

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has conducted limited review on the sections pertaining to the Proposed Share Split (as defined herein) and has not perused the contents of this Circular in relation to the Proposed Amendments (as defined herein) prior to the issuance of this Circular as such contents are exempted from perusal pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**SYARIKAT TAKAFUL MALAYSIA BERHAD**

(Company No.: 131646-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- (I) PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) EXISTING ORDINARY SHARE OF RM1.00 EACH IN SYARIKAT TAKAFUL MALAYSIA BERHAD (“TAKAFUL MALAYSIA”) HELD BY THE ENTITLED SHAREHOLDERS OF TAKAFUL MALAYSIA ON AN ENTITLEMENT DATE TO BE DETERMINED LATER INTO FIVE (5) ORDINARY SHARES OF RM0.20 EACH IN TAKAFUL MALAYSIA (“PROPOSED SHARE SPLIT”); AND**
- (II) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TAKAFUL MALAYSIA (“PROPOSED AMENDMENTS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**RHB Investment Bank Berhad**

(Company No.: 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) together with a copy of the Form of Proxy is enclosed in this Circular. If you decide to appoint a proxy to attend and vote on your behalf at our EGM, the Form of Proxy should be completed and lodged at our Registered Office at Tingkat 26, Blok Annex, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 10 May 2015 at 11.00 a.m. or any adjournment thereof

Date and time of our EGM : Tuesday, 12 May 2015 at 11.00 a.m. or immediately following the conclusion or adjournment (as the case may be) of our Thirtieth (30<sup>th</sup>) Annual General Meeting which will be held at the same venue and on the same day at 10.00 a.m.

Venue of our EGM : Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur

This Circular is dated 17 April 2015

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

AGM	:	Annual General Meeting
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System established, administered and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
Circular	:	This circular to our shareholders dated 17 April 2015 in relation to the Proposals
EGM	:	Extraordinary General Meeting
Entitled Shareholder(s)	:	Our shareholder(s) whose names appear in our Record of Depositors as at the close of business on the Entitlement Date
Entitlement Date	:	5.00 p.m. on a date to be determined by our Board and announced later on which our shareholders must be registered in our Record of Depositors in order to be entitled to the Proposed Share Split
EPS	:	Earnings per share
FYE	:	Financial year(s) ended/ending (as the case may be)
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	1 April 2015, being the latest practicable date prior to the printing of this Circular
LTIP	:	Long Term Incentive Plan of our Company which was implemented on 25 July 2013
M&A	:	Memorandum and Articles of Association
Market Day(s)	:	Any day between Mondays to Fridays (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
NA	:	Net assets
Proposals	:	The Proposed Share Split and Proposed Amendments, collectively
Proposed Amendments	:	Proposed amendments to our M&A
Proposed Share Split	:	Proposed share split involving the subdivision of every one (1) existing Takaful Malaysia Share held by our Entitled Shareholders on the Entitlement Date into five (5) Subdivided Shares
Record of Depositors	:	Record of securities holders established and maintained by Bursa Depository pursuant to the Rules of Bursa Depository

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**DEFINITIONS (Cont'd)**

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RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad (19663-P)
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Subdivided Share(s)	:	Ordinary share(s) of RM0.20 each in our Company, after the Proposed Share Split
Takaful Malaysia or our Company	:	Syarikat Takaful Malaysia Berhad (131646-K)
Takaful Malaysia Group or our Group	:	Our Company and our subsidiaries, collectively
Takaful Malaysia Share(s) or Share(s)	:	Ordinary share(s) of RM1.00 each in our Company

All references to “**our Company**” in this Circular are to Takaful Malaysia and references to “**our Group**” are to our Company and our subsidiaries, collectively. All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular are to our Company, and save where the context otherwise requires, shall include our subsidiaries. All references to “**you**” and “**your**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any legislation or guideline in this Circular is a reference to that legislation or guideline as amended or re-enacted from time to time.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown in this Circular and figures announced by our Company, such as quarterly results and annual reports, are due to rounding.

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TAKAFULmalaysia

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

(Company No.: 131646-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office**

Tingkat 26, Blok Annex  
Menara Takaful Malaysia  
No. 4, Jalan Sultan Sulaiman  
50000 Kuala Lumpur

17 April 2015

**Board of Directors**

Tan Sri Ismee Ismail (*Non-Independent Non-Executive Chairman*)  
Dato' Sri Mohamed Hassan Kamil (*Group Managing Director*)  
Datuk Rozaida Omar (*Non-Independent Non-Executive Director*)  
Mahadzir Azizan (*Senior Independent Non-Executive Director*)  
Dato' Sulaiman Mohd Yusof (*Independent Non-Executive Director*)  
Dato' Johan Abdullah (*Non-Independent Non-Executive Director*)  
Zakaria Ismail (*Independent Non-Executive Director*)  
Dato' Othman Abdullah (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**(I) PROPOSED SHARE SPLIT; AND**

**(II) PROPOSED AMENDMENTS**

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**1. INTRODUCTION**

On 10 February 2015, RHB Investment Bank had, on behalf of our Board, announced that we propose to undertake the following:

- (i) share split involving the subdivision of every one (1) existing Takaful Malaysia Share held by our Entitled Shareholders on the Entitlement Date into five (5) Subdivided Shares; and
- (ii) amendments to our M&A.

On 5 March 2015, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 4 March 2015 (which was received on 5 March 2015), approved the Proposed Share Split and the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, subject to the condition as set out in Section 6 of this Circular.

On 20 March 2015, RHB Investment Bank had, on behalf of our Company, submitted an application to Bursa Securities for an extension of time for our Company to issue this Circular in compliance with paragraph 9.33(1)(b)(i) of the Listing Requirements. Subsequently, Bursa Securities had, vide its letter dated 6 April 2015, approved the application for an extension of time from 24 March 2015 to 29 May 2015 for the issuance of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY IS ENCLOSED IN THIS CIRCULAR.**

**WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN, BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Share Split**

#### **2.1.1 Basis and number of Subdivided Shares**

The Proposed Share Split will involve the subdivision of every one (1) existing Takaful Malaysia Share held by our Entitled Shareholders on the Entitlement Date, into five (5) Subdivided Shares.

As at the LPD, the total number of new ordinary shares in Takaful Malaysia granted but remain unvested under the LTIP (“**Unvested Shares**”) is 1,280,400. Our Company does not have any intention to grant further new ordinary shares in Takaful Malaysia under the LTIP up to the Entitlement Date. Based on the vesting conditions in accordance with the terms of the offer and the By-Laws governing the LTIP, our Company confirms that none of the 1,280,400 Unvested Shares will be vested prior to and up to the Entitlement Date and the vesting of such Unvested Shares will only take place after the implementation of the Proposed Share Split.

As at the LPD, the issued and paid-up share capital of our Company is RM163,006,500 comprising 163,006,500 Takaful Malaysia Shares. For illustration purposes only, the resultant issued and paid-up share capital of our Company after the Proposed Share Split will be RM163,006,500 comprising 815,032,500 Subdivided Shares (based on the assumption that none of the 1,280,400 Unvested Shares will be vested prior to and up to the Entitlement Date).

Fractional entitlements arising from the Proposed Share Split, if any, shall be dealt with in such manner as our Board shall in its discretion deems fit, expedient and in the best interest of our Company.

For illustration purposes only, the theoretical adjusted market price of the Subdivided Shares pursuant to the implementation of the Proposed Share Split, computed based on the last transacted market price of Takaful Malaysia Shares as at the LPD is set out as follows:

	<b>Assumed number of ordinary shares of Takaful Malaysia held</b>	<b>Par value RM</b>	<b>Market price per ordinary share of Takaful Malaysia RM</b>	<b>Total value RM</b>
As at the LPD	100	1.00	<sup>(1)</sup> 13.44	1,344
After the Proposed Share Split	500	0.20	<sup>(2)</sup> 2.688	1,344

*Notes:*

(1) Last transacted market price of Takaful Malaysia Shares as at the LPD (Source: Bloomberg)

(2) Theoretical adjusted market price of the Subdivided Shares

Accordingly, the Proposed Share Split is not expected to have any impact on the total value of ordinary shares held by our shareholders.

### 2.1.2 Ranking of the Subdivided Shares

The Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other.

### 2.1.3 Listing of and quotation for the Subdivided Shares

Bursa Securities had, vide its letter dated 4 March 2015, approved the Proposed Share Split and the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, subject to the condition as set out in Section 6 of this Circular.

No suspension will be imposed on the trading of Takaful Malaysia Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Split as the Proposed Share Split is prescribed as a Specified Subdivision pursuant to paragraph 13.04(3) of the Listing Requirements.

Subject to obtaining all the relevant approvals, the Subdivided Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date. The notice of allotment for the Subdivided Shares will be issued and despatched to our Entitled Shareholders no later than four (4) Market Days after the date of listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Takaful Malaysia Shares are prescribed securities, the Subdivided Shares will be credited into the respective CDS accounts of our Entitled Shareholders and no physical share certificate will be issued.

## 2.2 Proposed Amendments

In conjunction with the Proposed Share Split, we propose to amend the following clause and article of our M&A:

	Existing	Proposed amendment
<b>Clause 6 of Memorandum of Association</b>	The share capital of the Company is RM500,000,000-00 divided into 500,000,000 ordinary shares of RM1.00 each. The Company shall have power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to attach thereto respectively, conditions as may be determined by or in accordance with the regulations for the time being of the Company and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and to vary or abrogate the rights attached to any class of shares in the Company; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.	The share capital of the Company is RM500,000,000-00 divided into <b><u>2,500,000,000</u></b> ordinary shares of <b><u>RM0.20</u></b> each. The Company shall have power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to attach thereto respectively, conditions as may be determined by or in accordance with the regulations for the time being of the Company and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and to vary or abrogate the rights attached to any class of shares in the Company; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

	Existing	Proposed amendment
<b>Article 7 of Articles of Association</b>	The authorised capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000-00) divided into Five Hundred Million (500,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each.	The authorised capital of the Company <del>at the date of adoption of these Articles</del> is Ringgit Malaysia Five Hundred Million (RM500,000,000-00) divided into <u>Two Billion and Five Hundred Million (2,500,000,000)</u> ordinary shares of <u>Sen Twenty (RM0.20)</u> each.

### 3. RATIONALE FOR THE PROPOSALS

#### 3.1 Proposed Share Split

The Proposed Share Split is expected to enhance the marketability and trading liquidity of the ordinary shares of our Company on the Main Market of Bursa Securities as a result of the increase in the number of ordinary shares in issue.

The Proposed Share Split will not have any direct impact on the market capitalisation of our Company as the market price of the ordinary shares in our Company will be adjusted accordingly to one-fifth pursuant to the Proposed Share Split, resulting in the Subdivided Shares being more affordable in order to appeal to a wider group of public shareholders and/or investors.

The Proposed Share Split will also enable our existing shareholders to have a larger ownership base in our Company while maintaining their percentage of equity interest in our Company.

#### 3.2 Proposed Amendments

The Proposed Amendments are intended to facilitate the implementation of the Proposed Share Split.

### 4. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on the issued and paid-up share capital, consolidated NA, NA per share and gearing, consolidated earnings and EPS, and substantial shareholders' shareholdings in our Company.

#### 4.1 Share capital

For illustration purposes only, the proforma effects of the Proposed Share Split on the issued and paid-up share capital of our Company are as follows:

	Par value RM	No. of ordinary shares in Takaful Malaysia	Total RM
<b><u>Authorised share capital</u></b>			
As at the LPD	1.00	500,000,000	500,000,000
After the Proposed Amendments	0.20	2,500,000,000	500,000,000
<b><u>Issued and paid-up share capital</u></b>			
As at the LPD	1.00	163,006,500	163,006,500
After the Proposed Share Split	0.20	815,032,500	163,006,500

## 4.2 NA, NA per share and gearing

For illustration purposes only, based on our latest audited consolidated statement of financial position as at 31 December 2014 and on the assumption that the Proposed Share Split had been effected on that date, the proforma effects of the Proposed Share Split on the consolidated NA, NA per share and gearing of our Company are as follows:

	<b>Audited as at 31 December 2014</b>	<b>(I) After the Proposed Share Split</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	163,006	163,006
Share premium	5,607	5,607
Translation reserve	(9,961)	(9,961)
Revaluation reserve	6,687	6,687
Fair value reserve	2,712	2,712
LTIP reserve	5,132	5,132
Retained earnings	409,778	(1) 409,628
<b>Shareholders' funds/NA</b>	<b>582,961</b>	<b>582,811</b>
No. of ordinary shares of Takaful Malaysia in issue ('000)	163,006	815,032
Par value (RM)	1.00	0.20
NA per share (RM) (2)	3.58	0.72

Notes:

(1) After deducting the estimated expenses relating to the Proposals of RM150,000

(2) Computed as shareholders' funds/NA divided by number of ordinary shares of Takaful Malaysia in issue

Based on our latest audited consolidated statement of financial position as at 31 December 2014, our Group does not have any borrowings.

## 4.3 Earnings and EPS

The Proposed Share Split is not expected to have any material effect on the consolidated earnings of our Company for the FYE 31 December 2015. However, there will be an immediate proportional dilution in the consolidated EPS of our Company as a result of the increase in the number of ordinary shares of Takaful Malaysia in issue pursuant to the Proposed Share Split, assuming that the consolidated earnings of our Company remain unchanged.

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#### 4.4 Substantial shareholders' shareholdings

The Proposed Share Split will not have any effect on the percentage of shareholdings of the substantial shareholders of our Company, save for the proportionate increase in the number of ordinary shares held by each substantial shareholder upon completion of the Proposed Share Split.

For illustration purposes only, the proforma effects of the Proposed Share Split on the shareholdings of the substantial shareholders of our Company are as follows:

Substantial shareholders	As at the LPD				(I) After the Proposed Share Split			
	<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%	No. of Subdivided Shares	%	No. of Subdivided Shares	%
	BIMB Holdings Berhad	98,310,185	60.31	-	-	491,550,925	60.31	-
Employees Provident Fund Board	14,220,320	8.72	-	-	71,101,600	8.72	-	-

#### 4.5 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

#### 4.6 Adjustments to the Unvested Shares

As at the LPD, our Company has 1,280,400 Unvested Shares. The Proposed Share Split may give rise to adjustments to the number of Unvested Shares comprised in the LTIP grants and/or the method and/or manner in the vesting of the Unvested Shares comprised in the LTIP grants in accordance with the provisions of the By-Laws governing the LTIP. Any such adjustment shall be in a manner as to give each LTIP grantee a fair and reasonable LTIP grant entitlement as a result of the Proposed Share Split. In addition, any adjustment required will only be determined on the Entitlement Date and will be effective from the commencement of the following Market Day.

Written notice(s) to the LTIP grantees explaining the adjustments to the Unvested Shares arising from the Proposed Share Split will be issued by our Company in due course after the receipt of all relevant approvals.

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## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest market price of Takaful Malaysia Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months from April 2014 to March 2015 are as follows:

	<u>High</u> RM	<u>Low</u> RM
<b><u>2014</u></b>		
April	13.30	12.00
May	13.60	12.30
June	13.36	12.70
July	13.24	12.50
August	13.04	12.20
September	12.96	12.20
October	12.96	11.28
November	11.92	10.50
December	11.48	10.30
<b><u>2015</u></b>		
January	11.84	10.70
February	12.70	11.30
March	13.06	11.96
Last transacted market price of Takaful Malaysia Shares on 9 February 2015 <i>(being the last Market Day immediately prior to the announcement of the Proposals on 10 February 2015)</i>		11.40
Last transacted market price of Takaful Malaysia Shares as at the LPD		13.44

*(Source: Bloomberg)*

## 6. APPROVALS REQUIRED / OBTAINED

The Proposals are subject to and conditional upon the following approvals being obtained:

- (i) Bursa Securities, for the Proposed Share Split and the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 4 March 2015, subject to the following condition:

<u>No.</u>	<u>Condition</u>	<u>Status of compliance</u>
1.	Our Company or RHB Investment Bank is required to make the relevant announcements pursuant to paragraph 13.10(2) of the Listing Requirements	To be complied

- (ii) our shareholders at our forthcoming EGM; and

- (iii) any other relevant authorities and/or parties, if required.

The Proposed Share Split and Proposed Amendments are inter-conditional upon each other.

Save as disclosed above, the Proposals are not conditional upon any other corporate exercise/scheme of our Company.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and/or major shareholder of our Company and/or persons connected to them have any interest, direct and/or indirect, in the Proposals, save and except for their respective entitlements, if any, as shareholders of our Company under the Proposed Share Split, which are also available to all other shareholders of our Company.

**8. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, having considered all aspects of the Proposals including the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

**9. OUTSTANDING CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, our Board confirms that as at the date of this Circular, there is no outstanding corporate exercise/scheme which has been announced but is pending completion by our Company.

**10. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained from the relevant authorities and/or parties, the Proposals are expected to be completed by the second (2<sup>nd</sup>) quarter of 2015.

The tentative timetable for the implementation of the Proposals is as follows:

<b>Event</b>	<b>Tentative timing</b>
EGM	12 May 2015
Effective date of the Proposed Amendments	12 May 2015
Announcement of the Entitlement Date	Mid May 2015
Entitlement Date	End May 2015
Listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities	End May 2015
Completion of the Proposed Share Split	End May 2015

**11. EGM**

Our forthcoming EGM, the notice of which is enclosed in this Circular, will be held at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Tuesday, 12 May 2015 at 11.00 a.m. or immediately following the conclusion or adjournment (as the case may be) of our Thirtieth (30<sup>th</sup>) AGM which will be held at the same venue and on the same day at 10.00 a.m., for the purpose of considering and, if thought fit, passing the resolutions, with or without modifications, to give effect to the Proposals.

If you are unable to attend and vote in person at our forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible, so as to arrive at our Registered Office at Tingkat 26, Blok Annex, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding our EGM, or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

**12. FURTHER INFORMATION**

You are advised to refer to the attached appendix for further information.

Yours faithfully,  
For and on behalf of our Board  
**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**TAN SRI ISMEE ISMAIL**  
Non-Independent Non-Executive Chairman

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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading information or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

RHB Investment Bank, being our Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, in the form and context in which they appear in this Circular.

RHB Investment Bank confirms that as at the LPD, it is not aware of any circumstance that exists or is likely to give rise to a possible conflict of interest situation in its capacity as our Principal Adviser for the Proposals.

**3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our Registered Office 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) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our M&A;
- (ii) our audited consolidated financial statements for the past two (2) FYEs 31 December 2013 and 31 December 2014; and
- (iii) the letter of consent as referred to in Section 2 of this Appendix.

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TAKAFULmalaysia

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

(Company No.: 131646-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Syarikat Takaful Malaysia Berhad (“Takaful Malaysia” or the “Company”) will be held at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Tuesday, 12 May 2015 at 11.00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Thirtieth (30<sup>th</sup>) Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

**ORDINARY RESOLUTION 1**

**PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) EXISTING ORDINARY SHARE OF RM1.00 EACH IN TAKAFUL MALAYSIA (“TAKAFUL MALAYSIA SHARE(S)”) HELD BY THE ENTITLED SHAREHOLDERS OF TAKAFUL MALAYSIA ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) INTO FIVE (5) ORDINARY SHARES OF RM0.20 EACH IN TAKAFUL MALAYSIA (“SUBDIVIDED SHARE(S)”) (“PROPOSED SHARE SPLIT”)**

“**THAT** subject to the passing of Special Resolution 1 and the approvals of all the relevant authorities and/or parties (where required) being obtained, including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the Proposed Share Split and the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, approval be and is hereby given to the Board of Directors of Takaful Malaysia (“**Board**”) to subdivide each of the existing Takaful Malaysia Share held by the entitled shareholders of Takaful Malaysia, whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date, into five (5) Subdivided Shares;

**THAT** fractional entitlements arising from the Proposed Share Split, if any, shall be dealt with in such manner as the Board shall in its discretion deems fit, expedient and in the best interest of the Company;

**THAT** the Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts and things as may be required to give full effect to the aforesaid Proposed Share Split with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all steps and do all acts and things in such manner as may deem fit, expedient and in the best interest of the Company, to implement, finalise and give full effect to the Proposed Share Split.”

**SPECIAL RESOLUTION 1**

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION (“M&A”) OF TAKAFUL MALAYSIA (“PROPOSED AMENDMENTS”)**

“**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of all the relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Board to alter, modify, vary and delete the relevant clause and article in the M&A of the Company in the manner as set out below for the purpose of giving effect to the Proposed Share Split:

	<b>Existing</b>	<b>Proposed amendment</b>
<b>Clause 6 of Memorandum of Association</b>	The share capital of the Company is RM500,000,000-00 divided into 500,000,000 ordinary shares of RM1.00 each. The Company shall have power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to attach thereto respectively, conditions as may be determined by or in accordance with the regulations for the time being of the Company and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and to vary or abrogate the rights attached to any class of shares in the Company; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.	The share capital of the Company is RM500,000,000-00 divided into <b><u>2,500,000,000</u></b> ordinary shares of <b><u>RM0.20</u></b> each. The Company shall have power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to attach thereto respectively, conditions as may be determined by or in accordance with the regulations for the time being of the Company and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and to vary or abrogate the rights attached to any class of shares in the Company; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
<b>Article 7 of Articles of Association</b>	The authorised capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000-00) divided into Five Hundred Million (500,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each.	The authorised capital of the Company <del>at the date of adoption of these Articles</del> is Ringgit Malaysia Five Hundred Million (RM500,000,000-00) divided into <b><u>Two Billion and Five Hundred Million (2,500,000,000)</u></b> ordinary shares of <b><u>Sen Twenty (RM0.20)</u></b> each.

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts and things as may be required to give full effect to the aforesaid Proposed Amendments with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all steps and do all acts and things in such manner as may deem fit, expedient and in the best interest of the Company, to implement, finalise and give full effect to the Proposed Amendments.”

By Order of the Board

**MOHAMAD ASRI YUSOFF (MIA 14171)**  
Company Secretary

Kuala Lumpur  
17 April 2015

*Notes:*

- (i) *A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and to vote instead of him at the same meeting and a proxy need not be a member of the Company.*
- (ii) *Where a member of the Company appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (iii) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (iv) *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, must be under seal or under the hand of an officer or attorney duly authorised.*
- (v) *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Tingkat 26, Blok Annex, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
- (vi) *Only members whose names appear in the Record of Depositors on 5 May 2015 shall be eligible to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.*



**TAKAFULmalaysia**

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

(Company No.: 131646-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**FORM OF PROXY**

\*I/We, ..... (FULL NAME IN BLOCK LETTERS)

NRIC No./Company No. ....  
of ..... (FULL ADDRESS)

being a member/members of **Syarikat Takaful Malaysia Berhad**, hereby appoint .....  
..... (FULL NAME IN BLOCK LETTERS)

NRIC No./Company No. ....  
of ..... (FULL ADDRESS)

and/or failing \*him/her, ..... (FULL NAME IN BLOCK LETTERS)

NRIC No./Company No. ....  
of ..... (FULL ADDRESS)

or failing \*him/her, the Chairman of the meeting as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (“EGM”) of Syarikat Takaful Malaysia Berhad to be held at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Tuesday, 12 May 2015 at 11.00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Thirtieth (30<sup>th</sup>) Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., in the manner as indicated below.

**\*I/We direct \*my/our proxy to vote for or against the resolutions to be proposed at the EGM as hereinunder indicated.**

NO.	RESOLUTIONS	FOR	AGAINST
1.	ORDINARY RESOLUTION 1 - PROPOSED SHARE SPLIT		
2.	SPECIAL RESOLUTION 1 - PROPOSED AMENDMENTS		

*\*Strike out whichever is not applicable*

*(Please indicate with an “X” in the appropriate box against each resolution how you wish your proxy to vote. If this Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting as he thinks fit.)*

<b>NO. OF TAKAFUL MALAYSIA SHARES HELD</b>	
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Dated this ..... day of ..... 2015  
Signature of Member/Common Seal

For appointment of two proxies, the number of shares and percentage of shareholdings to be represented by the proxies are as follows:		
	No. of shares	Percentage
<b>Proxy 1</b>		
<b>Proxy 2</b>		
<b>Total</b>		<b>100%</b>



Notes:

- (i) *A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and to vote instead of him at the same meeting and a proxy need not be a member of the Company.*
- (ii) *Where a member of the Company appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (iii) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (iv) *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, must be under seal or under the hand of an officer or attorney duly authorised.*
- (v) *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Tingkat 26, Blok Annex, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
- (vi) *Only members whose names appear in the Record of Depositors on 5 May 2015 shall be eligible to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.*

Fold this flap for sealing

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AFFIX  
STAMP

Company Secretary  
**SYARIKAT TAKAFUL MALAYSIA BERHAD (131646-K)**  
Tingkat 26, Blok Annex  
Menara Takaful Malaysia  
No. 4, Jalan Sultan Sulaiman  
50000 Kuala Lumpur

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