

(Tempatan 43072 - A)
MALAYSIA SMELTING CORPORATION BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	As at 31.03.2016 Unaudited RM'000	As at 31.12.2015 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	97,976	98,893
Prepaid land lease payments	798	806
Base inventory	3,000	3,000
Intangible assets	7,696	7,930
Investment in associates and joint ventures	79,977	84,469
Investment securities	12,177	12,930
Other non-current assets	12,629	12,375
Other receivables	-	5,637
Deferred tax assets	1,737	2,099
	215,990	228,139
Current assets		
Inventories	272,329	269,115
Trade and other receivables	170,623	162,520
Other current assets	3,497	3,027
Tax recoverable	5,154	10,327
Derivative financial instruments	2,037	-
Cash, bank balances and deposits	100,316	133,874
	553,956	578,863
Total assets	769,946	807,002
Equity and liabilities		
Current liabilities		
Provisions	9,635	9,635
Borrowings	368,108	392,049
Trade and other payables	111,061	134,421
Current tax payable	802	185
Derivative financial instruments	-	10,064
	489,606	546,354
Net current assets	64,350	32,509
Non-current liabilities		
Provisions	18,180	18,000
Deferred tax liabilities	2,586	1,394
	20,766	19,394
Total liabilities	510,372	565,748
Net assets	259,574	241,254
Equity attributable to owners of the Company		
Share capital	100,000	100,000
Share premium	76,372	76,372
Other reserves	33,514	33,435
Retained earnings	49,392	31,151
	259,278	240,958
Non-controlling interest	296	296
Total Equity	259,574	241,254
Total equity and liabilities	769,946	807,002

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 31 March 2016

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue		408,401	381,640	408,401	381,640
Profit/(Loss) from operations		34,876	(690)	34,876	(690)
Gross interest income		1,807	1,403	1,807	1,403
Gross interest expense		(4,200)	(3,371)	(4,200)	(3,371)
Share of results of associates and joint ventures		349	732	349	732
Profit/(Loss) before tax	5	32,832	(1,926)	32,832	(1,926)
Income tax expense	17	(7,896)	(964)	(7,896)	(964)
Profit/(Loss) net of tax		24,936	(2,890)	24,936	(2,890)
Attributable to:					
Owners of the Company		24,936	(2,888)	24,936	(2,888)
Non-controlling interest		-	(2)	-	(2)
		24,936	(2,890)	24,936	(2,890)
Earnings/(Loss) per share attributable to owners of the Company (sen):					
Basic/Diluted	26	24.9	(2.9)	24.9	(2.9)
Proposed/Declared dividend per share (sen)	28	-	-	-	-
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company (RM)				2.59	2.41

The unaudited condensed consolidated income statement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 March 2016

Note	1 st Quarter 3 months ended		Year to Date 3 months ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Profit/(Loss) net of tax	24,936	(2,890)	24,936	(2,890)
Items that will not be reclassified to profit or loss:				
Net fair value changes in quoted shares at Fair Value through Other Comprehensive Income ("FVOCI")	(573)	-	(573)	-
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	5	(1)	5	(1)
Net fair value changes on available-for-sale investment securities	-	(535)	-	(535)
Net fair value changes on cash flow hedges	8,683	2,066	8,683	2,066
Share of foreign currency translation of a joint venture	(4,842)	2,971	(4,842)	2,971
	<u>3,846</u>	<u>4,501</u>	<u>3,846</u>	<u>4,501</u>
Other comprehensive income for the period, net of tax	3,273	4,501	3,273	4,501
Total comprehensive income for the period	<u>28,209</u>	<u>1,611</u>	<u>28,209</u>	<u>1,611</u>
Total comprehensive income attributable to:				
Owners of the Company	28,209	1,613	28,209	1,613
Non-controlling interest	-	(2)	-	(2)
	<u>28,209</u>	<u>1,611</u>	<u>28,209</u>	<u>1,611</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2016

Note	Attributable to owners of the Company										Non-controlling interest ("NCI") RM'000
	Non - Distributable						Distributable				
	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	Available-for-sale ("AFS") reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	
At 1 January 2016 (as previously stated)	241,254	240,958	100,000	76,372	28,845	11,313	391	-	(7,114)	31,151	296
Effect of adoption MFRS 9	2.2 (ii) (9,889)	(9,889)	-	-	-	-	(391)	(2,803)	-	(6,695)	-
At 1 January 2016 (as restated)	231,365	231,069	100,000	76,372	28,845	11,313	-	(2,803)	(7,114)	24,456	296
Profit for the period	24,936	24,936	-	-	-	-	-	-	-	24,936	-
Other comprehensive income	3,273	3,273	-	-	-	(4,837)	-	(573)	8,683	-	-
Total comprehensive income	28,209	28,209	-	-	-	(4,837)	-	(573)	8,683	24,936	-
At 31 March 2016	259,574	259,278	100,000	76,372	28,845	6,476	-	(3,376)	1,569	49,392	296

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
for the period ended 31 March 2015

	Attributable to owners of the Company									Distributable	
	← Non - Distributable →										
	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	AFS reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interest ("NCI") RM'000
At 1 January 2015	234,222	233,921	100,000	76,372	24,666	(736)	2,259	-	(4,586)	35,946	301
Loss for the period	(2,890)	(2,888)	-	-	-	-	-	-	-	(2,888)	(2)
Other comprehensive income	4,501	4,501	-	-	-	2,970	(535)	-	2,066	-	-
Total comprehensive income	1,611	1,613	-	-	-	2,970	(535)	-	2,066	(2,888)	(2)
At 31 March 2015	235,833	235,534	100,000	76,372	24,666	2,234	1,724	-	(2,520)	33,058	299

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 March 2016

	Note	3 months ended	
		31.03.2016	31.03.2015
		RM'000	RM'000
Operating activities			
Operating cash flows before changes in working capital		23,645	21,146
Decrease/(Increase) in inventories		6,886	(23,599)
Increase in receivables		(16,697)	(1,460)
(Decrease)/Increase in payables		(19,595)	4,488
Decrease in amount due to holding company		(9)	-
Decrease/(Increase) in amount due from associates and joint ventures		1,551	(2,300)
Cash used in operations		<u>(4,219)</u>	<u>(1,725)</u>
Income tax paid		(2,103)	(6,240)
Interest paid		(3,729)	(3,329)
Net cash used in operating activities		<u>(10,051)</u>	<u>(11,294)</u>
Investing activities			
Interest received		1,398	945
Payment for deferred mine exploration and evaluation expenditures and mine properties		(506)	(585)
Withdrawal of deposits of more than three months maturity with licensed banks		3,234	-
Proceeds from disposal of property, plant and equipment		83	12
Purchase of property, plant and equipment		(1,361)	(1,651)
Net cash generated from/(used in) investing activities		<u>2,848</u>	<u>(1,279)</u>
Financing activities			
Repayment of short term trade financing and other borrowings		(16,829)	(844)
Repayment of term loans		(6,011)	(5,252)
Net cash used in financing activities		<u>(22,840)</u>	<u>(6,096)</u>
Net decrease in cash and cash equivalents		(30,043)	(18,669)
Effect of changes in foreign exchange rates		(281)	8
Cash and cash equivalents as at 1 January		127,191	116,936
Cash and cash equivalents as at 31 March		<u>96,867</u>	<u>98,275</u>
Cash and bank balances comprise the following at 31 March:			
		2016	2015
		RM'000	RM'000
Cash and short term deposits		96,867	98,275
Deposits of more than three months maturity with licensed banks		3,449	1,375
		<u>100,316</u>	<u>99,650</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.