

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

		As at 30.09.2013 Unaudited RM'000	As at 31.12.2012 Restated RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		79,653	79,210
Prepaid land lease payments		1,224	1,173
Base inventory		3,000	3,000
Intangible assets		8,355	8,675
Investment in associates and joint ventures		106,819	162,103
Investment securities		14,606	13,520
Other non-current assets		7,057	6,451
Other receivables		62,256	28,306
Deferred tax assets		8,021	5,413
		290,991	307,851
Current assets			
Inventories		255,049	243,592
Trade and other receivables		161,207	189,814
Other current assets		6,933	7,219
Tax recoverable		1,958	217
Derivative financial instruments		-	312
Cash, bank balances and deposits		127,303	139,061
		552,450	580,215
Total assets		843,441	888,066
Equity and liabilities			
Current liabilities			
Provisions		40,113	39,816
Borrowings	19	352,861	429,501
Trade and other payables		184,614	167,471
Current tax payable		6,690	4,414
Derivative financial instruments		1,696	116
		585,974	641,318
Net current liabilities		(33,524)	(61,103)
Non-current liabilities			
Provisions		43,440	41,006
Deferred tax liabilities		625	130
Borrowings	19	29,286	7,656
Derivative financial instruments		73	369
		73,424	49,161
Total liabilities		659,398	690,479
Net assets		184,043	197,587
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		26,437	25,687
Retained earnings		17,163	29,319
		219,972	231,378
Non-controlling interests		(35,929)	(33,791)
Total Equity		184,043	197,587
Total equity and liabilities		843,441	888,066

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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MALAYSIA SMELTING CORPORATION BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 30 September 2013

Note	← 3 rd Quarter →		← Year to Date →		
	3 months ended		9 months ended		
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000	
Revenue	420,334	441,587	1,272,364	1,757,274	
Profit/(Loss) from operations	18,232	(1,321)	51,682	(64,207)	
Gross interest income	2,940	3,691	6,624	10,545	
Gross interest expense	(3,013)	(3,787)	(10,455)	(12,777)	
Share of results of associates and joint ventures	(12,673)	2,410	(16,013)	1,152	
Profit/(Loss) before exceptional items	5	5,486	993	31,838	(65,287)
Exceptional items	6	(22,000)	-	(25,743)	(2,073)
(Loss)/Profit before tax	(16,514)	993	6,095	(67,360)	
Income tax expense	17	(6,342)	(7,526)	(18,297)	536
Loss net of tax	(22,856)	(6,533)	(12,202)	(66,824)	
Attributable to:					
Owners of the Company	(22,327)	(926)	(12,156)	(41,465)	
Non-controlling interests	(529)	(5,607)	(46)	(25,359)	
	(22,856)	(6,533)	(12,202)	(66,824)	
Basic loss per share (sen)	25	(22.3)	(0.9)	(12.2)	(41.5)
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)			2.20	2.31	

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MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2013

Note	3 rd Quarter 3 months ended		Year to Date 9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Profit/(Loss) net of tax	(22,856)	(6,533)	(12,202)	(66,824)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(650)	(5,127)	(1,334)	(4,575)
Net fair value changes in available-for-sale investment securities	518	(3,816)	897	131
Net fair value changes on cash flow hedges	178	424	(905)	415
Other comprehensive income for the period, net of tax	46	(8,519)	(1,342)	(4,029)
Total comprehensive income for the period	(22,810)	(15,052)	(13,544)	(70,853)
Total comprehensive income attributable to:				
Owners of the Company	(21,393)	(8,943)	(11,406)	(44,785)
Non-controlling interests	(1,417)	(6,109)	(2,138)	(26,068)
	(22,810)	(15,052)	(13,544)	(70,853)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 total RM'000	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Foreign currency translation reserves RM'000	Available- for-sale reserves ("AFS") RM'000	Hedging reserves 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 I.C 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)

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

For the period ended 30 September 2012

	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	AFS reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2012 (as previously stated)	452,040	419,053	100,000	76,372	18,678	10,551	-	(89)	213,541	32,987
Effect of adoption IC Interpretation 20	(1,467)	(1,467)	-	-	-	-	-	-	(1,467)	-
At 1 January 2012 (as restated)	450,573	417,586	100,000	76,372	18,678	10,551	-	(89)	212,074	32,987
Total comprehensive income	(70,853)	(44,785)	-	-	-	(3,866)	131	415	(41,465)	(26,068)
Dividend on ordinary shares	(13,500)	(13,500)	-	-	-	-	-	-	(13,500)	-
At 30 September 2012	366,220	359,301	100,000	76,372	18,678	6,685	131	326	157,109	6,919

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2013

Note	9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000
Operating activities		
Operating cash flows before changes in working capital	72,601	(20,580)
(Increase)/Decrease in inventories	(23,026)	7,043
Decrease in receivables	33,979	68,020
Increase/(Decrease) in payables	6,998	(18,959)
Increase/(Decrease) in amount due to holding company	1,094	(30)
Increase/(Decrease) in amount due to associates and joint ventures	8,969	(1,523)
Cash generated from operations	100,615	33,971
Income tax paid	(17,618)	(30,031)
Interest paid	(10,265)	(11,900)
Severance benefits paid	(1,154)	(1,349)
Net cash generated from/(used in) operating activities	71,578	(9,309)
Investing activities		
Interest received	5,897	10,664
Net dividend received from associates and joint ventures	11,406	21
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure	(827)	(1,994)
Payment for mining rights	(378)	(7,000)
Payment for mine closure deposit	(30,089)	-
Payment for prepaid land lease payments	(60)	-
Proceeds from disposal of property, plant and equipment	10	1,564
Purchase of investment securities	(3,933)	-
Purchase of property, plant and equipment	(5,573)	(6,598)
Purchase of shares in associates and joint ventures	-	(1,274)
Net cash used in investing activities	(23,547)	(4,617)
Financing activities		
Dividends paid on ordinary shares	-	(13,500)
Repayment of short term trade financing and other borrowings	(89,331)	(75,610)
Drawdown of term loan	55,581	-
Repayment of term loans	(23,118)	(16,459)
Net cash used in financing activities	(56,868)	(105,569)
Net decrease in cash and cash equivalents	(8,837)	(119,495)
Effect of changes in foreign exchange rates	11	466
Cash and cash equivalents as at 1 January	134,800	234,491
Cash and cash equivalents as at 30 September	125,974	115,462
Cash and bank balances comprise the following at 30 September:		
Cash and short term deposits	68,881	56,126
Amounts reserved for the development of new mines and mining projects	57,093	62,300
	125,974	118,426
Deposit of more than three months maturity with a licensed bank	1,329	1,206
Cash and bank balances	127,303	119,632
Cash and cash equivalents comprise the following at 30		
Cash and short term deposits	125,974	118,426
Bank overdrafts	-	(2,964)
	125,974	115,462

Included in cash and cash equivalents of the Group, is an amount of RM57,093,000 (2012: RM62,300,000) reserved for the development of new mines through the selective acquisitions of suitable mining concessions or leases, as well as mining projects and assets primarily in Malaysia, Indonesia and other countries.

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