

**THIS CIRCULAR/STATEMENT 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 advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular/Statement before its issuance as they are prescribed as an Exempt Circular pursuant to the provisions of Practice Note 18 of the Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever, arising from, or due to your reliance upon, the whole or any part of the contents of this Circular/Statement.

Shareholders should rely on their own evaluation to assess the merits and risks of the proposals set out herein.



**MAH SING GROUP BERHAD**  
Registration No. 199101019838 (230149-P)  
(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B**

**THE SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR MAH SING GROUP BERHAD TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES**

The above proposals will be tabled as Special Businesses at the Twenty-Eighth Annual General Meeting of the Company ("**AGM**"). In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, the AGM will be conducted electronically in its entirety through live streaming from the broadcast venue at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on Tuesday, 30 June 2020 at 10.00 a.m. using Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its TIIH Online website at <https://tiih.online>. The Broadcast Venue is strictly a main venue of the AGM where the Chairperson will be present for the purpose of complying with Section 327 (2) of the Companies Act, 2016. Thus, NO MEMBERS/PROXIES from the public will be physically present at the Broadcast Venue on the day of the AGM.

The Notice of the AGM, the Form of Proxy and Administrative Guide for the AGM are set out in the Annual Report for the financial year ended 31 December 2019 of the Company together with this Circular/Statement are available at <https://www.mahsing.com.my/investor-relations/general-meeting-documents>.

If you wish to appoint a proxy to attend and vote on your behalf at the AGM, you may deposit your Form of Proxy at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, the submission of Form of Proxy can be made through electronic lodgement via TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time fixed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so. For electronic lodgement, please follow the procedures as set out in the Administrative Guide.

Last date and time for lodging the Form of Proxy : Sunday, 28 June 2020 at 10.00 a.m.  
Date and time of the AGM : Tuesday, 30 June 2020 at 10.00 a.m.

## DEFINITIONS

In this Circular/Statement, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Act”	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Annual Report 2019”	:	Annual Report of Mah Sing for the financial year ended 31 December 2019
“Board”	:	Board of Directors of Mah Sing
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2016 and any amendments made thereto from time to time
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007 and for the purposes of the Proposed Renewal of Shareholders’ Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of Mah Sing and/or its subsidiaries or a chief executive officer of Mah Sing and/or its subsidiaries.
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“LPD”	:	8 May 2020, being the latest practicable date before issuance of this Circular/Statement
“Mah Sing” or the “Company”	:	Mah Sing Group Berhad
“Group”	:	Mah Sing and its subsidiary companies
“Major Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate number of those shares, is <ol style="list-style-type: none"><li>ten percent (10%) or more of the aggregate number of all the voting shares in the Company; or</li><li>five percent (5%) or more of the aggregate number of all the voting shares in the Company where such person is the largest shareholder of the Company.</li></ol>

For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of Mah Sing or any other company which is its subsidiary or holding company

“Persons Connected”	:	Persons connected with a Director or Major Shareholder as defined in the Listing Requirements
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for RRPTs to be entered into from the date of the forthcoming AGM up to the date of the next AGM

“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of authority for Mah Sing to carry out the Proposed Share Buy-Back
“Proposed Share Buy-Back”	:	Proposed purchase of up to ten percent (10%) of Mah Sing’s total number of issued shares pursuant to section 127 of the Act
“Related Party(ies)”	:	A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
“Related Party Transaction(s)” or “RPT(s)”	:	Transactions entered into by the Group which involves the interest, direct or indirect of a Related Party(ies)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRPTs”	:	Related Party Transactions which are regarded as recurrent, of a revenue or trading nature that are necessary for day-to-day operations and are in the ordinary course of business of the Group
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 and any amendments made thereto from time to time
“Share(s)” or “Mah Sing Share(s)”	:	Ordinary share(s) in Mah Sing

All references to “**our Company**” or “**Mah Sing**” in this Circular/Statement are to Mah Sing Group Berhad, and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context requires otherwise, our subsidiaries.

All references to “**you**” in this Circular/Statement are to the shareholders of our Company.

Words denoting the singular number shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to time of day and date of this Circular/Statement is a reference to Malaysian time and date, unless otherwise stated.

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**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**



**MAH SING GROUP BERHAD**  
Registration No. 199101019838 (230149-P)  
(Incorporated in Malaysia)

**Registered Office:**  
Penthouse Suite 1  
Wisma Mah Sing  
No. 163, Jalan Sungai Besi  
57100 Kuala Lumpur

29 May 2020

**Board of Directors**

Tan Sri Dato' Seri Siti Norma Binti Yaakob (*Chairperson/Senior Independent Non-Executive Director*)  
Tan Sri Dato' Sri Leong Hoy Kum (*Group Managing Director/Group Chief Executive*)  
Datuk Ho Hon Sang (*Chief Executive Officer*)  
Dato' Steven Ng Poh Seng (*Executive Director*)  
Datuk Leong Yuet Mei (*Executive Director*)  
Encik Abd Malik Bin A Rahman (*Independent Non-Executive Director*)  
Ms Ho Kim Poi (*Independent Non-Executive Director*)  
Ms Jane Leong Jheng-Yi (*Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum*)

**To: The Shareholders of Mah Sing Group Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

---

**1.0 INTRODUCTION**

At the Company's Twenty-Seventh AGM held on 26 June 2019, our shareholders had approved the renewal of shareholders' mandate in relation to RRPTs of the Group ("**Existing Mandate**").

The Existing Mandate shall lapse at the conclusion of the forthcoming AGM, which has been scheduled to be held on 30 June 2020 unless it is renewed by a resolution passed at the said meeting.

On 22 May 2020, our Board announced its intention to seek your approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval on the ordinary resolution relating to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM. The Notice of the AGM, the Form of Proxy and Administrative Guide for the AGM are set out in the Annual Report 2019 of the Company and available at <https://www.mahsing.com.my/investor-relations/general-meeting-documents>.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.**

## **2.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 Introduction**

Under Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, the Company may seek a shareholders' mandate in respect of Related Party Transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
  - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
  - (ii) any one of the percentage ratios of such aggregated transactions is 1% or more,whichever is the higher;
- (c) the Company's Circular to shareholders for the shareholders' mandate shall include the information set out in Annexure PN12-A of Practice Note No. 12 of the Listing Requirements. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The principal activities of Mah Sing are that of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries of the Company are property development, property investment, manufacturing of plastic moulded products and trading of plastic and other related products, trading of building materials, investment holding, property management and hospitality management services.

It is envisaged that in the normal course of the Group's operations, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Board is seeking a renewal of mandate from the shareholders to allow the Group, in its normal course of business, to enter into the category of RRPTs referred in Section 2.3 of this Circular with the Related Parties, provided that such transactions are made at arm's length, on the Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

The Proposed Renewal of Shareholders' Mandate, if approved by our shareholders at the forthcoming AGM, shall take effect from the date of passing of the resolution proposed at the forthcoming AGM and will continue to be in force until:

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

whichever is earlier.

Thereafter, approval from the shareholders will be sought for a renewal of the Proposed Renewal of Shareholders' Mandate at each subsequent AGM of the Company.

Disclosure will be made in our annual report in accordance with Paragraph 3.1.5 of Practice Note No. 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs made during the financial year pursuant to the Proposed Renewal of Shareholders' Mandate based on the following information:

- (a) the type of RRPTs entered into; and
- (b) the names of the Related Parties involved in each type of RRPT entered into and their relationship with the Group.

## **2.2 Classes of Related Parties**

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Directors;
- (ii) Major Shareholders; and
- (iii) Persons Connected to Directors and/or Major Shareholders.

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## 2.3 Details of the RRPT Contemplated Under the Mandate

2.3.1. The RRPTs anticipated to be entered into by the Group for the purpose of the Proposed Renewal of Shareholders' Mandate are as follows:

Transacting company within the Group	Transacting Related Party	Nature of transaction	Interested Director, Major Shareholder and/or Persons Connected with them	Proposed Renewal of Shareholders' Mandate	Existing mandate	
				Estimated aggregate value of transaction from this AGM to the next AGM RM	Estimated value of transaction as disclosed in preceding year's circular dated 30 April 2019 RM	Actual value transacted since last AGM until LPD RM
The Group	Directors and/or Major Shareholders of the Group and Persons Connected with them <sup>†</sup>	Purchase of development properties and land or land-based properties from the Group in the ordinary course of business of not more than 10% of any one of the percentage ratios as defined in the Listing Requirements	Directors and/or Major Shareholders of the Group and Persons Connected with them <sup>†</sup>	*ii	*ii	*iii

### Notes:

\*i *The Directors, Major Shareholders and/or Persons Connected with them who would be purchasing the properties from the Group could not be ascertained as at the date of this Circular.*

\*ii *Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group in the ordinary course of business, the prices of which vary from project to project. However, in accordance with Paragraph 3.3 of Practice Note 12 of the Listing Requirements, the value of such transaction shall not exceed 10% of any one of the percentage ratios.*

\*iii *No transaction transacted since last AGM until LPD.*

- 2.3.2 There are a large number of factors that affect the pricing of properties including but not limiting to the prevailing market condition generally and the quality and characteristics for different properties, such as amenities, features, view and floor level. The RRPTs conducted are based on prevailing rates/prices according to commercial terms, business practices and policies or in accordance with industry norms/consideration. The selling price of the properties in the ordinary course of business is applicable to all customers of the Group including Related Parties.
- 2.3.3 Since there is no transaction transacted from the last AGM until LPD, there has not been any deviation where the actual value transacted of each RRPT, from the date on which the Existing Mandate was obtained up to the LPD, exceeds the estimated value of each RRPT as disclosed in the preceding year's circular to shareholders by 10% or more.

## **2.4 Amount Due And Owing To Mah Sing Group By Related Parties**

There is no amount due and owing by the Related Parties to Mah Sing Group pursuant to the RRPTs which exceeded the credit terms as at 31 December 2019.

## **2.5 Review Procedures For RRPTs**

The Group has established various review procedures to ensure that the RRPTs contemplated under the Proposed Renewal of Shareholders' Mandate are conducted at arm's length and on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The RRPTs will be undertaken based on prevailing rates/prices of the goods or services (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) according to commercial terms, business practices and policies or in accordance with other applicable industry norms/considerations.

Wherever possible/practical, at least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or quantities will be used as comparison, to determine whether the price and terms offered to related parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Audit Committee, in its review of the RRPTs may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent sources or advisers to ensure that the RRPTs are not detrimental to the Group.

The review and disclosure policies include the following:

- (a) A list of Related Parties will be circulated to all employees who have the capacity to approve any contracts, tenders or quotations to notify that all transactions with the list of Related Parties will be required to be undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.
- (b) Records will be maintained to capture all RRPTs entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that the relevant review procedures are adhered to and that all relevant approvals have been obtained.
- (c) The annual internal audit programme shall incorporate a review of the RRPTs entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that relevant approvals have been obtained and that the internal control procedures in respect of the RRPTs have been adhered to. Any irregularities will be reported to the Board and Audit Committee.

- (d) The Board and Audit Committee shall have overall responsibility for the adequacy and appropriateness of the review procedures, including the addition of new review procedures where applicable. The Board and Audit Committee may also appoint individuals and committees within the Company to review the RRPTs, as they deem appropriate. If a member of the Board and/or the Audit Committee has an interest in the transaction to be reviewed, he or she will abstain from any deliberation and voting in respect of the said transaction.
- (e) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with.
- (f) Where any person(s) has an interest in the RRPTs to be reviewed, such person(s) shall abstain from deliberation and voting in respect of such transactions.
- (g) Disclosure will be made in the Company's annual report as required under Paragraph 10.09(2)(b) of Chapter 10 and 3.1.5 of Practice Note No. 12 of the Listing Requirements, setting out the breakdown of the aggregate value of RRPTs conducted during the financial year pursuant to the shareholders' mandate, and shall include amongst others, the following information:
  - (i) the type of RRPTs entered into; and
  - (ii) the names of the Related Parties involved in each type of RRPTs entered into and their relationship with the Group.

## **2.6 Statement by the Audit Committee**

The Audit Committee has considered the procedures for RRPTs as set out in Section 2.5 above and is of the view that:

- (a) the procedures are sufficient to ensure that the RRPTs will be conducted at arm's length and on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (b) the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee and/or management staff will carry out the review of these procedures and processes annually and as and when necessary.

## **2.7 Guidelines on Thresholds for Approval**

The threshold for approval of RRPTs within the Group on sale of development properties and land or land-based properties by the Group to the Related Parties in the ordinary course of business are guided by the provision in Paragraph 3.3 of Practice Note 12 of the Listing Requirements, wherein the value of such transaction shall not exceed 10% of any one of the percentage ratios.

The RRPTs contemplated under the Proposed Renewal of Shareholders' Mandate will be carried out on arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

### **3.0 RATIONALE**

The RRPTs entered or to be entered into by the Group are all in the ordinary course of business of the Group, and intended to meet the business needs of the Group on the best possible terms so as to achieve operational benefits for the Group. They are recurring transactions of a revenue or trading nature which are likely to occur at any time with some degree of frequency, carried out at arm's length on the Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, will eliminate the necessity to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur. This will reduce substantially the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities.

Our Group is principally involved in property development. The sale of properties by our Group to the Related Parties is in the Group's ordinary course of business and is carried out at arm's length and based on commercial terms not more favourable to the Related Parties than those generally available to the public. The purchase of properties by the Related Parties reflects their confidence in our Group's properties and it brings revenue and positive cash flow to our Group, as an additional benefit to be derived from the RRPTs for which the Proposed Renewal of Shareholders' Mandate is sought.

### **4.0 FINANCIAL EFFECTS**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued and paid-up share capital and the Major Shareholders' shareholding structure of Mah Sing, and is not expected to have any material effect on the net assets and earnings of the Group.

### **5.0 APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval from the shareholders of Mah Sing being obtained at the forthcoming AGM.

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## 6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of our Directors, Major Shareholders and Persons Connected with them has any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate.

As at LPD, the shareholdings of our interested Directors, Major Shareholders and Persons Connected with them in the Proposed Renewal of Shareholders' Mandate are as follows:

	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
<b>Interested Directors</b>				
Tan Sri Dato' Seri Siti Norma Binti Yaakob	-	-	-	-
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	<sup>*i</sup> 840,012,267	34.601
Datuk Ho Hon Sang	-	-	-	-
Dato' Steven Ng Poh Seng	708,900	0.029	-	-
Datuk Leong Yuet Mei	-	-	<sup>*ii</sup> 316,814	0.013
Encik Abd Malik Bin A Rahman	-	-	-	-
Ms Ho Kim Poi	-	-	-	-
Ms Jane Leong Jheng-Yi <sup>*iii</sup>	2,170,931	0.089	-	-
<b>Directors and Persons Connected with Tan Sri Dato' Sri Leong Hoy Kum</b>				
Datuk Leong Yuet Mei	-	-	<sup>*ii</sup> 316,814	0.013
Ms Jane Leong Jheng-Yi <sup>*iii</sup>	2,170,931	0.089	-	-
<b>Persons Connected with Tan Sri Dato' Sri Leong Hoy Kum</b>				
Puan Sri Datin Sri Lim Suat Kiew <sup>*iv</sup>	6,831,880	0.281	-	-
Mr Kwong Seng Choy <sup>*v</sup>	96,492	0.004	-	-
Mr Lionel Leong Jihn Haur <sup>*vi</sup>	142,187	0.006	-	-
<b>Persons Connected with Datuk Leong Yuet Mei</b>				
Mr Kwong Seng Choy <sup>*v</sup>	96,492	0.004	-	-
Mr Jason Kwong Yat Tung <sup>*vii</sup>	220,322	0.009	-	-
<b>Major Shareholders</b>				
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	<sup>*viii</sup> 833,038,200	34.314
Mayang Teratai Sdn Bhd	653,038,200	26.900	-	-
Mayang Teratai Limited	180,000,000	7.414	-	-

**Notes:**

- \*i *Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd, Mayang Teratai Limited and his family members.*
- \*ii *Deemed interested by virtue of shareholdings of family members.*
- \*iii *Ms Jane Leong Jheng-Yi is an Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing. She is a daughter of Tan Sri Dato' Sri Leong Hoy Kum.*
- \*iv *Puan Sri Datin Sri Lim Suat Kiew is the spouse of Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing.*
- \*v *Mr Kwong Seng Choy is the spouse of Datuk Leong Yuet Mei, a Director of Mah Sing and sister to Tan Sri Dato' Sri Leong Hoy Kum.*
- \*vi *Mr Lionel Leong Jihn Haur is the son of Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing.*
- \*vii *Mr Jason Kwong Yat Tung is the son of Datuk Leong Yuet Mei, a Director of Mah Sing and sister to Tan Sri Dato' Sri Leong Hoy Kum.*
- \*viii *Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd and Mayang Teratai Limited.*

The interested Directors have and will continue to abstain from all Board deliberation and voting at all relevant Board meetings in relation to the RRPT in Section 2.3.1 above. The interested Directors and interested Major Shareholders will abstain and undertake to ensure that Persons Connected with them will abstain from voting on the RRPT in Section 2.3.1 above in respect of their direct and indirect shareholdings, if any, at our forthcoming AGM.

**7.0 DIRECTORS' RECOMMENDATION**

The Board has refrained from forming an opinion on the RRPT in Section 2.3.1 above and making any recommendation in respect thereof as the transacting Related Parties cannot be ascertained as at the date of this Circular.

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## 8.0 AGM

In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, the AGM will be conducted electronically in its entirety through live streaming from the broadcast venue at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on Tuesday, 30 June 2020 at 10.00 a.m., for the purpose of considering and if thought fit, approving, inter-alia, with or without modifications, the resolution on the Proposed Renewal of Shareholders’ Mandate as Special Business.

The Broadcast Venue is strictly a main venue of the AGM where the Chairperson will be present in complying with Section 327 (2) of the Companies Act, 2016. Thus, NO MEMBERS/PROXIES from the public will be physically present at the Broadcast Venue on the day of the AGM.

The Notice of the AGM, the Form of Proxy and Administrative Guide for the AGM are set out in the Annual Report 2019 of the Company together with this Circular/Statement are available at <https://www.mahsing.com.my/investor-relations/general-meeting-documents>.

If you wish to appoint a proxy to attend and vote on your behalf at the AGM, the appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.

(a) In Hardcopy Form

The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) By Tricor Online System (TIIH Online)

The Form of Proxy can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online (applicable to individual shareholder only) at <https://tiih.online>. Kindly refer to the Administrative Guide – Electronic Lodgement of Form of Proxy.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so. For electronic lodgement, please follow the procedures as set out in the Administrative Guide.

## 9.0 ADDITIONAL INFORMATION

Shareholders are advised to refer to the attached Appendix I for additional information.

Yours faithfully  
For and on behalf of the Board  
**MAH SING GROUP BERHAD**

**TAN SRI DATO’ SERI SITI NORMA BINTI YAAKOB**  
**CHAIRPERSON / SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

**PART B**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED  
RENEWAL OF SHARE BUY-BACK AUTHORITY FOR MAH SING GROUP BERHAD  
TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED  
SHARES PURSUANT TO SECTION 127 OF THE COMPANIES ACT, 2016**





**MAH SING GROUP BERHAD**  
Registration No. 199101019838 (230149-P)  
(Incorporated in Malaysia)

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**1.0 INTRODUCTION**

On 22 May 2020, our Board announced its intention to seek a renewal of an existing authority from our shareholders to purchase up to ten percent (10%) of our total number of issued shares from the Main Market of Bursa Securities.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM. The Notice of the AGM, the Form of Proxy and Administrative Guide for the AGM are set out in the Annual Report for the financial year ended 31 December 2019 of the Company together with this Circular/Statement are available at <https://www.mahsing.com.my/investor-relations/general-meeting-documents>.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.**

**2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

At the Twenty-Seventh AGM held on 26 June 2019, we had obtained approval of our shareholders for, inter alia, the renewal of authority for Mah Sing to purchase of up to ten percent (10%) of our total number of issued shares, subject to compliance with Section 127 of the Act, Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines, and requirements issued by the relevant authorities. The Shares will be purchased from the open market of Bursa Securities. No Shares were purchased to date since the approval was obtained at the Twenty-Seventh AGM.

As the existing authority for the Company to purchase its own shares is expiring on the conclusion of the forthcoming AGM which will be held on Tuesday, 30 June 2020, our Board has proposed to seek your approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM to enable the Company to purchase up to ten percent (10%) of its total number of issued shares as quoted on the market of Bursa Securities as at the time of purchase. As at LPD, total number of issued shares of Mah Sing is 2,427,687,855 ordinary shares. As an illustration, the maximum number of Shares which may be purchased by the Company will be no more than 242,768,785 Shares based on total number of issued shares of the Company as at LPD.

The mandate from the shareholders for the Proposed Renewal of Share Buy-Back Authority, if approved, will be effective immediately after the passing of the ordinary resolution to be tabled at the forthcoming AGM and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities, relevant requirements and guidelines.

### **3.0 AVAILABILITY OF RETAINED PROFITS AND SOURCES OF FUNDS**

The maximum amount of funds to be allocated for the Proposed Share Buy-Back must be made wholly-out of the Company's retained profits only. The Board proposes that the maximum amount of funds to be utilised for any purchase of Mah Sing Shares shall not exceed the aggregate of the Company's said retained profits of RM795,324,240 based on our latest audited statement of financial position as at 31 December 2019.

We will fund the Proposed Share Buy-Back from internally generated funds. In the event that we purchase our own Shares using external borrowings, our Board will ensure that we have sufficient funds to repay the external borrowings and that the repayment of external borrowings will have no material effect on our cash flow.

The actual number of Shares to be purchased, the timing of any purchase and the treatment of the Shares purchased would depend on, among others, current market conditions and sentiments, the retained profits and financial resources available to the Company, funding position and other relevant cost factors.

### **4.0 RATIONALE**

The Proposed Renewal of Share Buy-Back Authority, if passed, will provide the Group with an additional option to utilise its financial resources more efficiently by purchasing Mah Sing Shares from the open market to help stabilise the supply and demand of Mah Sing Shares traded on the Main Market of Bursa Securities and thereby support its fundamental value.

### **5.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, may potentially benefit the Company as follows:

- (i) The Proposed Share Buy-Back is expected to stabilise the supply and demand of our Shares as well as the fundamental value of our Shares;
- (ii) With the ability to maintain the stability of our share price through the Proposed Share Buy-Back, investors' confidence in our Shares is expected to be enhanced;
- (iii) It allows the Company to have greater flexibility in managing its capital structure and dividend policy; and
- (iv) Shares purchased which are held as treasury shares may be resold on Bursa Securities at price(s) higher than their purchase price(s) with the intention of realising gains. Alternatively, the Shares purchased by us may be distributed as share dividends to reward our shareholders.

However, the Proposed Share Buy-Back will reduce our financial resources. This may result in us foregoing other investment opportunities that may arise in the future or, deprive us of interest income that may be earned from the deposit of funds utilised for the Proposed Share Buy-Back. However, such decrease in our financial resources may be temporary since the Shares purchased which are retained as treasury shares may be subsequently resold.

Nevertheless, our Board will be mindful of the interests of the Group and our shareholders and will be prudent in undertaking the Proposed Share Buy-Back.

## 6.0 SHAREHOLDINGS OF OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Based on the Register of Directors' Shareholdings and Substantial Shareholders as at the LPD, being the latest practicable date prior to the printing of this Statement, the direct and indirect shareholdings of our Directors and substantial shareholders and Persons Connected with them before and after the full implementation of the Proposed Share Buy-Back are as follows:

	<-----Before the Proposed Share Buy-Back----->				<-----After the Proposed Share Buy-Back#----->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	<sup>*i</sup> 840,012,267	34.601	10,319,007	0.472	<sup>*i</sup> 840,012,267	38.446
Dato' Steven Ng Poh Seng	708,900	0.029	-	-	708,900	0.032	-	-
<b>Directors and Persons Connected with Tan Sri Dato' Sri Leong Hoy Kum</b>								
Datuk Leong Yuet Mei	-	-	<sup>*ii</sup> 316,814	0.013	-	-	<sup>*ii</sup> 316,814	0.015
Ms Jane Leong Jheng-Yi <sup>*iii</sup>	2,170,931	0.089	-	-	2,170,931	0.099	-	-
<b>Persons Connected with Tan Sri Dato' Sri Leong Hoy Kum</b>								
Puan Sri Datin Sri Lim Suat Kiew <sup>*iv</sup>	6,831,880	0.281	-	-	6,831,880	0.313	-	-
Mr Kwong Seng Choy <sup>*v</sup>	96,492	0.004	-	-	96,492	0.004	-	-
Mr Lionel Leong Jihn Haur <sup>*vi</sup>	142,187	0.006	-	-	142,187	0.007	-	-
<b>Persons Connected with Datuk Leong Yuet Mei</b>								
Mr Kwong Seng Choy <sup>*v</sup>	96,492	0.004	-	-	96,492	0.004	-	-
Mr Jason Kwong Yat Tung <sup>*vii</sup>	220,322	0.009	-	-	220,322	0.010	-	-

<-----Before the Proposed Share Buy-Back----->				<-----After the Proposed Share Buy-Back <sup>#</sup> ----->			
<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%

### Substantial Shareholders

Mayang Teratai Sdn Bhd	653,038,200	26.900	-	-	653,038,200	29.888	-	-
Mayang Teratai Limited	180,000,000	7.414	-	-	180,000,000	8.238	-	-
Employees Provident Fund Board	126,854,061	5.225	-	-	126,854,061	5.806	-	-
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	<sup>*viii</sup> 833,038,200	34.314	10,319,007	0.472	<sup>*viii</sup> 833,038,200	38.127

### Notes:

<sup>#</sup> Assuming that the total number of Shares purchased by us pursuant to the Proposed Share Buy-Back is based on the maximum number allowed comprising 10% of our total number of issued shares.

<sup>\*i</sup> Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd, Mayang Teratai Limited and his family members.

<sup>\*ii</sup> Deemed interested by virtue of shareholdings of family members.

<sup>\*iii</sup> Ms Jane Leong Jheng-Yi is an Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing. She is a daughter of Tan Sri Dato' Sri Leong Hoy Kum.

<sup>\*iv</sup> Puan Sri Datin Sri Lim Suat Kiew is the spouse of Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing.

<sup>\*v</sup> Mr Kwong Seng Choy is the spouse of Datuk Leong Yuet Mei, a Director of Mah Sing and sister to Tan Sri Dato' Sri Leong Hoy Kum.

<sup>\*vi</sup> Mr Lionel Leong Jihn Haur is the son of Tan Sri Dato' Sri Leong Hoy Kum, a Director and Major Shareholder of Mah Sing.

<sup>\*vii</sup> Mr Jason Kwong Yat Tung is the son of Datuk Leong Yuet Mei, a Director of Mah Sing and sister to Tan Sri Dato' Sri Leong Hoy Kum.

<sup>\*viii</sup> Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd and Mayang Teratai Limited.

Save for the proportionate increase in the percentage shareholdings including, amongst others, the voting rights as shareholders in the Company, none of our Directors, substantial shareholders and Persons Connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back.

## 7.0 FINANCIAL EFFECTS

### 7.1 Issued Shares

The effect of the Proposed Share Buy-Back on our total number of issued shares will depend on whether the Shares purchased are cancelled, resold, distributed to our shareholders or retained as treasury shares.

The Proposed Share Buy-Back will result in the reduction of our total number of issued shares if the Shares so purchased are cancelled. However, the Proposed Share Buy-Back will have no effect on our number of issued shares if all the Shares purchased are to be retained as treasury shares, re-sold or distributed to our shareholders.

Should the purchased Shares are held as treasury shares, the rights attached to them as to attending meetings, voting, receiving dividends and participating in other distributions whether cash or otherwise shall not be conferred to the holder of such treasury shares and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

Strictly for illustrative purposes only, based on the assumption that all the Shares purchased pursuant to the Proposed Share Buy-Back are cancelled, the effects of the Proposed Share Buy-Back are as follows:

	<b>Number of Shares</b>
Existing number of issued shares as at LPD	2,427,687,855
Less:	
Purchase and cancellation of own Shares pursuant to the Proposed Share Buy-Back <sup>#</sup>	(242,768,785)
	-----
Number of issued shares after the Proposed Share Buy-Back and cancellation of Shares	2,184,919,070
	=====

#### **Notes:**

<sup>#</sup> Assuming that the total number of Shares purchased by us pursuant to the Proposed Share Buy-Back is based on the maximum number allowed comprising 10% of our total number of issued shares as at LPD.

### 7.2 Net Assets

If the Shares purchased are retained as treasury shares, our consolidated net assets would decrease by the purchase cost of the treasury shares. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on our consolidated net assets.

The purchase of Shares that are retained as treasury shares and/or cancelled will increase our consolidated net assets per share if the purchase price of such Shares is below our consolidated net assets per share, and vice versa. If the treasury shares are resold on Bursa Securities, it will increase the consolidated net assets per share if we realise a capital gain from such resale, and vice versa.

### **7.3 Working Capital**

The Proposed Share Buy-Back will reduce our working capital, the quantum of which depends on the purchase prices of the Shares and the number of Shares that will be purchased pursuant to the Proposed Share Buy-Back and the effective funding cost or any loss in interest income to us. The cash flow of the Company and Group will be reduced relative to the number of Shares eventually purchased and the purchase prices of the Shares.

For Shares so purchased which are kept as treasury shares, upon its resale, our working capital will increase. Again, the quantum of the increase will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

### **7.4 Earnings**

All things being equal, whether the Shares to be purchased are kept as treasury shares or cancelled, the Proposed Share Buy-Back will result in a lower number of Shares being used for the purpose of computing our earnings per share (“EPS”), hence increasing our EPS. The extent of the effect of the Proposed Share Buy-Back on our EPS is dependent on the number of Shares purchased and the effective funding cost or loss in interest income to us or the opportunity cost in relation to other investment opportunities.

### **7.5 Dividends**

The Proposed Share Buy-Back is not expected to have any impact on the policy of our Board in recommending dividends to our shareholders, save for the flexibility in distributing the treasury shares so purchased as dividends to our shareholders if we so decide.

For the financial year ended 31 December 2019, our Board has recommended the first and final single-tier dividend of 3.35 sen per ordinary share, which is subject to the approval from our shareholders at the forthcoming AGM.

## **8. PUBLIC SHAREHOLDING SPREAD**

As at LPD, the public shareholding spread of the Company was 64.83%. The public shareholding spread is expected to be reduced to 60.92% assuming the Proposed Share Buy-Back is implemented in full based on its total number of issued shares as at LPD, and purchases made from the market and all the Shares so purchased are cancelled.

However, in accordance with Part F, Paragraph 12.14 of Chapter 12 of the Listing Requirements, we are not allowed to purchase our own Shares on Bursa Securities if such purchase(s) will result in our public shareholding spread falling below 25%. Our Board will ensure that the public shareholding spread of 25% of total number of our issued shares, excluding treasury shares (if any) is complied at all times and will not carry out the Proposed Share Buy-Back if the said purchase will result in non-compliance of the Listing Requirements in relation to public shareholding spread.

## **9. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK ON THE CODE AND THE RULES**

Pursuant to the Code and the Rules, if a person, together with persons acting in concert with him (if any), who holds more than 33% but less than 50% of the voting shares of a company and who as a result of a purchase by the company of its own voting shares, increases his holding in any period of six (6) months by an additional two percent (2%) or more of the voting shares of the company, he and the persons acting in concert would be obliged to undertake a mandatory offer under the Rules pursuant to the Code to acquire the remaining shares not already held by them. Notwithstanding the above, he and the persons acting in concert are allowed to make an application to the Securities Commission Malaysia for a waiver from implementing a mandatory offer under the Rules pursuant to the Code.

Based on the shareholdings as set out in Section 6 above, Tan Sri Dato' Sri Leong Hoy Kum, our Director and Major Shareholder, together with the persons acting in concert with him (if any), may be obliged to undertake a mandatory offer under the Rules pursuant to the Code to acquire the remaining Shares not already held by them in the event of any increases in their shareholdings in any period of six (6) months by an additional two percent (2%) or more as a result of the Proposed Share Buy-Back.

The Board is aware of the implications of the Code and the Rules, and will be mindful of such implications when making any purchase of its own shares under the Proposed Share Buy-Back.

As at the date of this Statement, we have yet to decide on the percentage of our own Shares to be purchased under the Proposed Share Buy-Back. However, should we decide to purchase our own Shares which will result in Tan Sri Dato' Sri Leong Hoy Kum and the persons acting in concert with him (if any) triggering the obligation to undertake a mandatory offer under the Rules pursuant to the Code, an exemption will be sought from the Securities Commission under the Rules pursuant to the Code before the Proposed Share Buy-Back is carried out.

**10. PURCHASE, RESALE AND/OR CANCELLATION OF SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS**

The Company has not purchased, resold and/or cancelled any of its own Shares in the preceding twelve (12) months up to the LPD.

**11. DIRECTORS' RECOMMENDATION**

Our Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in our best interest.

Accordingly, our Board recommends that you vote in favour of the resolution for the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

**12. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for additional information.

This Statement is dated 29 May 2020.

## APPENDIX I

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular/Statement and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular/Statement. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts which, if omitted, would make any statement in this Circular/Statement misleading.

#### 2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Mah Sing Group within 2 years immediately preceding the date of this Circular/Statement:

- 2.1 On 28 March 2019, the Company's wholly-owned subsidiary, Mah Sing Properties Sdn Bhd had entered into a sale and purchase agreement with TC Goldyear Sdn Bhd for the proposed acquisition of approximately 4.63 acres of freehold land in Mukim Petaling, Kuala Lumpur ("**Acquisition of Mukim Petaling Land**") for a purchase consideration of RM90,300,000. The Acquisition of Mukim Petaling Land has been completed on 12 June 2019.
- 2.2 On 23 July 2019, the Company's wholly owned subsidiary, Vienna Home Sdn Bhd had entered into a conditional sale and purchase agreement with JL99 Holdings Sdn Bhd for the proposed acquisition of a parcel of prime leasehold land in Mukim Batu, Tempat Taman Metropolitan, Kepong, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 5.47 acres for a purchase consideration of RM94,764,143.89 ("**Acquisition of Kepong Land**"). The Acquisition of Kepong Land has been completed on 2 October 2019.
- 2.3 On 6 August 2019, the Company's wholly owned subsidiary, Maxim Heights Sdn Bhd, had entered into a conditional sale and purchase agreement with KLFA Properties Sdn Bhd for the proposed acquisition of a parcel of prime leasehold land in Wangsa Melawati, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 4.515 acres for a purchase consideration of RM61,974,077.32 ("**Acquisition of Melawati Land**"). The Acquisition of Melawati Land has been completed on 5 December 2019.

#### 3. MATERIAL LITIGATION

Save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Board does not have any knowledge of any such proceedings, pending or threatened against the Group or of any facts which is likely to give rise to any such proceedings which may materially and adversely affect the position or business of the Group:

On 25 October 2019, the Company's wholly owned subsidiary, Elite Park Development Sdn Bhd ("**EPD**") had through its solicitors filed and served Statement of Claim against Zulhkiple Abu Bakar ("**ZAB**") following a general endorsed writ.

By way of a Consultancy Agreement dated 9 June 2015 ("**Consultancy Agreement**"), EPD appointed ZAB to provide amongst others, value engineering services to the original foundation and structural designs ("**Services**") for the buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor.



## APPENDIX I

EPD has appointed experts and found that ZAB's designs are not in accordance with established engineering practices and standards. EPD claims ZAB is in breach of the Consultancy Agreement and/or negligent in providing the Services to EPD. As such, EPD is claiming for damages against ZAB as follows:

- (i) A total sum of damages of RM40,670,558 and/or alternatively for damages to be assessed; and
- (ii) Interest at the rate of 5% or any other rate as the Court deems fit and proper on the judgement sum calculated from the date of judgement until the date of final settlement and costs.

The solicitors of EPD are of the view that EPD has good grounds in succeeding in its claims against ZAB. It is too preliminary at this stage to ascertain the potential recoverable amount.

Apart from the above claim amount, EPD's claim is not expected to have any other material financial and operational impact for the financial year ended 31 December 2019.

On 27 November 2019, ZAB has filed a statement of defence and counterclaim against EPD alleging amongst others:

- (i) Unlawful termination of the Consultancy Agreement;
- (ii) EPD pay to ZAB a total sum of RM114,088 being ZAB's outstanding fee under the Consultancy Agreement; and
- (iii) General damages to be assessed.

## 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, following the publication of this Circular/Statement from Monday to Friday (except Public Holidays) during business hours up to and including the date of the AGM:-

- (a) The Constitution of the Company;
- (b) The audited financial statements of Mah Sing for the past two (2) financial years ended 31 December 2018 and 2019;
- (c) The material contracts referred to in Section 2 above; and
- (d) The relevant cause papers referred to in Section 3 above.

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