

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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MEGA FIRST CORPORATION BERHAD

(Registration No. 196601000210 (6682-V))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN MEGA FIRST CORPORATION BERHAD (“MFCB”) (“MFCB SHARE”) HELD INTO 2 SUBDIVIDED MFCB SHARES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Maybank Investment Bank Berhad

(Co. Reg. No.: 197301002412)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting of MFCB (“EGM”) and the Form of Proxy are enclosed in this Circular. The details of the EGM which will be conducted in a fully virtual manner through live streaming are as follows:

Date and time of the EGM	:	Thursday, 27 May 2021 at 11.00 a.m. or immediately following the conclusion or adjournment of the 55 th Annual General Meeting of MFCB, whichever is later
Broadcast venue of the EGM	:	Conference Room, A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Last day and time for lodging the Form of Proxy	:	Tuesday, 25 May 2021 at 11.00 a.m.

Further information on how to participate in the EGM is set out in the Administrative Guide for the EGM which can be viewed and downloaded from the websites of MFCB and Bursa Malaysia Securities Berhad at www.mega-first.com and www.bursamalaysia.com respectively.

If you are unable to attend and vote remotely at the EGM, you may appoint a proxy or proxies to attend and vote remotely on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy in accordance with the instructions thereon so as to arrive at the registered office of MFCB at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, deposit electronically via Boardroom Smart Investor Portal at <https://boardroomlimited.my> by 11.00 a.m. on 25 May 2021 which is not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the EGM should you subsequently decide to do so.

This Circular is dated 28 April 2021

DEFINITIONS

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

Act	:	Companies Act, 2016
Board	:	Board of Directors
Book Closure Date	:	A date to be determined and announced later by our Board on which the names of our Shareholders must appear in the Record of Depositors of our Company at 5.00 p.m. in order to be entitled to participate in the Proposed Share Split
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to our Shareholders dated 28 April 2021 in relation to the Proposed Share Split
Directors	:	Directors of our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
EGM	:	Extraordinary General Meeting of MFCB
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of MFCB on the Book Closure Date
EPS	:	Earnings per MFCB Share
FYE	:	Financial year ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 March 2021, being the latest practicable date prior to the date of this Circular
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maybank IB	:	Maybank Investment Bank Berhad (Registration No. 197301002412)
MFCB or Company	:	Mega First Corporation Berhad (Registration No. 196601000210 (6682-V))
MFCB Group or Group	:	Collectively, our Company and its subsidiaries
MFCB Shares	:	Ordinary shares in our Company
NA	:	Net assets
Proposed Share Split	:	Proposed share split involving the subdivision of every 1 existing MFCB Share held by the Entitled Shareholders into 2 Subdivided Shares

DEFINITIONS (Cont'd)

Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Shareholders	:	Shareholders of our Company
Subdivided Shares	:	MFCB Shares after the Proposed Share Split
VWAP	:	Volume weighted average market price

CURRENCY

RM and sen	:	Ringgit Malaysia and sen
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All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular, if any, shall mean MFCB or where the context requires, the MFCB Group.

All references to “**you**” or “**your**” in this Circular are to our Shareholders.

Unless specifically referred to, 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/or neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

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

Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

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MFCB

MEGA FIRST CORPORATION BERHAD

(Registration No. 196601000210 (6682-V))

(Incorporated in Malaysia)

Registered Office
A-12-01 Level 12
Block A, PJ8
No. 23 Jalan Barat
Seksyen 8
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

28 April 2021

Our Board

Goh Nan Kioh (*Executive Chairman*)

Tay Kheng Chiong (*Non-Independent and Non-Executive Deputy Chairman*)

Goh Nan Yang (*Executive Director*)

Goh Mei Sze (*Executive Director*)

Khoo Teng Keat (*Executive Director*)

Dato' Koh Hong Sun (*Independent and Non-Executive Director*)

Yeow See Yuen (*Independent and Non-Executive Director*)

Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP (*Independent and Non-Executive Director*)

Jesper Bjorn Madsen (*Independent and Non-Executive Director*)

Professor Dato' Dr. Tan Hui Meng (*Independent and Non-Executive Director*)

Datin Jeyanthini a/p M. Kannaperan (*Independent and Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHARE SPLIT

1. INTRODUCTION

On 26 February 2021, Maybank IB, on behalf of our Board, announced that our Company proposes to undertake the Proposed Share Split.

On 9 April 2021, Maybank IB, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 9 April 2021, resolved to approve the Proposed Share Split, subject to the terms and conditions as set out in **Section 6** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION OF THE PROPOSED SHARE SPLIT AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE SPLIT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

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

2. DETAILS OF THE PROPOSED SHARE SPLIT

2.1 Basis and number of Subdivided Shares

The Proposed Share Split involves the subdivision of every 1 existing MFCB Share held by the Entitled Shareholders into 2 Subdivided Shares.

As at the LPD, the issued share capital of our Company is RM743,121,275.60 comprising 494,176,051 MFCB Shares (including 20,497,300 MFCB Shares held as treasury shares).

Upon completion of the Proposed Share Split, the resultant issued share capital of our Company will be RM743,121,275.60 comprising 988,352,102 Subdivided Shares.

The Proposed Share Split will result in an adjustment to the reference price of MFCB Shares listed and quoted on the Main Market of Bursa Securities.

For illustration purposes only, based on the closing price of MFCB Shares as at the LPD of RM7.350, the theoretical adjusted reference price of MFCB Shares upon completion of the Proposed Share Split based on 1,000 MFCB Shares is as follows:

	<u>Assumed no. of MFCB Shares / Subdivided Shares</u>	<u>Closing price / Theoretical adjusted reference price of MFCB Shares</u>	<u>Total value⁽¹⁾</u>
		RM	RM
As at the LPD	1,000	7.350 ⁽²⁾	7,350
After the Proposed Share Split	2,000	3.675 ⁽³⁾	7,350

Notes:

(1) The total value was arrived at by multiplying the number of MFCB Shares with the closing price / theoretical adjusted reference price of MFCB Shares.

(2) Based on the closing price of MFCB Shares as at the LPD.

(3) The theoretical adjusted reference price of MFCB Shares is arrived at based on the following formula:

$$\begin{aligned} \text{Theoretical adjusted} &= \text{Closing price} && \times \frac{\text{Assumed number of MFCB Shares as at the LPD}}{\text{Assumed number of Subdivided Shares}} \\ \text{reference price of MFCB} &= \text{of MFCB} && \\ \text{Shares} &= \text{Shares} && \\ &= \text{RM7.350} && \times \frac{1,000}{2,000} \\ &= \text{RM3.675} && \end{aligned}$$

Based on the above illustration, the Proposed Share Split will reduce the reference price of MFCB Shares without affecting the total market value of MFCB Shares held by our Shareholders.

Additionally, the Proposed Share Split is in compliance with Paragraph 6.30(1A) of the Listing Requirements as the adjusted price per MFCB Share of RM3.6664 computed based on the daily VWAP of MFCB Shares during the 3-month period before 2 April 2021, being the date of application to Bursa Securities for the listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities, of RM7.3328 is not less than RM0.50.

2.2 Ranking of the Subdivided Shares

The Subdivided Shares shall, upon allotment and issuance, rank equally in all respects with each other, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Subdivided Shares.

2.3 Listing and quotation of the Subdivided Shares

Approval has been obtained from Bursa Securities vide its letter dated 9 April 2021 for the listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities, subject to the terms and conditions as set out in **Section 6** of this Circular.

No suspension will be imposed on the trading of the MFCB Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Split. The Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day after the Book Closure Date.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED SHARE SPLIT

The Proposed Share Split is expected to further enhance the marketability and trading liquidity of MFCB Shares on the Main Market of Bursa Securities as a result of the increase in the number of MFCB Shares in issue.

In addition, the adjustment to the market price of MFCB Shares pursuant to the Proposed Share Split is expected to result in the MFCB Shares being more affordable, thus potentially appealing to a wider group of public investors to participate in the growth of our Company.

The Proposed Share Split will also enable the Entitled Shareholders to hold a larger number of MFCB Shares at no cost while maintaining their percentage of equity interest in our Company.

4. EFFECTS OF THE PROPOSED SHARE SPLIT

4.1 Share capital

The pro forma effect of the Proposed Share Split on the share capital of our Company are as follows:

	<u>No. of MFCB Shares</u>	<u>RM'000</u>
As at the LPD	494,176,051 ⁽¹⁾	743,121
After the Proposed Share Split	988,352,102	743,121

Note:

(1) Including 20,497,300 treasury shares held by our Company as at the LPD.

4.2 NA per MFCB Share and gearing

For illustration purposes only, based on the latest audited consolidated statement of financial position of MFCB as at 31 December 2020 and assuming that the Proposed Share Split had been effected on that date, the pro forma effects of the Proposed Share Split on the NA per MFCB Share and gearing of the MFCB Group are as follows:

	Audited as at 31 December 2020	After the Proposed Share Split
	(RM'000)	(RM'000)
Share capital	743,121	743,121
Treasury shares	(30,046)	(30,046)
Reserves	1,214,435	1,214,255 ⁽¹⁾
NA attributable to the owners of our Company	1,927,510	1,927,330
No. of MFCB Shares in issue ⁽²⁾	473,678,751	947,357,502
NA per MFCB Share ⁽³⁾ (RM)	4.07	2.03
Total borrowings (RM'000)	657,875	657,875
Gearing ⁽⁴⁾ (times)	0.34	0.34

Notes:

(1) After deducting the estimated expenses relating to the Proposed Share Split of RM0.18 million.

(2) Excluding 20,497,300 treasury shares held by our Company as at the LPD.

(3) Computed based on NA attributable to the owners of our Company divided by the number of MFCB Shares in issue.

(4) Computed based on total borrowings divided by NA attributable to the owners of our Company.

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4.3 Substantial Shareholders' shareholdings

The Proposed Share Split will not have any effect on the percentage of shareholding of the substantial Shareholders in our Company as the Subdivided Shares will be allotted on a pro-rata basis to all the Entitled Shareholders. However, the number of MFCB Shares held by the substantial Shareholders will increase proportionately as a result of the Proposed Share Split.

For illustration purposes only, the pro forma effect of the Proposed Share Split on the substantial Shareholders' shareholdings is as follows:

	As at the LPD				After the Proposed Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of MFCB Shares	% ⁽¹⁾	No. of MFCB Shares	% ⁽¹⁾	No. of MFCB Shares	% ⁽²⁾	No. of MFCB Shares	% ⁽²⁾
Goh Nan Kioh	7,415,528	1.57	150,398,141 ⁽³⁾	31.75	14,831,056	1.57	300,796,282 ⁽³⁾	31.75
Rubber Thread Industries (M) Sdn Berhad	95,810,000	20.23	3,854,400 ⁽⁴⁾	0.81	191,620,000	20.23	7,708,800 ⁽⁴⁾	0.81
Keen Capital Investments Limited	38,385,341	8.10	-	-	76,770,682	8.10	-	-
Camasia Limited	742,800	0.16	99,664,400 ⁽⁵⁾	21.04	1,485,600	0.16	199,328,800 ⁽⁵⁾	21.04
Laju Riang Sdn Bhd	-	-	99,664,400 ⁽⁵⁾	21.04	-	-	199,328,800 ⁽⁵⁾	21.04
Kema Development Sdn Bhd	-	-	99,664,400 ⁽⁵⁾	21.04	-	-	199,328,800 ⁽⁵⁾	21.04
Cam Property (Malaysia) Sdn Bhd (formerly known as Cambrew (Malaysia) Sdn Bhd)	-	-	99,664,400 ⁽⁵⁾	21.04	-	-	199,328,800 ⁽⁵⁾	21.04
Dr. Lim Thian Soo	10,000	*	99,664,400 ⁽⁵⁾	21.04	20,000	*	199,328,800 ⁽⁵⁾	21.04
Lim Thiam Cheok	10,000	*	99,664,400 ⁽⁵⁾	21.04	20,000	*	199,328,800 ⁽⁵⁾	21.04
Lim Yam Poh	-	-	99,664,400 ⁽⁵⁾	21.04	-	-	199,328,800 ⁽⁵⁾	21.04

Notes:

* Less than 0.01%.

(1) Computed based on 473,678,751 MFCB Shares in issue (excluding the treasury shares held by our Company) as at the LPD.

(2) Computed based on 947,357,502 MFCB Shares in issue (excluding the treasury shares held by our Company) after the Proposed Share Split.

(3) Deemed interest by virtue of his interest in Rubber Thread Industries (M) Sdn Berhad, Lanai Etika Sdn Bhd, Keen Capital Investments Limited, PRT Capital Pte Ltd and Camasia Limited pursuant to Section 8 of the Act.

(4) Deemed interest by virtue of its interest in Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of his/her/its interest in Rubber Thread Industries (M) Sdn Berhad and Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

4.4 Earnings and EPS

The Proposed Share Split is not expected to have any material effect on the earnings of the MFCB Group for the FYE 31 December 2021. However, assuming that the earnings of the MFCB Group remain unchanged, there will be a corresponding dilution in the EPS of the MFCB Group as a result of the increase in the number of MFCB Shares in issue pursuant to the Proposed Share Split.

For illustration purposes only, based on the latest audited consolidated statements of profit or loss and other comprehensive income of MFCB for the FYE 31 December 2020 and assuming that the Proposed Share Split had been effected on 1 January 2020, being the beginning of the FYE 31 December 2020, the pro forma effects of the Proposed Share Split on the earnings and EPS of the MFCB Group are as follows:

	<u>Audited for the FYE 31 December 2020</u>	<u>After the Proposed Share Split</u>
Profit after tax attributable to the owners of our Company (RM'000)	321,290	321,290
No. of MFCB Shares in issue ⁽¹⁾	473,678,751	947,357,502
Net EPS ⁽²⁾ (sen)	67.83	33.91

Notes:

(1) Excluding 20,497,300 treasury shares held by our Company as at the LPD.

(2) Computed based on profit after tax attributable to the owners of our Company divided by the number of MFCB Shares in issue.

4.5 Convertible Securities

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

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5. HISTORICAL SHARE PRICES

The monthly high and low market prices of MFCB Shares traded on Bursa Securities for the past 12 months from April 2020 to March 2021 are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
2020		
April	5.00	4.33
May	6.68	4.86
June	7.18	5.91
July	6.88	6.29
August	7.76	6.62
September	7.83	6.89
October	7.50	6.88
November	7.57	6.72
December	7.30	6.55
2021		
January	7.26	6.63
February	8.10	7.20
March	7.75	7.00
Last transacted market price on Bursa Securities as at 25 February 2021, being the last trading day prior to the announcement of the Proposed Share Split		8.00
Last transacted market price on Bursa Securities as at the LPD		7.35

(Source: Bloomberg)

6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Share Split is subject to the following approvals being obtained:

- (i) Bursa Securities for the Proposed Share Split which was obtained on 9 April 2021, subject to the following conditions:

<u>No</u>	<u>Condition</u>	<u>Status of Compliance</u>
(a)	MFCB and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Share Split;	To be complied
(b)	MFCB and Maybank IB to inform Bursa Securities upon the completion of the Proposed Share Split;	To be complied
(c)	MFCB or Maybank IB to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders at the forthcoming general meeting for the Proposed Share Split;	To be complied

No	Condition	Status of Compliance
(d)	MFCB and Maybank IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Split is completed; and	To be complied
(e)	MFCB and Maybank IB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements.	To be complied
(ii)	our Shareholders at the forthcoming EGM for the Proposed Share Split; and	
(iii)	any other relevant authorities or parties, if required.	

The Proposed Share Split is not conditional upon any other corporate exercise/scheme of our Company.

7. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Share Split, there are no outstanding corporate exercises/schemes which have been announced by our Company but pending completion as at the LPD.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED

None of the Directors, major Shareholders, chief executive of our Company and persons connected with them has any interest, either direct or indirect, in the Proposed Share Split, save for their respective entitlements as Shareholders under the Proposed Share Split which are also available to all the other Shareholders on a pro-rata basis.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Share Split including but not limited to the rationale and effects of the Proposed Share Split, is of the opinion that the Proposed Share Split is in the best interest of our Company.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Share Split to be tabled at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the requisite approvals being obtained, the Proposed Share Split is expected to be completed by the second quarter of 2021.

The tentative timetable for the implementation of the Proposed Share Split is as follows:

Timing	Event
27 May 2021	EGM
End May 2021	Announcement on the Book Closure Date
Early June 2021	Book Closure Date

Timing	Event
Mid June 2021	<ul style="list-style-type: none"> • Listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities • Completion of the Proposed Share Split

11. EGM

The notice convening the EGM and the Form of Proxy are enclosed in this Circular. Further information on how to participate in the EGM is set out in the Administrative Guide for the EGM which can be viewed and downloaded from the websites of our Company and Bursa Malaysia Securities Berhad at www.mega-first.com and www.bursamalaysia.com respectively. The EGM will be conducted in a fully virtual manner through live streaming from the broadcast venue at Conference Room, A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 27 May 2021 at 11.00 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of MFCB, whichever is later, for the purpose of considering and, if thought fit, passing, the resolution to give effect to the Proposed Share Split.

If you are unable to attend and vote remotely via the Remote Participation and Electronic Voting Facilities provided at the forthcoming EGM, you may appoint a proxy or proxies to attend and vote remotely on your behalf. If you wish to do so, you must complete and deposit the enclosed Form of Proxy in accordance with the instructions thereon so as to arrive at the registered office of our Company at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, deposit electronically via Boardroom Smart Investor Portal at <https://boardroomlimited.my> by 11.00 a.m. on 25 May 2021 which is not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the EGM should you subsequently decide to do so.

12. FURTHER INFORMATION

You are advised to refer to the attached appendix for further information.

Yours faithfully
For and on behalf of our Board
MEGA FIRST CORPORATION BERHAD

GOH MEI SZE
Executive Director

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTERESTS

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

Maybank IB and its related and associated businesses ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our Shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, Maybank IB confirms that it is not aware of any circumstances that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser to our Company for the Proposed Share Split.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, neither our Company nor any of our subsidiaries is involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against our Group or any facts which are likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group:

On 5 October 2016, Idaman Harmoni Sdn Bhd ("**IHSB**"), an indirect 65% owned subsidiary of our Company, was served by the Inland Revenue Board of Malaysia ("**IRBM**") notices of assessment for the Year of Assessment 2010 and Year of Assessment 2009 amounting to RM22,795,912 for additional taxes and penalties ("**Notices of Assessment**"). IHSB may be further subject to additional late payment penalty of up to 15.5% on such unpaid taxes and penalties.

ADDITIONAL INFORMATION (Cont'd)

The taxes and penalties imposed by the IRBM under the Notices of Assessment relate to a joint venture entered into between IHSB as the landowner and a property developer for the construction of an office and residential property known as PJ8 ("**PJ8 Property**") pursuant to a development agreement dated 23 April 2004 (as amended and supplemented). The IRBM has taken the view that there was a deemed disposal by IHSB of the land on which the PJ8 Property is erected which was subject to income tax under the Income Tax Act 1967. However, IHSB has treated this transaction as a capital transaction which was subject to real property gains tax under the Real Property Gains Tax Act 1976, and has made the necessary tax filings.

Based on advice from both its tax consultants and solicitors, IHSB is of the view that the assessments raised by the IRBM are statute barred and erroneous in law. On 28 October 2016, IHSB filed its appeals against the assessments to the Special Commissioner of Income Tax ("**SCIT**").

On 1 September 2020, SCIT dismissed IHSB's appeals. However, IHSB has been advised by its solicitors that there are strong and valid grounds for an appeal against the SCIT's decision. On 15 September 2020, IHSB filed its appeal against the SCIT's decision to the High Court of Malaya. IHSB's appeal to the High Court of Malaya is currently fixed for hearing on 21 June 2021.

By virtue of the consent judgement with the Government of Malaysia dated 5 October 2018, IHSB does not have to pay the taxes and penalties imposed by IRBM under the Notices of Assessment until IHSB's appeal to the High Court of Malaya or further appeal to the Court of Appeal, is finally determined.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:

	<u>RM'000</u>
Capital commitments	
Property, plant and equipment	
Authorised but not provided for:	
- Contracted	59,064
- Non-contracted	1,194
Total	<u>60,258</u>

5. CONTINGENT LIABILITIES

Save as disclosed in **Section 3** of this Appendix, as at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group.

ADDITIONAL INFORMATION *(Cont'd)*

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Group for the past 2 FYEs 31 December 2019 and 31 December 2020;
- (iii) the letter of consent and declaration of conflict of interests referred to in **Section 2** of this Appendix; and
- (iv) the relevant cause papers in respect of the material litigation referred to in **Section 3** of this Appendix.

MFCB

MEGA FIRST CORPORATION BERHAD

(Registration No. 196601000210 (6682-V))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Mega First Corporation Berhad (“**MFCB**” or “**Company**”) (“**EGM**”) will be conducted in a fully virtual manner through live streaming from the broadcast venue at Conference Room, A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“**Broadcast Venue**”) on Thursday, 27 May 2021 at 11.00 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of MFCB, whichever is later, for the purpose of considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN MFCB (“MFCB SHARE”) HELD INTO 2 SUBDIVIDED MFCB SHARES (“SUBDIVIDED SHARES”) (“PROPOSED SHARE SPLIT”)

“**THAT** subject to the approvals of all the relevant authorities or parties being obtained (if applicable), authority be and is hereby given to the board of directors of MFCB (“**Board**”) to subdivide every 1 existing MFCB Share held by the shareholders of MFCB (“**Shareholders**”) whose names appear in the Record of Depositors of MFCB at 5.00 p.m. on an entitlement date to be determined and announced later by the Board into 2 Subdivided MFCB Shares;

THAT the Subdivided Shares shall, upon allotment and issuance, rank equally in all respects with each other, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of the Subdivided Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give full effect to the Proposed Share Split with full power to assent to any terms, conditions, variations, modifications, and/or amendments in any manner as the Board may deem fit, necessary and/or expedient in the best interest of MFCB or as a consequence of any requirements imposed by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as the Board may deem fit, necessary and/or expedient in the best interest of MFCB to implement, finalise and give full effect to the Proposed Share Split.”

By Order of the Board
MEGA FIRST CORPORATION BERHAD

Foo Wen Yunn
SSM PC No. 201908000440 (MAICSA 7057965)
Company Secretary

Petaling Jaya
28 April 2021

Notes:

- (1) *In light of the Coronavirus Disease 2019 (“**COVID-19**”) pandemic and Government of Malaysia’s official guidance on social distancing, the EGM will be conducted in a fully virtual manner through live streaming and online remote voting via the Remote Participation and Electronic Voting (“**RPEV**”) Facilities at <https://web.lumiagm.com>.*

Please read and follow the procedures as set out in the Administrative Guide for the EGM which can be viewed and downloaded from the websites of the Company and Bursa Malaysia Securities Berhad at www.mega-first.com and www.bursamalaysia.com respectively in order to register, participate and vote remotely via the RPEV Facilities.

- (2) The Broadcast Venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the EGM to be present at the main venue of the EGM. Shareholders/Proxies/Corporate Representatives WILL NOT BE ALLOWED to attend the EGM in person at the Broadcast Venue on the day of the EGM.
- (3) Depositors whose names appear in the Record of Depositors as at 20 May 2021 shall be regarded as members of the Company entitled to attend the EGM or to appoint proxies to attend on their behalf.
- (4) A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (5) In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
- (6) A member shall, subject to paragraph (7) below, be entitled to appoint no more than 2 proxies to attend and vote at the EGM. Where a member appoints 2 proxies to attend and vote at the EGM, such appointment shall not be valid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- (7) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which holds MFCB Shares for multiple beneficial owners in 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 of the Company is an authorised nominee as defined under the SICDA, it may appoint at least 1 proxy in respect of each securities account it holds with MFCB Shares standing to the credit of the said securities account.
- (8) A member or his/her proxy or proxies must register himself/herself to participate in the EGM for the RPEV Facilities via Boardroom Smart Investor Portal at <https://boardroomlimited.my> by 11.00 a.m. on 25 May 2021. Procedures for registration can be found in the Administrative Guide for the EGM.
- (9) The instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof:

In hard copy form

In the case of an appointment is made in hard copy form, the Form of Proxy must be deposited at the registered office of the Company situated at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

By electronic means

In the case of an appointment is made by electronic means, the Form of Proxy must be electronically deposited via Boardroom Smart Investor Portal at <https://boardroomlimited.my>. Please refer to the Procedure for Electronic Lodgement of Form of Proxy stated in the Administrative Guide for the EGM.

MFCB

MEGA FIRST CORPORATION BERHAD

(Registration No. 196601000210 (6682-V))
(Incorporated in Malaysia)

No. of MFCB Shares held:	
CDS Account Number:	

FORM OF PROXY

(To be completed in block letters)

I/We
(Full Name as per NRIC/ Certificate of Incorporation in block letters)

Company No./ NRIC No.

of
(Full address)

being a member of MEGA FIRST CORPORATION BERHAD ("MFCB" or "Company") hereby appoint:

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of MFCB Shares	%
Address:			
Email Address:			
Tel. No.:			

And / Or

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of MFCB Shares	%
Address:			
Email Address:			
Tel. No.:			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("EGM") to be conducted in a fully virtual manner through live streaming from the broadcast venue at Conference Room, A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 27 May 2021 at 11.00 a.m. or immediately following the conclusion or adjournment of the 55th Annual General Meeting of MFCB, whichever is later, in the manner indicated below:

SPECIAL RESOLUTION	For	Against	Abstain
1. Proposed Share Split			

(Please indicate with an "X" in the space provided as to how you wish your vote to be cast. If no indication is given, my our proxy shall vote or abstain as he/she thinks fit).

Date:	
Contact Number:	

.....
Signature/Common seal of Shareholder

Notes:

- In light of the Coronavirus Disease 2019 ("COVID-19") pandemic and Government of Malaysia's official guidance on social distancing, the EGM will be conducted in a fully virtual manner through live streaming and online remote voting via the Remote Participation and Electronic Voting ("RPEV") Facilities at <https://web.lumiagm.com>. Please read and follow the procedures as set out in the Administrative Guide for the EGM which can be viewed and downloaded from the websites of the Company and Bursa Malaysia Securities Berhad at www.mega-first.com and www.bursamalaysia.com respectively in order to register, participate and vote remotely via the RPEV Facilities.
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- In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
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Please fold here

ATTACH
POSTAGE
STAMP

The Company Secretary
MEGA FIRST CORPORATION BERHAD
A-12-01 LEVEL 12, BLOCK A, PJ8
NO. 23 JALAN BARAT
SEKSYEN 8
PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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