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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 advisers immediately.

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MNRB HOLDINGS BERHAD
(Company No. 13487-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN MNRB HOLDINGS BERHAD (“MNRB”) TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM400 MILLION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“EGM”) of MNRB to be held at the Auditorium, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 13 September 2018 at 1.00 p.m., or immediately following the conclusion of the 45th Annual General Meeting of MNRB, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof, together with the Form of Proxy are enclosed herewith.

You are entitled to vote at the EGM. Should you be unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. You should complete and deposit the enclosed Form of Proxy at the office of the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than forty-eight (48) hours before the time and date fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 11 September 2018 at 1.00 p.m.
Date and time of the EGM : Thursday, 13 September 2018 at 1.00 p.m.

This Circular is dated 23 August 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	: Companies Act 2016, as amended from time to time and all regulations made to it and any re-enactment of it
AmanahRaya	: AmanahRaya Trustees Berhad holding shares for and on behalf of Amanah Saham Bumiputera, a major shareholder of the Company
AmInvestment Bank	: AmInvestment Bank Berhad, being the Principal Adviser for the Proposed Rights Issue
BNM	: Bank Negara Malaysia
Board	: Board of Directors of MNRB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular dated 23 August 2018 in relation to the Proposed Rights Issue
EGM	: Extraordinary General Meeting of MNRB
Entitled Shareholder(s)	: MNRB Shareholder(s) whose names appear in MNRB's Record of Depositors on the Entitlement Date
Entitlement Basis	: Entitlement basis for the Proposed Rights Issue
Entitlement Date	: A date to be determined by the Board and announced later on which MNRB Shareholders must be registered in the Record of Depositors of MNRB as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue
EPS	: Earnings per share
Excess Rights Shares	: Rights Shares which are not taken up or not validly taken up by the other Entitled Shareholders and/or their renounee(s)
Foreign Addressed Shareholder(s)	: The shareholder(s) of MNRB and/or their renounee(s) on the Entitlement Date who have not provided an address in Malaysia for the service of documents to be issued for the purpose of the Proposed Rights Issue
FSA	: Financial Services Act 2013, as amended from time to time and all regulations made to it and any re-enactment of it
FYE	: Financial year(s) ended/ending, as the case may be
IFSA	: Islamic Financial Services Act 2013, as amended from time to time and all regulations made to it and any re-enactment of it
Issue Price	: Issue price of the Rights Shares
Listing Requirements	: Main Market Listing Requirements of Bursa Securities

DEFINITIONS (Cont'd)

LPD	: 15 August 2018, being the latest practicable date prior to the printing of this Circular
Malaysian Re	: Malaysian Reinsurance Berhad
Market Day	: A day on which Bursa Securities is open for trading in securities
MNRB or Company	: MNRB Holdings Berhad
MNRB Group or Group	: MNRB and its subsidiaries
MNRB Share(s) or Share(s)	: Ordinary share(s) in MNRB
MNRB Shareholder(s) or Shareholder(s)	: Shareholder(s) of MNRB
NA	: Net assets
Proposed Reorganisation	: The proposed reorganisation which entails the separation of Takaful IKHLAS's takaful businesses into distinct family and general takaful businesses by transferring Takaful IKHLAS's general takaful business to Takaful Ikhlas General by way of a business transfer scheme in accordance with Section 112 of the IFSA
Proposed Rights Issue	: The proposed renounceable rights issue of new MNRB Shares to raise the Rights Proceeds
PNB	Permodalan Nasional Berhad, a major shareholder of the Company
Record of Depositors	: A record of securities holders established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
Registrar	: Symphony Share Registrars Sdn Bhd, being the registrar of MNRB
Rights Proceeds	: The gross proceeds of approximately RM400 million to be raised pursuant to the Proposed Rights Issue
Rights Share(s)	: New MNRB Share(s) to be issued pursuant to the Proposed Rights Issue
RM and sen	: Ringgit Malaysia and sen, respectively
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
Takaful IKHLAS	: Takaful Ikhlas Berhad
Takaful Ikhlas General	: Takaful Ikhlas General Berhad
TERP	: Theoretical ex-rights price

DEFINITIONS (Cont'd)

Undertaking : The irrevocable written undertaking dated 27 July 2018 from MNRB's major shareholder, PNB, which has undertaken to subscribe in full for its entitlement under the Proposed Rights Issue and such number of undersubscribed Excess Rights Shares subject to PNB's resultant shareholdings in MNRB not exceeding 32.90%, further details of which are set out in Section 2.3 of this Circular

VWAMP : Volume weighted average market price

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing 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.

All references to "**you**" in this Circular are to MNRB Shareholder(s).

Any reference in this Circular to any enactment is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amount listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the MNRB Group's plans and objectives will be achieved.

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MNRB HOLDINGS BERHAD
(Company No. 13487-A)
(Incorporated in Malaysia)

Registered Office:
12th Floor
Bangunan Malaysian Re
No. 17 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

23 August 2018

Board of Directors

Dato Sharkawi bin Alis (*Non-Independent Non-Executive Chairman*)
Mustaffa bin Ahmad (*Senior Independent Non-Executive Director*)
Hijah Arifakh binti Othman (*Non-Independent Non-Executive Director*)
Rosinah binti Mohd Salleh (*Independent Non-Executive Director*)
Arul Sothy A/L S Mylvaganam (*Independent Non-Executive Director*)
Noor Rida binti Hamzah (*Independent Non-Executive Director*)
Datuk Johar bin Che Mat (*Independent Non-Executive Director*)
George A/L Oommen (*Independent Non-Executive Director*)

To: The Shareholders of MNRB Holdings Berhad

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE

1. INTRODUCTION

On 18 July 2018, AmInvestment Bank had, on behalf of the Board, announced that MNRB proposes to undertake a renounceable rights issue of new MNRB Shares to the Entitled Shareholders on a basis and Issue Price to be determined and announced later, to raise gross proceeds of approximately RM400 million.

On 3 August 2018, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 2 August 2018, approved the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue, on the Main Market of Bursa Securities, subject to conditions as disclosed in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED RIGHTS ISSUE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2. THE PROPOSED RIGHTS ISSUE

2.1 Details of the Proposed Rights Issue

The Company proposes to undertake the Proposed Rights Issue to raise the Rights Proceeds.

The Issue Price and the Entitlement Basis have not been fixed at this juncture to provide flexibility to the Board in respect of the pricing of the Rights Shares and the number of Rights Shares to be issued.

Notwithstanding the above, the quantum of the Rights Proceeds to be raised have been determined upfront to provide clarity to MNRB Shareholders with respect to the capital outlay required to fully subscribe for their respective entitlements under the Proposed Rights Issue, which can be approximated by multiplying the Rights Proceeds with their respective percentage shareholdings in MNRB.

For illustration purposes only, based on 319,604,193 MNRB Shares in issue as at the LPD the capital outlay required from an Entitled Shareholder holding 1,000 MNRB Shares who wishes to subscribe for his entitlement is approximately RM1,252 (based on the Rights Proceeds). The actual outlay required by Entitled Shareholders to fully subscribe for their entitlements under the Proposed Rights Issue will depend on the actual amount to be raised by the Company.

Fractional entitlements of the Rights Shares, if any, arising from the Proposed Rights Issue shall be disregarded, and dealt with in such manner as the Board shall in its discretion deem fit and expedient and in the best interests of the Company.

The full details of the Proposed Rights Issue will be set out in the abridged prospectus to be issued by the Company. The abridged prospectus together with the accompanying documents in relation to the Proposed Rights Issue will not be sent to Shareholders whose addresses in the Company's Record of Depositors are not in Malaysia to avoid any violation on the part of the Company of any securities laws applicable outside Malaysia.

2.2 Basis of determination and justification for the Issue Price and the Entitlement Basis

The Issue Price and the Entitlement Basis will be determined and announced by the Board before the Entitlement Date, taking into consideration, *inter-alia*, the then prevailing market conditions, market price of MNRB Shares, MNRB's issued share capital and the resultant TERP based on the five (5)-day VWAMP of MNRB Shares immediately preceding the price-fixing date.

It is the intention of the Board that the Issue Price shall be at a discount of at least 20% to the TERP based on the five (5)-day VWAMP of MNRB Shares immediately preceding the price-fixing date.

The Entitlement Basis and the corresponding number of Rights Shares to be issued can only be determined in conjunction with the price-fixing.

2.3 Major shareholder's undertaking and underwriting arrangement

The Proposed Rights Issue is intended to be undertaken on a full subscription basis.

As at the LPD, PNB and AmanahRaya hold approximately 12.74% and 42.40% respectively, in MNRB.

MNRB has procured an irrevocable written undertaking dated 27 July 2018 from PNB, which has undertaken to, amongst others:

- (a) subscribe in full for its entitlement under the Proposed Rights Issue as at the Entitlement Date, including any increase in its Rights Shares entitlement arising from the increase in its shareholding (if any) in MNRB from its shareholding of 40,731,300 MNRB Shares as at 27 July 2018; and
- (b) subscribe for such number of undersubscribed Excess Rights Shares subject to PNB's resultant shareholdings in MNRB not exceeding 32.90%,

subject to, amongst others:

- (i) such subscription not resulting in PNB being required to undertake a mandatory general offer to the remaining Entitled Shareholders pursuant to the Rules on Takeovers, Mergers and Compulsory Acquisitions;
- (ii) such subscription not resulting in MNRB breaching the public spread requirement under the Listing Requirements; and
- (iii) the approval of BNM for PNB's subscription to its entitlement and the Excess Rights Shares as provided under Section 87 of the FSA.

The quantum of the Undertaking will be dependent on the Entitlement Basis and Issue Price to be determined and announced by the Board.

Based on the scenario as set out in Section 5 of this Circular, the Undertaking will be for an amount of up to RM233.2 million.

PNB has confirmed that it has sufficient financial resources to subscribe for its entitlement and Excess Rights Shares in accordance with its Undertaking and AmInvestment Bank has verified the said confirmation.

The remaining portion of Rights Shares for which no undertaking is obtained will be fully underwritten. As at LPD, the underwriting arrangement and commission have not been finalised. Such underwriting arrangement and commission will be in place prior to the implementation of the Proposed Rights Issue, details of which will be set out in the abridged prospectus to be issued for the Proposed Rights Issue. The underwriting commission will be borne by the Company.

2.4 Renunciation of the Rights Shares

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements for the Rights Shares in full or in part. The Rights Shares which are not taken up or not validly taken up will be made available for excess applications by the other Entitled Shareholders and/or their renounee(s).

It is the intention of the Board to allocate the Excess Rights Shares in an equitable manner and on a basis to be determined, details of which will be set out in the abridged prospectus to be issued by the Company for the Proposed Rights Issue.

2.5 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing MNRB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the MNRB Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares.

2.6 Listing of and quotation for the Rights Shares

The approval from Bursa Securities has been obtained vide its letter dated 2 August 2018 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities subject to conditions as stated in Section 7 of this Circular.

2.7 Utilisation of proceeds

The Rights Proceeds is proposed to be utilised in the following manner:

Details of utilisation	Timeframe for utilisation*	RM' million
(a) Capital injection into MNRB's takaful subsidiaries namely, Takaful IKHLAS and Takaful Ikhlas General	Within 6 months	300
(b) Capital injection into Malaysian Re	Within 3 months	100
(c) Defrayment of estimated expenses for the Proposed Rights Issue and working capital requirements	Within 3 months	Please refer to sub-paragraph (c) below
		400

Notes:

* From the date of listing of the Rights Shares.

(a) Capital injection into MNRB's takaful subsidiaries

MNRB Group's family and general takaful businesses are currently carried out under one (1) subsidiary, namely Takaful IKHLAS. For the FYE 31 March 2018, the audited gross earned contributions for Takaful IKHLAS was RM928.2 million comprising RM647.8 million for the family takaful business and RM281.1 million for the general takaful business.

In accordance with the requirements of IFSA, Takaful IKHLAS is required to take steps to split the family and general takaful businesses under separate legal entities before 1 July 2018. BNM has vide its letter dated 13 July 2018 granted its approval for Takaful IKHLAS to complete the Proposed Reorganisation on or before 30 December 2018.

MNRB proposes to undertake the general takaful business under Takaful Ikhlas General which was incorporated on 5 June 2017 as a wholly-owned subsidiary of Takaful IKHLAS. Pursuant to the Proposed Reorganisation, the existing general takaful business under Takaful IKHLAS, together with its identified assets and liabilities will be transferred to Takaful Ikhlas General. MNRB intends to acquire the entire shareholdings in Takaful Ikhlas General from Takaful IKHLAS to facilitate the Proposed Reorganisation.

It is proposed that the family takaful business be retained in Takaful IKHLAS and Takaful IKHLAS shall be renamed as Takaful Ikhlas Family Berhad ("**Takaful Ikhlas Family**").

To support the scale of its existing business as well as cater for the growth in demand for takaful products, MNRB proposes that Takaful Ikhlas General shall have an issued share capital of RM230 million, and Takaful Ikhlas Family shall have an issued share capital of RM405 million.

It is proposed that out of the allocated RM300 million Rights Proceeds, RM130 million shall be injected into Takaful Ikhlas General as capital via ordinary shares whilst the balance of RM170 million shall be injected into Takaful Ikhlas Family as its ordinary shares capital.

As at 31 March 2018, Takaful IKHLAS has a share capital of RM335 million. Pursuant to the Proposed Reorganisation, Takaful Ikhlas Family will first subscribe RM100 million capital into Takaful Ikhlas General as its wholly owned subsidiary. Thereafter, Takaful Ikhlas Family will undertake a capital reduction and repayment exercise to reduce its share capital from RM335 million to RM235 million and repay the RM100 million reduced capital to MNRB via transferring its entire equity interest in Takaful Ikhlas General to MNRB.

Upon receipt of the proceeds from the Proposed Rights Issue, Takaful Ikhlas Family's share capital will be increased from RM235 million to RM405 million; and Takaful Ikhlas General's share capital will be increased from RM100 million to RM230 million.

(b) Capital injection into Malaysian Re

MNRB, through its wholly-owned subsidiary, Malaysian Re, is the market leader in the domestic reinsurance market, based on industry's gross written premiums for the calendar year 2017. Malaysian Re also has a presence in the international market, especially in the Asian region.

For the FYE 31 March 2018, the audited gross earned premiums for Malaysian Re was RM1,317.9 million comprising RM856.6 million from the domestic market and RM461.3 million from the international market.

As at 31 March 2018, Malaysian Re has an issued share capital of approximately RM563 million.

MNRB proposes to utilise RM100 million of the Rights Proceeds to increase the share capital of Malaysian Re. The enlarged share capital will enable Malaysian Re to expand its reinsurance business and increase its participation in profitable business segments within the markets it operates in.

(c) Defrayment of estimated expenses for the Proposed Rights Issue and working capital requirements

The expenses relating to the Proposed Rights Issue comprise, amongst others, professional fees and fees payable to the relevant authorities and other ancillary expenses.

Rights Proceeds in excess of RM400 million (if any) will be used to defray the expenses expected to be incurred for the Proposed Rights Issue. Any excess will be utilised towards the working capital requirements of MNRB which include but are not limited to the day-to-day operating and expenses such as salaries, wages and interest expense.

In the event that the actual expenses incurred are higher than the balance from the Rights Proceeds, the deficit will be funded from MNRB's internally generated funds.

The Company expects to incur estimated expenses of RM3.2 million as follows:-

Details	RM'000
Professional and underwriting fees	2,800
Fees payable to authorities	100
Other ancillary expenses [#]	300
Total estimated expenses	3,200

Note:

[#] Other ancillary expenses consists of printing of the Circular, EGM expenses and other miscellaneous expenses.

The actual Rights Proceeds to be raised will depend on the prevailing share price, final Issue Price and the total number of Rights Shares to be issued. In the event the Rights Proceeds raised is marginally below RM400 million, the deficit for the capital injection into Takaful IKHLAS and/or Malaysian Re will be funded from MNRB's internally generated funds.

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2.8 Foreign Addressed Shareholders

An abridged prospectus together with the accompanying documents which will be issued in connection with the Proposed Rights Issue are not and will not be made to comply with the laws of any countries or jurisdictions other than Malaysia, and have not and will not be registered under any applicable securities legislation of any countries or jurisdictions other than Malaysia as the Proposed Rights Issue will not be offered for purchase or subscription in any countries or jurisdictions other than Malaysia.

Accordingly, the abridged prospectus together with the accompanying documents will only be sent to the Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in MNRB's Record of Depositors as at the Entitlement Date. Foreign Addressed Shareholders who wish to provide Malaysian addresses should inform their respective stockbrokers to effect the change of address prior to the Entitlement Date. Alternatively, such Foreign Addressed Shareholders may collect the abridged prospectus from MNRB's Registrar who shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the abridged prospectus.

MNRB will not make or be bound to make any enquiry as to whether the Entitled Shareholders have a registered address other than as stated in MNRB's Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue to the extent that it would be lawful to do so and MNRB and/or AmlInvestment Bank would not, in connection with the Proposed Rights Issue, be in breach of the laws of any country or jurisdiction which the Foreign Addressed Shareholders and/or their renounees might be subject to.

Foreign Addressed Shareholders will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and MNRB shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against MNRB, MNRB's Registrar and/or AmlInvestment Bank in respect of their rights or entitlements under the Proposed Rights Issue. Such applicants should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue.

Foreign Addressed Shareholders shall be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject and participation by the Foreign Addressed Shareholders in the Proposed Rights Issue shall be on the basis of a warranty by them that they may lawfully so participate without MNRB and/or AmlInvestment Bank being in breach of the laws of any jurisdiction.

Foreign Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares under the laws and jurisdiction to which they are subject to, will have no claims whatsoever against MNRB and/or any of its advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue.

Neither MNRB, AmlInvestment Bank nor any other advisers to the Proposed Rights Issue shall accept any responsibility or liability in the event that any acceptance of a Foreign Addressed Shareholder of his rights in respect of the Proposed Rights Issue is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

MNRB reserves the right in its absolute discretion to treat any acceptances as being invalid if it believes or has reason to believe that such acceptance may violate applicable legal or regulatory requirements.

3. RATIONALE FOR THE PROPOSED RIGHTS ISSUE

The Proposed Rights Issue:

- (a) provides the MNRB Shareholders with an opportunity to participate in an equity offering on equal basis based on their proportionate shareholdings at a discount to the prevailing market price of MNRB Shares.

The participation will not dilute the Entitled Shareholders' respective equity interest, provided that such Entitled Shareholders fully subscribe for their respective entitlements to the Rights Shares; and

- (b) presents an opportunity for the MNRB Shareholders to support the capital management plan and continuous business growth of its two (2) main businesses, namely, takaful and reinsurance.

The higher capital base would provide Takaful IKHLAS and Malaysian Re with the necessary capital to support their business growth.

4. INDUSTRY OVERVIEW AND PROSPECTS OF THE MNRB GROUP

4.1 Outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2018 (4Q 2017: 5.9%), driven by continued growth in private sector spending (5.2%; 4Q 2017: 7.4%) and strong growth in net exports (62.4%; 4Q 2017: 2.3%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4% (4Q 2017: 1.0%).

Domestic demand recorded a moderate growth of 4.1% (4Q 2017: 6.2%), due to lower growth of private sector expenditure (5.2%; 4Q 2017: 7.4%) and a marginal decline in public sector spending (-0.1%; 4Q 2017: +3.4%). Private consumption registered a sustained growth of 6.9% (4Q 2017: 7.0%), supported by continued strength in wage and employment growth. Growth of private investment moderated to 0.5% (4Q 2017: 9.2%). Private investment was weighed down by lower capital spending in structures, particularly in residential and commercial properties, and machinery and equipment during the quarter. On a sectoral basis, private investment was supported mainly by the services sector, particularly the education and healthcare sub-sectors. Public consumption growth was lower at 0.4% (4Q 2017: 6.8%) on account of lower expenditure on supplies and services. Public investment continued to decline in the first quarter (-1.0%; 4Q 2017: -1.4%), attributed to the contraction in spending on fixed assets by public corporations. The lower capital spending by public corporations was due mainly to the near completion of a few large-scale projects. Gross fixed capital formation (GFCF) growth moderated to 0.1% (4Q 2017: 4.3%). By type of assets, capital spending on machinery and equipment registered a contraction of 3.6% (4Q 2017: +8.3%). Investment in structures grew more moderately (2.8%; 4Q 2017: 3.3%) while investment in other types of assets recorded a smaller decline of 0.2% (4Q 2017: -6.8%).

On the supply side, services and manufacturing sectors remained the key drivers of growth. The services sector expanded at a faster pace during the quarter. The improvement was attributed mainly to higher growth in the finance and insurance sub-sector, resulting from higher lending activity, particularly in the household segment. Growth in the information and communication sub-sector also improved, driven by increased demand for data communication services. The wholesale and retail trade sub-sector continued to expand, supported by sustained strength in household spending.

The manufacturing sector registered sustained growth in the quarter supported by improvements in the export-oriented industries and construction related cluster. These offset the sharp moderation in the consumer-related clusters, which was mainly due to slower production of food-related items and transport equipment. Stronger output growth in the primary-related cluster (e.g. chemical and petroleum-related products) was supported by higher oil production. The higher growth in the electrical and electronic cluster reflected the continued expansion of the global technology upcycle. Higher growth in the construction-related cluster was in line with the strength of civil engineering activities during the quarter.

Growth in the construction sector moderated in the quarter. While growth of the civil engineering sub-sector was stronger, supported by the transportation, petrochemical and power plant projects, the sector's performance was affected by weaker activity in the residential and non-residential sub-sectors. This is consistent with the significant number of unsold residential properties and the ongoing weaknesses in the commercial property segment (oversupply of office spaces and shopping complexes).

Growth in the agriculture sector moderated, reflecting mainly lower rubber tapping activities amid weak rubber prices during the quarter. However, the mining sector's growth rebounded, supported mainly by higher oil production

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to 1.8% in 1Q 2018 (4Q 2017: 3.5%). The low inflation outcome reflected the smaller contribution of domestic fuel prices to headline inflation. Despite higher global oil prices during the quarter, the magnitude of increase was smaller than the previous quarter. The impact of higher global oil prices was also offset by the stronger ringgit exchange rate³. As a result, transport inflation declined significantly during the quarter (1Q 2018: 1.3%; 4Q 2017: 11.4%). More favourable supply conditions for fresh food items also helped contain food price increases during the quarter (1Q 2018: 3.2%, 4Q 2017: 4.1%).

In 2018, growth is projected to remain favourable, with domestic demand as the key driver of growth. The positive growth prospects are supported by continued spillovers from the external sector to domestic economic activity. Trade performance is expected to benefit from favourable global demand, new export production capacity and exposure to the global technology cycle. On the domestic front, leading indicators such as the Department of Statistics Malaysia's Composite Leading Index, Malaysian Institute of Economic Research ("MIER") Business Conditions Index and MIER Consumer Sentiments Index point toward continued expansion of the economy. Private consumption will be underpinned by continued wage and employment growth, with support from Government measures. Investment activity will be supported by capital spending for new and ongoing projects amid positive business sentiments.

(Source: Quarterly Bulletin, First Quarter 2018, www.bnm.gov.my)

4.2 Description and outlook of the Malaysian insurance and takaful sector

The insurance and takaful sector reported an aggregate capital adequacy ratio of 237.3% (4Q 2017: 233.8%), above the 130% minimum required.

For the insurance and takaful industry, market risk exposures stood at 14.9% of total capital available (4Q 2017: 15.4%). Equity risk, which formed the bulk of insurers' market risk exposures, decreased slightly to 9% of total capital available (4Q 2017: 9.1%).

In the insurance and takaful sector, life insurers and family takaful operators recorded lower excess income over outgo of RM4.0 billion (4Q 2017: RM 4.9 billion). This was partly attributed to net capital losses from holdings of debt securities together with lower valuations. The operating profits of general insurers and takaful operators also declined to RM563.3 million in the first quarter (4Q 2017: RM783.4 million) driven by higher claims cost in the motor line of business. The industry overall claims ratio increased to 56.9% (4Q 2017: 54.9%).

(Source: Quarterly Bulletin, First Quarter 2018, www.bnm.gov.my)

4.3 Prospects of the MNRB Group

For the FYE 31 March 2018, MNRB reported an audited consolidated profit after tax of RM140.9 million compared to RM71.2 million for the FYE 31 March 2017. The year's improved results were mainly attributable to the effectiveness of the business strategies and plans executed by the Group during the year which included, amongst others, portfolio rebalancing and expansion of non-proportional portfolio for the reinsurance business; as well as enhancement of agency force and partnerships with distributors and financial institutions for the takaful business. The Group has also implemented programmes to focus on talent development and acquisition, and employees' learning and development.

For the general insurance industry, due to the intense competition as well as the progressive impact of the motor and fire de-tariffication, MNRB expects that the growth for the general takaful industry will remain flat for this financial year. On the other hand, MNRB believes that the family takaful sector will register positive growth in expectation of, amongst others, the increasing consumer awareness and demand for family takaful products, which currently has a low penetration rate.

For information, the number of takaful policies in force in Malaysia increased from 3.2 million policies in 2010 to 4.7 million policies in 2017 compared with 11.5 million life insurance policies in force in 2010 and 12.7 million life insurance policies in force in 2017 (*Source: BNM*).

Based on the above as well as the outlook of the Malaysian economy, the Board believes that the Proposed Rights Issue will provide MNRB Group with a stronger capital base to capitalise on future growth opportunities.

(Source: The management of MNRB)

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5. EFFECTS OF THE PROPOSED RIGHTS ISSUE

The proforma effects of the Proposed Rights Issue in this section are presented purely for illustration purposes based on the following parameters (“Parameters”):

- (a) 319,604,193 MNRB Shares in issue as at 13 July 2018;
- (b) assumed Issue Price of RM1.57, representing a 20.3% discount to the TERP of RM1.97 based on the five (5)-day VWAMP of MNRB Shares up to 13 July 2018 of RM2.29; and
- (c) assumed Entitlement Basis of four (4) Rights Shares for every five (5) MNRB Shares held.

Based on the above Parameters, the proceeds to be raised from the Proposed Rights Issue will be in the region of RM401 million.

The Company wishes to emphasise that the proforma effects under this section are presented purely for illustration purposes based on the Parameters and should not be regarded as an indication or reference to the final Issue Price or the Entitlement Basis of the Proposed Rights Issue.

5.1 Share capital

For illustrative purposes, the proforma effects of the Proposed Rights Issue on the issued share capital of the Company based on the Parameters are as follows:

Description	No of MNRB Shares	RM
As at the LPD	319,604,193	319,604,193
To be issued pursuant to the Proposed Rights Issue	255,683,354	401,422,866
Enlarged issued share capital	575,287,547	721,027,059

5.2 Substantial shareholders' shareholdings

The percentage shareholdings of the substantial shareholders will remain the same in the event they subscribe in full for their entitlements under the Proposed Rights Issue.

For illustrative purposes, the proforma effects of the Proposed Rights Issue on the substantial shareholder's shareholdings as at the LPD, assuming all Entitled Shareholders subscribe for their respective entitlements pursuant to the Proposed Rights Issue, are as follows:

Substantial Shareholder	As at the LPD		After Proposed Rights Issue	
	No. of MNRB Shares	%	No. of MNRB Shares	%
AmanahRaya	135,500,000	42.40	243,900,000	42.40
PNB	40,731,300	12.74	73,316,340	12.74

In the event the Proposed Rights Issue is undersubscribed and PNB is required to subscribe for its entitlement as well as Excess Rights Shares in accordance with its Undertaking, PNB's shareholdings will increase up to 32.90%.

5.3 NA per share and gearing

Based on the Parameters, the consolidated audited statements of financial position of MNRB as at 31 March 2018 and the assumption that the Proposed Rights Issue has been completed on 31 March 2018, the proforma effects of the Proposed Rights Issue on the consolidated NA per share and gearing of MNRB for illustrative purposes are as follows:

	Audited as at 31 March 2018 RM	After Proposed Rights Issue RM
Share capital	319,604,193	721,027,059 ⁽ⁱ⁾
Reserves	79,755,620	79,755,620
Retained Earnings	1,138,641,400	1,135,441,400 ⁽ⁱⁱ⁾
Total equity/NA	1,538,001,213	1,936,224,079
Number of MNRB Shares	319,604,193	575,287,547
NA per MNRB Share (RM)	4.81	3.37
Total borrowings (RM)	320,000,000	320,000,000
Gearing ratio (times)	0.21	0.17

Notes:

- (i) Computed assuming full subscription of 255,683,354 Rights Shares issued at an assumed Issue Price of RM1.57 each.
- (ii) After deducting estimated expenses (including underwriting costs) for the Proposed Rights Issue of approximately RM3.2 million.

5.4 Earnings and EPS

The Proposed Rights Issue will result in an immediate dilution in MNRB's EPS as a result of the increase in the number of MNRB Shares in issue upon completion of the Proposed Rights Issue.

The actual impact of the Proposed Rights Issue on the future earnings and EPS of MNRB will depend on, amongst others, the actual number of Rights Shares to be issued and the level of returns generated from the utilisation of proceeds raised from the Proposed Rights Issue.

Moving forward, the Proposed Rights Issue is expected to contribute positively to MNRB's consolidated earnings for the ensuing financial years, when the benefits of the proposed utilisation of proceeds are realised.

5.5 Convertible securities

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

6. HISTORICAL SHARE PRICE

The monthly highest and lowest market prices of MNRB as traded on the Main Market of Bursa Securities for the past twelve (12) months from August 2017 to July 2018 are as follows:

	High (RM)	Low (RM)
2017		
August	2.75	2.44
September	2.67	2.47
October	2.50	2.29
November	2.42	2.25
December	2.34	2.19
2018		
January	2.66	2.30
February	2.64	2.46
March	2.75	2.50
April	2.64	2.40
May	2.57	2.40
June	2.54	2.34
July	2.36	1.90
		RM
The last transacted market price of MNRB Shares on 17 July 2018 (<i>being the last market day immediately prior to the announcement of the Proposed Rights Issue</i>)		2.33
The last transacted market price of MNRB Shares as at the LPD		1.85

(Source: Bloomberg)

7. APPROVALS REQUIRED

The Proposed Rights Issue is subject to the following approvals being obtained:

- (a) approval of Bursa Securities for the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities, which was obtained vide its letter dated 2 August 2018 subject to, *inter alia*, the following conditions:
 - (i) MNRB and AmInvestment Bank, must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue;
 - (ii) MNRB and AmInvestment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue;
 - (iii) MNRB to incorporate Bursa Securities' comments in respect of the circular to shareholders for the Proposed Rights Issue;
 - (iv) MNRB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; and

- (v) MNRB to provide a certified true copy of the resolution passed by the shareholders at a general meeting approving the Proposed Rights Issue.
- (b) MNRB Shareholders at an EGM to be convened in relation to the Proposed Rights Issue; and
- (c) approvals, waivers and/or consents of any other relevant authorities/parties, if required.

The Company also wishes to advise that Shareholders would need to obtain the prior written approval from BNM if the eventual aggregated shareholding of any Shareholder subsequent to the Proposed Rights Issue is more than 5%.

The Proposed Rights Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by MNRB.

8. ESTIMATED TIMEFRAME FOR THE COMPLETION OF THE PROPOSED RIGHTS ISSUE

Barring any unforeseen circumstances, the Proposed Rights Issue is expected to be completed in the fourth (4th) quarter of 2018.

The tentative timetable for the implementation of the Proposed Rights Issue is as follows:

Events	Tentative Timing
EGM	13 September 2018
Announcement of the Entitlement Date	Mid September 2018
Entitlement Date	Early October 2018
Despatch of the abridged prospectus together with notice of provisional allotment of the Rights Shares and the rights subscription form to Entitled Shareholders	Early October 2018
Last day for receipt of acceptance of and applications for the Rights Shares	Mid October 2018
Listing of the Rights Shares on the Main Market of Bursa Securities	End October 2018

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders of MNRB and/or any persons connected with them have any interest, direct or indirect, in the Proposed Rights Issue save for their respective entitlements as Shareholders under the Proposed Rights Issue as well as their right to apply for Excess Rights Shares to which all other Shareholders are similarly entitled to.

10. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Rights Issue (including but not limited to the rationale and proforma effects of the Proposed Rights Issue) and after careful deliberation, the Board is of the opinion that the Proposed Rights Issue is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Rights Issue to be tabled at the forthcoming EGM.

11. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue, there is no outstanding corporate proposal which has been announced by the Company but not yet completed prior to the printing of this Circular.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at the Auditorium, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 13 September 2018 at 1.00 p.m., or immediately following the conclusion of the 45th Annual General Meeting of MNRB, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Rights Issue.

If you are unable to attend and vote in person at the EGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the office of the Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not later than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. ADDITIONAL INFORMATION

Shareholders are advised to refer to the attached appendices for additional information.

Yours faithfully
For and on behalf of the Board
MNRB HOLDINGS BERHAD

Arul Sothy A/L S Mylvaganam
Independent Non-Executive Director

APPENDIX I - ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTERESTS

AmInvestment Bank has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the principal adviser in respect of the Proposed Rights Issue.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. As at the LPD, the AmBank Group has extended credit facilities amounting to approximately RM320 million to the MNRB Group.

Notwithstanding the above, AmInvestment Bank is of the view that the aforementioned roles are not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:

- (a) AmInvestment Bank's role in the Proposed Rights Issue, and AmBank Group's extension of credit facilities are undertaken in the ordinary course of business; and
- (b) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by BNM and the Securities Commission Malaysia and governed under, inter alia, the FSA, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Save as disclosed above, AmInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed Rights Issue.

3. MATERIAL LITIGATION

As at the LPD, the MNRB Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of the MNRB Group and the Board is not aware of any proceedings, pending or threatened against the MNRB Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of the MNRB Group.

4. CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**(a) Contingent liabilities**

Save for the contingent liabilities arising from reinsurance, takaful and retakaful contracts underwritten in the ordinary course of business of the Group, as at 30 June 2018, the Board is not aware of any other material contingent liabilities incurred or known to be incurred by the MNRB Group, which upon becoming enforceable, may have a material impact on the profit or NA of the MNRB Group.

(b) Material commitments

Save as disclosed below, as at 30 June 2018, the Board is not aware of any other material commitments incurred or known to be incurred by the MNRB Group, which upon becoming enforceable, may have a material impact on the results or financial position of the MNRB Group:

	Amount RM'000
Authorised and contracted for:	
- Intangible assets*	11,869
Authorised but not contracted for:	
- Property, plant and equipment	787
- Intangible assets*	12,775

Note:

* *Relating to purchase and enhancement of computer systems of the Company and for reinsurance/retakaful and takaful subsidiaries.*

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of MNRB at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 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 the EGM:

- (a) Constitution of MNRB;
- (b) letter of undertaking from PNB dated 27 July 2018;
- (c) the audited consolidated financial statements of MNRB for the past two (2) FYEs 31 March 2017 and 31 March 2018; and
- (d) the letters of consent referred to in Section 2 of Appendix I of this Circular.



MNRB HOLDINGS BERHAD
(Company No. 13487-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of MNRB Holdings Berhad (“**MNRB**” or the “**Company**”) will be held at the Auditorium, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 13 September 2018 at 1.00 p.m., or immediately following the conclusion of the 45th Annual General Meeting of MNRB, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without any modification:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN MNRB (“MNRB SHARES”) (“RIGHTS SHARES”) TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM400 MILLION (“PROPOSED RIGHTS ISSUE”)

“**THAT** subject to the approvals of all relevant regulatory authorities being obtained (if required), the Board of Directors of MNRB (“**Board**”) be and is hereby authorised to provisionally allot by way of a renounceable rights issue of such number of new MNRB Shares to raise gross proceeds of approximately RM400 million, at an issue price and entitlement basis to be determined and announced by the Board, to the shareholders of MNRB (“**Shareholders**”) whose names appear in the Record of Depositors of MNRB at 5.00 p.m. on an entitlement date to be determined and announced later by the Board (“**Entitled Shareholders**”);

THAT fractional entitlements of the Rights Shares, if any, arising from the Proposed Rights Issue shall be disregarded and dealt with in such manner as the Board shall in its discretion deem fit and expedient and in the best interest of the Company;

THAT any Rights Shares which are not taken up or are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess applications by the other Entitled Shareholders and/or their renounee(s) in a fair and equitable manner on a basis to be determined by the Board;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.7 of the Circular to the Shareholders dated 23 August 2018, and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

THAT the Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing MNRB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares;

AND THAT the Board be and is hereby authorised to:

- (a) enter into any underwriting agreement(s) for the underwriting of any part of the open portion of the Rights Shares and all other documents, agreements and/or arrangements in connection with the underwriting of the Rights Shares with such parties and upon such terms and conditions as the Board may deem fit; and
- (b) do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of MNRB all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue.”

By Order of the Board

Norazman Hashim (MIA 5817)
Lena Abd Latif (LS 8766)
Company Secretaries

Kuala Lumpur
23 August 2018

Notes:

1. *A member entitled to attend and vote at the EGM is entitled to appoint proxy(ies) to attend and vote on his behalf. A proxy need not be a member of the Company.*
2. *A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**Authorised Nominee**”) may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
3. *Notwithstanding the above, an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy and only one (1) proxy shall be entitled to vote.*
5. *An Instrument appointing a proxy(ies) shall be in writing, and in the case of an individual shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a Corporation shall be either given under its common seal or signed on its behalf by its attorney or an officer of the Corporation so authorised.*
6. *An Instrument appointing a proxy(ies) must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof.*
7. *Only members registered in the Record of Depositors as at 6 September 2018 shall be eligible to attend the EGM or appoint proxy(ies) to attend and vote on his/her behalf.*
8. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM is to be voted by poll.*



MNRB HOLDINGS BERHAD
(Company No. 13487-A)
(Incorporated in Malaysia)

Proxy Form

No. of shares held	CDS Account No.

I/We _____ Company/NRIC No. _____

Tel No. _____ of _____

being a member/members of MNRB HOLDINGS BERHAD hereby appoint _____

_____ NRIC No. _____

of _____

or failing him _____ NRIC No. _____

of _____

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote and act for me/us, and on my/our behalf at the Extraordinary General Meeting of the Company to be held at the Auditorium, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 13 September 2018 at 1.00 p.m., or immediately following the conclusion of the 45th Annual General Meeting of MNRB, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Rights Issue.

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED RIGHTS ISSUE		

Signed this day of2018

.....
Signature / Common Seal

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint proxy(ies) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Authorised Nominee**") may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Notwithstanding the above, an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy and only one (1) proxy shall be entitled to vote.
5. An Instrument appointing a proxy(ies) shall be in writing, and in the case of an individual shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a Corporation shall be either given under its common seal or signed on its behalf by its attorney or an officer of the Corporation so authorised.
6. An Instrument appointing a proxy(ies) must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 6 September 2018 shall be eligible to attend the EGM or appoint proxy(ies) to attend and vote on his/her behalf.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM is to be voted by poll.



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AFFIX
STAMP

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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