

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Sixth Annual General Meeting of members of Malaysia Smelting Corporation Berhad will be held at **Kuang Room, Hotel Equatorial Penang, Jalan Bukit Jambul, Penang, Malaysia** on **Monday, 27 April 2015 at 10.30 a.m.** for the purpose of considering and, if thought fit, passing the following as ordinary resolutions:

1. "THAT the audited Financial Statements for the year ended 31 December 2014 and the Report of the Directors and Auditors thereon be and are hereby received."
2. "THAT Mr Chew Hoy Ping, who retires in accordance with Article 106 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."
3. "THAT Ms Gee Siew Yoong, who retires in accordance with Article 106 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."
4. "THAT Ms Maggie Yeo Sock Koon, who retires in accordance with Article 106 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company."
5. "THAT pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, En Razman Ariffin be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."
6. "THAT the Directors' fees of RM550,000 in respect of the year ended 31 December 2014 be and is hereby approved payable to Directors in such proportion and manner as the Directors may determine."
7. "THAT Messrs Ernst & Young, who are eligible and have given their consent for reappointment be and are hereby reappointed the Company's Auditors for the period until the conclusion of the next Annual General Meeting and that the remuneration to be paid to them be fixed by the Board."

As SPECIAL BUSINESS:

8. "THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and/or Singapore Exchange Securities Trading Limited and other relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and is also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and/or Singapore Exchange Securities Trading Limited."
9. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD

Sharifah Faridah Abdul Rasheed

Company Secretary
Kuala Lumpur

Date: 2 April 2015

Notes:

1. *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 20 April, 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this Thirty Sixth AGM of the Company.*
2. *A member entitled to attend, speak and vote at the meeting is entitled to appoint one (1) or more proxy to attend and vote in his stead. There is no restriction as to the qualification of a proxy and the provision of Section 149 (1)(b) of the Act shall not apply to the Company.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *A proxy form is enclosed and to be valid must reach the Registered Office of the Company at B-15-11, Block B, 15th Floor, Unit 11, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur not less than forty-eight (48) hours before the meeting.*
5. *If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

Explanatory Notes:

Resolution 1 – Receive Report of the Directors and the Audited Financial Statements

The Agenda item no.1 is meant for discussion only. The provisions of Section 169 of the Companies Act 1965 and the Articles of Association of the Company require that the Audited Financial Statements and the Report of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

Director to Retire by Rotation

YBhg Dato' Seri Mohd Ajib Anuar, who retires pursuant to Article 101 of the Articles of Association of the Company, has notified the Company that he does not wish to seek re-election and accordingly, will retire at the conclusion of the forthcoming Annual General Meeting.

Resolution 5 – Retention of Independent Non-Executive Director

The Malaysian Code on Corporate Governance 2012 prescribes that approval of shareholders be sought in the event that the Company intends to retain as an Independent Director, a person who has served in that capacity for a cumulative period of more than nine (9) years.

The Board through the Nominating Committee has assessed and recommends that En Razman Ariffin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director, subject to shareholders' approval at the AGM of the Company based on the following reasons:

- i. En Razman Ariffin fulfills the criteria of an Independent Director as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore, is able to bring independent and objective judgement to the Board.
- ii. His long association with the Company has not impinged upon his independence but rather has enhanced his knowledge and understanding of the business operations of the Group and enables him to contribute actively and effectively during deliberations at Board meetings.
- iii. His vast experience and expertise in the mining and smelting industries, particularly in the tin industry, enables him to provide the Board with pertinent and much needed industry and technical expertise, skills and competence required in deliberating and assessing matters tabled at Board meetings.
- iv. He exercises due care as an Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interest of the Company and shareholders. Thus, his continuance as an Independent Non-Executive Director on the Board of the Company is beneficial to the Company.

Resolution 6 – Directors' Remuneration

The Company needs to adequately remunerate its Directors so as to be able to attract and retain persons of high calibre and credibility with the necessary skills and experience to be members of the Board of the Company. The Board of Directors takes guidance from studies on Non-Executive directors' remuneration and compensation and market research reports in determining the level of fee appropriate for Directors of the Company. The increase in the proposed directors' fees for 2014 as compared to 2013 is due to the fact that since the retirement of YBhg Dato' Seri Mohd Ajib Anuar as the GCEO/ Executive Director at the end of the 2013, the Company does not have an Executive Director on the Board during 2014. As such there is a need to compensate for the greater amount of responsibilities expected of the non-executive members of the Board which include contribution towards development of corporate strategy, monitoring management performance, ensuring accuracy of financial information, overseeing risk management and internal control systems, ensuring financial controls are robust to meet objectives and ensuring proper succession planning for the Company. The skills and experience of the Directors are crucially required at a time when the Company operates amidst very challenging circumstances, against the backdrop of uncertain global economic environment and depressed commodity market.

Resolution 8 (Special Business) – Authority to Allot Shares Pursuant to Section 132D of Companies Act 1965

The proposed ordinary Resolution 8 above, if passed, is to give the Directors of the Company flexibility to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting subject to the limitation that the aggregate number of shares to be issued does not exceed ten per cent (10%) of the issued share capital of the Company for the time being. This authority will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

As at the date of this notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Thirty Fifth Annual General Meeting of the Company held on Tuesday, 29 April 2014. The renewed mandate for the allotment of shares will provide flexibility to the Company for the allotment of shares for the purposes of funding future investment, working capital and/or acquisitions.