

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 December 2016

	As at 31.12.2016 Unaudited RM'000	As at 31.12.2015 Audited RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	154,615	98,893
Prepaid land lease payments	773	806
Base inventory	3,000	3,000
Intangible assets	6,995	7,930
Investment in associates and joint ventures	37,336	84,469
Investment securities	23,423	12,930
Other non-current assets	15,025	12,375
Other receivables	-	5,637
Deferred tax assets	3,986	2,099
	245,153	228,139
<b>Current assets</b>		
Inventories	369,677	269,115
Trade and other receivables	43,702	58,657
Trade prepayments	42,316	103,863
Other current assets	3,352	3,027
Tax recoverable	11,144	10,327
Cash, bank balances and deposits	80,391	133,874
	550,582	578,863
<b>Total assets</b>	795,735	807,002
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Provisions	9,635	9,635
Borrowings	289,187	392,049
Trade and other payables	126,582	134,421
Current tax payable	5,338	185
Derivative financial instruments	2,676	10,064
	433,418	546,354
<b>Net current assets</b>	117,164	32,509
<b>Non-current liabilities</b>		
Provisions	26,728	18,000
Deferred tax liabilities	1,959	1,394
Borrowings	50,282	-
Derivative financial instruments	847	-
	79,816	19,394
<b>Total liabilities</b>	513,234	565,748
<b>Net assets</b>	282,501	241,254
<b>Equity attributable to owners of the Company</b>		
Share capital	100,000	100,000
Share premium	76,372	76,372
Other reserves	38,383	33,435
Retained earnings	67,452	31,151
	282,207	240,958
<b>Non-controlling interest</b>	294	296
<b>Total Equity</b>	282,501	241,254
<b>Total equity and liabilities</b>	795,735	807,002

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.

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

for the year ended 31 December 2016

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
<b>Revenue</b>		350,136	354,649	1,477,941	1,464,855
(Loss)/Profit from operations		(21,058)	(1,364)	61,487	10,450
Gross interest income		454	779	3,493	4,713
Gross interest expense		(2,761)	(3,993)	(11,930)	(13,608)
Share of results of associates and joint ventures	<b>B3</b>	29,730	195	(89)	1,683
<b>Profit/(Loss) before tax</b>	<b>B2</b>	6,365	(4,383)	52,961	3,238
Income tax expense	<b>B4</b>	(865)	(3,039)	(15,511)	(8,038)
<b>Profit/(Loss) net of tax</b>		5,500	(7,422)	37,450	(4,800)
<b>Attributable to:</b>					
Owners of the Company		5,501	(7,421)	37,452	(4,795)
Non-controlling interest		(1)	(1)	(2)	(5)
		5,500	(7,422)	37,450	(4,800)
<b>Earnings/(Loss) per share attributable to owners of the Company (sen):</b>	<b>B12</b>				
Basic/Diluted		5.5	(7.4)	37.5	(4.8)
Proposed/Declared dividend per share ( sen )	<b>B14</b>	8.0	-	8.0	-
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company ( RM )				2.82	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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2016

	<b>4 th Quarter</b>		<b>Year to Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(Loss) net of tax</b>	5,500	(7,422)	37,450	(4,800)
<b>Items that will not be reclassified to profit or loss:</b>				
Revaluation surplus on property, plant and equipment, net	2,881	4,179	2,881	4,179
Net fair value changes in quoted shares at Fair Value through Other Comprehensive Income ("FVOCI")	3,143	-	7,974	-
	<u>6,024</u>	<u>4,179</u>	<u>10,855</u>	<u>4,179</u>
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(3)	3	(1)	(8)
Net fair value changes on available-for-sale investment securities	-	(2,800)	-	(1,868)
Net fair value changes on cash flow hedges	(538)	10,195	5,394	(2,528)
Share of foreign currency translation of associates and joint ventures	(5,579)	(1,658)	(8,106)	12,057
	<u>(6,120)</u>	<u>5,740</u>	<u>(2,713)</u>	<u>7,653</u>
<b>Other comprehensive income for the year, net of tax</b>	(96)	9,919	8,142	11,832
<b>Total comprehensive income for the year</b>	<u>5,404</u>	<u>2,497</u>	<u>45,592</u>	<u>7,032</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	5,405	2,498	45,594	7,037
Non-controlling interest	(1)	(1)	(2)	(5)
	<u>5,404</u>	<u>2,497</u>	<u>45,592</u>	<u>7,032</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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016

Note	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	FVOCI reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interest RM'000
<b>At 1 January 2016 (as previously stated)</b>	241,254	240,958	100,000	76,372	28,845	11,313	391	-	(7,114)	31,151	296
Effect of adoption of MFRS 9	(4,345)	(4,345)	-	-	-	-	(391)	(2,803)	-	(1,151)	-
<b>At 1 January 2016 (as restated)</b>	236,909	236,613	100,000	76,372	28,845	11,313	-	(2,803)	(7,114)	30,000	296
Profit/(Loss) for the year	37,450	37,452	-	-	-	-	-	-	-	37,452	(2)
Other comprehensive income	8,142	8,142	-	-	2,881	(8,107)	-	7,974	5,394	-	-
Total comprehensive income	45,592	45,594	-	-	2,881	(8,107)	-	7,974	5,394	37,452	(2)
<b>At 31 December 2016</b>	282,501	282,207	100,000	76,372	31,726	3,206	-	5,171	(1,720)	67,452	294

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**  
for the year ended 31 December 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	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interest RM'000
<b>At 1 January 2015</b>	234,222	233,921	100,000	76,372	24,666	(736)	2,259	(4,586)	35,946	301
Loss for the year	(4,800)	(4,795)	-	-	-	-	-	-	(4,795)	(5)
Other comprehensive income	11,832	11,832	-	-	4,179	12,049	(1,868)	(2,528)	-	-
Total comprehensive income	7,032	7,037	-	-	4,179	12,049	(1,868)	(2,528)	(4,795)	(5)
<b>At 31 December 2015</b>	<b>241,254</b>	<b>240,958</b>	<b>100,000</b>	<b>76,372</b>	<b>28,845</b>	<b>11,313</b>	<b>391</b>	<b>(7,114)</b>	<b>31,151</b>	<b>296</b>

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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 31 December 2016

	<b>12 months ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Operating cash flows before changes in working capital	66,879	47,202
Increase in inventories	(83,162)	(29,363)
Decrease/(Increase) in receivables	58,634	(54,974)
Increase in payables	35,067	42,992
Increase in amount due to holding company	611	-
Decrease/(Increase) in amount due from associates and joint ventures	3,277	(2,595)
<b>Cash generated from operations</b>	<b>81,306</b>	<b>3,262</b>
Income tax paid	(15,940)	(11,745)
Interest paid	(10,825)	(14,480)
<b>Net cash generated from/(used in) operating activities</b>	<b>54,541</b>	<b>(22,963)</b>
<b>Investing activities</b>		
Interest received	3,102	4,166
Net dividend received from associates and joint ventures	9	9
Payment for deferred mine exploration and evaluation expenditures and mine properties	(3,657)	(1,935)
Withdrawal/(Placement) of deposits of more than three months maturity with licensed banks	3,234	(5,234)
Proceeds from disposal of property, plant and equipment	84	12
Purchase of an investment security	-	(7,925)
Purchase of property, plant and equipment	(53,751)	(5,692)
<b>Net cash used in investing activities</b>	<b>(50,979)</b>	<b>(16,599)</b>
<b>Financing activities</b>		
(Repayment)/Drawdown of short term trade financing and other borrowings	(97,361)	70,843
Drawdown of term loan	49,993	-
Repayment of term loan	(6,011)	(21,009)
<b>Net cash (used in)/generated from financing activities</b>	<b>(53,379)</b>	<b>49,834</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(49,817)</b>	<b>10,272</b>
Effect of changes in foreign exchange rates	(501)	(17)
<b>Cash and cash equivalents as at 1 January</b>	<b>127,191</b>	<b>116,936</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>76,873</b>	<b>127,191</b>
	<b>2016</b>	<b>2015</b>
<b>Cash and bank balances comprise the following at 31 December:</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short term deposits	76,873	127,191
Deposits of more than three months maturity with licensed banks	3,518	6,683
	<b>80,391</b>	<b>133,874</b>

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.