**MALAYSIA SMELTING CORPORATION BERHAD ("MSC" OR THE "COMPANY")**

**PROPOSED PRIVATE PLACEMENT OF NEW ORDINARY SHARES IN MSC ("MSC SHARES" OR THE "SHARES") ("PLACEMENT SHARES"), REPRESENTING NOT MORE THAN 5% OF THE TOTAL NUMBER OF ISSUED MSC SHARES (EXCLUDING TREASURY SHARES, IF ANY) ("PROPOSED PRIVATE PLACEMENT")**

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## 1. INTRODUCTION

On behalf of the Board of Directors of MSC ("**Board**"), TA Securities Holdings Berhad ("**TA Securities**") wishes to announce that the Company proposes to undertake the Proposed Private Placement.

For information purpose, MSC is primarily listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and secondarily listed on the Main Board of Singapore Exchange ("**SGX**"). Accordingly, the Placement Shares will also be listed on the Main Board of SGX.

Further details of the Proposed Private Placement are set out in the ensuing sections.

## 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

MSC had held its 42nd annual general meeting ("**AGM**") on 18 June 2021 and all resolutions set out in the notice of the AGM were duly passed, including the approval which authorises its Directors to allot and issue new MSC Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**") 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 new MSC Shares to be issued does not exceed 10% of the total number of issued MSC Shares (excluding treasury shares, if any) at the time of issue ("**General Mandate**"), subject to the Constitution of the Company and that the Directors are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the new MSC Shares to be issued. The Proposed Private Placement will be undertaken in accordance with the General Mandate.

### 2.1 Size of placement

As at 30 June 2021, being the latest practicable date prior to the date of this announcement ("**LPD**"), the issued share capital of MSC is RM200,000,000 comprising 400,000,000 MSC Shares. MSC does not have any treasury shares and/or convertible securities as at the LPD.

Pursuant to the Proposed Private Placement, the Company intends to issue up to 20,000,000 MSC Shares, representing not more than 5% of the Company's total number of issued Shares as at the LPD.

### 2.2 Placement arrangement

The Company intends to place out the Placement Shares to independent third party investors to be identified who are persons other than the following:

(i) a director, major shareholder or chief executive of MSC or its holding company ("**Interested Person**");

(ii) a person connected with an Interested Person; or

(iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In addition, the independent third party investors shall be persons who qualify under Schedule 6 or 7 of the Capital Markets and Services Act 2007, which include, amongst others, the issuance of the Placement Shares to each of them for a consideration of not less than RM250,000 or the issuance of the Placement Shares is made to high net worth individuals whose total net personal assets exceed RM3,000,000 or to corporations with total net assets exceeding RM10,000,000.

Depending on the market conditions and the timing of identification of placees, the Proposed Private Placement may be implemented in 1 or more tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. The implementation of the placement arrangement in multiple tranches would provide flexibility to the Company to procure interested investors to subscribe for the Placement Shares within the period to be approved by Bursa Securities.

For the avoidance of doubt, if issued in multiple tranches, the issue price for each tranche of the Placement Shares shall be determined, fixed and announced separately and in accordance with market-based principles as set out in **Section 2.5** of this announcement.

**2.3 Ranking of the Placement Shares**

The Placement Shares shall, upon allotment and issue, rank equally in all respects with the existing MSC Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

**2.4 Listing of and quotation for the Placement Shares**

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities within 2 weeks from the date of this announcement.

**2.5 Basis of arriving at the issue price of the Placement Shares**

The issue price of the Placement Shares shall be determined, fixed and announced by the Board on a date to be determined later ("**Price Fixing Date**"), after the receipt of approval from Bursa Securities for the Proposed Private Placement.

The Placement Shares shall not be priced at more than 10% discount to the 5-day volume weighted average market price ("**5D-VWAP**") of MSC Shares immediately before the Price Fixing Date.

The 5D-VWAP of MSC Shares up to and including the LPD is RM1.8509 per MSC Share. Hence, for illustrative purposes of this announcement, the indicative issue price of the Placement Shares is assumed at RM1.85 per MSC Share, representing a discount of RM0.0009 or 0.05% to the 5D-VWAP of MSC Shares up to and including the LPD.

**2.6 Utilisation of proceeds**

Based on the indicative issue price of RM1.85 per Placement Share, the estimated gross proceeds to be raised from the Proposed Private Placement are intended to be utilised by MSC and its subsidiaries ("**MSC Group**" or the "**Group**") in the following manner:

| **Utilisation purposes** | **Notes** | **Amount of estimated gross proceeds (RM'000)** | **Expected timeframe for utilisation of proceeds (from the date of listing of the Placement Shares)** |
|---|---|---|---|
| Repayment of bank borrowings | *(1)* | 30,000 | Within 12 months |
| Working capital | *(2)* | 6,215 | Within 12 months |
| Estimated expenses in relation to the Proposed Private Placement | *(3)* | 785 | Immediately |
| **TOTAL** | | **37,000** | |

*Notes:*

*(1) As at 31 May 2021, the Group's total bank borrowings amounted to approximately RM455.16 million as detailed below:*

| ***Type of facilities*** | ***Approximate interest rate per annum (%)*** | ***Maturity*** | ***Outstanding amount as at 31 May 2021 (RM'000)*** |
|---|---|---|---|
| *Short term trade financing* | *1.0* | *Within 12 months* | *35,924* |
| *Bankers' acceptances/ trust receipts* | *2.7* | *Within 12 months* | *338,487* |
| *Revolving credit* | *4.1* | *Within 12 months* | *30,000* |
| *Term loan* | *3.5* | *More than 12 months* | *50,751* |
| ***Total bank borrowings*** | | | ***455,162*** |
| *Effective annual interest rate on weighted average basis (%)* | | | *2.77* |

*The Group's bank borrowings are mainly utilised to part finance the purchase of tin ore and metal for its trading purpose, and to part finance the purchase of its new smelting plant, land and buildings in Pulau Indah, Port Klang.*

*The Group intends to utilise up to RM30.0 million of the gross proceeds from the Proposed Private Placement to partly repay its bank borrowings. The specific allocation in terms of the breakdown of quantum and timeframe on which facilities are to be repaid have not been determined at this juncture as they would depend on the maturing amount of the bank borrowings and potential interest savings at the time of utilisation.*

*Based on the effective annual interest rate on weighted average basis of 2.77%, the repayment of the Group's bank borrowings through utilising RM30.0 million of the gross proceeds from the Proposed Private Placement is expected to result in an estimated pre-tax interest saving of approximately RM0.83 million per annum.*

*(2) MSC Group intends to utilise approximately RM6.22 million of the proceeds from the Proposed Private Placement for its working capital requirements including repayment to trade creditors and suppliers, payment of finance cost, and administrative and overhead expenses such as salaries, statutory contributions and payments, travelling expenses, utilities, staff training and staff welfare. The breakdown of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.*

*Notwithstanding that, and on best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows:*

| | ***Estimated allocation of working capital (%)*** |
|---|---|
| *Repayment to trade creditors and suppliers* | *50.0* |
| *Administrative and overhead expenses* | *40.0* |
| *Payment of finance cost* | *10.0* |
| ***Total*** | ***100.0*** |

*(3) The proceeds earmarked for defrayment of estimated expenses in relation to the Proposed Private Placement will be utilised as follows:*

| | ***RM'000*** |
|---|---|
| *Professional fees, placement fees, out-of-pocket expenses and service tax* | *762* |
| *Regulatory fees* | *23* |
| ***Total*** | *785* |

*Any variation in the actual amount of the expenses for the Proposed Private Placement will be adjusted to or from the proceeds earmarked for the working capital purposes.*

The actual amount of proceeds to be raised from the Proposed Private Placement will depend on the final issue price of the Placement Shares and the actual number of Placement Shares to be issued. The proceeds to be raised from the Proposed Private Placement will first be utilised for expenses for the Proposed Private Placement, then any surplus of funds following payment of expenses will be allocated for the repayment of up to RM30.0 million bank borrowings and the remaining proceeds will be utilised for the working capital of the Group.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in deposits with financial institution(s) or short-term money market instrument(s), as the Board may deem fit. Any interest income earned from such deposits or any gain arising from such short-term money market instruments will be used as working capital for the Group.

## 3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue to raise additional funds expeditiously to meet the purposes as stated in **Section 2.6** of this announcement, without incurring interest cost as compared to bank borrowings or the issuance of debt instruments. The Proposed Private Placement will allow the Company to preserve its cash flow for the working capital requirements of the Group's various business segments and will not further increase gearing of the Group.

In addition, the Proposed Private Placement will further strengthen the capital base of the Company and enhance greater participation from a broader range of investors in the Company's Shares in view of the increase in the number of MSC Shares as well as improve the Group's financial position and future earnings when the economic and financial benefits from the use of proceeds are realised.

For information purpose, the Company has not undertaken any equity fund-raising exercises in the past 12 months prior to this announcement.

## 4. INDUSTRY OUTLOOK AND PROSPECTS

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter of ("**1Q**") 2021 (Fourth quarter of ("**4Q**") 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronics ("**E&E**") products. Growth was also supported by the continued policy measures. The imposition of the second movement control order ("**MCO**") ("**MCO 2.0**") and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

In terms of sectoral performance, all economic sectors registered an improvement. The manufacturing sector expanded at a higher pace of 6.6% (4Q 2020: 3.0%), driven by the robust E&E production and continued recovery in the consumer-, primary- and construction-related clusters. The strong performance of the E&E subsectors reflected the higher global demand for semiconductors components, as reflected by the improvement in the World Semiconductor Trade Statistics. Despite the imposition of MCO 2.0, the consumer- and primary-related manufacturing also recorded higher growth, as most manufacturing sectors were allowed to operate while adhering to stringent standard operating procedures.

Domestic demand recorded a smaller decline of 1.0% (4Q 2020: -4.5%) in the 1Q 2021, weighed down by the contraction in private sector expenditure amid the imposition of MCO 2.0. However, the impact of MCO 2.0 was smaller given that most economic sectors were allowed to operate and with continued policy support for households and businesses. On the external front, robust external demand particularly for E&E products, contributed to a continued expansion in net exports.

Gross exports grew at a faster pace of 18.2% (4Q 2020: 5.1%), driven by robust manufactured exports. Gross imports turned around to register a positive growth of 10.8% (4Q 2020: -4.5%), due to a broad-based improvement in all import categories. The trade surplus amounted to RM58.6 billion (4Q 2020: RM59.9 billion). Manufactured exports increased by 21.9% (4Q 2020: 7.6%), supported mainly by E&E exports (26.9%, 4Q 2020: 13.8%). This was contributed by firm demand for semiconductors for work from home equipment and medical devices. Commodities exports registered a smaller contraction (-5.4%, 4Q 2020: -7.8%) due mainly to improvement in LNG prices.

*(Source: BNM Quarterly Bulletin – First Quarter 2021 (Vol. 36 No. 1), Bank Negara Malaysia)*

The ongoing pandemic and movement restrictions will affect Malaysia's economy in the near term. The economy is projected to grow by 4.5% in 2021. This latest projection is 1.5% lower than the earlier forecast of 6.0%. The revision reflects the slower pathway towards suppression of the pandemic and the slower-than-expected vaccine rollout. The trajectory and pace of growth will depend on the duration and severity of movement restrictions, the containment of the pandemic, and the pace of the vaccine rollout.

The worsening Coronavirus disease ("**COVID-19**") situation and the re-imposition of the MCO is expected to have considerable impact on private consumption. The movement restrictions coupled with increased precautionary behaviour and subdued wage growth is expected to affect household spending activity (2021 forecast: 4.2%; 2020: -4.3%). This is especially so for services-related sectors. Meanwhile, public consumption is expected to continue to expand over the near term, albeit at a slower rate.

With recovering global demand, export growth is likely to gain momentum. Given the acceleration of advanced nations' vaccination programs and the reopening of their economies, global demand is expected to continue to recover in the near term. The growth rate for Malaysia's exports of goods and services is projected to rebound to 13.1% in 2021 (2020: -8.9%) as global demand picks up. Import growth is projected to rise by 13.6% (2020: -8.4%), with the growth of intermediate and capital imports regaining some momentum due to improvements in exports and investment.

*(Source: Malaysia Economic Monitor June 2021 – Weathering the Surge, World Bank Group)*

## 4.2 Overview and outlook of the global tin industry

The tin market size was estimated at over 360 kilotons in 2020, and the market is projected to register a compound annual growth rate ("**CAGR**") of over 2% during the forecast period from 2021 to 2026.

Over the medium term, growing demand from the electronics industry and increasing housing construction activities in emerging economies of Asia-Pacific are driving the growth of the tin market.

The Asia-Pacific region is expected to dominate the market and is also likely to witness the highest CAGR during the forecast period.

Tin is an important component in solders, as it melts and adheres to many common base metals at temperatures considerably below their melting points. The electronics and electrical industries use solders containing 40-70% tin, which provides strong and reliable joints under a variety of environmental conditions. At present, the majority of the assemblers are using patented tin-copper-based solders.

Asia-Pacific is currently the biggest market for tin-based solders, due to their rising demand in the electronics industry, along with a growing production base. China is the biggest market for tin-based solders, in terms of production and consumption, where the immense and growing electronics and automotive industries are driving the demand. North America is the second-largest market, followed by Europe, for tin-based solders.

The ASEAN region has the fastest-growing consumer electronics segment in Asia-Pacific, as electronics manufacturing is one of the most prominent sectors in the ASEAN region. The sector accounts for about 30%-35% of the total exports from the region. Most global consumer electronic products, such as computers, and cellular phones, are manufactured and assembled in the ASEAN countries.

Owing to all these factors, the market for tin is likely to grow globally during the forecast period.

*(Source: Tin Market - Growth, Trends, Covid-19 Impact, And Forecasts (2021 - 2026), Mordor Intelligence)*

High demand for consumer electronics and difficulties shipping metal out of Asia have created a shortage of tin, pushing prices for the metal close to records for the first time in a decade.

On the London Metal Exchange, the price of tin to be delivered in three months has soared 46% this year to USD29,785 a metric ton, outstripping other metals such as copper and aluminium. Tin last fetched as much at the height of the run-up in metal markets in 2011, when prices crested at more than USD33,000 a ton.

*(Source: "Tin Prices Soar on Electronics Demand, Shipping Trouble" dated 12 May 2021, Joe Wallace, The Wall Street Journal)*

As at the LPD, the closing price of tin to be delivered in three months on the London Metal Exchange was USD31,255. *(Source: Bloomberg)*

The National Mineral Industry Transformation Plan framework 2021-2030 will help drive the industry towards achieving a sustainable and holistic development. This was in line with the Malaysian government's vision to see the mineral industry contributing some RM29 billion to the country's gross domestic product ("**GDP**") by 2030. Presently, contribution from the mineral industry to the country's economy is still relatively small, with RM9.9 billion or 0.7% to the GDP in 2019.

A total RM87.2 million would be allocated for the country's mineral industry development under the 12$^{th}$ Malaysia Plan. The plan would cover assessment activities like mineral evaluation, development of monitoring system for mines and quarries; mineral industry sustainability rating and implementation of Sustainable Development Indicators, as well as innovation and commercialisation of the country's mineral products.

Demand for the various types of minerals have increased exponentially, in tandem with the Fourth Industrial Revolution, with future technologies, including those applied in fighting climate change, were highly dependent on them.

Surveys by the Minerals and Geoscience Department revealed that Malaysia has an estimated value of RM4.11 trillion of unmined metal (RM1.03 trillion), non-metal (RM2.96 trillion) and energy minerals (RM120 billion).

Among the minerals listed in the plan are tin ore, aluminium/bauxite, copper, gold, iron, nickel, coal, sand and limestone.

*(Source: "Mineral industry to contribute RM29b to country's GDP", 22 April 2021, Nuradzimmah Daim, The News Straits Times)*

## 4.3 Prospects of the MSC Group

MSC is the world's third-largest refined tin producer according to the International Tin Association. As at the LPD, the revenue of the Group was mainly derived from tin mining and toll smelting of tin concentrates and tin bearing materials, the production of various grades of refined tin metal and the sale and delivery of refined tin metal and by-products.

The outlook for the tin industry remains robust, underpinned by the metal's diverse usages. Presently, the main usage of tin is in solders connecting electronic components, making up almost half of the global tin demand. Going into 2021, there has been a strong rebound in the manufacture of tin solder for the semiconductor market and electronics in China, due to the rising demand for consumer electronics, such as smartphones, home appliances, and computing devices, among others, as the work/study-from-home trend continues.

As the Group moves forward, tin is set to become a major beneficiary of the Fourth Industrial Revolution, with the metal playing a key role in binding the machines and appliances. Apart from that, there are also opportunities in future 5G-related markets to support solder growth. Meanwhile, research on tin's energy storage and generation capabilities have found new market prospects for the metal in various applications such as for lithium-ion batteries in electric vehicles, as well as in green technology.

The Group remains focused on strengthening its competitiveness to position the Group for continued growth. For the Group's mining segment, the Group is focusing on enhancing its mining productivity and exploring new tin deposits at the Group's tin mine in Klian Intan, Perak. The Group has introduced several measures at the tin mine, such as the mechanisation and automation of processes, to further increase efficiencies and productivity.

For the smelting segment, the Group is working on enhancing the cost-effectiveness and extractive yields with the relocation of smelting operations to the more modern Pulau Indah plant in Port Klang, Selangor. The new facility is equipped with a state-of-the-art and energy-efficient Top Submerged Lance furnace, which is anticipated to increase the Group's extractive yield by 50% while lowering the Group's carbon footprint. The furnace also requires lower manpower, which will bring down the Group's operational costs. As at the LPD, the Pulau Indah smelter is capable of running at 30% capacity and will gradually increase production to 100% by end-2021 or early-2022.

In addition, the Group will soon be in a position to unlock the value of the Group's 13.9 acres of land in Butterworth, upon the decommissioning of its Butterworth smelting plant with the relocation of its smelting operations to Pulau Indah. The existing smelting plant site, together with the adjacent 26.2 acres owned by MSC's parent company, The Straits Trading Company Limited, are slated for development into mixed and residential development projects.

In adherence to the enforcement of the full third MCO ("**MCO 3.0**") implemented by the Malaysian government to fight the COVID-19 pandemic, the Board had on 9 June 2021 announced that the Company had temporarily suspended its tin mining and smelting operations from 4 June 2021 until 14 June 2021. The Group had also issued a notice of force majeure to its customers as the disruption in production will lead to a slowdown in the Company's scheduled delivery of tin metal. Pursuant to this, all contractual obligations are immediately and temporarily suspended. The Company will notify the customers of the termination or cessation of the force majeure notice as soon as it is able to resume the level of operations that will enable the Group to meet its contractual obligations.

As at 12 July 2021, the Group's tin mining operation in Klian Intan, Perak has been allowed to operate at 80% workforce capacity following the implementation of Phase 2 of National Recovery Plan in the state of Perak. As for the tin smelting segment, the smelting plants in Butterworth and Pulau Indah have been allowed to operate at 60% workforce capacity in adherence to Phase 1 of the National Recovery Plan and the standard operating procedures set by the Ministry of International Trade and Industry.

The temporary suspension of mining operations and the smelting operations pursuant to the full MCO 3.0 and enhanced MCO is expected to have an impact on the Company's operations and financial performance for the financial year ending 31 December 2021. At this juncture, the Company is unable to ascertain the extent of the impact.

Nevertheless, tin consumption is expected to continue its strong run post-pandemic. In the long run, the Board believes that the outlook of tin looks promising with prospects in the electronics and energy technologies as more tin applications are being discovered. With the Group's ongoing initiatives, the Board expects that the Group is poised to capture arising opportunities in this growing market.

*(Source: Management of MSC Group)*

## 5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

### 5.1 Share capital

For illustrative purposes, the pro forma effects of the Proposed Private Placement on the share capital of the Company are set out as follows:

| | **No. of Shares** | **RM** |
|---|---|---|
| Issued share capital as at the LPD | 400,000,000 | 200,000,000 |
| To be issued pursuant to the Proposed Private Placement | 20,000,000[(1)] | 37,000,000[(2)] |
| **Enlarged issued share capital** | **420,000,000** | **237,000,000** |

*Notes:*

*(1) Assuming the maximum placement of up to 5% of the total number of issued MSC Shares pursuant to the Proposed Private Placement.*

*(2) Based on the indicative issue price of RM1.85 per Placement Share.*

### 5.2 Net assets attributable to owners of the Company ("NA") and gearing

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Group based on its audited consolidated financial statements as at 31 December 2020 are as follows:

| | **(Audited) As at 31 December 2020 (RM'000)** | **After the Proposed Private Placement (RM'000)** |
|---|---|---|
| Share capital | 200,000 | 237,000 |
| Other reserves | 21,832 | 21,832 |
| Retained earnings | 171,669 | 170,884[(1)] |
| **Shareholders' funds / NA** | **393,501** | **429,716** |
| Non-controlling interests | (225) | (225) |
| **Total equity** | **393,276** | **429,491** |
| | | |
| No. of MSC Shares in issue ('000) | 400,000 | 420,000 |
| NA per MSC Share (RM) | 0.98 | 1.02 |
| | | |
| Total borrowings (RM'000) | 410,388 | 380,388[(2)] |
| Gearing (times) | 1.04 | 0.89 |

*Notes:*

*(1) After deducting estimated expenses of RM785,000 for the Proposed Private Placement.*

*(2) After the repayment of bank borrowings amounting to RM30.0 million from the proceeds of the Proposed Private Placement.*

## 5.3 Earnings and earnings per Share ("EPS")

Despite that the Proposed Private Placement is expected to be completed by the end of the calendar year 2021, it is not expected to immediately contribute positively to the earnings of the Group for the financial year ending 31 December 2021 as the proceeds to be raised from the Proposed Private Placement are expected to be utilised within 12 months from the date of listing of the Placement Shares. Nevertheless, the Proposed Private Placement is expected to contribute positively to the future earnings of the Group when the benefits of the utilisation of proceeds are realised.

The EPS of the Group shall be correspondingly diluted as a result of the increase in the number of MSC Shares pursuant to the issuance of the Placement Shares.

## 5.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings in the Company based on the register of substantial shareholders of MSC as at the LPD are set out as follows:

| | As at the LPD | | | | After the Proposed Private Placement | | | |
|---|---|---|---|---|---|---|---|---|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| The Straits Trading Company Limited | 112,360,000 | 28.09 | 107,023,200[1] | 26.76 | 112,360,000 | 26.75 | 107,023,200[1] | 25.48 |
| Straits Trading Amalgamated Resources Sdn Bhd | 69,498,000 | 17.37 | - | - | 69,498,000 | 16.55 | - | - |
| Sword Investments Private Limited | 21,585,200 | 5.40 | - | - | 21,585,200 | 5.14 | - | - |
| Tan Chin Tuan Pte Ltd | - | - | 219,383,200[2] | 54.85 | - | - | 219,383,200[2] | 52.23 |
| The Cairns Pte Ltd | - | - | 219,383,200[2] | 54.85 | - | - | 219,383,200[2] | 52.23 |
| Tecity Pte Ltd | - | - | 219,383,200[2] | 54.85 | - | - | 219,383,200[2] | 52.23 |
| Raffles Investments Pte Ltd | - | - | 219,383,200[2] | 54.85 | - | - | 219,383,200[2] | 52.23 |
| Aequitas Pte Ltd | - | - | 219,383,200[2] | 54.85 | - | - | 219,383,200[2] | 52.23 |
| Dr. Tan Kheng Lian | - | - | 219,383,200[3] | 54.85 | - | - | 219,383,200[3] | 52.23 |

*Notes:*

*(1) Deemed interested by virtue of shareholdings in Straits Trading Amalgamated Resources Sdn Bhd, Sword Investments Private Limited, Baxterley Holdings Private Limited and Redring Solder (Malaysia) Sdn Bhd pursuant to Section 8 of the Act.*

*(2) Deemed interested by virtue of the shareholdings of Tan Chin Tuan Pte Ltd, The Cairns Pte Ltd, Tecity Pte Ltd, Raffles Investments Pte Ltd and Aequitas Pte Ltd in The Straits Trading Company Limited pursuant to Section 8 of the Act. Tan Chin Tuan Pte Ltd is the ultimate holding company for The Straits Trading Company Limited.*

*(3) Deemed interested by virtue of her shareholdings in Tan Chin Tuan Pte Ltd pursuant to Section 8 of the Act.*

### 5.5 Convertible securities

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

## 6. APPROVALS REQUIRED

The Proposed Private Placement is subject to and conditional upon the approval being obtained from Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

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

None of the Directors, major shareholders and/or chief executive of MSC and/or persons connected with them has any interest, direct and/or indirect, in the Proposed Private Placement in view that the Placement Shares will not be placed to them as mentioned in **Section 2.2** of this announcement.

## 8. DIRECTORS' STATEMENT

After having considered all aspects of the Proposed Private Placement, including but not limited to the rationale, utilisation of proceeds and effects of the Proposed Private Placement, the Board is of the opinion that the Proposed Private Placement is in the best interest of the Company.

## 9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approval from Bursa Securities being obtained, the Board expects the Proposed Private Placement to be completed within 6 months from the date of approval from Bursa Securities.

## 10. APPLICATION TO THE RELEVANT AUTHORITIES

The application to Bursa Securities in relation to the Proposed Private Placement is expected to be submitted within 2 weeks from the date of this announcement.

## 11. ADVISER AND PLACEMENT AGENT

TA Securities has been appointed as the Adviser and Placement Agent for the Proposed Private Placement.

This announcement is dated 15 July 2021.