

Strictly Private & Confidential



MAH SING GROUP BERHAD
(Registration No. 199101019838 (230149-P))

PRICING SUPPLEMENT

**IN RELATION TO
THE ISSUANCE OF ISLAMIC MEDIUM TERM NOTES
PURSUANT TO AN ISLAMIC MEDIUM TERM NOTE PROGRAMME OF
RM1.0 BILLION IN NOMINAL VALUE
UNDER THE SHARIAH PRINCIPLE OF MURABAHAH
(VIA TAWARRUQ ARRANGEMENT)**

PRINCIPAL ADVISER/LEAD ARRANGER/LEAD MANAGER



HONG LEONG INVESTMENT BANK BERHAD
(Registration No. 197001000928 (10209-W))

This Pricing Supplement is dated 28 February 2020.

This document ("**Pricing Supplement**") is issued to give details of the proposed issue of Tranche 1 Islamic medium term notes of up to RM600,000,000.00 in nominal value ("**Subject Sukuk Murabahah**") from an Islamic medium term note programme of RM1.0 Billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (subject to Upsize Option) ("**Sukuk Murabahah Programme**") by **MAH SING GROUP BERHAD** (Registration No. 199101019838 (230149-P)) (the "**Issuer**").

This Pricing Supplement shall be read together with the principal terms and conditions of the Sukuk Murabahah Programme lodged with the Securities Commission Malaysia on 3 February 2020 ("**Lodgement Kit**"), the information memorandum of the Sukuk Murabahah Programme dated 3 February 2020 ("**Information Memorandum**").

Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Lodgement Kit as enclosed in Section 2.0 of the Information Memorandum. The issuance of the T1 Sukuk Murabahah have been duly authorised by a resolution of the Board of Directors' of the Issuer dated 9 December 2019, 23 January 2020 and 18 February 2020.

The Issuer has authorised the Lead Arranger/Lead Manager and/or its affiliates to circulate or distribute this Pricing Supplement on their behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the T1 Sukuk Murabahah to prospective investors who fall within the ambit of the Selling Restrictions for the purpose of the sale of the T1 Sukuk Murabahah and that no further evidence of authorisation is required.

This Pricing Supplement is for information purposes only and does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction.

This Pricing Supplement and its contents are strictly confidential and are made strictly on the basis that the recipient shall ensure that they will remain confidential. Accordingly, this Pricing Supplement and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Pricing Supplement is sent to selected persons who fall within the ambit of the Selling Restrictions. Any person who receives this Pricing Supplement who does not fall within the ambit of the Selling Restrictions must immediately notify the Lead Arranger/Lead Manager and return this Pricing Supplement to the Lead Arranger/Lead Manager or the Issuer.

This Pricing Supplement or any document delivered under or in relation to the issue, offer and sale of the T1 Sukuk Murabahah is not, and should not be construed as, a recommendation by the Issuer, the Lead Arranger/ Lead Manager or any other party to the recipient to subscribe for or purchase the T1 Sukuk Murabahah. This Pricing Supplement is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all inclusive. Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the T1 Sukuk Murabahah and all other relevant matters, and each recipient should consult its own professional advisers.

The recipient must return this Pricing Supplement and any other information in connection therewith to the Lead Arranger/Lead Manager promptly upon the Lead Arranger/Lead Manager's request.

THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE T1 SUKUK MURABAHAH IS SUBJECT TO THE SELLING RESTRICTIONS. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER, THE LEAD ARRANGER AND THE LEAD MANAGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTION. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF THE T1 SUKUK MURABAHAH AND ON DISTRIBUTION OF THIS PRICING SUPPLEMENT, PLEASE REFER TO THE "SELLING RESTRICTIONS" IN THE LODGEMENT KIT AND THE INFORMATION MEMORANDUM.

Specific Final Terms

The following items under this heading “**Specific Final Terms**” are the particular terms which relate to the T1 Sukuk Murabahah to which this Pricing Supplement relates.

1. **Issuer** : MAH SING GROUP BERHAD (“**MSGB**”)
2. **Tranche Number** : 1
3. **Nominal Amount** : RM600.0 million
4. **Issue Date** : 13 March 2020
5. **Tenure of Sukuk Murabahah to be issued** : Five (5) years
6. **Maturity Date** : 13 March 2025
7. **Profit Payment Frequency** : Semi-annual
8. **Fixed Profit Rate** : 4.35% per annum
9. **Floating Profit Rate [only in relation to subsequent issuances other than the First Issuance]** : Not applicable
9. **Maximum Profit Rate [only in relation to subsequent issuances other than the First Issuance]** : Not applicable
10. **Relevant Floating Rate Benchmark [only in relation to subsequent issuances other than the First Issuance]** : Not applicable
11. **Spread for Floating Rate [only in relation to subsequent issuances other than the First Issuance]** : Not applicable
12. **Utilisation of Proceeds** : The proceeds arising from the issuance of the T1 Sukuk Murabahah will be utilised for the following Shariah compliant purposes:
 - (a) to fund the MSGB Group (as defined in the Lodgement Kit) and its associate company capital expenditures and investments

(including amongst others, purchase of lands, buildings, Shariah-compliant shares and/or property and/or payment into joint ventures);

- (b) to fund the MSGB Group's and its associate company's working capital of its existing and future projects. Working capital includes amongst others, payment of professional fees, operating and administrative expenses, marketing and promotional expenses such as advertisement, payments to authorities, printing and payment of staff costs, finance cost, development and construction costs, payment of land owner entitlement and taxes; and
- (c) to repay the Existing Borrowing (as defined in the Lodgement Kit) and/or to redeem the Unrated Perpetual (as defined in the Lodgement Kit).

For the avoidance of doubt, prior to the utilisation of the proceeds of T1 Sukuk Murabahah for purposes set out in (c) above, in respect of any Existing Borrowing and the Unrated Perpetual which are conventional ("**Conventional Facilities**"), MSGB shall prior to the repayment and/or redemption of such Conventional Facilities, disclose to the Shariah Adviser the purpose of utilisation of such Conventional Facilities.

13. Secured : Yes

14. Details of Security : (i) the Assignment and Charge (Designated Accounts);
(ii) the Land Charge (Dsara Sentral Sdn Bhd);
(iii) the Land Charge (Mah Sing Properties Sdn Bhd);
(iv) the Land Charge (Southville City Sdn Bhd);
(v) the Land Charge (Semai Meranti Sdn Bhd);
(vi) the Land Charge (Uptrend Housing Development Sdn Bhd);
(vii) the Land Charge (Venice View Development Sdn Bhd);

- (viii) the Charge over Lease (Tropika Istimewa Development Sdn Bhd);
- (ix) the Specific Debenture (Dsara Sentral Sdn Bhd);
- (x) the Specific Debenture (Southville City Sdn Bhd);
- (xi) the Specific Debenture over Lease (Tropika Istimewa Development Sdn Bhd)

15. **Security Cover** : 1.43 times
16. **Rating** : Unrated
17. **Provision on Early Redemption** : In respect of the T1 Sukuk Murabahah, the Issuer shall be entitled, at any time, after the Issue Date of T1 Sukuk Murabahah and up to the date immediately before the Maturity Date of T1 Sukuk Murabahah, at its option, early redeem (“**Early Redemption (T1)**”) the outstanding T1 Sukuk Murabahah (in whole or in part) at the relevant Early Redemption Price (T1) (as defined below) on any Profit Payment Dates in respect of T1 Sukuk Murabahah by giving irrevocable prior written notice of not less than twenty-one (21) days before the intended early redemption date (“**Early Redemption Date (T1)**”) to the Sukuk Trustee (for and on behalf of the Sukukholders for the T1 Sukuk Murabahah) and the Facility Agent.

For the purposes of this Clause, the Early Redemption Price (T1) shall be equivalent to:-

- (i) 101% of the nominal value of the outstanding T1 Sukuk Murabahah; or
- (ii) the Make-Whole Amount (T1) (as defined below),

whichever amount is higher.

“**Make-Whole Amount (T1)**” means the amount, equivalent to the sum of (a) the present value of the nominal value of the outstanding T1 Sukuk Murabahah to be redeemed discounted from the Maturity Date of the T1 Sukuk Murabahah to the Early Redemption Date (T1), and (b) the present

value of all Profit Payments payable from the Early Redemption Date (T1) up to and including, the Maturity Date of the T1 Sukuk Murabahah, discounted to the Early Redemption Date (T1) of the T1 Sukuk Murabahah on a semi-annual basis (assuming a 365 day year) at the relevant discount rate being the relevant MGS Rate (as defined below) plus a margin of 1.00%.

“MGS Rate” means the rate in per cent per annum equal to the relevant Malaysian Government Securities (**“MGS”**) rate* for a tenure corresponding to the period between the Early Redemption Date (T1) of the T1 Sukuk Murabahah up to the Maturity Date of the T1 Sukuk Murabahah, or in the absence of such MGS Rate, the interpolated rate based on the arithmetic mean of the two (2) available closest MGS Rates corresponding to the period between the Early Redemption Date (T1) of the T1 Sukuk Murabahah up to the Maturity Date of the T1 Sukuk Murabahah.

**denotes the closing rate*

The Early Redemption Price (T1) for T1 Sukuk Murabahah shall be calculated by the Facility Agent and such calculation shall, save for manifest error, be conclusive and binding on the Issuer.

For the avoidance of doubt:-

(i) all the accrued and unpaid Profit Payment from the preceding Profit Payment Date up to the Early Redemption Date (T1) shall be payable by the Issuer on the Early Redemption Date (T1); and

(ii) the aggregate of Early Redemption Price (T1) and the accrued and unpaid Profit Payment from the preceding Profit Payment Date up to the Early Redemption Date (**“Early Redemption Sum (T1)”**) shall not exceed the Outstanding Sale Price (T1).

“Outstanding Sale Price (T1)” means the aggregate of the nominal value of the

outstanding T1 Sukuk Murabahah and all the unpaid and unearned Profit Payments from the Profit Payment Date preceding the Early Redemption Date (T1) up to the Maturity Date of the T1 Sukuk Murabahah.

18. Ibra

: In respect to the T1 Sukuk Murabahah, the Ibra' formula should be as follow:-

Upon the declaration of an Event of Default

Ibra' shall be granted based on the Sale Price less aggregate of:

(a) the nominal value of the T1 Sukuk Murabahah;

(b) the accrued but unpaid Profit Payment from the preceding Profit Payment Date prior to the date of declaration of an Event of Default ("EOD Declaration Date") up to the EOD Declaration Date; and

(c) the accrued and paid Profit Payments on the respective Profit Payment Dates prior to the EOD Declaration Date.

Upon Early Redemption (T1)

Ibra' shall be granted based on the Outstanding Sale Price (T1) less the Early Redemption Sum (T1).

19. Other terms and conditions : None

RESPONSIBILITY

The Issuer, having made all enquiries as were reasonable, confirms that the information contained in this Pricing Supplement is in accordance with the facts and is not false and is not misleading in any material respect.