

**ANNOUNCEMENT
REVALUATION IN COMPLIANCE WITH GROUP ACCOUNTING POLICY**

1. INTRODUCTION

The Board of Directors of Malaysia Smelting Corporation Berhad (MSC) is pleased to announce that the Board had on 5 March 2018 approved the incorporation of the net gain arising from the fair value adjustment of the land and buildings to the financial statements of MSC Group.

2. PURPOSE OF VALUATION

The valuation was carried out pursuant to MSC Group's accounting policy.

3. AMOUNT OF INCREASE IN VALUE

The net gain arising from fair value adjustment of the land and buildings was RM5.4 million.

4. EFFECTS OF VALUATION

The recognition of the net gain arising from fair value adjustment of the land and buildings will increase the net assets per share of MSC Group by 5.4 sen for the financial year ended 31 December 2017.

5. DETAILS OF THE VALUATIONS

The details of the revaluation are set out in Appendix I attached.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the valuation reports may be inspected 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 office hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 5 March 2018.

Appendix I

Company	Property	Valuer	Date of valuation	Valuation at 31.12.17 RM'000	Net Book Value at 31.12.17 RM'000	Surplus/ (Deficit) RM'000
MSC Properties Sdn. Bhd.	Freehold Land Buildings 27 Jalan Pantai, 12000 Butterworth	Knight Frank	31 Dec 2017	36,412	29,890	6,522
		Knight Frank	31 Dec 2017	4,586	6,913	(2,327)
M Smelt (C) Sdn. Bhd.	Leasehold Land Buildings Lot 6, 8 & 9, Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park West Port, 42920 Port Klang, Selangor	Khong & Jaafar	31 Dec 2017	24,670	24,310	360
		Khong & Jaafar	31 Dec 2017	10,100	9,912	188
Malaysia Smelting Corporation Berhad	Buildings B-15-6, B-15-7, B-15-11, Block B, 15 th Floor, Unit 6, 7 & 11, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur	Knight Frank	31 Dec 2017	6,750	6,550	200
	Buildings Taman Desa Palma, Alma 14000 Bukit Mertajam	Knight Frank	31 Dec 2017	4,496	4,290	206
Rahman Hydraulic Tin Sdn. Bhd.	Freehold Land Buildings Lot 344, 348, 2071, 55502, 55503, 55504, PT 3934, PT 4338, Lot 1886, PT 725, PT 726, PT 727, Lot 55671 and Lot 55675 (formerly known as PT 5022 and PT 5026), PT 1705, PT 1706, PT 1707, PT 4522 and PT 4523 Daerah Hulu Perak	Knight Frank	31 Dec 2017	257	205	52
		Knight Frank	31 Dec 2017	2,257	2,070	187
Total				89,528	84,140	5,388
Less: deferred taxation						(32)
Net surplus						5,356