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

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MahSing

Reinvent Spaces. Enhance Life.

MAH SING GROUP BERHAD

[Registration No.: 199101019838 (230149-P)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF MAH SING GROUP BERHAD TO INCLUDE MANUFACTURING AND TRADING OF GLOVES AND RELATED HEALTHCARE PRODUCTS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

 **HongLeong Investment Bank**

Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

The Extraordinary General Meeting (“**EGM**”) of Mah Sing Group Berhad (“**Mah Sing**”) will be conducted virtually through the 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 Monday, 21 December 2020 at 10.00 a.m. The Notice of EGM, together with the Form of Proxy and Administrative Guide for the EGM, are enclosed in this Circular.

If you are entitled to attend, participate, speak (including posing questions to the Board of Directors of Mah Sing via real time submission of typed texts) and vote (collectively, “**Participate**”) remotely at the EGM via the Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”), you may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) to attend and vote on your behalf. If you decide to do so, you must lodge the completed Form of Proxy at the office of the Share Registrar of Mah Sing 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 at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, the submission of Form of Proxy can be made through electronic lodgement via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time for holding the EGM or adjourned meeting. If you wish to personally Participate in the EGM, please do not submit any Form of Proxy. You will not be allowed to personally Participate in the EGM together with a proxy appointed by you. For electronic lodgement, please follow the procedures as set out in the Administrative Guide for the EGM.

Last date and time for lodging the : Saturday, 19 December 2020 at 10.00 a.m.
Form of Proxy

Date and time of the EGM : Monday, 21 December 2020 at 10.00 a.m.

Meeting platform : <https://tiih.online>

The Circular is dated 4 December 2020

DEFINITIONS

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

1H19	:	The first half of the year 2019
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of Mah Sing
CE Marking Certification	:	A certification mark that indicates that a product has been assessed by the manufacturer and deemed to meet the European Union's safety, health and environmental protection requirements. The certification mark is required for products manufactured anywhere in the world that are then marketed in countries which are members of the European Union
Circular	:	This circular dated 4 December 2020 issued to the shareholders of Mah Sing in relation to the Proposed Diversification
Convertible Sukuk	:	Issuance of up to RM100.0 million nominal value of 7-year redeemable convertible Sukuk Murabahah
COVID-19	:	Coronavirus disease 2019
EGM	:	Extraordinary general meeting
FDA Certification	:	Certification from the Food and Drug Administration
FPE	:	Financial period ended
FYE	:	Financial year ended
Gloves Asset	:	12 new gloves production lines and all other ancillary machineries and equipment such as formers, thermal oil boiler, air cooled chiller and waste water treatment plant that are expected to yield an estimated total production capacity of up to 3.68 billion pieces of gloves per annum
Gloves Business	:	Manufacturing and trading of gloves and related healthcare products
HLIB or Principal Adviser	:	Hong Leong Investment Bank Berhad
Landlord	:	Minho Kilning (Klang) Sdn Bhd
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
LPD	:	13 November 2020, being the latest practicable date prior to the printing of this Circular
MARGMA	:	Malaysian Rubber Glove Manufacturers Association
Mah Sing or Company	:	Mah Sing Group Berhad
Mah Sing Group or Group	:	Mah Sing and its subsidiaries, collectively
Mah Sing Shares or Shares	:	Ordinary shares in Mah Sing
MCO	:	Movement Control Order

DEFINITIONS (CONT'D)

MSHSB	:	Mah Sing Healthcare Sdn Bhd (formerly known as Kenwira Sdn Bhd), an indirect wholly-owned subsidiary of Mah Sing
MSPISB	:	Mah Sing Plastics Industries Sdn Bhd, a wholly-owned subsidiary of Mah Sing
NA	:	Net assets
PBT	:	Profit before taxation
Plastic Business	:	Manufacturing, assembly and trading of a range of plastic moulded products under our Group
Property	:	Part of a land measuring approximately 313,548 square feet with a single storey warehouse measuring approximately 228,800 square feet and a double storey office located at Lot 6478, Jalan Kapar Batu 6, Kawasan Perindustrian Ladang Sungai Puloh, 42100 Klang, Selangor
Property Business	:	Investment and development of residential, commercial and industrial properties under our Group
Proposed Diversification	:	Proposed diversification of the principal activities of Mah Sing to include manufacturing and trading of gloves and related healthcare products, such as but not limited to, manufacturing and/or distribution of personal protective equipment, pharmaceutical or medical products and services as well as related upstream and downstream activities
RM	:	Ringgit Malaysia
Sukuk Murabahah Programme	:	An Islamic medium term note programme of RM1.0 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) which allows multiple issuances of rated, unrated, secured, unsecured, convertible and/or non-convertible Islamic medium term notes
Tenancy Agreement	:	A tenancy agreement dated 8 October 2020 entered into between MSHSB and the Landlord (as supplemented by a supplemental tenancy agreement dated 27 November 2020) to occupy the Property
US	:	United States of America

References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires, shall include our Company and our subsidiaries. References to “**you**” and “**your**” in this Circular are to our shareholders.

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

All references to an enactment in this Circular are references to that enactment 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 specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy in this Circular between the amounts listed, actual figures and the totals thereof, are due to rounding differences.

DEFINITIONS (CONT'D)

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 our 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 our Company's plans and objectives will be achieved.

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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

4 December 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*)
Abd Malik Bin A Rahman (*Independent Non-Executive Director*)
Ho Kim Poi (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 15 October 2020, HLIB had on behalf of our Board, announced that our Company proposed to undertake the Proposed Diversification.

In view of the Proposed Diversification, our Company is seeking the approval from our shareholders for the Proposed Diversification at our forthcoming EGM to be convened, pursuant to Paragraph 10.13(1) of the Listing Requirements as the contribution from the Proposed Diversification is expected to be 25.0% or more of the net profits of our Group. Notwithstanding the Proposed Diversification, our Group will continue with our existing business activities.

In connection with the Proposed Diversification, MSHSB has engaged an equipment supplier to install 12 new gloves production lines that are expected to yield an estimated total production capacity of up to 3.68 billion pieces of gloves per annum.

MSHSB had entered into the Tenancy Agreement to enable our Company to commence the Gloves Business as the Gloves Asset will be set up, installed and commissioned at the Property. Further details on the Tenancy Agreement are set out in Section 2.5 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED DIVERSIFICATION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM, THE FORM OF PROXY AND THE ADMINISTRATIVE GUIDE FOR THE EGM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

Presently, our Group is principally involved in the following sectors:

- (i) Properties : investment and development of residential, commercial and industrial properties, which is the main revenue driver of our Group
- (ii) Plastics : manufacturing, assembly and trading of a range of plastic moulded products
- (iii) Hotels : provision of hospitality management services
- (iv) Investment holding and others : investment holding, provision of management and property support services and trading of building materials

Our Group's financial performances for the past 3 financial years are as follows:

Group	←----- Audited ----->			←----- Unaudited ----->	
	FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	FPE 30 September 2019	FPE 30 September 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,915,791	2,192,933	1,789,693	1,347,053	1,057,973
PBT	472,283	347,610	270,219	211,927	106,032

For the FYE 31 December 2017, the decrease in revenue and PBT as compared to previous year were mainly due to certain development phases within the Southville City project reaching completion and higher finance costs incurred. For FYE 31 December 2018 and FYE 31 December 2019, the decrease in revenue and PBT as compared to prior year were mainly attributable to property development segment where higher proportion of new sales was secured from new property projects such as M Vertica in Cheras and M Centura in Sentul, that were at initial stages of completion. Contribution from these new property projects could only be expected to be more significant once the construction progress picks up. In addition, for FYE 31 December 2019, the provision of impairment loss for hotel operating assets amounting to RM15.1 million as well as the write down of certain completed properties to net realisable value amounting to RM24.1 million also contributed to the decrease in PBT. For FPE 30 September 2020, the decrease in revenue and PBT as compared to previous period were mainly due to lingering impact of MCO when site progress came to a halt, the Conditional MCO where level of activities on sites were lower, the strict lending environment which affected sales conversion and impairment charges for hotel operating assets of approximately RM10.0 million.

As a measure to enhance our Group's medium-term financial performance, our Group has identified additional sources of income to improve our Group's financial performance which includes tapping into the global market to reduce the over reliance on the domestic market for our Property Business in view of the cyclical nature of the property sector. Our Group anticipates that the Proposed Diversification may help to mitigate our Group's potential downside risk arising from the wide-ranging effects of COVID-19 to the local and global economy. As explained in Section 4.1 of this Circular, the short-term outlook for the property market will remain challenging and from the BNM's Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020 report released on 14 August 2020, it appears that there is a decline in the loan approval rate in Malaysia.

In view of this, the Proposed Diversification is anticipated to provide additional income stream to our Group and is also expected to be another source of income to our Group moving forward. Since the outbreak of the COVID-19 pandemic, our Company's management has noted that the global demand for personal protective equipment which includes gloves have been rising significantly. Our Company's management also anticipates the global demand for gloves will continue to be driven by growth arising from global and domestic healthcare services industry, growing aging population with the elderly being more susceptible to diseases, the need of improving healthcare requirements as hygiene measures become stricter, improving workplace safety requirements driven by initiatives by governments in emerging markets and other end-user markets such as manufacturing sector. Given the potential growth prospects of the gloves industry and our Group has resources and expertise in manufacturing from more than 40 years of experience in the Plastic Business which will complement the Gloves Business, the Proposed Diversification will allow our Group to take advantage of the growing global structural increase in demand for gloves.

To further illustrate the strength of the Plastic Business, our Group has over 40 years of experience in the manufacturing of plastic moulded products which had contributed to a steady stream of income over the years to our Group. We set out below the revenue and PBT for our Group's Plastic Business for the past 3 financial years:

Plastic Business	<----- Audited ----->			<----- Unaudited ----->	
	FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	FPE 30 September 2019	FPE 30 September 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	296,205	303,852	327,051	240,880	204,653
PBT	13,934	19,868	18,066	11,675	7,169

For FYE 31 December 2017, revenue was higher as compared to previous year due to higher pallets sales but PBT was lower due to higher administrative and selling and marketing expenses. For FYE 31 December 2018, the higher revenue as compared to prior year was due to increase in sales of automotive parts while the higher PBT was pursuant to the sales of mould which was included in other income. For FYE 31 December 2019, the higher revenue as compared to previous year was mainly due to the increase in production capacity while the lower PBT was mainly due to inclusion of gains from sales of mould in previous year PBT. For FPE 30 September 2020, the decrease in revenue and PBT as compared to previous period were mainly due to lower orders for automotive parts pursuant to the suspension of automotive production during partial lockdown in Indonesia.

In addition, there are potential synergies to be derived amongst the Gloves Business, Plastic Business and Property Business. The Gloves Business can leverage on our existing processes from the Plastic Business such as the raw materials procurement, quality control, research and development, logistics and supply chain planning and from our Property Business, reliance can be placed on the strength of the branding and marketing, business development, project planning and human resource divisions.

The outbreak of the COVID-19 pandemic has led to the heightened global demand for personal protective equipment which includes gloves. According to MARGMA, global demand for gloves is expected to reach 330 billion pieces of gloves this year due to the ongoing COVID-19 pandemic, an increase of 11.49% from 2019 of 296 billion pieces of gloves. Moving forward, our Company's management has also anticipated the global demand for gloves to be driven by the growth in the global healthcare services industry, the global industrial production activities and other non-healthcare industries such as food and beverages and tourism as well as the increase in gloves consumption from developing countries.

Based on the anticipated pandemic-driven surge which is outstripping estimated new supply coming in from major gloves producers, which has also pushed up the average selling price of gloves, our Group anticipates that the Proposed Diversification may be one of the contributors of our Group's revenue stream in the future. As required under Paragraph 10.13(1) of the Listing Requirements, a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (i) the diversion of 25.0% or more of the NA of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- (ii) the contribution from such an operation of 25.0% or more of the net profits of the listed issuer.

As our Group's contribution from the Gloves Business is expected to be 25% or more of the net profits of our Group, our Company is seeking the approval from our shareholders for the Proposed Diversification at our forthcoming EGM to be convened, pursuant to Paragraph 10.13(1) of the Listing Requirements. Nevertheless, our Company will continue with our Group's existing business activities.

2.1 Details of the Gloves Business

To facilitate our Group's diversification into the Gloves Business, MSHSB, will undertake the Gloves Business. Further details of MSHSB are set out in Section 2.4 of this Circular.

Pursuant to the Proposed Diversification, our Group will own 12 new gloves production lines for the first phase of the Gloves Business. The Gloves Asset is expected to yield up to 38,000 pieces of gloves per production line per hour and an estimated total production capacity of up to 3.68 billion pieces of gloves per annum. It is anticipated that 6 of the new gloves production lines are expected to commence production in the second quarter of 2021 while the remaining 6 new gloves production lines are expected to commence in the third quarter of 2021. This will still be subjected to the lead time for the set up, installation and commencement of the Gloves Asset.

The capital expenditure for the first phase of the Gloves Business is estimated to be approximately RM160.0 million. This capital expenditure includes, amongst others, the proposed installation of the 12 new gloves production lines and other machineries and equipment such as formers, thermal oil boiler, air cooled chiller, waste water treatment plant, external services such as pipe laying works and electrical services as well as the refurbishment work for the warehouse located on the Property. Our Group intends to fund the capital expenditure through a combination of sources that may include internally generated funds, bank borrowings, the proposed issuance of Convertible Sukuk announced on 24 September 2020, the unutilised portion of the Sukuk Murabahah Programme and the unutilised portion of the perpetual securities programme of up to RM1.0 billion in nominal value respectively.

In anticipation of the growth in the Gloves Business, our Group is targeting a second phase of the expansion plan when demand outstrips the capacity of the Gloves Asset. The second phase is expected to include another 12 new gloves production lines housed at the area behind the Property and expected to yield an additional production capacity of up to 3.68 billion pieces of gloves per annum. We are also currently in negotiations with the Landlord to rent additional land on such terms and conditions to be agreed by the parties. Depending on various factors including the type of machinery used, the number of lines to be installed could range between 12 (long) lines and 24 (short) lines. If demand permits, our Group intends to gradually expand up to 100 gloves production lines as part of our Group's future expansion plan. Our Company's management is of the view that this expansion plan will depend on, amongst others, the interest on our gloves from buyers, the availability of raw materials, the demand from the global healthcare services industry, the global industrial production activities and other non-healthcare industries such as food and beverages and tourism as well as the performance of the Gloves Business moving forward.

As at the LPD, our Group has engaged with several suppliers and is in the midst of identifying other suppliers for the supply of raw materials required for the production of gloves. The raw materials are expected to be sourced locally and/or overseas. Our Group has also engaged with several distributors to market and sell gloves. Notwithstanding the above, prospective customers locally and overseas have made enquiries to place orders for gloves.

Our Group's target market for the export of gloves are the US, Europe and other countries to capture the global demand of gloves in those countries. To facilitate the export of the gloves to said countries, our Group has engaged a consultant to prepare for the submission of the applications of the necessary certifications as required by authorities and regulators from the industry and the respective local authorities.

For the export to the US, our Group intends to obtain the FDA Certification (typically recognised in the US). For the export to the European region, our Group intends to obtain the CE Marking Certification (typically recognised in the European region). Our Group has engaged a consultant to prepare for the submission of the applications for the FDA Certification, CE Marketing Certification and Medical Device Authority certifications. MSHSB's application for the FDA registration for the export of gloves to the US has been approved and is currently pending the issuance of certificate by Registrar Corp that MSHSB is registered with the FDA.

In Malaysia, our Group has on 25 August 2020 obtained an interim approval from Ministry of International Trade and Industry for our manufacturing license for examination, surgical and other gloves and on 3 November 2020 obtained the Department of Environment's review and support for its glove manufacturing factory at the Property. Our Group is also in the midst of applying and liaising with the following local authorities to obtain the relevant regulatory approvals for the Gloves Business:

- (i) Fire and Rescue Department Malaysia;
- (ii) Local District Council;
- (iii) Department of Occupational Safety and Health;
- (iv) Malaysian Rubber Board; and
- (v) Medical Device Authority.

Barring any unforeseen circumstances, our Group targets to obtain the approvals from the above authorities / regulatory bodies in Malaysia by the first quarter of 2021.

2.2 Key management personnel

Our Group also intends to strengthen its competency in the Gloves Business by engaging experienced personnel to support the Gloves Business.

Our Board believes that our Group has the capacity, capability and resources to diversify into the Gloves Business by capitalising on the competency and experience of the following key management personnel identified at this juncture:

(i) Lawrence Khoo

Lawrence Khoo, a Malaysian, aged 63, graduated as a Certified Public Accountant and was admitted as a member of the Malaysian Institute of Certified Public Accountants in 1990. He has more than 30 years of experience in the rubber industry.

He was employed by London International Group PLC for a total of 15 years where he was the Finance Director for its rubber manufacturing operations in Malaysia for 6 years before being seconded to Hong Kong in 1996 to manage its Asia Pacific commercial and finance operations. He joined Smart Glove Corporation Sdn Bhd in 2006. Over the years, he has served as Chief Financial Officer, managing its finance operations in Malaysia and Indonesia before joining MSHSB in 2020.

He has various experiences in the areas of operational, managerial and commercial roles. With that, he is expected to lead our Group's venture into the Gloves Business. His past experience with enterprise resource planning ordering / logistics system development, drafting of commercial contracts and dealings with distributors will be crucial in establishing and leading a team to undertake the Gloves Business. Meanwhile, his past commercial experience will be key in securing sales orders and setting up the distribution channels to market the gloves and related healthcare products. His role will include general management, covering operations, supply chain and procurement, sales and marketing, quality and regulatory, finance, human resource and administrative and continuous improvement in the Gloves Business.

(ii) Lee Foo Keong

Lee Foo Keong, a Malaysian, aged 53, graduated from the University of Warwick, United Kingdom, with a Master Degree in Manufacturing Systems Engineering in 1992. After completing his studies, he returned to Malaysia and joined MSPISB. He is currently the Executive Director of MSPISB and is overseeing the Plastic Business's operations. He has been the key proponent of MSPISB's continued push for research and development, operational cost reduction, factory digitalization & automation, as well as the new business and talent development.

He has been holding different managerial positions in MSPISB's Research & Development, Factory Operations, Sales & Marketing and Strategic Business Development divisions. He served as the General Manager and Chief Operating Officer of MSPISB prior to his appointment as Executive Director in MSPISB.

Throughout the years, he has accumulated various experiences in business development, operational, managerial, marketing and customer relations roles. With that, he is expected to lead our Group's venture into the Gloves Business by providing advisory services to MSHSB specifically on the manufacturing activities for the Gloves Business.

Apart from the above key management personnel, our Group has recruited 5 other management personnel, namely, the Production Manager, the Technical Research and Development Manager, the Maintenance & Engineering Manager and the Costing & Account Manager who are from gloves manufacturing background as well as the Human Resource and Administrative Manager. They are expected to commence employment with our Group in December 2020 which will help mitigate the risk of loss of key management personnel. Our Group is also in the midst of hiring other experienced management and operational personnel including engineers and chemists with the relevant gloves manufacturing and technical know-how, coupled with the progressive recruitment of operational/factory staff. Hiring of the staff shall be done on a progressive basis depending on when the lines are commissioned, with an estimation of up to 50 personnel required for each line. We expect that the total number of employees required to man the 12 lines could come up to approximately 600 staff with relevant gloves manufacturing experience to undertake various roles. Our Group will rely on our Group's existing finance, human resources, sales and marketing and administrative divisions as well as procurement, quality assurance and contract divisions until our Group finds suitable candidates to run the Gloves Business independently.

As at the LPD, our Group is unable to ascertain the breakdown of number of staff for each role and intends to recruit the staff in stages. Our Group intends to run the production of gloves on 2 shifts, i.e. day shift and night shift.

2.3 Additional financial commitment

Upon obtaining the approval from our shareholders for the Proposed Diversification, apart from the capital expenditure, other funding required for the operation of the Gloves Business such as working capital, administrative expenses, costs to hire management team (as stated in Section 2.2 above), marketing plan and other miscellaneous expenses is expected to be mainly funded by sales collection from our customers of the Gloves Business upon commencement. The additional capital expenditure funding required for our Group's second phase expansion plan will depend on the number and specifications of production lines to be commissioned with an estimation of between RM12.0 million to RM15.0 million per line (including all other ancillary machineries and equipment). Such financial commitment is expected to be funded via internally generated funds (including those to be generated from the initial operations of the Gloves Business), bank borrowings, the proposed issuance of Convertible Sukuk announced on 24 September 2020, the unutilised portion of the Sukuk Murabahah Programme and the unutilised portion of the perpetual securities programme of up to RM1.0 billion in nominal value respectively.

2.4 Information on MSHSB

2.4.1 History and principal activities

MSHSB is a private limited company incorporated in Malaysia on 11 September 1995 under the Companies Act, 1965 (and deemed incorporated under the Companies Act 2016) as Kenwira Sdn Bhd and subsequently changed its name to its present name on 28 August 2020. Its principal activities are investment holding, manufacturing, marketing, trading of gloves and related healthcare products.

2.4.2 Share capital

As at the LPD, the issued share capital of MSHSB is RM100.0 comprising of 100 ordinary shares.

2.4.3 Director

As at the LPD, the directors of MSHSB are Datuk Ho Hon Sang, Mr Hong Hock Seng, Mr Lee Foo Keong and Mr Leow Thiam Lye.

2.4.4 Shareholder

As at the LPD, MSHSB is an indirect wholly-owned subsidiary of our Company.

2.5 Details of the Tenancy Agreement

Address	Lot 6478, Jalan Kapar Batu 6, Kawasan Perindustrian Ladang Sungai Puloh, 42100 Klang, Selangor
Use of Property	Trading and manufacturing of gloves
Gross Property area	313,548 square feet (less such portion as may be surrendered to the relevant authorities/government for drain reserve and service road) with a single storey warehouse measuring approximately 228,800 square feet together with a double storey office erected thereon
Term	3 years, effective 1 November 2020 until 31 October 2023 with an option to renew for four further terms of three years each on the revised rental set out in the Tenancy Agreement and upon the same terms and conditions (except for the relevant renewal provision(s))
Rental rate	RM274,560.00 per month. For the first renewal term, the rental shall be the same and for the following three renewal terms, rental shall be determined at the prevailing market rate or at a rate not exceeding 10% of the immediate previous term (whichever is lower).
Rental deposit	RM823,680.00, being a sum equivalent to 3 months rental
Special conditions	If the Landlord intends to sell the land during the term of the Tenancy Agreement, MSHSB has the option to purchase the land and the first right of refusal to purchase the land at the market price, or price and the terms and conditions to be mutually agreed by both parties. MSHSB also has the first right of refusal and option to rent the area located behind the Property at market rate or at a rate to be mutually agreed between both parties.

For avoidance of doubt, the Property can accommodate up to a maximum production capacity of 12 new gloves production lines with an expected yield of an estimated total production capacity of up to 3.68 billion pieces of gloves per annum.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

As set out in Section 2 of this Circular, the Proposed Diversification will allow our Group to enter the Gloves Business which provides the possibility of growth based on the anticipated pandemic-driven surge which is outstripping estimated new supply coming in from major glove producers, the growth in the global healthcare services industry, the global industrial production activities and other non-healthcare industries such as food and beverages and tourism as well as the increase in gloves consumption from developing countries. This will also provide our Group access to the global market, thus reducing over reliance on the domestic market for our Group's Property Business which is cyclical in nature. Our Group anticipates that the Proposed Diversification may help mitigate potential downside risk of our Group arising from the wide-ranging effects of the COVID-19 pandemic to the local and global economy.

As explained in Section 4.1 of this Circular, the short-term outlook for the property market will remain challenging. Furthermore, from the BNM's Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020 report released on 13 November 2020, it appears that there is a decline of loan approval rate in Malaysia.

In view of the anticipated pandemic-driven surge which is outstripping estimated new supply coming in from major glove producers, which has also pushed up the average selling price of gloves, the Proposed Diversification may contribute 25% or more of the net profits of our Group. The Proposed Diversification may provide an additional income stream to our Group instead of relying on our Group's current core business, namely the Property Business. This is part of our Group's business plan to further enhance our Group's financial performance.

Notwithstanding the Proposed Diversification, our Company will continue with our Group's existing business activities.

4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

4.1 Overview and outlook of the Malaysian economy and property industry

According to BNM in its Monetary Policy Statement announced on 10 September 2020, it has decided to maintain the overnight policy rate at 1.75%. Accordingly, BNM noted that the global economy continues to improve, with the easing of containment measures across more economies and strong policy support. The re-opening of production facilities has led to a resumption of manufacturing and trade activity. However, the recovery in the services sector has been slower. Financial conditions have improved, although risk aversion remains elevated. The outlook is still subject to downside risks and uncertainty, primarily due to the risk of a resurgence of the pandemic and weaker labour market conditions.

For Malaysia, economic activity continues to recover from the trough in April this year. Latest high frequency indicators show that labour market conditions, household spending and trade activity have continued to improve. Also supporting the economic recovery are the fiscal stimulus packages, alongside monetary and financial measures. Looking ahead, the improvement is expected to continue into 2021, supported by the recovery in external demand and expansion in private sector expenditure. However, the pace of recovery will be uneven across sectors, with economic activity in some industries remaining below pre-pandemic levels, and a slower improvement in the labour market. This outlook is still subject to downside risks, particularly from ongoing uncertainties surrounding the course of the pandemic domestically and globally.

Inflationary pressures are expected to remain muted in 2020. Headline inflation is likely to average negative in 2020 given the substantially lower global oil prices, and average higher in 2021, within the earlier projected ranges. The outlook, however, will continue to be significantly affected by global oil and commodity prices. Underlying inflation is expected to be subdued amid spare capacity in the economy.

The cumulative 125 basis points reduction in the overnight policy rate this year will continue to provide stimulus to the economy. Given the outlook for growth and inflation, BNM considers the stance of monetary policy to be appropriate and accommodative. BNM remains committed to utilise its policy levers as appropriate to create enabling conditions for a sustainable economic recovery.

According to Ministry of Finance's press release on 22 September 2020, there were 75,318 transactions worth RM25.61 billion recorded in the first half of the year 2020, declining 24.6% in volume and 26.1% in value compared to 1H19. Performance across the states was less than encouraging as all states recorded declines in market activity. Selangor contributed the highest volume and value to the national market share, with 22.8% in volume (17,178 transactions) and 32.9% in value (RM8.44 billion). In the primary market, the number of new launches in the first half of the year 2020 were far behind those recorded in 1H19. A total of 13,294 units were launched, down by 43.6% against 23,591 units in 1H19. Against the preceding half year, the launches were lower by 31.6% (second half 2019: 19,444 units).

The Government of Malaysia had on 5 June 2020 announced the Short Term National Economic Recovery Plan which will be spearheaded by Pelan Jana Semula Ekonomi Negara and includes incentives for the property sector, such as listed below, to stimulate the property market and provide financial relief to home buyers:

- (i) Home Ownership Campaign to be reintroduced:
 - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM 1 million of the home price while full stamp duty exemption is given on loan agreements effective for sale and purchase agreements signed between 1st June 2020 to 31st May 2021;
- (ii) Real Property Gains Tax exemption for disposal of residential homes from 1st June 2020 to 31st December 2021 (This exemption is limited to the disposal of three units of residential homes per individual); and
- (iii) in addition, the current 70% margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, will be uplifted during the period of the Home Ownership Campaign, subject to internal risk management practices of financial institutions.

(Source: BNM, Ministry of Finance and Pelan Jana Semula Ekonomi Negara)

4.2 Gloves industry in Malaysia

According to MARGMA, in 2019 Malaysia was the world's largest exporter of gloves, where export of gloves from Malaysia contributed to approximately 65% of total global demand for gloves.

At the beginning of the year 2020, MARGMA forecasted about 210-220 billion pieces of gloves exported. However, Malaysia's gloves export at this juncture has increased nearly 20% to 230 billion pieces of gloves, up from 192 billion pieces in 2019 and global demand for gloves is expected to reach 330 billion pieces of gloves this year, giving Malaysia a forecasted 67% market share.

As reported by Department of Statistics Malaysia on 9 November 2020, in value terms, gloves have seen its export value increased by 25.6% from RM3.0 billion in August 2020 to RM3.8 billion in September 2020. According to Malaysian Rubber Council, export of surgical gloves have increased from approximately RM1.3 billion in 2014 to approximately RM1.6 billion in 2019 while gloves other than surgical gloves have increased from approximately RM9.4 billion in 2014 to approximately RM15.8 billion in 2019.

According to World Health Organisation (“**WHO**”), since the start of the COVID-19 outbreak, prices of gloves, medical masks, respirators, goggles, face shields, gowns, and aprons have surged. Surgical masks have seen a sixfold increase, N95 respirators have trebled and gowns have doubled. WHO has called on industry and governments to increase manufacturing by 40% to meet rising global demand.

According to MARGMA, for the first quarter of 2020, Malaysia’s top 5 export markets for gloves in terms of total export value are US (36.3%) followed by Germany (6.4%), Japan (6.1%), China (6.0%) and United Kingdom (3.5%).

(Source: MARGMA, Malaysian Investment Development Authority, Department of Statistics Malaysia, Malaysian Rubber Council and World Health Organisation)

Our Company’s management is of the view that global demand for gloves had in the past grown significantly during epidemic and pandemic disease outbreaks such as Severe Acute Respiratory Syndrome in 2003, Ebola virus disease in 2014-2016 and Middle East Respiratory Syndrome in 2015 as usage among medical professionals surged.

4.3 Outlook and prospects of the global gloves market

The outbreak of the COVID-19 pandemic has led to the heightened global demand for personal protective equipment which includes gloves. According to MARGMA, global demand for gloves is expected to reach 330 billion pieces of gloves this year due to the ongoing COVID-19 pandemic. According to the Health Industry Distributors Association in the US, during the COVID-19 pandemic, global demand for single use gloves have skyrocketed, exceeding the production capacity of manufacturers by an estimated 215 billion units, or about 37%.

As reported by the European Centre for Disease Prevention and Control on 13 September 2020, there were more than 28 million COVID-19 cases globally and more than 900,000 deaths globally. WHO has recommended medical gloves to be worn by medical professionals for two main reasons, firstly, to reduce the risk of contamination among them and secondly, to reduce the risk of germ dissemination to the environment and of cross-contamination among medical professionals and patients.

(Source: MARGMA, World Health Organisation, European Centre for Disease Prevention and Control and Health Industry Distributors Association)

Hence, our Company’s management anticipates a boost in the global demand for medical gloves from countries that are still severely affected. Moving forward, our Company’s management has anticipated the global demand for gloves to be largely driven by the growth in the global healthcare services industry as well as the increase in gloves consumption from developing countries. In addition, it is anticipated that the global industrial production activities and other non-healthcare industries such as food and beverages and tourism for demand of gloves and related healthcare products would increase.

4.4 Prospects and future plan of our Group

Our Group is primarily involved in the Property Business and Plastic Business. The Proposed Diversification will provide our Group access to the global market in the Gloves Business instead of relying on the local market of our Group's Property Business. In addition to the manufacturing and trading of gloves, our Group may venture into related healthcare products such as personal protective equipment, pharmaceutical or medical products and services as well as related upstream and downstream activities should the demand for such products or services arise. The additional financial commitment required to venture into related healthcare products cannot be determined at this juncture. Furthermore, the Proposed Diversification may present an opportunity to our Group to add additional income stream while capitalising on the surge in global demand for gloves. The Gloves Business may provide another source of income for our Group in the medium to long term. The Proposed Diversification may also help mitigate potential downside risks of our Group existing business arising from the wide-ranging effects of the COVID-19 pandemic to the local economy including the local property market and the global economy.

Moving forward, our Group will focus on improving its business strategy by streamlining our Group's operations and continued monitoring of the Property Business and Plastic Business. In respect of the Gloves Business, our Group will from time to time assess demand for gloves and the manufacturing capacity of our Group's gloves production lines and intend to expand further with additional gloves production lines or may even explore acquiring other existing and/or new gloves production lines if demand outstrips supply.

Premised on the above as well as the potential positive outlook and prospects of the gloves industry in Malaysia and globally, our Board is optimistic about our Group's future prospects.

5. RISK FACTORS

5.1 Business diversification risks

The Proposed Diversification exposes our Group to risks inherent to the gloves manufacturing industry as our Group has no experience other than manufacturing of plastic injection moulded products. These may include, amongst others, general economic downturn in the global and regional economies, competition from existing players, socio-political instability, changes in the legal and environmental framework within which this industry operates and changes in global demand of gloves.

The global demand for gloves at this moment is quite dependent on factors such as the severity of the COVID-19 pandemic, the availability of a vaccine and the commercial viability to make available such a vaccine to the masses, the growth in the global and domestic healthcare services industry, growing aging population with the elderly being more susceptible to disease, the need of improving healthcare requirements as hygiene measures become stricter, improving workplace safety requirements driven by initiatives by governments in emerging markets and other end-user markets such as manufacturing sector.

Although our Group intends to limit these risks, no assurance can be given that any occurrence of these events will not have a material adverse effect on our Group's business and earnings in the future pursuant to the Proposed Diversification.

5.2 No prior experience in the Gloves Business

Our Company is primarily involved in Property Business and Plastic Business as set out in Section 2 of this Circular. As such, our Group does not have any direct prior experience in Gloves Business. In particular, the production processes and marketing strategies that may be required for the success of the Gloves Business may be relatively unique and distinct from our Group's existing business.

Nevertheless, our Group has 40 years of experience in the Plastic Business and believes that the experience and expertise of our Group's Plastic Business will provide our Group with the necessary experience, expertise and knowledge in the Gloves Business, where there is similarity to the Plastic Business processes such as procurement and compounding of raw materials, packaging, quality checking, logistics, warehousing and supply chain management.

Our Group is also of the view that there is a sufficient pool of talent with suitable technical expertise. As such, our Group believes that our Group will be able to recruit and assemble a team with the relevant expertise who will be able to learn quickly for the smooth running of the Gloves Business. Our Group is also exploring the setting up of a research and development team to develop and improve the quality and variety of gloves.

5.3 Risk of delay / failure in obtaining the necessary regulatory certifications

Our Group has no prior experience in the application for any medical certifications such as the FDA Certification and CE Marking Certification with local and foreign authorities for the sale of medical gloves at the relevant countries / regions under their jurisdiction.

Our Group has engaged a consultant to prepare for the submission of the applications for the abovementioned certifications so that the approvals can be obtained in a timely manner. In the unlikely event of any adverse development or delay in the application of the relevant certifications, the export of medical gloves to the target markets may be delayed or some target markets may be off limits to our Group. As such, this may limit our Group's ability to sell / export medical gloves. This can be mitigated by selling the gloves as disposable gloves.

Our Group understands that certain gloves customers may already have their FDA Certification and CE Marking Certification in place which can be used by a manufacturer pursuant to an Original Equipment Manufacturer arrangement if so requested by customers, which may be an option available to our Group.

There is no assurance that the medical gloves to be manufactured by our Group can comply with all of the said certifications or that the said certifications can be obtained in a timely manner. Nevertheless, our Group is in the midst of liaising closely with the relevant local and foreign authorities on the necessary steps needed to obtain the relevant certifications. With proactive measures, our Group intends to commence the application progress as soon as practicable in order to avoid any unforeseen delays.

5.4 Competition risk

Our Group's Gloves Business may face competition from existing competitors and/ or new entrants operating in the gloves industry, from both local and regional players. Nevertheless, our Group will continue to take proactive measures to remain competitive in this business by inter-alia, constantly keeping abreast with the latest market conditions, continuing efforts in maintaining a competitive edge in terms of cost and operational efficiency throughout its value chain and investment in automation, product development and technology for better productivity as well as product quality. These proactive measures should allow our Group to stay ahead in terms of cost efficiency, product development and technology.

However, there can be no assurance that our Group will be able to compete effectively with existing and new entrants in the gloves industry in the future which may materially affect our Group's financial performance.

5.5 Availability and cost of materials

The materials, their availability and prices depend on local and global market conditions. If there is a shortage of materials, our Group may find it difficult to source for these at prices we believe are commercially acceptable in a timely fashion.

Our Group will seek to limit the impact of these by ensuring its production facilities are flexible and inter-changeable to produce both natural and synthetic rubber gloves. Our Group will also continue to source for supply from multiple sources and maintain good relationships with suppliers. Our Group understands that certain suppliers are ramping up production capacities which may balance the supply demand condition of the materials.

5.6 Foreign labour shortage

The availability of foreign labour is scarce and is a challenge faced by the industry especially with the recent freeze and restrictions on intake of foreign workers.

To mitigate this risk, our Group seeks to employ as many locals as possible. Our Group will also look into hiring of more skilled local workers as well as more engineers and chemists, who are able to perform higher-value tasks. Our Group will also invest in automation to reduce reliance on workers and improve productivity. In addition, as the Gloves Asset that our Group will be installing are high speed new production lines (capable of producing up to 38,000 pieces of gloves per hour), the number of workers required per quantity produced is expected to be reduced.

6. EFFECTS OF THE PROPOSED DIVERSIFICATION

6.1 Share capital

The Proposed Diversification is not expected to have any effect on the share capital of our Company.

6.2 Substantial shareholders' shareholdings

The Proposed Diversification will not have any effect on the substantial shareholders' shareholdings in our Company.

6.3 NA and gearing

The Proposed Diversification is not expected to have any immediate material effect on the NA and gearing of our Group in the current financial year. However, the future NA and gearing of our Group will depend on the manner of funding for our Group's expansion plans, as well as the future profit contribution arising from our Gloves Business.

6.4 Earnings and earnings per share

The Proposed Diversification is expected to contribute positively to the future earnings and earnings per share of our Group.

Notwithstanding that, the actual production output of gloves cannot be estimated at this juncture as it will depend on, amongst others, the commencement of the Gloves Asset and the global demand for gloves at the relevant time.

6.5 Convertible securities

Save for the proposed issuance of Convertible Sukuk as announced on 24 September 2020 under our Company's existing Sukuk Murabahah Programme, as at the LPD, our Company does not have any other existing convertible securities.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Diversification is subject to the following approvals:

- (i) shareholders of our Company at our forthcoming EGM for the Proposed Diversification as the Gloves Business may potentially contribute more than 25.0% or more of the net profits of our Group and/or diversion of 25.0% or more of our Company's NA; and
- (ii) other relevant authorities/parties, if required.

Save as disclosed above, the Proposed Diversification is not conditional upon any other proposals undertaken or to be undertaken by our Company.

8. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, as at the LPD, there are no other corporate exercises which have been announced by our Company but are pending completion before the printing of this Circular.

- (i) On 5 July 2010, our Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd ("**Grand Prestige**") entered into a Joint Venture Agreement ("**JVA**") with Medan Damai Sdn Bhd ("**Medan Damai**") for the joint development of a piece of residential land in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan with a total gross area of approximately 13.2 acres (net aggregate area of 7.59 acres) ("**Kinrara Land**"). Under the terms of the JVA, Medan Damai shall grant Grand Prestige the exclusive rights to continue with the sales and development of the Kinrara Land in return for an entitlement sum of RM35,403,863.85.

The JVA is pending fulfilment by Medan Damai of certain obligations pertaining to the development components.

- (ii) On 26 March 2012, our Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("**Capitol Avenue**") entered into a Joint Development Agreement ("**JDA**") with Paduan Hebat Sdn Bhd ("**Paduan Hebat**") for the proposed joint development of a parcel of prime leasehold commercial land measuring approximately 4.26 acres in Kota Kinabalu, Negeri Sabah ("**KK Land**"). Under the terms of the JDA, Paduan Hebat agreed with Capitol Avenue to jointly develop the KK Land for an entitlement of RM39 million. RM25 million of the entitlement for the KK Land shall be satisfied by way of cash and the remaining balance shall be settled by way of conveyance of such number of unit(s) which shall be developed on the KK Land with total value equivalent to RM14 million or such other lesser sum as may be adjusted in accordance with the provisions of the JDA.

On 4 December 2012, all Paduan Hebat's obligations have been fully performed pursuant to the JDA. The development of KK Land has commenced in December 2013.

- (iii) On 24 September 2020, on behalf of our Board and our Company, HLIB had announced the proposed issuance of Convertible Sukuk under our Company's existing Sukuk Murabahah Programme. As at the LPD, none of the Convertible Sukuk have been issued.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and Chief Executive of our Company and/or persons connected with them have any interest, directly or indirectly, in the Proposed Diversification.

10. DIRECTORS' STATEMENT / RECOMMENDATION

Our Board, having considered the current financial position, needs and capacity of our Group, as well as taking into consideration the rationale, commercial benefit from a business, financial and operational perspective, risk factors and its mitigating factors and all other aspects of the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interests of our Company.

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

11. TENTATIVE TIME FRAME

Subject to all relevant approvals being obtained, the Proposed Diversification is expected to be effective upon obtaining our shareholders' approval at our forthcoming EGM.

12. EGM

The notice of EGM, together with the Form of Proxy and Administrative Guide for the EGM are enclosed in this Circular. The EGM will be conducted virtually through live streaming at the broadcast venue at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia ("**Broadcast Venue**") and online remote participation via Remote Participation and Voting facilities ("**RPV**") on Monday, 21 December 2020 at 10.00 a.m., for the purpose of considering and if thought fit, passing the resolution as set out in the notice of EGM enclosed in this Circular so as to give effect to the Proposed Diversification.

The Broadcast Venue is strictly a main venue of the EGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") will not be allowed to be physically present at the Broadcast Venue on the day of the EGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the EGM via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its TIIH Online website at <https://tiih.online>.

If you are entitled to Participate at the EGM remotely, you may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) on your behalf. If you decide to do so, you must lodge the completed Form of Proxy at the office of the Share Registrar of our 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 at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, the submission of Form of Proxy can be made through electronic lodgement via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time for holding the EGM or adjourned meeting. If you wish to personally Participate in the EGM, please do not submit any Form of Proxy. You will not be allowed to personally Participate in the EGM together with a proxy appointed by you. For electronic lodgement, please follow the procedures as set out in the Administrative Guide for the EGM.

13. FURTHER INFORMATION

Shareholders are advised to refer to **Appendix I** of this Circular for further information.

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

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB
Chairperson, Senior Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and our Board collectively and individually accepts full responsibility for the accuracy of the information based on adequate and reasonable evidence where such evidence provides reasonable grounds for belief in the accuracy of all factual statement made in this Circular and confirms that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTEREST

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

HLIB is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser for the Proposed Diversification.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitments incurred or known to be incurred by our Group which may have a material impact on the financial position of our Group:

	<u>RM'000</u>
Capital Commitments	
Commitment for acquisition of property, plant and equipment	
- Approved and contracted for	7,246
Contractual commitment in relation to:	
- Acquisition of property, plant and equipment	<u>131,828</u>
	<u>139,074</u>

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, our Board is not aware of any other contingent liabilities which, upon being enforceable, may have a material impact on our Group's profits or NA:

	<u>RM'000</u>
Bank guarantees issued in favour of third parties	137,284

Our Group has adopted the provisions of Paragraph 92 of Malaysian Financial Reporting Standards 137 Provisions, Contingent Liabilities and Contingent Assets pursuant to the non-disclosure of the financial effect in relation to the litigation matters and these matters may include disputed liquidated ascertained damages and service charge rates. In this respect, our Group, relying on its solicitors' view that our Group has a good chance to succeed in the litigation proceedings, has not made any provisions at this juncture.

FURTHER INFORMATION (CONT'D)

5. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

- (a) On 28 March 2019, our 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 for a purchase consideration of RM90,300,000.00 to be satisfied in cash, which has been completed on 12 June 2019;
- (b) On 23 July 2019, our 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 to be satisfied in cash, which has been completed on 2 October 2019; and
- (c) On 6 August 2019, our 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 to be satisfied in cash, which has been completed on 5 December 2019.

6. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, there is no other material litigation, claims or arbitration involving our Group, either as plaintiff or defendant, and our Board is not aware of any other proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

On 25 October 2019, our Company's wholly owned subsidiary, Elite Park Development Sdn Bhd ("**EPD**") had through its solicitors filed and served a 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 ("**Development**").

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 RM40,670,558.00 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.

FURTHER INFORMATION (CONT'D)

On 27 November 2019, ZAB filed a statement of defence and counterclaim against EPD alleging amongst others, the unlawful termination of the Consultancy Agreement. ZAB is counterclaiming as follows:

- (i) EPD to pay to ZAB a total sum of RM114,088.00 being ZAB's outstanding fee under the Consultancy Agreement; and
- (ii) General damages to be assessed.

On 15 July 2020, EPD had through its solicitors filed and served the Amended Writ and Amended Statement of Claim against ZAB and two other defendants namely, Pembinaan Infrastruktur OKH Sdn Bhd ("**OKH**") and Lonpac Insurance Berhad ("**LONPAC**") in the same legal proceedings.

The claim against OKH is for breach of contract in failing amongst others, to provide materials and workmanship of the quality and standard pursuant to a letter of award dated 28 November 2014 and a Standard Form PAM 2006 Contract entered into between EPD and OKH to build and construct buildings in the Development.

The claim against LONPAC is for breach of an insurance policy issued by LONPAC in favour of EPD as beneficiary under a Contractors' All Risk Policy in failing to pay to EPD for damages and/or losses suffered by EPD in the Development.

As such, EPD is claiming for damages against ZAB, OKH and LONPAC as disclosed above.

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

The matter has been fixed for trial between 11 October 2021 and 15 October 2021.

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 ending 31 December 2020.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) our Constitution;
- (ii) the Tenancy Agreement;
- (iii) the audited financial statements of our Group for the FYE 31 December 2018 and FYE 31 December 2019 and the latest unaudited financial statements of our Group for the 9-month financial period ended 30 September 2020;
- (iv) the letter of consent and conflict of interest referred to in **Section 2** of this Appendix;
- (v) the material contracts referred to in **Section 5** of this Appendix; and
- (vi) the cause papers in relation to the material litigation referred to in **Section 6** of this Appendix.



Reinvent Spaces. Enhance Life.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Mah Sing Group Berhad will be conducted fully virtual through live streaming from the broadcast venue stated below for the purpose of considering and if thought fit, passing with or without modification, the resolution as set out in this notice:

Meeting Platform : <https://tiih.online>
Day and Date : Monday, 21 December 2020
Time : 10.00 a.m.
Broadcast Venue : Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur
Mode of Communication : Submission of typed text via the Meeting Platform

ORDINARY RESOLUTION

PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF MAH SING GROUP BERHAD TO INCLUDE MANUFACTURING AND TRADING OF GLOVES AND RELATED HEALTHCARE PRODUCTS SUCH AS BUT NOT LIMITED TO, MANUFACTURING AND/OR DISTRIBUTION OF PERSONAL PROTECTIVE EQUIPMENT, PHARMACEUTICAL OR MEDICAL PRODUCTS AND SERVICES AS WELL AS RELATED UPSTREAM AND DOWNSTREAM ACTIVITIES

“THAT subject to the necessary approvals of the relevant authorities and/or parties (if required) being obtained, approval be and is hereby given to the Board of Directors (**“Board”**) of Mah Sing Group Berhad (**“Company”**) to implement the diversification of the principal activities of the Company to include manufacturing and trading of gloves and related healthcare products, such as but not limited to, manufacturing and/or distribution of personal protective equipment, pharmaceutical or medical products and services as well as related upstream and downstream activities through its indirect wholly-owned subsidiary, Mah Sing Healthcare Sdn Bhd (formerly known as Kenwira Sdn Bhd) and/or its other subsidiaries (**“Proposed Diversification”**);

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient or appropriate in order to give full effect to the Proposed Diversification with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company.”

By Order of the Board

YANG BAO LING (SSM PC No. 202008002683) (MAICSA 7041240)
KUAN HUI FANG (SSM PC No. 202008001235) (MIA 16876)
Company Secretaries

Kuala Lumpur
4 December 2020

Notes:

1. IMPORTANT NOTICE

The Extraordinary General Meeting of the Company (“**EGM**”) will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) via its **TIH Online website at <https://tiah.online>**.

The Broadcast Venue is strictly a main venue of the EGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys (“**Members**”) **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the EGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, “**Participate**”) remotely at the EGM via the RPV provided by Tricor.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to Participate via RPV.

2. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the EGM of the Company shall be put to vote by way of a poll.
3. In respect of deposited securities, only members whose names appear in the **Record of Depositors** as at **15 December 2020** shall be entitled to Participate remotely via RPV at the EGM or appoint proxy(ies) to Participate on his/her behalf.
4. A member who is entitled to Participate at the EGM via RPV may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) to attend and vote in his/her stead. There shall be no restriction as to the qualification of the proxy.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICD**”), it may appoint 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.
6. Where a member of the Company is an exempt authorised nominee as defined under SICD 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.
7. Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or of its attorney duly authorised.
9. A member who has appointed a proxy or attorney or authorised representative to Participate at this EGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIH Online website at <https://tiah.online>. Please follow the **Procedures for RPV** in the Administrative Guide for the EGM.

10. The Form of Proxy shall be deposited at the office of the Company's Share Registrar, 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 OR submit the Form of Proxy electronically via TIIH Online website at <https://tiah.online> (applicable to individual members only), not less than forty-eight (48) hours before the time for holding this EGM or any adjournment thereof. Please refer to the **Procedure for Electronic Lodgement of Form of Proxy** (applicable to **individual members only**) in the Administrative Guide for the EGM.
11. A corporate representative duly appointed by a corporate member must deposit the **original** certificate of appointment of corporate representative or in case of an attorney duly appointed pursuant to a power of attorney, must deposit a **notarially certified copy** of that power of attorney, at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. or its Customer Service Centre stated in item 10 above, not less than forty-eight (48) hours before the time for holding this EGM or any adjournment thereof. Please refer to the **Appointment of Proxy, Corporate Representative or Attorney** in the Administrative Guide for the EGM for further details.



Reinvent Spaces. Enhance Life.

MAH SING GROUP BERHAD

[Registration No.: 199101019838 (230149-P)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING OF MAH SING GROUP BERHAD

Date and Time : Monday, 21 December 2020 at 10.00 a.m.
Broadcast Venue : Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur

MODE OF MEETING

1. In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the Company's efforts to curb the spread of COVID-19 and safety measures, the Extraordinary General Meeting of Mah Sing Group Berhad ("**EGM**") will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting facilities ("**RPV**"). This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia on 18 April 2020, including any amendment that may be made from time to time.
2. The Broadcast Venue is strictly a main venue of the EGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the EGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the EGM via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its **TIIH Online website at <https://tiih.online>**.
3. Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the EGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the EGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

COMMUNICATION WITH THE BOARD OF DIRECTORS OF THE COMPANY

4. In order to enhance the efficiency of the proceedings of the EGM, Members may in advance, before the EGM, submit questions to the Board of Directors via Tricor's TIIH Online website at <https://tiih.online>, by selecting "e-Services" to login, pose questions and submit electronically **no later than 15 December 2020** or to use the query box to transmit questions to the Board of Directors via RPV during live streaming. The Board of Directors will endeavor to response to the relevant questions received at the EGM.

REMOTE PARTICIPATION AND VOTING

5. Members are to Participate remotely at the EGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>. Please refer to the Procedure for RPV.
6. **A member who has appointed a proxy or authorised representative or attorney to Participate at this EGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for the RPV at TIIH Online website at <https://tiih.online>. Please refer to the Procedure for RPV.**

7. As the EGM is a fully virtual EGM, members who are unable to Participate in the EGM may appoint the Chairperson of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR RPV

8. Members, proxies, corporate representatives or attorneys who wish to Participate the EGM remotely using the RPV are advised to read and follow the requirements and procedures as summarised below:

PROCEDURES	ACTIONS
BEFORE THE DAY OF THE EGM	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> • Using your computer, access the website at https://tiih.online. Register as a user under “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your registration for RPV	<ul style="list-style-type: none"> • Pre-registration is open from Friday, 4 December 2020 until the day of EGM on Monday, 21 December 2020. Members, proxies, corporate representatives or attorneys are required to pre-register their attendance for the EGM to ascertain their eligibility to participate at the EGM using the RPV. • To register for RPV, visit the TIIH Online website and login in with your user ID and password and select the corporate event: “(REGISTRATION) MAH SING GROUP BERHAD EGM”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • The system will send an e-mail to notify that your registration for the remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors dated Tuesday, 15 December 2020, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email.

Note: Please allow sufficient time for approval as a new user of TIIH Online as well as the registration for RPV in order for you to log in to TIIH Online and participate in the EGM remotely.

PROCEDURES	ACTIONS
ON THE DAY OF THE EGM (21 DECEMBER 2020)	
(c) Login to TIIH Online	<ul style="list-style-type: none"> To participate in the EGM, visit the TIIH Online website and log in with your user ID and password at any time from 9.30 a.m. i.e. 30 minutes before the commencement of the EGM on Monday, 21 December 2020 at 10.00 a.m.
(d) Participate through live streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) MAH SING GROUP BERHAD EGM” to engage in the proceedings of the EGM remotely. If you have any question for the Board of Directors, you may use the query box to transmit your question. The Board will endeavor to respond to the questions submitted by the remote participants during the EGM.
(e) Online remote voting	<ul style="list-style-type: none"> Voting session commences from Monday, 21 December 2020 at 10.00 a.m. until a time when the Chairperson announces the completion of the voting session at the EGM venue. Select the corporate event: “(REMOTE VOTING) MAH SING GROUP BERHAD EGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(f) End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairperson on the closure of the EGM, the live streaming will end.

Note to users of the RPV:

- (i) Should your registration for the RPV be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live streamed meeting or voting online on the day of meeting, kindly call Tricor Help Line at 011-4080 5616 / 011-4080 3168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO ATTEND AND VOTE

9. Only a member whose name appears on the Record of Depositor as at **15 December 2020** shall be entitled to attend and vote or appoint proxies or corporate representatives or attorneys to attend and/or vote on his/her behalf in the EGM via RPV at TIIH Online website at <https://tiih.online>.
10. If you wish to personally Participate in the EGM, please do not submit any Form of Proxy. You will not be allowed to Participate in the EGM together with a proxy appointed by you.

11. If you have submitted your Form of Proxy prior to the EGM and subsequently decide to personally Participate in the EGM, please proceed to register yourself for RPV at TIIH Online website at <https://tiih.online>.

APPOINTMENT OF PROXY, CORPORATE REPRESENTATIVE OR ATTORNEY

12. As the EGM is a fully virtual EGM, members who are unable to Participate in the EGM may appoint the Chairperson of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.
13. Members who appoint proxy(ies) to Participate via RPV at the EGM must ensure that the duly executed Forms of Proxy are deposited in its hard copy form or by electronic means to Tricor not less than forty-eight (48) hours before the time appointed for holding the EGM i.e. Saturday, 19 December 2020 at 10.00 a.m. or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(a) In hard copy form

In the case of an appointment made in hard copy form, the **original Form of Proxy** 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 electronic form

The Form of Proxy can be electronically submitted to the Share Registrar of the Company via TIIH Online website at <https://tiih.online> (**applicable to individual members only**). Kindly refer to the Procedure for Electronic Lodgement of Form of Proxy.

Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

14. For a **corporate member** who has appointed a corporate representative, must deposit the **original** certificate of appointment of corporate representative 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 not later than Saturday, 19 December 2020 at 10.00 a.m. to Participate via RPV in the EGM.

The certificate of appointment of corporate representative should be executed in the following manner:

- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- (i) at least two (2) authorised officers, of whom one shall be a director; or

- (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
15. Any authority pursuant to which such an appointment is made by a **power of attorney** 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 not later than Saturday, 19 December 2020 at 10.00 a.m. to Participate via RPV in the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

PROCEDURE FOR ELECTRONIC LODGEMENT OF FORM OF PROXY

16. Procedures to lodge your Form of Proxy electronically (applicable to individual members only) via Tricor's TIIH Online website at <https://tiih.online> are summarised below:

PROCEDURES	ACTIONS
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the TIIH Online website at https://tiih.online. Register as a user under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of the EGM by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairperson as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your vote. Review and confirm your proxy(ies) appointment. Print the Form of Proxy for your record.

VOTING AT THE EGM

17. The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct the poll voting electronically and Asia Securities Sdn Berhad as Independent Scrutineers to verify the poll results.
18. Members, proxies, corporate representatives or attorneys can proceed to vote on the resolutions at any time from Monday, 21 December 2020 at 10.00 a.m. but before end of the voting session which will be announced by the Chairperson of the Meeting. Kindly refer to the guidance on how to vote remotely via TIIH Online website at <https://tiih.online> as provided in item (e) of the above sub-section "Procedures for RPV".

19. Upon completion of the voting session for the EGM, the Independent Scrutineers will verify and announce the poll results. The resolution proposed at the EGM and the results of the voting will be announced at the EGM by the Chairperson and/or the Secretary and subsequently via an announcement made by the Company through Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

CIRCULAR TO SHAREHOLDERS

20. As part of our dedicated commitment to sustainable practices, the Circular to Shareholders in relation to the Proposed Diversification can be downloaded from the Company's website <https://www.mahsing.com.my/investor-relations/general-meeting-documents>.
21. If you wish to obtain a printed copy of the Circular to Shareholders, you may submit an online request to the Share Registrar, Tricor's website at <http://tjih.online> by selecting "Request for Circular" under the "Investor Services". However, please consider the environment before you decide to request for the printed copy.

NO BREAKFAST/LUNCH PACKS AND DOOR GIFT

22. There will be no distribution of breakfast or lunch packs and door gifts for members, proxies, corporate representatives or attorneys who attend or participate at the virtual EGM.

RECORDING OR PHOTOGRAPHY

23. Strictly **NO** unauthorised recording or photography of the proceedings of the EGM is allowed.

ENQUIRY

24. If you have any general queries prior to the EGM, please contact our Share Registrar at any numbers below during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact persons	: Cik Nur Qaisara Naaila +603-2783 9272 (Nur.Qaisara.Naaila@my.tricorglobal.com) Puan Nor Faeayzah +603-2783 9274 (Nor.Faeayzah@my.tricorglobal.com)

MAH SING GROUP BERHAD

Registration No: 199101019838 (230149-P)

FORM OF PROXY

(Before completing the form please refer to the notes below)

I/We, Tel:.....
(Full name in block and as per NRIC/passport, NRIC/Passport/Company No.)

Of.....
(Full address)

being member(s) of Mah Sing Group Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting as my/our proxy, to attend and to vote for me/us on my/our behalf, at the Extraordinary General Meeting ("EGM") which will be conducted entirely through live streaming from the broadcast venue at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Monday, 21 December 2020 at 10.00 a.m., or any adjournment thereof, on the following resolution referred to in the notice of the EGM.

My/our proxy is to vote as indicated below:

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Diversification		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit).

Dated this day of 2020

Signature: Member or Common Seal of the Appointor

Notes:

1. IMPORTANT NOTICE

The Extraordinary General Meeting of the Company ("EGM") will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting facilities ("RPV") 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 EGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the EGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the EGM via the RPV provided by Tricor.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to Participate via RPV.

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of the EGM of the Company shall be put to vote by way of a poll.
- In respect of deposited securities, only members whose names appear in the **Record of Depositors as at 15 December 2020** shall be entitled to Participate remotely via RPV at the EGM or appoint proxy(ies) to Participate on his/her behalf.
- A member who is entitled to Participate at the EGM via RPV may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) to attend and vote in his/her stead. There shall be no restriction as to the qualification of the proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICD**"), it may appoint 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.
- Where a member of the Company is an exempt authorised nominee as defined under SICD 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.
- Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or of its attorney duly authorised.
- A member who has appointed a proxy or attorney or authorised representative to Participate at this EGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Please follow the **Procedures for RPV** in the Administrative Guide for the EGM.
- The Form of Proxy shall be deposited at the office of the Company's Share Registrar, 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 OR submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> (applicable to individual members only), not less than forty-eight (48) hours before the time for holding this EGM or any adjournment thereof. Please refer to the **Procedure for Electronic Lodgement of Form of Proxy** (applicable to **individual members only**) in the Administrative Guide for EGM.
- A corporate representative duly appointed by a corporate member must deposit the **original** certificate of appointment of corporate representative or in case of an attorney duly appointed pursuant to a power of attorney, must deposit a **notarially certified copy** of that power of attorney, at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. or its Customer Service Centre stated in item 10 above, not less than forty-eight (48) hours before the time for holding this EGM or any adjournment thereof. Please refer to the **Appointment of Proxy, Corporate Representative or Attorney** in the Administrative Guide for EGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
MAH SING GROUP BERHAD
Registration No.: 199101019838 (230149-P)
Unit 32-01, Level 32, Tower A
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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