

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2016

	As at 30.09.2016 Unaudited RM'000	As at 31.12.2015 Audited RM'000
Assets		
	Note	
Non-current assets		
Property, plant and equipment	94,526	98,893
Prepaid land lease payments	781	806
Base inventory	3,000	3,000
Intangible assets	7,233	7,930
Investment in associates and joint ventures	52,124	84,469
Investment securities	19,287	12,930
Other non-current assets	14,614	12,375
Other receivables	-	5,637
Deferred tax assets	2,827	2,099
	<u>194,392</u>	<u>228,139</u>
Current assets		
Inventories	325,426	269,115
Trade and other receivables	60,306	162,520
Other current assets	2,543	3,027
Tax recoverable	7,277	10,327
Cash, bank balances and deposits	62,451	133,874
	<u>458,003</u>	<u>578,863</u>
Total assets	<u>652,395</u>	<u>807,002</u>
Equity and liabilities		
Current liabilities		
Provisions	9,635	9,635
Borrowings	224,262	392,049
Trade and other payables	123,354	134,421
Current tax payable	1,583	185
Derivative financial instruments	2,074	10,064
	<u>360,908</u>	<u>546,354</u>
Net current assets	97,095	32,509
Non-current liabilities		
Provisions	18,540	18,000
Deferred tax liabilities	1,394	1,394
	<u>19,934</u>	<u>19,394</u>
Total liabilities	<u>380,842</u>	<u>565,748</u>
Net assets	271,553	241,254
Equity attributable to owners of the Company		
Share capital	100,000	100,000
Share premium	76,372	76,372
Other reserves	38,479	33,435
Retained earnings	56,407	31,151
	<u>271,258</u>	<u>240,958</u>
Non-controlling interest	295	296
Total Equity	<u>271,553</u>	<u>241,254</u>
Total equity and liabilities	<u>652,395</u>	<u>807,002</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 2015 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 September 2016

	Note	← 3 rd Quarter → 3 months ended		← Year to Date → 9 months ended	
		30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	B2	323,125	384,095	1,127,805	1,110,206
Profit from operations		17,860	29,216	82,545	11,814
Gross interest income		413	1,206	3,039	3,934
Gross interest expense		(2,203)	(2,780)	(9,169)	-9,615
Share of results of associates and joint ventures	B3	708	1,136	(29,819)	1,488
Profit before tax	B2	16,778	28,778	46,596	7,621
Income tax credit/(expense)	B4	520	(8,357)	(14,646)	-4,999
Profit net of tax		17,298	20,421	31,950	2,622
Attributable to:					
Owners of the Company		17,299	20,421	31,951	2,626
Non-controlling interest		(1)	-	(1)	(4)
		17,298	20,421	31,950	2,622
Earnings per share attributable to owners of the Company (sen):	B12				
Basic/Diluted		17.3	20.4	32.0	2.6
Proposed/Declared dividend per share (sen)	B14	-	-	-	-
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company (RM)				2.71	2.41

The unaudited condensed consolidated income statement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 September 2016

	3 rd Quarter		Year to Date	
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	17,298	20,421	31,950	2,622
Items that will not be reclassified to profit or loss:				
Net fair value changes in quoted shares at Fair Value through Other Comprehensive Income ("FVOCI")	578	-	4,831	-
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	(3)	(9)	2	(11)
Net fair value changes on available-for-sale investment securities	-	(242)	-	932
Net fair value changes on cash flow hedges	(1,549)	(15,408)	5,932	(12,723)
Share of foreign currency translation of a joint venture	1,635	9,182	(2,527)	13,715
	<u>83</u>	<u>(6,477)</u>	<u>3,407</u>	<u>1,913</u>
Other comprehensive income for the period, net of tax	661	(6,477)	8,238	1,913
Total comprehensive income for the period	<u>17,959</u>	<u>13,944</u>	<u>40,188</u>	<u>4,535</u>
Total comprehensive income attributable to:				
Owners of the Company	17,960	13,944	40,189	4,539
Non-controlling interest	(1)	-	(1)	(4)
	<u>17,959</u>	<u>13,944</u>	<u>40,188</u>	<u>4,535</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 2015 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 September 2016

Note	Total equity RM'000	Equity attributable to owners of the Company, total RM'000	Attributable to owners of the Company							Retained earnings RM'000	Non-controlling interest 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	FVOCI reserves RM'000	Hedging reserves RM'000		
At 1 January 2016 (as previously stated)	241,254	240,958	100,000	76,372	28,845	11,313	391	-	(7,114)	31,151	296
Effect of adoption of MFRS 9	(9,889)	(9,889)	-	-	-	-	(391)	(2,803)	-	(6,695)	-
At 1 January 2016 (as restated)	231,365	231,069	100,000	76,372	28,845	11,313	-	(2,803)	(7,114)	24,456	296
Profit/(Loss) for the period	31,950	31,951	-	-	-	-	-	-	-	31,951	(1)
Other comprehensive income	8,238	8,238	-	-	-	(2,525)	-	4,831	5,932	-	-
Total comprehensive income	40,188	40,189	-	-	-	(2,525)	-	4,831	5,932	31,951	(1)
At 30 September 2016	271,553	271,258	100,000	76,372	28,845	8,788	-	2,028	(1,182)	56,407	295

(Tempatan 43072 -A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
for the period ended 30 September 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	AFS reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interest RM'000
At 1 January 2015	234,222	233,921	100,000	76,372	24,666	(736)	2,259	-	(4,586)	35,946	301
Profit/(Loss) for the period	2,622	2,626	-	-	-	-	-	-	-	2,626	(4)
Other comprehensive income	1,913	1,913	-	-	-	13,704	932	-	(12,723)	-	-
Total comprehensive income	4,535	4,539	-	-	-	13,704	932	-	(12,723)	2,626	(4)
At 30 September 2015	238,757	238,460	100,000	76,372	24,666	12,968	3,191	-	(17,309)	38,572	297

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 2015 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 2016

	9 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Operating activities		
Operating cash flows before changes in working capital	72,911	30,538
Increase in inventories	(38,911)	(40,467)
Decrease in receivables	93,574	2,560
(Decrease)/Increase in payables	(9,957)	69,556
Decrease in amount due to holding company	(9)	(6)
Decrease/(Increase) in amount due from associates and joint ventures	2,498	(1,216)
Cash generated from operations	120,106	60,965
Income tax paid	(13,316)	(11,929)
Interest paid	(8,224)	(9,765)
Net cash generated from operating activities	98,566	39,271
Investing activities		
Interest received	2,764	3,484
Payment for deferred mine exploration and evaluation expenditures and mine properties	(2,990)	(1,830)
Withdrawal of deposits of more than three months maturity with licensed banks	3,234	-
Proceeds from disposal of property, plant and equipment	84	12
Purchase of an investment security	-	(7,925)
Purchase of property, plant and equipment	(2,391)	(3,742)
Net cash generated from/(used in) investing activities	701	(10,001)
Financing activities		
Repayment of short term trade financing and other borrowings	(161,487)	(9,975)
Repayment of term loans	(6,011)	(15,757)
Net cash used in financing activities	(167,498)	(25,732)
Net (decrease)/increase in cash and cash equivalents	(68,231)	3,538
Effect of changes in foreign exchange rates	1	28
Cash and cash equivalents as at 1 January	127,191	116,936
Cash and cash equivalents as at 30 September	58,961	120,502
	2016	2015
Cash and bank balances comprise the following at 30 September:	RM'000	RM'000
Cash and short term deposits	58,961	120,502
Deposits of more than three months maturity with licensed banks	3,490	1,423
	62,451	121,925

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 2015 and the accompanying explanatory notes attached to the interim financial statements.