

MALAYSIA SMELTING CORPORATION BERHAD ("MSC")

(Company No. 43072-A)
(Incorporated in Malaysia)

MINUTES OF THE THIRTY-NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT MURAI ROOM, LG LEVEL, MAIN WING, HOTEL EQUATORIAL PENANG, 1 JALAN BUKIT JAMBUL, BAYAN LEPAS, 11900 PENANG, MALAYSIA ON WEDNESDAY, 30 MAY 2018 AT 11.00 AM.

PRESENT:

DIRECTORS

- Ms. Chew Gek Khim (Chairman) - Also a shareholder and proxy holder for shareholders as per Attendance List attached
- Dato' Robert Teo Keng Tuan
Mr. John Mathew Mathai

ABSENT WITH APOLOGIES

Mr. Timothy Chia Chee Ming

IN ATTENDANCE

- Ms. Soo Han Yee - Company Secretary

BY INVITATION

- Dato' Dr. Ir. Patrick Yong - Group Chief Executive Officer
Mian Thong
- Mr. T. Randy Chitty - Group Chief Financial Officer
- Mr. Teoh Soo Hock - Representing Messrs Ernst & Young
- Ms. Lau Whoay Ling - Representing Messrs Ernst & Young
- Mr. Koay Jie Hong - Representing Messrs Ernst & Young
- Ms. Ong Hooi Ling - Representing Messrs Ernst & Young

Shareholders

As per the Attendance List attached.

Proxies

As per the Attendance List attached.

The list of shareholders, proxies and invitees who attended the Meeting are set out in the Attendance List attached and shall form an integral part of these Minutes.

1. CHAIRMAN

Ms. Chew Gek Khim being the Chairman of the Board of Directors presided as Chairman of the Meeting and welcomed all shareholders, proxies and invitees to the Thirty-Ninth Annual General Meeting of the Company.

2. QUORUM

With the requisite quorum being present in accordance with Article 61 of the Company's Constitution, the Meeting was called to order at 11.00 a.m.

The Chairman introduced the Board of Directors and the Group Chief Executive Officer to the shareholders. She also conveyed the apologies from Mr. Timothy Chia Chee Ming, the Senior Independent Non-Executive Directors of the Company, who was unable to attend the Meeting.

A note of thanks was recorded for Dato' Ng Jui Sia who retired at the Thirty-Ninth Annual General Meeting of the Company and Mr. Yap Chee Keong who resigned as an Independent Director of the Company on 30 May 2018, for their contribution to the Company during their tenure as directors of the Company.

3. NOTICE

The Notice convening the Meeting, having been circulated in the prescribed period, was with the consent of the members present, taken as read. The Chairman then proceeded with the business of the Annual General Meeting ("AGM").

As part of good governance, the Chairman informed the members that the Company had received in total nine (9) proxy forms from shareholders for a total of 54,593,800 ordinary shares representing 54.59% of the share capital of the Company.

Out of those, there were seven (7) shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented are 54,563,800, representing 54.56% of the share capital of the Company.

4. POLLING

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM must be voted by way of poll.

The Chairman further informed that the polling process would be conducted after the deliberation of all items on the Agenda. To facilitate the poll process, the Company has appointed Symphony Share Registrars Sdn Bhd, the Company's Share Registrar as Poll Administrator to conduct the electronic process and Symphony Corporatehouse Sdn Bhd as the Scrutineer to verify the poll results.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon were tabled for discussion.

The Chairman informed that the Minority Shareholder Watchdog Group ("MSWG") has written to the Company seeking clarification on several points in relation to the Strategy and Financial matters and Corporate Governance matter and shareholders may obtain the list of points raised by MSWG and their related answers from the Company Secretary.

The Chairman then proceeded to invite questions from the floor in respect of the Audited Financial Statements for the financial year ended 31 December 2017.

A shareholder, Mr. Lim Leong Chye asked questions on the following matters:

(A) Smelting Operation

- (1) High inventories;
- (2) Lower profit; and
- (3) Technology used in the smelting operation in Pulau Indah plant.

(B) Mines Operation

- (1) Expiry and renewal of mining leases; and
- (2) Legal Claim Contingent Liabilities.

In replying to the above questions, Dato' Dr. Ir. Patrick Yong Mian Thong highlighted the following:

(A) Smelting Operation

- (1) High inventories

During the process between smelting and the finished products, there will be build-up of intermediates and in accounting practice, these intermediates are also classified as inventories that resulted in the high inventories.

The problem on increase of intermediates will lessen once the plant is relocated to Pulau Indah plant as the technology used to smelt tin ore in the new plant, will reduce the build-up of intermediates.

(2) Lower profit

The lower profit is due to the higher production cost and operating expenses. The fluctuation in the currency of USD will have an impact on the profit of the Company as most of the transactions are in USD.

(3) Technology used in the smelting operation in Pulau Indah plant

The technology used in the smelting plant at Pulau Indah will reduce production cost and operating expenses and hence, this will cause an increase to its profit. The smelting plant will be operational once all approvals are received from the relevant government authorities.

The Chairman then informed the shareholders present that the next Annual General Meeting of the Company in year 2019 may be held at Pulau Indah plant.

Madam Chairman also conveyed her apologies in the change of venue from Pulau Indah plant to Hotel Equatorial, Penang for the Annual General Meeting held today.

(B) Mines Operation

(1) Expiry and renewal of mining leases

The mining leases which will expire in 2030, can only be renewed nearer to the expiry date and hence, management is unable to comment on the success rate of renewal as the application for renewal will only be submitted in 2030.

(2) Legal Claim Contingent Liabilities

On the lack of information provided for the legal claim contingency liabilities in the audited financial statements, the Chairman explained that any disclosure of information on the case would be prejudicial to the interests of the Group and not allowable from a legal perspective.

Mr. T. Randy Chitty, then added that the Group has accrued the expenses on the said legal case and would continue to accrue until the conclusion of the case.

After having addressed all the questions raised, it was recorded that the Audited Financial Statements of the Company had been duly received and adopted by the shareholders.

6. POLL PROCEDURE

After going through all the motions set out in the Notice of the Meeting by the Chairman, the Company Secretary was invited to brief the floor on the polling procedures before the commencement of polling.

After the briefings by the Company Secretary, the Chairman informed that the outcome of the poll will be announced after the conclusion of the Extraordinary General Meeting which is scheduled to commence at 11.30 a.m., to allow the scrutineers to tabulate the results of the poll.

The shareholders then proceeded to cast their vote accordingly at the polling station.

POLL RESULTS

The Meeting resumed at 11.45 a.m. and after obtaining the report from the Scrutineers, the Chairman announced the results of the poll as follows:

Ordinary Resolution 1	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Final Single-Tier Dividend of 4 sen per share in respect of the financial year ended 31 December 2017	55,129,700	100	-	-

It was RESOLVED:

That the payment of Final Single-Tier Dividend of 4 sen per share in respect of the financial year ended 31 December 2017 be and is hereby approved.

Ordinary Resolution 2	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the Directors' Fees of the Company of RM537,647.93 for the financial year ended 31 December 2017	55,129,700	100	-	-

It was RESOLVED:

That the payment of the Directors' Fees of the Company of RM537,647.93 for the financial year ended 31 December 2017 be and is hereby approved.

Ordinary Resolution 3	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Re-election of Mr. John Mathew Mathai as a Director	55,129,700	100	-	-

It was RESOLVED:

That Mr. John Mathew Mathai who retired pursuant to the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

Ordinary Resolution 4	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Re-election of Dato' Robert Teo Keng Tuan as a Director	55,129,700	100	-	-

It was RESOLVED:

That Dato' Robert Teo Keng Tuan who retired pursuant to the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

Ordinary Resolution 5	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration	55,129,700	100	-	-

It was RESOLVED:

That the retiring Auditors, Messrs Ernst & Young, having indicated their willingness to accept the re-appointment, be and are hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

Ordinary Resolution 6	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	55,129,700	100	-	-

It was 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 next conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purpose 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.

CONCLUSION

There being no other business to be transacted, the Chairman declared the Meeting closed at 11.50 a.m.

SIGNED AS A CORRECT RECORD



CHAIRMAN

13 JUN 2018