



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2010

	Current Quarter Ended 30.09.2010 RM'000	Corresponding Quarter Ended 30.09.2009 RM'000	Current Year To Date 30.09.2010 RM'000	Corresponding Year To Date 30.09.2009 RM'000
Operating revenue	301,756	N/A	1,367,496	N/A
Transfer from Revenue Accounts				
- Family Takaful	17,942	N/A	87,467	N/A
- General Takaful	11,347	N/A	104,544	N/A
Wakalah fee income	25,628	N/A	95,479	N/A
Investment income	2,428	N/A	13,924	N/A
Other operating expenses (net)	(8,113)	N/A	(30,763)	N/A
Management expenses	(37,299)	N/A	(191,825)	N/A
Profit before zakat and taxation	11,933	-	78,826	-
Zakat	57	N/A	(899)	N/A
Taxation	(2,760)	N/A	(19,574)	N/A
Profit for the year	9,230	-	58,353	-
Attributable to:				
Shareholders of the Company	8,640	N/A	55,159	N/A
Minority Interest	590	N/A	3,194	N/A
Profit for the year	9,230	-	58,353	-
Earnings per share (sen) (Note 25)				
Basic	5.31	N/A	33.88	N/A
Diluted	5.31	N/A	33.88	N/A

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

Note:

There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2010

	As at End of Current Quarter 30.09.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Shareholders' Assets		
Property and equipment	28,005	32,456
Prepaid lease payment	3,020	3,291
Investment properties	11,157	11,156
Investments	352,500	267,984
Financing receivables	16,986	14,018
Deferred tax assets	5,976	8,185
Qardh Hasan - receivables	1,355	31,722
Assets held for sale	1,467	1,471
Receivables	40,800	46,741
Cash and bank balances	4,028	7,596
Total Shareholders' Assets	465,294	424,620
Total Family Takaful Assets	3,626,568	3,364,426
Total General Takaful Assets	725,626	640,607
Less Interfund balances	(39,085)	(57,418)
TOTAL ASSETS	4,778,403	4,372,235
LIABILITIES		
Shareholders' Liabilities		
Payables	40,291	46,476
Provision for taxation	10,624	699
Total Shareholders' Liabilities	50,915	47,175
Total Family Takaful Liabilities	202,350	249,052
Total General Takaful Liabilities	303,006	303,640
Less Interfund balances	(39,085)	(57,418)
	517,186	542,449
Family Takaful Fund	3,424,218	3,115,374
General Takaful Fund	422,620	336,967
TOTAL LIABILITIES	4,364,024	3,994,790
SHAREHOLDERS' EQUITY		
Share capital	162,817	162,817
Reserves	222,086	186,677
	384,903	349,494
Minority interests	29,476	27,951
	414,379	377,445
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,778,403	4,372,235
Net assets per share (RM)	2.36	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 FIFTH QUARTER ENDED 30 SEPTEMBER 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	-	-	(2,348)	-	(1,669)	(4,017)
Net loss not recognised in the income statements	-	-	(2,348)	-	(1,669)	(4,017)
Dividend 2009 - Final	-	-	-	(8,854)	-	(8,854)
Dividend 2010 - Interim	-	-	-	(8,548)	-	(8,548)
Profit for the year	-	-	-	55,159	3,194	58,353
AS AT 30 SEPTEMBER 2010	162,817	4,098	(5,990)	223,978	29,476	414,379

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 FIFTH QUARTER ENDED 30 SEPTEMBER 2010

	Current Quarter Ended 30.09.2010 RM'000	Corresponding Quarter Ended 30.09.2009 RM'000	Current Year To Date 30.09.2010 RM'000	Corresponding Year To Date 30.09.2009 RM'000
Gross contribution	139,820	NA	630,513	NA
Retakaful	(3,669)	NA	(27,155)	NA
Decrease in actuarial reserves	6,955	NA	16,717	NA
Net contribution	143,106	-	620,075	-
Benefits paid and payables	(84,397)	NA	(433,681)	NA
Wakalah fee	(19,860)	NA	(67,601)	NA
Net admin fee	1,230	NA	10,938	NA
Write back allowance for doubtful debts	2,105	NA	5,300	NA
	42,184	-	135,031	-
Underwriting profit - Individual Family	24,774	NA	107,102	NA
Underwriting profit - Group Family	16,810	NA	26,089	NA
Underwriting profit - Group Family ILB	600	NA	1,840	NA
	42,184	-	135,031	-
Underwriting profit - Group Family and ILB	17,410	NA	27,929	NA
Investment income	43,365	NA	206,742	NA
Other operating income (net)	10,582	NA	94,120	NA
Total profit for the period	71,357	-	328,791	-
Less: Allocation to special reserves	(1,281)	NA	(5,969)	NA
Profit attributable to the Company and participants for the period	70,076	-	322,822	-
Profit attributable to the Company transferred to income statement	(17,942)	NA	(87,467)	NA
	52,134	-	235,355	-
Reversal of provision for (profit payable)/ profit to participants	(1)	NA	6,844	NA
Profit attributable to the participants for the period	52,133	-	242,199	-
Family Takaful Fund at beginning of the period	3,353,220	NA	3,115,374	NA
Underwriting profit - Individual Family	24,774	NA	107,102	NA
Profit attributable to the participants for the period	52,133	NA	242,199	NA
Movement for the period		NA		NA
- Actuarial reserves	(6,955)	NA	(16,717)	NA
- Unrealised gain in investment	6,749	NA	(1,825)	NA
Special Reserve	-	NA	-	NA
Seed Capital	-	NA	-	NA
Qardh Hasan	13	NA	(29,180)	NA
Others	(5,716)	NA	7,265	NA
Family Takaful Fund at end of the period	3,424,218	-	3,424,218	-

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.

Note:

There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.



SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
FAMILY TAKAFUL BALANCE SHEET
AS AT 30 SEPTEMBER 2010

	As at End of Current Quarter 30.09.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	205,117	204,983
Investment-linked Takaful assets	207,935	193,606
Investments	3,068,205	2,785,629
Financing receivables	72,657	9,382
Receivables	77,114	116,768
Assets held for sale	-	800
Cash and bank balances	(4,460)	53,258
TOTAL FAMILY TAKAFUL ASSETS	3,626,568	3,364,426
LIABILITIES		
Payables	151,490	186,322
Provision for outstanding claims	35,747	48,130
Investment-linked Takaful liabilities	15,113	14,600
TOTAL FAMILY TAKAFUL LIABILITIES	202,350	249,052
PARTICIPANTS' FUND		
Family Takaful Fund	3,424,218	3,115,374
TOTAL FAMILY TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	3,626,568	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 FIFTH QUARTER ENDED 30 SEPTEMBER 2010

	Current Quarter Ended 30.09.2010 RM'000	Corresponding Quarter Ended 30.09.2009 RM'000	Current Year To Date 30.09.2010 RM'000	Corresponding Year To Date 30.09.2009 RM'000
Gross contribution	110,130	NA	486,723	NA
Retakaful	(37,080)	NA	(138,558)	NA
Net contribution	73,050	-	348,165	-
Increase in unearned contribution reserve	(6,844)	NA	(27,118)	NA
Earned contribution	66,206	-	321,047	-
Net claims incurred	(46,976)	NA	(175,304)	NA
Wakalah fee	(5,768)	NA	(27,879)	NA
Net admin fee	(876)	NA	(10,201)	NA
Underwriting surplus	12,586	-	107,663	-
Investment Income	6,012	NA	29,594	NA
Other operating income	686	NA	32,332	NA
Total profit for the period	19,284	-	169,589	-
Transfer to Income Statement	(11,347)	NA	(104,544)	NA
Participants' share of profit	7,937	-	65,045	-
Profit payable to participants	(1,758)	NA	(9,599)	NA
Profit attributable to participants for the period	6,179	-	55,446	-
Profit attributable to participants at beginning of the period	410,240	NA	61,650	NA
Profit attributable to participants as at end of the period	416,419	-	117,096	-
Unearned contribution reserves	6,444	NA	257,059	NA
Special Reserve	-	NA	23,061	NA
Qardh Hasan	(933)	NA	19,074	NA
Others	690	NA	6,330	NA
General Takaful fund at end of the period	422,620	-	422,620	-

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.

Note:
There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

**SYARIKAT TAKAFUL MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED
GENERAL TAKAFUL BALANCE SHEET
AS AT 30 SEPTEMBER 2010**

	As at End of Current Quarter 30.09.2010 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
ASSETS		
Investment properties	28,954	28,954
Investments	610,434	525,028
Financing receivables	6,484	3,478
Receivables	76,261	74,221
Cash and bank balances	3,493	8,926
TOTAL GENERAL TAKAFUL ASSETS	725,626	640,607
LIABILITIES		
Payables	92,795	132,235
Provision for outstanding claims	210,211	171,405
TOTAL GENERAL TAKAFUL LIABILITIES	303,006	303,640
PARTICIPANTS' FUND		
General Takaful Fund	422,620	336,967
TOTAL GENERAL TAKAFUL LIABILITIES AND PARTICIPANTS' FUND	725,626	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 SEPTEMBER 2010
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	15 Months Current Period Ended 30.09.2010 RM'000	15 Months Corresponding Period Ended 30.09.2009 RM'000
Cash flows from operating activities		
Profit before zakat and taxation	78,826	NA
Adjustments for :		
Depreciation	11,494	NA
Fair value change of investment properties	-	NA
Income from financing receivables	(753)	NA
Gain on disposal of quoted shares and unit trusts	(52,876)	NA
Gain on disposal of property and equipment and investment property	(30)	NA
(Gain)/loss on foreign exchange	(39,704)	NA
Accretion on investments	(6,625)	NA
(Reversal) /allowance for diminution in value of investments	(26,844)	NA
Profit from Malaysian Government Investment Certificates	(30,388)	NA
Property and equipment (transfer)/written off	(140)	NA
Reversal for non-performing financing	-	NA
Increase in General, Family Takaful Funds & Investment Linked Funds	393,877	NA
Increase in investments	(382,279)	NA
(Decrease)/increase in payables (including claim admitted but not paid)	(14,282)	NA
Decrease in other receivables	14,913	NA
	(54,811)	-
Zakat paid	(3,103)	NA
Income taxes paid	(7,261)	NA
Net cash used in operating activities	(65,175)	-
Cash flows from investing activities		
Purchase of property and equipment	(7,223)	NA
Proceeds from sale of Investments and investment properties	800	NA
Proceeds from sale of property and equipment	513	NA
Net cash used in investing activities	(5,910)	-
Cash flows from financing activities		
Proceeds from the issuance of new share capital	-	NA
Dividend paid to shareholders of the Company	-	NA
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(71,085)	NA
Cash and cash equivalents at the beginning of period	77,058	NA
Cash and cash equivalents at the end of period	5,973	-
Cash and bank balances		
- Shareholders' Fund	4,028	NA
- Family Takaful Fund	(4,460)	NA
- Investment Link Takaful Fund	2,912	NA
- General Takaful Fund	3,493	NA
	5,973	-

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.

Note:

There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 29 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 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), which are not yet effective for 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>	1 January 2010
- <i>Reclassification of Financial Assets</i>	
- <i>Collective Assessment of Impairment for Banking Institutions</i>	
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
Technical Release i-3: <i>Presentation of Financial Statements of Islamic Financial institutions</i>	1 January 2010
SOP i-1: <i>Financial Reporting from an Islamic Perspective</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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

FRSs / Interpretations	Effective date
Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 127, <i>Consolidation and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly controlled Entity or Associate</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
TR-3 <i>Guidance on Disclosure on Transition to IFRSs</i>	31 December 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 1, <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2, <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
Amendments to FRS 7, <i>Financial Instruments: Disclosures- Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 14, <i>Determining Whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18, <i>Transfer of Assets from Customers</i>	1 January 2011
TR i-4 <i>Shariah Compliant Sale Contracts</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

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

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.

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 September 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.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

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.

The Directors declared an interim dividend of 7% less 25% income tax in respect of the financial year ending 31 December 2010 which was paid on 8 October 2010.

8 Segmental Reporting

Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
15 months ended 30.09.2010			
Revenue from external participants	1,135,830	231,666	1,367,496
Profit before zakat and tax	77,548	1,278	78,826
As at 30.09.2010			
Segments assets by location of assets	4,453,251	325,152	4,778,403

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 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 RM25.5 million.

14 Review of Performance

For the 5th quarter ended 30 September 2010, the Group generated Operating Revenue of RM301.8 million comprising of RM250.0 million in gross contribution and RM51.8 million in investment income. During the financial period ended 30 September 2010, the Group recorded Operating Revenue of RM1,367.5 million mainly attributable to contribution in particular from Family Takaful group business and motor and fire class of business and investment income.

The surplus transfer in the quarter under review from Family Takaful revenue account was RM17.9 million. During the financial period ended 30 September 2010, the group recorded surplus transfer of RM87.5 million mainly attributable to realized gains on disposal of investment, dividend and other investment income.

The surplus transfer in the quarter under review from General Takaful revenue account was RM11.3 million. During the financial period ended 30 September 2010, the group recorded surplus transfer of RM104.6 million mainly attributable to underwriting results, coupled with write back of both allowance for doubtful debts and allowance for diminution in value of investments and realized gains on disposal of investments.

For the quarter under review, the group recorded profit before zakat and taxation of RM11.9 million. During the financial period ended 30 September 2010, the group recorded profit before zakat and taxation of RM78.8 million mainly contributed by the underwriting results from General Takaful, surplus from Family Takaful and wakalah fee income.

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

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 taxation registered RM 11.9 million was higher than the preceding quarter of RM 0.4 million by RM11.5 million. The increase was mainly attributable to contribution from General Takaful. Qardh Hasan written off in Asean Retakaful International (L) Ltd in the preceding quarter has also contributed to the lower profit before zakat and taxation for the preceding quarter.

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.

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 lower than the statutory tax rate, mainly due to non taxable income in accordance with the Income Tax Act 1967.

	3 months ended 30.09.2010	15 months ended 30.09.2010
Current tax:-		
- Current financial year	(170)	17,370
	<hr/>	<hr/>
	(170)	17,370
Deferred tax (benefit)/ expense:-		
- Current financial year	2,930	2,204
	<hr/>	<hr/>
	2,760	19,574
	<hr/>	<hr/>

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

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

a) The following are the particulars of purchase or disposal of quoted securities:

	Shareholders' Fund		Family takaful		General takaful	
	3 months ended	15 months ended	3 months ended	15 months ended	3 months ended	15 months ended
	30.09.2010	30.09.2010	30.09.2010	30.09.2010	30.09.2010	30.09.2010
<u>Purchase</u>						
Total purchase consideration	10,921	35,892	63,177	302,851	15,463	43,953
<u>Disposal</u>						
Sales proceeds of quoted shares	3,436	30,859	56,390	231,907	3,392	39,251
Realised gain/(loss)	164	(3,391)	4,386	(6,579)	(233)	(6,009)

b) Investment in quoted shares as at 30 September 2010:

	Shareholders' Fund	Family Takaful	General Takaful
	15 months ended	15 months ended	15 months ended
	30.09.2010	30.09.2010	30.09.2010
At Cost	186,416	466,992	84,639
At carrying value/ market value	119,892	477,776	90,747

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

22 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 September 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 was no material litigation pending as at the date of this announcement.

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 30.09.2010	15 months ended 30.09.2010
Net profit attributable to shareholders	(RM'000)	8,640	55,159
Weighted average number of ordinary shares in issue	('000)	162,817	162,817
Basic earnings per share	(sen)	5.31	33.88

SYARIKAT TAKAFUL MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 30 September 2010

(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 30.09.2010	15 months ended 30.09.2010
Net profit attributable to shareholders	(RM'000)	<u>8,640</u>	<u>55,159</u>
Weighted average number of ordinary shares in issue	('000)	<u>162,817</u>	<u>162,817</u>
Diluted earnings per share	(sen)	<u>5.31</u>	<u>33.88</u>

By Order of the Board

MOHAMAD ASRI BIN HAJI YUSOFF

Company Secretary (MIA 14171)

Kuala Lumpur, 25 November 2010