



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**(Formerly known as SYARIKAT TAKAFUL MALAYSIA BERHAD)**  
(Company No. 131646-K)

**MINUTES OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING OF SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD (“STMKB” OR “THE COMPANY”) [FORMERLY KNOWN AS SYARIKAT TAKAFUL MALAYSIA BERHAD (“STMB”)] HELD AT DEWAN AHMAD MOHAMED IBRAHIM, 5<sup>TH</sup> FLOOR, ANNEXE BLOCK, MENARA TAKAFUL MALAYSIA, NO. 4, JALAN SULTAN SULAIMAN, 50000 KUALA LUMPUR ON THURSDAY, 9 MAY 2019 AT 10:00 A.M.**

**PRESENT:**                   **BOARD OF DIRECTORS**  
Datin Sri Azlin Arshad (Deputy Chairman)  
Dato' Othman Abdullah  
Encik Mahadzir Azizan  
Encik Zakaria Ismail

**GROUP CHIEF EXECUTIVE OFFICER**  
Dato' Sri Mohamed Hassan Md Kamil

**MEMBERS/CORPORATE REPRESENTATIVES/PROXIES**  
The attendance of Members/Corporate Representatives/Proxies is as per Attendance Record.

**ABSENT WITH APOLOGIES:**       Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak (Chairman)

**IN ATTENDANCE:**       **COMPANY SECRETARY**  
Encik Mohamad Asri Yusoff

**BY INVITATION:**       **AUDITORS**  
Messrs KPMG Desa Megat PLT represented by Encik Ooi Eng Siong, Cik Hew Tsu Zhen and Cik Goh Han Ni  
Messrs PricewaterhouseCoopers PLT represented by Encik Manjit Singh and Encik Liew Chi Min

**POLL ADMINISTRATOR**  
Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd)

**SCRUTINEERS**  
Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd)

**1. OPENING REMARKS BY THE COMPANY SECRETARY ON THE CHAIRMAN OF THE MEETING**

The Company Secretary informed that Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak

apologised for not being able to attend and chair the 34<sup>th</sup> Annual General Meeting (AGM) of the Company and highlighted that Rule 53 of the Company's Constitution states as follows:-

*"The Chairman, if any, of the Board of Directors or in his absence the Deputy Chairman shall preside as chairperson at every general meeting of the Company, or if there is no such Chairman or Deputy Chairman, or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Members present shall elect one of their numbers to be chairperson of the meeting. A proxy shall not be eligible to be elected as the chairperson of the meeting."*

Therefore, pursuant to the above Rule 53 of the Company's Constitution, and in light of the absence of the Chairman of the Board of Directors, Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak, the Deputy Chairman, Datin Sri Azlin Arshad shall preside as the chairperson of the Meeting.

The Company Secretary handover the Meeting to the Deputy Chairman, Datin Sri Azlin Arshad.

## **2. CHAIRMAN'S WELCOMING ADDRESS**

Datin Sri Azlin Arshad presided as Chairman of the 34<sup>th</sup> AGM of the Company. She welcomed the Members, Encik Mohd Muazzam Mohamed, the Chief Executive Officer of BIMB Holdings Berhad (BHB), Encik Malkit Singh Maan, the Group Chief Financial Officer of BHB and all those presents at the AGM. The Chairman introduced the Board of Directors, Group Chief Executive Officer (GCEO) and the Company Secretary who were present at the meeting to the Members.

## **3. QUORUM**

Upon confirmation from the Company Secretary that a quorum was present in accordance with Rule 51 of the Company's Constitution, the Chairman called the Meeting to order.

## **4. NOTICE**

In view that there was no objection from the floor, the Notice convening the 34<sup>th</sup> AGM having been circulated together with the Annual Report 2018 to the Members on 10 April 2019 was taken as read.

## **5. VOTING**



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The Chairman informed that the Company had distributed a bar coded wristband to every shareholder present in person or by proxies or by corporate representatives upon registration and they were advised to wear the distributed wristband throughout the Meeting for the purpose of voting.

The Chairman then highlighted that as stated in Note 1(vii) of the Notice of the AGM, pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by poll. The Chairman added that pursuant to Rule 60(a)(ii) of the Company's Constitution, on a poll, each member who is present in person or by proxy or by corporate representative shall have one vote for each share he/she holds.

The Chairman informed that the Company had appointed Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) as the Independent Poll Administrator to conduct the polling process and Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd) as Scrutineers to verify the poll results.

The Meeting noted that polling process for the Resolutions would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

The Chairman advised that those who were proposing or seconding any resolution to state their name clearly for the Company's record purposes.

**AGENDA 1**

**TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018, TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman presented to the Members the Audited Financial Statements for the financial year ended 31 December 2018, together with the reports of the Directors and Auditors thereon (collectively referred to as Audited Financial Statements).

It was highlighted to the Members that as stated in Note 2(i) of the Notice of 34<sup>th</sup> AGM, the Audited Financial Statements under Agenda 1 was meant for information and discussion only as the approval of the Members was not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda was not put forward for voting by the Members of the Company. The Members were informed that the said Audited Financial Statements were duly approved by the Board of Directors of the Company and were made available to the Members throughout the statutory period.

The Chairman informed that on behalf of the Board of Directors, she is pleased to present the Audited Financial Statements for the financial year ended 31 December 2018 accompanied by a statutory declaration by the officer primarily responsible for the financial management of the Company, as contained in the Annual Report from page 78 to page 330.

The Chairman then invited the GCEO, Dato' Sri Mohamed Hassan Md Kamil to brief the Members on the performance of the Company and its Group for the year ended 31 December 2018. The following salient points were highlighted by Dato' Sri Mohamed Hassan Kamil:-

Performance: Financial Dynamics

- a. Business Growth
  - For STMKB, the Company recorded 35% contribution growth in 2018 as compared to 11% contribution growth in 2017;
  - For Syarikat Takaful Malaysia Am Berhad (STMAB), the company recorded 20% contribution growth in 2018 which is similar to the contribution growth in 2017.
- b. Market Share
  - STMKB
    - In the Family Takaful industry, the Company recorded 28% market share as compared with 23% market share in 2017 with a 13% growth. The Company is number one (1) out of eleven (11) takaful operators;
    - In the Life Insurance and Family Takaful industry, the Company recorded 9% market share as compared with 7% market share in 2017 with a 2% growth. The Company is number four (4) out of fourteen (14) life insurers and eleven (11) takaful operators.
  - STMAB
    - In the General Takaful industry, the company recorded 25% market share as compared with 23% market share in 2017 with a 9% growth. The company is number two (2) out of four (4) takaful operators;
    - In the General Insurance and General Takaful industry, the company recorded 4% market share as compared with 2% market share in 2017 with a 2% growth. The company is number thirteen (13) out of twenty-two (22) General Insurer and four (4) General takaful operators.
- c. In terms of STMKB's share price, it had outperformed FBMKLCI by 2,376% since June 2009.
- d. STMKB's market capitalisation increased by 1% from RM3,095 million as at 31 December 2017 to RM3,132 million as at 31 December 2018. (STMKB's share price was RM3.80 as at 31 December 2018 compared with RM3.76 as at 31 December 2017).
- e. Latest share price as at 30 April 2019 was RM6.07, with market

- capitalisation of approximately RM5.0 billion.
- f. BHB's market value increased from RM1,848 million as at 31 December 2017 to RM1,868 million as at 31 December 2018. (BIMB's shareholding was approximately 59.64% as at 31 December 2018 and 59.72% as at 31 December 2017).
  - g. Employees Provident Fund Board's (EPF) market value increased from RM380 million as at 31 December 2017 to RM381 million as at 31 December 2018. (EPF's shareholding was approximately 12.17% as at 31 December 2018 and 12.29% as at 31 December 2017).
  - h. The Group recorded sterling business growth over the past five years with Cumulative Annual Growth Rate (CAGR) of 14% for Total Family Takaful Gross Contribution from RM958.060 million in 2014 to RM1,608.157 million in 2018 and CAGR of 12% for Total General Takaful Gross Contribution from RM451.319 million in 2014 to RM709.286 million in 2018.
  - i. The Company recorded steady revenue increase over the past five years with CAGR of 12% from RM1.653 million in 2014 to RM2.693 million in 2018.
  - j. The Company's Operating Revenue for 2018 stood at RM2,693 million comprising RM2,318 million Gross Contribution and RM322 million Investment Income. For year 2017, the Group's Gross Operating Revenue was RM2,139 million comprising RM1,834 million Gross Contribution and RM305 million Investment Income.
  - k. The Company's Operating Revenue grown steadily over the past five years with Gross Contributions of RM1,410 million in 2014 to RM2,318 million in 2018 and Investment Income of RM243 million in 2014 to RM322 million in 2018.
  - l. The Group's Profit After Taxation and Zakat increased by 43% from RM205.073 million in 2017 to RM292.617 million in 2018.
  - m. The Group's Profit After Taxation and Zakat also grown steadily over the past five years with CAGR of 21% from RM138.735 million in 2014 to RM292.617 million in 2018.
  - n. The Group's Total Assets increased steadily over the past five years with CAGR of 6% from RM7,164.788 million in 2014 to RM8,931.576 million in 2018.
  - o. The Dividend Paid for 2018 was RM123.472 million compared with RM98.514 million for 2017. The total Dividend paid from 2014 to 2018 was RM469.331 million.
  - p. The Group's Net Asset Per Share as at 31 December 2018 increased to RM1.19 compared with RM0.99 as at 31 December 2017, RM0.89 as at 31 December 2016, RM0.84 as at 31 December 2015 and RM0.72 as at 31 December 2014.
  - q. The Group's Earnings per Share (EPS) increased steadily over the past five years from 17.25 sen per share in 2014 to 35.79 sen per share in 2018.
  - r. The Return on Equity (ROE) for 2018 was 33%, 27% for 2017, 25% for 2016 and 2015, and 24% for 2014. Overall, among the Finance Industry and Insurance Industry, STMKB's ROE consistently outperformed industry

benchmark.

- s. For the year 2018, STMKB retained the No. 1 Spot in the Return on Equity List amongst top 47 Government-Linked Companies (GLCs) listed on Bursa Malaysia.

#### Awards and Accolades

- t. The GCEO updated the Members on the awards and accolades achieved by STMKB throughout 2018 that entailed the following:-
- (i) STMKB registered record net profit exceeding RM250 million with double-digit growth of 43%, outpacing the industry;
  - (ii) STMKB has been ranked the second place under the 'Highest Return on Equity Over Three Years' category at The Edge Billion Ringgit Club Corporate Awards 2018 for the financial services below RM10 billion market capitalisation sector;
  - (iii) STMKB has been ranked the second place under the 'Highest Growth in Profit After Tax Over Three Years' category at The Edge Billion Ringgit Club Corporate Awards 2018 for the financial services below RM10 billion market capitalisation sector;
  - (iv) STMKB has been voted as Malaysia's top choice for Motor Takaful and won the iBandings' Motor Takaful Award 2017/2018 for the second consecutive time;
  - (v) STMKB won the 2018 PIKOM PLC Annual Leadership Award in conjunction with the 3<sup>rd</sup> Annual Leadership Award of the National ICT Association of Malaysia (PIKOM); and
  - (vi) STMKB has been selected as the Top Three Best Employer Brand of the Graduates' Choice Award 2018 under the insurance industry category.

Upon completion of the presentation on the performance of the Company and its Group, the GCEO continued to present the following responses towards the questions raised by the Minority Shareholders Watch Group ("MSWG") in their letter dated 30 April 2019. These responses were duly communicated to MSWG via the Company's letter issued on 6 May 2019.

#### Strategy/Financial Matters

- Q1: The Group faces several challenges as stated in the Management Discussion & Analysis, ("MD&A"), page 12, Annual Report 2018) as follows:-
- a) Temporary suspension of mortgage takaful protection distribution through agency force and other intermediaries by Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA");
  - b) Escalating medical inflation and price war of employee benefits segment within the industry; and
  - c) Recruitment and retention of non-motor corporate agency force.

What are the measures that you have taken to address these challenges and what are the results?

A1: a) *With the uplift by LPPSA on the prohibition of using agents as a distribution channel in May 2018, we were able to quickly regain the support of our existing agents for the mortgage takaful protection business. We have been maintaining good business relationship with these agents due to our strong ground sales support network, good operational and marketing support.*

b) *Despite the competitive market environment with aggressive pricing from some market players, we have maintained our prudent underwriting philosophy for stable and profitable growth to manage the risk of high medical inflation and inadequate pricing.*

*We further strengthened our branding as a professional employee benefits player with innovative services to offer healthy lifestyles/wellness programs, medical cost utilization analysis as value-added services to build a healthy workforce and to manage claim costs for our clients.*

c) *We have introduced engagement programs with our major non-motor agents to secure some major accounts. For example, we provided the agents with the support for product enhancements & value-added services (e.g. property & risk management surveys, infra-red thermographic and assistance in property valuation), and larger underwriting capacity to their large non-motor accounts. In 2018, our non-motor production increased by 14% compared to a flat growth of the general takaful industry.*

Q2: *To date RM14.4 million was spent in FY2018 on your digital strategy. What is the capital budget for FY2019 to further spur the digital strategy and the type of improvements and contributions you expect to gain in the next 2 years? (page 11, Annual Report)*

A2: *We incurred a capital expenditure (CAPEX) of RM14.4 million in 2018 for IT costs, office equipment and furniture and fittings, and approximately 40% of this capital expenditure is to support a new digital strategy. The capital budget for FY 2019 to further spur the digital strategy is estimated to be around 30% of CAPEX, and the digital strategy CAPEX is expected to reduce over time after 2019.*

*The current key digital strategy projects to name a few are as follows:*

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- *An enhanced mobile app for the employees of EB clients to facilitate claims admission and to check benefit entitlements and claim utilization*
- *A mobile app for motor takaful customers to locate workshops and enjoy real time requests and tracking of roadside assistance and towing services.*
- *Chatbot for auto responses to our customer's enquiries.*
- *Customer and Agent Portal enhancements to provide more touch points and self-services for our customers and agents.*

*In the future, we expect to leverage on our existing digital platform not only to generate sales through an efficient manner with target marketing, but to also leverage on our digital platform to provide superior customer experience and seamless service delivery to our valued customers.*

- Q3: On the MD&A, (page 11, Annual Report 2018), the Group's Indonesian subsidiaries, namely PT Asuransi Takaful Keluarga and PT Syarikat Takaful Indonesia continued to be impeded by the "window concept" of promoting Islamic products, particularly by the domestic conventional insurance players.
- a) Please explain the challenges faced by your Indonesian subsidiaries in the Indonesian insurance business landscape. What actions have you taken to address these challenges?
  - b) What is your current market share in the general conventional insurance business and its revenue contribution in FY2018 for your Indonesian business?
  - c) What are your targets for these subsidiaries in FY2019?
- A3: a) *Takaful market in Indonesia is dominated by the so called 'windows' which enable insurance companies to offer Shariah compliant and conventional products side by side and the key distribution channel is predominantly Agency.*

*Given the low insurance penetration rates and potential market to grow Islamic insurance, we will continue with our efforts to deliver strategic initiatives in growing and increasing our market share via bank and agency force and upgrade IT infrastructure to support the production volume and improve operational efficiency.*

- b) *We have disposed off the entire equity interest in PT Asuransi Takaful Umum (General Takaful business) in financial year 2017.*
- c) *Our targets for PT Asuransi Takaful Keluarga is to deliver 10% to the Group's top line and 5% to the bottom line.*



Q4: As stated in the MD&A, the Group is taking advantage of Bank Negara Malaysia's initiative in fostering direct distribution channel by launching its Online Sales Portal ('OSP'), Click for Cover as part of the Group's holistic digital strategy to distribute its innovative online solutions. (page 12, Annual Report 2018)

What are the costs and benefits achieved since its launch?

A4: *The online distribution/digitally-assisted selling platform is part of our long-term strategy to respond to the increasing demand of customers' expectation for more convenience and affordable e-purchasing channel and Bank Negara Malaysia's initiative in fostering a direct distribution channel.*

*In 2018, the online motor takaful contributed RM29 million of contribution income. While the pilot sales promotion of other new products in 2018 only contributed to about RM2 million sales, we expect the market potential will continue to increase with the new marketing awareness programs and our strategy to work with few bank partners to sell these protection products through the Click for Cover as the digitally-assisted selling platform.*

*The selling of protection products through our major bank partners will be facilitated by the digitally-assisted point of sales system with a smart underwriting engine.*

Q5: On the General Takaful business, please explain the pricing segmentation approach for targeted groups with better claims experience to drive growth of your motor takaful segment. (page 17, MD&A)

A5: *We offer more competitive and lower pricing for certain vehicle segments with better claim experience (e.g. vehicle with higher sum covered, specific vehicle models with consistent good claim experience). This pricing strategy is to attract the segments with good claim experience to support more profitable business growth in the motor takaful business.*

#### Corporate Governance Matters

Q1: Based on the Corporate Governance ("CG") report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance ("MCCG") 2017, please provide clarification on the following:

a) **Practice 5.1** – The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its

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committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

MSWG's comment:

In accordance with Practice 5.1, the board is required to disclose the results and the relevant findings and outcome. This is in line with the spirit of the Intended Outcome to enable stakeholders to form an opinion of the overall effectiveness of the board and individual directors. There was no such disclosure.

A1. a) *The Company take note of MSWG's comment and will disclose the results and the relevant findings and outcome of the annual evaluation in next year's CG Report.*

Q1: b) **Practice 7.2** – The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

MSWG's comment:

The disclosure of the remuneration allows stakeholders to understand the link between senior management remuneration and the Company's performance. This will also enable stakeholders to determine whether the remuneration is fair and able to attract and retain talent. The Company has not disclose the time-frame to comply with this Practice.

A1. b) *Currently the Company decided to depart with this Practice due to the reasons as disclosed in the CG Report. The Company will review this in the future including on the time-frame to comply with this Practice.*

Q1: c) **Practice 11.2** – Large companies are encouraged to adopt Integrated Reporting based on a globally recognized framework.

MSWG's comment:

The Company has not disclosed the time-frame to comply with this Practice.

A1. c) *Currently the Company has not decided on the time-frame to adopt this Practice which is encouraged for large companies. The Company will review this in the future including on the time-frame to adopt this Practice.*

The Chairman then invited the Members to raise questions. The followings were the replies to the salient questions raised by the Members of the Company:-

Encik Teh Cheong Hua, a Shareholder recorded an appreciation to Dato' Sri Mohamed Hassan Kamil on his success in leading STMKB's team, not only for the year 2018 but also for the first quarter of 2019 and hoped that the GCEO will continue with the good work. He then enquired on the following:-

Q1: What is the prospect of the Company, not only for the coming quarters but also for the next few years.

A1: *The GCEO responded that STMKB will continue with its growth momentum as the Company foresee potential especially in Islamic financing. The GCEO reiterated that the key growth drivers for year 2018 and first quarter of 2019 is mainly driven from the businesses with the banks. STMKB is currently having preferred partnerships with three banks as well as with our sister company i.e. Bank Islam Malaysia Berhad. Some preferred partnerships will be running until 2022 and 2023. With such arrangements, STMKB foresee that as long as the banks continue to provide loan/ financing, STMKB will continuously be having the opportunity to provide takaful protection. In addition, STMKB's digital strategy is providing good attraction and it will be one of the contributors for the long term. In respect of the investment, STMKB had reduced the exposure in equity market after 9 May 2018. In fact, STMAB had exited all its equity investment while STMKB has very low exposure in equity which is currently hovering at about 7% to 8%.*

Q2: With regard to the online sales business, he noted that the mobile application is intended to cater for both potential customers and existing retail customers to check on the workshops. He enquired if STMKB intends to market takaful via the mobile application?

A2: *The GCEO replied, yes, and in fact the mobile application which is targeted to be launched by the third quarter of 2019 will allow the customers to obtain STMKB's products that is available in our online sales portal. The GCEO added that by the third quarter of 2019, the customers will also be able to obtain STMKB's products using the mobile phone application.*

Q3: Encik Teh Cheong Hua enquired on STMKB's investment strategy, whether STMKB will be considering to go back into the equity market quoting one of Mr Warren Buffet's famous quote "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." He opined that for short term the investment could be seen as volatile but for long term the return can be substantial.

- A3: *The GCEO explained that for STMAB, the products are short term. As such, STMAB should not be involved in the equity investment. As for STMKB, the cover and types of products are longer term, so the Company still have some exposure in equity and agreed with Encik Teh Cheong Hua that in the long term, equity can provide superior return compared to other fixed income. Depending on the equity, timing and pricing, STMKB will selectively buy into certain equity.*
- Q4: Encik Teh Cheong Hua enquired on the cost ratio for STMKB as compared to other industry players, since STMKB is quite cost conscious.
- A4: *The GCEO explained that the Company's headcount maintains at below 950 for the last 10 years. Comparing with the industry ratio of about 20%, STMKB's ratio is below 15%. The GCEO said the Company operate on a tight budget, that is why the AGM of the Company was not held at the hotel as we prefer to manage things on our own where possible rather than appoint vendor or consultant and this also provide flexibility moving forward since we do not depend on external parties.*
- Q5: What is STMKB's view on Great Eastern's MySalam Critical Insurance and how STMKB strategise to benefit from them.
- A5: *The GCEO replied that it will benefit STMKB by creating awareness among B40 households on the importance of having takaful coverage/insurance policy and such awareness will create market for STMKB to market/cross sell its products.*

Encik Yap Shek Seng, a Shareholder expressed appreciation and gratitude to the GCEO and the Board of Directors of STMKB for all the years of success and enquired on the following:-

- Q6: With the strong performance forecasted by various investment analysts and as confirmed by the GCEO, can the shareholders expect to have more frequent interim dividend payment in the future or better still if the Company can give bonus issues since the shares are very tightly held.

As the Company did not have written dividend policy, it is a norm for the Company to maintain 15 sen (75%) dividend and whether the Company will consider revising the 15 sen dividend with the strong performance.

- A6: *The GCEO said the Company will look into this and clarified that the process of declaring interim dividend will require the External Auditors to review the accounts prior to obtaining the approval from Bank Negara Malaysia. Even with a written dividend policy, the final approval prior to*

*declaring the dividend must be obtained from Bank Negara Malaysia.*

*The GCEO is aware on the request received from investors for bonus issues as it is very difficult for new investors to buy the shares. The matter will be discussed by the Board on how to improve the liquidity of the Company's shares. The GCEO informed that previously the Company shares were splitted from one into five shares in order to improve the liquidity.*

Q7: Despite the good results of the Company, he noticed that EPF is disposing their shares and would like to enquire their reason for the disposal.

A7: A representative from EPF replied that she is not in the position to reply to the enquiry.

Q8: Encik Tan Cheng Yeng, a Proxy asked for explanation on the top line and bottom line contribution for the takaful products shown on the cover of STMKB's 2018 Annual Report.

A8: The GCEO responded that the takaful products shown on the cover of STMKB's 2018 Annual Report are actually the digital icon for the products that are available online which were recently launched in late 2018. As such, there are not much contribution yet.

Q9: Encik Tan Kheng Yent, a Shareholder asked the contribution from the core segment and their contribution to the top line.

A9: The GCEO highlighted that the banking business of STMKB contributed almost RM900 million in 2018 (about 45%) and the Government Treasury Scheme is approximately RM300 million (about 15%), whilst the remaining are from STMAB. The Employee benefit is about RM300 million.

Q10: Encik Heng Ai Teck, a Shareholder asked whether Shareholders will be able to enjoy additional 10% discount on top of the 10% discount given when customers obtained takaful coverage online.

A10: The GCEO replied that he will not be able to make such decision as the rate changes and the ultimate decision is by Bank Negara Malaysia. However, GCEO shared with Shareholders that they will be enjoying revision to the takaful coverage rate for non-luxury foreign brand vehicles by end of the year.

With no other queries from the floor, the Meeting noted:

**“THAT the Audited Financial Statements for the Financial Year Ended 31**



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**December 2018, together with the Reports of the Directors and Auditors thereon, be and are hereby received”.**

**AGENDA 2**

**To re-elect Dato’ Othman Abdullah who is retiring by rotation in accordance with Rule 74 of the Company’s Constitution and being eligible, offered himself for re-election. (Resolution 1)**

Q11: Encik Teh Cheong Hua noted on the current number of Board members and enquired on the Company’s future plan with regard to the appointment of additional Board members.

A11: *The GCEO responded that Bank Negara Malaysia has approved for the appointment of an Independent Non-Executive Director of STMKB, namely Encik Mohd Azman Sulaiman which will take effect after the conclusion of the 34<sup>th</sup> AGM. Meanwhile, Encik Salihuddin Ahmad, a Non-Independent Non-Executive Director of STMAB representing BMB Holdings Berhad has been appointed with effect from 2 May 2019. Another Director will be appointed for STMKB upon obtaining the approval from Bank Negara Malaysia.*

Resolution No. 1 was proposed by Encik Malkit Singh Maan, a Corporate Representative and duly seconded by Encik Teh Cheong Hua, a Shareholder.

The Chairman informed that as stated under Agenda 2, Tan Sri Dato’ Ahmad Fuzi Haji Abdul Razak who is also retiring by rotation in accordance with Rule 74 of the Company’s Constitution has informed the Board of Directors that he will not be seeking for re-election. Hence, he will retain office until the conclusion of the 34<sup>th</sup> AGM.

**AGENDA 3**

**To approve the payment of Non-Executive Directors’ fees and benefits of up to RM2,250,000 from this Annual General Meeting of the Company until the next Annual General Meeting of the Company. (Resolution 2)**

Resolution No. 2 was proposed by Encik Yap Shek Seng, a Shareholder and duly seconded by Encik Ng Kok Kiong, a Shareholder.

**AGENDA 4**



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**To appoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2019 in place of the retiring Auditors, Messrs KPMG Desa Megat PLT and to authorise the Directors to fix their remuneration. (Resolution 3)**

Resolution No. 3 was proposed by Encik Young Swee Ting, a Shareholder and duly seconded by Encik Malkit Singh Maan, a Corporate Representative.

**AGENDA 5**

**Special Business - Ordinary Resolution**

**Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with BIMB Holdings Berhad and its Subsidiaries ("BHB Group") as per the Circular to Shareholders dated 10 April 2019. (Resolution 4)**

The Chairman advised the Members that Resolution No. 4 was an ordinary resolution pertaining to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with BIMB Holdings Berhad and its Subsidiaries ("BHB Group"), full details as set out in the Circular to Shareholders dated 10 April 2019.

The Members further noted that BIMB Holdings Berhad being the interested Major Shareholder had abstained from voting on this resolution approving the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with BHB Group.

Resolution No. 4 pertaining to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with BHB Group (its full details as set out in the Circular to Shareholders dated 10 April 2019) was proposed by Encik Ng Kok Kiong, a Shareholder and duly seconded by Encik Teh Cheong Hua, a Shareholder.

**6. POLLING PROCESS**

The Chairman informed that there was no notice of any other business for transacting at the Meeting was received. In view thereof, the Chairman declared that the registration for attendance at the Meeting closed.

The Chairman advised that to facilitate the polling process, a short presentation will be projected onto the screen to guide the Members through the e-voting procedures. He then called upon Puan Martini Mat Som, the representative from Poll Administrator, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) to brief the Members on the e-polling

procedure.

The Chairman then invited all the Members present to proceed casting their vote via e-polling.

The Chairman informed that the whole counting process was expected to complete within 30 minutes. Should the Members wish to stay for the results, the Members were advised to return to the conference room within half an hour.

The Chairman adjourned at the Meeting 10:45 a.m. for the e-polling process to commence.

**ANNOUNCEMENT OF POLL RESULTS**

At 11.00 a.m., the Chairman resumed the Meeting for the declaration of the poll results.

It was noted that the poll results received from the Poll Administrator were duly verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd (formerly known as Boardroom Corporate Services (KL) Sdn Bhd). The following poll results were announced to the Members:-

**RESOLUTION 1 – RE-ELECTION OF DATO’ OTHMAN ABDULLAH**

RESOLUTION	FOR		AGAINST		TOTAL	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Ordinary Resolution	662,744,847	99.59	2,721,025	0.41	665,465,872	100.00

The Chairman declared that the motion containing Resolution 1, be **CARRIED**:

***“THAT Dato’ Othman Abdullah who retired in accordance with Rule 74 of the Company’s Constitution, be re-elected as Director of Syarikat Takaful Malaysia Keluarga Berhad (formerly known as Syarikat Takaful Malaysia Berhad).”***

**RESOLUTION 2 – PAYMENT OF THE DIRECTORS’ FEES AND BENEFITS OF RM2,250,000.00 FROM THIS ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

RESOLUTION	FOR		AGAINST		TOTAL	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Ordinary Resolution	639,820,547	96.15	25,602,325	3.85	665,422,872	100.00



The Chairman declared that the motion containing Resolution 2, be **CARRIED**:

***“THAT the Directors’ fees and benefits of RM2,250,000.00 (Ringgit Malaysia: Two Million Two Hundred and Fifty Thousand Only) from this Annual General Meeting until the next Annual General Meeting of the Company be and is hereby approved for payment to the Directors of Syarikat Takaful Malaysia Keluarga Berhad (formerly known as Syarikat Takaful Malaysia Berhad).”***

**RESOLUTION 3 – APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS THE AUDITORS OF THE COMPANY IN PLACE OF THE RETIRING AUDITORS, MESSRS KPMG DESA MEGAT PLT AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

RESOLUTION	FOR		AGAINST		TOTAL	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Ordinary Resolution	665,467,872	100.00	0	0	665,467,872	100.00

The Chairman declared that the motion containing Resolution 3, be **CARRIED**:

***“THAT Messrs. PricewaterhouseCoopers PLT be and are hereby appointed as the Auditors of Syarikat Takaful Malaysia Keluarga Berhad (formerly known as Syarikat Takaful Malaysia Berhad) for the financial year ending 31 December 2019 in place of the retiring Auditors, Messrs KPMG Desa Megat PLC and the Directors are hereby authorised to fix their remuneration.”***

**RESOLUTION 4 – PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH BIMB HOLDINGS BERHAD AND ITS SUBSIDIARIES (“BHB GROUP”)**

RESOLUTION	FOR		AGAINST		TOTAL	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Ordinary Resolution	173,916,947	100.00	0	0	173,916,947	100.00

The Chairman declared that the motion containing Resolution 4, be **CARRIED**:

***“THAT subject to compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016, Constitution of the Company and all other applicable laws, rules, regulations and guidelines, approval be and is hereby given to the Company and its subsidiaries (“STMKB Group”) to enter into the Recurrent Related Party Transactions of a revenue or trading nature with BIMB Holdings Berhad and its Subsidiaries (“BHB Group”) which are necessary for the***

**day to day operations of the STMKB Group as set out in Section 2.3 of the Circular to Shareholders dated 10 April 2019 ("Circular"), provided that:**

- (a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of minority shareholders of the Company;**
- (b) the transactions are made at arm's length and on normal commercial terms; and**
- (c) the disclosure will be made in the annual report with the breakdown of the aggregate value of the transactions conducted pursuant to the mandate during the financial year.**

**AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:**

- (a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;**
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA); or**
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;**

**whichever is the earlier".**

## **6. CLOSURE OF MEETING**

There being no other matters to be transacted, the Chairman concluded the Meeting at 11:05 a.m. and thanked all those present for their attendance and continuous support.

Encik Quah Ban Aik, Corporate Representative from the Minority Shareholders Watch Group thanked the GCEO for answering MSWG's question and thanked the Management for allowing the Shareholders to ask questions. He also congratulated Management on the performance of the Group and recorded MSWG's appreciation to the retiring Chairman, Tan Sri Dato' Ahmad Fuzi Haji Abdul Razak for his contribution to the Board and hoped that the Company will continue to deliver better performance for next year.

The Chairman also congratulated the staff and Management of the Company, Members of the Board for their dedication and hard-work that contributed to the



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**(Formerly known as SYARIKAT TAKAFUL MALAYSIA BERHAD)**  
**(Company No. 131646-K)**

success of the Company.

The Chairman then declared the Meeting closed.

**SIGNED AS A CORRECT RECORD**

**SIGNED**

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**CHAIRMAN**