

MALAYSIA SMELTING CORPORATION BERHAD

ANNOUNCEMENT

REVALUATION OF FREEHOLD LAND AND BUILDINGS AT BUTTERWORTH

1. INTRODUCTION

The Board of Directors of Malaysia Smelting Corporation Berhad (“MSC”) is pleased to announce that the Board had on 14 November 2018 approved the incorporation of the net gain arising from the fair value adjustment of the freehold land and buildings located at 27 Jalan Pantai, 12000 Butterworth (“Butterworth land”) to the financial statements of MSC Group as at 30 September 2018.

2. PURPOSE OF VALUATION

The revaluation exercise to ascertain the fair market value of the Butterworth land, was carried out in furtherance to the Memorandum of Understanding between MSC Properties Sdn. Bhd., a wholly-owned subsidiary of MSC, and The Straits Trading Company Limited on 27 September 2018, for the proposed joint cooperation of both parties either to develop or sell the land.

The revaluation of the Butterworth land was performed on a “Redevelopment” basis.

3. AMOUNT OF INCREASE IN VALUE

The net gain arising from fair value adjustment of the freehold land and buildings was RM30.5 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 7.6 sen for the financial year-to-date ended 30 September 2018.

5. DETAILS OF THE VALUATIONS

The details of the revaluation are set out as below:

Company	Property	Valuer	Date of valuation	Valuation at 30.09.18 RM'000	Net Book Value at 30.09.18 RM'000	Surplus/ (Deficit) RM'000
MSC Properties Sdn. Bhd.	Freehold Land Buildings 27 Jalan Pantai, 12000 Butterworth	Knight Frank Malaysia Sdn Bhd	30 Sep 2018	78,654 -	44,101 2,852	34,553 (2,852)
Total				78,654	46,953	31,701
Less: deferred taxation						1,177
Net surplus						30,524

The freehold land and buildings have been revalued in September 2018 and the net revaluation surplus has been incorporated in 3Q 2018 financial statements. For details, refer to Note A10 in Interim Financial Report for the third quarter ended 30 September 2018.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the valuation report 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 14 November 2018.