



MAG HOLDINGS BERHAD
(formerly known as XingHe Holdings Berhad)
Registration No. 200401004611 (643114-X)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of MAG Holdings Berhad (formerly known as XingHe Holdings Berhad) ("**MAG**" or the "**Company**") will be held on a fully virtual basis via online meeting platform of Securities Services e-Portal at <https://sshsb.net.my/> on Friday, 2 July 2021 at 9.00 a.m. or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 331,548,600 NEW ORDINARY SHARES IN MAG ("PLACEMENT SHARES") ("PROPOSED PRIVATE PLACEMENT")

"THAT, subject to the passing of Ordinary Resolution 2 and Special Resolution and conditional upon the approvals of all relevant authorities and persons (if any), approval be and is hereby given to our Company to increase the share capital of MAG by way of private placement of up to 331,548,600 new ordinary shares in MAG, representing not more than 45.0% of its issued shares, in one or multiple tranches to be allocated and issued to:

- (i) Chan Yok Peng, Chow Dai Ying, Lee Choon Hooi, Megan Mezanin Sdn Bhd and Pelican Prospect Sdn Bhd ("**Subscribers**") for 50,000,000 Placement Shares each, amounting to a total of 250,000,000 Placement Shares ("**Subscription Shares**"), in accordance with the terms and conditions of the subscription agreements entered into between the Company and the Subscribers respectively on 24 March 2021 ("**Subscription Agreement(s)**"), at an issue price of RM0.20 per Subscription Share ("**Subscription Price**"); and
- (ii) independent investor(s) to be identified for the remaining 81,548,600 Balance Placement Shares as well as any Subscription Shares not subscribed by the Subscribers, in one or several tranches, at an issue price for each tranche to be determined and fixed by the Board of Directors of the Company ("**Board**"), which shall be determined later after all the relevant approvals have been obtained. In any event, the issue price shall not be at a discount of more than 10% from the 5-day volume weighted average price of MAG Shares immediately preceding the price-fixing date;

THAT, such Placement Shares will, upon issuance and allotment, rank equally with the existing MAG Shares, except that holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared to the shareholders of the Company, which the entitlement date (namely the date as at the close of business on which the shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) is prior to the date of allotment of the Placement Shares;

THAT, the proceeds raised from the Proposed Private Placement are to be utilised in the manner as set out in Section 2.2.5 of the Circular to Shareholders of the Company dated 10 June 2021 and the ("**Circular**") Board be and is hereby authorised, at their sole discretion, to vary the manner of utilisation of proceeds from time to time as it may deem fit, necessary or expedient in the interest of the Company;

AND THAT, the Board be and is hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions they consider necessary or as may be required to give full effect to and complete the Proposed Private Placement."

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION BY MAG OF 20,599,995 ORDINARY SHARES ("SALE SHARES") IN NORTH CUBE SDN BHD ("NCUBE"), REPRESENTING 100% OF THE EQUITY INTEREST IN NCUBE FROM NG MIN LIN AND MELVIN LIM CHUN WOEI (COLLECTIVELY, THE "VENDORS"), FOR A PURCHASE CONSIDERATION OF RM200,000,000 TO BE SATISFIED VIA A COMBINATION OF CASH CONSIDERATION OF RM60,000,000, ISSUANCE AND ALLOTMENT OF 300,000,000 NEW ORDINARY SHARES IN MAG ("MAG SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM0.20 PER CONSIDERATION SHARE AND ISSUANCE AND ALLOTMENT OF 400,000,000 NEW REDEEMABLE PREFERENCE SHARES ("RPS") ("CONSIDERATION RPS") AT AN ISSUE PRICE OF RM0.20 PER CONSIDERATION RPS ("PROPOSED ACQUISITION")

"THAT subject to the passing of Ordinary Resolution 1 and Special Resolution and the approvals of all relevant authorities and/or persons being obtained, approval be and is hereby given for MAG to acquire the Sale Shares for a purchase consideration of RM200,000,000 ("**Purchase Consideration**").

The Purchase Consideration shall be satisfied in the following manner:-

- (i) Cash consideration of RM60,000,000;
- (ii) RM60,000,000 via the issuance and allotment of 300,000,000 Consideration Shares at the issue price of RM0.20 per Consideration Share; and
- (iii) RM80,000,000 via the issuance and allotment of 400,000,000 Consideration RPS at an issue price of RM0.20 per Consideration RPS,

in accordance with the terms and conditions of the conditional share acquisition agreement dated 24 March 2021 entered into between the Vendors and MAG.

THAT, such Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing MAG Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions, which may be declared, made or paid, for which the entitlement date is prior to the date of issuance and allotment of the Consideration Shares.

THAT the Board be and is hereby authorised to issue and allot the Consideration Shares and the Consideration RPS in satisfaction of the Purchase Consideration in accordance with the terms of the Proposed Acquisition.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition."

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF A LONG TERM INCENTIVE PLAN ("LTIP") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT OF TIME DURING THE DURATION OF THE LTIP FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF MAG AND ITS SUBSIDIARY COMPANIES ("MAG GROUP" OR "GROUP") (EXCLUDING SUBSIDIARY COMPANIES WHICH ARE DORMANT) ("PROPOSED LTIP")

"**THAT** subject to the approvals of all relevant authorities (where required) being obtained, and to the extent permitted by law and the Constitution of the Company ("**Constitution**"), the Board be and is hereby authorised to:

- (i) establish, implement and administer the Proposed LTIP of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the LTIP for the eligible directors and employees of MAG Group (excluding subsidiary companies which are dormant)("**Eligible Persons**") in accordance with the provisions of the by-laws governing the Proposed LTIP ("**By-Laws**"), a draft of which is set out in Appendix III of the Circular and to give full effect to the Proposed LTIP with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities. The Proposed LTIP comprises the proposed establishment of an employees' share grant plan ("**Proposed SGP**") and proposed establishment of an employees' share option scheme ("**Proposed ESOS**");
- (ii) issue and/or transfer from time to time such number of ordinary shares in MAG Shares to the Eligible Persons upon vesting of the share grant awards pursuant to the Proposed SGP ("**SGP Grants**") and/or exercise of the share options ("**ESOS Options**") pursuant to the Proposed ESOS ("**ESOS Grants**") under the Proposed LTIP, provided that the maximum number of MAG Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Proposed LTIP;
- (iii) the MAG Shares arising upon vesting of the SGP Grants and/or exercising of the ESOS Options shall, upon issuance and allotment, rank equally in all respects with the existing MAG Shares and together with the MAG Shares procured by the Company, via the Trustee, for transfer, shall:
 - (a) be subject to the provisions of the Constitution; and
 - (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing MAG Shares, the record date for which is on or after the date on which the MAG Shares are credited into the central depository system accounts of the Eligible Persons and shall in all other respects rank equally with other existing MAG Shares then in issue;
- (iv) if required, establish a trust to be administered by a trustee(s) to be appointed by the Company ("**Trustee**") ("**Trust**") in accordance with the trust deed to be entered into between the Company and the Trustee ("**Trust Deed**"), and to authorise the Trustee to accommodate any transfer of Shares to the central depository system accounts of the Eligible Persons at a time when the Company shall direct, subscribe for and/or acquire the necessary number of existing MAG Shares from the open market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), and be entitled from time to time to the extent permitted by law and as set out under the By-Laws to accept funding and/or assistance, financial or otherwise from the Company and/or any company within MAG Group;
- (v) add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws governing the Scheme from time to time provided that such additions, amendments,

modifications and/or deletions are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP; and

- (vi) do all things necessary and make the necessary applications to Bursa Securities for the listing of and quotation for the new Shares that may, hereafter from time to time, be issued pursuant to the Proposed LTIP;

THAT the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required 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 they may deem necessary or expedient to implement, finalise and give full effect to the Proposed LTIP.

AND THAT the draft By-Laws, as set out in Appendix III of the Circular and which is in compliance with the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), be and is hereby approved and adopted."

ORDINARY RESOLUTION 4

PROPOSED AWARDING OF SGP GRANT AND/OR ESOS GRANT (COLLECTIVELY, "OFFER") TO NG MIN LIN

"THAT subject to the passing of Ordinary Resolution 3 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of Offer to Ng Min Lin, the Executive Chairman of MAG, subject to the provisions of the By-Laws of the Proposed LTIP, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed LTIP; and
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected (as defined in the Listing Requirements) with him, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue and/or transfer such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned person."

ORDINARY RESOLUTION 5

PROPOSED AWARDING OF OFFER TO YEOH WOUI KIA

“THAT subject to the passing of Ordinary Resolution 3 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of Offer to Yeoh Wooi Kia, the Independent Non-Executive Director of MAG, subject to the provisions of the By-Laws of the Proposed LTIP, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed LTIP; and
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected (as defined in the Listing Requirements) with him, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue and/or transfer such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned person.”

ORDINARY RESOLUTION 6

PROPOSED AWARDING OF OFFER TO WANG ZHIMIN

“THAT subject to the passing of Ordinary Resolution 3 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of Offer to Wang ZhiMin, the Independent Non-Executive Director of MAG, subject to the provisions of the By-Laws of the Proposed LTIP, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed LTIP; and
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected (as defined in the Listing Requirements) with him, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue and/or transfer such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned person.”

ORDINARY RESOLUTION 7

PROPOSED AWARDING OF OFFER TO COLLIN GOONTING A/L O.S GOONTING

"THAT subject to the passing of Ordinary Resolution 3 above and the approvals of the relevant authorities (where required) being obtained for the Proposed LTIP, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed LTIP, to award such number of Offer to Collin Goonting a/l O.S Goonting, the Independent Non-Executive Director of MAG, subject to the provisions of the By-Laws of the Proposed LTIP, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed LTIP; and
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected (as defined in the Listing Requirements) with him, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Proposed LTIP and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT the Board be further authorised to issue and/or transfer such number of Shares pursuant to the Proposed LTIP, from time to time, to the abovementioned person."

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE CONSTITUTION OF MAG TO FACILITATE ISSUANCE OF THE CONSIDERATION RPS ("PROPOSED AMENDMENT")

"THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, the Constitution of MAG be amended in the manner set out in Appendix VI of this Circular;

THAT the Board be and is hereby authorised to give effect to the amendments to the Constitution of MAG;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary, expedient and/or appropriate in the best interests of the Company, with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and/or parties, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Amendment."

BY ORDER OF THE BOARD

WONG YUET CHYN (MAICSA 7047163) (SSM PC 202008002451)
Company Secretary

Kuala Lumpur
10 June 2021

Notes:

1. *A depositor shall not be regarded as a member entitled to attend this EGM or at any adjournment thereof and to speak and vote thereat unless his/her/its name appears on the Record of Depositors as at 25 June 2021 (which is not less than three clear market days before the date of this EGM) issued by Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") in accordance with the rules of Bursa Depository.*
2. *A member who is a holder of 2 or more shares shall be entitled to appoint up to 2 proxies to attend and vote at this EGM. Where a member appoints 2 proxies, the appointments shall be invalid unless he/she/it specifies the proportions of his/her/its holdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her/its stead, if such member personally attends this EGM, his/her/its proxy shall be precluded from the meeting.*
3. *A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.*
7. *The Form of Proxy and the duly completed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be lodged at the Company's Registered Office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or fax to 03-6201 3121 or email to ir.mag@shareworks.com.my not less than 24 hours before the time appointed for holding this EGM or at any adjournment thereof.*
8. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this EGM shall be put to vote by poll.*

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