

MALAYSIA SMELTING CORPORATION BERHAD

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

MINUTES OF THE FORTY-FOURTH (44TH) ANNUAL GENERAL MEETING (“AGM”) OF MALAYSIA SMELTING CORPORATION BERHAD (“THE COMPANY”) HELD AT GRAND SUITE, LEVEL 7, HILTON KUALA LUMPUR, 3 JALAN STESEN SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON FRIDAY, 26 MAY 2023 AT 11.00 A.M.

PRESENT : **Board of Directors**
Madam Chew Gek Khim – Mr. Chairman
Mr. Timothy Chia Chee Ming
Dato’ Roslina Binti Zainal
Mr. Yap Seng Chong
Datuk Lim Hong Tat
Dato’ Dr. (Ir.) Patrick Yong Mian Thong

(by Video Conference)
Mr. John Mathew Mathai
Datuk Kamaruddin Bin Taib

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 took the Chair and welcomed all present at the Forty-Fourth AGM (“the Meeting”) of the Company which was held at Grand Suite, Level 7, Hilton Kuala Lumpur, 3 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 28 April 2023. 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 11 May 2023 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 2022 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 First and Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2022.

Madam Chairman tabled the Ordinary Resolution 1, which is in relation to the payment of a first and final single-tier dividend of RM0.07 per share in respect of the financial year ended 31 December 2022.

Upon Ordinary Resolution 1 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Lee Poh Woh, the motion to approve the payment of a first and final single-tier dividend of RM0.07 per share in respect of the financial year ended 31 December 2022 would be voted by way of poll.

8.0 ORDINARY RESOLUTION 2

To approve the payment of additional Directors' Fees and Benefits of RM193,073.00 to Non-Executive Directors from 28 May 2022 until the next AGM of the Company to be held in year 2023.

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 RM193,073.00 to Non-Executive Directors from 28 May 2022 until the next AGM of the Company to be held in year 2023.

Upon Ordinary Resolution 2 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Mr. Chiew Sing Cheong @ Chew Sing Cheong, the motion to approve the payment of additional Directors' fees and benefits of RM193,073.00 to Non-Executive Directors from 28 May 2022 until the next AGM of the Company to be held in year 2023 would be voted by way of poll.

9.0 ORDINARY RESOLUTION 3

To approve the payment of Directors' Fees and Benefits of up to RM855,000.00 from 27 May 2023 until the next AGM of the Company to be held in year 2024.

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 RM855,000.00 from 27 May 2023 until the next AGM of the Company to be held in year 2024.

Upon Ordinary Resolution 3 being duly proposed by Encik Mohd Helmy Rozal Bin Abdullah and duly seconded by Mr. Sai Yee @ Sia Say Yee, the motion to approve the payment of the Directors' fees and benefits of RM855,000.00 from 27 May 2023 until the next AGM of the Company to be held in year 2024 would be voted by way of poll.

10.0 ORDINARY RESOLUTION 4

To re-elect Ms. Chew Gek Khim PJC as Director of the Company who is retiring pursuant to Clause 102 of the Constitution of the Company.

Ordinary Resolution 4 was tabled to re-elect Ms. Chew Gek Khim PJC, who was retiring by rotation pursuant to Clause 102 of the Constitution of the Company, and being eligible, had agreed to offer herself for re-election.

As the Ordinary Resolution 4 involved the interest of Madam Chairman herself, the Independent Non-Executive Director, Mr. Yap Seng Chong was invited to take over the Chair to proceed with the motion.

Upon Ordinary Resolution 4 being duly proposed by Mr. Sai Yee @ Sia Say Yee and duly seconded by Encik Mohd Helmy Rozal Bin Abdullah, the motion to re-elect Ms. Chew Gek Khim PJK 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. John Mathew A/L Mathai 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. John Mathew A/L Mathai, 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 4 being duly proposed by Mr. Dinesh Kumar A/L Bachulal and duly seconded by Ms. Chew Gek Khim PJK, the motion to re-elect Mr. John Mathew A/L Mathai who was retiring pursuant to Clause 102 of the Constitution of the Company would be voted by way of poll.

12.0 Retirement of Mr. Chia Chee Ming, Timothy as Senior Independent Director who is retiring pursuant to Clause 102 of the Constitution of the Company

Madam Chairman informed the shareholders that Mr. Chia Chee Ming, Timothy who also retires by rotation in accordance with Clause 102 of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, he will retire immediately after the conclusion of the 44th AGM of the Company.

13.0 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 Ms. Chew Gek Khim PJK and duly seconded by Mr. Sai Yee @ Sia Say Yee, 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:

14.0 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. Dinesh Kumar A/L Bachulal and duly seconded by Ms. Ng Siew Chin @ Ng Siew Kim, 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.

15.0 ANY OTHER BUSINESS

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

16.0 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 11.45 a.m. for the counting of votes and a presentation of the corporate video.

17.0 RE-CONVENING OF MEETING AND ANNOUNCEMENT OF POLL RESULTS

The meeting was re-convened at 12.10 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 Management Services.

The poll results were presented to the shareholders as follows:

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Minutes of the Forty-Fourth Annual General Meeting held on Friday, 26 May 2023

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 To approve the payment of a First and Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2022.	235,513,443	100.0000	0	0.0000
Ordinary Resolution 2 To approve the payment of additional Directors' Fees and Benefits of RM193,073.00 to Non-Executive Directors from 28 May 2022 until the next AGM of the Company to be held in year 2023.	235,513,443	100.0000	0	0.0000
Ordinary Resolution 3 To approve the payment of Directors' Fees and Benefits of up to RM855,000.00 from 27 May 2023 until the next AGM of the Company to be held in year 2024.	235,513,443	100.0000	0	0.0000
Ordinary Resolution 4 To re-elect Ms. Chew Gek Khim ^{PJG} who is retiring pursuant to Clause 102 of the Constitution of the Company.	235,502,743	99.9955	10,700	0.0045
Ordinary Resolution 5 To re-elect Mr. John Mathew A/L Mathai who is retiring pursuant to Clause 102 of the Constitution of the Company.	235,513,443	100.0000	0	0.0000
Ordinary Resolution 6 To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	235,513,443	100.0000	0	0.0000
Ordinary Resolution 7 Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	225,923,443	95.9280	9,590,000	4.0720

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 FIRST AND FINAL SINGLE-TIER DIVIDEND OF RM0.07 PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

RESOLVED THAT the payment of a First and Final Single-Tier Dividend of RM0.07 per share in respect of the financial year ended 31 December 2022 be and is hereby approved.

ORDINARY RESOLUTION 2

PAYMENT OF ADDITIONAL DIRECTORS' FEES AND BENEFITS OF RM193,073.00 TO NON-EXECUTIVE DIRECTORS FROM 28 MAY 2022 UNTIL THE AGM OF THE COMPANY TO BE HELD IN YEAR 2023

RESOLVED THAT the additional Directors' Fees and Benefits payable of RM193,073.00 to Non-Executive Directors from 28 May 2022 until the AGM of the Company held in year 2023 be and is hereby approved.

ORDINARY RESOLUTION 3

PAYMENT OF DIRECTORS' FEES AND BENEFITS OF UP TO RM855,000.00 FROM 27 MAY 2023 UNTIL THE NEXT AGM OF THE COMPANY TO BE HELD IN YEAR 2024

RESOLVED THAT the Directors' Fees and Benefits payable up to an amount of RM885,000.00 from 27 May 2023 until the next AGM of the Company to be held in year 2024 be and is hereby approved.

ORDINARY RESOLUTION 4

RE-ELECTION OF MS. CHEW GEK KHYM PJG AS DIRECTOR OF THE COMPANY WHO IS RETIRING PURSUANT TO CLAUSE 102 OF THE CONSTITUTION OF THE COMPANY

RESOLVED THAT Ms. Chew Gek Khim PJG who is 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. JOHN MATHEW A/L MATHAI AS DIRECTOR OF THE COMPANY WHO IS RETIRING PURSUANT TO CLAUSE 102 OF THE CONSTITUTION OF THE COMPANY

RESOLVED THAT Mr. John Mathew A/L Mathai who is 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.

AND FURTHER THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 66 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.

18.0 TERMINATION

There being no other business to be transacted, the Meeting terminated at 12.15 p.m. with a vote of thanks extended to the Chair.

CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THERE AT,

.....
CHAIRMAN

Date: 26 May 2023

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FORTY-FOURTH (44TH) ANNUAL GENERAL MEETING (“AGM”)

**ANSWERS TO QUESTIONS
RAISED FROM MINORITY SHAREHOLDERS WATCH GROUP**

Operational & Financial Matters

1. **At the smelting facility in Pulau Indah, MSC is delighted to be making progress as the TSL furnace reached 90% of its designed capacity as at end-2022. The Top Submerged Lance (TSL) furnace is also less labor intensive and easier to manage. (page 18 and 21 of Annual Report (AR) 2022).**

- (a) What is the total capital investment for the smelting facility in Pulau Indah?**

The total capital investment for the smelting facility in Pulau Indah amounted to approximately RM94.9 million.

- (b) What was the total capacity and average utilization rate for this plant in FY2022? When do you expect to scale up to 60,000 tonnes?**

The total capacity for the TSL plant is the ability to smelt 40,000 tonnes of feed/ore per year. MSC's yearly ore intake for FY2022 was around 27,000 tonnes, limited by the available incoming feed from MSC's suppliers/customers.

The average utilization rate of the TSL plant in FY2022 was below 50% due to the unexpected lengthy downtime of the Isasmelt furnace for re-bricking in 3Q2022 from the delay in shipment of the special fire-rated refractory bricks from China.

MSC do not expect to scale-up the capacity of the Isasmelt furnace to 60,000 tonnes as the anticipated feed/ore from suppliers and customers will not exceed 36,000 tonnes per annum, and the cost of scale up to 60,000 tonnes by way of oxygen enrichment will involve additional energy (natural gas) and oxygen usage costs.

- (c) What is the current utilization rate?**

The current average utilization rate for the first 4 months of 2023 (i.e. January to April) is approximately 51%, although on daily basis, the Isasmelt furnace has managed to operate at almost 90% of its designed capacity since December 2022.

- (d) How many workers does the Group currently employ at Pulau Indah plant? How many workers do you need to run at 60,000 tonnes capacity?**

MSC is currently employing 181 workers (comprising local and foreign). We intend to employ additional workers to fulfil the remaining requirements for the electrolysis, leaching plant and the new rotary furnace.

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The scale-up of the plant to 60,000 tonnes does not require substantial addition of workforce, but only the requirement of additional oxygen usage and energy costs.

(e) What is the budgeted capex for FY2023?

We expect to spend another RM11.4 million capex in FY2023 for Pulau Indah Plant.

2. The Group is also undertaking mining activities at Sungai Lembing, Pahang through its 80%-owned subsidiary SL Tin. Sdn. Bhd (SL Tin). SL Tin commenced commercial production in 2021. At the same time, it is undertaking a new plant expansion program to cater to the anticipated increase of tin production at Sungai Lembing. The Group expects higher output from SL Tin upon completion of the expansion. (page 16 of AR 2021).**(a) What is the total reserve and useful life for SL Tin mine?**

Currently, we have only identified an area within the Sungai Lembing mining lease, for small-scale mining. The total reserve for SL Tin mine has not been ascertained to-date as the exploration work is still on-going, likewise the useful life of the mine.

(b) What is the expected output from SL Tin in FY2023?

The output for SL Tin mine in FY2023 is expected to be minimal, in the region of approximately 70 metric tonnes of tin metal.

(c) When do you expect to complete the new plant expansion? What is the expected output post-expansion?

The new plant expansion at SL Tin mine is to be carried out and costs borne by the external mining and tin processing contractor, with the Group enjoying a share of profit on the operation. It is expected to be completed in the near term, and the expected output post-expansion will be approximately close to 1,000 metric tonne tin metal in the next 4 years of mining operation.

3. With the move to Pulau Indah, the Group intends to gradually phase out production at the Butterworth plant, freeing up the 13.9 acres of land where it currently sits on. Along with the adjacent 26.2 acres owned by MSC's parent company, The Straits Trading Company Limited (STC), the combined 40.1 acres of land will be utilised for mixed commercial and residential development. A master plan for the development has been approved and currently, a hotel is being constructed on STC's land. (page 14 and 21 of AR 2021).**(a) What is the potential GDV for this property development project?**

As both MSC and STC are public listed, we would have to disclose the details on the appropriate public channels i.e. the relevant Stock Exchanges (Malaysia and

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Singapore) websites.

At this juncture, there is a Master Plan Approval for the entire development. The proposed development will likely be a combination of residential and commercial properties and we will unveil more details including the potential GDV when the information is available, and at the appropriate timing.

(b) What is your role and eventual stake in this project?

Similar to answer 3(a) above, MSC's role and eventual stake in the project will only be made known at a later stage when information is available, and after the appropriate public announcements being made to the relevant Stock Exchanges.

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FORTY-FOURTH (44TH) ANNUAL GENERAL MEETING (“AGM”)

**ANSWERS TO QUESTIONS
RAISED DURING THE 44TH AGM**

- 1) Whether the Board of Directors will consider increasing the quantum of dividend payout in future? The Group is currently experiencing good profitability, with retained earnings of approximately RM444 million, cash and bank balances nearing RM200 million, and a dividend payout of around 30% of the net profit.**

(By Shareholder, Sai Yee @ Sia Say Yee)

The Company's Board and Management had successfully turned the business around. By utilising the internally generated funds to pay down debts, the Company's gearing is now at a favourable level and the balance sheet is strong.

The Company is committed to provide shareholders with a sustainable dividend while planning for future growth. There is potential for development and expansion in the tin business, declaring more dividends will have impact on the Company's cash flow for future expansion and investment. Therefore, the Company must strike a balance between paying dividends and investing in growth opportunities.

- 2) What is the current quantity of tin intermediate being processed at the Butterworth Plant? As far as I understood, the Butterworth Plant is solely responsible for processing the tin intermediate. Additionally, with the proposed plan to shut down the Butterworth Plant in the middle of next year 2024, is there enough time to complete the processing of the tin intermediate? If the processing is not completed, it will have to be transferred to the Pulau Indah Plant, incurring transportation charges.**

(By Shareholder, Sai Yee @ Sia Say Yee)

We are having approximately 5,000 tonnes of tin metal contained in the intermediate at the Butterworth Plant. It is important to note that in this business, smelting cannot be done without intermediate. The most cost-efficient and convenient way to process this intermediate is for the Pulau Indah Plant in Port Klang to handle all the smelting of ore, while the Butterworth Plant processes the intermediate.

When we eventually shift out from the Butterworth Plant, it will be easier to transport the remaining intermediate to the Pulau Indah Plant. The cost of transportation is negligible compared to the value of the intermediate. Handling the intermediate will not be a problem at all.

Moreover, the new furnace that we are using is capable of processing the intermediate together with the ore.

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Answers to Questions Raised During the 44th AGM

3) When do you plan to commence the development of the land after vacating the Butterworth Plant.

(By Shareholder, Sai Yee @ Sia Say Yee)

We need to consider various factors before commencing the development of the land. Firstly, we need to determine when we will be moving out of the plant. Secondly, we need to address the rehabilitation of the land and any requirements set by the Department of Environment (DOE). Thirdly, we need to obtain all necessary approvals and ensure compliance with regulations. The timing of all these factors needs to be taken into consideration before we can commence the development of the land.

4) In accordance to the reply to MSWG on the capex in the Pulau Indah Plant, it has been reported that another RM11.4 million will be spent in FY2023. Despite the appearance that the Pulau Indah Plant is nearing completed, whether the capex still needs to be spent?

(By Shareholder, Lew Tuck Wai)

The funds will be utilized to enhance the Pulau Indah Plant's tin handling capacity. Although the project has been completed, further investment is required to increase the plant's capacity to process intermediate and ore. This necessitates the acquisition of auxiliary equipment.

In addition, we have to adhere to the Environmental, Social and Governance guidelines by investing in air pollution control measures, which will involve filtering out harmful emissions and capturing carbon dioxide. To minimize energy consumption, we intend to install solar panels on the roof.

Currently, we have 1.26 megawatts of solar panels already installed, resulting in a 40% reduction in energy consumption.

5) Rahman Hydraulic Tin Sdn Bhd ("RHT") has acquired Asas Baiduri Sdn Bhd and roughly how many proven reserves that can be mined now?

(By Shareholder, Lew Tuck Wai)

There is no certainty until the mining exploration process is underway at the newly acquired Asas Baiduri mining land. However, we do have data and estimates that provide an indication of the reserve. It is important to note that RHT is now able to mine the rich tin reserves at its eastern boundary directly adjacent to Asas Baiduri mining land that initially was inaccessible. Our ability to mine the tin reserve largely depends on the geographic and physical characteristics of the land in Asas Baiduri.

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Answers to Questions Raised During the 44th AGM

- 6) Redring Solder (Malaysia) Sdn Bhd (“Redring”) is an associate company of MSC, incurred a loss of RM1.14 million in FY2022 as compared to a profit of RM11.08 million in FY2021. What is the reason for the losses.**

(By Shareholder, Lew Tuck Wai)

The demand for solder has also swung in the electronic industry. The demand for solder in China has also contracted. As far as the Redring tin solder business is concerned, the previous year performance has always been operating in very low margin, coupled with the sales also depend on the tin price movement in the market. This is a main reason for the lower performance in Redring.

- 7) There is an investment in listed company, Alphamin Resources Corp (“Alphamin”) in Canada, where its fair value of each of the investments has been dropped from RM58.05 million in FY2021 to RM32.78 million in FY2022. What is the intended plan for this investment?**

(By Shareholder, Lew Tuck Wai)

Alphamin was an investment that was made several years ago. While Alphamin was not mining tin in the past, it is now doing tin mining. The recent increase in tin commodity price has caused Alphamin’s share price to increase. The Board has decided to dispose of some of its investment in Alphamin, which is listed on the Toronto Venture Exchange to cash out.

The exact amount that we had received from the disposal is not publicly available. However, MSC had received approximately RM3 million in dividends from this investment in year 2022.

- 8) Is the Butterworth Plant property the same land where the current plant is located? If so, based on the net book value of RM78 million and the size of the land, it comes to around RM141 per square feet. What is the actual market value of the land?**

(By Shareholder, Lew Tuck Wai)

The company values this freehold land on a yearly basis since it is a development land held by the company for purpose of yearly accounting and auditing purpose. As a result, the net book value in the Audited Financial Statement reflects very closely of the market value of the said land..

- 9) Tin being a major contributor to the Malaysian economy, but it fell out of favour for many years. Can you provide information on the efforts being made to expand the use of tin, especially since its primary use in the chemical industry has decreased in popularity? I believe that there is a lot of potential for Research and Development to expand the use of tin.**

(By Shareholder, Teoh Yee Kian)

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Answers to Questions Raised During the 44th AGM

You may find information on the latest discoveries regarding the use of tin on the International Association website. One of the most exciting developments is the use of tin in batteries for electric vehicles. This is a significant challenge for the industry, and tin is a major component in the electrochemistry of these batteries.

Another usage of tin is in solar panels, which are set to replace traditional roof tiles in the near future. However, there is a concern about whether we can mine enough tin to meet the growing demand of tin.

Tin is also used in medicine and cosmetics, and currently, there is no replacement for its usage in solder.

10) Tin has been very depressed on the pricing. We have a lot of confidence with MSC being the largest tin producer in Malaysia. When did you see a resurgence in the pricing of tin?

(By Shareholder, Teoh Yee Kian)

The underlying principle of supply and demand always plays a fundamental role in the market. Currently, the tin inventory of the LME stands at around 1,800 tonnes, which is only sufficient for one day's use of tin in the world.

If there were to be an earthquake or other disruptive event in a major tin-producing region like Myanmar, it could significantly impact the global supply of tin. The tin price for the last 2 days went up by USD500 to USD1,000 in just one day.

In fact, the recent announcement by the Myanmar government that they will no longer export tin after August 2023 shocked the world. This situation is similar to what had happened during the Covid-19 pandemic when the shutdown of MSC by the government caused a jump in tin prices and correspondingly MSC's share price.