

Strictly Private & Confidential



MAH SING GROUP BERHAD

(Registration No. 199101019838 (230149-P))

PRICING SUPPLEMENT

**IN RELATION TO
THE PROPOSED ISSUANCE OF
TRANCHE 2 CONVERTIBLE ISLAMIC MEDIUM TERM NOTES
OF UP TO RM100.0 MILLION IN NOMINAL VALUE
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 15 December 2020.

This document ("**Pricing Supplement**") is issued to give details of the proposed issue of Tranche 2 convertible Islamic medium term notes of up to RM100,000,000.00 in nominal value ("**T2 Convertible 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 and revised on 9 December 2020 ("**Lodgement Kit**") and the trust deed dated 18 February 2020 and a supplemental trust deed dated 9 December 2020 entered into between the Issuer and the Sukuk Trustee ("**Trust Deed**").

Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Lodgement Kit and the Trust Deed. The issuance of the T2 Convertible Sukuk Murabahah have been duly authorised by a resolution of the Board of Directors' of the Issuer dated 9 December 2019, 23 January 2020, 18 February 2020 and 9 December 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 T2 Convertible Sukuk Murabahah to prospective investors who fall within the ambit of the Selling Restrictions for the purpose of the sale of the T2 Convertible 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 T2 Convertible 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 T2 Convertible 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 T2 Convertible 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 T2 CONVERTIBLE 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 T2 CONVERTIBLE SUKUK MURABAHAH AND ON DISTRIBUTION OF THIS PRICING SUPPLEMENT, PLEASE REFER TO THE “SELLING RESTRICTIONS” IN THE LODGEMENT KIT.

Specific Final Terms

The following items under this heading “**Specific Final Terms**” are the particular terms which relate to the second issuance of the Sukuk Murabahah (“**Second Issuance**” or “**T2 Convertible Sukuk Murabahah**”) to which this Pricing Supplement relates.

1. Issuer	:	MAH SING GROUP BERHAD (“ MSGB ”)
2. Tranche Number	:	2
3. Nominal Amount	:	RM100.0 million
4. Issue Date	:	23 December 2020 or such other issue date of the T2 Sukuk Murabahah which in any case shall be no later than 31 December 2020
5. Tenure of Sukuk Murabahah to be issued	:	Seven (7) years
6. Maturity Date	:	Seven (7) years from Issue Date
7. Profit Payment Frequency	:	Semi-annual
8. Fixed Profit Rate	:	3.00% per annum
9. Utilisation of Proceeds	:	<p>The proceeds arising from the issuance of the T2 Convertible Sukuk Murabahah will be utilised for the following Shariah compliant purposes:</p> <ul style="list-style-type: none"> (a) to fund the MSGB Group and its associate company capital expenditures and investments (including amongst others, purchase of lands, buildings, plant and machinery, 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 and/or to redeem the Unrated Perpetual. <p>For the avoidance of doubt, prior to the utilisation of the proceeds of T2 Convertible 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</p>

		Facilities, disclose to the Shariah Adviser the purpose of utilisation of such Conventional Facilities.
10. Secured	:	Yes
11. Details of Security	:	<p>The T2 Convertible Sukuk Murabahah shall be secured by the following security:-</p> <ul style="list-style-type: none"> (i) an assignment and charge over the T2 Designated Accounts (as defined below) (“Assignment and Charge (T2 Designated Accounts)”); (ii) a National Land Code charge over such Secured Assets with master title by Semai Meranti Sdn Bhd (“Land Charge (Semai Meranti Sdn Bhd)”); and (iii) a specific debenture creating a fixed charge over such Secured Assets without strata titles by Vienna View Development Sdn Bhd (“Specific Debenture (Vienna View Development Sdn Bhd)”). <p>“Secured Assets” means such property(ies) provided as security for the T2 Convertible Sukuk Murabahah in the Land Charge (Semai Meranti Sdn Bhd) and the Specific Debenture (Vienna View Development Sdn Bhd) which mutually agreed between the Issuer and the Lead Arranger, subject always to the Security Cover (as defined below) and where such Secured Assets have been replaced with the Replacement Assets, “Secured Assets” shall include such Replacement Assets.</p> <p>For the purposes of conducting valuation of the Completed Properties (as defined below) in a project, such valuation will be conducted on a sampling basis based on the type of the Completed Properties whereby samples of such Completed Properties (for each type of unit) shall be selected by the Lead Arranger and in the case of Replacement Assets (as defined below), unless such valuation has been conducted on a same type of unit as the Replacement Asset, samples of such Completed Properties (for each type of unit) shall be selected by the Security Agent. The market value per square feet (sq ft) for each sample type shall be provided by the Valuer in the relevant valuation reports and the Issuer shall compute the market value for each Completed Properties based on the following formula:</p> $\text{Market Value for Completed Properties} = a \times b$ <p>Where</p> <ul style="list-style-type: none"> a : the market value per sq ft based on the relevant valuation report of the same type of unit of Completed Properties b : the built-up area for each Completed Properties

	<p><u>Release and Replacement</u></p> <p>The Issuer shall be entitled to request for any of the Secured Assets be replaced with:</p> <ul style="list-style-type: none"> (i) the Replacement Assets; and/or (ii) cash to be deposited into the Security and Principal Account (T2) (as defined below), <p>subject always to the Security Cover (“Release and Replacement”).</p> <p>The mechanism in respect of Release and Replacement shall be agreed and set out in the Deed of Covenant in respect of the T2 Convertible Sukuk Murabahah.</p> <p>“Replacement Assets” means such property(ies) replaced which meet the following criteria:</p> <ul style="list-style-type: none"> (i) (a) unencumbered vacant lands (“Unencumbered Vacant Lands”) located in: <ul style="list-style-type: none"> (aa) Penang; and/or (bb) Johor; and/or (cc) Klang Valley, which shall be situated within a 50km radius from Bandar Malaysia; <p>and/or</p> (b) completed unencumbered units of residential, industrial and/or commercial properties (with certificate of completion and compliance or certificate of fitness for occupation issued) (“Completed Properties”) located in: <ul style="list-style-type: none"> (aa) Penang; and/or (bb) Johor (the aggregate value of such units in Johor shall not be more than 20% of the aggregate value of the Secured Assets); and/or (cc) Klang Valley, which shall be situated within a 50km radius from Bandar Malaysia, <p>provided always that such Completed Properties which form part of the Replacement Assets shall not constitute more than 40% of the aggregate value of the Secured Assets (“Eligible Replacement Completed Properties”).</p> <p>For the avoidance of doubt, the date of the Certificate of Completion and Compliance for:</p> <ul style="list-style-type: none"> (aaa) at least 80% of the Eligible Replacement Completed Properties shall be no more
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	<p>than three (3) years from the date of notification of the replacement of Secured Assets by the Issuer to the Security Agent; and</p> <p>(bbb) the remaining Eligible Replacement Completed Properties shall be no more than five (5) years from the date of notification of the replacement of Secured Assets by the Issuer to the Security Agent; or</p> <p>(ii) does not meet the above criteria but are approved by the Sukukholders by way of a special resolution.</p> <p><u>Optional Market Revaluation</u> The Issuer shall have the option, by notice in writing to the Security Agent to inform the Security Agent of its intention to revalue the entire portfolio of the Secured Assets (“Optional Revaluation”) at the point of release of any Secured Assets (“Optional Revaluation Date”). For such purposes, the valuation report(s) shall be dated no more than six (6) months prior to the date of notification by the Issuer to the Security Agent of the exercise of its option to revalue the entire portfolio of Secured Assets.</p> <p><u>Subsequent Market Revaluation</u> All the Secured Assets, shall be revalued on every third (3rd) anniversary of the Issue Date of the T2 Convertible Sukuk Murabahah or in the event the Issuer has carried out an Optional Revaluation, on every third (3rd) anniversary of the Optional Revaluation Date by submitting a compliance certificate to the Security Agent signed by at least an authorised signatory of the Issuer indicating the computation of the Security Cover together with the valuation reports (the date falling on third (3rd) anniversary of the T2 Convertible Sukuk Murabahah or the date failing on the third (3rd) anniversary of the Optional Revaluation Date, as the case may be, whichever is later, shall hereinafter be referred to as “Revaluation Date”). The revaluation shall be based on a valuation report dated no more than six (6) months prior to the Revaluation Date.</p> <p>On each Revaluation Date:</p> <p>(i) if the Security Cover is less than 1.43 times, the Issuer shall provide additional:</p> <p>(a) Replacement Assets; and/or</p> <p>(b) cash to be deposited into the Security and Principal Account (T2),</p> <p>within three (3) months from the Revaluation Date to meet the Security Cover.; or</p>
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		<p>(ii) if the Security Cover is more than 1.43 times the Issuer shall be entitled within three (3) months from the Revaluation Date, request for the release or withdrawal of any of the Secured Assets and/or cash in the Security and Principal Account (T2) in excess of the Security Cover but subject to the Principal Build-Up (as defined below).</p> <p>The mechanism in respect of the redemption and release of any of the Secured Assets in exchange for cash shall be agreed and set out in the Deed of Covenant for the T2 Convertible Sukuk Murabahah.</p>
12. Security Cover	:	<p>1.43 times calculated based on the following formula:</p> $\frac{A}{B}$ <p>Where:</p> <p>A = Market value of the Secured Assets</p> <p>B = Outstanding nominal value of T2 Convertible Sukuk Murabahah less cash in the Security and Principal Account (T2)</p> <p>For the avoidance of doubt, in respect of Completed Properties situated in the state of Johor (“Johor Completed Properties”), for purposes of computation of the Security Cover, the market value of such Johor Completed Properties shall only be deemed to be seventy-two percent (72%) of the market value as provided in the relevant valuation reports.</p> <p>If the Secured Assets are fully replaced with cash only, the Security Cover to be met by the Issuer is 1.0 time and such Security Cover shall be computed based on the following formula:</p> $\frac{C}{D}$ <p>Where:</p> <p>C = Cash in the Security and Principal Account (T2)</p> <p>D = Outstanding nominal value of T2 Convertible Sukuk Murabahah</p>
13. Designated accounts	:	<p>The Designated Accounts in respect of the T2 Convertible Sukuk Murabahah shall comprise a Security and Principal Account (T2) and a Finance Service Reserve Account (T2) (collectively, (“T2 Designated Accounts”).</p> <p>Name of account: Security and Principal Account (T2)</p>

Parties responsible for opening the account:

Issuer

Parties responsible for maintaining/operating the account:

Maintained by the Issuer; Operated by the Security Agent.

Signatories to the account:

Security Agent

Sources of funds:

- (i) where applicable, any cash to be deposited at the time of issuance of the T2 Convertible Sukuk Murabahah to meet the Security Cover and/or any cash pursuant to any Release and Replacement; and
- (ii) the Issuer shall progressively deposit an amount equivalent to 62% of the outstanding nominal value of the T2 Convertible Sukuk Murabahah (“**Principal Build-up**”) in the Security and Principal Account (T2) in accordance with the following schedule (“**Build-up Schedule**”):

Months from Issue Date	Required balance as % of the outstanding T2 Convertible Sukuk Murabahah
49 th	3%
50 th	6%
51 st	9%
52 nd	12%
53 rd	15%
54 th	18%
55 th	26%
56 th	35%
57 th	44%
58 th	53%
59 th	62%

In the event the balance in the Security and Principal Account (T2) is equivalent to 100% of the total outstanding nominal value of the T2 Convertible Sukuk Murabahah at any point of time, no further Principal Build-up is required to be made by the Issuer.

Utilisation of funds:

Provided no Event of Default has been declared, the Issuer shall be entitled to withdraw the fund in the Security and Principal Account (T2) for the following purpose:

- (i) from time to time, to invest into the Permitted Investments. All income earned from such investments shall be remitted into the Security and Principal Account (T2);

		<p>(ii) to redeem the T2 Convertible Sukuk Murabahah; and</p> <p>(iii) withdrawal of cash in excess of the Security Cover.</p> <p>Name of account: Finance Service Reserve Account (T2)</p> <p>Parties responsible for opening the account: Issuer</p> <p>Parties responsible for maintaining/operating the account: Maintained by the Issuer; Operated by the Security Agent.</p> <p>Signatories to the account: Security Agent</p> <p>Sources of funds: The Issuer shall at least (i) three (3) months prior to a Profit Payment Date, deposit an amount equivalent to at least fifty percent (50%) of the immediate Profit Payment payable in respect of the T2 Convertible Sukuk Murabahah; and (ii) seven (7) business days prior to such Profit Payment Date, deposit an amount equivalent to the remaining fifty percent (50%) of that Profit Payment of the T2 Convertible Sukuk Murabahah (“Minimum Required Amount”) into the Finance Service Reserve Account (T2).</p> <p>The funds in the Finance Service Reserve Account (T2) may, from time to time, be invested by the Issuer in the Permitted Investments. All income earned from such investments shall be remitted into the Finance Service Reserve Account (T2) at least one (1) day prior to the Profit Payment Date.</p> <p>Utilisation of funds: Prior to the declaration of an Event of Default, the funds in the Finance Service Reserve Account (T2) shall be withdrawn to meet the Profit Payment of the of the T2 Convertible Sukuk Murabahah on the Profit Payment Date.</p> <p>The Issuer shall be entitled to withdraw any amount in excess of the Minimum Required Amount at any time and from time to time.</p>
14. Additional covenants for the T2 Convertible Sukuk Murabahah	:	<p>In addition to the covenants as set out in the Trust Deed, the Issuer hereby covenants and shall procure the Security Parties to covenant, with the Sukuk Trustee that so long as any of the T2 Convertible Sukuk Murabahah shall remain outstanding, it shall:</p> <p>(a) maintain the Minimum Required Amount in respect of the Second Issuance in accordance with the</p>

		<p>Assignment and Charge (T2 Designated Accounts); and</p> <p>(b) meet the Principal Build-up in accordance with the Build-up Schedule for the Second Issuance as stipulated in the Assignment and Charge (T2 Designated Accounts).</p>
15. Rating	:	Unrated
16. Provision on Early Redemption	:	Not applicable.
17. Ibra	:	<p>In respect to the T2 Convertible Sukuk Murabahah, the Ibra' formula should be as follow:-</p> <p><u>Upon the declaration of an Event of Default</u></p> <p>Ibra' shall be granted based on the Sale Price less aggregate of:</p> <p>(a) the nominal value of the T2 Convertible Sukuk Murabahah;</p> <p>(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</p> <p>(c) the accrued and paid Profit Payments on the respective Profit Payment Dates prior to the EOD Declaration Date.</p> <p><u>Upon Redemption at the option of the T2 Convertible Sukuk Murabahah Holders</u></p> <p>An Ibra' shall be granted by the Convertible Sukuk Murabahah Holder on all the unpaid and unearned Profit Payments from the Optional Redemption Date up to the Maturity Date of the T2 Convertible Sukuk Murabahah.</p> <p><u>Upon conversion</u></p> <p>An Ibra' shall be granted by the Convertible Sukuk Murabahah Holder on the Forgone Profit (as defined below) upon the exercise of the Conversion Rights.</p>
18. Redemption at the option of the T2 Convertible Sukuk Murabahah Holders	:	<p>The T2 Convertible Sukuk Murabahah Holders may require the Issuer to redeem in whole or in part such T2 Convertible Sukuk Murabahah held by them in cash and in a lump sum, at the nominal value of the T2 Convertible Sukuk Murabahah on the Optional Redemption Date, by serving a prior written notice ("Optional Redemption Notice") of no less than</p>

		ninety (90) days to the Issuer, the Sukuk Trustee and the Facility Agent. Upon receipt of such Optional Redemption Notice by the Issuer, the Issuer shall early redeem such T2 Convertible Sukuk Murabahah pursuant to the Optional Redemption Notice on the Optional Redemption Date.
19. Optional Redemption Date	:	The Optional Redemption Date shall be the fifth (5 th) anniversary of the Issue Date of the T2 Convertible Sukuk Murabahah.
20. Conversion Rights	:	<p>The Convertible Sukuk Murabahah Holder shall have the right (“Conversion Rights”) to convert the T2 Convertible Sukuk Murabahah into the MSGB New Share, which will be listed on the Main Market of Bursa Malaysia Securities Berhad, at the Conversion Price and at any time during the Conversion Period by serving a prior written Conversion Notice to the Issuer and the share registrar informing the intention to convert the T2 Convertible Sukuk Murabahah to the MSGB New Shares on the Conversion Date. For the avoidance of doubt, no Conversion Notice shall be issued to the Issuer and share registrar any later than 8 trading days prior to the expiry of the Conversion Period. Once delivered, the Conversion Notice shall be irrevocable.</p> <p>“Conversion Date” means each date on which a valid Conversion Notice in exercise of the Conversion Rights represented therein in full or in part is received by the Issuer and the share registrar in accordance with the Trust Deed.</p> <p>If any Convertible Sukuk Murabahah Holder exercises its right to convert all or any amount of the T2 Convertible Sukuk Murabahah held by them into MSGB New Shares, no Profit Payment shall be payable on such T2 Convertible Sukuk Murabahah as from the Issue Date or the Profit Payment Date immediately preceding the Conversion Date, whichever is later (“Forgone Profit”) and an Ibra’ shall be granted by the Convertible Sukuk Murabahah Holder on the Forgone Profit upon the exercise of the Conversion Right.</p>
21. Conversion Price	:	RM0.7550
22. Conversion Period	:	At any time from the Issue Date up to the Maturity Date.
23. Other terms and conditions	:	None.

RESPONSIBILITY

The Issuer, having made all enquiries as were reasonable, confirms that to the best of their knowledge and belief, 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.