

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

		As at 30.06.2015 Unaudited RM'000	As at 31.12.2014 Audited RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		87,869	88,465
Prepaid land lease payments		823	839
Base inventory		3,000	3,000
Intangible assets		8,397	8,868
Investment in associates and joint ventures		76,203	71,318
Investment securities		9,337	7,792
Other non-current assets		12,308	11,458
Other receivables		6,467	5,982
Deferred tax assets		7,868	3,981
		<u>212,272</u>	<u>201,703</u>
Current assets			
Inventories		267,242	253,952
Trade and other receivables		96,234	104,003
Other current assets		4,868	3,190
Tax recoverable		13,033	3,528
Cash, bank balances and deposits		113,616	118,311
		<u>494,993</u>	<u>482,984</u>
Total assets		<u>707,265</u>	<u>684,687</u>
Equity and liabilities			
Current liabilities			
Provisions		11,357	10,505
Borrowings	19	367,970	335,921
Trade and other payables		85,640	81,225
Current tax payable		24	25
Derivative financial instruments		5,327	5,661
		<u>470,318</u>	<u>433,337</u>
Net current assets		<u>24,675</u>	<u>49,647</u>
Non-current liabilities			
Provisions		10,531	10,350
Deferred tax liabilities		1,129	1,092
Borrowings		-	5,208
Derivative financial instruments		474	478
		<u>12,134</u>	<u>17,128</u>
Total liabilities		<u>482,452</u>	<u>450,465</u>
Net assets		<u>224,813</u>	<u>234,222</u>
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		29,993	21,603
Retained earnings		18,151	35,946
		<u>224,516</u>	<u>233,921</u>
Non-controlling interests		297	301
Total Equity		<u>224,813</u>	<u>234,222</u>
Total equity and liabilities		<u>707,265</u>	<u>684,687</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 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 period ended 30 June 2015

Note	← 2 nd Quarter →		← Year to Date →	
	3 months ended		6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Revenue	452,975	431,709	834,615	860,806
(Loss)/Profit from operations	(16,712)	6,145	(17,402)	32,324
Gross interest income	1,325	1,301	2,728	2,282
Gross interest expense	(3,464)	(3,236)	(6,835)	(6,332)
Share of results of associates and joint ventures	(380)	1,843	352	1,818
(Loss)/Profit before tax from continuing operations	5	(19,231)	6,053	(21,157)
Income tax expense	17	4,322	(5,759)	3,358
(Loss)/Profit from continuing operations, net of tax		(14,909)	294	(17,799)
Discontinued operations				
Loss from discontinued operations, net of tax		-	(29,128)	-
Loss net of tax		(14,909)	(28,834)	(17,799)
Attributable to:				
Owners of the Company		(14,907)	(28,791)	(17,795)
Non-controlling interests		(2)	(43)	(4)
		(14,909)	(28,834)	(17,799)
Loss per share attributable to owners of the Company (sen):	25			
Basic/Diluted				
- from continuing operations		(14.9)	0.3	(17.8)
- from discontinued operations		-	(29.1)	-
		(14.9)	(28.8)	(17.8)
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)			2.25	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 period ended 30 June 2015

Note	2 nd Quarter 3 months ended		Year to Date 6 months ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Loss net of tax	(14,909)	(28,834)	(17,799)	(14,198)
Items that will not be reclassified to profit or loss:				
Share of a joint venture's loss on remeasurement of retirement benefits obligation	-	(484)	-	(484)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	1,561	3,428	4,531	5,377
Realisation of foreign currency translation reserves to profit or loss upon sale of disposal group classified as held for sale	-	4,158	-	4,158
Realisation of foreign currency translation reserves to profit or loss upon sale of a subsidiary	-	3,705	-	3,705
Net fair value changes on available-for-sale investment securities	1,709	(1,956)	1,174	1,238
Net fair value changes on cash flow hedges	619	1,136	2,685	2,825
	<u>3,889</u>	<u>10,471</u>	<u>8,390</u>	<u>17,303</u>
Other comprehensive income for the period, net of tax	<u>3,889</u>	<u>9,987</u>	<u>8,390</u>	<u>16,819</u>
Total comprehensive income for the period	<u>(11,020)</u>	<u>(18,847)</u>	<u>(9,409)</u>	<u>2,621</u>
Total comprehensive income attributable to:				
Owners of the Company	(11,018)	(19,395)	(9,405)	1,811
Non-controlling interests	(2)	548	(4)	810
	<u>(11,020)</u>	<u>(18,847)</u>	<u>(9,409)</u>	<u>2,621</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 period ended 30 June 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 period	(17,799)	(17,795)	-	-	-	-	-	-	-	(17,795)	(4)
Other comprehensive income	8,390	8,390	-	-	-	4,531	1,174	2,685	-	-	-
Total comprehensive income	(9,409)	(9,405)	-	-	-	4,531	1,174	2,685	-	(17,795)	(4)
At 30 June 2015	224,813	224,516	100,000	76,372	24,666	3,795	3,433	(1,901)	-	18,151	297

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
for the period ended 30 June 2014

	Attributable to owners of the Company								Distributable		Non-controlling interests ("NCI") RM'000
	Non - 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	
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	(14,198)	(14,075)	-	-	-	-	-	-	-	(14,075)	(123)
Other comprehensive income	16,819	15,886	-	-	-	8,149	1,238	2,825	4,158	(484)	933
Total comprehensive income	2,621	1,811	-	-	-	8,149	1,238	2,825	4,158	(14,559)	810
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 June 2014	224,862	224,579	100,000	76,372	20,923	(8,860)	2,899	1,509	-	31,736	283

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 period ended 30 June 2015

	Note	6 months ended	
		30.06.2015 RM'000	30.06.2014 RM'000
Operating activities			
Operating cash flows before changes in working capital		28,447	48,881
(Increase)/Decrease in inventories		(47,444)	5,943
Decrease/(Increase) in receivables		13,452	(119,546)
Increase in payables		2,005	17,491
Increase/(Decrease) in amount due to holding company		4	(43)
Decrease in amount due to associates and joint ventures		(4,903)	(2,762)
Cash used in operations		(8,439)	(50,036)
Income tax paid		(11,217)	(11,253)
Interest paid		(7,313)	(7,566)
Severance benefits paid		-	(5,490)
Net cash used in operating activities		(26,969)	(74,345)
Investing activities			
Interest received		1,785	1,244
Net cash outflow on acquisition of a subsidiary		-	(228)
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		(1,363)	(1,589)
Payment for corporate club memberships		-	(215)
Payment for prepaid land lease payments		-	(200)
Proceeds from disposal of property, plant and equipment		12	-
Purchase of property, plant and equipment		(2,997)	(2,870)
Net cash (used in)/generated from investing activities		(2,563)	25,993
Financing activities			
Drawdown of short term trade financing and other borrowings		34,919	84,177
Repayment of term loans		(10,505)	(9,866)
Net cash generated from financing activities		24,414	74,311
Net (decrease)/increase in cash and cash equivalents		(5,118)	25,959
Effect of changes in foreign exchange rates		423	(37)
Cash and cash equivalents as at 1 January		116,936	103,075
Cash and cash equivalents as at 30 June		112,241	128,997
Cash and bank balances comprise the following at 30 June:			
Cash and short term deposits		112,241	128,997
Deposit of more than three months maturity with a licensed bank		1,375	1,329
		113,616	130,326

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.