

MALAYSIA SMELTING CORPORATION BERHAD (43072-A)

ANNOUNCEMENT
(For public release)

INTRODUCTION

The Board of Directors of Malaysia Smelting Corporation Berhad (“**MSC**”) announces that MSC Properties Sdn Bhd (“**MSCP**”), a wholly owned subsidiary of MSC, had entered into a Memorandum of Understanding (“**MOU**”) with The Straits Trading Company Limited (“**STC**”), the holding company of MSC on 27 September 2018.

BACKGROUND OF MOU

MSCP is the registered proprietor of its land parcels held in Butterworth, Seberang Perai Utara (Penang) (the “**MSCP Lands**”).

STC is the registered proprietor of its own land parcels held in Butterworth, Seberang Perai Utara (Penang) (the “**STC Lands**”), which are adjacent to the MSCP Lands.

Both STC and MSCP have agreed to enter into this MOU to serve as the framework for the preparation of the definitive agreement with regard to the MSCP Lands and STC Lands.

SALIENT TERMS OF THE MOU

The MOU between MSCP and STC sets out the principal terms that have been agreed to between both parties with regard to the MSCP Lands and STC Lands whereby both parties agree to cooperate to jointly:

- (i) appoint and/or work with any other parties, if required, to develop the STC Lands and MSC Lands (the “**Lands**”, which terms shall include any part of parts thereof); and/or
- (ii) sell the Lands to any subsidiaries, related companies and/or third parties, of which any sale of the Lands should not be undertaken at a price below the Lands’ market value.

The MOU is valid for one year from the date the MOU is entered into.

EFFECT OF THE PROPOSED COOPERATION

The cooperation by both parties will provide them an advantageous platform to secure a better position in maximizing the returns for both parties, whether via (i) developing (jointly or otherwise) the said Lands or (ii) the sale of the Lands.

RISK FACTORS

The directors of MSC are of the view that the risk factors involved in the MOU at this juncture are minimal.

DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

Ms. Chew Gek Khim and Mr. Timothy Chia Chee Ming are directors of both MSC and STC. STC is the holding company of MSC.

Save and except for the above, none of the directors, major shareholders and persons connected with directors or major shareholders of MSC or any of its subsidiaries have interest, direct or indirect, in the MOU.

DOCUMENT(S) FOR INSPECTIONS

The MOU is available for inspection at the Registered Office of the Company at Lot 6, 8 and 9, Jalan Perigi Nanas 6/1, Pulau Indah Industrial Park, West Port, Port Klang, 42920 Pulau Indah, Selangor during normal business hours for a period of three (3) months from the date of this announcement.