

## General Announcement for PLC (v13)

RELEASED

Reference No. GA1-10082017-00043

Created by MAYBANK INVESTMENT BANK BERHAD 3 on 10 Aug 2017 at

5:08:00 PM

Submitted by MAYBANK INVESTMENT BANK BERHAD 3 on 10 Aug 2017 at

5:43:02 PM

COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="checkbox"/> New Announcement	<input type="checkbox"/> Amended Announcement	
Company Name	SYARIKAT TAKAFUL MALAYSIA BERHAD		
Stock Name	TAKAFUL		
Stock Code	6139		
Board	Main Market		
Submitting Investment Bank/Adviser	MAYBANK INVESTMENT BANK BERHAD		

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MAIN	
Type	Announcement
Subject	OTHERS
Description	SYARIKAT TAKAFUL MALAYSIA BERHAD ("STMB" OR "COMPANY") CONVERSION OF COMPOSITE LICENCE TO SINGLE LICENCES FOR STMB'S FAMILY TAKAFUL BUSINESS AND GENERAL TAKAFUL BUSINESS ("PROPOSED REORGANISATION")
Shareholder Approval	Yes
Announcement Details/Table Section	
<p>On behalf of the Board of Directors of STMB, Maybank Investment Bank Berhad wishes to announce that Bank Negara Malaysia ("BNM") has, vide its letter dated 7 August 2017, informed STMB that BNM and the Minister of Finance had granted certain approvals/decisions-in-principle to STMB for the Proposed Reorganisation.</p> <p>Kindly refer to the attachment for further information on the Proposed Reorganisation.</p> <p>This announcement is dated 10 August 2017.</p>	
Attachment	No File Name Size
	1 Proposed Reorganisation.pdf 313.5KB

**SYARIKAT TAKAFUL MALAYSIA BERHAD ("STMB" OR "COMPANY")**

**CONVERSION OF COMPOSITE LICENCE TO SINGLE LICENCES FOR STMB'S FAMILY TAKAFUL BUSINESS AND GENERAL TAKAFUL BUSINESS ("PROPOSED REORGANISATION")**

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**1. INTRODUCTION**

On behalf of the Board of Directors of STMB, Maybank Investment Bank Berhad ("**Maybank IB**") wishes to announce that Bank Negara Malaysia ("**BNM**") has, vide its letter dated 7 August 2017, informed STMB of the following in relation to the Proposed Reorganisation ("**BNM Approval Letter**"):

(i) that pursuant to Section 10(5) of the Islamic Financial Services Act 2013 ("**IFSA**"), the Minister of Finance ("**MOF**") has made the following decisions in principle:

(a) pursuant to Section 10(4) of the IFSA, the granting of:

- a family takaful business licence to STMB under its new name, Syarikat Takaful Malaysia Keluarga Berhad ("**STMKB**"); and
- a general takaful business licence to a new company (which will be a wholly-owned subsidiary of STMKB) ("**NewCo**"), Syarikat Takaful Malaysia Am Berhad ("**STMAB**"),

subject to the operational and system readiness of the single licensees upon completion of the Scheme of Transfer (as defined in Section 2 of this Announcement) where a new family takaful business licence certificate will be issued to STMKB and a new general takaful business licence certificate will be issued to NewCo respectively, in exchange for the current composite takaful licence certificate;

(b) the granting of an approval for:

- the direct acquisition of 100% shares in NewCo by STMKB pursuant to Section 99(2) of the IFSA; and
- for STMKB to exercise control over NewCo under Section 100(1) of the IFSA; and

(ii) that BNM approves the transfer of STMB's general takaful business to NewCo under the Scheme of Transfer pursuant to Section 112(1) of the IFSA and subject to STMB adhering to all existing regulatory requirements.

**2. DETAILS OF THE PROPOSED REORGANISATION**

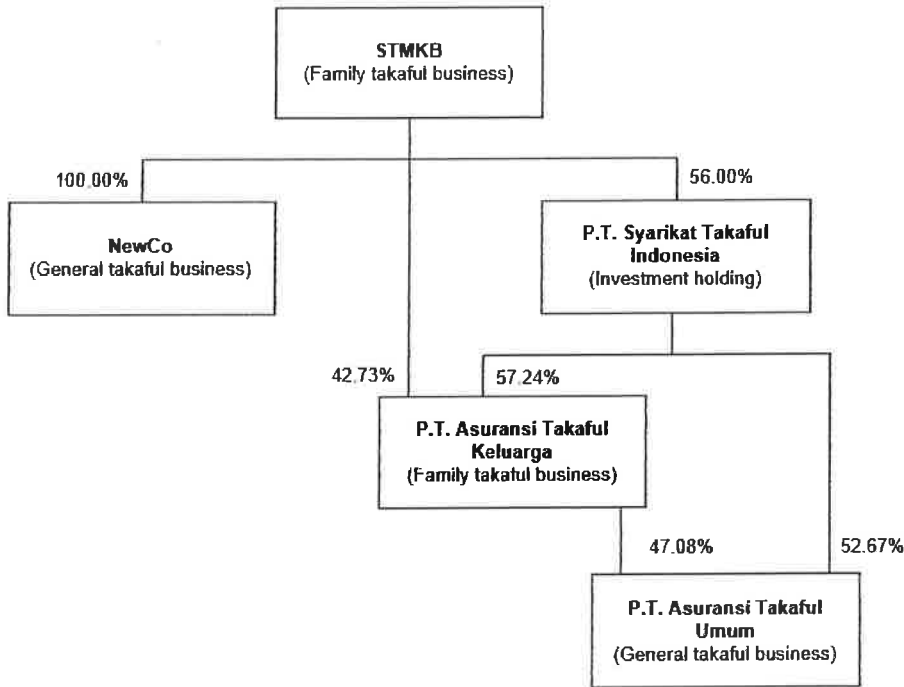
The Proposed Reorganisation is undertaken pursuant to the requirements of Sections 16(1) and 286 of the IFSA.

The Proposed Reorganisation entails the separation of STMB's takaful businesses into distinct family and general takaful businesses by transferring STMB's general takaful business to NewCo by way of a business transfer scheme ("**Scheme of Transfer**") in accordance with Section 112 of the IFSA.

In conjunction with the above:

- (i) it is proposed that STMB changes its name to STMKB (“**Proposed Name Change for STMB**”) and that NewCo will be named STMAB; and
- (ii) the existing composite licence of STMB will be surrendered to BNM upon completion of the Scheme of Transfer and 2 new separate licences will be issued, with STMKB holding a family takaful licence and NewCo holding a general takaful licence.

The corporate structure after the Proposed Reorganisation is as follows:



### 3. RATIONALE FOR THE PROPOSED REORGANISATION

The STMB group's corporate structure after the completion of the Proposed Reorganisation allows for the STMB group to achieve its business strategy of maintaining its current lines of business, facilitate expansion into new lines of business in the longer term, and at the same time comply with its obligations under the IFSA.

The Proposed Reorganisation is expected to contribute positively to the prospects of the STMB group upon realisation of the business growth arising from the existing business plans and strategy of the Company for both the family and general takaful businesses moving forward.

**4. EFFECTS OF THE PROPOSED REORGANISATION**

The Proposed Reorganisation will not have any material effect on the share capital, substantial shareholders' shareholdings, earnings, net assets and gearing of the STMB group.

**5. APPROVALS REQUIRED**

In addition to the approvals obtained via the BNM Approval Letter, the Proposed Reorganisation is also subject to the following being obtained:

- (i) BNM's approval for STMB and NewCo to enter into proposed shared services arrangements and for the outsourcing of certain core activities by NewCo to STMB;
- (ii) an order of the High Court of Malaya confirming the Scheme of Transfer;
- (iii) approval of the shareholders of STMB for the Proposed Name Change for STMB at a general meeting to be convened;
- (iv) certain rulings and confirmations from the Inland Revenue Board of Malaysia and the Royal Malaysian Customs Department; and
- (v) approvals from any other relevant authorities and/or parties, if required.

**6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Reorganisation.

**7. ADVISERS**

Maybank IB and Skrine have been appointed as advisers to STMB for the Proposed Reorganisation.

**8. ESTIMATED TIMEFRAME FOR COMPLETION**

The Proposed Reorganisation is expected to be completed by the second (2<sup>nd</sup>) quarter of 2018.

This Announcement is dated 10 August 2017.