

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)
(Incorporated in Malaysia)

MINUTES OF THE FORTY-FIFTH (45TH) ANNUAL GENERAL MEETING (“AGM”) OF MALAYSIA SMELTING CORPORATION BERHAD (“THE COMPANY”) HELD AT PARRY, LEVEL 6, LE MERIDIAN KUALA LUMPUR, 2 JALAN STESEN SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON WEDNESDAY, 29 MAY 2024 AT 11.00 A.M.

PRESENT : **Board of Directors**
Madam Chew Gek Khim _{PJG} – Madam Chairman
Mr. John Mathew A/L Mathai
Datuk Kamaruddin Bin Taib
Dato’ Roslina Binti Zainal
Mr. Yap Seng Chong
Datuk Lim Hong Tat
Dato’ Dr. (Ir.) Patrick Yong Mian Thong

Shareholders and Proxies

As per Attendance Lists

IN ATTENDANCE : **Company Secretary**
Ms. Wong Youn Kim

BY INVITATION : As per Attendance Lists

1.0 CHAIRMAN’S WELCOME ADDRESS

The Chairman, Madam Chew Gek Khim _{PJG} took the Chair and welcomed all present at the Forty-Fifth AGM (“the Meeting”) of the Company, which was held at Parry, Level 6, Le Meridian Kuala Lumpur, 2 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia.

She then introduced the members of the Board, the Company Secretary and the Audit Partner from Messrs. Ernst & Young PLT to the shareholders.

2.0 QUORUM

Madam Chairman, having confirmed with the Company Secretary that the requisite quorum was present pursuant to Clause 80 of the Constitution of the Company, called the Meeting to order at 11.00 a.m.

3.0 NOTICE OF MEETING

Madam Chairman informed the shareholders that the notice of the Meeting (“the Notice”) was published in the New Straits Times and Singapore Business Times on 29 April 2024. It was also announced on the Bursa Malaysia and Singapore Exchange websites on the day before.

The Notice, having been properly circulated to all shareholders of the Company, was

with the permission of the meeting taken as read.

4.0 BRIEFING ON HOUSEKEEPING PROCEDURES

The Company Secretary, upon the request of Madam Chairman, briefed the shareholders on the housekeeping procedures and voting procedures to be adhered to pertaining to the Meeting.

The Company Secretary highlighted that the businesses to be transacted in the Meeting involved the moving and passing of seven (7) proposed Ordinary Resolutions which require the approval by a simple majority of the shareholders or their proxies present.

The Company Secretary also informed the Meeting that all resolutions set out in the Notice would be voted by way of poll.

The Company Secretary further informed that each of the seven (7) proposed Ordinary Resolutions would require one proposer and a seconder before the motions were put to the floor to vote, except for Agenda 1 in relation to the receiving of the Audited Financial Statements as formal approval from shareholders is not required.

Madam Chairman continued with the formal business of the Meeting.

5.0 PRESENTATION ON QUESTIONS RAISED FROM MINORITY SHAREHOLDERS WATCH GROUP

Before proceeding with the first item of the Agenda, the Company Secretary presented to the shareholders the questions raised by the Minority Shareholders Watch Group stated under a letter dated 23 May 2024 and the written responses from the Company as annexed herewith and marked **Appendix A**.

ORDINARY BUSINESS :

6.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON

Madam Chairman informed the shareholders that this agenda was meant for discussion only and not a business which requires a resolution to be put to vote by shareholders as the provision of Section 340(1)(a) of the Companies Act 2016 requires that the Audited Financial Statements and the Reports of the Directors and Auditors be laid before the Company at the AGM.

The full list of questions and answers are as appended in **Appendix B**.

7.0 ORDINARY RESOLUTION 1

To approve the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023.

Madam Chairman tabled the Ordinary Resolution 1, which is in relation to the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year

ended 31 December 2023.

Upon Ordinary Resolution 1 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Wong Ket Seong @ Wong Ket Yin, the motion to approve the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023 would be voted by way of poll.

8.0 ORDINARY RESOLUTION 2

To approve the payment of additional Directors' Fees and Benefits of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the AGM of the Company to be held in year 2024.

Madam Chairman then proceeded to table the Ordinary Resolution 2, which is to seek shareholders' approval for payment of additional Directors' fees and benefits of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the AGM of the Company to be held in year 2024.

Upon Ordinary Resolution 2 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Wong Ket Seong @ Wong Ket Yin, the motion to approve the payment of additional Directors' fees and benefits of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the next AGM of the Company to be held in year 2024 would be voted by way of poll.

9.0 ORDINARY RESOLUTION 3

To approve the payment of Directors' Fees and Benefits of up to RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025.

Madam Chairman then proceeded to table the Ordinary Resolution 3, which is to seek shareholders' approval for payment of the Directors' fees and benefits of RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025.

Upon Ordinary Resolution 3 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Wong Ket Seong @ Wong Ket Yin, the motion to approve the payment of the Directors' fees and benefits of RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025 would be voted by way of poll.

10.0 ORDINARY RESOLUTION 4

To re-elect Dato' Roslina Binti Zainal as Director of the Company who is retiring pursuant to Clause 102 of the Constitution of the Company.

Madam Chairman then proceeded to table the Ordinary Resolution 4 on the re-election of Dato' Roslina Binti Zainal, who was retiring by rotation pursuant to Clause 102 of the Company's Constitution, and being eligible, had agreed to offer herself for re-election.

Upon Ordinary Resolution 4 being duly proposed by Ms. Loh Yueh Kan and duly seconded by Mr. Wong Ket Seong @ Wong Ket Yin, the motion to re-elect Dato' Roslina Binti Zainal who was retiring pursuant to Clause 102 of the Constitution of the Company would be voted by way of poll.

11.0 ORDINARY RESOLUTION 5

To re-elect Mr. Yap Seng Chong as Director of the Company who is retiring pursuant to Clause 102 of the Constitution of the Company.

Madam Chairman then proceeded to table the Ordinary Resolution 5 on the re-election of Mr. Yap Seng Chong, who was retiring by rotation pursuant to Clause 102 of the Company's Constitution, and being eligible, had agreed to offer himself for re-election.

Upon Ordinary Resolution 5 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Wong Ket Seong @ Wong Ket Yin, the motion to re-elect Mr. Yap Seng Chong who was retiring pursuant to Clause 102 of the Constitution of the Company would be voted by way of poll.

12.0 ORDINARY RESOLUTION 6

To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 6 was tabled to re-appoint the Auditors of the Company, Messrs Ernst & Young PLT and to authorise the Directors to fix their remuneration. Madam Chairman added that the retiring Auditors had indicated their willingness to continue in office.

Upon Ordinary Resolution 6 being duly proposed by Mr. Wong Ket Seong @ Wong Ket Yin and duly seconded by Ms. Loh Yueh Kan, the motion to re-appoint the Auditors of the Company, Messrs Ernst & Young PLT and to authorise the Directors to fix their remuneration would be voted by way of poll.

SPECIAL BUSINESS:

13.0 ORDINARY RESOLUTION 7

Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Madam Chairman informed the shareholders that Ordinary Resolution 7 is to authorise the Directors to allot and issue shares up to an amount not exceeding 10% of the total number of issued shares of the Company, at any time until the conclusion of the next AGM.

Upon Ordinary Resolution 7 being duly proposed by Mr. Wong Ket Seong @ Wong Ket Yin and duly seconded by Ms. Loh Yueh Kan, the motion to allot and issue shares up to an amount not exceeding 10% of the total number of issued shares of the Company would be voted by way of poll.

14.0 ANY OTHER BUSINESS

The Company Secretary confirmed that no notice was received to transact any other business at the Meeting.

15.0 POLLING SESSION

Upon the request of Madam Chairman, the Share Registrar briefed the shareholders on the polling procedures.

Madam Chairman informed that the polling be commenced immediately and invited all the shareholders to cast their votes.

The meeting was adjourned at 11.55 a.m. for the counting of votes and a presentation of the corporate video.

16.0 RE-CONVENING OF MEETING AND ANNOUNCEMENT OF POLL RESULTS

The meeting was re-convened at 12.20 p.m. for the announcement of the results of the poll voting by Madam Chairman.

Madam Chairman informed the shareholders that she had received the poll results which have been verified by the Independent Scrutineers, USearch Corporate Services Sdn Bhd.

The poll results were presented to the shareholders as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 To approve the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023.	236,869,464	99.9991	2,100	0.0009
Ordinary Resolution 2 To approve the payment of additional Directors' Fees and Benefits of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the AGM of the Company held in year 2024.	234,731,964	99.9987	3,100	0.0013
Ordinary Resolution 3 To approve the payment of Directors' Fees and Benefits of up to RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025.	234,731,964	99.9987	3,100	0.0013
Ordinary Resolution 4 To re-elect Dato' Roslina Binti Zainal who is retiring pursuant to Clause 102 of the Constitution of the Company.	236,147,964	99.6945	723,600	0.3055

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5 To re-elect Mr. Yap Seng Chong who is retiring pursuant to Clause 102 of the Constitution of the Company.	235,862,464	99.5740	1,009,100	0.4260
Ordinary Resolution 6 To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	236,867,964	99.9985	3,600	0.0015
Ordinary Resolution 7 Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	227,882,164	96.2049	8,989,400	3.7951

Based on the poll results, Madam Chairman declared that all the seven (7) Ordinary Resolutions as set out in the Notice were duly carried.

ORDINARY RESOLUTION 1
PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF RM0.07 PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

RESOLVED THAT the payment of a Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2023 be and is hereby approved.

ORDINARY RESOLUTION 2
PAYMENT OF ADDITIONAL DIRECTORS' FEES AND BENEFITS OF RM151,732.87 TO NON-EXECUTIVE DIRECTORS FROM 27 MAY 2023 UNTIL THE AGM OF THE COMPANY TO BE HELD IN YEAR 2024

RESOLVED THAT the additional Directors' Fees and Benefits payable of RM151,732.87 to Non-Executive Directors from 27 May 2023 until the AGM of the Company to be held in year 2024 be and is hereby approved.

ORDINARY RESOLUTION 3
PAYMENT OF DIRECTORS' FEES AND BENEFITS OF UP TO RM885,000.00 FROM 30 MAY 2024 UNTIL THE NEXT AGM OF THE COMPANY TO BE HELD IN YEAR 2025

RESOLVED THAT the Directors' Fees and Benefits payable up to an amount of RM885,000.00 from 30 May 2024 until the next AGM of the Company to be held in year 2025 be and is hereby approved.

ORDINARY RESOLUTION 4

RE-ELECTION OF DATO' ROSLINA BINTI ZAINAL AS DIRECTOR OF THE COMPANY WHO IS RETIRING PURSUANT TO CLAUSE 102 OF THE CONSTITUTION OF THE COMPANY

RESOLVED THAT Dato' Roslina Binti Zainal who was retiring as a Director of the Company in accordance with Clause 102 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5

RE-ELECTION OF MR. YAP SENG CHONG AS DIRECTOR OF THE COMPANY WHO IS RETIRING PURSUANT TO CLAUSE 102 OF THE CONSTITUTION OF THE COMPANY

RESOLVED THAT Mr. Yap Seng Chong who was retiring as a Director of the Company in accordance with Clause 102 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 6

RE-APPOINTMENT OF MESSRS ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

RESOLVED THAT Messrs Ernst & Young PLT, the retiring Auditors having given their consent for re-appointment, be and are hereby re-appointed as Auditors of the Company at a fee to be agreed upon by the Directors.

ORDINARY RESOLUTION 7

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

RESOLVED THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue.

17.0 TERMINATION

There being no other business to be transacted, the Meeting terminated at 12.25 p.m. with a vote of thanks extended to the Chair.

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Minutes of the Forty-Fifth Annual General Meeting held on Wednesday, 29 May 2024

CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THERE AT,

.....
CHAIRMAN

Date: 29 May 2024

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

(Incorporated in Malaysia)

FORTY-FIFTH (45TH) ANNUAL GENERAL MEETING (“AGM”)**ANSWERS TO QUESTIONS
RAISED FROM MINORITY SHAREHOLDERS WATCH GROUP****Operational & Financial Matters**

1. In 2023, the Group’s Pulau Indah smelting plant operated at an average utilisation rate of 60%-70%. Meanwhile, the smelting facility in Butterworth was utilised to smelt the Group’s tin intermediates. These by-products of the multi-stage smelting process contain residual tin that can be recovered through further processing. This strategic move is expected to unlock the value of its tin inventories, contributing to higher profit margins. (page 19 of Annual Report (AR) 2023)

(a) **What is the current utilisation rate for Pulau Indah plant? What is the expected average utilisation rate for FY2024?**

The current average utilisation rate for Pulau Indah Plant is approximately 70%. We expect the average utilisation rate to be higher at around 75% for FY2024.

(b) **What is the potential value of the residual tin that the Group expect to extract from its tin intermediaries?**

The tin intermediates quantity belonging to the Group was 5,219mt as at 31 December 2023. These translate to current sales value of approximately RM826.6 million (based on USD33,700 per mt and USD/RM exchange rate of 4.70).

(c) **How much did the Group spend on capex in FY2023? What is the budgeted capex for FY2024 and its breakdown?**

Capex for FY2023 (Actual) and FY2024 (Budget) are as follows:

	FY2023 (Actual) RM'mil	FY2024 (Budget) RM'mil
Property, plant and equipment:		
Tin Smelter	6.58	11.78
Tin Mining	8.72	12.74
Deferred mine exploration and evaluation expenditures and mine properties	1.04	6.01
Total CAPEX	16.34	30.53

2. **For its tin mining operations, The Group is actively exploring new techniques and technologies to further optimise mining productivity. (page 16 of AR 2023)**

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised from Minority Shareholders Watch Group

Please provide more details on the new techniques and technologies that the Group is currently exploring. What is the projected capex and potential increase in mining productivity from these initiatives?

The Group is currently exploring the viability of alluvial mining using available technology and methodology. The information on projected capex and mining productivity is not available currently as we are still at the exploratory stage.

Sustainability Matters

- 3. Total energy consumption has increased over the years, but renewable energy consumption has declined significantly. (page 36 of AR 2023)**

	FY2021	FY2022	FY2023
Energy Consumption (million kWh)			
Total energy consumption	34.0	43.3	43.5
Renewable energy consumption	4.5	1.3	0.2

Why did the Group discontinue its hydro power generation at its mining site in FY2023? What are the management's targets in terms of renewable energy consumption over the next three years or longer term?

The Group discontinued its hydro power generation due to the high levy cost for the water usage imposed by the State, and due to aged hydro equipment which will be costly to replace.

In terms of renewable energy consumption and generation, the Group intends to put-up a solar generation farm at its mine site to generate renewable energy for its mining operation's consumption, while increasing the existing solar generation capacity at its Pulau Indah smelter.

Corporate Governance Matters

- 4. Total Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that 30% of the Board should comprise women. As of FY2023, there were two women directors on the Board, representing 28.6% of the total number of Directors.**

What steps are being taken to achieve at least a 30% women representation on the Board as stipulated by the MCCG? What specific plans and strategies does the Board have in place to work towards this goal? And when do you expect to comply with Practice 5.9?

The Board does not have any specific policy for setting targets for women representatives/composition on the Board of Directors as it believes in fair and equal participation for all individuals of right calibre and experience irrespective of race, age or gender.

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

(Incorporated in Malaysia)

FORTY-FIFTH (45TH) ANNUAL GENERAL MEETING (“AGM”)

**ANSWERS TO QUESTIONS
RAISED DURING THE 45TH AGM**

- 1) According to your dividend policy, the announced dividend payout is 30% of the net profit. However, last year MSC’s payout was RM0.14, which is approximately 69% and double the announced policy. I hope this trend of improvement continues.**

(By Shareholder, Sai Yee @ Sia Say Yee)

The Company’s performance has gradually improved, and we are now beginning to see the results of our hard work. While we are adhering to the dividend policy, we are open to paying out more dividends when the Group performs well. However, we prefer to under-promise and over-deliver, ensuring we meet our commitments. Rest assured, if our performance continues to be strong, we will consider higher dividend payouts.

- 2) It has been noted that MSC does not have a Dividend Reinvestment Policy (“DRP”), whereas the holding company of MSC, The Straits Trading Company Limited (“STC”), listed on the Singapore Exchange, has adopted a Scrip Dividend Scheme. For the financial year ended 31 December 2023, STC declared a dividend of SGD 0.08 per ordinary share, with the price for each New Share allotted and issued as fully paid to Participating Shareholders under the Scrip Dividend Scheme set at S\$1.35 per New Share.**

He suggests considering the introduction of a DRP for MSC, as it poses no loss to the Company. This would provide shareholders with the option to either accept the cash dividend or reinvest in the Company.

(By Shareholder, Sai Yee @ Sia Say Yee)

The idea of a dividend reinvestment plan is excellent. At the holding company, STC faced a significant amount of paperwork, which made the process quite difficult. STC did encounter some challenges with its DRP. We will address this in MSC as well, but we ask for a bit of time. Sometimes, dealing with the regulatory/authorities can be more complicated than anticipated.

- 3) CEO provide an explanation regarding the main factors that caused MSC’s share price to drop following the announcement of the first quarterly results for the financial period ended 31 March 2024 (“1Q 2024”) to Bursa Malaysia a couple of weeks ago.**

(By Shareholder, Sai Yee @ Sia Say Yee)

The underperformance in 1Q 2024 was primarily due to a drop in the volume of business processed through the plant. This issue is not related to the people or machinery but rather to global geopolitical factors. For instance, key tin-producing

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised During the 44th AGM

countries such as Myanmar and Indonesia have ceased their exports. Myanmar has completely stopped exporting, and the Indonesian government has also halted exports for various reasons. These two countries account for a significant portion of the world's tin supply.

As a result, there has been a significant rush for tin ore worldwide, with China aggressively purchasing most of the available tin. Consequently, the amount of tin ore entering our plant has decreased, affecting our production volume.

This is the main reason for the decline in our top line. We initially expected the plant's occupancy rate to be very high this year, around 85%. However, due to the reduced tin ore supply, we could not achieve this target. Despite this, we still managed a 75% occupancy rate, an improvement over last year's 70%.

On a positive note, these issues are gradually being addressed by the respective governments, and China has slowed its aggressive buying. We expect the situation to improve, leading to better performance in the future.

- 4) Given the drop in tin ore imports, we might consider increasing the smelting of tin intermediates at the Butterworth Plant, which has an estimated capacity of around 5,000 tonnes. This could help compensate for the reduction in imports.**

(By Shareholder, Sai Yee @ Sia Say Yee)

You are correct; we are already taking steps to increase the smelting of tin intermediates. However, there is a significant technical difference between smelting intermediates and tin ore. With tin ore, we smelt directly to obtain tin. In contrast, smelting intermediates involves multiple stages. The intermediates are first converted into alloy, which must then be smelted with tin ore to extract the metal. This process is more complex and not as straightforward as direct smelting.

While the amount of incoming ore has significantly reduced, the scale of the reduction does not fully reflect the severity of the drop in tin ore supply.

- 5) Referring to the previous answering on the percentages, could you clarify what percentage of the plant's capacity is utilised to smelt the Group's own mined ore?**

(By Shareholder, Lim Bin Hoe)

We are an integrated smelter, meaning we have our own mine and also perform toll smelting for the rest of the world. MSC is the world's largest toll smelter. Only 15% of the total incoming tin ore is from Malaysia, and approximately 10% to 12% comes from our own mine. Recognizing this imbalance, we are now taking action to expand our tin mining operations. In fact, we are also developing new technologies to mine previously untapped resources, but this will take time.

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised During the 44th AGM

- 6) Regarding the Butterworth Plant, it almost vacate the land, and according to the annual report, it is being held for future development. Could you clarify the timeframe for the development plans? Also, my understanding is that the land is owned by the holding company, STC. Are there any plans for a joint venture with STC?**

(By Shareholder, Lim Bin Hoe)

The land at the Butterworth Plant has not been completely vacated, the smelter is being gradually shut down in stages and will require rehabilitation, as mentioned in Dato' Yong's report. The adjacent land is owned by STC, where we have already established a hotel. Regarding future development plans, STC has received approval for a master development plan and currently in discussion with MSC on collaboration to develop the land jointly for mutual benefits.

- 7) Is the mining depth still consistent at 8 to 12 meters currently?**

(By Shareholder, Ng Fu Zin)

Back then, we estimated a depth of around 20 meters for mining. Today, we have gone down to 50 meters and still finding tin deposits. Drilling indicates that there may be deposits up to 150 meters deep in certain areas, although not all areas contain mineable tin. The challenge with mining is the uncertainty of what lies beneath the ground, but currently, the prospects look promising, and we are expanding sideways and downwards. We will continue mining deeper as long as there are viable deposits to extract.

- 8) What is the expected Gross Development Value ("GDV") from the development land at the Butterworth Plant?**

(By Shareholder, Ng Fu Zin)

The GDV from the entire site currently under STC and MSC ownership at the Butterworth Plant is approximately RM3.0 to 4.0 billion. This figure has evolved from an initial estimate of RM2.0 billion previously. The development will proceed in stages, requiring the relocation of the smelter and the rehabilitation of the land. STC and MSC are in discussions to collaborate on how best to utilize the land for mutual benefit.

Currently, if you were to visit Butterworth, you would see a completed hotel by STC that is not yet operational, along with vacant land owned by STC and the existing smelter. Negotiations are ongoing to reach an agreement that benefits all parties involved.

Regarding the timeframe for development, it is purely opportunistic in our approach. Although the master planning approval was obtained a decade ago, the process is intentionally paced to manage costs effectively. The timing of acceleration or slowdown in development will depend very much on market opportunities and funding considerations.

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised During the 44th AGM

9) In terms of mining, how would the depth of between 20 meters to 50 meters, affect the cost of mining?

(By Shareholder, Ng Fu Zin)

Back in those days, mining operations primarily utilized hydraulic or dredging methods due to the specific composition of most tin mines being alluvial. However, after the collapse of tin prices in the late 1980s, many mines were abandoned, and dredging operations ceased, and the old mines were flooded. Currently, there is a shift towards hard rock mining, which involves blasting and grinding, making it more costly compared to hydraulic or dredging operations.

10) Continuing from the question about the Butterworth land mentioned earlier, what additional area would be included in the Master Development Plan?

(By Shareholder, Ng Fu Zin)

STC holds 60% of the land area at Butterworth, while MSC holds the remaining 40%.

11) Regarding the overall master plan, are you planning to develop and sell the land, or are you considering strategic alternatives or different approaches?

By Shareholder, Ng Fu Zin)

We will adopt an opportunistic approach. We will not just focus on develop and sell and any decision to hold properties as investment will need to consider factors such as holding costs, third-party financing or other financing structure. Therefore, we will explore various structures and options as we move forward.

12) Any update on the proposed acquisition happened in year 2020?

(By Proxy, Mr. Lau)

The proposed acquisition of Asas Baiduri mining lease has been successfully completed, and MSC now owns the mining lease of that piece of land. As a result, our mining lease has increased to more than 1,000 hectares. Currently, we are still actively engaged in mining operations and expanding deeper into known reserves within RHT's mine pit. Once we have exhausted the mining operations within RHT's mine pit, we plan to move on to mine the Asas Baiduri mining lease.

13) As per the Annual Report, there has been a noted delay in the closure of the Butterworth Plant. Could you please clarify the reasons behind this delay? Additionally, Dato' Patrick mentioned that upon the closure of the Butterworth Plant, there could be cost savings of up to 30%.

(By Mr. Lee)

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised During the 44th AGM

There is a distinction between ceasing activities and fully closing the Butterworth Plant. Even after we stop smelting operations, there is a clean-up process where we need to treat and smelt the contaminated soil identified by authorities. Closure, in our context, means ceasing active use and scraping all furnaces, which remains unchanged, which is targeted by end 2025. However, whether we can vacate the site and declare it ready for development hinges on meeting all regulatory clean-up requirements. The timing of this will depend on how satisfied the authorities on MSC's effective clean-up of the site.

14) Is the Butterworth Plant still operating as usual?

(By Mr. Lee)

Some of the furnaces at the Butterworth Plant have been decommissioned. Specifically, operations have ceased at the incoming ore room/site and two of the furnaces. However, not all operations have been completely halted because some furnaces are still needed for the cleanup process, including smelting the decommissioned old furnaces to recover any remaining tin.

We are very keen to move away from the site because we believe the returns from the property development activities with STC will be more lucrative than continuing to operate an already very old, and less efficient plant.

The new plant at Pulau Indah is now operating close to its full capacity and we are already enjoying the benefits of low cost and significantly reduced carbon footprint.

15) I'm curious about the investment in listed company, Alphamin Resources Corp ("Alphamin") in Canada. How are we holding shares in Alphamin? Also, considering that Alphamin is one of the biggest mines in the world, do we have any partnership or collaboration with them?

(By Mr. Gary)

Several years ago, MSC made an investment in Alphamin Resources Corp. This was prior to Dato' Patrick's appointment and Madam Chairman's tenure as Chairman of MSC. Based on Madam Chairman's understanding, the previous management believed in investing in different tin mines or mining companies. At the time of the investment, Alphamin was not yet producing tin, but fortunately, it later proved successful in its tin mining business.

Considering the high share price of Alphamin currently listed in Canada, there is now a strategic consideration to potentially sell our shares to raise funds to invest in expanding our own mining operations further.

16) Could you please provide more details about the halted investment in the hydro plant and the water levy imposed? Additionally, are we considering transitioning to solar projects?

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

Answers to Questions Raised During the 44th AGM

(By Mr. Gary)

We have been engaged in ongoing discussions with the State regarding a levy imposed on water usage at our hydro plant. The State considers this levy applicable despite the water passing through our turbines and returning to the river. However, the unit rates and maintenance costs associated with this setup, compounded by the age of our 104-year-old plant, have become economically challenging and non-viable.

Considering these factors, we have decided to shut down the hydro plant. Nevertheless, this decision poses implications for our carbon footprint commitments. Therefore, our next course of action is to transition to solar energy. We are opting for ground-mounted solar panels instead of floating ones due to ease of maintenance.

Dato' Roslina is actively involved in our Environmental, Social and Governance (ESG) initiatives and is working towards securing approval for the ground-mounted solar panels. The 2.5 MW capacity of solar panels will replace the effective output of less than 1.0 MW from the existing aging hydro plant.

17) Two years ago, MSC involved in Sungai Lembing. Could you provide an update on the profit situation then, as well as the current status and future prospects?

(By Mr. Wong)

We have a minor involvement in Sungai Lembing. The expansion of the new plant at SL Tin Sdn Bhd's mine is being carried out and financed by an external mining and tin processing contractor. MSC incurs no investment costs or risks but enjoys a share of the profits from the operation.

Unfortunately, the initial contractor encountered financial difficulties halfway through the project, which led us to switch contractors. A new contractor has taken over and has secured the necessary funds to complete the equipment installation and resume operations. We anticipate seeing the results of these efforts within the next year.

18) Regarding the sales of by-product, there has been a noticeable decline in revenue, with figures almost zero compared to last year. Could you please explain the reasons behind this significant decrease?

(By Mr. Wong)

Dato' Patrick assumes the sales of by-product as mentioned by Mr. Wong refers to the sale of tantalum slag, one of the by-products of tin processing.

The tantalum slag sales have stopped as certain company from Japan has acquired the tantalum processing plant responsible for recycling tantalum slag. They have stopped buying from MSC as their stock level of tantalum slag is high currently. They are adopting a "Just-In-Time" ("JIT") approach and will only resume buying from MSC when their stockpile run down.