

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

		As at 30.09.2014 Unaudited RM'000	As at 31.12.2013 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		83,019	82,521
Prepaid land lease payments		847	1,214
Base inventory		3,000	3,000
Intangible assets		9,067	8,157
Investment in associates and joint ventures		70,707	107,426
Investment securities		6,753	7,098
Other non-current assets		9,723	7,211
Other receivables		7,773	7,520
Deferred tax assets		8,168	4,669
		<u>199,057</u>	<u>228,816</u>
Current assets			
Inventories		250,222	275,574
Trade and other receivables	19	211,452	69,432
Other current assets		3,519	4,762
Tax recoverable		552	3
Derivative financial instruments		842	-
Cash, bank balances and deposits		107,311	104,347
		<u>573,898</u>	<u>454,118</u>
Assets of disposal group classified as held for sale		-	125,679
		<u>573,898</u>	<u>579,797</u>
Total assets		<u>772,955</u>	<u>808,613</u>
Equity and liabilities			
Current liabilities			
Provisions		9,635	54
Borrowings	19	422,730	344,053
Trade and other payables		87,412	98,649
Current tax payable		3,480	3,501
Derivative financial instruments		3,343	2,329
		<u>526,600</u>	<u>448,586</u>
Liabilities directly associated with disposal group classified as held for sale		-	143,046
		<u>526,600</u>	<u>591,632</u>
Net current assets/(liabilities)		<u>47,298</u>	<u>(11,835)</u>
Non-current liabilities			
Provisions		10,632	10,597
Deferred tax liabilities		924	992
Borrowings	19	9,770	24,623
Derivative financial instruments		74	113
		<u>21,400</u>	<u>36,325</u>
Total liabilities		<u>548,000</u>	<u>627,957</u>
Net assets		<u>224,955</u>	<u>180,656</u>
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		11,833	7,263
Retained earnings		36,457	46,102
		<u>224,662</u>	<u>229,737</u>
Reserves of disposal group classified as held for sale		-	(6,969)
		<u>224,662</u>	<u>222,768</u>
Non-controlling interests		293	(42,112)
Total Equity		<u>224,955</u>	<u>180,656</u>
Total equity and liabilities		<u>772,955</u>	<u>808,613</u>

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 30 September 2014

	Note	← 3 rd Quarter →		← Year to Date →	
		30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Revenue		528,929	420,334	1,389,735	1,245,812
Profit from operations		11,660	21,419	43,984	61,635
Gross interest income		2,108	2,940	4,390	6,601
Gross interest expense		(4,062)	(3,122)	(10,394)	(9,750)
Share of results of associates and joint ventures		(449)	(12,673)	1,369	(16,013)
Profit before exceptional items	5	9,257	8,564	39,349	42,473
Exceptional items	6	-	(22,000)	-	(25,743)
Profit/(Loss) before tax from continuing operations		9,257	(13,436)	39,349	16,730
Income tax expense	17	(4,526)	(6,342)	(16,186)	(18,297)
Profit/(Loss) from continuing operations, net of tax		4,731	(19,778)	23,163	(1,567)
Discontinued operations					
Loss from discontinued operations, net of tax	13	-	(3,078)	(32,630)	(10,635)
Profit/(Loss) net of tax		4,731	(22,856)	(9,467)	(12,202)
Attributable to:					
Owners of the Company		4,721	(22,327)	(9,354)	(12,156)
Non-controlling interests		10	(529)	(113)	(46)
		4,731	(22,856)	(9,467)	(12,202)
Earnings/(Loss) per share attributable to owners of the Company (sen):	25				
Basic/Diluted					
- from continuing operations		4.7	(19.8)	23.1	(1.6)
- from discontinued operations		-	(2.5)	(32.5)	(10.6)
		4.7	(22.3)	(9.4)	(12.2)
Proposed/Declared dividend per share (sen)	27	-	-	-	-
Net assets per share attributable to owners of the Company (RM)				2.25	2.23

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2014

Note	3 rd Quarter 3 months ended		Year to Date 9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Profit/(Loss) net of tax	4,731	(22,856)	(9,467)	(12,202)
Items that will not be reclassified to profit or loss				
Share of a joint venture's loss on remeasurement of retirement benefits obligation	-	-	(484)	-
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(66)	(650)	5,311	(1,334)
Realisation of foreign currency translation reserves to profit or loss upon disposal of disposal group classified as held for sale	13(a)	-	4,158	-
Realisation of foreign currency translation reserves to profit or loss upon disposal of a subsidiary	13(b)	-	3,705	-
Net fair value changes in available-for-sale investment securities	(1,429)	518	(191)	897
Net fair value changes on cash flow hedges	(3,143)	178	(318)	(905)
	(4,638)	46	12,665	(1,342)
Other comprehensive income for the period, net of tax	(4,638)	46	12,181	(1,342)
Total comprehensive income for the period	93	(22,810)	2,714	(13,544)
Total comprehensive income attributable to:				
Owners of the Company	83	(21,393)	1,894	(11,406)
Non-controlling interests	10	(1,417)	820	(2,138)
	93	(22,810)	2,714	(13,544)

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2014

	Attributable to owners of the Company										
	Non - Distributable					Distributable					
Note	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	Hedging reserves RM'000	Reserves of disposal group classified as held for sale RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2014	180,656	222,768	100,000	76,372	21,116	(14,198)	1,661	(1,316)	(6,969)	46,102	(42,112)
Profit for the period	(9,467)	(9,354)	-	-	-	-	-	-	-	(9,354)	(113)
Other comprehensive income	12,181	11,248	-	-	-	8,083	(191)	(318)	4,158	(484)	933
Total comprehensive income	2,714	1,894	-	-	-	8,083	(191)	(318)	4,158	(9,838)	820
Acquisition of a subsidiary	299	-	-	-	-	-	-	-	-	-	299
Reserve of disposal group classified as held for sale	-	-	-	-	-	(2,811)	-	-	2,811	-	-
Disposal of disposal group classified as held for sale	41,286	-	-	-	-	-	-	-	-	-	41,286
Realisation of revaluation reserves upon disposal of a subsidiary	-	-	-	-	(193)	-	-	-	-	193	-
At 30 September 2014	224,955	224,662	100,000	76,372	20,923	(8,926)	1,470	(1,634)	-	36,457	293

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For the period ended 30 September 2013

	Attributable to owners of the Company										
	← Non - Distributable					→ Distributable					
Note	Total equity RM'000	Equity attributable to owners of the Company, RM'000	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	AFS reserves RM'000	Hedging reserves RM'000	Reserves of disposal group classified as held for sale RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2013 (as previously stated)	199,054	232,845	100,000	76,372	19,816	6,288	(379)	(38)	-	30,786	(33,791)
Effect of adoption of IC Interpretation 20	(1,467)	(1,467)	-	-	-	-	-	-	-	(1,467)	-
At 1 January 2013 (as restated)	197,587	231,378	100,000	76,372	19,816	6,288	(379)	(38)	-	29,319	(33,791)
Total comprehensive income	(13,544)	(11,406)	-	-	-	758	897	(905)	-	(12,156)	(2,138)
At 30 September 2013	184,043	219,972	100,000	76,372	19,816	7,046	518	(943)	-	17,163	(35,929)

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2014

	Note	9 months ended	
		30.09.2014 RM'000	30.09.2013 RM'000
Operating activities			
Operating cash flows before changes in working capital		66,814	72,601
Decrease/(Increase) in inventories		28,083	(23,026)
(Increase)/Decrease in receivables		(144,653)	33,979
Increase in payables		7,526	6,998
(Decrease)/Increase in amount due to holding company		(46)	1,094
(Decrease)/Increase in amount due to associates and joint ventures		(3,652)	8,969
Cash (used in)/generated from operations		(45,928)	100,615
Income tax paid		(19,862)	(17,618)
Interest paid		(11,015)	(10,265)
Severance benefits paid		(5,490)	(1,154)
Net cash (used in)/generated from operating activities		(82,295)	71,578
Investing activities			
Acquisition of a subsidiary, net of cash acquired	13(c)	(478)	-
Disposal of a subsidiary, net of cash disposed	13(b)	(22)	-
Interest received		2,994	5,897
Net dividend received from associates and joint ventures		29,315	11,406
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(3,112)	(827)
Payment for mining rights		-	(378)
Payment for corporate club memberships		(215)	-
Payment for mine closure deposit		-	(30,089)
Payment for prepaid land lease payments		(200)	(60)
Proceeds from disposal of property, plant and equipment		3	10
Proceeds from disposal of disposal group classified as held for sale	13(a)	558	-
Purchase of investment securities		-	(3,933)
Purchase of property, plant and equipment		(6,182)	(5,573)
Net cash generated from/(used in) investing activities		22,661	(23,547)
Financing activities			
Drawdown/(Repayment) of short term trade financing and other borrowings		77,310	(89,331)
Drawdown of term loan		-	55,581
Repayment of term loans		(14,798)	(23,118)
Net cash generated from/(used in) financing activities		62,512	(56,868)
Net increase/(decrease) in cash and cash equivalents		2,878	(8,837)
Effect of changes in foreign exchange rates		29	11
Cash and cash equivalents as at 1 January		103,075	134,800
Cash and cash equivalents as at 30 September		105,982	125,974
Cash and bank balances comprise the following at 30 September:			
Cash and short term deposits		105,982	68,881
Amounts reserved for the development of new mines and mining projects		-	57,093
		105,982	125,974
Deposit of more than three months maturity with a licensed bank		1,329	1,329
Cash and bank balances		107,311	127,303

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 2013 and the accompanying explanatory notes attached to the interim financial statements.