants as at end of the period	402,318	318,737	110,917	61,650
Unearned contribution reserves	7,730	15,291	250,615	230,121
Special Reserve	-	-	23,061	23,061
Qardh Hasan	(161)	2,841	20,007	19,245
Others	353	98	5,640	2,890
General Takaful fund at end of the period	410,240	336,967	410,240	336,967

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 30 JUNE 2010

	As at End of Current Quarter 30.06.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	28,954	28,954
Investments	568,198	525,028
Financing receivables	3,560	3,478
Receivables	54,615	74,221
Cash and bank balances	12,582	8,926
TOTAL GENERAL TAKAFUL ASSETS	667,909	640,607
LIABILITIES		
Payables	67,299	132,235
Provision for outstanding claims	190,370	171,405
TOTAL GENERAL TAKAFUL LIABILITIES	257,669	303,640
PARTICIPANTS' FUND		
General Takaful Fund	410,240	336,967
TOTAL GENERAL TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	667,909	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 30 JUNE 2010
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Period Ended 30.06.2010 RM'000	Corresponding Period Ended 30.06.2009 RM'000
Cash flows from operating activities		
Profit before zakat and taxation	66,892	49,715
Adjustments for :		
Depreciation	9,201	11,084
Fair value change of investment properties	-	(18,021)
Income from financing receivables	(602)	(1,615)
Gain on disposal of quoted shares and unit trusts	(55,896)	(2,039)
Gain on disposal of property and equipment and investment property	(30)	(1,567)
(Gain)/loss on foreign exchange	(28,652)	4,219
Accretion on investments	(6,489)	(5,195)
(Reversal) /allowance for diminution in value of investments	(11,655)	27,393
Profit from Malaysian Government Investment Certificates	(23,861)	(19,109)
Property and equipment (transfer)/written off	(459)	2,997
Reversal for non-performing financing	-	(7,198)
Increase in General, Family Takaful Funds & Investment Linked Funds	311,119	263,898
Increase in investments	(306,793)	(554,308)
(Decrease)/increase in payables (including claim admitted but not paid)	(41,525)	23,822
Decrease in other receivables	54,241	86,224
	(34,509)	(139,700)
Zakat paid	(3,078)	(3,226)
Income taxes paid	(818)	(1,370)
Net cash used in operating activities	(38,405)	(144,296)
Cash flows from investing activities		
Purchase of property and equipment	(5,379)	(4,845)
Proceeds from sale of Investments and investment properties	800	81,506
Proceeds from sale of property and equipment	428	156
Net cash used in investing activities	(4,151)	56,817
Cash flows from financing activities		
Proceeds from the issuance of new share capital	-	1,490
Dividend paid to shareholders of the Company	-	(4,274)
Net cash generated from financing activities	-	(2,784)
Net decrease in cash and cash equivalents	(42,556)	(90,263)
Cash and cash equivalents at the beginning of period	77,058	167,321
Cash and cash equivalents at the end of period	34,502	77,058
Cash and bank balances		
- Shareholders' Fund	10,894	7,596
- Family Takaful Fund	5,687	53,258
- Investment Link Takaful Fund	5,339	7,278
- General Takaful Fund	12,582	8,926
	34,502	77,058

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 30 June 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</i> Standards 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 30 June 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.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 June 2010

2 Auditors' Report

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

3 Seasonality of operations

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

4 Unusual Items

Save as disclosed in notes 14 and 15, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial quarter ended 30 June 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.

As approved by Bank Negara Malaysia, the Directors declared an interim dividend of 7% less 25% income tax in respect of the financial year ending 31 December 2010 which will be paid on 8 October 2010. The entitlement date for the dividend shall be 20 September 2010.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 30 June 2010

8 Segmental Reporting

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
12 months ended 30.06.2010			
Revenue from external participants	880,152	185,588	1,065,740
Profit before zakat and tax	63,363	3,529	66,892
As at 30.06.2010			
Segments assets by location of assets	4,358,579	318,675	4,677,254

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
12 months ended 30.06.2009			
Revenue from external participants	909,951	139,183	1,049,134
Profit/(loss) before zakat and tax	48,512	1,203	49,715
As at 30.06.2009			
Segments assets by location of assets	4,113,437	258,798	4,372,235

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

There is no material event subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial quarter.

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.

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.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 June 2010

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 RM25.2 million.

14 Review of Performance

For the 4th quarter ended 30 June 2010, the Group generated Operating Revenue of RM294.2 million, a decrease of 15.6% compared to RM348.7 million in the corresponding quarter of the preceding year. The drop is mainly due to slower sales from Family Takaful business. However, the 12 months period ended 30 June 2010, Operating Revenue increased by 1.6% to RM1,065.7 million from RM1,049.1 million in the same period of preceding year mainly due to higher investment income generated by Family Takaful and higher contributions generated by General Takaful business.

For the quarter under review, Family Takaful recorded Gross Contribution of RM160.2 million, against RM219.2 million for the same period last year and for the 12 months' period, RM490.7 million compared to RM524.9 million in the corresponding period last year. The drop of 6.5% for the 12 months period is mainly from lower sales of group products.

General Takaful business generated Gross Contribution of RM84.1 million for the quarter under review compared to RM83.5 million in the corresponding quarter of the preceding year and RM376.6 million for the 12 months period compared to RM352.9 million last year. The General Takaful business recorded contribution growth of 6.7% for the 12 months period, mainly from motor and personal accident class of business.

The surplus transfer in the quarter under review from Family Takaful revenue account was RM15.2 million, compared with RM33.0 million in the corresponding quarter last year, which benefited from the write back of allowance for diminution in value of investment in line with the performance of the local equity market. Adding to the write back last year was the fair value gain from investment properties, which is absent in the current quarter as the properties have not been revalued yet.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 June 2010

The lower surplus transfer from General Takaful in the quarter under review of RM16.7 million compared with the preceding year's quarter of RM36.8 million was due to higher claims incurred in the current quarter compared to corresponding quarter last year.

Besides the lower surplus from the Family Takaful and General Takaful business, the Group profit before tax and zakat for the current quarter was impacted by Qardh Hasan written off in Asean Retakaful International (L) Ltd.

Despite the lower performance for current quarter, the 12 months period under review recorded a higher performance compared to last year. The surplus transfer from Family Takaful revenue account increased by RM3.4 million to RM69.5 million as compared to the same period last year while General Takaful recorded RM93.2 million compared to RM81.6 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 investment and dividend income. 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 12 months' period, the Profit Before Tax and Zakat of the Group has increased by RM17.2 million to RM66.9 million from RM49.7 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 Profit before zakat and tax registered RM 0.4 million as compared to preceding quarter of RM 20.9 million. The decrease was mainly due to lower contribution and higher claims incurred from General Takaful business, and Qardh Hasan written off in Asean Retakaful International (L) Ltd.

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 would continue to remain prudent in its investment strategy and improves its operational efficiency and customer service.

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 30 June 2010

18 Taxation

The effective rate of taxation approximated the statutory tax rate for the financial year to date. Effective tax rate for the quarter is higher than the statutory tax rate, mainly due to non deductible expense in accordance with the Income Tax Act 1967.

	3 months ended		12 months ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Current tax:-				
- Current financial year	2,632	(48)	17,539	37
	<u>2,632</u>	<u>(48)</u>	<u>17,539</u>	<u>37</u>
Deferred tax (benefit)/ expense:-				
- Current financial year	(2,737)	9,344	(726)	8,362
	<u>(105)</u>	<u>9,296</u>	<u>16,813</u>	<u>8,399</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 30 June 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.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 30 June 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		12 months ended	
		30.06.2010	30.06.2009	30.06.2010	30.06.2009
Net profit attributable to shareholders	(RM'000)	(457)	39,536	46,519	39,394
Weighted average number of ordinary shares in issue	('000)	162,817	162,817	162,817	162,817
Basic earnings per share	(sen)	(0.28)	24.28	28.57	24.20

(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		12 months ended	
		30.06.2010	30.06.2009	30.06.2010	30.06.2009
Net profit attributable to shareholders	(RM'000)	(457)	39,536	46,519	39,394
Weighted average number of ordinary shares in issue	('000)	162,817	162,817	162,817	162,817
Diluted earnings per share	(sen)	(0.28)	24.28	28.57	24.20

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 30 June 2010

By Order of the Board

MOHAMAD ASRI BIN HAJI YUSOFF
Company Secretary (MIA 14171)
Kuala Lumpur, 25 August 2010

