

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	As at 31.12.2015 Unaudited RM'000	As at 31.12.2014 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	98,893	88,465
Prepaid land lease payments	806	839
Base inventory	3,000	3,000
Intangible assets	7,930	8,868
Investment in associates and joint ventures	84,469	71,318
Investment securities	12,930	7,792
Other non-current assets	12,375	11,458
Other receivables	5,637	5,982
Deferred tax assets	2,099	3,981
	228,139	201,703
Current assets		
Inventories	269,602	253,952
Trade and other receivables	166,096	104,003
Other current assets	3,027	3,190
Tax recoverable	10,327	3,528
Cash, bank balances and deposits	133,874	118,311
	582,926	482,984
Total assets	811,065	684,687
Equity and liabilities		
Current liabilities		
Provisions	9,635	10,505
Borrowings	392,049	335,921
Trade and other payables	138,484	81,225
Current tax payable	185	25
Derivative financial instruments	10,064	5,661
	550,417	433,337
Net current assets	32,509	49,647
Non-current liabilities		
Provisions	18,000	10,350
Deferred tax liabilities	1,394	1,092
Borrowings	-	5,208
Derivative financial instruments	-	478
	19,394	17,128
Total liabilities	569,811	450,465
Net assets	241,254	234,222
Equity attributable to owners of the Company		
Share capital	100,000	100,000
Share premium	76,372	76,372
Other reserves	33,435	21,603
Retained earnings	31,151	35,946
	240,958	233,921
Non-controlling interests	296	301
Total Equity	241,254	234,222
Total equity and liabilities	811,065	684,687

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 2014 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 year ended 31 December 2015

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Revenue	5	354,649	525,444	1,464,855	1,915,179
(Loss)/Profit from operations		(1,364)	14,349	10,450	58,333
Gross interest income		779	2,766	4,713	7,156
Gross interest expense		(3,993)	(3,908)	(13,608)	(14,302)
Share of results of associates and joint ventures		195	(3,364)	1,683	(1,995)
(Loss)/Profit before exceptional items	5	(4,383)	9,843	3,238	49,192
Exceptional items	6	-	(4,200)	-	(4,200)
(Loss)/Profit before tax from continuing operations		(4,383)	5,643	3,238	44,992
Income tax expense	17	(3,039)	(6,146)	(8,038)	(22,332)
(Loss)/Profit from continuing operations, net of tax		(7,422)	(503)	(4,800)	22,660
Discontinued operations					
Loss from discontinued operations, net of tax		-	-	-	(32,630)
Loss net of tax		(7,422)	(503)	(4,800)	(9,970)
Attributable to:					
Owners of the Company		(7,421)	(511)	(4,795)	(9,865)
Non-controlling interests		(1)	8	(5)	(105)
		(7,422)	(503)	(4,800)	(9,970)
(Loss)/Earnings per share attributable to owners of the Company (sen):	26				
Basic/Diluted					
- from continuing operations		(7.4)	(0.5)	(4.8)	22.6
- from discontinued operations		-	-	-	(32.5)
		(7.4)	(0.5)	(4.8)	(9.9)
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)				2.41	2.34

The unaudited condensed consolidated income statement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

Note	4 th Quarter 3 months ended		Year to Date 12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Loss net of tax	(7,422)	(503)	(4,800)	(9,970)
Items that will not be reclassified to profit or loss:				
Revaluation surplus on property, plant and equipment, net	4,179	3,743	4,179	3,743
Share of a joint venture's loss on remeasurement of retirement benefits obligation	-	-	-	(484)
	<u>4,179</u>	<u>3,743</u>	<u>4,179</u>	<u>3,259</u>
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(1,655)	8,190	12,049	13,501
Realisation of foreign currency translation reserves to profit or loss upon sale of disposal group classified as held for sale	-	-	-	4,158
Realisation of foreign currency translation reserves to profit or loss upon sale of a subsidiary	-	-	-	3,705
Net fair value changes on available-for-sale investment securities	(2,800)	789	(1,868)	598
Net fair value changes on cash flow hedges	10,195	(2,952)	(2,528)	(3,270)
	<u>5,740</u>	<u>6,027</u>	<u>7,653</u>	<u>18,692</u>
Other comprehensive income for the period, net of tax	9,919	9,770	11,832	21,951
Total comprehensive income for the period	<u>2,497</u>	<u>9,267</u>	<u>7,032</u>	<u>11,981</u>
Total comprehensive income attributable to:				
Owners of the Company	2,498	9,259	7,037	11,153
Non-controlling interests	(1)	8	(5)	828
	<u>2,497</u>	<u>9,267</u>	<u>7,032</u>	<u>11,981</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 2014 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 year ended 31 December 2015

	Attributable to owners of the Company										
	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	Hedging reserves RM'000	Reserve of disposal group classified as held for sale RM'000	Retained earnings RM'000	Non-controlling interests ("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 year	(4,800)	(4,795)	-	-	-	-	-	-	-	(4,795)	(5)
Other comprehensive income	11,832	11,832	-	-	4,179	12,049	(1,868)	(2,528)	-	-	-
Total comprehensive income	7,032	7,037	-	-	4,179	12,049	(1,868)	(2,528)	-	(4,795)	(5)
At 31 December 2015	241,254	240,958	100,000	76,372	28,845	11,313	391	(7,114)	-	31,151	296

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
for the year ended 31 December 2014

	Attributable to owners of the Company										
	← 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	AFS reserves RM'000	Hedging reserves RM'000	Reserve of disposal group classified as held for sale RM'000	Retained earnings RM'000	Non-controlling interests ("NCI") 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)
Loss for the year	(9,970)	(9,865)	-	-	-	-	-	-	-	(9,865)	(105)
Other comprehensive income	21,951	21,018	-	-	3,743	16,273	598	(3,270)	4,158	(484)	933
Total comprehensive income	11,981	11,153	-	-	3,743	16,273	598	(3,270)	4,158	(10,349)	828
Acquisition of a subsidiary	299	-	-	-	-	-	-	-	-	-	299
Reserve of disposal group classified as held for sale	-	-	-	-	-	(2,811)	-	-	2,811	-	-
Derecognition of NCI upon sale of disposal group classified as held for sale	41,286	-	-	-	-	-	-	-	-	-	41,286
Realisation of revaluation reserves upon sale of a subsidiary	-	-	-	-	(193)	-	-	-	-	193	-
At 31 December 2014	234,222	233,921	100,000	76,372	24,666	(736)	2,259	(4,586)	-	35,946	301

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 2014 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 year ended 31 December 2015

	Note	12 months ended	
		31.12.2015 RM'000	31.12.2014 RM'000
Operating activities			
Operating cash flows before changes in working capital		47,202	86,935
(Increase)/Decrease in inventories		(29,850)	21,152
Increase in receivables		(58,550)	(39,185)
Increase in payables		47,055	1,269
Decrease in amount due to holding company		-	(43)
(Increase)/Decrease in amount due from associates and joint ventures		(2,595)	48
Cash generated from operations		3,262	70,176
Income tax paid		(11,745)	(28,108)
Interest paid		(14,480)	(14,671)
Severance benefits paid		-	(5,910)
Net cash (used in)/generated from operating activities		(22,963)	21,487
Investing activities			
Interest received		4,166	7,019
Net cash outflow on acquisition of a subsidiary		-	(478)
Net cash outflow on sale of a subsidiary		-	(22)
Net cash inflow on sale of disposal group classified as held for sale		-	558
Net dividend received from associates and joint ventures		9	29,343
Payment for deferred mine exploration and evaluation expenditures and mine properties		(1,935)	(5,049)
Payment for corporate club memberships		-	(215)
Payment for prepaid land lease payments		-	(200)
Placement of deposits of more than three months maturity with licensed banks		(5,234)	-
Proceeds from disposal of property, plant and equipment		12	3
Purchase of an investment security		(7,925)	-
Purchase of property, plant and equipment		(5,692)	(9,041)
Net cash (used in)/generated from investing activities		(16,599)	21,918
Financing activities			
Drawdown/(Repayment) of short term trade financing and other borrowings		70,843	(9,859)
Repayment of term loans		(21,009)	(19,731)
Net cash generated from/(used in) financing activities		49,834	(29,590)
Net increase in cash and cash equivalents		10,272	13,815
Effect of changes in foreign exchange rates		(17)	46
Cash and cash equivalents as at 1 January		116,936	103,075
Cash and cash equivalents as at 31 December		127,191	116,936
Cash and bank balances comprise the following at 31 December:			
Cash and short term deposits		127,191	116,936
Deposits of more than three months maturity with licensed banks		6,683	1,375
		133,874	118,311

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 2014 and the accompanying explanatory notes attached to the interim financial statements.