

NOTICE OF PROVISIONAL ALLOTMENT

Terms defined in the abridged prospectus dated 29 September 2021 (“Abridged Prospectus”) issued by Malaysia Steel Works (KL) Bhd (“Masteel” or the “Company”) shall have the same meaning when used in this Notice of Provisional Allotment (“NPA”), unless stated otherwise. The Provisional Allotments (as defined herein) as contained in this NPA are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 (“SICDA”) as amended from time to time and therefore, the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) shall apply in respect of dealings in the Provisional Allotments.

Masteel

MALAYSIA STEEL WORKS (KL) BHD

Registration No. 197101000213 (7878-V)

RENOUNCEABLE RIGHTS ISSUE WITH WARRANTS OF UP TO 226,369,915 NEW ORDINARY SHARES IN MASTEEL (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.395 PER RIGHTS SHARE TOGETHER WITH 226,369,915 FREE DETACHABLE WARRANTS (“WARRANT(S)”) ON THE BASIS OF 1 RIGHTS SHARES FOR EVERY 2 EXISTING ORDINARY SHARES HELD IN MASTEEL TOGETHER WITH 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON 29 SEPTEMBER 2021 (“RIGHTS ISSUE WITH WARRANTS”)

Principal Adviser and Managing Underwriter

Co-Underwriters



M & A SECURITIES SDN BHD
Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



BIMB SECURITIES SDN BHD
Registration No. 199401004484 (290163-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

MALACCA SECURITIES SDN BHD

Registration No. 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



Registration No. 197201001092
(12738-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

To: Our Entitled Shareholders

Dear Sir / Madam

Our Board of Directors (“Board”) has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad (“Bursa Securities”) via its letter dated 15 January 2021 and the resolution passed by our shareholders at the Extraordinary General Meeting held on 23 March 2021 in relation to the Rights Issue with Warrants, the number of Rights Shares with Warrants as indicated below (“Provisional Allotments”).

We wish to advise you that the following Provisional Allotments made to you in respect of the Rights Issue with Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System (“CDS”) account(s), subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form (“RSF”) issued by our Company.

Bursa Securities has already prescribed our Company’s securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Allotments are prescribed securities and as such, all dealings in the Provisional Allotments will be by book entry through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR THEIR TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL WARRANT CERTIFICATES WILL BE ISSUED.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable basis and in the following priority:

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS accounts as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and
- (iv) Fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

The Excess Rights Shares and Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants. Thereafter, the Excess Rights Shares and Warrants will be allocated in the order of (i) to (iv), and any balance thereafter will be allocated in the same sequence of allocation, i.e. items (ii) to (iv) until all Excess Rights Shares with Warrants are allotted.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part 1 (b) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the priority set out in (i) to (iv) are achieved. Our Board also reserves the right not to accept or to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER			
NUMBER OF SHARES HELD AT 5.00 P.M. ON 29 SEPTEMBER 2021	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.395 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES	
Entitlement date	Wednesday, 29 September 2021 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Rights Shares with Warrants	Wednesday 6 October 2021 at 5.00 p.m.
Transfer of Provisional Rights Shares with Warrants	Friday, 8 October 2021 at 4.30 p.m.
Acceptance and payment for the Provisional Rights Shares with Warrants	Thursday, 14 October 2021 at 5.00 p.m.
Excess Application and payment for the Excess Rights Shares with Warrants	Thursday, 14 October 2021 at 5.00 p.m.

By Order of the Board

Tai Yit Chan (SSM PC No. 202008001023) (MAICSA 7009143)
Tan Ai Ning (SSM PC No. 202008000067) (MAICSA 7015852)

Company Secretary

Share Registrar
Securities Services (Holdings) Sdn Bhd (197701005827 (36869-T))
Level 7, Menara Milenium
Jalan Damansara
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 603 - 2084 9000
Fax: 603 - 2094 9940

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 29 SEPTEMBER 2021

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE WITH WARRANTS SHOULD BE ADDRESSED TO OUR SHARE REGISTRAR, SECURITIES SERVICES (HOLDINGS) SDN BHD, LEVEL 7, MENARA MILENIUM JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR (TEL: 603 - 2084 9000). YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 29 SEPTEMBER 2021.

The Abridged Prospectus, together with the Notice of Provisional Allotment ("NPA") and RSF (collectively, the "Documents"), are despatched only to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 29 September 2021 ("Entitled Shareholders") at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 29 September 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue with Warrants is not intended to be (and will not be) made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s)/transferee(s) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in a contravention of any laws of such countries or jurisdiction. Neither our Company, M & A Securities Sdn Bhd nor any other professional advisers to the Rights Issue with Warrants shall accept any responsibility or liability if any acceptance and/or renunciation (as the case may be) made by Entitled Shareholders and/or their renounee(s)/transferee(s) is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

The Abridged Prospectus has been registered by the Securities Commission Malaysia ("SC"). The registration of the Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue with Warrants. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

Approval has been obtained from our Shareholders at our EGM held on 23 March 2021 for the Rights Issue with Warrants. Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 15 January 2021 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. The official listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue with Warrants will commence after, among others, receipt of confirmation from Bursa Depository Sdn Bhd ("Bursa Depository") that all the Central Depository System ("CDS") accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved the Documents. They, collectively and individually, accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted would make any statement in the Documents false or misleading. Unless otherwise stated, the unit of currency used in this RSF is RM and Sen.

INSTRUCTIONS:-

ACCEPTANCE FOR THE PROVISIONAL ALLOTMENTS AND EXCESS APPLICATION ARE TO BE MADE BY WAY OF RSF OR BY WAY OF ELECTRONIC APPLICATION, BURSA ANYWHERE OR THE NOMINEE RIGHTS SUBSCRIPTION ("NRS") SERVICE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ABRIDGED PROSPECTUS.

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until **5.00 p.m. on Thursday, 14 October 2021**. ("Closing Date").

If acceptance of and payment for the Provisional Allotments (whether in full or in part) are not received by our Share Registrar as detailed below by 5.00 p.m. on the Closing Date, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such Rights Shares with Warrants not taken up to applicants applying for Excess Rights Shares with Warrants in the manner as set out in item (iii) below.

Securities Services (Holdings) Sdn Bhd [197701005827 (36869-T)]

Level 7, Menara Milenium
Jalan Damanela,
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603 - 2084 9000 Fax : 603 - 2094 9940

(II) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES

The Rights Issue with Warrants is renounceable in full or in part. If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of this RSF in accordance with the notes and instructions contained herein and submit this RSF together with the appropriate remittance made in RM for the full amount payable for the Rights Issue with Warrants accepted in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**MASTEEL RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters, and must be received by our Share Registrar at the address set out above before 5.00 p.m. on the Closing Date. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

The payment must be made for the exact amount payable for the Rights Shares with Warrants accepted. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of this RSF or application monies in respect of the Rights Issue with Warrants. However, if your application is successful, a notice of allotment will be despatched to you and/or your renounee(s) and/or your transferee(s) by ordinary post to the address as shown on Bursa Depository's record at your own risk within eight (8) market days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Where an application is not accepted or is accepted in part only, the full amount or the balance of application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have provided such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not provided such bank account information to Bursa Depository, the refund will be by issuance of cheque and will be despatched by ordinary post to the address as shown on Bursa Depository's record at your own risk within fifteen (15) market days from the Closing Date.

(III) EXCESS APPLICATION

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(B) of this RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants applied for in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**MASTEEL EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters, and must be received by our Share Registrar at the address set out above, on or above before 5.00 p.m. on the Closing Date. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants applied for. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of the Excess Application or application monies in respect thereof. However, if your application is successful, a notice of allotment will be despatched to you and/or your renounee(s) and/or your transferee(s) by ordinary post to the address as shown on Bursa Depository's record at your own risk within eight (8) market days from the last date of application and payment of the Excess Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

Where an Excess Application is not accepted or is accepted in part only, the full amount or the balance of application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have provided such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not provided such bank account information to Bursa Depository the refund will be by issuance of cheque and will be despatched by ordinary post to the address as shown on Bursa Depository's record at your own risk within fifteen (15) market days from the last date of application and payment of the Excess Rights Shares with Warrants.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable basis and in the following priority:

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS accounts as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and
- (iv) Fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by our Entitled Shareholders and/or renounee(s) and/or their transferee(s) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to our Entitled Shareholders and/or renounee(s) and/or their transferee(s) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares with Warrants applied in such manner as the Board deems fit, expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept any Excess Application in full or in part without assigning any reason thereof.

(IV) SALE OR TRANSFER OF PROVISIONAL ALLOTMENTS

Should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one (1) or more persons, you may do so through your stockbroker for the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository). If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of this RSF.

In selling or transferring all or part of your Provisional Allotments, you need not deliver any document, including this RSF to your stockbroker. However, you must ensure that there is sufficient Provisional Allotments standing to the credit of your CDS account that is available for settlement of the sale or transfer.

The purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of the Abridged Prospectus and this RSF from his/her/their stockbroker, our registered office, our Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

(V) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- (b) A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on the RSF.
- (c) Rights Shares subscribed by our Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) will be credited into their respective CDS accounts as stated in this RSF or the exact account(s) appearing in Bursa Depository's record of depositors.
- (d) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- (e) The contract arising from the acceptance of the Provisional Allotments by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (f) Our Board reserves the right to accept or reject any acceptance and/or application if the instructions above are not strictly adhered to or which are illegible.
- (g) Entitled Shareholders and/or their renounee(s) and/or their transferee(s) should note that any RSF and remittances lodged with our Share Registrar shall be irrevocable and shall not be subsequently withdrawn.

(VI) BY WAY OF ELECTRONIC APPLICATION, BURSA ANYWHERE OR NRS

Please refer to Section 9 of the Abridged Prospectus for further details on the instructions for acceptance, payment, sale/transfer and excess application for the Rights Issue with Warrants by way of electronic application, Bursa Anywhere or NRS.