



**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 | 38,718 |
| 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) | (4,688) | (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 | (5,515) | (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 | 61,506 |
| 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 and Reassessment of Embedded Derivatives</i> and IC Interpretation 9, | 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 |
| 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.

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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.

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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.

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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 |

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By Order of the Board

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