

**OTHERS 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")**

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

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")

*(Reference is made to the Company's announcements in relation to the Proposed Reorganisation dated 10 August 2017 and 13 September 2017)*

On behalf of the Board of Directors of STMB, Maybank Investment Bank Berhad wishes to announce that STMB has on 25 January 2018 entered into a business transfer agreement ("**BTA**") with STMAB, a wholly-owned subsidiary of STMB in relation to the transfer of STMB's general takaful business ("**GT Business**") as a going concern to STMAB to be undertaken by way of a scheme of transfer ("**Scheme of Transfer**") for the Proposed Reorganisation ("**Proposed Business Transfer**").

Please refer to the attachment for further details.

Please refer attachment below.

**Attachments**

STMB BTA announcement.pdf  
300.4 kB

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**Announcement Info**

<b>Company Name</b>	SYARIKAT TAKAFUL MALAYSIA BERHAD
<b>Stock Name</b>	TAKAFUL
<b>Date Announced</b>	25 Jan 2018
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-25012018-00170

## 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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*(Unless otherwise stated, abbreviations and definitions used throughout this Announcement shall be the same as those previously defined in the Company's announcements in relation to the Proposed Reorganisation dated 10 August 2017 and 13 September 2017 respectively)*

#### 1. INTRODUCTION

On behalf of the Board of Directors of STMB, Maybank Investment Bank Berhad wishes to announce that STMB has on 25 January 2018 entered into a business transfer agreement ("**BTA**") with STMAB, a wholly-owned subsidiary of STMB in relation to the transfer of STMB's general takaful business ("**GT Business**") as a going concern to STMAB to be undertaken by way of a scheme of transfer ("**Scheme of Transfer**") for the Proposed Reorganisation ("**Proposed Business Transfer**").

The Proposed Business Transfer will be effected by way of the order of the High Court of Malaya ("**Court**") ("**Court Order**") under Part VII of the IFSA confirming the Scheme of Transfer.

#### 2. PROPOSED BUSINESS TRANSFER

##### 2.1 Details of the Proposed Business Transfer

The Proposed Business Transfer is undertaken to facilitate the Proposed Reorganisation and entails the transfer of the GT Business of STMB comprising the assets ("**Sale Assets**") and liabilities ("**Sale Liabilities**") of the GT Business as set out in the BTA to STMAB for a total cash consideration of RM1.00 ("**Consideration**").

Upon completion of the Proposed Business Transfer and the receipt of a licence under Section 10(4) of the IFSA by STMAB, STMAB will be undertaking the GT Business currently operated by STMB whereas the family takaful business of STMB will continue to be carried on by STMB under its proposed new name, Syarikat Takaful Malaysia Keluarga Berhad.

##### 2.2 Salient terms of the BTA

###### 2.2.1 Transfer of GT Business

- a) Subject to the terms and conditions of the BTA (including but not limited to the provisions as set out in item 2.2.3 below), STMB shall sell, transfer and deliver and/or procure the sale, transfer and delivery of the legal and/or beneficial ownership of the GT Business as a going concern to STMAB, and STMAB agrees to purchase the GT Business at the Consideration.
- b) For the avoidance of doubt, both STMB and STMAB expressly confirm and agree that, other than the Sale Assets and Sale Liabilities referred to in the BTA, STMAB shall not acquire any assets or assume any liabilities of STMB in relation to the GT Business including without limitation certain assets, contracts and other legal instruments relating to the GT Business identified by STMB, and any assets held within the family takaful funds and shareholders' funds of STMB ("**Excluded Assets**").

###### 2.2.2 Consideration

The consideration for the sale and purchase of the GT Business comprising the Sale Assets and Sale Liabilities shall be the sum of Ringgit Malaysia One (RM1.00).

### **2.2.3 Condition Precedent**

- 2.2.3.1 The provisions of the BTA and the completion of the proposed Scheme of Transfer are subject to the fulfilment of the condition precedent that the parties obtain the Court Order ("**Condition Precedent**") no later than 4.30 p.m. on 1 May 2018 ("**Longstop Date**") or such later date or dates as may be agreed by the parties in writing.
- 2.2.3.2 The obligations of STMB and STMAB to complete the Proposed Business Transfer shall become unconditional on the date when the Condition Precedent has been fulfilled, satisfied or obtained.

### **2.2.4 Completion**

- 2.2.4.1 The completion of the Proposed Business Transfer shall occur at 12.01 a.m. on 1 June 2018, or such other date as may be agreed in writing between the parties subject to the BTA becoming unconditional and the Court Order having been obtained, where such date shall be the effective date on which the rights, titles and obligations in respect of the GT Business will be effectively transferred to and assumed by STMAB in accordance with the Scheme of Transfer ("**Transfer Date**"), subject to the issuance of a single licence certificate by MOF under the IFSA, or such other approval from MOF which is acceptable to STMB pending the issuance of the single licence certificate, in favour of STMAB to carry out the GT Business and in favour of STMB to carry out the family takaful business and provided that no Material Adverse Event (as defined in the BTA) has occurred.
- 2.2.4.2 The exchange of documents in relation to the Proposed Business Transfer shall take place on the Transfer Date subject to the BTA becoming unconditional and no Material Adverse Event (as defined in the BTA) having occurred.

### **2.2.5 Termination**

#### **2.2.5.1 Termination by STMAB**

If prior to the Transfer Date, there is a material breach of the warranties set by STMB or STMB defaults in performance of any material obligation under the BTA, and fails to remedy or rectify such breach within thirty (30) days following receipt of written notification by STMAB, then STMAB shall be entitled to terminate the BTA by a notice in writing to STMB. Upon such termination, no party shall thereafter have any claim against the other pursuant to the BTA save for any antecedent breach.

#### **2.2.5.2 Termination by STMB**

STMB may terminate the BTA under the following conditions:-

- (a) if the Condition Precedent is unfulfilled or is not satisfied by the expiration of the Longstop Date, then STMB may terminate the BTA by giving a written notice to such effect to STMAB.
- (b) by a notice in writing to STMAB if, prior to the Transfer Date, STMAB defaults in performance of any material obligations under the BTA and if the breach is capable of remedy, fails to remedy or rectify such breach within thirty (30) days following receipt of written notification thereof by STMB.

Upon termination, no party shall thereafter have any claim against the other pursuant to the BTA save for any antecedent breach.

### 3. TAX EXEMPTIONS IN CONNECTION WITH THE PROPOSED REORGANISATION

The BTA and all instruments executed pursuant thereto are exempted from payment of stamp duty chargeable under the Stamp Act 1949 pursuant to Stamp Duty (Exemption) Order 2015 (P.U.(A) 303/2015) as such instruments relate to a scheme carried out by STMB, a licensed takaful operator which is not a licensed professional retakaful operator, for the purposes of complying with Section 16(1) and Section 286 of the IFSA and such scheme has been approved by BNM under Section 112(6) of the IFSA.

In addition, the transfer of all real properties pursuant to the Proposed Reorganisation is exempted from payment of real property gains tax pursuant to the Real Property Gains Tax (Exemption) Order 2015 (P.U.(A) 302/2015) as the transfer of such properties is being undertaken pursuant to a scheme carried out by a licensed takaful operator, other than a licensed professional retakaful operator, for the purpose of complying with Section 16(1) and Section 286 of the IFSA and such scheme has been approved by BNM under Section 112(6) of the IFSA.

STMB is presently seeking a ruling from the Inland Revenue Board regarding several matters surrounding the transfer of the GT Business to STMAB under Section 60AA of the Income Tax Act 1967 ("**Income Tax Ruling**") and Section 109E of the Income Tax Act 1967 ("**Withholding Tax Ruling**").

Further STMB is also seeking confirmation from the Royal Malaysian Customs Department ("**RMCD**") that the transfer of the GT Business pursuant to the Scheme of Transfer is a "transfer of going concern".

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

The BTA together with the Scheme of Transfer are available for inspection at the registered office of STMB at Tingkat 26, Blok Annex, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 25 January 2018.