

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 March 2015

	As at 31.03.2015 Unaudited RM'000	As at 31.12.2014 Audited RM'000
<b>Assets</b>		
	<b>Note</b>	
<b>Non-current assets</b>		
Property, plant and equipment	88,448	88,465
Prepaid land lease payments	831	839
Base inventory	3,000	3,000
Intangible assets	8,631	8,868
Investment in associates and joint ventures	75,021	71,318
Investment securities	7,087	7,792
Other non-current assets	11,782	11,458
Other receivables	6,349	5,982
Deferred tax assets	4,256	3,981
Derivative financial instruments	53	-
	<u>205,458</u>	<u>201,703</u>
<b>Current assets</b>		
Inventories	264,847	253,952
Trade and other receivables	107,571	104,003
Other current assets	4,428	3,190
Tax recoverable	8,074	3,528
Cash, bank balances and deposits	99,650	118,311
	<u>484,570</u>	<u>482,984</u>
<b>Total assets</b>	<u>690,028</u>	<u>684,687</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Provisions	11,150	10,505
Borrowings	337,068	335,921
Trade and other payables	88,005	81,225
Current tax payable	19	25
Derivative financial instruments	6,387	5,661
	<u>442,629</u>	<u>433,337</u>
<b>Net current assets/(liabilities)</b>	<u>41,941</u>	<u>49,647</u>
<b>Non-current liabilities</b>		
Provisions	10,441	10,350
Deferred tax liabilities	1,125	1,092
Borrowings	-	5,208
Derivative financial instruments	-	478
	<u>11,566</u>	<u>17,128</u>
<b>Total liabilities</b>	<u>454,195</u>	<u>450,465</u>
<b>Net assets</b>	<u>235,833</u>	<u>234,222</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	100,000	100,000
Share premium	76,372	76,372
Other reserves	26,104	21,603
Retained earnings	33,058	35,946
	<u>235,534</u>	<u>233,921</u>
<b>Non-controlling interests</b>	299	301
<b>Total Equity</b>	<u>235,833</u>	<u>234,222</u>
<b>Total equity and liabilities</b>	<u>690,028</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 31 March 2015

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000 (Note)	31.03.2015 RM'000	31.03.2014 RM'000 (Note)
<b>Revenue</b>		381,640	429,097	381,640	429,097
(Loss)/Profit from operations		(690)	26,179	(690)	26,179
Gross interest income		1,403	981	1,403	981
Gross interest expense		(3,371)	(3,096)	(3,371)	(3,096)
Share of results of associates and joint ventures		732	(25)	732	(25)
<b>(Loss)/Profit before tax from continuing operations</b>	<b>5</b>	(1,926)	24,039	(1,926)	24,039
Income tax expense	<b>17</b>	(964)	(5,901)	(964)	(5,901)
<b>(Loss)/Profit from continuing operations, net of tax</b>		(2,890)	18,138	(2,890)	18,138
<b>Discontinued operations</b>					
Loss from discontinued operations, net of tax		-	(3,502)	-	(3,502)
<b>(Loss)/Profit net of tax</b>		(2,890)	14,636	(2,890)	14,636
<b>Attributable to:</b>					
Owners of the Company		(2,888)	14,716	(2,888)	14,716
Non-controlling interests		(2)	(80)	(2)	(80)
		(2,890)	14,636	(2,890)	14,636
<b>(Loss)/Earnings per share attributable to owners of the Company (sen):</b>	<b>25</b>				
Basic/Diluted					
- from continuing operations		(2.9)	18.1	(2.9)	18.1
- from discontinued operations		-	(3.4)	-	(3.4)
		(2.9)	14.7	(2.9)	14.7
Proposed/Declared dividend per share ( sen )	<b>27</b>	-	-	-	-
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company ( RM )				2.36	2.34

Note - Comparative numbers have been changed to present the performance of continuing operations and discontinued operations.

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 31 March 2015

Note	1 st Quarter 3 months ended		Year to Date 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
(Loss)/Profit net of tax	(2,890)	14,636	(2,890)	14,636
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	2,970	1,949	2,970	1,949
Net fair value changes in available-for-sale investment securities	(535)	3,194	(535)	3,194
Net fair value changes on cash flow hedges	2,066	1,689	2,066	1,689
Other comprehensive income for the period, net of tax	4,501	6,832	4,501	6,832
Total comprehensive income for the period	1,611	21,468	1,611	21,468
Total comprehensive income attributable to:				
Owners of the Company	1,613	21,206	1,613	21,206
Non-controlling interests	(2)	262	(2)	262
	1,611	21,468	1,611	21,468

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period ended 31 March 2015

	Attributable to owners of the Company										301
	← Non - Distributable					→ Distributable					
	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	
<b>At 1 January 2015</b>	234,222	100,000	76,372	24,666	(736)	2,259	(4,586)	-	35,946	-	301
Loss for the period	(2,890)	-	-	-	-	-	-	-	(2,888)	-	(2)
Other comprehensive income	4,501	-	-	-	2,970	(535)	2,066	-	-	-	-
Total comprehensive income	1,611	-	-	-	2,970	(535)	2,066	-	(2,888)	-	(2)
<b>At 31 March 2015</b>	<b>235,833</b>	<b>100,000</b>	<b>76,372</b>	<b>24,666</b>	<b>2,234</b>	<b>1,724</b>	<b>(2,520)</b>	<b>-</b>	<b>33,058</b>	<b>-</b>	<b>299</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**  
for the period ended 31 March 2014

	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	Reserves of disposal group classified as held for sale RM'000	Retained earnings RM'000	Non-controlling interests RM'000
<b>At 1 January 2014</b>	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 period	14,636	14,716	-	-	-	-	-	-	-	14,716	(80)
Other comprehensive income	6,832	6,490	-	-	-	1,607	3,194	1,689	-	-	342
Total comprehensive income	21,468	21,206	-	-	-	1,607	3,194	1,689	-	14,716	262
Reserve of disposal group classified as held for sale	-	-	-	-	-	(1,015)	-	-	1,015	-	-
<b>At 31 March 2014</b>	<b>202,124</b>	<b>243,974</b>	<b>100,000</b>	<b>76,372</b>	<b>21,116</b>	<b>(13,606)</b>	<b>4,855</b>	<b>373</b>	<b>(5,954)</b>	<b>60,818</b>	<b>(41,850)</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 2014 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 31 March 2015

	Note	3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000
<b>Operating activities</b>			
Operating cash flows before changes in working capital		21,146	24,874
(Increase)/Decrease in inventories		(23,599)	36,448
Increase in receivables		(1,460)	(74,432)
Increase in payables		4,488	930
Decrease in amount due to associates and joint ventures		(2,300)	(648)
<b>Cash used in operations</b>		<b>(1,725)</b>	<b>(12,828)</b>
Income tax paid		(6,240)	(5,822)
Interest paid		(3,329)	(3,318)
<b>Net cash used in operating activities</b>		<b>(11,294)</b>	<b>(21,968)</b>
<b>Investing activities</b>			
Interest received		945	456
Net dividend received from associates and joint ventures		-	9,920
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(585)	(660)
Payment for prepaid land lease payments		-	(200)
Proceeds from disposal of property, plant and equipment		12	-
Purchase of property, plant and equipment		(1,651)	(993)
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,279)</b>	<b>8,523</b>
<b>Financing activities</b>			
(Repayment)/Drawdown of short term trade financing and other borrowings		(844)	7,471
Repayment of term loans		(5,252)	(4,933)
<b>Net cash (used in)/generated from financing activities</b>		<b>(6,096)</b>	<b>2,538</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(18,669)</b>	<b>(10,907)</b>
Effect of changes in foreign exchange rates		8	(136)
<b>Cash and cash equivalents as at 1 January</b>		<b>116,936</b>	<b>103,075</b>
<b>Cash and cash equivalents as at 31 March</b>		<b>98,275</b>	<b>92,032</b>
<b>Cash and bank balances comprise the following at 31 March:</b>			
		<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Cash and short term deposits		98,275	91,837
Deposit of more than three months maturity with a licensed bank		1,375	1,329
		<b>99,650</b>	<b>93,166</b>
<b>Cash and cash equivalents comprise the following at 31 March:</b>			
		<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Cash and short term deposits			
- Continuing operations		98,275	91,837
- Discontinued operation		-	195
		<b>98,275</b>	<b>92,032</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 2014 and the accompanying explanatory notes attached to the interim financial statements.