

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	As at 31.12.2014 Unaudited RM'000	As at 31.12.2013 Audited RM'000
Assets		
Non-current assets		
Property, plant and equipment	88,465	82,521
Prepaid land lease payments	839	1,214
Base inventory	3,000	3,000
Intangible assets	8,868	8,157
Investment in associates and joint ventures	71,318	107,426
Investment securities	7,792	7,098
Other non-current assets	11,458	7,211
Other receivables	5,982	7,520
Deferred tax assets	3,981	4,669
	<u>201,703</u>	<u>228,816</u>
Current assets		
Inventories	253,952	275,574
Trade and other receivables	104,003	69,432
Other current assets	3,190	4,762
Tax recoverable	3,528	3
Cash, bank balances and deposits	118,311	104,347
	<u>482,984</u>	<u>454,118</u>
Assets of disposal group classified as held for sale	-	125,679
	<u>482,984</u>	<u>579,797</u>
Total assets	<u>684,687</u>	<u>808,613</u>
Equity and liabilities		
Current liabilities		
Provisions	10,505	54
Borrowings	335,921	344,053
Trade and other payables	81,225	98,649
Current tax payable	25	3,501
Derivative financial instruments	5,661	2,329
	<u>433,337</u>	<u>448,586</u>
Liabilities directly associated with disposal group classified as held for sale	-	143,046
	<u>433,337</u>	<u>591,632</u>
Net current assets/(liabilities)	<u>49,647</u>	<u>(11,835)</u>
Non-current liabilities		
Provisions	10,350	10,597
Deferred tax liabilities	1,092	992
Borrowings	5,208	24,623
Derivative financial instruments	478	113
	<u>17,128</u>	<u>36,325</u>
Total liabilities	<u>450,465</u>	<u>627,957</u>
Net assets	<u>234,222</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	21,603	7,263
Retained earnings	35,946	46,102
	<u>233,921</u>	<u>229,737</u>
Reserves of disposal group classified as held for sale	-	(6,969)
	<u>233,921</u>	<u>222,768</u>
Non-controlling interests	301	(42,112)
Total Equity	<u>234,222</u>	<u>180,656</u>
Total equity and liabilities	<u>684,687</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 year ended 31 December 2014

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue		525,444	336,168	1,915,179	1,581,980
Profit from operations		14,349	39,875	58,333	101,510
Gross interest income		2,766	1,945	7,156	8,546
Gross interest expense		(3,908)	(3,088)	(14,302)	(12,838)
Share of results of associates and joint ventures		(3,364)	(3,710)	(1,995)	(19,723)
Profit before exceptional items	5	9,843	35,022	49,192	77,495
Exceptional items	6	(4,200)	18,867	(4,200)	(6,876)
Profit before tax from continuing operations		5,643	53,889	44,992	70,619
Income tax expense	17	(6,146)	(4,503)	(22,332)	(22,800)
(Loss)/Profit from continuing operations, net of tax		(503)	49,386	22,660	47,819
Discontinued operations					
Loss from discontinued operations, net of tax	13	-	(26,209)	(32,630)	(36,844)
(Loss)/Profit net of tax		(503)	23,177	(9,970)	10,975
Attributable to:					
Owners of the Company		(511)	28,939	(9,865)	16,783
Non-controlling interests		8	(5,762)	(105)	(5,808)
		(503)	23,177	(9,970)	10,975
Earnings/(Loss) per share attributable to owners of the Company (sen):	25				
Basic/Diluted					
- from continuing operations		(0.5)	49.4	22.6	47.8
- from discontinued operations		-	(20.5)	(32.5)	(31.0)
		(0.5)	28.9	(9.9)	16.8
Proposed/Declared dividend per share (sen)	27	-	-	-	-
Net assets per share attributable to owners of the Company (RM)				As at end of current quarter	As at preceding financial year end
				2.34	2.23

The unaudited condensed consolidated income statement 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 COMPREHENSIVE INCOME

for the year ended 31 December 2014

Note	4 th Quarter 3 months ended		Year to Date 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
(Loss)/Profit net of tax	(503)	23,177	(9,970)	10,975
Items that will not be reclassified to profit or loss:				
Revaluation surplus on property, plant and equipment, net	3,743	1,300	3,743	1,300
Share of a joint venture's loss on remeasurement of retirement benefits obligation	-	-	(484)	-
	<u>3,743</u>	<u>1,300</u>	<u>3,259</u>	<u>1,300</u>
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	8,190	(28,634)	13,501	(29,968)
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	789	1,143	598	2,040
Net fair value changes on cash flow hedges	(2,952)	(373)	(3,270)	(1,278)
	<u>6,027</u>	<u>(27,864)</u>	<u>18,692</u>	<u>(29,206)</u>
Other comprehensive income for the period, net of tax	<u>9,770</u>	<u>(26,564)</u>	<u>21,951</u>	<u>(27,906)</u>
Total comprehensive income for the period	<u>9,267</u>	<u>(3,387)</u>	<u>11,981</u>	<u>(16,931)</u>
Total comprehensive income attributable to:				
Owners of the Company	9,259	2,796	11,153	(8,610)
Non-controlling interests	8	(6,183)	828	(8,321)
	<u>9,267</u>	<u>(3,387)</u>	<u>11,981</u>	<u>(16,931)</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 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 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	-	-
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 31 December 2014	234,222	233,921	100,000	76,372	24,666	(736)	2,259	(4,586)	-	35,946	301

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

for the year ended 31 December 2013

	Attributable to owners of the Company											
	←						→					Distributable
	Non - 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	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)	
Profit for the year	10,975	16,783	-	-	-	-	-	-	-	16,783	(5,808)	
Other comprehensive income	(27,906)	(25,393)	-	-	1,300	(27,455)	2,040	(1,278)	-	-	(2,513)	
Total comprehensive income	(16,931)	(8,610)	-	-	1,300	(27,455)	2,040	(1,278)	-	16,783	(8,321)	
Disposal of disposal group classified as held for sale	-	-	-	-	-	6,969	-	-	(6,969)	-	-	
At 31 December 2013	180,656	222,768	100,000	76,372	21,116	(14,198)	1,661	(1,316)	(6,969)	46,102	(42,112)	

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 year ended 31 December 2014

	Note	12 months ended	
		31.12.2014 RM'000	31.12.2013 RM'000
Operating cash flows before changes in working capital		83,735	104,179
Decrease/(Increase) in inventories		24,352	(111,994)
(Increase)/Decrease in receivables		(39,185)	99,963
Increase/(Decrease) in payables		1,269	(5,788)
(Decrease)/Increase in amount due to holding company		(43)	27
Increase in amount due to associates and joint ventures		48	11,375
Cash generated from operations		70,176	97,762
Income tax paid		(28,108)	(26,351)
Interest paid		(14,671)	(13,162)
Severance benefits paid		(5,910)	(1,164)
Net cash generated from operating activities		21,487	57,085
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		7,019	7,550
Net dividend received from an associate and a joint venture		29,343	17,271
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(5,049)	(1,144)
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 an investment security		-	3
Proceeds from disposal of property, plant and equipment		3	10
Proceeds from disposal of disposal group classified as held for sale, net of cash disposed	13(a)	558	-
Purchase of an investment security		-	(3,933)
Purchase of property, plant and equipment		(9,041)	(6,439)
Net cash generated from/(used in) investing activities		21,918	(17,209)
Financing activities			
Repayment of short term trade financing and other borrowings		(9,859)	(99,479)
Drawdown of term loan		-	55,581
Repayment of term loans		(19,731)	(27,753)
Net cash used in financing activities		(29,590)	(71,651)
Net increase/(decrease) in cash and cash equivalents		13,815	(31,775)
Effect of changes in foreign exchange rates		46	50
Cash and cash equivalents as at 1 January		103,075	134,800
Cash and cash equivalents as at 31 December		116,936	103,075
		2014	2013
Cash and bank balances comprise the following at 31 December:		RM'000	RM'000
Cash and short term deposits		116,936	103,018
Deposit of more than three months maturity with a licensed bank		1,375	1,329
		118,311	104,347
		2014	2013
Cash and cash equivalents comprise the following at 31 December:		RM'000	RM'000
Cash and short term deposits			
- Continuing operations		116,936	103,018
- Discontinued operation		-	57
		116,936	103,075

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.