

General Announcement for PLC (v13)**RELEASED**

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	SYARIKAT TAKAFUL MALAYSIA BERHAD		
Stock Name	TAKAFUL		
Stock Code	6139		
Board	Main Market		

CONTACT DETAIL			
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MAIN	
Type	Announcement
Subject	WINDING UP / RECEIVER & MANAGER / RESTRAINING ORDER / SPECIAL ADMINISTRATOR
Description	Syarikat Takaful Malaysia Berhad ("Takaful Malaysia" or "the Company") - Proposed Members' Voluntary Liquidation of a Subsidiary Company, PT Asuransi Takaful Umum (ATU)
Shareholder Approval	No

Announcement Details/Table Section	
<p>1. Introduction</p> <p>Takaful Malaysia wishes to announce that the Board of Directors of Takaful Malaysia has agreed to proceed with the proposed members' voluntary liquidation of ATU, a subsidiary company whereby Takaful Malaysia has 64.70% effective equity interest which is held indirectly via PT Syarikat Takaful Indonesia ("STI") (29.49%) and PT Asuransi Takaful Keluarga ("ATK") (35.21%) ("Proposed Members' Voluntary Liquidation") subject to the approvals of the following:-</p> <ol style="list-style-type: none"> 1. the Indonesian's Financial Services Authority [Otoritas Jasa Keuangan ("OJK")] pursuant to the Regulation No. 28/POJK.05/2015 on "Dissolution, Liquidation and Bankruptcy of Insurance Companies, Syariah Insurance Companies, Reinsurance Companies and Syariah Reinsurance Companies" dated 11 December 2015; and 2. the Shareholders of ATU. <p>Pursuant to the above, an application will be submitted to the OJK for the Proposed Members' Voluntary Liquidation.</p>	
<p>2. Brief Information on ATU</p> <p>ATU was incorporated in 1994. The principal activity of ATU is general takaful business.</p> <p>The present authorised capital of ATU is Rp150,000,000,000 comprising 150,000 ordinary shares of Rp1,000,000 each. Presently, the issued and fully paid-up capital of ATU is Rp50,000,000,000 comprising 50,000 ordinary shares of Rp1,000,000 each.</p>	
<p>3. Cost of Investment</p> <p>As at 30 June 2016, Takaful Malaysia's indirect cost of investment in ATU is RM9.8 million whilst the carrying value is RM9.3 million.</p>	

4. Rationale

The Proposed Members' Voluntary Liquidation is due to the constraints and limitations faced by ATU especially in term of capital requirement in order to compete effectively with other takaful companies due to the presence of the numerous takaful 'Islamic window' operations in Indonesia which has put the full-fledged Shariah compliant operators at a significant disadvantage compared to its competitors due to higher operating cost. Without an expanded capital base coupled with the lack of technical resources and expertise, ATU is no longer viable to sustain its activities. Therefore, having considered all available options, the best option is to liquidate ATU.

5. Impact of the Proposed Members' Voluntary Liquidation

The Proposed Members' Voluntary Liquidation will not have any material financial and operational effects on Takaful Malaysia and its group of companies for the current financial year ending 31 December 2016. The Group's expected losses from the Proposed Members' Voluntary Liquidation would be approximately RM3.5 million. This will reduce the carrying value to RM5.8 million.

6. Directors and Major Shareholders' Interests

To the best of our knowledge, except for Dato' Sri Mohamed Hassan Md Kamil who is a nominee of Takaful Malaysia on the Board of STI and ATK, and Encik Mahadzir Azizan who is a nominee of Takaful Malaysia on the Board of ATK, none of the other Directors and/or major shareholders of Takaful Malaysia or any person connected to them have any direct or indirect interest in the Proposed Members' Voluntary Liquidation.

This announcement is dated 17 August 2016.

Attachment	No	File Name	Size