

FOR IMMEDIATE RELEASE

To : **Bursa Malaysia Securities Berhad**
Attention : **Encik Johan Abdullah**

26 November 2004

THE STRAITS TRADING COMPANY LIMITED ("STC")

- **PROPOSED ACQUISITION OF 5,580,000 AND 564,000 ORDINARY SHARES OF RM1.00 EACH IN MALAYSIA SMELTING CORPORATION BERHAD ("MSC"), REPRESENTING A TOTAL OF 8.19% OF THE EQUITY INTEREST IN MSC, FROM MMC CORPORATION BERHAD (FORMERLY KNOWN AS MALAYSIA MINING CORPORATION BERHAD) ("MMC") AND ANGLO-ORIENTAL (ANNUITIES) SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF MMC ("ANGLO"), RESPECTIVELY FOR A TOTAL CASH CONSIDERATION OF RM38,707,200 OR RM6.30 PER SHARE ("PROPOSED ACQUISITION"); AND**
 - **PROPOSED CONDITIONAL MANDATORY TAKE-OVER OFFER BY STC TO ACQUIRE 16,361,000 ORDINARY SHARES OF RM1.00 EACH IN MSC ("MSC SHARES") REPRESENTING 21.81% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF MSC NOT ALREADY OWNED BY STC AND PERSONS ACTING IN CONCERT WITH IT FOR A CASH CONSIDERATION OF RM6.30 PER MSC SHARE AFTER THE PROPOSED ACQUISITION**
1. On behalf of STC, Commerce International Merchant Bankers Berhad wishes to announce that STC, a listed company in Singapore, has today entered into a conditional share acquisition agreement to acquire 5,580,000 and 564,000 MSC Shares, representing a total of 8.19% of the equity interest in MSC, from MMC and Anglo, respectively for a total cash consideration of RM38,707,200 or RM6.30 per MSC Share ("SAA").
 2. As at 26 November 2004, STC and the persons acting in concert with it, namely Baxterley Holdings Private Limited and Sword Investments Private Limited ("PAC"), collectively hold 29,995,000 MSC Shares, representing 39.99% of the issued and paid-up share capital of MSC. Upon completion of the SAA, the collective equity interest of STC and the PAC in MSC would increase from 39.99% to 48.19%.
 3. As such, in accordance with Part II of the Malaysian Code on Take-overs and Mergers, 1998 ("Code"), STC and the PAC will be obligated to undertake a conditional cash mandatory offer of RM6.30 per MSC Share ("MGO") for the remaining voting shares in MSC not held by STC and the PAC.
 4. Nevertheless, MMC has irrevocably undertaken to STC that it will not accept the MGO in respect of its remaining investment in MSC of 22,500,000 MSC Shares representing 30.00% of the issued and paid-up share capital of MSC.

Accordingly, the total number of voting shares in MSC that may be acquired by STC or a wholly-owned subsidiary of STC to be determined later, and the PAC in respect of the MGO will be 16,361,000 MSC Shares representing 21.81% of the issued and paid-up share capital of MSC.

5. The offer price for the MGO shall be RM6.30 per MSC Share in cash.
6. The closing of the SAA is conditional upon the following:
 - (i) approval of the shareholders of STC at a general meeting, where required;
 - (ii) approvals of the Ministry of International Trade and Industry, the Foreign Investment Committee, the Securities Commission, Bank Negara Malaysia and/or Bursa Malaysia Securities Berhad, as may be required; and
 - (iii) consent of relevant lender(s) of MMC.

Upon fulfilling all conditions precedent in the SAA, STC will serve the notice of the MGO on the Board of Directors of MSC and make the relevant announcements pursuant to Section 12(3) of the Code.

Yours faithfully
for **COMMERCE INTERNATIONAL**
MERCHANT BANKERS BERHAD



David Cheah
Associate Director
Corporate Finance

cc: *Bernama*

The Editor
Business Times

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Securities Commission

Malaysia Smelting Corporation Berhad