

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### **1 Basis of Preparation**

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* in these condensed interim financial statements.

The unaudited financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by International Accounting Standards Board, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim financial statements of the Group comprise the Company and its subsidiaries, and the Group's interest in an associate as at and for the quarter ended 30 June 2012. It also includes Takaful funds established in accordance with Takaful Act, 1984, in Malaysia, which are managed and controlled by the Group and by the Company as operator of the fund.

The statements of financial position and the statements of comprehensive income of the Operator, Family Fund and General Fund are supplementary financial information presented in accordance with the requirements of Bank Negara Malaysia. In accordance with Takaful Act, 1984 in Malaysia, the Company is required to segregate assets, liabilities, income and expenses of Takaful funds from its own. The statements of financial position and comprehensive income of the Operator include only assets, liabilities, income and expenses of the Company excluding the Takaful funds manage by it. The statements of financial position and comprehensive income of the Family Fund include only the assets, liabilities, income and expenses of the family solidarity fund that is set up, managed and controlled by the Company. The statements of financial position and comprehensive income of the General Fund include only the assets, liabilities, income and expenses of General Takaful fund other than the family solidarity fund that is set up, managed and controlled by the Company.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

### **2 Auditors' Report**

The auditors' report on the audited financial statements of the preceding year ended 31 December 2011 did not contain any qualification.

# **SYARIKAT TAKAFUL MALAYSIA BERHAD**

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 JUNE 2012**

### **3 Seasonality of operations**

The Group's operations are not materially affected by seasonal or cyclical factors for the period under review.

### **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 in the current quarter ended 30 June 2012.

### **5 Estimates**

There was no material changes in the basis used for accounting estimates for the current quarter under review.

### **6 Debt and Equity Securities**

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

### **7 Dividends**

The shareholders at the Annual General Meeting held on 3 May 2012 approved a final dividend of 10% single tier in respect of the financial year ended 31 December 2011 as proposed by the Directors. The final dividend was paid on 28 May 2012.

The Directors on 7 August 2012 declared an interim dividend of 15% single tier in respect of the financial year ending 31 December 2012 which will be paid on 21 September 2012.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 8 Segmental Reporting

#### Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
<b>6 months ended 30.06.2012</b>			
Revenue from external participants	<u>781,761</u>	<u>93,410</u>	<u>875,171</u>
Profit before zakat and taxation	<u>65,140</u>	<u>(1,204)</u>	<u>63,936</u>
<b>As at 30.06.2012</b>			
Segments assets by location of assets	<u>5,865,972</u>	<u>417,546</u>	<u>6,283,518</u>
	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
<b>6 months ended 30.06.2011</b>			
Revenue from external participants	<u>539,086</u>	<u>97,122</u>	<u>636,208</u>
Profit before zakat and taxation	<u>49,933</u>	<u>(16)</u>	<u>49,917</u>
<b>As at 30.06.2011</b>			
Segments assets by location of assets	<u>5,176,677</u>	<u>363,705</u>	<u>5,540,382</u>

### 9 Investment Properties

The valuation of investment properties has been brought forward without amendment from the annual audited financial statements for the year ended 31 December 2011.

### 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 31 December 2011.

# **SYARIKAT TAKAFUL MALAYSIA BERHAD**

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 JUNE 2012**

### **12 Changes in Composition of the Company/Group**

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

### **13 Contingent Liabilities**

There were no contingent liabilities as at the date of this report.

### **14 Review of Performance**

For the 2nd quarter ended 30 June 2012, the Group generated Operating Revenue of RM446.1 million, an increase of 36.3% compared to RM327.2 million in the corresponding quarter of the preceding year. The half year Operating Revenue increased by 37.6% to RM875.2 million from RM636.2 million in the same period of the preceding year. The increase is mainly attributable to higher sales generated by Family Takaful and higher investment income.

For the quarter under review, Family Takaful recorded gross earned contributions of RM280.8 million against RM167.6 million for the same period last year and General Takaful generated gross earned contributions of RM118.3 million compared to RM97.3 million in the corresponding quarter of the preceding year. For the 6 months period, Family Takaful generated gross earned contributions of RM529.3 million compared to RM290.0 million in the corresponding period last year whereas General Takaful recorded gross earned contribution of RM215.1 million compared to RM195.1 million in the corresponding period last year. The Family Takaful recorded gross earned contribution growth of 82.5% for the 6 months period, mainly attributable to higher sales and release of unearned contribution reserve arising from the change in reserving estimates for Group Family Takaful products.

The surplus transfer in the quarter under review from Family Takaful was RM24.5 million, while the surplus transfer from General Takaful was RM17.7 million. For the 6 months period under review, the surplus transfer from Family Takaful increased by RM29.7 million to RM80.6 million as compared to the same period last year while General Takaful recorded RM30.6 million compared to RM41.0 million last year. The higher surplus transfer from Family Takaful is mainly due to release of unearned contribution reserve and better underwriting results. The General Takaful reported lower surplus transfer mainly due to higher claims provisioning mainly arising from the change in IBNR claims reserving methodology.

For the 6 months period, the group recorded profit before zakat and taxation of RM63.9 million, increased by 28.1% as compared to RM49.9 million in the same period last year. Besides the higher surplus transfers as explained in the preceding paragraph, the higher profit is also attributable to higher wakalah fee income and better investment results and partly offset by higher expense reserves.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### QUARTER ENDED 30 JUNE 2012

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

For the quarter under review, the Operating Revenue registered RM446.1 million as compared to preceding quarter of RM429.0 million. The higher operating revenue is attributable to higher sales generated by Family Takaful business.

The profit before zakat and taxation registered RM26.4 million which was lower than the preceding quarter of RM37.5 million by RM11.1 million. The lower profit is attributable to lower surplus transfer from Family Takaful, mainly due to release in unearned contribution reserve and higher realized gain on disposal of investments in preceding quarter.

#### 16 Current Year Prospects

The Group and Company's prospect for the current financial year continue to be encouraging despite growing competition from new takaful players. Barring unforeseen circumstances, the Group and Company are expected to sustain the revenue growth supported by the following strategies:

- 1) Introduction of new products,
- 2) Expanded distribution capabilities especially through telemarketing, internet sales and new agent recruitment initiatives,
- 3) New IT portal initiatives to improve customer service standards,
- 4) Future partnership tie-ups with Islamic banks, and
- 5) Launching of takaful awareness campaign.

#### 17 Variance of actual profit from profit forecast or profit guarantee

The Group did not issue any profit forecast nor profit guarantee during the current quarter under review.

#### 18 Taxation

The effective rate of taxation is lower than the statutory tax rate for the quarter and financial year to date mainly due to non taxable income in accordance with the Income Tax Act 1967.

	3 months ended		6 months ended	
	30.06.2012	30.6.2011	30.06.2012	30.6.2011
Current tax expense:-				
- Current financial year	13,652	7,939	22,322	12,964
Deferred tax benefit:-				
- Current financial year	(8,515)	(2,730)	(10,703)	(2,058)
Total tax expense	<u>5,137</u>	<u>5,209</u>	<u>11,619</u>	<u>10,906</u>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 19 Status of Corporate Proposal

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

### 20 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 June 2012.

### 21 Material Litigation

There was no material litigation pending as at the date of this announcement.

### 22 Earnings per Share

#### 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		Cumulative 6 months ended	
		30.06.2012	30.6.2011	30.06.2012	30.6.2011
Owners of the Company	(RM'000)	<u>22,580</u>	<u>16,508</u>	<u>53,541</u>	<u>38,897</u>
Weighted average number of ordinary shares in issue	('000)	<u>162,817</u>	<u>162,817</u>	<u>162,817</u>	<u>162,817</u>
Basic earnings per share	(sen)	<u>13.87</u>	<u>10.14</u>	<u>32.88</u>	<u>23.89</u>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 23 Takaful Contract Liabilities

The takaful contract liabilities consists of the following:

	Family Takaful			General Takaful		
	Gross RM'000	Retakaful RM'000	Net RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
<b>30 June 2012</b>						
Provision for claims reported by participants	38,527	(4,183)	41,024	396,262	(286,496)	216,472
Provision for IBNR	86,101	(5,790)	75,036	188,593	(135)	123,311
Provision for outstanding claims	124,628	(9,972)	116,060	584,855	(286,631)	339,784
Provision for unearned contributions	-	-	-	333,684	(75,074)	262,228
	<b>124,628</b>	<b>(9,972)</b>	<b>116,060</b>	<b>918,539</b>	<b>(361,705)</b>	<b>602,012</b>
Actuarial liabilities	3,452,862	(85,610)	3,370,972	-	-	-
Unallocated surplus	438,495	-	433,843	153,292	-	153,292
AFS reserve	93,575	-	93,575	8,352	-	8,352
Special reserve	24,947	-	24,947	-	-	-
Net asset value attributable to unitholders	190,230	-	191,162	-	-	-
Foreign currency translation reserve	-	-	-	(103)	-	(103)
<b>Participants' Fund liabilities</b>	<b>4,200,109</b>	<b>(85,610)</b>	<b>4,114,499</b>	<b>161,541</b>	<b>-</b>	<b>161,541</b>
<b>Total takaful contract liabilities</b>	<b>4,324,737</b>	<b>(95,582)</b>	<b>4,230,559</b>	<b>1,080,080</b>	<b>(361,705)</b>	<b>763,553</b>
<b>31 December 2011</b>						
Provision for claims reported by participants	30,237	(1,279)	28,958	387,642	(215,374)	172,268
Provision for IBNR	72,444	(6,723)	65,721	143,859	(38,643)	105,216
Provision for outstanding claims	102,681	(8,002)	94,679	531,501	(254,017)	277,484
Provision for unearned contributions	-	-	-	352,154	(88,597)	263,557
	<b>102,681</b>	<b>(8,002)</b>	<b>94,679</b>	<b>883,655</b>	<b>(342,614)</b>	<b>541,041</b>
Actuarial liabilities	3,124,962	(64,808)	3,060,154	-	-	-
Unallocated surplus	485,635	-	485,635	150,402	-	150,402
AFS reserve	110,710	-	110,710	9,380	-	9,380
Special reserve	24,947	-	24,947	-	-	-
Net asset value attributable to unitholders	187,822	-	187,822	-	-	-
Foreign currency translation reserve	-	-	-	5,183	-	5,183
<b>Participants' Fund liabilities</b>	<b>3,934,076</b>	<b>(64,808)</b>	<b>3,869,268</b>	<b>164,965</b>	<b>-</b>	<b>164,965</b>
<b>Total takaful contract liabilities</b>	<b>4,036,757</b>	<b>(72,810)</b>	<b>3,963,947</b>	<b>1,048,620</b>	<b>(342,614)</b>	<b>706,006</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 23 Takaful Contract Liabilities (continued)

Participants' fund liabilities and its movements are analysed as follows:

	Family Takaful		
	Gross RM'000	Retakaful RM'000	Net RM'000
<b>At 1 January 2011, restated</b>	3,665,646	(40,617)	3,625,029
Earned contributions	694,719	(28,671)	666,049
Liabilities paid for death, maturities, surrenders, benefits and claims	(482,465)	27,743	(454,722)
Fees deducted	(127,479)	-	(127,479)
Investment income	165,760	-	165,760
Realised gains	71,641	-	71,641
Fair value gains	12,009	-	12,009
Other operating income (net)	27,572	-	27,572
Profit paid to participants	(2,420)	-	(2,420)
Increase in actuarial reserve	(863)	(24,192)	(25,055)
Surplus attributable to takaful operator	(98,746)	928	(97,818)
AFS reserve	5,370	-	5,370
Effect of movement in exchange rates	3,332	-	3,332
<b>At 31 December 2011</b>	<b>3,934,076</b>	<b>(64,808)</b>	<b>3,869,268</b>
Earned contributions	529,305	(21,075)	508,230
Liabilities paid for death, maturities, surrenders, benefits and claims	-	-	-
Gross benefit and claims paid	(230,194)	-	(230,194)
Claims ceded to retakaful	-	11,519	11,519
Gross change to contract liabilities	(23,239)	-	(23,239)
Change to contract liabilities ceded to retakaful	-	1,989	1,989
Wakalah fee	(91,054)	-	(91,054)
Commission expense	(8,496)	-	(8,496)
Investment income	85,226	-	85,226
Realised gains and losses	63,185	-	63,185
Fair value gains and losses	1,605	-	1,605
Other operating income	1,438	-	1,438
Other operating expenses	(6,745)	-	(6,745)
Profit paid to participants	(1,394)	-	(1,394)
Decrease in actuarial reserves	56,240	(20,917)	35,322
Surplus attributable to takaful operator	(88,204)	7,567	(80,637)
AFS Reserves	(15,518)	-	(15,518)
Add: Unutilised FTS suspense	160	-	160
Effect of movement in exchange rates	(6,286)	118	(6,168)
<b>As at 30 June 2012</b>	<b>4,200,109</b>	<b>(85,610)</b>	<b>4,114,499</b>



# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 23 Takaful Contract Liabilities (continued)

Participants' fund liabilities and its movements are analysed as follows:

	General Takaful RM'000
<b>At 1 January 2011, restated</b>	166,374
Net contributions received/receivable	287,018
Net claims incurred for the year	(201,176)
Fees deducted, net	(31,438)
Investment income	28,532
Other operating income	57,285
Release of special reserve	(23,061)
Profit paid to participants	(23,173)
Increase in unearned contribution reserves	328
Surplus attributable to shareholder	(85,547)
AFS reserve	(9,285)
Effect of movement in exchange rates	(892)
<b>At 31 December 2011</b>	<b>164,965</b>
Net contributions received/receivable	156,943
Net claims incurred for the year	(101,736)
Fees deducted, net	(38,084)
Investment income	14,595
Realised gains and losses	8,739
Fair value gains and losses	(1,366)
Other operating income	2,404
Other operating expenses	(1,517)
Profit paid to participants	(14,474)
Increase in unearned contribution reserves	2,759
Surplus transferred to statements of comprehensive income	(30,555)
AFS reserve	(1,029)
Effect of movement in exchange rates	(103)
<b>As at 31 May 2012</b>	<b>161,541</b>

### 24 Takaful Operator Income

The takaful operator income consists of the following:

	3 months ended		Cumulative 6 months ended	
	30.06.2012	30.6.2011	30.06.2012	30.6.2011
Surplus transfer from:				
Family takaful	24,527	23,008	80,637	50,947
General takaful	17,732	21,110	30,555	41,016
Wakalah fee income	82,232	32,946	129,431	59,548
<b>Total Takaful operator income</b>	<b>124,491</b>	<b>77,064</b>	<b>240,623</b>	<b>151,511</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 25 Investment Income

The investment income consists of the following:

	Takaful Operator		Family Takaful		General Takaful	
	3 months ended		3 months ended		3 months ended	
	30.06.2012	30.6.2011	30.06.2012	30.6.2011	30.06.2012	30.6.2011
Rental Income	139	208	2,273	2,424	207	294
Dividend from Investment	1,214	855	6,017	4,696	1,163	843
Accretion/ (Amortisation)	(116)	(117)	(1,108)	1,168	(476)	53
Profit from Investment	3,667	2,998	35,458	36,285	6,897	6,775
Investment expenses	(123)	(90)	(1,202)	(552)	(80)	(199)
<b>Total investment income</b>	<b>4,781</b>	<b>3,855</b>	<b>41,438</b>	<b>44,021</b>	<b>7,711</b>	<b>7,766</b>
	<b>Takaful Operator Cumulative</b>		<b>Family Takaful Cumulative</b>		<b>General Takaful Cumulative</b>	
	<b>6 months ended</b>		<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2012</b>	<b>30.6.2011</b>	<b>30.06.2012</b>	<b>30.6.2011</b>	<b>30.06.2012</b>	<b>30.6.2011</b>
Rental Income	354	442	4,329	4,708	490	552
Dividend from Investment	2,101	1,456	10,059	8,243	1,742	1,527
Accretion/ (Amortisation)	(232)	(158)	(2,093)	2,074	(956)	111
Profit from Investment	7,123	5,559	74,822	68,320	13,552	12,468
Investment expenses	(298)	(218)	(1,890)	(1,142)	(233)	(210)
<b>Total investment income</b>	<b>9,048</b>	<b>7,082</b>	<b>85,226</b>	<b>82,203</b>	<b>14,595</b>	<b>14,449</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 26 Other Operating Income

The other operating income consists of the following:

	Takaful Operator		Family Takaful		General Takaful	
	3 months ended 30.06.2012	30.6.2011	3 months ended 30.06.2012	30.6.2011	3 months ended 30.06.2012	30.6.2011
Service charge and management fee	3,031	3,958	-	-	-	-
Gain on foreign exchange	118	11	-	-	35	-
Writeback of allowance for impaired debts	-	-	143	884	1,952	6,761
Writeback of allowance for impaired financing	136	-	-	-	0	-
Gain on Disposal of Assets	71	137	-	-	-	-
Other income	471	462	-	-	18	884
<b>Total other operating income</b>	<b>3,827</b>	<b>4,568</b>	<b>143</b>	<b>884</b>	<b>2,004</b>	<b>7,644</b>

	Takaful Operator Cumulative		Family Takaful Cumulative		General Takaful Cumulative	
	6 months ended 30.06.2012	30.6.2011	6 months ended 30.06.2012	30.6.2011	6 months ended 30.06.2012	30.6.2011
Service charge and management fee	4,479	5,881	-	-	-	-
Gain on foreign exchange	240	11	-	-	15	-
Writeback of allowance for impaired debts	-	-	1,289	2,030	2,343	12,300
Writeback of allowance for impaired financing	144	-	-	-	17	-
Gain on Disposal of Assets	79	155	-	-	-	-
Other income	807	1,013	160	8	29	884
<b>Total other operating income</b>	<b>5,749</b>	<b>7,059</b>	<b>1,450</b>	<b>2,038</b>	<b>2,404</b>	<b>13,184</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

### 27 Other Operating Expenses

The other operating expenses consist of the following:

	Takaful Operator		Family Takaful		General Takaful	
	3 months ended 30.6.2012	30.6.2011	3 months ended 30.6.2012	30.6.2011	3 months ended 30.6.2012	30.6.2011
Depreciation	(2,679)	(2,915)	-	-	-	-
Impairment losses	(219)	-	(1,915)	-	(382)	-
Loss from foreign exchange	-	-	(11)	-	-	(12)
Commission	(28,420)	(15,224)	-	-	-	-
Agency related expenses	(718)	-	-	-	-	-
Other expenses	(3,762)	(712)	(2,132)	(3,189)	(499)	(825)
Writeback of allowance for impaired financing	-	-	(518)	-	-	-
<b>Total other operating expenses</b>	<b>(35,797)</b>	<b>(18,851)</b>	<b>(4,576)</b>	<b>(3,189)</b>	<b>(881)</b>	<b>(837)</b>
	Takaful Operator Cumulative 6 months ended		Family Takaful Cumulative 6 months ended		General Takaful Cumulative 6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Depreciation	(5,368)	(4,947)	-	-	-	-
Impairment losses	(797)	-	(3,561)	-	(1,304)	-
Loss from foreign exchange	-	-	(11)	-	(71)	(31)
Commission	(48,085)	(27,085)	-	-	-	-
Agency related expenses	(967)	-	-	-	-	-
Other expenses	(3,825)	(1,888)	(3,184)	(2,351)	(1,446)	(1,097)
Writeback of allowance for impaired financing	-	-	-	-	-	-
<b>Total other operating expenses</b>	<b>(59,043)</b>	<b>(33,920)</b>	<b>(6,756)</b>	<b>(2,351)</b>	<b>(2,821)</b>	<b>(1,128)</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2012

28 Disclosures of interest expense, provision for and write off of inventories, gain or loss on derivatives and exceptional items are not applicable to the Group and the company.

### 29 Supplementary Financial Information on the Breakdown of Realised and Unrealised Profits

The breakdown of the retained profits of the Group and of the Company as at 30 June 2012, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
<b>Total retained profits of the Group:</b>		
-Realised	294,136	257,535
-Unrealised	<u>(677)</u>	<u>(677)</u>
<b>Total share of retained profits of associates:</b>	293,459	256,858
-Realised	-	-
-Unrealised	<u>-</u>	<u>-</u>
	293,459	256,858
Add: Consolidation adjustments	27,841	27,183
<b>Total retained profits as per statement of changes in equity</b>	<u><u>321,301</u></u>	<u><u>284,041</u></u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

By Order of the Board

**MOHAMAD ASRI BIN HAJI YUSOFF**  
Company Secretary (MIA 14171)  
Kuala Lumpur, 10 August 2012

