THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused this Circular on a limited review basis pursuant to Paragraph 4.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

MALAYSIA SMELTING CORPORATION BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF 420,000,000 NEW ORDINARY SHARES IN MSC ("MSC SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING MSC SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

AND

EXTRACT OF NOTICE OF THE FORTY-SIXTH ANNUAL GENERAL MEETING ("AGM")

Adviser

UOB Kay Hian Securities (M) Sdn Bhd
Registration No.: 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Last date and time for lodging the Proxy Form	:	Wednesday, 28 May 2025 at 11:00 a.m.
Address to lodge Proxy Form	:	Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
Date and time of the AGM	:	Thursday, 29 May 2025 at 11:00 a.m.
Venue of the AGM	:	Grand Suite, Level 7, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia

This Circular is dated 30 April 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

"Act"	:	Companies Act 2016
"AGM"	:	Forty-Sixth Annual General Meeting
"Board"	:	The Board of Directors of MSC
"Bonus Share(s)"	:	420,000,000 new MSC Shares to be issued pursuant to the Proposed Bonus Issue
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Circular"	:	This circular to shareholders of MSC dated 30 April 2025 in relation to the Proposed Bonus Issue
"Director(s)"	:	The director(s) of MSC and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"Distribution"	:	Any dividends, rights, allotments and/ or any other forms of distribution
"Entitlement Date"	:	A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue
"EPS"	:	Earnings per Share
"FYE"	:	Financial year ended/ ending, as the case may be
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	2 April 2025, being the latest practicable date prior to the despatch of this Circular
"MSC" or the "Company"	:	Malaysia Smelting Corporation Berhad (Registration No.: 197801006055 (43072-A))
"MSC Group" or the "Group"	:	MSC and its subsidiaries, collectively
"MSC Share(s) or "Share(s)"	:	Ordinary share(s) in MSC
"NA"	:	Net assets attributable to ordinary equity holders of the Company
"Proposed Bonus Issue"	:	Proposed bonus issue of new MSC Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held on the Entitlement Date
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SGX"	:	Singapore Exchange Securities Trading Limited (Registration No.: 197300970D)
"TEBP"	:	Theoretical ex-bonus price
"UOBKH"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"VWAP"	:	Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to the shareholders, who are entitled to attend and vote at the AGM.

Unless specifically referred to, words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Bonus Issue. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Bonus Issue before voting at the forthcoming AGM.

Key information	Description	Reference to Circular
Summary of the Proposed Bonus Issue	The Proposed Bonus Issue entails the issuance of 420,000,000 new MSC Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held by the entitled shareholders of the Company whose name appear in the Record of Depositors of the Company as at the Entitlement Date.	**Section 2**
Rationale and justification	The Proposed Bonus Issue is undertaken with the intention to reward the existing shareholders of the Company in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue serves to:- i. enhance the trading liquidity and improve the affordability of MSC Shares by increasing the number of available shares and adjusting the share price downward, without impacting the Company's market capitalisation; ii. increase the number of MSC Shares held by the Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage equity shareholding in the Company, with the intention of rewarding existing shareholders for their loyalty and support; and iii. encourage greater participation by investors in the market and potentially broaden the shareholder base of the Company as a result of the increase in MSC Shares.	**Section 3**
Approvals required/ obtained and conditionality	The Proposed Bonus Issue is conditional upon approvals being obtained from the following parties:- i. Bursa Securities, approval of which has been obtained vide its letter dated 10 April 2025; and ii. the shareholders of MSC, for the Proposed Bonus Issue at the forthcoming AGM of the Company. The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.	**Section 6**
Interests of Directors, major shareholders, chief executive and/ or persons connected with them	None of the Directors and/ or major shareholders of the Company and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue which are also available to all other shareholders of the Company.	**Section 7**
Board's recommendation	The Board, having considered all aspects including the rationale and justifications as well as effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company. Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming AGM of the Company.	**Section 10**

MALAYSIA SMELTING CORPORATION BERHAD
Registration No.: 197801006055 (43072-A)
(Incorporated in Malaysia)

Registered Office

Lot 6, 8 & 9
Jalan Perigi Nanas 6/1
Pulau Indah Industrial Park
West Port, Port Klang
42920 Pulau Indah
Selangor
Malaysia

30 April 2025

Board of Directors:

Ms. Chew Gek Khim, PJG *(Chairman, Non-Independent Non-Executive Chairman)*
Mr. Yap Seng Chong *(Independent Non-Executive Director)*
Datuk Kamaruddin Bin Taib *(Independent Non-Executive Director)*
Dato' Roslina Binti Zainal *(Independent Non-Executive Director)*
Datuk Lim Hong Tat *(Independent Non-Executive Director)*
Dato' Dr. (Ir.) Yong Mian Thong *(Group Chief Executive Officer/ Executive Director)*

To: The Shareholders of MSC

Dear Sir/Madam,

PROPOSED BONUS ISSUE

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1. INTRODUCTION

On 4 March 2025, UOBKH had, on behalf of the Board, announced that MSC proposes to undertake a bonus issue of 420,000,000 new MSC Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held on an Entitlement Date to be determined later.

On 10 April 2025, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 10 April 2025, resolved to approve the listing of and quotation for up to 420,000,000 new MSC Shares to be issued pursuant to the Proposed Bonus Issue, subject to the conditions as set out in **Section 6** of this Circular.

For information purposes, MSC is primarily listed on the Main Market of Bursa Securities and secondarily listed on the Main Board of SGX. Accordingly, the Bonus Shares will also be secondarily listed on the Main Board of SGX.

Further details on the Proposed Bonus Issue are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF MSC WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE, AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF MSC FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING AGM OF THE COMPANY.

SHAREHOLDERS OF MSC ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails an issuance of 420,000,000 Bonus Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held by the shareholders of the Company whose names appear in the Company's Record of Depositors as at the Entitlement Date.

As at the LPD, the issued share capital of MSC is RM237.19 million comprising 420,000,000 MSC Shares. For information purposes, the Company does not have any outstanding convertible securities nor does it retain any treasury shares as at LPD. Accordingly, a total of 420,000,000 Bonus Shares may be issued, which will increase the total number of issued shares of the Company from 420,000,000 MSC Shares to 840,000,000 MSC Shares.

The Proposed Bonus Issue will not be implemented on a staggered basis over a period of time. Any fractional entitlements arising from the Proposed Bonus Issue shall be disregarded and/or dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.

There will be an adjustment to the market price of MSC Shares listed and quoted on Bursa Securities and SGX pursuant to the Proposed Bonus Issue. For illustrative purposes, based on the 5-day VWAP up to and including the LPD and the lowest daily VWAP of MSC Shares during the 3-month period up to and including 3 April 2025 (being the market day immediately before the submission of the application to Bursa Securities in respect of the Proposed Bonus Issue), the TEBP of MSC Shares is as follows:-

	VWAP before the Proposed Bonus Issue RM	**TEBP after the Proposed Bonus Issue RM**
5-day VWAP up to and including the LPD	2.6241	1.3121[*1]
Lowest VWAP during the past 3-month period up to and including 3 April 2025	2.0661	1.0331[*2]

Based on the above, the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A)[*3] of the Listing Requirements, as the share prices adjusted for the Proposed Bonus Issue based on the daily VWAP during the 3-month period up to and including 3 April 2025 (being the market day immediately before the submission of the application to Bursa Securities in respect of the Proposed Bonus Issue) is not less than RM0.50.

Notes:-

*[*1]* *For illustration purposes, the TEBP of MSC Shares based on the 5-day VWAP up to and including the LPD is arrived at based on the following formula:-*

$$TEBP = \text{5-day VWAP up to and including the LPD} \times \frac{\text{Holding of 1 existing Share}}{\text{Bonus Share(s) to be issued} + \text{Holding of 1 existing Share}}$$

$$= RM2.6241 \times \frac{1}{1 + 1}$$

$$= RM1.3121$$

*[*2]* *For illustration purposes, the TEBP of MSC Shares based on the lowest VWAP during the past 3-month period up to and including 3 April 2025 is arrived at based on the following formula:-*

$$TEBP = \text{Lowest VWAP during the past 3-month period up to and including 3 April 2025} \times \frac{\text{Holding of 1 existing Share}}{\text{Bonus Share(s) to be issued} + \text{Holding of 1 existing Share}}$$

$$= RM2.0661 \times \frac{1}{1 + 1}$$

$$= RM1.0331$$

*[*3]* *Paragraph 6.30(1A) of the Listing Requirements requires that "A listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily volume weighted average share price during the 3-month period before the application date".*

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue will increase the number of MSC Shares in issue but will not increase the value of share capital of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon issuance and allotment, rank pari passu in all respects with the existing Shares, save and except that the Bonus Shares shall not be entitled to any dividend, rights, allotments and/ or other distributions that may be declared, made or paid prior to the date of the allotment of the Bonus Shares.

2.4 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 10 April 2025, approved the listing of and quotation for up to 420,000,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 6** of this Circular.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities and on the next market day following the Entitlement Date. The Bonus Shares will also be secondarily listed on the Main Board of SGX.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED BONUS ISSUE

The Board intends to undertake the Proposed Bonus Issue to reward the existing shareholders of the Company in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue serves to:-

i. enhance the trading liquidity and improve the affordability of MSC Shares by increasing the number of available shares and adjusting the share price downward, without impacting the Company's market capitalisation;

ii. increase the number of MSC Shares held by the Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage equity shareholding in the Company, with the intention of rewarding existing shareholders for their loyalty and support; and

iii. encourage greater participation by investors in the respective markets and potentially broaden the shareholder base of the Company as a result of the increase in MSC Shares.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued share capital

The proforma effect of the Proposed Bonus Issue on the issued share capital of MSC is set out below:-

	No. of Shares	RM'000
Issued share capital as at the LPD	420,000,000	237,194
Bonus Shares to be issued	420,000,000	-[*1]
Enlarged share capital	**840,000,000**	**237,194**

***Note**:-*

*[*1]* *As highlighted in **Section 2.2** of this Circular, the Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.*

4.2 NA per Share and gearing

Based on the latest audited consolidated statements of financial position of the Group as at 31 December 2023, the proforma effects of the Proposed Bonus Issue on the NA per Share and gearing of the Group are set out below:-

	Audited as at 31 December 2023 RM'000	After the Proposed Bonus Issue RM'000
Share capital	237,194	237,194
Other reserves	46,558	46,558
Retained earnings	470,378	470,198[*1]
Shareholders' equity/ NA	**754,130**	**753,950**
Non-controlling interests	62,327	62,327
Total equity	**816,457**	**816,277**
No. of Shares in issue ('000)	420,000	840,000
NA per Share (RM)	1.80	0.90
Borrowings (RM'000)	359,765	359,765
Gearing (times)	0.44	0.44

Note:-

*[*1]* *After deducting the estimated expenses of approximately RM180,000 in relation to the Proposed Bonus Issue.*

4.3 Substantial shareholding structure

The Proposed Bonus Issue will not have any effect on the substantial shareholding percentage as the Bonus Shares will be allotted on a pro-rata basis to all shareholders of the Company. However, there will be a proportionate increase in the number of Shares held by each substantial shareholder. The proforma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings in the Company are set out below:-

	Shareholdings as at the LPD				After the Proposed Bonus Issue			
	<----------Direct---------->		<---------Indirect---------->		<----------Direct---------->		<---------Indirect---------->	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**
The Straits Trading Company Limited	112,360,000	26.75	105,885,200[*3]	25.21	224,720,000	26.75	211,770,400[*3]	25.21
Straits Trading Amalgamated Resources Sdn Bhd	69,498,000	16.55	-	-	138,996,000	16.55	-	-
Sword Investments Private Limited	21,585,200	5.14	-	-	43,170,400	5.14	-	-
Tan Chin Tuan Pte Ltd	-	-	218,245,200[*4]	51.96	-	-	436,490,400[*4]	51.96
The Cairns Pte Ltd	-	-	218,245,200[*4]	51.96	-	-	436,490,400[*4]	51.96
Tecity Pte Ltd	-	-	218,245,200[*4]	51.96	-	-	436,490,400[*4]	51.96
Raffles Investments Pte Ltd	-	-	218,245,200[*4]	51.96	-	-	436,490,400[*4]	51.96
Aequitas Pte Ltd	-	-	218,245,200[*4]	51.96	-	-	436,490,400[*4]	51.96
Dr. Tan Kheng Lian	-	-	218,245,200[*5]	51.96	-	-	436,490,400[*5]	51.96

Notes:-

[*1] *Based on the total issued shares of 420,000,000 in MSC as at LPD.*

[*2] *Based on the enlarged total issued shares of 840,000,000 in MSC after the Proposed Bonus Issue.*

[*3] *Held through Straits Trading Amalgamated Resources Sdn Bhd, Sword Investments Private Limited, Baxterley Holdings Private Limited and Redring Solder (Malaysia) Sdn Bhd.*

[*4] *Tan Chin Tuan Pte Ltd, The Cairns Pte Ltd, Tecity Pte Ltd, Raffles Investments Pte Ltd and Aequitas Pte Ltd hold not less than 20% of the voting shares in The Straits Trading Company Limited. Tan Chin Tuan Pte Ltd is the ultimate holding company for The Straits Trading Company Limited.*

[*5] *Dr. Tan Kheng Lian holds not less than 20% of the voting shares in Tan Chin Tuan Pte Ltd.*

4.4 Earnings and EPS

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group for the FYE 31 December 2025. Notwithstanding that, the Group's EPS will be proportionately diluted due to the increase in the number of MSC Shares in issue upon completion of the Proposed Bonus Issue.

4.5 Convertible securities

As at the LPD, the Company does not have any existing convertible securities.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of MSC Shares for the past 12 months preceding the date of this Circular are as follows:-

	High RM	Low RM
2024		
April	2.81	1.98
May	3.06	2.46
June	2.54	2.24
July	2.73	2.32
August	2.38	1.85
September	2.36	2.07
October	2.47	2.08
November	2.31	2.05
December	2.35	2.15
2025		
January	2.29	2.02
February	2.34	2.10
March	2.61	2.14
Last transacted market price as at 3 March 2025, being the last trading day prior to the announcement of the Proposed Bonus Issue		2.19
Last transacted market price as at the LPD		2.68

(Source: Bloomberg)

6. APPROVALS REQUIRED/ OBTAINED AND CONDITIONALITY

The Proposed Bonus Issue is subject to the following approvals being obtained:-

i. Bursa Securities, for the listing of and quotation for up to 420,000,000 Bonus Shares on the Main Market of Bursa Securities, the approval of which was obtained vide its letter dated 10 April 2025, subject to the following conditions:-

No.	Condition(s)	Status of compliance
a.	MSC and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be complied
b.	UOBKH to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
c.	MSC/ UOBKH to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming general meeting for the Proposed Bonus Issue;	To be complied

No.	Condition(s)	Status of compliance
d.	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be complied
e.	MSC/ UOBKH is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements.	To be complied

ii. the shareholders of MSC at the forthcoming AGM of the Company.

The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of MSC and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue which are also available to all other shareholders of the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Bonus Issue is expected to be completed by the third quarter of 2025. The tentative timetable in relation to the Proposed Bonus Issue is set out below:-

Month	Events
End May	• Convening of the forthcoming AGM of the Company
End June	• Announcement on the Entitlement Date for the Proposed Bonus Issue
Mid July	• Entitlement Date for the Proposed Bonus Issue • Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities • Secondary listing of the Bonus Shares on the Main Board of the SGX

9. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue (being the subject matter of this Circular), the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects including the rationale and justifications as well as effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company. Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming AGM of the Company.

11. AGM

The AGM, the notice of which is enclosed in the Annual Report of the Company for the FYE 31 December 2024, is scheduled to be held at Grand Suite, Level 7, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 29 May 2025 at 11:00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Bonus Issue pursuant to the agenda under Special Business as detailed in the Notice of AGM as enclosed in the Annual Report.

If you are unable to attend, participate, speak and vote in person at the AGM, you are requested to complete and return the Form of Proxy enclosed in the Notice of AGM and also available on the Company's website in accordance with the instructions provided thereon so as to arrive at the Company's Share Registrar's Office at Boardroom Share Registrars Sdn. Bhd of 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than twenty-four (24) hours before the appointed time for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
MALAYSIA SMELTING CORPORATION BERHAD

DATO' DR. (IR.) YONG MIAN THONG
Group Chief Executive Officer/ Executive Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT

UOBKH, being the Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given its written confirmation that, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to MSC for the Proposed Bonus Issue.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Saved as disclosed in **Section 6(i)** below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

5. MATERIAL COMMITMENT

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the MSC Group that has not been provided for which, may have a material impact on the financial results/ position of the MSC Group:-

	RM'000
Approved and contracted for	9,993
Approved but not contracted for	12,668
Total	**22,661**

6. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group:-

i. In respect of the suit from a third party ("**Plaintiff**") against the Company with claim amount of RM2,152,533 for the purported breach of a sale and purchase agreement to supply 60,000 metric tonnes of tin slag ("**Agreement**"), the trial was vacated on 11 September 2024. On 12 September 2024, the High Court ("**Court**") was informed that the lead counsel for the Plaintiff was unable to continue representing the Plaintiff due to a conflict of interest. As the Plaintiff was unable to appoint another solicitor before the next trial date on 18 September 2024, the trial could not proceed. The Court fixed new trial dates on 27-28 August 2025.

The Company's legal counsel is of the view that the Company has an arguable case to contend that it did not breach the Agreement and a sufficiently reliable estimate of the financial effect cannot be made due to the lack of particulars and evidence in respect of the claim.

ii. On 27 June 2024, the Inland Revenue Board ("**IRB**") issued Notices of Additional Assessment with penalties for YA 2019, YA 2021 and YA 2022 ("**Notices**") totalling RM31,327,414.69 to Rahman Hydraulic Tin Sdn. Bhd. ("**RHT**"), an 80% owned subsidiary of the Company. The Notices were raised pursuant to the disallowance of past tribute payments incurred from YA 2010 to YA 2017, and related legal and professional fees incurred by RHT in YA 2021 and YA 2022.

The subsidiary company has lodged the Notice of Appeal (Form Q) to the Special Commissioners of IRB on 25 July 2024. The matter has also been referred to IRB's Dispute Resolution Panel for both parties to try to reach an amicable settlement. Negotiations between the parties are currently ongoing.

As at the LPD, the subsidiary company has paid tax instalments totalling RM12.5 million to IRB, pending resolution of the above matter. In the Directors' opinion, disclosure of additional information about the above matter would be prejudicial to the interests of the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at Lot 6, 8 & 9, Jalan Perigi Nanas 6/1, Pulau Indah Industrial Park West Port, Port Klang, 42920 Pulau Indah, Selangor, Malaysia during normal business hours (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM of the Company:-

i. the Constitution of MSC;

ii. audited consolidated financial statements of MSC for the past 2 financial years up to the FYE 31 December 2024;

iii. letters of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above respectively; and

iv. the relevant cause papers in respect of the material litigation referred to in **Section 4** above.

MALAYSIA SMELTING CORPORATION BERHAD
Registration No.: 197801006055 (43072-A)
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE FORTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT GRAND SUITE, LEVEL 7, HILTON KUALA LUMPUR, 3 JALAN STESEN SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON THURSDAY, 29 MAY 2025 AT 11.00 A.M.

As Special Business

RESOLUTION 7

PROPOSED BONUS ISSUE OF 420,000,000 NEW ORDINARY SHARES IN MSC ("MSC SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING MSC SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"**THAT** subject to the approvals being obtained from all relevant authorities and/or parties (where applicable), authority be and is hereby given to the Board of Directors of MSC ("**Board**") to issue and allot 420,000,000 Bonus Shares on the basis of 1 Bonus Share for every 1 existing MSC Share held by the shareholders whose names appear in the Record of Depositors of the Company at 5.00 p.m. on a Bonus Shares entitlement date to be determined and announced later ("**Entitlement Date**");

THAT fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT the Bonus Shares in respect of the Proposed Bonus Issue shall be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves;

THAT the Bonus Shares will, upon allotment and issuance, rank pari passu in all respects with the then existing MSC Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the Entitlement Date;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."