

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2015

		As at 30.09.2015 Unaudited RM'000	As at 31.12.2014 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		86,721	88,465
Prepaid land lease payments		815	839
Base inventory		3,000	3,000
Intangible assets		8,164	8,868
Investment in associates and joint ventures		86,521	71,318
Investment securities		16,944	7,792
Other non-current assets		12,524	11,458
Other receivables		7,598	5,982
Deferred tax assets		9,757	3,981
		232,044	201,703
Current assets			
Inventories		297,619	253,952
Trade and other receivables		105,307	104,003
Other current assets		4,496	3,190
Tax recoverable		8,448	3,528
Cash, bank balances and deposits		121,925	118,311
		537,795	482,984
Total assets		769,839	684,687
Equity and liabilities			
Current liabilities			
Provisions		13,343	10,505
Borrowings	19	320,943	335,921
Trade and other payables		161,627	81,225
Current tax payable		28	25
Derivative financial instruments		20,504	5,661
		516,445	433,337
Net current assets		21,350	49,647
Non-current liabilities			
Provisions		10,622	10,350
Deferred tax liabilities		1,133	1,092
Borrowings		-	5,208
Derivative financial instruments		2,882	478
		14,637	17,128
Total liabilities		531,082	450,465
Net assets		238,757	234,222
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		23,516	21,603
Retained earnings		38,572	35,946
		238,460	233,921
Non-controlling interests		297	301
Total Equity		238,757	234,222
Total equity and liabilities		769,839	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.

(Tempatan 43072 -A)
MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 30 September 2015

Note	← 3 rd Quarter → 3 months ended		← Year to Date → 9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	557,485	528,929	1,392,100	1,389,735
Profit from operations	29,216	11,660	11,814	43,984
Gross interest income	1,206	2,108	3,934	4,390
Gross interest expense	(2,780)	(4,062)	(9,615)	(10,394)
Share of results of associates and joint ventures	1,136	(449)	1,488	1,369
Profit before tax from continuing operations	5 28,778	9,257	7,621	39,349
Income tax expense	17 (8,357)	(4,526)	(4,999)	(16,186)
Profit from continuing operations, net of tax	20,421	4,731	2,622	23,163
Discontinued operations				
Loss from discontinued operations, net of tax	-	-	-	(32,630)
Profit/(Loss) net of tax	<u>20,421</u>	<u>4,731</u>	<u>2,622</u>	<u>(9,467)</u>
Attributable to:				
Owners of the Company	20,421	4,721	2,626	(9,354)
Non-controlling interests	-	10	(4)	(113)
	<u>20,421</u>	<u>4,731</u>	<u>2,622</u>	<u>(9,467)</u>
Earnings/(Loss) per share attributable to owners of the Company (sen):	25			
Basic/Diluted				
- from continuing operations	20.4	4.7	2.6	23.1
- from discontinued operations	-	-	-	(32.5)
	<u>20.4</u>	<u>4.7</u>	<u>2.6</u>	<u>(9.4)</u>
Proposed/Declared dividend per share (sen)	27	-	-	-
			As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company (RM)			<u>2.38</u>	<u>2.34</u>

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 period ended 30 September 2015

Note	3 rd Quarter 3 months ended		Year to Date 9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Profit/(Loss) net of tax	20,421	4,731	2,622	(9,467)
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	9,173	(66)	13,704	5,311
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	(242)	(1,429)	932	(191)
Net fair value changes on cash flow hedges	(15,408)	(3,143)	(12,723)	(318)
	(6,477)	(4,638)	1,913	12,665
Other comprehensive income for the period, net of tax	(6,477)	(4,638)	1,913	12,181
Total comprehensive income for the period	13,944	93	4,535	2,714
Total comprehensive income attributable to:				
Owners of the Company	13,944	83	4,539	1,894
Non-controlling interests	-	10	(4)	820
	13,944	93	4,535	2,714

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2015

	Attributable to owners of the Company									
	←					→				
	Equity attributable to owners of the Company, RM'000					Distributable				
	Total equity 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	100,000	76,372	24,666	(736)	2,259	(4,586)	-	35,946	301
Profit/(Loss) for the period	2,622	-	-	-	-	-	-	-	2,626	(4)
Other comprehensive income	1,913	-	-	-	13,704	932	(12,723)	-	-	-
Total comprehensive income	4,535	-	-	-	13,704	932	(12,723)	-	2,626	(4)
At 30 September 2015	238,757	100,000	76,372	24,666	12,968	3,191	(17,309)	-	38,572	297

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

for the period ended 30 September 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 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	-	-
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 30 September 2014	224,955	224,662	100,000	76,372	20,923	(8,926)	1,470	(1,634)	-	36,457	293

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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 September 2015

	Note	9 months ended	
		30.09.2015 RM'000	30.09.2014 RM'000
Operating activities			
Operating cash flows before changes in working capital		30,538	66,814
(Increase)/Decrease in inventories		(40,467)	28,083
Decrease/(Increase) in receivables		2,560	(144,653)
Increase in payables		69,556	7,526
Decrease in amount due to holding company		(6)	(46)
Decrease in amount due to associates and joint ventures		(1,216)	(3,652)
Cash generated from/(used in) operations		60,965	(45,928)
Income tax paid		(11,929)	(19,862)
Interest paid		(9,765)	(11,015)
Severance benefits paid		-	(5,490)
Net cash generated from/(used in) operating activities		39,271	(82,295)
Investing activities			
Interest received		3,484	2,994
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		-	29,315
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(1,830)	(3,112)
Payment for corporate club memberships		-	(215)
Payment for prepaid land lease payments		-	(200)
Proceeds from disposal of property, plant and equipment		12	3
Purchase of an investment security		(7,925)	-
Purchase of property, plant and equipment		(3,742)	(6,182)
Net cash (used in)/generated from investing activities		(10,001)	22,661
Financing activities			
(Repayment)/Drawdown of short term trade financing and other borrowings		(9,975)	77,310
Repayment of term loans		(15,757)	(14,798)
Net cash (used in)/generated from financing activities		(25,732)	62,512
Net increase in cash and cash equivalents		3,538	2,878
Effect of changes in foreign exchange rates		28	29
Cash and cash equivalents as at 1 January		116,936	103,075
Cash and cash equivalents as at 30 September		120,502	105,982
Cash and bank balances comprise the following at 30 September:			
		2015	2014
		RM'000	RM'000
Cash and short term deposits		120,502	105,982
Deposit of more than three months maturity with a licensed bank		1,423	1,329
		121,925	107,311

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.